Bill of Rights in Action

CELEBRATING 50 YEARS

Constitutional Rights Foundation

SUMMER 2012 Volume 27 № 4

FDR AND THE BANKS

THE U.S. BANKING SYSTEM HAD COLLAPSED WHEN FRANKLIN D. ROOSEVELT (FDR) WAS INAUGURATED PRESIDENT IN 1933. FDR AND CONGRESS MOVED QUICKLY TO RESTORE PUBLIC CONFIDENCE IN THE BANKS. THEN THEY ENACTED MAJOR BANKING REFORMS.

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ANXIOUS DEPOSITORS MILLED outside a bank early in the Great Depression.

After the stock market crash in 1929, economic conditions in the U.S. worsened into a deep depression. Industrial production slowed steadily, stock prices continued to fall, and unemployment went from 4 percent in 1929 to 25 percent by 1933.

Economists have explained a number of causes for what became known as the Great Depression. One is how the banking system operated.

Banking System

The banking system consisted of privately owned banks chartered by states or the federal government. Most banking regulation was done by the states, but the federal government also operated the Federal Reserve System, commonly called "the Fed." All federally chartered banks had to be members of the Fed.

The Fed was governed by 12 Federal Reserve Banks in different regions of the country and a Federal Reserve Board in Washington. Created by Congress in 1913, the Fed's role was to stabilize the banking system, which had been plagued by numerous bank panics in the 19th and early 20th century.

Bank panics could occur when depositors believed a bank was in financial trouble. They might hear that the bank had made bad investments, or a rumor might circulate that bank employees had embezzled funds. In a panic, depositors rushed to the bank to demand money from their accounts. Banks had some money on hand, but most of their money was invested or lent to others. Thus even a sound bank might have trouble paying its depositors in a panic. A bank might try to borrow from another bank, but other banks might turn it down. Once a panic began in one bank, it could easily spread to others, as people grew unsure about the banking system. If a bank closed, this would be a disaster ➤

FACING CRISES

This edition of *Bill of Rights in Action* examines crises – past and present. The first article explores the banking crisis, not the recent one, but the one in the 1930s. The second article examines the Munich agreement, made in the face of the threat of Nazi Germany. The last article looks at our current unemployment crisis and the prospect for future jobs in the U.S.

U.S. History: FDR and the Banks
World History: Munich and "Appeasement"
Current Issue: Unemployment and the Future of Jobs in America

Guest writer Lucy Eisenberg, Esq., contributed the article on Munich. Our longtime contributor Carlton Martz wrote the other two articles.

for its depositors since no national system of deposit insurance existed as it does today. Depositors would lose all the money in their accounts.

One purpose of the Fed was to serve as the "lender of last resort." It was a kind of bankers' bank, lending money to federally chartered banks in an emergency, such as a bank panic.

Another purpose of the Federal Reserve System was to make sure that private banks chartered by the federal government had enough currency (gold coins and paper money) to meet the needs of commerce. The Fed did this by regulating interest rates on borrowing to keep the money supply stable.

Fed's Actions in the Crisis

In 1931 in the midst of the Great Depression, the Fed acted to increase interest rates on savings accounts. The Fed wanted to encourage bank depositors to keep their money in banks and earn interest. Many depositors had been demanding their money back in gold.

The United States was on the gold standard. By law, paper money was backed by gold. The Treasury Department could only print money if the banking system could back it with gold. If depositors took gold out of the banks and hoarded it, the paper money supply would eventually shrink, depressing economic activity.

By raising interest rates, the Fed affected consumer borrowing. Higher rates meant tighter credit and fewer people could qualify for loans, which further reduced the amount of money in circulation.

Although designed as the "lender of last resort" for banks, the Fed was designed mainly to keep the big Wall Street banks stable. Almost all the bank panics in the past had occurred in New York City. Thus when banks began failing outside New York, the Fed failed to loan money to help the troubled banks. The Fed concluded it could stop the banking crisis by just making loans to the Wall Street banks. This policy worked on Wall Street, but banks continued to fail all over the country. Since many of these banks were not members of the Federal Reserve System, the Fed leaders believed they had no responsibility to help them.

More than 5,000 banks closed their doors between 1930 and 1932. As a result, public confidence in the banking system vanished.

The Banking Crisis of 1933

In 1932, President Herbert Hoover, a Republican, established the Reconstruction Finance Corporation (RFC). This was a government agency set up to make loans to all banks in trouble whether they were members of the Federal Reserve or not.

During the first months of 1933, however, increasing numbers of bank depositors withdrew and hoarded paper currency and gold. More banks failed at a faster rate than the RFC could save.

Roosevelt realized what Hoover and many others failed to see: The banking crisis was mainly about people's lack of confidence in the banks.

In early February, officials from the Hoover administration appealed to Henry Ford to lend $7.5 million to a large Detroit bank where he was a major shareholder. Ford refused. Hoover's officials, the RFC, and the Fed argued over who should step up to save the bank. None of them did, and the bank failed.

The governor of Michigan then ordered a state "bank holiday," closing all the banks in his state. This prevented depositors from withdrawing their money. It was a drastic way to prevent banks from collapsing.

Several states had already closed their banks, and the Michigan bank holiday stampeded many other states to do the same. The states acted in their own interests, ignoring how their bank closures would affect the rest of the country. By the time Democrat Franklin D. Roosevelt was inaugurated president in March 1933, every state in the nation had declared some form of bank holiday.

Between January and March 1933, more than 4,000 banks throughout the nation failed. Many were small banks, often in farm areas, that were not members of the Federal Reserve. But even the Wall Street banks, kept afloat by loans from the Federal Reserve, were in danger due to the banking panic that gripped the entire nation.

The Federal Bank Holiday

President Hoover had considered declaring a bank holiday to put the process of reopening the banks in federal hands. He doubted, however, that he had the legal authority to do this, so he did not act.

Two days after Roosevelt was inaugurated president on March 4, he issued a proclamation that declared a federal bank holiday. The proclamation also put the federal government in charge of reopening the banks.

The state and federal bank holidays had harsh consequences for most people. They could not cash checks or get money from their bank accounts. Some had trouble buying food and other necessities. Others resorted to writing IOUs or bartering goods.

FDR justified his action as necessary to stop future massive bank withdrawals and hoarding of currency and gold. If this were allowed to continue, the circulation of money would stall, further crippling the economy.

