HATRED IN HARD TIMES—AND HOW TO COMBAT IT: LESSONS FROM HISTORY FOR THE 21ST CENTURY

by Dr. Harold Brackman

Simon Wiesenthal Center

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“There exists a subterranean world where pathological fantasies disguised as ideas are churned out by crooks and half-educated fanatics for the benefit of the ignorant and the superstitious. There are times when this underworld emerges from the depths and suddenly fascinates, captures, and dominates multitudes of usually sane and responsible people, who thereupon take leave of sanity and responsibility. And it occasionally happens that this underworld becomes a political power and changes the course of history.”

“It would be wrong to underestimate the anger that the developments on Wall Street have engendered on so-called Main Street, not only in the U.S. but elsewhere. . . . Economic recession could boost extremist political forces . . . and is likely to feed anti-immigrant sentiment. . . . Serious recessions typically threaten democracy via increased social unrest.”
——Economist Intelligence Unit, “Index of Democracy” (2008)
Executive Summary

Prosperity may not bring out the best in humanity, but depressions often have brought out the worst. The most harrowing demonstration was the rise of Nazi Germany. In 1928, Adolf Hitler was a troublesome but still contained rabble rouser. In 1930, a year after the Wall Street Crash’s international repercussions began, he was well on his way to power.

In the 1930s in the United States, the Great Depression produced hope as well as hate. Yet as this report shows, periods of economic downturn have always been seedbeds for hate movements. Today, all Americans once again need to be on guard.

This is the historical record:

- The Panic of 1837 and the depressed decade it ushered in midwived two of the most significant extremist movements in American history: anti-Catholicism and anti-immigrant nativism.
- The Depression of the 1870s gave powerful momentum to the anti-Chinese movement both in California and nationwide, though it originated in the prosperous Gold Rush Era of the 1850s which had also helped crystallize anti-Hispanic sentiment.
- The Depression of the 1890s saw the emergence for the first time in the United States of political anti-Semitism. It also marked the worst decade of lynchings of African Americans in American history.
- The Panic of 1907 and Recessions of 1913-1915 and of 1919-1921—dark clouds amidst early 20th century prosperity—were seedbeds for race riots and anti-foreign hysteria.
- The Great Depression of the 1930s witnessed the rise of radical demagogues and extremist movements that viewed Nazi Germany as a model for transforming America and subordinating racial minorities.

The history of hate movements in hard times is a cautionary tale, but it also provides us with reason for qualified optimism. The United States is indeed an exceptional country that—despite jarring bumps along the road—has inexorably moved toward expanding the parameters and promise of the American Dream.

We can learn from the individuals and movements that are the heroes of this story:

- The Abolitionists not only battled against slavery but provided models for creating cross-race and cross-gender coalitions for change.
• The Progressive Reformers of the early 20th century created new institutional models for educating and mobilizing ordinary people.
• The Industrial Unions of the 1930s and 1940s helped foster workplace tolerance between America’s many racial and ethnic communities.
• The Interfaith Movement of the 1930s and 1940s creatively confronted the forces of bigotry.
• The Civil Rights Movement of the 1960s and 1970s gave everyone a chance to share a piece of the American Dream.

In American life, conflict has always been counterpointed by cooperation. Self-interest is a powerful force, but so, too, is the empathetic outreach that led white abolitionists and civil rights activists to crusade for oppressed African Americans, middle-class, native-born women to devote their lives to uplifting immigrants, and Protestant interfaith crusaders to come to the aid of Catholics and Jews. In the 21st century, we need the rebirth of “a new progressivism” that will update the best of these traditions.

Yet we also need to aware of emerging friction points that may be exploited by extremist movements if the current economic downturn continues to deepen:

• Either inflation or deflation can be destabilizing. Weimar Germany’s democracy was all but destroyed by hyper-inflation, while stagflation frayed America’s social fabric in the 1970s. We now may be facing a repeat of the deflation that helped depress America in the 1930s.
• Increasing unemployment—projected to go to 7 percent in 2009 and maybe higher—is already reducing the influx of undocumented workers. On the other hand, it has the potential to pit against each other Americans—not only white vs. nonwhite but Latino vs. African American—in a zero-sum search for scarce jobs.
• Job exportation in bad economic times will continue to generate anti-globalization protests that have the potential to spill over in anti-Asian and anti-Mexican prejudice.
• Affirmative action programs, especially with an African American president in the White House, may generate increased acrimony if the economy worsens intensifying the search for scapegoats.
• Anti-Semitism fueled by resentment at perceived Jewish economic success may increase despite evidence such as the declining percentage of Jews attending elite universities that American Jewish rates of upward mobility are leveling off.
• Polarizing “values” issues such as abortion and gay marriage will maintain or even increase their potential to bitterly divide Americans in a down economy.

None of us want to see a repetition of the anti-Semitic hate groups, such as “The Order” and the Aryan Nations and sometimes paranoid Militias, that traumatized the country in the 1980s and 1990s by typically recruiting Americans who did not share in the prosperity of those decades. To prevent such threats to social peace from reemerging in a serious way in a stressed 21st century, we must think creatively and act constructively now to strengthen intergroup coalitions and give people of every background hope as an alternative to hate.
The Rise of the Internet—a two-edged sword with both the potential for democratic enlightenment and the risk of exploitation by demagogues—has raised the stakes. We saw this during 2008 with the election of Barack Obama to the presidency during a campaign notable for new breakthroughs using the world wide web to mobilize the electorate. Yet at the very same time extremists exploited cyberspace to globally disseminate smears against Senator Obama as well as GOP vice presidential candidate Sarah Palin, while anti-Semites used the web to revive age-old anti-Semitic libels and blame Wall Street’s meltdown on a Jewish conspiracy.

By studying how in the past “hate movements” and “hope movements” have battled for the American soul, especially in hard times, we can become better able to meet current and future dangers as well as prepare for better times ahead. This is the purpose of this report.
HATRED IN HARD TIMES—AND HOW TO COMBAT IT

Introduction: The Panic of 2008

When the history of the early 21st century is written, 2008 is likely to be viewed as pivotal for a number of reasons. No matter how future historians evaluate the Iraq War, they will view 2008 as the year the wind down in America’s fateful military commitment began. Whatever their political predispositions, they will view 2008 as the year when America made history by electing its first African American president. And whatever the consequences of the current economic crisis, they will view this as the year of the Panic of 2008.

The poet T.S. Eliot called April “the cruellest month.” Not so in the minds of millions of Americans who opened their 401k statements last September-October to find their retirement nest eggs painfully shrunk as part of a global economic meltdown that cost the financial sector alone an estimated $3 trillion. The Dow Jones average lost a third of its value, comparable to the loss in September-October, 1929.3

The twin motives of fleeing persecution and achieving prosperity have been intertwined in the American experience since before there was a United States. Four centuries ago, the Puritans who settled New England not only wanted religious freedom but to escape the stagnation that gripped old England’s commercial economy, dependent on woolen cloth exports to the Low Countries. Their leader, John Winthrop, promised to erect “a city upon a hill” that would help redeem the world. Ever since, succeeding generations of Americans have tended to view the cyclical ups and downs of what grew into the world’s greatest economy as an indicator of their collective success or failure. Sometimes, they even have viewed the economy’s performance as a measure of divine pleasure or displeasure.4

There is more to life than the state of our pocketbooks, yet periods of economic distress have always been a challenge to the American Dream and a threat to the health of our society. Arguably, this destructive nexus between economic hard times and political and social malaise has mostly spared the “baby boom” generation born between 1945 and 1963. To put it another way, their experience of bad times has been shallow and short compared to the travails of their parents’ generation—“the greatest generation”—who suffered the Great Depression before winning both military victory and restored prosperity during World War II and after.5

As pundits and politicians sound the alarm about contagious bad times spreading from Wall Street to Main Street in a way possibly not seen since 1929-1933, we have to confront the possibility that today’s Americans may be at the beginning of an economic downturn of a duration and severity that will prove an unprecedented test of their resilience and recuperative powers. Of course, everyone wants “happy days to be here again” ASAP, but in seeking renewed prosperity we cannot lose sight of the need to preserve and strengthen other fundamentals of our “more perfect union” even in the midst
of fighting economic doldrums. Remember also that we cannot move ahead without bringing along with us those who through no fault of their own have not participated in prior periods of prosperity.\textsuperscript{6}

In many ways, the last half century has been a remarkable epoch in the fulfillment of the American Dream—for African Americans born in the shadow of segregation, for other racial, ethnic, and religious minorities, for new immigrants from every land, for American women, and for gays, lesbians, and the transgendered. As we work our way through economic tough times, we cannot afford to lose these moral gains. One way to ensure our success is to face squarely the history of how hate movements have waxed strong during bad times as well as good and how heroes of hope among earlier generations have struggled to defeat them. We must learn constructive lessons from the past as strive to strengthen America’s extraordinary fabric of tolerance without which our national future would be permanently impoverished.\textsuperscript{7}
When Economies Falter, Hatred Flourishes: The Historical Record

According to the typology of extremism in relation to the economic cycle suggested by historian Richard Hofstadter, intolerant movements during periods of prosperity revolve around issues of “status anxiety” or concern about the symbols and values that define individual and national identity. A prime example was the prosperous 1920s when millions of Americans donned Klan robes in an attempt to keep African Americans “in their place” and impose “100 Percent Americanism” on recent immigrants and Catholics and Jews suspected of disloyalty, while tens of millions of “dry” Americans enacted Prohibition to try to enforce their values on those who consumed alcohol. In contrast, Hofstadter suggested periods of economic misery spawned movements organized around, not “cultural” or lifestyle issues, but class warfare. Anarchists, revolutionary socialists (and later communists), and agrarian radicals who wanted to “raise less corn and more hell” had their greatest impact on the American scene during the depression decades of the 1890s and 1930s.8

We shall see that the Hofstadter’s provocative typology oversimplifies (as he himself recognized) the turbulent side of American politics in hard times. During periods of severe recession and depression, radical movements in this country have not only sought to transform the economic status quo but often have blamed the nation’s problems on minorities whose race, religion, or national origin did not fit the native-born white Protestant mold shared by most Americans. These extremist movements also often blurred the distinction between “left” and “right.” Probably even more dangerous in bad than good economic times, bigotry has never been a monopoly of one end of the political spectrum.

—Speculative Bubbles and Minority Scapegoating: The Dutch Tulip Mania

Let’s begin with the European background. European colonization of what became the United States during the 17th and 18th centuries coincided with the developed of the first relatively free market economies in Holland and the United Kingdom. While economic stagnation was the norm throughout most of history, a new dynamic boom-bust cycle emerged on both sides of the Atlantic. Though one might think that people would eventually learn “ups” were not possible without occasional “downs”—and prepare for them—this never has happened. When Bernard M. Baruch, noted investor and friend of presidents, was asked in the 1920s to explain the inner workings of Wall Street, his pat answer was “markets fluctuate.” His wisdom has never been internalized by naïve market speculators who perennially convince themselves that euphoric upswings will last forever—never to be followed by the inevitable, painful downswing. Alan Greenspan warned against “irrational exuberance” in 1996, as did Paul Warburg in 1929—but to no avail.9

The first example of such a market meltdown was the Dutch tulip mania of the 1630s. At a time when the Thirty Years War was ravaging Europe and death from plague was an
imminent possibility, the good burghers of Amsterdam took their minds off their own mortality by get-rich-speculation in tulips, everyone’s favorite fashion accessory after it was imported into Europe from Ottoman Turkey. At first, the humble tulip was prized as an exotic luxury the price of which was bid up astronomically on a futures market where at the peak of the frenzy in 1636 a single glorious red or golden bulb could be priced as the equivalent of 12 acres of land. After the tulip was domesticated, eventually losing its fashion accoutrement status to the hyacinth, the bottom dropped out of the market. Speculators, ranging from patricians to peasants, saw their credit destroyed as the contracts they had bought to bet on even higher prices for tulips became worthless.

