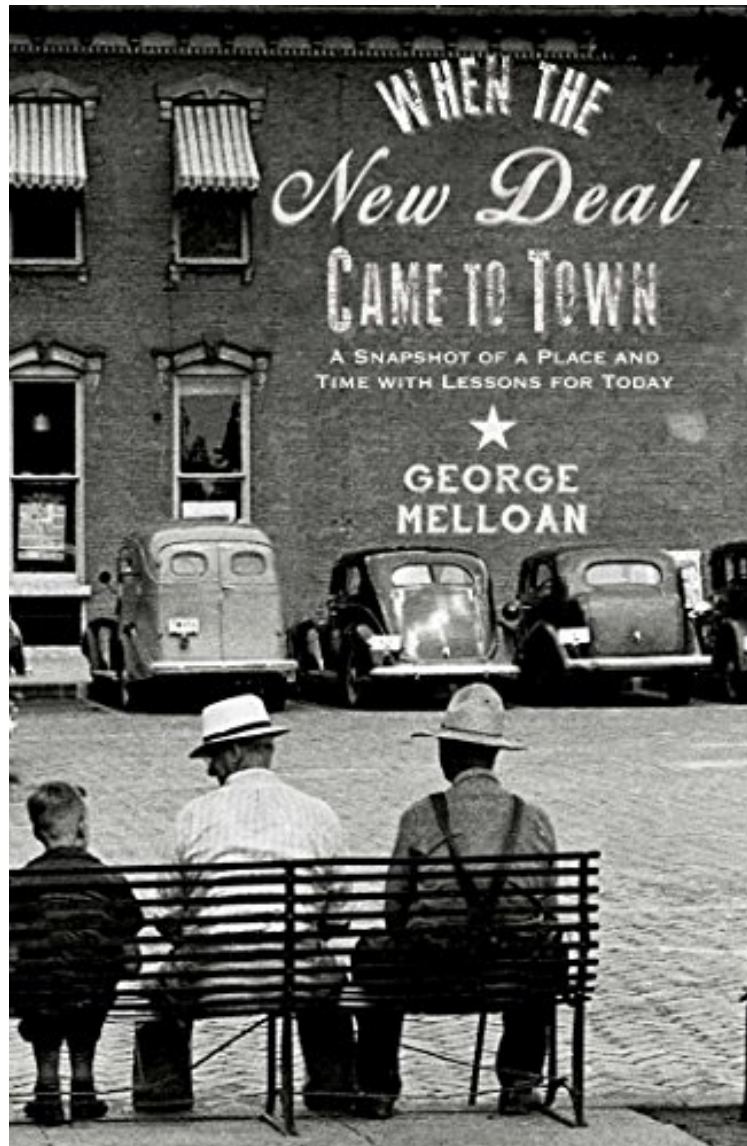


(Mobile book) When the New Deal Came to Town: A Snapshot of a Place and Time with Lessons for Today

## When the New Deal Came to Town: A Snapshot of a Place and Time with Lessons for Today

*George Melloan*

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**George Melloan : When the New Deal Came to Town: A Snapshot of a Place and Time with Lessons for Today** before purchasing it in order to gage whether or not it would be worth my time, and all praised When the New Deal Came to Town: A Snapshot of a Place and Time with Lessons for Today:

2 of 2 people found the following review helpful. Good Book - Left Me Wanting MoreBy Layman FollowerThe

author did an OUTSTANDING job of introducing very small town Indiana life during the first half of the 20th century. It is an easy to read book that I found hard to put down. As to enjoyment, this book deserves 5 stars. It is really that good! As to the coverage of the "new deal" and its impact upon small town U.S., that's where I wanted a bit more than that provided. I feel there was much more to give, regarding the subject of the book. Or, perhaps I failed to adequately manage my expectations as I selected it. Regardless, it is an interesting, well written, easy and involving read. All interested in U.S. history during this period or just plain ordinary small town life during the 1920s, 30s and 40s would learn a lot from this, and GREATLY ENJOY IT as they do so. A fun and worthy read. 8 of 9 people found the following review helpful. Imagine, an Economics Book That Reads Like a Novel and That You Hate to Put Down! By Mitzi in Maryland Who could imagine that an economics book would be positively gripping? In my case, I grew up with the notion that because Hoover was too passive, he let the recession get out of hand, and that it was Roosevelt who got us out of the Great Depression. At least that's what my economics professors at Harvard preached. WHEN THE NEW DEAL CAME TO TOWN provides an utterly different view of the era, but also an utterly compelling one. The premise of the book is that when Washington makes mistakes, they often are big ones, affecting the lives of millions of citizens. It illustrates this in elegiac prose that recreates the town of Whiteland, Indiana, population 406. The story alternates between what is going on in the lives of the citizens of Whiteland and what was going on with the economic masterminds in Washington, men who were arrogantly and presumptuously trying to manage an economy encompassing billions of transactions daily and subject to buffeting from worldwide events like wars and natural disasters. As the book shows, these masterminds consistently got it wrong. They helped bring about the economic disaster, and they imposed remedies that helped prolong its effects. The takeaway from this book gets back to Santayana's Those who do not remember the past are condemned to repeat it. Its almost eerie how often during the Great Recession we've done the very things that caused and prolonged the Great Depression. A quick comment on the book's artwork: My stepdaughter, the artist Beverly Perdue Jennings, says when she's painting an apple, she isn't interested in just having you see the apple she's painting. She wants you to taste the apple. Molly Melloan's illustration of, for example, a man standing beside a 1930s filling station, makes you feel the chill in the air and the bleakness that good people were facing. Usually the word elegiac refers to prose, but Molly Melloan has mastered the art of elegiac painting. Her work pairs beautifully with the book's text. 5 of 5 people found the following review helpful. Good stories about small town Indiana and how the folks ... By Customer Good stories about small town Indiana and how the folks coped and survived during the Depression. The bigger message is how the Federal Government, under both Republican and Democratic administrations, screwed things up. Lessons I wish current politicians would learn.