Three days after his proclamation, FDR sent to Congress the Emergency Banking Act. This act had been mainly drafted by Hoover administration officials, who had prepared a blueprint for closing and reopening the banks that the former president never used.

The act laid out a schedule for reopening the nation's banks after Treasury Department examiners evaluated their soundness. Strong banks would open quickly. Weakened banks would

receive loans and shipments of Federal Reserve Notes (paper currency). Insolvent banks would be permanently closed. The act also barred the export of gold to foreign countries.

In one day, the solidly Democratic Congress passed the Emergency Banking Act, and FDR signed it. This first New Deal law legalized Roosevelt's proclamation and gave him unheard of authority over the nation's privately owned banking system.

The First 'Fireside Chat'

Roosevelt realized what Hoover and many others failed to see: The banking crisis was mainly about people's lack of confidence in the banks.

To restore their confidence, FDR decided to speak to the people directly over the radio.

On March 12 at 10 p.m., Roosevelt spoke live from the White House to an estimated 40 million Americans across the country. A radio announcer introduced him: "The president wants to come into your home and sit at your fireside for a little fireside chat."

"My friends," the president began, "I want to talk for a few minutes with the people of the United States about banking. . . ." He adopted a conversational tone and spoke in plain language aimed at average Americans. He told them that he wanted to explain what had been done, why it was done, and what the next steps would be to end the banking crisis.

Roosevelt explained the banking system in five sentences. He pointed out that "when you deposit money in a bank, the bank does not put the money into a safe deposit vault." Instead, he said, ". . . the bank puts your money to work to keep the wheels of industry and of agriculture turning around."

He described how rushes on banks to withdraw cash or gold were caused by the "undermined confidence" of the public. He then gave his reasons for declaring a bank holiday and how the reopening of the banks would work.

He promised that banks with "good assets" would reopen immediately, and most of the others as soon as they had been strengthened. He said, "I can assure you, my friends, that it is safer to keep your money in a reopened bank than it is to keep it under the mattress."

Library of Congress

FDR AND PRESIDENT HOOVER rode together to Roosevelt's first inauguration on March 4, 1933.

He agreed that some bankers were incompetent or dishonest and had used depositors' money for risky speculation and unwise loans. But, he continued, this was not true about the large majority of banks.

"And so," he said, "it became the government's job to straighten out this situation and do it quickly." He cautioned that a few banks may never reopen, and some individuals may lose their money.

Roosevelt concluded by appealing to the American people to have confidence again in the banking system:

> We have provided the machinery to restore our financial system, it is up to you to support and make it work. It is your problem no less than it is mine. Together we cannot fail.

In response to Roosevelt's first Fireside Chat, tens of thousands of letters arrived at the White House. Most expressed appreciation for Roosevelt's frank and confidence-building speech.

When the first banks reopened, long lines of people formed outside them. These people were not withdrawing their money; they were depositing their hoarded cash and gold. The Treasury Department had planned a massive printing of Federal Reserve Notes to meet the banks' need for cash, but the printing was not needed since so many voluntary deposits flowed back into the banks.

On March 14, the *Wall Street Journal* headline proclaimed, "Confidence Back as Banks Reopen." By the end of the year, most banks were operating again and proved to be solvent or nearly so. Only 5 percent of the banks were closed permanently due to insolvency.

Separating Commercial and Investment Banks

Public hostility toward all bankers was high in 1933. Many called bankers "banksters," after Al Capone and other well-known gangsters of the time.

Congress held hearings on "bad banking" practices. The hearings turned up evidence that some banks had used depositors' money to speculate in stocks and other risky deals to increase bank profits.

Senator Carter Glass (D-Va.) became the chief critic of these practices. Glass believed that banks should not be collecting deposits from people and speculating in the stock market with their money. He sponsored a bill, backed by FDR, that required banks to choose their form of banking. Banks could be commercial (checking, savings, and loans) or investment (stocks, bonds, and financing).

Glass argued that bankers should not put their customers' money in danger through risky investment schemes. In fact, Glass blamed the Great Depression on the intermingling of commercial and investment banking.

While bankers had applauded FDR's federal bank holiday, they ➤

strongly opposed his support of the bill to separate commercial and investment banking. They complained that this would hinder raising capital needed to get the economy moving again.

Wall Street banker Jack Morgan, son of the founder of J.P. Morgan & Co., bitterly opposed FDR. Morgan called him the "crazy man in charge." But public opinion opposed the bankers.

The Glass bill prohibited commercial banks from buying and selling stocks and bonds or engaging in most other investment activities. Only investment banks could fully do these things. Investment banks, however, could not receive deposits for checking and savings accounts.

Insuring Bank Deposits

Between 1930 and 1933, depositors lost more than $6 billion when almost 10,000 banks failed. In 1933, Rep. Henry Steagall (D-Ala.) championed a federal insurance program to protect the money people deposited in their banks. Deposit insurance, Steagall argued, would also stop the panic withdrawals of currency and gold that had plagued the banking system for over a century.

At first, FDR strongly opposed federal deposit insurance. He feared that the premiums banks would have to pay into an insurance fund would cripple them. He also worried that if the banks' insurance fund had been used up, the government would be stuck with compensating insured depositors.

Another argument against federal deposit insurance was that it would encourage bankers to act *more* recklessly. This would happen, the argument went, because the government guaranteed a bank's depositors their money even if the banker made risky loans that caused the bank to fail.

Economists call this situation an example of a "moral hazard." This occurs when people or organizations are protected from the bad consequences of their risky or unwise actions. In effect, they are saved or bailed out. Thus, they may be encouraged to take a chance on repeating the same actions in the future.

Despite Roosevelt's opposition, popular support for federal deposit insurance was overwhelming. Rep. Steagall introduced a bill that created the Federal Deposit Insurance Corporation (FDIC).

FDR Library and Museun

MANY TIMES DURING HIS presidency, FDR addressed the nation on radio in what came to be known as "fireside chats."

The Steagall bill insured deposits up to $2,500. Any solvent bank (including state chartered banks) could join the FDIC. Member banks paid a small percent of their insurable deposits into a common fund from which payouts would be made to reimburse depositors for their losses in failed banks.

The bill by Sen. Glass separating commercial and investment banks and the one by Rep. Steagall insuring bank deposits were combined into the Banking Act of 1933. This is frequently called the Glass-Steagall Act, which FDR signed on June 16.

Banking Reforms Continued

The Banking Act of 1933 gave the Fed more tools to control the money supply and set interest rates on borrowing by banks, which affect consumer loan rates. These measures were designed to keep the money supply and prices stable.