For the next century, preachers’ sermons reminded parishioners of the tulip mania whenever the need arose to condemn some ethical lapse or economic failure in the land of the river Zuyder Zee. Artists whose engravings were the cartoons of the day also made the crazy windhandel (“wind trade”) in tulips the butt of their satires. Yet the Dutch, soon enough, found somebody else to blame than themselves—the tiny Jewish minority among them. Unlike elsewhere in Europe, Amsterdam’s Jews, mostly recent arrivals from Spain or Portugal, were never consigned to ghettos. Rembrandt even recognized their humanity by giving his portraits of St. Matthew and Jesus the features of his Jewish neighbors. Even so, Amsterdam’s Jews were economically marginalized and barred from joining all professional guilds—even diamond merchants at first—except the booksellers who dealt in Hebrew books. No Jews were allowed to participate in such lucrative staples of Dutch overseas trade as Baltic grain, Russian furs, and Swedish iron. Limited to the fringes of business, they were ideal scapegoats to stereotype as shady market operators when the tulip mania collapsed—though Jewish involvement in the Amsterdam stock exchange was at a low ebb in the 1630s, and only participation by a Jew history bothered to record was that of Portuguese-born tulip grower named Francisco Gomez da Costa.

This was enough for a transmission belt of negative images to be carried across the Channel from Holland. Having expelled Jews in 1290, England from then through the time that Shakespeare invented Shylock demonstrated how it was possible to have “anti-Semitism without Jews.” When Jews began to return in small numbers after 1660, a prejudiced reception was awaiting them. In the early 1700s, Parliament granted the South Sea Company a monopoly charter to trade with Spain’s new world colonies in return for financing England’s public debt. South Sea shares skyrocketed and created another speculative frenzy, setting the stage for another collapse in 1720 after Anglo-Spanish relations soured. Also collapsing was the parallel Mississippi Company, chartered by France to monopolize trade with its new world colonies. The Mississippi Company, heavily traded on the Paris and Amsterdam exchanges, was the brainchild of John Law, a Scott who had wrangled appointment as comptroller general of France. These twin financial scandals implicated those in the most exalted circles of both the English and French courts including a royal mistress. Yet predictably, Jews also were pilloried in popular satires. In Holland, an engraving showed a stereotyped “Sheeny” excreting worthless stock certificates. In England, a Hogarth print fed the mindset that led some Londoners, a few decades later, to celebrate the birthday of King George II by “dressing up the effigy of a Jew and burning him in a large bonfire.”
Whenever Europe needed a scapegoat to explain a market failure, Jews were favorite “usual suspects” no matter who was really responsible. This pattern of prejudice, too, would eventually come into play across the Atlantic. It was too early for this to happen in 1692 when Salem, Massachusetts, erupted in witchcraft mania. The brunt of that persecution was directed at a closer target than nonexistent Jews—enterprising townspeople like tavern keeper John Proctor. His real hanging offense was not literally consorting with the devil; instead, it was commercial ambitions that, in the minds of envious neighbors, were much like the demonic crimes of Shylock and his tribe.13

—The Panics of 1837 and 1839: Anti-Catholicism Ascendant

The young American Republic experienced its first prolonged economic downturn in the late 1830s and early 1840s. During the Panic of 1837, an inflationary surge, fueled by speculative investments in western lands and canal and railroad projects, ended in a rash of bank failures and a credit collapse when the Bank of England stopped extending transatlantic credit and the U.S. federal government insisted that buyers of public lands pay in specie (gold) rather than questionable bank notes. Intent on defeating “the money power,” President Andrew Jackson’s Administration unwittingly helped trigger the crisis—first by refusing to recharter the Second Bank of the United States, the private-public partnership that had provided some measure of national financial stability, and then by undercutting public land purchases. A short recovery was followed by the Panic of 1839 that precipitated a deeper economic recession, hitting especially hard New England’s textile industry, which did not end until 1844.14

The hard times ushered in by the Panic of 1837 had ugly consequences by crystallizing or accelerating patterns of prejudice across a spectrum of targets. This was the period when the Indian Removal policy uprooting tribes east of the Mississippi culminated in the cruel “Trail of Tears” walked in 1838 by 15,000 Cherokees (4,000 died) from Georgia to Oklahoma Territory. It was a period of rising violence against America’s homegrown religious minority, the Mormons, forced to flee Ohio, Missouri, and lastly Illinois after the murder in 1844 of their prophet, Joseph Smith. It was the period of endemic mob attacks in the North on free black communities and their white abolitionist allies including antislavery minister and editor, Elijah P. Lovejoy, killed in Alton, Illinois, in 1837 as he attempted to defend his printing press. Without mentioning Lovejoy by name, young Abraham Lincoln made his fate and that of other martyrs to liberty the theme of his Lyceum Address of 1838 lamenting America’s descent into mob violence.15

This period was also not particularly kind to the small Jewish community (50,000 by 1850) and was harshly cruel to the much larger Catholic community (1.6 million by 1850), each made up increasingly of recent immigrants. The year 1837 witnessed the arrival in New York of teenage August Belmont (his adopted name), a Jewish immigrant from Frankfurt who became an American success story representing the investments in the Northeast of the English branch of the House of Rothschild. Also arriving in 1837 were 300 mostly poor, primarily German Jewish immigrants who typically had a tougher time in a down economy.16
Taking over from the failed bank that previously has represented the Rothschilds, Belmont audaciously used their credit to save a number of New York banks. Baron James Rothschild, head of the London operation, ultimately lost money on bad American debts, mostly public bonds, when his partner, Philadelphia banker Nicholas Biddle, failed in 1841. Disdaining the Rothschilds’ constructive financial contribution to the U.S. during the Panics of 1837 and 1839, Mississippi’s Governor Alexander McNutt libeled James Rothschild: “The blood of Judas and Shylock flows in his veins, and he unites the qualities of both of his countrymen.” This was the first—but not the last time—that demagogues took President Jackson’s attack on “the hydra-headed monster” of banks and twisted it into an attack on Jews, demonized as “non-producers” or parasitic “middle men.” The bigots had not the slightest interest in the facts that the Rothschilds, whom they accused of dominating American finance, always refused to establish a major branch in New York, and were never terribly enthusiastic about investing in the United States, becoming even less so after being scared by the violence of the Civil War for which they were blamed.17

The many ordinary Jewish businessmen who hit the road as peddlers or settled down as small-town merchants often won the esteem of their customers, but they could not escape the institutionalized prejudice of the new centralized credit-rating bureaus like Dunn & Bradstreet that often stereotyped them as “sharp,” “shrewd,” “secretive,” and “not a white man.” 18

The pre-Civil American Protestant public was notoriously ambivalent in their attitudes toward Jews—both abominated as “Christ killers” and adored as descendants of the Bible’s chosen people upon whom the Puritans modeled their own “New Jerusalem.” About Catholics, American Protestants were not ambivalent but almost uniformly and increasingly hostile. This hostility, stretching back to when the original British colonies were founded as bulwarks against Catholic Spain, had spiked in the 1790s. That was when New England ministers, fearful of the anti-religious excesses of French Revolution, spun conspiracy theories implausibly merging Jacobins with Jesuits.19

A defining moment came in 1834 when the Ursuline Convent in the Boston suburb of Charlestown was torched by a mob of Protestant workingmen who resented the convent school for educating not only the daughters of Catholics but of well-off Unitarians who preferred it for their children to public schools run by Massachusetts’ dominant Congregationalist religious establishment. The mob members were admirers of Congregationalist minister Lyman Beecher who made himself nationally prominent by preaching an apocalyptic anti-Catholic gospel. According to Beecher, the fate of not only America but all mankind hinged on Protestants armed with their bibles defeating a conspiratorial design by the Vatican to conquer the Mississippi Valley for popery by inundating the United States with millions of Catholic immigrants. From Beecher and other bigots, the American Catholic Church received no credit, only condemnation, for its efforts to copy the missionary efforts of Protestant revivalist ministers.20

Despite initial expressions of indignation by prominent Bostonians over the convent burning, the mob’s ringleaders were acquitted by an anti-Catholic jury. Supported by a
cross-class Protestant alliance of rank-and-file workers with elite leaders like Beecher and inventor of the telegraph Samuel F. B. Morse, the anti-Catholic movement grew stronger nationwide as a consequence of the economic weakening in the late 1830s and the waxing influx of Irish Catholic immigrants that reached a high tide during the Potato Famine of the 1840s. Committed to forcing Catholic children who attended public schools to read the Protestant version of the scriptures, the movement also adopted as a kind of secular bible lurid confessional tales by unstable women who claimed to be former nuns. The most famous of these, in two volumes, was The Awful Disclosures of Maria Monk. Initially turned down by Harper Brothers, it was published by two enterprising members of the firm who set up their own printing house to bring out the profitable best seller that related Maria’s repeated escapes from nunneries where she had allegedly been seduced by priests who also specialized in killing and burying the infant children of their concubines in order to keep their lust secret. Her semi-pornographic, wildly fanciful revelations have been derided as “The Uncle Tom’s Cabin of the anti-Catholic movement.” With some exaggeration, they might also be called the movement’s Protocols of the Elders of Zion.21

In 1844, ten years after the burning of the Ursuline Convent, Philadelphia erupted in a summer of riots culminating in the destruction of St. Michael’s Catholic Church and 13 deaths and over 50 serious injuries. The spark was a petition by Catholic parents to allow their children attending public schools to read their own bible translation. Irate Protestant mobs provocatively marched on the Irish Catholic neighborhood of Kensington where violent clashes with residents spiraled out of control. It took a bloody battle, including exchanges of cannon fire, before the authorities restored order. Rumors that New York’s Catholic cathedral might be next on the church burners’ itinerary came to nothing after Archbishop John Hughes announced he was arming his churches and would make New York “a second Moscow”—practicing scorched earth like the Russians did against Napoleon—if the nativists commenced war.22

A major American city had been wounded by intergroup violence like Belfast or Beirut in our own time. The 1844 riots cast such a pall over Philadelphia that some Catholic families fled. A few years earlier, the local Jewish community, which had been planning to hold a demonstration demanding the repeal of discriminatory Sunday closing laws, called it off for fear they might also be mobbed. Yet Jews and Irish Catholics did not make common cause easily. When Archbishop Purcell of Cincinnati was rumored to have counseled Catholic domestics not to work for Jews, Rabbi David Lilienthal threatened a counter boycott. On the other hand, Philadelphia politician Lewis C. Levin won the Jewish community no friends among the city’s Irish Catholics by joining the nativist party.23

This meltdown of decency in the cradle of American liberty produced by the anti-Catholic movement was not enough in itself to cause that movement to go into eclipse. Instead, the anti-Catholicism continued its successes in denominational politics, winning the support of most major Protestant churches. It also allied with the anti-immigrant nativist party which actually managed to elect a mayor of New York. Only after prosperity began to return and the nativists overreached by trying to influence the
outcome of the 1844 presidential election did their party and its anti-Catholic allies suffer serious setbacks.24

