

## THE SOONER NRA: NEW DEAL RECOVERY IN OKLAHOMA

By James Ware\*

Possibly no period in Oklahoma's history in the twentieth century has attracted more attention than the tragedy of the Dust Bowl in the 1930s. Oklahoma farmers had suffered minor booms and major busts throughout the 1920s, but the worst was yet to come. By 1932, mechanized agriculture had begun to drive small independents into tenancy, and the psychology of failure had spread. The worst depression in the nation's history only compounded Oklahoma's problems. On the one hand, industry was failing and jobs were scarce in the towns and cities, and, on the other, parched winds of one of the worst droughts in the area's history literally blew farms away. Prodded by visions of paradise, cloudless skies and expensive new tractors, thousands of Oklahomans fled the state.<sup>1</sup> While these "Okies" struggled along Route Sixty-six in their worn and overloaded trucks and cars, others followed shorter roads to Oklahoma's towns and cities. Their hopes for jobs, as well as those of thousands of other Oklahomans, depended on the success of the New Deal's primary legislative venture, the National Recovery Administration.<sup>2</sup>

Congress had created the National Recovery Administration during the whirlwind of the first hundred days of Franklin D. Roosevelt's administration. The National Industrial Recovery Act recognized the fact that state and local recovery agencies could not cope with the overwhelming problems of the Great Depression. For example, \$300,000 appropriated for relief during the first year in Oklahoma could not quench the thirst of the dusty Sooner unemployed.<sup>3</sup> To quell this crisis Congress established the federal recovery program, symbolized by the Blue Eagle. The act granted the National Recovery Administration the power to create codes of fair competition in cooperation with industrial groups or trade associations. In addition, the National Industrial Recovery Act recognized the right of workers to bargain collectively without interference from their employers. Hopefully, by exempting coded industries from the antitrust laws and allowing

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<sup>1</sup> Walter Stein, *California and the Dust Bowl Migration* (Westport, Connecticut: Greenwood Press, 1973), pp. 3-31.

<sup>2</sup> United States Government, *Congressional Record*, 72nd Congress, 1st Session (Washington: Government Printing Office, 1932), pp. 98-99.

<sup>3</sup> Oklahoma State Department of Labor, *Biennial Report, 1930-1932* (Oklahoma City: Oklahoma Department of Labor, 1932), pp. 24-25.

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Scenes such as this were typical in western Oklahoma during the "Dust Bowl Era"

them to regulate themselves, American business could pull itself out of its moribund state; industry, again prosperous, could then provide the jobs necessary to cure the serious illness of unemployment.<sup>4</sup>

Hugh Johnson, head of the recovery agency, was responsible for creating the National Recovery Administration's organization. The former cavalryman from Alva, Oklahoma handpicked his subordinates largely from among businessmen and industrialists. Then, these men and women helped the states, counties and cities establish their agencies.<sup>5</sup> But before Oklahoma's National Recovery Administration could act it had to have its legal foundations. These came with the codes of fair competition which a mixture of lobbying and hearings held in Washington, D.C., during the summer and fall of 1933 finally determined.

<sup>4</sup> "National Industrial Recovery Act." United States Government, *Statutes at Large* (multi-volumes, Washington: Government Printing Office, 1943), Part 1, pp. 195-211.

<sup>5</sup> Hugh Johnson, *The Blue Eagle from Egg to Earth* (Garden City, New York: Doubleday, Doran and Company, 1935), pp. 73-193.

Although primarily an agricultural state, the crisis of the Dust Bowl made Oklahoma industry extremely important to the state's economy. Thus, the status of oil, the state's primary industry, became a critical issue in 1933, and the creation of its code a necessity to all Oklahomans. The depression had swept through the petroleum industry like a tornado striking a Sooner town in spring. The price of oil had declined from \$1.30 per barrel in 1930 to about 1¢ per barrel in 1932, and because of overproduction, the industry had begun closing wells at a rapid rate—21,603 in 1931 alone.<sup>6</sup> For these reasons, oilmen from the major and minor companies and representatives of the oil-producing states eagerly came to Washington for the code hearings on July 24, 1933.