Its A Wonderful Life meets New Deal or Raw Deal? in this personal and social history of the New Deal from a conservative point of view, detailing the effects on the economy, culture, and the people of small American town from longtime Wall Street Journal editor George Melloan. When the New Deal Came to Town is a snapshot of a time and place: Whiteland, Indiana during the Great Depression, one of the most fraught eras in American history. Imagine yourself transported back in time to April of 1933 and deposited in a small American town, when a young boy named George Melloan moved with his family to this quiet hamlet during the middle of the worst economic period in American history. Part social history, part personal observations, When the New Deal Came to Town provides a keen eyewitness account of how the Depression affected everyday lives and applies those experiences to the larger arena of American politics. Written with Melloan's signature clarity and polemical skill (The Washington Times), this is a fascinating narrative history that provides new insight into the Great Depression for a new generation.

"An overdue and essential corrective: the Depression decade not as the New Deal's economic and literary propagandists fictionalized it, but as it was actually lived at street level in the heartland." (Mitch Daniels, former governor of Indiana and author of Keeping the Republic) "A breakthrough book...this short, substantive and friendly text is as likeable as the Hoosier state. I learned more here than in any survey or specialized text." (Amity Shlaes, #1 New York Times bestselling author of The Forgotten Man) "George Melloan's account of life in a small Midwestern town during the 1930s provides a much-needed corrective to the gloomy pictures painted by John Steinbeck and other Depression-era writers. The residents of Whiteland, Indiana and similar communities throughout the nation -- are the kinds of people that really make America great." (Les Lenkowsky, professor emeritus of public affairs and philanthropic studies at Indiana University) "One of the most important economics books in a very long time." (Real Clear Markets) PRAISE FOR THE GREAT MONEY BINGE: "There are those who say -- their wishes being the fathers of their thoughts -- that Ronald Reagan's doctrine of free markets and limited government has lost its relevance and has won its last election. To them, George Melloan delivers a robust and convincing rebuttal. This intellectual spanking is delightful." (George F. Will) "An excellent map for finding a way forward for either party." (The Wall Street Journal) "[Melloan] writes with clarity and polemical skill...[he] meets the challenge with strength and conviction, in prose tempered by a professional lifetime of solid experience on one of the nation's finest editorial pages." (The Washington Times) About the Author George Melloan retired in after a 54-year writing and editing career at The

Wall Street Journal. In his last assignment he was Deputy Editor, International, of the editorial page and author of a weekly op-ed column titled Global View. He moved to New York in 1962 to join the Journals Page One department as an editor and rewrite specialist. From 1966 to 1970 he was a foreign correspondent based in London, covering such major stories as the Six-Day War in the Middle East, the Biafran War in Nigeria and an attempted economic reform in the Soviet Union. After joining the editorial page in New York in 1970, Mr. Melloan became deputy editor in 1973. In 1990, he took responsibility for the Journals overseas editorial pages, writing editorials and columns for the Journals foreign and domestic editions about such momentous events as the collapse of the Soviet Union and the open door policy that brought billions of foreign investment into China, fueling its enormous economic growth over a period of 25 years. Mr Melloan was winner of the Gerald Loeb award for distinguished business and financial journalism in 1982 and twice in the 1980s won the Daily Gleaner award of the Inter-American Press Association for his writings about the rising Soviet influence in Central America. In 2005, he received the Barbara Olson Award for excellence and independence in journalism from The American Spectator. Mr. Melloan lives in Westfield, N.J. He is a member of the Council on Foreign Relations and the Dutch Treat Club. Excerpt. Reprinted by permission. All rights reserved.