—The Panic of 1857: Regionalism and Racisms before the Civil War

The United States in the 1850s reflected the powerful impact of regional factors on both economics and politics. The decade began with California’s Gold Rush that sparked a national boom. It continued with unprecedented prosperity in the slaveholding South where “Cotton was King.” Yet it ended with a severe economic downturn affecting the farms and factories of the free state North which had neither gold fields nor cotton plantations upon which to rely.25

Prejudice permeated the American scene in the 1850s, but in regionally distinct ways. Anti-Chinese as well as anti-Hispanic sentiment took deep root in California where Asians were denied the opportunity to testify in court against white men and Californians of Mexican descent were robbed of land and mining claims. Both minorities were disproportionately victims of lynchings. These hate movements emerged during a relatively prosperous period, though they grew even more potent politically during later economic downturns.26

The woes of unemployed workers and unhappy farmers in the economically-distressed Northern U.S. in the late 1850s strengthened the regional confidence of militant Southerners. They believed that slavery was “a positive good” designed by providence to provide the paternal discipline required by childlike black people born unfit for freedom. Virginia’s George Fitzhugh, a proslavery professor who read Marx but drew reactionary conclusions, wrote Cannibals All!, a propaganda tract attacking the free North by arguing that black slaves who worked for a benevolent master were better off than white workingmen in the thrall of an impersonal market economy indifferent to their exploitation. As U.S. Senator James Hammond of South Carolina explained it in 1858: “In all social systems there must be a class to do the menial duties . . . or you would not have the other class which leads progress, civilization, and refinement. It constitutes the very mud-sill of society . . . . Fortunately for the South, she found a race adapted to that purpose.” As in California, racist ideologies in the South crystallized during regional prosperity before the Civil War—yet were destined to become even more virulent during postwar hard times.27

The North’s descent into bigotry during the 1850s crystallized in the Know Nothing movement which took up where the nativists of the 1840s left off. The Know Nothings (the name came from what supporters were instructed to answer—“I know nothing”—when asked about the party’s secret oaths) came out of nowhere after 1850 to win local and state elections up and down the eastern seaboard and even ran their own presidential candidate, former President Millard Fillmore, in 1856. The Know Nothing Party enjoyed significant Southern support, though less so as the planter class decided it could afford to “go it alone” without the North. Yet it was primarily a vehicle for Northern elites seeking to keep the country from dividing over the slavery issue by instead focusing native-born voters in both sections on a common enemy: the politically active foreign-born whose
influence the Know Nothings promised to reduce. They did best during the prosperous early 1850s, and actually went into eclipse as the economy went into decline later in the decade. By the late 1850s, it had become increasingly difficult for any national party to paper over the irreconcilable differences between North and South over slavery expansion. At the same time, the new Republican Party successfully absorbed many nativist voters. The Republicans supplanted the Know Nothing Party by spurning bigotry and rallying Northerners around a freedom agenda including free homesteads in the West and tariff help for industry. With rare exceptions, Republican politicians would not risk openly embracing black equality, but they were principled enough to refuse to cede control of the American Union to Southern proslavery racists who shared George Fitzhugh’s contempt for free labor, white or black.28

—The Depressions of 1873 and 1893: Crucibles for Modern Bigotry

The last third of the 19th century—from the end of the Civil War to 1900—was a continuum during which a new nation was created by the intertwining socio-economic forces of industrialization, urbanization, and immigration. To paraphrase Charles Dickens, these were for freedom “the best of times and the worst of times.” Modern innovations—the railroad, the corporation, the telegraph, the telephone, Edison’s light bulb and phonograph, and the public health improvements based on “the germ theory of disease”—created unprecedented opportunities to enrich life. Yet at the same time, old forms of prejudice and discrimination—racism, anti-Semitism, anti-immigrant sentiment, and sexism—were given a new lease on life and even institutionalized in new ways. In Europe as well as the U.S., the period excelled in what historian Peter Gay called “the cultivation of hatred.”29

The American economy’s roller coaster ride—from prosperity in the late 1860s and most of the 1880s alternating with terrible depressions during the 1870s and 1890s—whipsawed Americans as they tried, and sometimes tragically failed, to constructively define what freedom meant in a new age.30

The first great postwar depression was ushered in by the Panic of 1873, precipitated by the financial machinations involving the gold reserves of the Wall Street firm of Jay Cooke and Company. It led to a decade during which economic activity declined by one third, bankruptcies doubled, and unemployment in New York City rendered jobless 30 percent of all workers. Idealistic labor organizations like the National Labor Union and Knights of Labor, which admitted small businessmen as members and believed government reform of the currency could end poverty, had a hard time surviving in the new atmosphere of polarizing class conflict. In 1877, the first nationwide strike in American history paralyzed the transportation system, shut down by striking workers protesting a 10 percent wage cut in hard times. President Hayes ultimately dispatched federal troops to restore order, the first time in American history the federal government had used them to suppress a strike.31

In California, Irish immigrant Dennis Kearney (San Francisco’s Kearney Street is named after him) denounced the powerful Central Pacific Railroad and organized the
Workingmen’s Party whose solution to a depressed economy was “The Chinese must go.” At a time when Chinese immigrants comprised 25 percent of the state’s working population, hooligans incited by Kearney, who said “Judge Lynch is the judge wanted by the workingmen of California,” burned down 25 Chinese laundries and numerous homes in San Francisco where Chinatown armed to repulse a threatened pogrom. Employers throughout the state were intimidated into firing Chinese, and Kearney’s backers were elected to the California Constitutional Convention of 1879 where they urged a combination of economic reform measures like the 8-hour day for workers and anti-Chinese racism. The California Constitution of 1880 declared that “no native of China, no idiot, insane person” or criminal should be allowed to vote, and that no “Chinese or Mongolian” should be hired by government or corporations doing business in California. Though provisions like these were later struck down by the courts, Kearney’s movement successfully “went national” by convincing the U.S. Congress in 1882 to pass the Exclusion Act that ended all Chinese immigration for 10 years and forbade the naturalization of Chinese already in this country. 32

The class and racial conflicts that the Depression of the 1870s exacerbated continued into the 1880s—a generally prosperous decade punctuated by a short, severe recession in 1884-1886. There are no reliable statistics before 1882, but many hundreds of African Americans were lynched for trying to vote during Reconstruction from 1865-1877. The number of lynchings declined in the late 1870s, but then spiked during the 1880s, when there were over 1200 lynchings, and during the 1890s when they were over 1500 lynchings nationwide. Recalling the era, an African American said: “Back in those days, to kill a Negro wasn’t nothing. It was like killing a chicken or killing a snake. The whites would say, ‘Niggers jest supposed to die, aint no damn good anyway—so jest go on an’ kill ‘em.’” No longer viewed as a valuable slave but an expendable laborer by Southern racists, blacks were pictured as subhuman in Charles Carroll’s The Negro a Beast (1900). 33

Over three quarters of lynching victims were African Americans, and an even higher percentage of all lynchings occurred in the South where whites were preoccupied with stripping blacks of their rights and segregating them in unequal institutions—a practice upheld under the cruel fiction of “separate but equal” by the U.S. Supreme Court in the Plessy v. Ferguson decision of 1898. But the national toll included Chinese Americans, Latinos, and white immigrants like the 11 Italians accused of killing a policeman in New Orleans in 1891. 34

The immigrant influx into the U.S. increased from 2.8 million in the 1870s to 5.2 million in the 1880s, declined to 3.7 million in the 1890s, to then spike to the all-time 20th-century high of 8.8 million for 1900-1910. 35 The lid on anti-immigrant hysteria blew off in 1886 during a loosely-organized nationwide campaign for the 8-hour day. A bomb went off in the midst of an anarchist rally in Chicago’s Haymarket Square, killing seven police officers and an unknown number of civilians. Seven of eight defendants accused of the bombing were sentenced to hang of the basis of flimsy evidence. Newspaper editorialists went ballistic in urging convictions:
The enemy forces are not American [but] rag-tag and bob-tail cutthroats of Beelzebub from the Rhine, the Danube, the Vistula and the Elbe . . . an invasion of venomous reptiles . . . long-haired, wild-eyed, bad-smelling, atheistic, reckless foreign wretches, who never did an honest hour's work in their lives . . . crush such snakes . . . before they have time to bite.36

The best seller of 1886 was Protestant Minister Josiah Strong’s *Our Country* which raised the specter that “real Americans” were losing their country to un-American “new immigrants.” This was the same year that Edouard Drumont’s *La France Juive* made the same argument about French Jews.37

In the 1880s, American anti-immigrant rhetoric still had a Central European flavor, fusing immigrant radicals with German anarchist bomb throwers. In the 1890s, the focus shifted to alleged dangerous aliens from the countries of Southern and Eastern Europe such as Italy and the Russian Empire that were emerging as primary sources of immigration. Northern intellectuals, who felt their status was being undermined by the new arrivals, invoked notions of “the struggle for existence” and “survival of the fittest” from Darwinian evolutionary biology to rally the Protestant upper and middle class against the immigrant threat. The new Immigration Restriction League was organized in 1894 by Harvard graduates including Henry Cabot Lodge, later elected Senator from Massachusetts. According to the League’s Prescott H. Hall, the burning national question was whether the country was “to be peopled by British, German, and Scandinavian stock, historically free, energetic, and progressive, or by Slav, Latin, and Asiatic races.” In the “Asiatic” category Hall included Jews. The historian Frederick Jackson Turner, who lamented the ending of American frontier, saw the Jews as morally “inferior,” yet better able to compete in crowded urban conditions because of their “exceptionally stunted stature and deficient lung capacity.”38

The intensifying anti-immigrant discourse mutually reinforced traditional religious prejudices. During the Depression of the 1890s, the nation—rocked by a financial crash, labor convulsions at Homestead, Pennsylvania, and Pullman, Illinois, and Coxeys Army of the unemployed marching on Washington—questioned whether it could still safely absorb white ethnic or religious minorities. A mass anti-Catholic organization, the American Protective Association (APA), attracted millions of members, drawing especially from small businessmen and skilled workers who at the same time in Europe were joining the ranks of the anti-Semites. There, in bad economic times they anti-Semites in Paris demonstrated against Captain Alfred Dreyfus, wrongly convicted of treason, and in Vienna voted for demagogic Mayor Karl Lueger, a major influence on the young Hitler. In a perverted display of American “tolerance,” the APA even recruited anti-Catholic African Americans.39

There had been some scapegoating of Jews in both North and South during the Civil War, but American anti-Semitism took on a new profile in the 1870s when German-Jewish banker Joseph Seligman, a friend of presidents Lincoln and Grant, was barred from registering at the Grand Union Hotel in Sarasota, Springs, New York, by the hotel owner, Judge Henry Hilton, who viewed Jews as vulgarians and “social climbers.” Hilton’s
social anti-Semitism was politicized during the Depression of the 1890s by an extraordinary alliance of bigots from both upper and lower classes that spanned the urban-rural divide. At the same time that historian Henry Adams, the grandson and great grandson of presidents, disdained Jews as parvenus, spokesmen for the new Populist Party attacked them as threats to economic democracy.  

The late 19th century—a period of declining agricultural prices—was especially hard on the farmers of the South and West. Viewing inflation as a panacea, many echoed European anti-Semites by blaming their problems on a conspiracy of “the international gold ring” led by the English branch of the House of Rothschild. Populist novelists like “Coin” Harvey and Ignatius Donnelly gave their villains Jewish names, and Kansas Populist Mary E. Lease denounced conservative Democratic President Grover Cleveland as “the agent of Jewish bankers and British gold.” The joint Democratic-Populist Convention, held in Minneapolis in 1896, was electrified by nominee William Jennings Bryan’s speech that secularized Jesus at Calvary by pleading that “mankind not be crucified on a cross of gold.” Bryan later distanced himself from anti-Semitism and explained that he was “not attacking a race; we are attacking greed and avarice which no know race or religion.” But the damage had been done. German American anti-Semites even import a leading European bigot, Herman Ahlwardt, to denounce the Republican nominee and winner, William L. McKinley, as a tool of the “Jew Rothschild.”