The code hearings for the petroleum industry demonstrated the power of the big oil companies over their independent counterparts. With major oil company management, the American Petroleum Institute, which carried tremendous lobbying strength within the government, wrote the initial code proposal and controlled the public hearings. Axtel Byles, President of the American Petroleum Institute, and Oklahoman Wirt Franklin, President of the Independent Petroleum Association of America, detailed big oil's position.<sup>7</sup> And across the battlefield twenty-two independent producers led a frustrating attack on the monopolistic tendencies of the American Petroleum Institute's code.<sup>8</sup> In the end the major oil companies, through their ally the Federal government, dictated the final solution. "Section Five" was the key to the new code of fair practices; this provision ruled that any agreements between competitors designed to accomplish the objectives of the code or to eliminate the duplication of manufacturing, transport and marketing facilities were permitted. An open invitation to monopoly, "Section Five" directly aided the cause of big oil and seriously impaired that of the small independents.<sup>9</sup> Other provisions covering wages and hours, production, marketing and the industry's governing committee added to the American Petroleum Institute's victory.<sup>10</sup> Will Rogers had predicted the outcome of the hearings early in July:<sup>11</sup>

<sup>6</sup> Myron Watkins, *Oil: Stabilization or Conservation?* (New York: Harper and Brothers, 1937), pp. 43-54.

<sup>7</sup> National Recovery Administration, *Hearings on the Code of Fair Practices and Competition presented by the Petroleum Industry*, 10 vols., Library, Oklahoma State University, Stillwater, Oklahoma, Vol. 1, July 24, 1933, pp. 3004-3038.

<sup>8</sup> *Ibid.*, pp. 3079-3153.

<sup>9</sup> National Recovery Administration, *Codes of Fair Competition, Nos. 1-57* (23 vols., Washington: Government Printing Office, 1933), Vol. 1, pp. 149-150.

<sup>10</sup> *Ibid.*, pp. 151-164.

<sup>11</sup> *Daily World* (Tulsa), July 12, 1933.

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Frank Phillips of oil fame was out the other day, said he was going to Washington, the oil men were going to draw up a code of ethics. Everybody present laughed.

The alliance between big oil and the Federal government may have proved unhealthy later; however, at the time oil helped Oklahoma survive the depression and the crisis of the Dust Bowl migration. After signing up with the National Recovery Administration, the major Sooner petroleum companies such as Continental, Mid-Kansas and Phillips reemployed 2,200 workers and increased the state's purchasing power by \$5,500 per day.<sup>12</sup>

Even while various groups battled over oil in Washington, state and local leaders created the foundations of the National Recovery Administration bureaucracy. But that task was not without its political difficulties in Oklahoma. Sooner governor, William H. "Alfalfa Bill" Murray, bitterly attacked Franklin Roosevelt after the Oklahoman's unsuccessful favorite-son bid for the Presidency in 1932; Murray's hatred for the Chief Executive finally "dominated his thinking on nearly every issue."<sup>13</sup> Naturally, the National Recovery Administration, as a New Deal program, drew a variety of antagonistic criticism from the governor. An example of Murray's attitude occurred in August of 1933; Ansel Earp, head of Oklahoma City's drive to promote the Blue Eagle, requested that the governor lead a parade advertising reemployment and the National Recovery Administration. With obvious malintent, "Alfalfa Bill" refused to attend, excusing himself with a more pressing engagement.<sup>14</sup> The governor attacked the New Deal and the National Recovery Administration more directly by refusing to call a meeting of the State Recovery Board. This body gave a sense of direction to the local National Recovery Administration committees and was important to the Sooner Blue Eagle's success. After a request from local officials, the national administration pressured Murray into calling the board, but not until after a serious delay.<sup>15</sup> The governor's influence also probably helped prevent the passage of a state recovery law or "little NRA."

Not all state politicians supported Murray's animosity toward the New Deal. Other political leaders seemed more aware of the potential changes wrought by Dust Bowl population shifts. Campaigning on the slogan

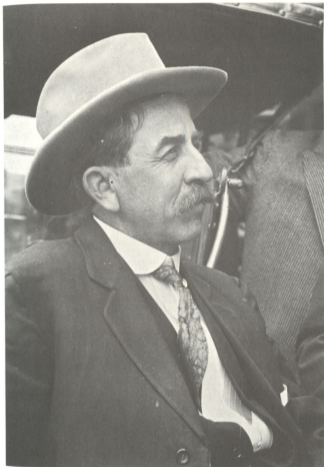
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<sup>12</sup> *The Daily Oklahoman* (Oklahoma City), September 3, 1933; *Daily World*, August 3, 1933; *Oklahoma City Times* (Oklahoma City), September 2, 1933.