Bankers continued to argue that separating their commercial and investment functions limited their ability to finance economic growth. Some scholars produced studies showing that banking abuses in the 1930s were overblown by Congress. Over the years, the Glass-Steagall Act was modified to allow certain kinds of investment banking by commercial banks.

In 1999, a Republican Congress and Democratic president, Bill Clinton, repealed two key sections of the Glass-Steagall Act. This repeal eliminated most of the remaining barriers that stopped commercial banks from engaging in investment activities.

After the financial crash in 2008, however, some economists and politicians claimed the repeal of the Glass-Steagall provisions had led to a return to high-risk speculation by large commercial banks. As a result, the banks faced failure and had to be bailed out by the U.S. government.

Others rejected this view. They argued that the mortgage investment products that brought on the financial crisis were never regulated by the Glass-Steagall Act or were allowed before the 1999 repeal took place.

Instead of restoring the Glass-Steagall regulations, Congress enacted a new rule that limited commercial banks' trading in stocks and other investments for their own short-term profit.

The Federal Deposit Insurance Corporation has been the least controversial of FDR's big banking reforms. His fears about federal deposit insurance were never fulfilled. Today, the FDIC insures deposits up to $250,000 (one account per bank). During the Great Recession from 2008 to 2011, the FDIC managed the closing of about 400 banks and made sure that depositors did not lose a penny from their insured accounts.

For Discussion and Writing

1. What did FDR believe was the main cause of the banking crisis in 1933? How did he try to solve this problem? Do you think he succeeded? Explain.
2. Why did Congress and FDR separate commercial and investment banks?
3. What is a "moral hazard"? What is the possible moral hazard of federal deposit insurance? Even with a moral hazard, do you agree the Federal Deposit Insurance Corporation is still a good idea? Why or why not?

For Further Reading

Alter, Jonathan. *The Defining Moment: FDR's Hundred Days and the Triumph of Hope.* New York: Simon & Schuster, 2006.

Kiewe, Amos. *FDR's First Fireside Chat: Public Confidence and the Banking Crisis.* College Station, Texas: Texas A & M University Press, 2007.

ACTIVITY

Moral Hazards

The existence of a possible moral hazard does not mean an action should never be undertaken. It does mean that one should balance the good of the action against the possible dangers or unintended consequences.

Meet in small groups to evaluate the following government actions. First, identify one or more possible moral hazards in the action. Second, decide if you agree with the government action despite the moral hazard(s) involved. Finally, explain your decisions to the rest of the class.

Government Actions

1. To prevent the collapse of the U.S. banking system, the government makes loans to big banks that invested heavily in packages of carelessly approved home mortgages.
2. Congress passes a law that reduces the principal on mortgages of homeowners when the current market value of the home is much less than they owe (so-called "underwater mortgages").
3. The government makes loans to poorly managed auto companies to keep the industry alive in the U.S. and to save jobs.
4. Congress extends unemployment insurance payments to those who have been out of work for more than six months.

Standards Addressed

FDR and the Banks

National U. S. History High School Standard 24: Understands how the New Deal addressed the Great Depression, transformed American federalism, and initiated the welfare state. (1) Understands the first and second New Deals . . . . (5) Understands the significance and ideology of FDR and the New Deal (e.g., . . . how the New Deal changed the relationship between state and federal government)

National Economics High School Standard 8: Understands basic concepts of United States fiscal policy and monetary policy. (5) Knows that monetary policy refers to actions by the Federal Reserve System that lead to changes in the amount of money in circulation and the availability of credit in the financial system. (8) Understands that when banks make loans, the money supply increases, and when loans are paid back, the country's money supply shrinks

California History Social Science Standard 11.6: Students analyze the different explanations for the Great Depression and how the New Deal fundamentally changed the role of the federal government. (2) Understand the explanations of the principal causes of the Great Depression and the steps taken by the Federal Reserve, Congress, and Presidents Herbert Hoover and Franklin Delano Roosevelt to combat the economic crisis. (4) Analyze the effects of and the controversies arising from New Deal economic policies and the expanded role of the federal government in society and the economy since the 1930s . . . .

California History Social Science Standard 12e.3: Students analyze the influence of the federal government on the American economy. (4) Understand the aims and tools of monetary policy and their influence on economic activity (e.g., the Federal Reserve).

Munich

National World History High School Standard 39: Understands the causes and global consequences of World War I. (8) Understands the human cost and social impact of World War I . . . .

National World History High School Standard 40: Understands the search for peace and stability throughout the world in the 1920s and 1930s. (1) Understands treaties and other efforts to achieve peace and recovery from World War I . . . .

National World History High School Standard 41: Understands the causes and global consequences of World War II. (1) Understands motives and consequences of the Soviet nonaggression pacts with Germany and Japan (e.g., the Munich Agreement in 1938 . . . .) (6) Understands the argument that the severity of the Treaty of Versailles caused unavoidable revolt against the nations that imposed it.

California History Social Science Standard 10.6: Students analyze the effects of the First World War. (1) Analyze the aims and negotiating roles of world leaders, the terms and influence of the Treaty of Versailles . . . . (2) Describe the effects of the war and resulting peace treaties on population movement, the international economy, and shifts in the geographic and political borders of Europe and the Middle East. (3) Understand the widespread disillusionment with prewar institutions, authorities, and values that resulted in a void that was later filled by totalitarians.

California History Social Science Standard 10.8: Students analyze the causes and consequences of World War II. (2) Understand the role of appeasement, nonintervention (isolationism), and the domestic distractions in Europe and the United States prior to the outbreak of World War II.

Jobs

National High School Economics Standard 5: Understands unemployment, income, and income distribution in a market economy. (1) Understands that personal income is influenced by changes in the structure of the economy, the level of gross domestic product, technology, government policies, production costs and demand for specific goods and services, and discrimination. (6) Understands that the standard measure of the unemployment rate is flawed (e.g., it does not include discouraged workers, it does not weigh part-time and full-time employment differently, it does not account for differences in the intensity with which people look for jobs). (7) Understands that many factors contribute to differing unemployment rates or various regions and groups . . . . (9) Understands frictional, seasonal, structural, and cyclical unemployment and that different policies may be required to reduce each.