When the New Deal Came to Town FOREWORD ITS NOT NECESSARY to doubt the clear superiority of a truly republican form of government to acknowledge a self-evident truth: Even democratically elected leaders and representatives sometimes err. It is equally evident that when Washington makes mistakes, they often are big ones, affecting the lives of millions of citizens. A recent example was the 2010 Affordable Care Act, unpopular because it did not live up to its promise of lower health care costs, raising them instead for much of the middle class. Then there was the Federal Reserves zero-bound interest rate policy, which starved savers and pension funds of a decent return and facilitated a governmental spending spree that doubled the national debt in seven years. This book examines a whole string of what we now know were political errors made in the early 1930s by first a Republican president and Congress and then by their Democratic successors, with an unhelpful central bank in a supporting role. Those mistakes veered the nation perilously close to the fascism that was then the politics du jour in much of Europe, to the worlds eventual and extreme sorrow. The 2008 and 1929 market crashes were both preceded by credit booms. The debt bubble that preceded the 2008 debacle began forming in 2002. From that year until the autumn of 2007, the amount of money raised in the U.S. credit markets nearly doubled, rising to an annual rate of \$2,742 trillion from \$1,398 trillion. It was fostered mainly by government efforts to promote home ownership by promoting mortgage loans to buyers with limited means. The heavy borrowing of the 1920s was different. It was generated in large part by a remarkable era of innovation and the advent of installment plan buying that put new products within easier reach. Americans snapped up cars, cabinet radios, and such new labor-savers as electric vacuum cleaners and washing machines. Home sales also surged, hitting a peak in 1925. Household indebtedness went from 15 percent of GDP in 1920 to 32 percent in 1929. As Irving Fisher, a leading economist of the time, observed, debt is deflationary. At some point, people have to stop buying and start paying off their debts. Consumption slows down, and instead of too much money chasing too few goods (inflation), not enough money is chasing too many goods (deflation). That, more than any other cause, accounted for the 1930s slump and its counterpart in 2008. The resulting economic slowdowns brought in radical governments that interfered with the market economy with damaging results. Tons of words have been written about the Great Depression and its causes and effects by scores of economists and political scientists. But I thought it would be interesting to tell the story from the point of view not of policy makers or policy revisionists but of the rural people whose lives were subject to the policies. Interestingly enough, they often supported laws that would cost them dearly. There may be a lesson in that for our modern times, which are generating many of the anxieties that plagued the country back then. The locale for this examination is a small farm town in Indiana called Whiteland, which I happen to know well because its where I grew up. This is not a victims book. We all know that there were many victims, but their stories have been widely recorded and sometimes exaggerated for political purposes. Rather its the story of how life went on, people coped with economic adversity, and the system of checks and balances that Americas forefathers designed passed a rigorous test. Special praise goes to the judicial branch, particularly the Supreme Court, which helped us through that trying period. The people of Whiteland of that era didnt know that they were living through what would someday be described as a national disaster. They mainly knew it only as daily life. I suspect that was pretty much true of most Americans, other than those substantial numbers who found themselves in truly desperate straits. For the majority, life changed, but in subtle, not dramatic, ways. As people do now, Whitelanders ate, slept, made love, raised children, and tried to keep body and soul together by finding ways to make a living. In so doing, they sustained a society, a polity, and an economy, although it would never have occurred to them to use those high-flown academic terms as descriptors of their lives. They were well informed. They read newspapers, listened to radio, and, at the cinema, watched Movietone News the movie house precursor of television news. They debated the bright ideas of the New Dealers and felt fear and concern about the turmoil in Europe as nation-states led by tyrants like Hitler, Mussolini, and Stalin mobilized for a World War I rematch. A few Whitelanders were World War I veterans who had had direct involvement in Europes extreme politics, that is, bloody fighting. Others were young men who would soon have that same experience. They had opinions, plenty of them. But they were mainly preoccupied with the task of making a living. The following is about their lives, as I observed them firsthand as a youth. It is a collection of