There were scattered attacks on Jewish peddlers and merchants in rural areas during the 1890s, but Populist anti-Semitism was mostly rhetorical. In fact, there were certainly more anti-Semitic incidents in cities where Jews were sometimes attacked not only by native-born Protestants but by Catholics. A letter writer to the New York Sun, signing himself “Workingman,” prophesied that soon the Jews would either totally control the country—or be killed. An anonymous pamphlet published in New York City accused them of spreading typhus and cholera.

In 1899 in Brooklyn, Jews protested: “No Jew here can go on the street without exposing himself to the danger of being pitilessly beaten.” In 1902 during the Lower East Side funeral procession of Chief Rabbi Jacob Joseph, non-Jewish workers began throwing down what was called “Irish confetti”—bricks—on the 250,000 mourners. When the NYPD did nothing to protect them, the Jewish marchers charged the factory. In the 1890s, Hebrew Protective Clubs had sprung up in numerous cities to compensate for the lack of police protection. A hopeful new century had begun, but the hangover from the depressed 1890s continued.

—Prosperity, Panics, and Prejudice in Peace and War: 1900-1929

The first three decades of the 20th century were a period of positive but uneven economic performance further complicated by the impact of World War I on American society. Sharp prewar downtowns in 1907-1908 and 1913-1915 created an undertone of anxiety about poverty conditions and industrial violence just beneath the surface optimism of the so-called “Progressive Era.” The postwar 1920s, generally viewed as “a prosperity decade,” began with a painful recession in 1919-1921 that never really ended for the
farming sector of the economy. The new century opened with an acceleration of corporate mergers in most major industries culminating in the creation of the first “billion dollar corporation,” U.S. Steel, in 1901. The young American Federation of Labor (AFL), committed to non-revolutionary but tough bargaining including strikes to raise wages, increased its membership of mostly skilled workers from 140,000 in 1886 to some two million in 1914, though this was still less than one in sixth of all nonagricultural workers. Succeeding William L. McKinley, assassinated by an anarchist in 1901, President Theodore Roosevelt took on the mantle of “trust buster,” promising to use the federal government’s authority to protect ordinary citizens from the overweening power of both Big Business and (not so) Big Labor.44

The Panic of 1907—caused by financial aftershocks from the San Francisco Earthquake, speculation in western mining shares, investor fear of more government regulation, and gold withdrawals from the U.S. by English banks—jolted the economy. There was a run on banks, and the stock market lost almost 40 percent of its value and unemployment increased from under 2 percent to over 8 percent in a single year. In public perception, Washington had to go hat-in-hand to Wall Street’s unrivaled titan, banker J. P. Morgan, to resolve the crisis. Wall Street’s Jewish bankers such as Kuhn, Loeb’s Jacob Schiff (excluded from New York’s Social Register), with whom the anti-Semitic Morgan reluctantly dealt, kept a low profile. Yet as in previous financial crises, Jewish bankers received inordinate criticism. Ultimately, Americans’ fear of all the 12 major investment banks constituting “the money power” increased, as did demands for more oversight and regulation of financial markets. The result—the creation of the Federal Reserve System in 1913—was not enough to prevent another recession which began as international credit dried up as European countries anticipated the outbreak of World War I.45

Before World War I, the state of civil rights and civil liberties was tenuous. Lynchings declined from the 1890s peak, but remained deplorably high. In 1906, President Roosevelt, who pleased African Americans by inviting Booker T. Washington to the White House, disappointed them by dishonorably discharging 167 black soldiers, including five Medal of Honor winners, for covering up for comrades who allegedly had raped a white woman in Brownsville, Texas. That same year, Atlanta erupted in a white-on-black riot as the newspapers carried false stories of white women being raped. Some 10,000 white men rampaged through black neighborhoods—burning buildings and stabbing and lynching victims. Disarmed by the police prior to the riot, African Americans tried to defend themselves. Up to 40 blacks were killed in addition to two whites. In 1908, when Georgia punished the victims by passing new restrictions on blacks voting, the contagion of racist violence went nationwide with a riot in Springfield, Illinois, the hometown of Lincoln, which was preparing to celebrate the centenary of Lincoln’s birth. These developments helped convince W. E. B. Du Bois of the need for a new activist civil rights organization, the National Association for the Advancement of Colored People (NAACP), formed in 1909.46

The Panic of 1907 coincided with the first year that annual immigration exceeded 1 million. The ensuing recession slightly reduced immigration rates, but ethnic and religious tensions remained on the rise in American cities. Organized in 1913 to serve as
a “self-defense” agency, the Anti-Defamation League (ADL), had as its first order of business protesting the conviction followed by his lynching in Georgia in 1915 of Jewish businessman Leo Frank, wrongly accused of the rape and murder of Mary Phagan. Former Populist rabble-rouser Tom Watson declared: “The next Jew who did what Leo Frank did, is going to get exactly the same thing we give to Negro rapists.” The Knights of Mary Phagan, involved in the Frank lynching, became the nucleus of the new Ku Klux Klan. It was organized by Imperial Wizard William J. Simmons, an itinerant preacher and traveling salesman with an alcohol problem. The new Klan not only wore white sheets, but innovated by burning crosses. Its membership began to increase with the sensation caused by Birth of a Nation, D. W. Griffith’s silent film glorifying the first Klan for subordinating African Americans. Viewing the film in the White House, President Woodrow Wilson, a Progressive Democratic who had been governor of New Jersey but was born in Virginia, lauded Griffith’s propagandistic masterpiece as “history written with lightning.”

The recoil against immigration during the 1890s did not disappear after the return of prosperity around 1900. Pioneering social scientists from the University of Wisconsin, sociologist E. A. Ross and economist John R. Commons, combined reformist economic views with racist beliefs about the new European immigrants as well as African Americans. Their views were codified the Congressional Dillingham Report, published in 42 volumes in 1911, that shaped subsequent immigration restriction legislation. Following the assassination of President McKinley by immigrant anarchist Leon Czolgosz, Congress had passed new immigration laws barring from entry to the U.S. or providing for the deportation of the insane, or of the impoverished, or of prostitutes, or of anarchists. These laws were increasingly employed against foreign-born members of the International Workers of the World (IWW), called “Wobblies.” With a quasi-anarchist philosophy, the Wobblies justified industrial sabotage; they frightened businessmen by their innovative tactics for organizing unskilled workers, not only in the mining districts of Colorado and farm labor camps in California but during the Lawrence Textile Strike in Massachusetts in 1912. Whatever one’s view of their philosophy and tactics, the Wobblies performed a service for civil liberties by standing up for free speech against vigilante action in West Coast cities from San Diego to Spokane.

During World War I, the American Federation of Labor, which supported the war effort, grew in membership, but the IWW was ruthlessly suppressed under federal Espionage and Sedition Acts and state criminal syndicalism laws for any criticism of the war or the draft. American Socialist Party leader Eugene V. Debs, who won 6 percent of the vote in the 1912 presidential election, was sentenced to 10 years in a federal penitentiary for a pacifist speech. In 1920, he ran again for president from his jail cell, receiving over 3 percent of the vote. The American Protective League (APL) deployed 350,000 wartime members as amateur anti-espionage agents spying on the loyalty of other Americans. Teachers were particularly vulnerable for dismissal for anything deemed disloyal. German Americans were intimidated, their publications banned from the mails and German language schools shut down. Carl Muck, conductor of the Boston Symphony Orchestra, was interned for not playing the national anthem before concerts. The state of Louisiana banned speaking German in public.
The war transformed the U.S. from a debtor to a creditor nation, and stimulated wartime industry to the point of overheating. The inevitable upshot was a painful postwar dislocation during 1919-1921. During the bloody “Red Summer” of 1919, race riots erupted in 25 cities from Omaha to Washington, D.C., as black communities that had expanded during the war to accommodate newcomers from the South seeking job opportunities were attacked by whites from surrounding neighborhoods who felt their turf was being infringed. Black veterans returning from European service in America’s Jim Crow army were favorite targets. The worst riot was in Chicago where 38 people including 23 African Americans were killed and hundreds injured.50

In 1919-1920, there followed the Red Scare when the anti-subversive crusade shifted focus from German Americans to Eastern European immigrants suspected of sympathy with new communist Russia. Spearheaded by Wilson’s Attorney General A. Mitchell Palmer, whom critics derisively called “the fighting Quaker,” and agents in the Justice Department’s General Investigative Division including young J. Edgar Hoover, the government rounded up without due process thousands of alien radicals. In December, 1919, 242 people including famed anarchist Emma Goldman were deported on the U.S.S. Buford—“The Red Ark”—to Finland for transshipment to the Soviet Union.51

The anti-red hysteria peaked during a period of out-of-control inflation and explosive labor unrest including a general strike in Seattle and a police strike in Boston. Then, the bottom dropped out of the economy. These bad economic times were the crucible of much that gave the 1920s a bad reputation for civil rights and liberties. In 1920, the 18th Amendment to the Constitution, Prohibition, was implemented by the Volsted Act. The year 1921 marked the passage of the first of the major discriminatory acts—the Quota Act limiting annual admissions to 3 percent of foreign born from each country according to the 1910 Census. This worked out to 350,000 per year which cut the number of immigrants from the nations of Southern and Eastern Europe by three quarters from prewar levels. The Immigration Act of 1924 discriminated even more by reducing the cap to 165,000 apportioned at 2 percent of each nation’s share of the U.S. population in 1890. Asian nations including Japan were given no immigrant quotas, while western hemisphere nations including Mexico had no quotas imposed on them in order to continue to provide growers with cheap labor.52

In 1920, Henry Ford’s newspaper, the Dearborn Independent, had begun serializing the fraudulent Protocols of the Elders of Zion on its front page in a translation and commentary entitled “The International Jew.” Ford added the wrinkle that the banking family of the Warburgs had orchestrated the Treaty of Versailles to exploit and then communize the world. Paul Warburg decided not to sue for libel because “If we get into a controversy we shall light a fire, which no one can foretell how it will be extinguished.” Though the London Times exposed The Protocols as a forgery in 1921, Ford continued distributing the propaganda tract through his car dealerships until 1927. Hitler read a translation of Ford’s “International Jew” while he was in prison writing Mein Kampf and later hung a portrait of the automaker on his office wall. None of this prevented anti-
Semitic conspiracy theorists from accusing Jewish bankers of financing the rise of the Nazis.\textsuperscript{53}

Also in 1920, the KKK “took off” nationally under the direction of Atlanta advertising man Edward Y. Clarke and his mistress Elizabeth Tyler. Emphasizing a “100 Percent American” campaign against immigrants, Catholics, Jews, and African Americans, the Invisible Empire reached a 1924 membership of 4 million before it suffered a series of scandals, such as the conviction of Indiana Grand Dragon David C. Stephenson for the rape and murder of his secretary Madge Oberholtzer. Led by corrupt mediocrities, the Klan never produced a leader with the potential to become an American Hitler. Yet with a march on Washington 40,000 strong in 1925, the Klan left an indelible imprint on the twenties before its eclipse.\textsuperscript{54}