California History Social Science Standard 12.4e: Students analyze the elements of the U.S. labor market in a global setting. (1) Understand the operations of the labor market . . . . (2) Describe the current economy and labor market, including the types of goods and services produced, the types of skills workers need, the effects of rapid technological change, and the impact of international competition. (3) Discuss wage differences among jobs and professions, using the laws of demand and supply and the concept of productivity. (4) Explain the effects of international mobility of capital and labor on the U.S. economy.

MUNICH AND 'APPEASEMENT'

JUST 20 YEARS AFTER THE END OF FIRST WORLD WAR, ONE OF THE MOST DESTRUCTIVE WARS IN HUMAN HISTORY, EUROPE STOOD ON THE BRINK OF WAR AGAIN AS ADOLF HITLER'S GERMANY THREATENED AN INVASION OF CZECHOSLOVAKIA. NEVILLE CHAMBERLAIN, PRIME MINISTER OF GREAT BRITAIN, MADE THREE TRIPS TO THE CONTINENT TO TRY TO NEGOTIATE PEACE WITH THE GERMAN DICTATOR. THOUGH HE WAS SUCCESSFUL IN THE SHORT RUN, HIS EFFORTS HAVE BEEN CRITICIZED EVER SINCE.

Wikimedia Commons

BRITISH PRIME MINISTER NEVILLE CHAMBERLAIN (1869–1940) negotiated the Munich Agreement in 1938, which he believed would bring "peace in our time."

Great Britain, France, and the United States ("the Allies") fought together in the First World War against Germany, Austria, and their allies. It was a horrible war, bringing death and destruction throughout Europe. When the fighting ended in 1918, more than 10 million military personnel had died. The number of civilian deaths attributed to the war has been estimated at 13 million, including deaths caused by starvation and disease. In France alone, about 1.4 million people died in the war, including half of all French males who were between the ages of 20 and 32 in 1914. Britain also suffered terrible losses.

With the final victory in late 1918, the victorious Allies blamed Germany and its allies for the war. In 1919, Britain and France — with Italy and the United States — assembled in Paris and forced a peace treaty on Germany. The resulting Treaty of Versailles imposed a terrible price on the defeated nations. Territory that had been part of Germany and Austria before the war was taken away to form new countries, including Poland and Czechoslovakia. The treaty also imposed a number of strict conditions designed to punish Germany and destroy its capacity to make war. These conditions included:

- Limiting the size of Germany's army.
- Banning a German air force.
- Establishing a "demilitarized zone" along the Rhine River in western Germany where no German soldier or weapon was allowed.
- Requiring Germany to make reparations to the Allies — payments for all the damage resulting from the war.

The treaty conditions caused great hardships in Germany after the war and humiliated the German people.

The United States decided to avoid another European war simply by isolating itself. The Senate refused to approve joining the League of Nations — an international peacekeeping body established when the war ended in 1919. Congress also passed the Neutrality Act, which forbade any loans or the sale of munitions to any country involved in war.

War weary, throughout the 1920s and early 1930s, the Allies committed themselves to preventing another war and its destructiveness. Great Britain and particularly France worked to enforce the Versailles Treaty and keep Germany weak. They negotiated and signed treaties seeking to limit the build up of navies, a cause of the First World War.

In the 1920s, there was a positive outlook for international peace. In 1925, Germany signed treaties at a peace conference in Locarno, Switzerland, attended by representatives of Britain, France, Italy, Belgium, Czechoslovakia, and Poland. In a treaty with France and Belgium, Germany guaranteed to respect their borders. In treaties with Poland and Czechoslovakia, Germany agreed to change borders by arbitration only. In 1926, Germany also joined the League of Nations. Officially, Germany was committed to keeping the peace and to settling any disputes through negotiation rather than force. Finally, in 1928, European powers joined the United States in signing the Kellogg-Briand Pact, which attempted to outlaw war entirely.

With the coming of the Great Depression in 1929, many in Great Britain had come to believe that the First World War had been a mistake and that their country had gained nothing from the war. Intellectuals, such as John Maynard Keynes, argued that the Versailles Treaty had been too harsh and was contributing to the economic turmoil. Many feared that another world war would be even more horrible, as airplanes could devastate cities with aerial bombardment. Memories of the war were still alive in 1933 when the Oxford Student Union debated a resolution stating: "That this House will in no circumstances fight for its King and Country." Arguing in favor of the resolution, a student stated: "The justification urged for the last war was that it was a war to end war. If that were untrue it was a dastardly lie; if it were true, what justification is there for opposition to this motion tonight." The resolution passed by 275 votes to 153.

Undoing the Treaty

Since the 1920s, Adolf Hitler had led the National Socialist German

Workers Party — the Nazi Party. Even before the Great Depression, Germany's economy had suffered through wild inflation and high levels of unemployment causing great hardship and distress on the population. Hitler used this discontent in his rise to power, promising to fix the economy, shred the Versailles Treaty, and make Germany strong again. He advocated expanding Germany's borders and cleansing Germany of all Jews and other "racial enemies" of the state, who he falsely blamed for the loss of the war and for the country's economic woes.

Hitler's promises earned him a significant following and in the 1930 elections, Hitler's Nazi Party won 18.3 percent of the vote and 107 seats in the German parliament. With even greater popularity, in 1932 Hitler ran for president of Germany and came in second with 35 percent of the vote. Early in 1933, he was appointed chancellor, and in the March parliamentary elections, the Nazi Party won nearly 44 percent of the vote and the largest number of seats. By 1934, through political maneuvering and repression of any oppression, Hitler had become absolute dictator of Germany.

Almost immediately Hitler began to violate the Treaty of Versailles by increasing the size of the army and reactivating the Luftwaffe (air force). The European powers voiced only minimal protest and essentially decided to ignore that Germany was starting to rearm.

On March 7, 1936, Hitler again violated the treaty by ordering the German army into the Rhineland, a 50-mile-wide strip of Germany bordering France. The decision to bring armed troops into the Rhineland violated both the Treaty of Versailles and the Treaty of Locarno, which Germany had signed only 10 years earlier. It caused tremendous shock in both Britain and France. Unsure of how to proceed, and unwilling to mobilize their armies, the Allies decided to appeal to the League of Nations. But the League had no military power and could only get an empty promise from Hitler, who claimed that "All Germany's territorial ambitions have been satisfied."