<sup>13</sup> Keith Bryant, *Alfalfa Bill Murray* (Norman: University of Oklahoma Press, 1968), p. 236.

<sup>14</sup> Ansel Earp to William Murray, August 8, 1933, and Murray to Earp, August 24, 1933. *NRA Campaign in Oklahoma City, 1932-1933*. Library, Oklahoma City Chamber of Commerce, Oklahoma City, Oklahoma.

<sup>15</sup> Earp to Boaz Long, August 18, 1933, *Ibid.*



Oklahoma Governor William H. "Alfalfa Bill" Murray who bitterly attacked President Franklin D. Roosevelt's New Deal

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"Bring the New Deal to Oklahoma," Congressman Ernest W. Marland defeated Tom Anglin, the governor's handpicked successor, in the gubernatorial primary of 1934. Later, as governor, Marland proved much more sympathetic toward the New Deal and the National Recovery Administration.<sup>16</sup> J. Berry King, attorney-general under Murray, was also more friendly toward Roosevelt's recovery program. The National Recovery Administration faced a possible conflict with a 1931 Oklahoma law governing trusts, but King used the wide interpretive powers of his office to rule in favor of the Blue Eagle.<sup>17</sup>

In spite of intense opposition from the Governor's office and the absence of a state recovery law, Sooners still managed to create a State Recovery Board as well as a very important campaign organization in Oklahoma City. The State Recovery Board with the assistance of the State Recovery Council directed Oklahoma's National Recovery Administration. Frank Buttram, President of Buttram Petroleum Company, Chairman of the Board of Regents of the University of Oklahoma and former candidate for governor, headed the board. This body acted as a transmission agent; it received reports from the county chairmen, synthesized those documents, and relayed that information to Washington. In cases where the federal administration deemed it necessary, the board enforced federal law in behalf of the National Recovery Administration. The State Recovery Council, an advisor on local conditions, included representatives from six state districts and members of state-wide businesses and trade associations. The council also assisted county and local groups with any technical problems involving the Blue Eagle or the National Recovery Administration's rules and regulations.<sup>18</sup>

Oklahoma City's National Recovery Administration Committee was possibly even more significant than the State Board due to political and economic circumstances. Organized to complete the Blue Eagle drive for the state capital, the committee later expanded its influence over the entire state apparatus. Oklahoma City maintained partial control through the city's Chamber of Commerce which dominated the committee and helped finance all state, county and local National Recovery Administration groups. Ancel Earp and Mrs. J. J. Volz served as co-directors of the city branch. These two individuals represented the conservative, business-oriented, upper class people who ran the Blue Eagle at the local level. Earp operated his

<sup>16</sup> Edward E. Dale and Morris Wardell, *History of Oklahoma* (Englewood Cliffs, New Jersey: Prentice-Hall, 1948), pp. 357-359.

<sup>17</sup> J. Berry King to J. F. Owen, July 25, 1933, *NRA Campaign in Oklahoma City, 1933-1935*.

<sup>18</sup> *Ibid.*

own insurance company, formerly had served as secretary to Governor Robert Williams, had held office as the state's Adjutant General, had been in charge of Oklahoma's draft boards during World War I and had been President of the Better Business Bureau. Mrs. Volz had acted as head of the state's largest women's club. Two major groups operated immediately under the co-directors in the city administration. The seventeen-member Executive Council helped make top-level decisions and the Advisory Council, comprised of leaders in trade, business and professional groups, kept the National Recovery Administration informed of the attitudes of its members toward the Blue Eagle's rulings and actions.<sup>19</sup>

The city's committee had a two-fold purpose: the group created and administered the local recovery agency, and it enforced the National Recovery Administration's rules. The leaders of the committee interpreted the latter function very conservatively. They intervened to see that a business obeyed the federal law only when the local trade association or professional group proved unable to enforce a code. The local National Recovery Administration was much more energetic when it came to creating an administrative organization. The central committee established six smaller units, decentralizing control, decision-making and responsibility. These sub-committees covered the areas of adjustment, interpretations, exceptions, compliance, publicity and education. The last three were the most important.