—Demagogues during the Great Depression and World War II

In late October, 1929, on Black Thursday the 24th and Tragic Tuesday the 29th, Wall Street financiers who had recklessly traded stock on margin, putting down only 10 percent of the value, finally realized that the American economy suffered from multiple Achilles’ heels. Agriculture had never participated in prosperity, housing (inflated by the Florida real estate bubble) had slumped, the international economy from Austria to Argentina was problematic, and lagging real wages could not sustain the U.S. consumption boom. The Dow Jones declined from 320 to 198 from September to November, 1929, but the vertiginous downward spiral had only begun. On July 8, 1932, it was 41. Between 1929 and 1933, stocks like U.S. Steel and GM declined by 80 to 90 percent. National income dropped from $87 billion to $42 billion, the unemployment rate shot up to 30 percent, and a quarter of workers were on relief.\textsuperscript{55}

The social consequences were horrific for an urban-industrial population that could no longer go back to the farm in hard times—though some tried. Middle-class people hit the road as hoboes, with the Southern Pacific Railroad evicting as many as 80,000 transients a month from its boxcars. Later in the decade, the LAPD Chief dispatched his men to the California border to turn back car caravans headed for Los Angeles made up of farmers uprooted by the Dustbowl—the much-disparaged “Okies.” During the Depression, 50,000 poor members of Los Angeles’ Mexican American community of 150,000, including many U.S. citizens, were “repatriated” to Mexico. In Chicago, African Americans made up 4 percent of the population, but 16 percent of the unemployed. West African villagers in Cameroon sent New Yorkers $3.77 for relief of the starving. After she visited famished children living in apartments with the power turned off, social worker Lillian Wald likened their plight to “the tales of old Russia.” The rate of suicides and mental hospital admissions skyrocketed, as did the number of marital desertions but not divorces which were too expensive in the depths of the Depression. Miners bootlegged coal to sell it for enough to eat. Minnesota’s governor proclaimed a moratorium on all farm mortgage foreclosures. Some 25,000 World War I veterans marched on Washington to demand early payment of a promised bonus. They were dismissed as “a polyglot mob of tramps and hoodlums,” and Army tanks under the
command of General Douglas MacArthur rolled over their encampment, killing two. Criminals like John Dillinger became folk heroes.\

Hopeless fatalism hung over the nation in 1932-1933, as communists led hunger marches and people waited for the lid to blow off as was happening with the rise of Nazism in Germany. Instead, new President Franklin D. Roosevelt restored hope, though never quite managing to end the Depression which lingered until “Dr. New Deal” gave way to “Dr. Win-the-War.” Yet the 1930s were not serene. National politics shifted to the left, but the cultural mood in some ways became increasingly reactionary; working wives, for example, faced heightened censure for taking jobs that supposedly would have gone otherwise to unemployed men. The country was in ferment, with homegrown extremists and hate merchants who admired Hitler more than Stalin trying to exploit the turmoil.

Louisiana Senator Huey Long—promising to make “every man a king” with $5,000 tax free—pursued (in the view of President Roosevelt) dictatorial ambitions until his assassination in 1935. At the time, his Share Our Wealth Movement had 27,000 chapters and claimed 8 million members. Long was not a bigot, but hatred was the stock and trade of his chief lieutenant Rev. Gerald L. K. Smith. A Protestant Fundamentalist preacher and former Klansman turned political organizer, Smith was a friend of Henry Ford and co-organized with pension promoter Francis E. Townsend and Father Charles E. Coughlin the radical Union Party that ran against Roosevelt in 1936. Barely escaping indictment for criminal sedition during World War II, Smith emerged as “the dean of American anti-Semitism” with a new interest in the Anglo-Israelite Movement which claimed that the Chosen People had always been white Christians. In 1945, he appeared at a boisterous rally in Los Angeles (he later moved to Southern California), much to the consternation of the Los Angeles Council for Civic Unity.

The KKK was in decline during the Depression, but the Protestant far right included James True, inventor of a billy club he called the “Kike Killer,” Gerald Winrod, self-styled “Jayhawk Nazi” convicted for wartime sedition, and William Dudley Pelley, founder of the Silver Shirts which was modeled on Hitler’s SS. They were all overshadowed by Father Coughlin, the first prominent Catholic bigot in American history whose following included many Protestants. Inaugurated in the late 1920s, his CBS radio program, “The Golden Hour of the Little Flower,” broadcast from his Michigan parish took in $5 million a year, ultimately on his own network of 26 stations with an estimated 30 to 40 million listeners and higher ratings than such favorites as Rudy Vallee and Amos ‘n’ Andy. America’s “Radio Priest” during the Depression called for toppling Wall Street in the name of Catholic “social justice” doctrines, receiving more fan mail than President Roosevelt. His following drew heavily from the lower middle class, pushed downward by the Depression and feeling threatened by organized economic power—whether from above (the banks and corporations) or below (the union movement). Initially lauding the new Roosevelt Administration as “Christ’s Deal,” Coughlin in 1934 started to sour on Roosevelt and his “Jew Deal” as insufficiently radical and a front for Jewish international bankers. In the tradition of populist extremism going back to the 19th century, Coughlin combined crackpot monetary theories with conspiratorial thinking, fear of the outside world, and hints of anti-Semitism. By 1938, he had made his National Union for Social
Justice into an admiration society for Nazis and Hitler’s “understandable effort to block the Jewish-Communist plan for subjugating Germany.” Coughlin also had good relations with the pro-Hitler German-American Bund, headed by Fritz Kuhn. The statement often attributed to Coughlin—that “when the United States gets fascism, it will call it anti-fascism”—is apocryphal, but privately he did say: “Jew-baiting won’t work here. Fascism is different in every country.” Initially protected by Detroit Bishop Michael Gallagher, Coughlin was silenced by the Church during the war. But in cities such as Boston and New York, where many police belonged to Coughlin’s Christian Front, his followers, who apparently had a different opinion about “Jew-baiting,” continued to roam the streets terrorizing young Jews going to school or synagogue or playing stickball. Writer Nat Hentoff reminisced how he escaped a beating by claiming he was Greek and reciting some Latin he was learning at the Boston Latin School.  

The Stock Market Crash and Great Depression revived notions that Jews controlled Wall Street. Insiders new better. In 1930, the House of Morgan, which had long disdained Jewish investment bankers, resisted pleas from both New York’s Governor Lehman and the Federal Reserve Board to save from bankruptcy the Bank of the United States—one of the few Jewish-owned commercial banks. Called the “Pantspresser’s Bank” because of its popularity with garment trades workers, the bank collapsed, devastating 450,000 depositors and causing a domino effect of other bank failures. The same story played out in Philadelphia in 1936 when the Banker’s Trust Co. went bankrupt. Businessman Joseph P. Kennedy, later accused of anti-Semitism for his Isolationist views, was considered a Wall Street liberal who decried Protestant bankers’ prejudice against Jews as well as Catholics. Wall Street firms like Goldman, Sachs began elevating non-Jews to partnership rank as early as the 1920s, but it was not until the 1970s that a Protestant-run firm, Morgan Stanley, pioneered by elevating to partnership status its “Jewish Jackie Robinson.”

The Depression played no favorites. In 1932, Chicago’s Jewish Charities struggled to support some 50,000 Jewish unemployed. Yet bad times encouraged scapegoating and “blaming the victim.” Public opinion polls first came into vogue during the Depression. In 1938, 50 percent of the public had a low opinion of Jews, 45 percent thought they were less honest than Gentiles in business, 24 percent thought they held too many government jobs, and 35 percent believed that in Europe they were largely responsible for their own oppression. Responses became even more negative during World War II when, in 1945, 58 percent of Americans said “Jews have too much power in the United States.”

Ups, Downs, and Extremist Movements since World War II

The performance of the U.S. economy since World War II is a glass half full or half empty, depending on your perspective. Emerging from World War II as the world’s only great economic power, the U.S. has enjoyed two impressive quarter centuries of growth—1946-1969 and 1983-2007—punctuated by “the lost decade” of the 1970s. The 1950s and 1960s were notable for the explosion in consumer demand, suburban development spurred by the G. I. Bill and VA mortgages, and the growth of the defense-aerospace industry; the 1980s and 1990s have witnessed America’s reemergence as the
world leader in information technology and biotech. Even so, the overall trajectory has been toward deceleration in industrial productivity and real wages as the U.S. has lost its preeminent position—having to settle for being “first among equals” among the Europeans, Japan, and now China.\textsuperscript{62}

—1946-1947: Postwar Reconversion and Resurgent Racism

After World War II, fears of a new depression did not materialize, but the economy experienced severe dislocations including sky-high inflation and a strike epidemic during postwar reconversion. Lynchings increased from one in 1945 to six in 1946—all African Americans. Two months after V-J Day, the KKK, which had officially suspended activity after Pearl Harbor, burned its first cross since at Stone Mountain, Georgia under the direction of “Doc” Green, an Atlanta obstetrician. There were postwar race riots in Tennessee and Alabama. In South Carolina, a returning black veteran who didn’t drink was accused of drunkenness by a white bus driver and beaten by police so badly that he lost his sight. Not limited to the North, there were 485 racial incidents between 1945 and 1950 in Chicago alone. The worst occurred in the suburb of Cicero where a mob of up to 5,000 whites attacked the lone black family to move into previously all-white apartment building. The rioting went on for several days until the National Guard was called in.\textsuperscript{63}

—1950-1954: McCarthyism Amidst War and Recession:

The Korean War’s heating up of the U.S. economy was followed by another postwar recession. Senator Joseph R. McCarthy’s witch hunt against real and imagined domestic communists began in 1950 with his charge that America had experienced “twenty years of treason” under Democratic presidents FDR and Truman, but it continued in 1953-1954 under the Eisenhower Administration. Though McCarthy himself was not an anti-Semite or racist, and characterizations of him as “an American Hitler” were greatly exaggerated, the ranks of his followers—drawn heavily from the lower class, the rural population, and Catholics who had supported Father Coughlin—were permeated by anti-Semitism. Economic anxieties during this period also fueled “Operation Wetback,” the nationwide sweep of illegal immigrants that according to the INS’ probably exaggerated figure resulted in the deportation of 1.3 million mostly Mexican American undocumented workers. In Azusa, California, a local police chief volunteered to the INS that a local theater had a Spanish language night and offered to coordinate with theater management to turn up the lights and block the exits until all the patrons were screened.\textsuperscript{64}


The Eisenhower Era ended with a cyclical recession that hit hard both the industrial and farming economy. Three extremist movements we usually consider as part of the 1960s— the racist backlash against the civil rights movement, the John Birch Society, and the American Nazi Party—actually took shape during in the late 1950s. The Southern campaign against the U.S. Supreme Court’s Brown \textit{v. Board of Education} school integration decision of 1954 did not reach a critical mass until the organization of “White
Citizens’ Councils” and the rash of church and synagogue bombings in 1958-1959. Founded by Massachusetts candy manufacturer Robert Welch, Jr., in 1958, the John Birch Society, which claimed 40,000 members by 1963, saw the U.S. as threatened by a communist conspiracy headed domestically by President Eisenhower and Chief Justice Earl Warren. Though Welch did not attack Jews in his speeches, Birch Society publications were larded with anti-Semitism.65

George Lincoln Rockwell—the son of vaudeville performers, a former Navy flier, a graphic artist, and an advertising man—formed the American Nazi Party in 1958. Employing Madison Avenue techniques, he boasted: “When I was in the advertising game, we used nude women, Now I used the hackenkreuz [swastika] and storm troopers. You use what brings them in.” Rockwell was an innovator. He early on focused his attacks on Israel—organizing to “save Ike from the Kikes”—and solicited backing from Egypt’s Nasser. He also pursued an alliance with black extremists, including Elijah Muhammad of the Nation of Islam, based on their shared Jew hatred. The ANP probably never attracted more than a few thousand supporters—mostly social misfits, many with military backgrounds. A disgruntled member assassinated Rockwell in 1967.66