Public opinion in Great Britain generally approved of the Allies' response to Germany's sending troops into the Rhineland, but some saw a great threat looming. One strong spokesman for preparing the military was Winston Churchill (who later became prime minister of England). Churchill realized that if Germany was allowed to bring troops into the Rhineland and build fortifications along the border with France, it would then be free to move to the east and attack some of the new states created after the war, including Poland and Czechoslovakia. On March 26, 1936, Churchill spoke to the House of Commons about his concerns. "Five years ago," he said, "all felt safe . . . [and] all were looking forward to peace." Now, he said, the Nazi regime has gained new prestige; Germany will fortify the frontier opposite France, and all of central Europe will be in danger.

After remilitarizing the Rhineland, Hitler promised that Germany had no more territorial ambitions.

In 1937, Neville Chamberlain became prime minister of Great Britain. His prior government experience as chancellor of the exchequer gave him deep experience in Britain's economy and domestic matters, but he lacked experience in foreign relations. Yet, he would have to deal with the growing tensions in Europe.

The 'Triumph' at Munich

After remilitarizing the Rhineland, Hitler promised that Germany had no more territorial ambitions. In March 1938, however, he engineered a takeover of Austria called the "Anschluss." He ordered the Wehrmacht, the German army, to march over the border and seize control. After the Anschluss, Hitler's next goal was to take over the Sudetenland, an area in Czechoslovakia with a large ethnic German population and near the German border. A small country created in 1919 by the Treaty of Versailles, Czechoslovakia was one of the few democracies in Eastern Europe. It had strong industries, a well-trained army, and fortifications on the mountainous border that separated it from Germany. Czechoslovakia also had an alliance with France dating back to 1925 and another pact of mutual assistance with France and the Soviet Union. By the terms of these agreements, if Germany attacked Czechoslovakia, France and the Soviet Union would come to its aid, and there would be war throughout Europe.

The leader of a Nazi Party in the Sudetenland claimed that the 3.5 million German speakers who lived in the region were members of the German race and were entitled to their own autonomous state. Hitler meanwhile ordered his generals to draw up plans to invade Czechoslovakia on October 1.

In May 1938, it seemed that Hitler was preparing to make an attack. Two Sudeten German motorcyclists were shot in the Sudetenland. This gave Hitler a pretext to invade, and newspapers reported that German troops were assembling near the Czech border.

The French believed that it was time to stand up to Hitler and urged Britain to be ready to resist. But Chamberlain did not agree. Chamberlain thought he could "sit down at a table with the Germans and run through all their complaints with a pencil" and get an agreement. So Chamberlain set out for Germany on September 15, 1938, to meet with Hitler. At the initial meeting, Hitler demanded the transfer to Germany of all districts with a 50 percent or more German-speaking population. After discussion with his Cabinet and the French prime minister, Chamberlain was ready to agree to that demand.

When he flew back to Germany a week later, Hitler had changed his mind, saying, "I'm sorry, but that won't do anymore." Now the Germans demanded the immediate occupation of the Sudetenland and that non-German speakers who wished to leave could only take one suitcase with them. Hitler put his demands on paper and said that if ▶

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FOUR SIGNERS OF THE MUNICH AGREEMENT were (from left to right) British Prime Minister Neville Chamberlain, French Prime Minister Edouard Daladier, German dictator Adolf Hitler, and Italian dictator Benito Mussolini.

they were not accepted, in "six days we will all be at war."

Chamberlain then proposed an international conference to settle the matter. On September 29, Chamberlain, Hitler, Prime Minister of France Edouard Daladier and Italian dictator Benito Mussolini met in Munich without consulting Czechoslovakia. In the early hours of September 30, they signed an agreement.

The agreement provided that the German occupation would be completed by October 16 and would be supervised by an international commission. For his part, Hitler agreed to sign a piece of paper stating that Germany and Britain would use consultation to deal with any further disagreements and that it was their joint wish "never to go to war with one another again."

With the Munich agreement, Britain and France accepted Hitler's demands, forcing a small nation to concede territory to a major power and depriving Czechoslovakia of the fortifications it had built against German invasion.

Chamberlain returned to England in triumph waving the paper with Hitler's signature. Crowds cheered as he rode from the airport to Buckingham Palace, and again when he arrived home at Downing Street. After a few minutes, he addressed the crowd stating that he had come back with "peace with honor," and "I believe it is peace in our time."

From Triumph to Tragedy

Chamberlain was confident that his policy of appeasement had worked and would continue to work. A few days later, he told Parliament that by working together, "the four great powers can find it possible to agree on a way of carrying out a difficult operation by discussion instead of force of arms . . . ." Others were less optimistic. The next month, Churchill wrote in a London newspaper, "By this time next year we shall know whether the policy of appeasement has appeased or whether it has only stimulated a more ferocious appetite."

As it turned out, the Munich Agreement led to war, not to peace. Soon after the agreement, Hitler bullied the government of Czechoslovakia into giving up more territory to Poland and to Hungary. Six months later, on March 15, 1939, Nazi tanks rolled into Prague. Czechoslovakia was no longer an independent country, and the Munich Agreement was destroyed. It was now clear that diplomatic agreements signed by Hitler had no value at all.

Public opinion had already shifted on the likelihood of making peace with Hitler. Information about Nazi atrocities on November 9, 1939, known as *Kristallnacht*, when Jewish-owned shops, homes, and synagogues were pillaged and set on fire, outraged the British public. The British Cabinet and military insisted on increasing the size of the army and spending more on rearmament. And Germany was making demands on Poland for more territory. In response, Britain announced on March 31, 1939, that it would guarantee Poland against any attack by Germany, and the Polish-British Common Defense Pact was formally signed on August 25, 1939.

In August, the British guarantee was put to the test. Letters were exchanged between Hitler and Chamberlain about the possibility of a peaceful settlement concerning Poland, but Chamberlain was determined to "carry out our obligations to Poland."

On September 1, 1939, Germany invaded Poland, sending 57 army divisions, supported by tanks and aircraft, across the border. The next day, Britain issued an ultimatum that it would declare war unless Hitler withdrew his troops by 11 a.m. on September 3. At 11:15 a.m., Chamberlain declared war. "Britain is at war with Germany," he stated in a radio broadcast, and "everything I have worked for, everything that I hoped for, everything I believed in during my public life has crashed in ruins."

The Judgment of History

After World War Two, politicians, historians and the general public criticized the policy of "appeasement." It was seen, in the words of one historian, as being a "cowardly surrender to a threat of force." Some also argued that Hitler was not prepared for war at the time and that if he had been challenged, he may well have backed away from the use of force. As more evidence came forward of Hitler's atrocities and the 6 million Jews killed in concentration camps, many questioned how the Allies could have pursued the policy of appeasement with Hitler. Chamberlain's name will always be associated with this disastrous policy.