sketches mingled with some critical observations about the public policies that came to bear on them. It is partly a book about economic policy, but never fear. There are no fifty-dollar words or squiggly equations or even graphs. It approaches economics as a behavioral science, if one chooses to believe that the study of human behavior can ever be considered a science. I came out of that small-town environment to spend a long career as a writer and editor at the Wall Street Journal engaged almost daily with the interaction of politics and economics, and it never seemed like much of a science to me. Rather it seemed like an interplay of many millions of humans seeking to fulfill their needs and wants through private transactions. Too often, I think, they sought to reach those objectives through politics, which entails calling forth the coercive power of government. That is a key point of this book. Governments over the last century or so have expanded under the rubric of what has come to be called economic policy. In the baldest terms, that means the passage of laws or issuance of binding regulations attempting to guide the behavior of individuals as they go about their daily lives producing goods and services, buying and selling, or investing in the enterprise of other producers. This governmental masterminding often causes outright damage, as was the case in the 1930s. That's because nobody is smart enough to manage a national economy, no matter how many economics Ph.D.s they assemble. An economy, encompassing billions of transactions daily and subject to buffeting from worldwide events like wars and natural disasters, is infinitely complex. Governments have a natural tendency to grow and expand their power. That, after all, is what governments do: govern. As they reach into more and more areas of human endeavor, the likelihood increases that they will tilt the balance to serve selfish political ends, or simply get things wrong. Today's widespread distrust of government, as indicated by opinion polls, surely reflects a feeling by many Americans that Washington interferes too much and too often gets things wrong. Modern economists have developed extensive tools for taking the temperature of national and global economies, measuring such things as gross production of goods and services, changes in average prices, or the number of people in the national workforce. But even the accuracy of these tools is constantly debated. Is the Bureau of Labor Statistics market basket used for measuring prices valid, considering the fact that consumer needs and preferences change over time? What does a falling unemployment rate really tell you when so many people who were once considered part of the workforce have given up looking for work? So, if even the measurements of economic health or malaise are exceedingly difficult to execute, what should we think about governments use of its police powers to actually try to control and direct economic behavior? Quite likely, the broad public is right in treating these efforts with far more skepticism than they usually get from either academia or the press. The policy prescriptions of academics and coverage of economic news often imply that the president and other makers of economic policy somehow run the economy, or more implausibly that the president runs the entire country. That would have been a good trick even in 1930, when the country was only one-third as populous as now, which is why the New Deal experiments in central planning, thank heaven, mostly flopped. Today there can be serious doubts that the president even runs the government, given the plethora of independent regulatory agencies and empire builders within the federal bureaucracy. But it seems that we again are seeing more constitutional abuses by the executive branch like those of the 1930s and that the Supreme Court is less active than it was then in policing those abuses. This book harks back to a time when economic planners, of first one party and then the other, were coming into prominence, issuing one sweeping dictum after another and totally mismanaging that vital medium of exchange and measure of value, the U.S. dollar. It was a decade that saw two spectacular stock market crashes and double-digit levels of joblessness. We will look at all the lever-pulling in Washington, D.C., from the perspective of the people of Whiteland, one of thousands of small farm towns at a time when the economy was heavily agrarian. Farmers had a lot of political power but often didn't know how to use it in their own best interests, simply because they didn't know where their best interests lay. People described in this book made the best of things and in so doing kept the wheels of a heavily burdened economy turning. They were individuals like Ralph Barger, the dwarf drayman whose handicap didn't prevent him from delivering coal to townspeople, and Sam Battin, who built a plumbing business from what he had learned about pipe fitting doing maintenance work at the canning factory. There were some casualties in terms of lost jobs and lost farms, but for the most part, people coped, preserving the economic infrastructure that their forebears had so laboriously built and even expanding it despite the uncertainties engendered by government experiments. Uncertainties such as these prompted Ronald Reagan, who came of age during the Depression, to utter those oft-quoted words: In our present crisis, government isn't the solution to our problem, government IS the problem. Again, economics is about human behavior, which is extremely difficult if not impossible to evaluate and predict scientifically. A realistic approach recognizes that economies are built from the ground up, not the top down, by the endeavors of individuals to improve their lives through work, imagination, and initiative. That's what the people of Whiteland did because they were fortunate enough to have the freedom to do so. After mastering hard times, we went into World War II confident of victory, achieved it in large part because of the innovation and productive power of a vibrant capitalist economy, and came out with a new appreciation of our system and with greatly expanded global responsibilities. Victory changed the tenor of the times. Maybe these glimpses will tell us something about our own era and provide some insight into what is meant by the term American exceptionalism, mainly why it is more than a chauvinistic boast. A good synonym would be economic freedom. Those often-used words might sound like a cliché to many modern ears. But people I have met who have suffered under political tyranny, even the soft tyranny of what still

remains of the British class system, understand clearly what American exceptionalism means. They know the difference freedom makes in the quality of ones life. Americans by and large have been among the fortunate people of the world. There have been relatively few restrictions on their ability to exercise their natural creativity and profit from their toil. They have made the most of it, building an economic colossus and producing, along with their partners in like-minded nations like postwar Japan, a wonderland of technological marvels. Does a new, bright generation of Americans, the teachers who instruct them, and the politicians who lead them understand how this greatness came about? Do they understand that the economy is not something managed or grown by politicians, but is rather the sum total of the work effort and creativity of an entire population? These private efforts are often inhibited by the mistakes of Washington, but if not too heavily burdened they provide the locomotion for greater abundance and higher living standards. Is that understood? Maybe so, maybe not. Hence this book.