—1973-1975: Anti-Busing Backlash, the new Klan, and The Turner Diaries:

The decade suffered a double economic and demographic whammy as unemployment topped 9 percent. An inflationary spiral set off by deficits run to finance both the Great Society and Vietnam War further accelerated as a consequence of the oil spikes of 1973-1974, caused by the Arab embargo, and of 1979-1980, the result of the Ayatollah’s revolution in Iran. The demographic dynamic was the entry into the labor force of tens of millions of baby boomers, mostly college graduates, competing with each other for jobs. On the left, the economic unease was exploited by the Symbionese Liberation Army which kidnapped heiress Patty Hearst.67

The new sense that America had entered an “age of limits,” of scarcity, and of downward mobility was carried to an extreme on the right by the Survivalist Movement that banked on the collapse of organized society. This was not an atmosphere conducive to cooperation across racial and ethnic lines. In 1974, Grand Wizard David Duke—a 24 year-old, media-savvy college graduate—organized the Knights of the Ku Klux Klan and sparked a KKK revival in the South. In 1975 in Boston, longtime opponent of school integration, former congresswoman Louise Day Hicks, organized Restore Our Alienated Rights (ROAR) to carry out massive resistance to court-ordered busing. Also in 1975, William Pierce’s novel, The Turner Diaries, a blueprint for launching a new American Civil War that would with “the day of the rope” lynchings of Jews, civil rights leaders, and government officials, emerged as a new extremist bible. In 1978, American Nazis threatened to march on Skokie, Illinois, a Chicago suburb heavily populated by Holocaust Survivors, and Holocaust-denying Institute for Historical Review was launched in Southern California.68

The prosperous middle years of the decade were sandwiched between a recessionary beginning and end. This recession of the early 1980s, when unemployment topped 10 percent, ended the “stagflation” of the 1970s by wringing inflation out of the economy. The Reagan Administration promoted renewed economic growth and competitiveness through a defense buildup and tax cuts, but received blame for reduced social spending and declining union membership. The economic anxieties of the era fed anti-immigrant sentiment that focused on the Cubans who arrived during the 1979 Mariel Boat Lift as well as Vietnamese “boat people” whose attempts to make a living by shrimp hauling off the Texas Coast led to violent Klan-led resistance in 1980. An anti-Asian backlash resulted in the tragic 1982 killing outside a Detroit bar of Chinese American Vincent Chin, mistaken for Japanese by unemployed workers who beat him to death because they were angry over auto imports costing their jobs. Showing that racism could cross the color line, Louis Farrakhan’s Nation of Islam increased its membership and profile during this period.69

The recession also served as a petri dish nurturing the growth of white extremist movements, such as the anti-income tax Posse Comitatus and the white separatist Aryan Nations, whose strength was centered in the rural Middle West and Far West. As cult expert Jim McCarthy explained, the Posse “goes out to people . . . who see their entire way of life disappearing while they stand by helplessly. . . . A man who is about to lose his farm is going to feel rage, fury.” These groups typically fused the racist ideology of the American Nazis with the conspiratorial mindset of the Birch Society and the violent revolutionary plans of The Turner Diaries. The Posse ran “a survival school” providing instruction in the destruction of roads, dams, and bridges. Led by Robert Jay Matthews, The Order or Bruder Schweigen (Silent Brotherhood) was a violent splinter group from the Aryan Nations. During 1983-1984, The Order counterfeited money, robbed banks and armored cars, conducted shootouts with the authorities, and assassinated in Denver Jewish radio talk show host Alan Berg. In 1985, Matthews died in a confrontation, and most of the 23 members tried in Seattle pled guilty to serious charges or were convicted.70


The recession of this period, coming after the 1987 stock market meltdown, was intensified by the S&L crisis, a downturn in the housing market, and defense cutbacks in the wake of the end of the Cold War. The Skinhead movement, organizing disaffected, mostly downward-mobile white youth around violent racism and anti-Semitism, emerged in the 1970s in Western Europe (it now is also strong in the former USSR) before becoming a force to reckon with in the United States in the late 1980s when the ADL estimated its hard-core membership at 3,000. In Southern California, the Skinheads drew ideological guidance from television repairman Tom Metzger who was David Duke’s deputy in the California KKK. Metzger left the KKK to organize in 1986 the White Aryan Resistance (WAR) which preached hatred against new immigrants and African Americans as well as Jews. The Aryan Youth Movement, led by Metzger’s son John, specialized in organizing those whom Raphael S. Ezekial calls “stranded white youths in
the changing city.” His recruits murdered Ethiopian immigrant Mulugeta Seraw in Portland in 1987; this was the first of a series of 28 skinhead-related homicides by 1993.71

David Duke, on the other hand, marketed racism with a smile. He abandoned Klan robes for a Brooks Brother suit to found the National Association for the Advancement of White People (NAAWP). Duke ran strong campaigns in Louisiana in 1990 and 1991, winning 44 percent of the vote for U.S. Senator in 1990 and 38 percent of the vote Governor in 1991.72

—1992-1995: Ruby Ridge, Waco, the Militias, and Oklahoma City:

Economic recovery began in 1992, but job growth during the next two years remained anemic. The “jobless recovery” was exploited by the growing movement against illegal immigration which also mobilized against the North American Free Trade Agreement (NAFTA) with Mexico. This fueled Pat Buchanan’s “America First” presidential run in 1992 and triumphed in 1994 in the passage of California’s Proposition 187 depriving illegals of welfare eligibility. In 1992-1993, the paramilitary movement, based on paranoid fears of the federal government, drew critical strength from two incidents. The FBI led a siege of the mountaintop compound in Ruby Ridge, Idaho, of Christian Identity zealot Randy Weaver, suspected of trafficking weapons. Weaver’s wife and son were killed, as was a federal marshal. Weaver was acquitted after a botched government prosecution. Then on April, 1993, 80 during a government siege in Waco, Texas, true believers and 18 children belonging to David Koresh’s Branch Davidian end-of-the-world religious cult died in a mass suicide conflagration the adults set rather than surrender to the FBI.73

In 1994, a new militia movement emerged in 22 Midwest and Rocky Mountain states ultimately with 50,000 members, led by the Militia of Montana (MOM), founded by John Trochman, a frequent visitor to self-styled Rev. Richard G. Butler’s Aryan Nations compound in Hayden Lake, Idaho, established to save white Christians from the evil machinations of ZOG—the Zionist Occupation Government. For Trochman terms like “banking elite” and “shadow government” were thinly-disguised code language for Jews. The Militias claimed to be free of racism and anti-Semitism, but marketed conspiratorial theories about UN “black helicopters” and the secret construction of “four large crematoriums located in Minneapolis, Indianapolis, Kansas City, and Oklahoma City . . . containing guillotines . . . capable of processing 3,000 people a day.” They distributed “training manuals” instructing homegrown terrorists how to “cripple the economy” by sabotage and guerrilla warfare. The next tragic step was the bombing on April 19, 1995, the second anniversary WACO and eve of Hitler’s birthday, of the Murrah Federal Building in Oklahoma City. The death toll was 168 innocents, killed by disgruntled Gulf War veteran Timothy McVeigh in collaboration with Terry Nichols. Though McVeigh was tried and executed for his crime in 2001, the paranoid far rightwing continued to proclaim his innocence and martyr status, likening him to “just another fall guy” like JFK assassin Lee Harvey Oswald. Without the extremist political agenda, the conspiratorial
mindset of the 1990s was mainstreamed by the popular television series, *The X Files*, which commenced a 10-year run in 1993.74

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**1998-2001: Anti-Globalization, the Dot.Com Bubble Bursts, and 9/11:**

Inspired by the “leaderless resistance” philosophy of Klansman and Aryan Nations activist Louis R. Beam, a new generation of fanatics like Buford O. Furrow, Jr., who murdered a Filipino American postal worker while on an anti-Semitic rampage in Los Angeles in 1999, did not need a highly organized movement to direct them. The 1990s ended confusingly with an international credit crunch (“the Asian flu”) and the failure of Long Term Capital Management (LTCM), juxtaposed with the Silicon Valley-driven dot-com boom. Left behind was the industrial sector of the economy, hemorrhaging job losses to overseas competition. The anti-globalization movement, which had been gathering momentum in Europe since the late 1980s, burst on the American scene in 1999. In December, protestors disrupted the World Trade Organization (WTO) meeting in Seattle. In addition to peaceful marchers authorized by the AFL-CIO, violent anarchists attacked police and vandalized local businesses, especially those associated with such global franchises as Nike and Starbucks. Anti-globalization protests mobilized a disparate coalition of workers who did not share in the prosperity of the 1990s and college leftists imbued with a hatred of capitalism. Ideologically also, the extremist fringe of the movement made for strange bedfellows, spanning the gamut from Trotskyist revolutionaries to Islamic extremists seeking to undermine the U.S. and European presence in the Middle East. The World Church of the Creator’s Matt Hale, later sentenced to 40 years for soliciting an FBI undercover agent to kill a Jewish federal judge, said of the 1999 anti-globalization protests in Seattle that they were “incredibly successful from the point of view of the rioters as well as our Church. They helped shut down talks of the Jew World Order WTO and helped make a mockery of the Jewish Occupational Government around the world. Bravo.”75

In 2000-2001, there was a political confluence of the collapse of the dot.com bubble and of Enron with the Second Palestinian Intifadah following the failure of Clinton Administration peace mediation. Then came the recession ushered in by the 9/11 attacks on New York’s World Trade Center and the Pentagon. As noted in 2002 by Harvard President Lawrence Summers, “serious and thoughtful people are advocating and taking actions that are anti-Semitic in their effect if not their intent. For example . . . at the same rallies where protesters, many of them university students, condemn the IMF and global capitalism and raise questions about globalization, it is becoming increasingly common to also lash out at Israel. Indeed, at the anti-IMF rallies last spring, chants were heard equating Hitler and Sharon.”76

Ideological polarization over the Iraq War since 2003 and renewed new global economic problems such as the subprime mortgage crisis culminated in the Panic of 2008 and accelerated these troubling trends. Old conspiracy theories—exploiting real economic grievances to scapegoat Jews and others—have found a new home in twenty-first century financial blogs and chat rooms that point to the failures of Lehman Brothers and American International Group (AIG) as the latest chapter in a Jewish financial conspiracy
that began when Judas is said to have accepted the 30 pieces of silver. At it again were same conspiracy mongers, including not only American and European but Palestinian propagandists, who accused Israel of possessing advance notice of the 9/11 attacks which it allegedly used to make sure 4,000 Jews would not appear for work at the World Trade Center. They now claim that three Israeli banks were the repository for $400 billion transferred by Lehman Brothers executives who planned to escape to Israel in the wake of the firm’s collapse. Both charges are equally malicious and equally untrue. Approximately 15 percent of World Trade Center victims were Jewish. The only truth about the $400 billion transfer rumor is that’s how much Lehman Brothers actually lost in its last month of operation. Unfazed by this evidence that Jewish bankers have no special immunity to losing money, anti-Semites project backwards this myth to 1929 when they claim that Jews “got out of the stock market completely, just before the crash.”

Just as conspiracy mongering is wrong, hysteria mongering about the dangers it poses is foolish. Yet the recent warning by Germany’s Interior Minister Wolfgang Schaubel should be taken seriously—and not only by Germans. “We learned from the worldwide economic crisis of the 1920s and 1930s that an economic crisis can result in an incredible threat for all of society,” he told Der Spiegel. “The consequences of that depression was Adolf Hitler and, indirectly, World War II and Auschwitz.”