Other historians are more sympathetic. They argue that Chamberlain's policy of trying to appease Hitler and avoid war was very popular in Britain, with the country in the midst of the Depression and memory of World War One still fresh. In addition, they point out that Britain had no defense pact with Czechoslovakia at the time of Munich, nor was Britain prepared to

confront Germany even if it had wanted to. They credit Chamberlain with learning from the experience and forming a pact to defend Poland and declaring war when Hitler attacked it. He was also a key player in re-arming Britain, especially in acquiring fighter planes, which were so crucial to the country's defense in 1940. Even Churchill, the most prominent critic of appeasement considered Chamberlain a man of steady and valuable judgment when he joined Churchill's wartime cabinet.

Still, the memory of the appeasement policy echoes even today. It serves as a warning that negotiation with an aggressive state must be conducted through strength and not through mere hope of a positive result.

For Discussion and Writing

1. How did the Treaty of Versailles contribute to the rise of Hitler in Germany?
2. How did Britain and France try to assure peace after the First World War? Why do you think these efforts failed?

ACTIVITY

Foreign Policy Advisors

Imagine you are a foreign policy advisor on the eve of Chamberlain's trip to Munich. Working in small groups, propose positions to inform the prime minister on the following questions supported by facts from the article. Be prepared to share your positions with the class.

1. If we negotiate with Hitler, is there any reasonable basis for believing he will keep his word?
2. Is there any reasonable argument to be made that Czechoslovakia should not be represented at the conference?
3. Is it better to refuse to agree to let Hitler take over the Sudetenland on principle even if we are not prepared to go to war if he does?

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UNEMPLOYMENT AND THE FUTURE OF JOBS IN AMERICA

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HUNDREDS STOOD IN LINE to fill out job applications at a hotel in Silicon Valley in 2009.

UNEMPLOYMENT IN THE GREAT RECESSION HIT CERTAIN GROUPS OF AMERICAN WORKERS HARDER THAN OTHERS. THIS IS A WARNING THAT TROUBLING U.S. EMPLOYMENT AND EDUCATION TRENDS MAY THREATEN THE "AMERICAN DREAM."

In 2007, many Americans could not make their home mortgage payments. Foreclosures followed, which depressed housing values. By the following year, many banks and other financial firms, holding bundles of nearly worthless home mortgage products, were in danger of failing. The U.S. Treasury bailed them out to prevent a collapse of the financial system.

Consumers, many already maxed out on credit, stopped spending, and plunging sales caused companies to lay off workers in massive numbers. The resulting economic recession, the worst since the Great Depression of the 1930s, soon was called the Great Recession.

The U.S. economy lost nearly 9 million jobs. Some industries were especially hard hit. Jobs fell in construction and manufacturing by more than 2 million each. Job losses in service industries (such as health care, accounting, restaurants, and tourism), which make up 77 percent of the economy, fell by over 4 million, the steepest decline in that category ever recorded.

The unemployment rate, based on the number of jobless people seeking work, reached a high of 10 percent of the labor force in October 2009. Since then, the unemployment rate has declined, but by less than 2 percent by early 2012. (Unemployment figures used in this article are from the U.S. Bureau of Labor Statistics.)

The 10 percent unemployment rate high in the Great Recession has been exceeded only two times in the last 80 years: 10.8 percent in the recession of 1982–83 and 14–25 percent during the Great Depression.

Statistics show that unemployment in the Great Recession hit certain groups harder than others. Unemployment varied according to the sex, race, education, and age of the workers.

Men reached a peak unemployment rate of 10.5 percent in 2009. They were more likely to lose a job than women, whose peak jobless rate was 8.2 percent in 2010.

The highest unemployment rate for black workers (16.7 percent) and white workers (9 percent) occurred in 2010. Nearly half of black teens seeking a job in 2009 were unemployed. Hispanics, too, were hit hard by unemployment. In 2011, they suffered their highest unemployment rate of 13.1 percent.

The education level of workers made a difference. Those worst hit were those 25 or over who did not have a high school diploma. Their highest unemployment rate hit 15.9 percent. This contrasted sharply to those with a four-year college degree or higher whose jobless rate peaked at just 5 percent.

The unemployment rate for young workers 16–19 peaked at 27 percent, and for those 20–24, it reached 17.1 percent. These rates were much higher than any of the older age groups. Those 55 and older had the lowest age-group unemployment rate. If these older workers became unemployed, however, they had a much more difficult time finding a new job.

Statistically, the individual most likely to become unemployed in the Great Recession was a male, black, young worker without a high school diploma who was working in construction or manufacturing. A worker fitting even one of these categories was at risk of losing a job.

How Is Unemployment Different This Time?

Since 1980, recovering the number of jobs lost during each recession has taken 6–39 months. A 2011 study by the McKinley Global Institute estimated that it will take 60 months for employment to recover after economic growth reached its pre-recession level in December 2010. Why is there such a slow job recovery this time?

The housing crash, consumer debt amounting to $11.5 trillion, and the fear of becoming unemployed have all reduced consumer spending. This has resulted in slow hiring.

This recession differs from previous ones in the much larger numbers of "under-employed" workers. These people want a full-time job, but can only find part-time work. None of the millions of under-employed workers are included in the unemployment rate. Also not included are those who have given up looking for a job. If these groups had been included, the national unemployment rate in March 2012 would have been 14.5 percent rather than 8.2 percent.

In past recessions, most layoffs were temporary until employers called back workers when the economy revived. This time, however, more job layoffs were permanent, especially in manufacturing, due to automation and other labor-saving measures adopted by employers.

Another difference is that most job openings so far have been in low-wage areas. Many desperate for work have accepted less pay and benefits than at their previous employment.

The most striking difference, however, between the Great Recession and all others since 1945 is the length of unemployment. In February 2012, about 40 percent of those seeking work had been unemployed for more than six months. Most of these long-term unemployed have been jobless for a year or more.

The extreme length of joblessness for so many has led to a debate among economists. They argue over whether unemployment this time is "cyclical" or "structural."

Cyclical unemployment occurs when consumer demand for goods and services drop, causing employers to lay off workers. When consumer demand returns, employers start hiring again. Cyclical unemployment can be countered by stimulating consumer demand, using measures such as tax cuts and more government spending.