Anti-Hate RX: Prescriptions from History for Promoting Tolerance in Tough Times

Hate mongers draw strength from their distortions of the past, but history is open to us as well as them. We can learn and pass on lessons of hope from the inspiring stories of the individuals and institutions that have battled against bigotry.

—Learn from the Abolitionists: Freedom is a Journey

The Declaration of Independence declared “all men are created equal,” yet the U.S. Constitution institutionalized a union between free and slave states. Many of America’s founding fathers hoped that slavery would gradually wither away as slaves were liberated, piecemeal, by enlightened masters. In the 1830s, a new generation of antislavery advocates called abolitionists demanded that the nation directly confront the contradiction between slavery and freedom. New Englander William Lloyd Garrison, editor of The Liberator, founded in 1831, raised the battle cry of “immediate emancipation.” Abolitionists were radicals, not because they expected freedom to triumph overnight, but because they understood that eradicating slavery required uprooting its deep hold on American society. Before they could educate the nation, abolitionists had to raise their own consciousness about the nature of social change.

The first lesson they learned—which made them abolitionists—was that gradual emancipation by individual masters would never work because what was needed was a national recognition that slavery was a moral evil. The second lesson was that the country’s consciousness about slavery could not be raised as long as civil liberties and free speech were being stifled by proslavery forces that censored the mails and prevented Congress from free and open debate. The third lesson was that slavery and racism were
intertwined evils, which is why white abolitionists like Garrison defied racist public opinion by reaching out to black abolitionists like escaped slave Frederick Douglass. After working with Garrison, Douglass showed he was his own man by rejecting on pragmatic grounds Garrison’s opposition to involvement in partisan politics. “The real battleground between liberty and slavery,” wrote black abolitionist Samuel Cornish, “is prejudice against color.” Virtually all abolitionists rejected the colonization movement which had encouraged freed slaves and free blacks to return to Africa.80

The fourth lesson they learned was that, though slavery was a unique evil, the rallying cry of freedom was legitimately being raised by others who were not slaves. From the founding of the American Anti-Slavery Society in 1833, Garrison’s followers welcomed participation by pioneering American feminists like Sarah and Angelina Grimké and Elizabeth Cady Stanton who organized the first women’s rights convention at Seneca Falls, New York, in 1848. “In striving to strike off the slave’s irons,” Abby Kelley declared, “we found most surely that we were manacled ourselves.” More conservative male abolitionists had doubts about female involvement, causing the movement to split in 1840. The abolitionists were mostly native-born, middle-class Protestants, yet they generally avoided religious prejudice and anti-immigrant sentiment. They were less successful in winning the support of the pre-Civil War workers rights movement that sought to make “wage slavery” the central issue of the time.81

Most of all, the abolitionists taught themselves and ultimately the nation that freedom is indivisible and liberty is a journey that’s ongoing. This is why the black and white anti-segregation activists who founded the NAACP in 1909 called themselves “new abolitionists,” as did later generations of civil rights activists. It is why the Rev. Martin Luther King, Jr., in leading his “Freedom Now” crusade, invoked the example of the abolitionists. It is why we, too, we are acting in the tradition of the abolitionists whenever we defend and extend the civil right movement whether the economy’s in a state of boom or bust.82

—Learn from the Progressive Reformers: Renew Our Institutions

During the Progressive Era—roughly, the first two decades of the 20th century—reformers grappled with the emergence of the urban-industrial “nation of immigrants” that has defined America ever since. Like the abolitionists before them, the progressive reformers were predominately native-born, middle-class Protestants who often had to struggle to overcome the class and cultural prejudices against workers, immigrants, and racial and religious minorities that were part of their upbringing. Recognizing the need to reach out to people different from themselves, the progressives sought to refashion American society in order to achieve a modern inclusive nation.83

President Theodore Roosevelt became the ultimate progressive role model for revitalizing American citizenship. A proponent of “the strenuous life” in all things, he mobilized government to empower middle class people who felt overshadowed by powerful corporations yet also feared the rise of powerful unions. Celebrated as “a trust buster” for taking on big business in anti-trust suits, he also won credit for the enactment of the Pure
Food and Drug Act of 1906 that became the magna carta of the new consumer movement. Roosevelt’s accomplishment in making the presidency into a “bully pulpit” may prove as essential to solving the problems of the 21st century as it was to solving those of the 20th.84

The Progressive Era was also the heyday of the investigative journalists whom Roosevelt himself dubbed “muckrakers” because their specialty was revealing the dark underside of American life. The meat packing industry was cleaned up only after Upton Sinclair’s novel, The Jungle (1905), created a national sensation by exposing unsanitary production lines as well as unsafe working conditions. “I aimed at the country’s heart,” Sinclair ruefully joked, “but hit it in the stomach.” Other muckrakers including Ida Tarbell, Jacob Riis, Charles Edward Russell, and Ray Stannard Baker wrote hard-hitting exposés for mass circulation publications like McClure’s and the American Magazine criticizing everything from political corruption, to life insurance fraud, to tenement housing, to prostitution, to child labor, to brutal jail conditions, to the evils of lynching.85

The progressive muckrakers established the tradition of the courageous reporter as society’s moral spotlight that later produced television’s Edward R. Murrow, who exposed Joe McCarthy, and Ralph Nader whose Unsafe at Any Speed (1965) opened a new consumer chapter in auto industry safety. Since the muckrakers’ time, the media have changed, but the message is the same: we still need crusading journalists to make sure we are not kept in the dark about our current economic crisis and the nation’s other critical problems.86

The third leg of the progressive triad—in addition to inspiring political leaders and intrepid journalists—was made up of institutional innovators like the social workers who invented the settlement house. Jane Addams founded Chicago’s Hull House in 1889 for the twin purposes of providing a career outlet for educated young women and reaching out to immigrants and other newcomers to the city. By 1910, there were 400 settlement houses in American cities. The social settlement’s key innovation was providing institutional space for the kinds of education that were not then being provided in the public school classroom. In addition to kindergarten and adult education courses, the settlements brought together old and young in settings designed to bridge the generation gap that was growing between immigrant parents and their native-born children. The settlements encouraged “Americanization” by teaching English as a second language, but avoided coercive assimilation. Instead, the settlements held ceremonies that allowed newcomers to America to display the old world traditions or “the immigrant gifts” they were contributing to America.87

The social settlement movement provided a practical training ground for the philosophy of cultural pluralism that was championed after World War I by Horace Kallen. From cultural pluralism evolved today’s multiculturalism celebrating diversity. The difference is that our public schools now are not doing as good a job as the social settlements did in balancing the need to help immigrants enter the mainstream with their reinforcement of pride in their culture. In the early 21st century, another era of peak immigration, we still have a lot we could learn from the progressive settlement house workers of the early 20th
century about ways to promote positive minority integration into the mainstream whatever economic conditions prevail.88

—Learn from the Industrial Unions: Toward Workplace Tolerance

Badly weakened by anti-union employers during the 1920s, the American labor movement entered the 1930s on the defensive. It emerged from the Depression and World War II as a model of building workplace democracy and tolerance across religious and ethnic-racial lines. In 1935, the American Federation of Labor—dominated by skilled trades unions that made minimal efforts to organize the mass assembly lines where many of the workers were recent immigrants or their children—was challenged by the new Congress of Industrial Organizations (CIO) that sought to organize under the new National Labor Relations Act the auto and steel industries, among others. Motivated by the pragmatic need to organize across ethnic and racial lines, combined with an idealistic commitment to equal opportunity (many CIO organizers were communists strongly committed to civil rights), the UAW under the Walter and Victor Reuther and the USW under Philip Murray pressed for an ethnically and racially integrated workplace. Intoxicated by the gospel of class solidarity, one auto worker said: “Once, they called me ‘dumb Pollack’, but now with UAW they call me brother.”89

The difference between success and failure often boiled down to the results of union outreach to the African American community. Blacks, who constituted 20 percent of all steel workers, had been used as strike breakers to defeat earlier organizing efforts in 1893 and 1919. Now, they were won over. In the auto industry, black workers constituted only 4 percent of the overall labor force, but were 12 percent in the critical Ford plants. They had largely stayed on the sidelines during the UAW’s successful drive to organize GM in 1937-1938. In 1941, it was Ford’s turn, and the result was in doubt because Henry Ford had always cultivated good relations with Detroit’s African American community. Making unprecedented commitments to give African Americans a fair chance for good jobs in American factories gearing up for the coming war, the UAW won. During World War II, CIO unions had to cope with wildcat “hate strikes” by white workers, many recent arrivals from the South, who didn’t want to work with blacks. Yet union leaders did their best to work with the Fair Employment Practices Committee (FEPC), established to by Roosevelt Administration in response to the threat by A. Philip Randolph, head of the Brotherhood of Sleeping Car Porters, to hold an all-black March on Washington to protest employment administration. The UAW’s antidiscrimination efforts continued to be a staple of its postwar negotiating strategy, causing GM’s vice president for labor relations to crudely joke: “I’m vice-president in charge of Jews and niggers.” The culmination came with the unified backing of the new AFL-CIO, created in 1955, for the civil rights movement led by Rev. Martin Luther King, Jr. Union members carrying signs in favor of workplace equality are prominent in pictures of the 250,000 black and white demonstrators who flocked to the March on Washington in 1963.90

Economists and others continue to debate whether or not union membership really translates into higher wages and better working conditions for employees. Indisputable is that the labor movement, since the rise of the industrial unionism in the 1930s, has made
a real contribution to creating workplace unity among a mosaic of diverse races, religions
nationalities, genders, and sexual orientations. Today, the need to knit together an
increasingly pluralistic society is at least as important as it was during the Depression.
Learning from our turbulent economic history, we ought to value the positive role that
21st century unions can play in the harmonizing process.91

—Learn from Interfaith Outreach: Religions Can Build Bridges

The modern American interfaith movement began after World War I. The initial impetus
came from the Federal Council of Churches, an alliance of mainline Protestant
denominations, and Jewish organizations including the Central Conference of American
Rabbis and the B’nai B’irth. Jewish participants in interreligious “goodwill” were
particularly interested in convincing Protestants to cease proselytizing efforts to convert
Jews. The liberal Protestants wanted help combating the Fundamentalist agenda,
including attacks on the teaching of evolution, that was in the political ascendant in the
1920s. Discouraged by Rome from participating in ecumenical dialogue, American
Catholics gradually came on board in response to the Klan’s increasingly strident anti-
Catholicism as well as the attacks in 1928 on Al Smith, the first Catholic to run for
president.92

In 1928, the National Council of Jews and Christians—the name was later changed to the
National Council of Christians and Jews (NCCJ)—was organized. Its first high profile
campaign was protesting the blood libel accusation raised that year against Jews in
Massena, New York, but it really took off in the 1930s. In the midst of economic bedlam,
the NCCJ was one small voice for religious tolerance, yet precisely for that reason it was
important. The NCCJ sent out Protestant-Catholic-Jewish “tolerance trios” to tour the
country, reinforcing that America was a religious “triple melting pot”—the notion
popularized by Will Herberg after World War II. Prominent figures like Rabbi Stephen S.
Wise and Father John A. Ryan—an outspoken critic of Father Coughlin—were
sympathetic. In 1939 came an experimental curriculum for promoting “mutual
acceptance,” adopted in Springfield, Massachusetts and other mid-sized cities. Following
the creation of Brotherhood Day in 1934, came Brotherhood Week, commemorated every
February since 1943. That year also witnessed what became an iconic incident
commemorated on postage stamps: the sinking of the U.S.S. Dorchester, a troop ship on
which four chaplains—one Jewish, one Catholic, two Protestant—gave up their life
jackets so that others could live.93

These interfaith efforts during the Depression and World War II bore even greater fruit
after 1945. In the shadow of the Holocaust, interfaith proponents including the American
Catholic Bishops and the American Jewish Committee successfully lobbied the second
Vatican Council for the passage of Nostra Aetate (1965), the Catholic Church’s
recognition of “the spiritual patrimony common to Christians and Jews.” Richard
Cardinal Cushing who took a leadership role declared: “We must cast the Declaration on
the Jews in a much more positive form, one not so timid, but much more loving. ...For the
sake of our common heritage we, the children of Abraham according to the spirit, most
foster a special reverence and love for the children of Abraham according to the flesh. . . . So far as the guilt of Jews in the death of our Saviour is concerned, . . . we cannot sit in judgment on the onetime leaders of Israel—God alone is their judge. Much less can we burden later generations of Jew with any burden of guilt for the crucifixion of the Lord Jesus, for the death of the Savior’s of the world, except that universal guilt in which we all have a part. . . . In clear and unmistakable language, we must deny, therefore, that the Jews are guilty of our Savior’s death. We must condemn especially those who seek to justify, as Christian deeds, discrimination, hatred and even persecution of Jews. . . . I ask myself, Venerable Brothers, whether we should not humbly acknowledge before the whole world that, toward their Jewish brethren, Christians have all too often not shown themselves as true Christians, as faithful followers of Christ. How many [Jews] have suffered in our own time? How many died because Christians were indifferent and kept silent?”