Structural unemployment involves a "mismatch" between the skills workers possess and the skills employers require. Even if consumer demand comes back, employers may not be able to find the workers with the right skills or education. Countering structural unemployment takes longer since large numbers of workers may have to be retrained or go back to school.

Academic studies on this debate tend to conclude that both cyclical and structural factors are causing the high unemployment and slow job recovery in this recession. Right now, the cyclical lack of consumer demand is probably the dominant factor. But trends suggest increasing structural unemployment in the future.

Troubling Job Trends

On the factory floor, computerized machines do routine tasks 24/7 without taking breaks, going on vacations, or calling in sick. They are operated by a handful of highly skilled technicians, replacing the old assembly line of low-skilled workers who did routine tasks.

The study found that the lifetime earnings advantage of an average college grad was $570,000 more than what one with just a high school diploma would earn.

In the business office, the same sort of thing occurs. Employees do their own scheduling on a smart phone or create their own documents with computer applications.

Global free trade has benefited American businesses, especially those that export goods. American multinational companies, however, have created many new jobs in foreign countries where labor is cheaper, workers are well-skilled, and growing markets are emerging. Thus, U.S. manufacturing has actually grown, but many of the jobs are overseas.

In 2010, MIT economist David Autor published a widely discussed study of U.S. jobs and workers. He found that high-skill, high-wage jobs and low-skill, low-wage jobs were growing.

Autor discovered, however, that middle-skill, middle-wage jobs were disappearing and hit hard in the Great Recession. These are the blue- and white-collar jobs like those in the manufacturing, office-work, and sales areas filled by those with a high school education. Autor concluded that automation of routine work and off-shoring of jobs to foreign countries were the key causes of the missing middle.

Another economist, Michael Spence of New York University, studied job creation in the U.S. between 1990 and 2008. He found that almost all the new jobs were low-wage ones, mainly in services that had to be consumed in the U.S. (like home healthcare work).

Spence also found that high-skill jobs like those in management commanded top pay but were relatively few. Mid-skill, mid-wage jobs such as steelmaking were vanishing because companies were adopting automated machinery and off-shoring or creating jobs overseas.

Men are facing tougher job opportunities today. One reason is that opportunities are now open to women in fields that were traditionally the exclusive province of men. Also male workers have been concentrated in industries like mid-wage manufacturing that are shedding jobs. Women are more apt to be employed in growing service industries like health care. But most of these jobs tend to be low-wage.

In High School Enough?

For the first time ever, American workers today face tough world-wide job competition. Yet, U.S. workers are falling behind in the level of skills and education possessed by increasing numbers of foreign workers.

The U.S. once led the world in high school and college attendance and graduation rates. This produced the best educated and skilled labor force in the world. No more.

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WHAT WILL THE JOBS of the future look like? How can American workers be prepared?

Today, the high school graduation rate of most European countries exceeds 80 percent compared to 75.5 percent in the U.S. While 70 percent of high school grads go to college, only 40 percent get a two-year associate or a four-year bachelor's degree by their mid-20s. The U.S. now has the highest college dropout rate among industrialized nations.

Women are proving more successful than men in college. Women make up a majority of U.S. college students and earn 57 percent of all college degrees. White men with college degrees trail at 44 percent with black and Hispanic males far behind them.

The causes of this educational achievement slowdown in the U.S. are not entirely clear. They may be related to faltering K–12 schools and the cost of college going up over 500 percent in recent decades. Many students are graduating from college in debt from student loans. The average debt for new college grads is about $27,000. Is it worth it?

A 2012 Census Bureau report found education made a great difference in average earnings. A high school dropout earns an average of $18,000 a year compared to a high school graduate's $27,000, a college graduate's $48,000, and an advanced degree holder's $62,000. (The figures are rounded off.)

A 2011 study for the Brookings Institution determined that the average cost of a four-year college degree is $102,000. The study found that the lifetime earnings advantage of an average college grad was $570,000 more than what one with just a high school diploma would earn.

A college education provides a definite advantage for securing a good-paying job. But 50 to 60 percent of Americans never complete a college degree.

Occupations that typically need some type of post-secondary education for entry are projected to grow the fastest during the 2010–20 decade.

By 2009, the years of education required for the average U.S. job was 13.5 and increasing. This seems to indicate that a high school diploma, the gold standard for middle-class jobs for over a century, may no longer be enough. A 2011 Harvard Graduate School of Education study concluded, "The message is clear: in 21st century America, education beyond high school is the passport to the American Dream." Yet, this does not mean everyone seeking a well-paying job has to get a four-year college degree.

Male workers who do best in a factory setting or hands-on jobs like electrical work, and female workers who seek jobs in services like health care can still achieve a middle-class income today. But to do the complex and higher paid jobs that more employers are now offering, workers will have to upgrade their skills.

They can get more more education and skills without going to a four-year college. One way is to get vocational training, job certification, and the Associate (A.A.) degree offered by two-year community colleges. Another way calls for companies and labor unions to combine to create apprenticeship programs that offer job training and work while a student is still in high school or right after graduation. Germany uses such apprenticeships to train youth for 350 occupations that are in demand.

Well-Paying Jobs

In February 2012, the U.S. Bureau of Labor Statistics (BLS) released its latest projections for the fastest growing occupations between 2010 and 2020. Economic predictions, of course, are not always accurate, but the BLS stated: "Occupations that typically need some type of post-secondary education for entry are projected to grow the fastest during the 2010–20 decade."

A question arises over what types of companies create the most American jobs. For many years, it was thought that small businesses created most jobs in America. A recent study of the past decade by the BLS, however, found that employment at large companies (those with at least 500 employees) rose by 29 percent, more than twice the increase in smaller companies.

Yet another recent study by the Kauffman Foundation (which calls itself the "world's largest foundation devoted to entrepreneurship") found the real American job-makers are "startups," new, often innovative, companies in their first year of operation. Using U.S. Census Bureau data, this study found that between 1977 and 2005, first-year startups averaged 3 million net job gains per year. Some startups go on to be very successful job creators over time such as Domino's Pizza and Oracle,

a software developer. Each has created more than 100,000 jobs since the 1980s.

The challenge for American businesses is to innovate and create well-paying jobs that remain in the U.S. An example might be jobs to manufacture, install, and maintain a nation-wide infrastructure for recharging electric cars.

The challenge for American workers, especially the younger generation, is to take steps to acquire the skills and education they will need if they want a middle-class standard of living. The American Dream is within reach, but workers must prepare themselves more than ever to secure it.