Eventually, the NCCJ broadened its focus because of the need to reach out beyond Christianity and Judaism to Islam as well as the non-Abrahamic faiths of South and East Asia. Today, with explosive growth among Evangelical Protestants and Pentecostalists and Islam’s emergence as America’s fast-growing religion, we face an unprecedented new era of religious pluralism. Religious fragmentation is a challenge, yet religious faith of all kinds is probably the most important generator of the community involvement that we need to counter the isolating tendencies that Robert D. Putnam has analyzed his book, *Bowling Alone* (2000). In trying to channel religious pluralism in constructive ways, we can learn lessons about building bridges between religions from this country’s pioneering proponents of interfaith cooperation who were brave enough to stand up for tolerance during the America’s greatest economic crisis.

—Learn from the Civil Rights Movement: We All Share the American Dream

Emerging from World War II, the modern civil rights movement scored an initial victory with President Truman’s order integrating the military in 1948, but concentrated on a legal strategy that achieved resounding success with the U.S. Supreme Court’s school integration decision in *Brown v. Board of Education* in 1954. There quickly followed a shift from the courts to the streets as the nonviolent Montgomery Bus Boycott of 1955 ultimately ended the segregation of that city’s public transportation system. The Student Sit-Ins of 1960 and Freedom Rides of 1961 were variations on the same strategy that was personified by the leadership of Rev. Martin Luther King, Jr., catapulted into national prominence by Montgomery.

The fast-moving pace of the civil rights revolution saw King’s “I Have a Dream Speech” at the March on Washington in 1963 followed by his Nobel Peace Prize and the even greater achievements of the U.S. Congress enacting the Civil Rights Act of 1964 and Voting Rights Act of 1965. Yet by 1965, Rev. King was being challenged by the first violent eruption of a black ghetto in Watts and by the complementary militancy of Malcolm X and the Black Power Movement. Accused of being an “Uncle Tom” because of his principled rejection of violence as a tactic or strategy, King always considered himself a “radical”—not a “moderate.” His radicalism was in the tradition of the
abolitionists who earlier understood regarding slavery that there could be no fundamental social change with a profound change of hearts and minds on the part of white Americans. King demanded “Freedom Now!” not because he thought racial inequality would end in a day but because he knew that could be no real solution until America experienced a revolution in consciousness about the rights and wrongs of racism.97

This insight—King’s greatest legacy—spawned a “culture of rights” that became the common heritage of all the other protest movements of the 1960s and 1970s. The other “ethnic consciousness” movements of the period—Red (Native American) Power, Chicano Power, Yellow (Asian American) Power, even the Irish Power and Italian Power credos of the white ethnics—were obvious spinoffs of the African American civil rights crusade. In more subtle ways, the same was true of the antiwar movement, the environmental movement, and even the consumer movement. Perhaps most important was the women’s movement, launched in 1966 by the founders of the National Organization for Women (NOW), which drew many leaders from the ranks of the civil rights movement where they had learned that “the personal is political” and that their first priority had to be demanding respect as women. Paralleling the new feminism was the gay and lesbian rights crusade, sparked by the anti-gay police Stonewall Riot in New York City in 1969.98

The transition from the prosperous 1960s to the economically stagnant 1970s altered but did not end the “baby boom” generational dynamic behind the exfoliation in rights-oriented protest movements. Rev. King, martyred in 1968, was irreplaceable, yet his place was taken to the extent it could be by Cesar Chavez of the National Farm Workers’ Union whose grape and lettuce boycotts became a new focus for America’s conscience. Old alliances like that between African Americans and Jews were strained by new issues such as affirmative action, yet minorities continued to try to forge intergroup coalitions at the same time as they pursued their own unique agendas.99

Now, almost a half century later, we can say that the great the epoch of rights protests growing out of the 1960s has immensely enriched our national life by enlarging the American Dream and including under its umbrella of hope so many previously excluded or marginalized Americans. In the 21st century, we may need to recalibrate the balance between the rights and the responsibilities of citizenship. Yet as we move ahead trying to regain an elusive prosperity we should never relinquish that real moral gains that have been achieved over the past generation. No “mess of pottage” or promise of affluence would compensate for the betrayal of our ideals. The civil rights movement and the sacrifices of the men and women who built it comprise our shared legacy as Americans. We should cherish it, protect it, and even extend it whenever possible, no matter whether the economic skies are clear or cloudy. As Philip A. Klinker has written, “There is, after all, something profoundly inspiring about being able genuinely to believe that we are a people dedicated to carrying forward our national story toward the full realization of our noble ideals, however difficult that task may be.”100

—Conclusion: Whose 21st Century—and What Kind—Will It Be?
In September, 2008, just as the global financial crisis began to wreak havoc not seen since 1929, the Pew Global Attitudes Project released a poll showing 46 percent of Spaniards, 36 percent of Poles, 34 percent of Russians, and 25 percent of Germans had negative views of Jews, while 52 percent of Spaniards, 50 percent of Germans, 46 percent of Poles, and 38 percent of French had negative views of Muslims. Regarding anti-Jewish feeling, only the UK (at 9 percent) and the U.S. (at 7 percent) scored in the single digits. What will the 21st century look like—in the United States as well as around the globe—if we do not act now to prevent prolonged hard times from fueling an upward spiral in extremism and anti-minority prejudice?101

The early years of this new century are not the first time that America and the world have been at a fateful juncture. A hundred years ago, observers debated who would dominate the 20th century: the U.S. or Germany. *Time* magazine publisher Henry Luce gave the answer by coining the phrase: “The American Century.” The last 100 years not only aggrandized American military and economic power, but vindicated global human rights aspirations by the defeat of Hitler as well as the eventual freeing of the world’s peoples from colonial domination.102

Yet in 1900 the moral consequences of the U.S. rise to global power were not so clear. To observers, America looked like an emerging apartheid state. During the period that South African Apartheid first emerged, the U.S. had retreated from the color blind hopes of Reconstruction (1865-1877) into a period when white supremacy was rarely challenged in the North or the South. Indeed, in 1900 the U.S.—not South Africa—was experiencing epidemic anti-black violence in the form of lynching.103

Looking back now, we know that, while South Africa descended into the worst racist regime of the post-World War II era, America moved in the opposite direction by undergoing the purging experience of the civil rights revolution. The United States after World War II achieved not only unprecedented economic prosperity, improving the lives of ordinary people, but a new era of justice empowering oppressed minorities. This country demonstrated that it was possible to be powerful and prosperous—and “on the side of the angels”—at the same time.104

Now in the 21st century, the U.S.’s preeminent global position is being challenged by China. Will America’s free society be able to compete with communist China’s experiment in economic modernization? Without a crystal ball, we can only hope that U.S.-China competition remains peaceful, and that the outcome won’t be a zero-sum victory for one country but a result that benefits both peoples and the cause of human rights.105

On the homefront, we need to think of emerging friction points that may be exploited by extremist movements if the current economic downturn continues to deepen:

- Either inflation or deflation can be destabilizing. Weimar Germany’s democracy was all but destroyed by hyper-inflation while stagflation frayed America’s social
fabric in the 1970s. We now may be facing a repeat of the deflation that helped depress America in the 1930s. Declining prices are good for consumers, but bad for farmers and also homeowners. We could see another “homeowners revolt” against high property taxes and increased social spending with the potential to inflame ethnic and racial hatreds.

- Increasing unemployment—projected to go to 7 percent in 2009 and maybe higher—is already reducing the influx of undocumented workers. On the other hand, it has the potential to pit against each other Americans—not only white vs. nonwhite but Latino vs. African American—in a zero-sum search for scarce jobs.
- Job exportation in bad economic times will continue to generate anti-globalization protests that have the potential to spill over in anti-Asian and anti-Latino prejudice.
- Affirmative action programs, especially with an African American president in the White House, may generate increased tension if the economy worsens intensifying the search for scapegoats.
- Anti-Semitism fueled by resentment at perceived Jewish economic success may increase.
- Polarizing “values” issues such as abortion and gay marriage will maintain or even increase their potential to bitterly divide Americans in a down economy.

None of us want to see a repetition of the anti-Semitic hate groups, such as “The Order” and the Aryan Nations and sometimes paranoid Militias, that traumatized the country in the 1980s and 1990s by typically recruiting Americans who did not share in the prosperity of those decades. To prevent such threats to social peace from reemerging in a serious way in a stressed 21st century, we must think creatively and act constructively now to strengthen intergroup coalitions and give people of every background hope as an alternative to hate.

The rise of the Internet is a two-edged sword with both the unprecedented potential to promote democratic enlightenment and empowerment and the countervailing risk of exploitation by 21st century extremists and demagogues. In 2008, the sword cut both ways. Barack Obama was elected the first African American president during a campaign that saw pathbreaking political education and grassroots fundraising in cyberspace. On the other hand, the world wide web was used to disseminate false charges and character assassination against Senator Obama as well as GOP vice presidential nominee Sarah Palin. At the same time, it was employed to globally popularize the ludicrous conspiracy theory that, during the meltdown on Wall Street, executives of failing Lehman Brothers planned to flee to Israel with $400 billion in stolen funds.106

Whatever economic bumps—beginning with the Panic of 2008—the U.S. may experience in the years ahead, Americans should never forget that we cannot afford to betray our investment in the American Dream. In bad times perhaps even more than good, we have to stay true to our ideals of freedom and equality for all. We cannot listen to demagogues who preach abandonment of the civil rights gains of the past half century as a solution to current and future economic woes. If we give in to the counsels of hatred and fear, we risk bequeathing to our children an American devoid of self-respect as well
as our economic well being. Our challenge is to ensure that the inevitable economic roller coaster does not derail our sacred rights. As we seek to revive prosperity, we must work together as a community and complement our Declaration of Independence with a new recognition of interdependence. United we stand, divided we fall.107


42 Higham, *Send These to Me*, p. 132.