For Discussion and Writing

1. How does unemployment in the Great Recession appear to be different than in other recessions? Why do you think this is?
2. What U.S. employment trend do you think is the most serious today? Why?
3. What kinds of workers do you think need the most help to secure a well-paying job? Why?

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ACTIVITY

More Well-Paying Jobs

Along with businesses, labor unions, and workers themselves, the federal government has a role to play in the development of well-paying jobs.

1. Students will meet in small groups to discuss and evaluate the policy proposals listed below for more well-paying jobs.
2. The groups will each decide on three recommendations, selected from the policy proposals below, to make to the U.S. president. The groups may also want to include their own ideas for developing more well-paying jobs in the United States.
3. The groups will make an oral or PowerPoint presentation, backing up their recommendations with facts and other information from the article.

Policy Proposals

- Support startups by making it easier for them to get credit, easing government regulations, offering tax breaks, and reducing the time to secure patents.
- Keep more jobs at home by providing tax breaks to consumers who buy products made in the U.S.
- Fund federal infrastructure building or repair of roads, rail lines, bridges, broadband Internet, and other such projects along with skill training for unemployed workers.
- Retrain older workers by upgrading their education and skills to match the needs of today's employers.
- Organize with businesses and labor unions a nation-wide apprenticeship program for high school students and young adults.
- Fund two-year community college programs for job and skills certification tied to the needs of local employers.
- Expand federal college grants to enable more students to go to college without amassing huge loan debts.
- Fund more basic research, especially in the sciences, to prepare the way for innovation by businesses.
- Continue federal benefits for the long-term unemployed, but require them to enroll in job retraining programs or college.
- Provide tax breaks for businesses that hire unemployed workers in the U.S.
- Establish a national jobs database that lists job offerings and the education and skills required for them.

About Constitutional Rights Foundation

Constitutional Rights Foundation is a non-profit, non-partisan educational organization committed to helping our nation's young people to become active citizens and to understand the rule of law, the legal process, and their constitutional heritage. Established in 1962, CRF is guided by a dedicated board of directors drawn from the worlds of law, business, government, education, and the media. CRF's program areas include the California State Mock Trial, youth internship programs, youth leadership and civic participation programs, youth conferences, teacher professional development, and publications and curriculum materials.

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Constitutional Rights Foundation
Educate. Participate.

A History of *Bill of Rights in Action*

by Marshall Croddy, CRF Vice President

Over its 50 year history, Constitutional Rights Foundation has developed many programs and publications for civics, history, law-related, and service-learning education.

Perhaps its most enduring contribution to teachers throughout the United States is *Bill of Rights in Action,* affectionately known as *BRIA*. It has been continuously published for 45 years.

First published in early 1967 as the *Bill of Rights* Newsletter, it was originally conceived as a twice-a-year information piece for a few hundred California teachers. Each issue took on a particular theme or topic, often one suggested by teacher advisers. Early editions certainly reflected the issues of the day: "Color Blind or Color Conscious?" (Fall 1968) and "Student Protest and the Law" (Fall 1969).

In 1969, responding to teacher requests for more hands-on classroom materials, CRF added a student supplement to the newsletter. By 1972, the newsletter had become a subscription publication with some 400 California teachers receiving it four times during the school year.

In September 1976, the name of the newsletter was changed to *Bill of Rights in Action* to better reflect the student orientation of the publication. At about this same time Carlton Martz, a social studies teacher, became the principal writer of the newsletter. He had first come to CRF's attention when he won a CRF curriculum-writing contest. Martz continues to contribute to *BRIA* even today.

In the mid-1980s, educational changes and economic realities caught up with the nearly 20-year-old publication. Not enough students were receiving it to justify the cost. With support of Jerome Byrne, the chair of the CRF Board's Publications Committee, the staff proposed that *BRIA* be reduced to an eight-page format and distributed free-of-charge to educators throughout the United States. In the winter of 1984, the first edition in the new format was produced and mailed. Designed to meet the needs of a range of social studies teachers, themed issues typically provide one lesson each for U.S. government, U.S. history, and world history sequenced to arrive at the appropriate time of the academic year when the topic is taught.

Today, each issue, now 16 pages, reaches some 40,000 educators and impacts hundreds of thousands of students in all 50 states and throughout the territories either by mail or electronic transmission. Past issues are available on CRF's main web site and account for thousands of additional downloads each year.

Subscriber surveys and teacher comments over the years demonstrate very high levels of satisfaction and use of the publication. Most poignant are letters received from retiring teachers who have benefited from *BRIA* throughout their careers, thanking us and asking that we remove their names from the mailing list so new teachers can get the resource.

Join our 50th Celebration by visiting www.crf-usa.org/50th

Constitutional Rights Foundation

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For 50 years Constitutional Rights Foundation (CRF) has helped educate millions of students about their rights and responsibilities as citizens — and with your help millions more can become informed and engaged, changing our world for the better.

We're reaching out to you to secure our future — and the future of the students of today who will be leaders of tomorrow.

Many of you are aware of CRF through *Bill of Rights in Action*. (See page 14.) This remarkable publication, now in its 45th year, goes out to 40,000 subscribers free-of-charge, four times each school year. Every issue provides social studies teachers around the nation with balanced, high-level content, discussion strategies, and meaningful learning activities for the classroom. With your support, we can keep this vital resource coming for many years to come.

For our 50th anniversary, please consider a gift to CRF of $50 for 50 years. Or consider a gift of any amount. We guarantee to put it to good use.

Please use the enclosed envelope, or go to www.crf-usa.org and donate to support CRF. It's an anniversary gift that can literally change the world — and you are the one who can give it!

Sincerely,

T. Warren Jackson
Board Chair

P.S. Your generosity deserves recognition as well. If your total contribution is greater than $100, we will be happy to mention you by name on CRF's web site and on the "Donors" pages we create for the year-long **50th Anniversary Celebration**. It's that important to us — and we want to thank you for your support.

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- Research Activities for Students to Use the Library or Internet

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Crime | Police | The Criminal Case | Corrections | Juvenile Justice | Solutions

The Teacher's Guide, a completely reworked comprehensive guide, provides detailed descriptions of teaching strategies, suggested answers to every question in the text, activity masters, tests (for each chapter and unit and a final test), background readings, and extra resources to supplement the text.

In addition, our web site offers links to supplementary readings, the latest statistics, almost every case mentioned in the text, and much more.

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For additional information: www.crf-usa.org/publications/

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