The seven-man compliance board determined violations of the National Industrial Recovery Act and the codes, as well as nominally ruling on exceptions to those rules. By a majority vote, the committee decided who had broken the law, passed their ruling on to the district board in Dallas, Texas, and then on to Washington. This group also attempted mediation over union contracts and labor disputes or sent these problems to the National Labor Board. Two weaknesses affected the success of the compliance committee and the National Recovery Administration. Labor had only two representatives on the board creating a definite advantage in favor of management. Decisions tended to support the latter. This partially explains the National Recovery Administration's failure to fulfill its promised role as protector of organized labor. Moreover, the fact that the local board had little direct power to enforce its decisions seriously impaired the effectiveness of the Blue Eagle. Time, distance and the bureaucratic hierarchy benefited violators and frustrated those who sought a just hearing under the federal recovery program.<sup>20</sup>

<sup>19</sup> *Ibid.*

<sup>20</sup> J. A. Hull to Stanley Draper, October 2, 1933, *Ibid.*

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The last two sub-committees, publicity and education, created the all-important, patriotic image of the National Recovery Administration, its supporters and its enemies. H. P. Hoheisel of the Oklahoma City Advertising Club headed the publicity group which had been divided into five parts; each of these blanketed a different aspect of publicizing the National Recovery Administration and its campaign. These subdivisions included the Newspaper Bureau; the Radio Bureau; the Poster Bureau; the Amusement Bureau; and a group handling trade journals, civic clubs, bulletins and other miscellaneous areas. The Education Committee, comprised of the Appointment Bureau, the Information Bureau and the Speaker's Bureau was even more important. Theodore M. Green of the Massachusetts Mutual Life Insurance Company led the Speaker's Bureau as it launched a barrage of supporting propaganda. One hundred and sixty-nine of the community's top business, professional and religious leaders stressed the patriotic nature of the recovery venture and emphasized the fact that the National Recovery Administration was not trying to socialize the economy or nationalize independent businesses. The local committee ordered its speakers to discuss subjects that fit the "spirit of the movement" and to emphasize that their audiences not rock the boat.<sup>21</sup> The Blue Eagle's propaganda mixed religion with patriotism as the city's pastors preached a series of sermons supporting the federal program:<sup>22</sup>

Everybody in this crisis should trust this government . . . Wars can only be won by unlimited faith in leaders . . . Upon you devolve the duty of giving your moral support at all times . . . to the government which is seeking to bring about the harmony of the laws of God and the laws of man . . . In this way you can cooperate with them in bringing about the Kingdom of God on Earth.

Besides the working staff, the new kingdom of the Blue Eagle required a large volunteer organization to bring everyone under the watchful eye of the National Recovery Administration. In Oklahoma City, Oklahoma, the Volunteer National Sales Army filled this traditional role. The recovery committee divided these volunteers into two divisions, the Blue Eagle Army and the Loyalty Army. The first, led by "Colonel" Lyall Barnhart, explained the provisions of the National Recovery Administration to businessmen, persuaded them to join by signing the President's Reemployment

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<sup>21</sup> "Minutes of general meeting of the National Recovery Council," *Ibid.*: United States Government, *Helpful Hints for Speakers* (Washington: Government Printing Office, 1933), pp. 40-41.

<sup>22</sup> *The Oklahoma News* (Oklahoma City), September 1, 1933; United States Government, *Handbook for Speakers* (Washington: Government Printing Office, 1933), pp. 29-30.



Agreement, and gathered information concerning the effects of the program on the local economy. The second group secured pledges supporting the President's Consumers Agreements, committing individual citizens to patronize stores bearing the insignia of the Blue Eagle. The National Recovery Administration Committee singled out several groups for special attention in the volunteer organization. The Loyalty Army included five regiments under the Women's Division. Stressing their significance as consumers, the Women's Division aroused local housewives and businesswomen to the importance of the Blue Eagle. This section contacted all women's organizations in the city, frequently kept news about the recovery program on the women's page of the newspaper, geared advertisements to women and their concerns, approached women's church groups and obtained radio time for women speaking in favor of the Blue Eagle. The recovery administration also contained the fifth regiment especially for "colored" residents of Oklahoma City.<sup>23</sup>

The Chamber of Commerce played a vital role in all of the local recovery committees, providing manpower and leadership. Oklahoma City's National Recovery Administration drew almost all of its officers from the ranks of the Chamber. The business organization supplied men and money as well as physical facilities for meetings, study groups and rallies. For example, it gave local businessmen the full support and cooperation of the Chamber's industrial committee to work out mutual problems. The Chamber hoped to further the interests of Oklahoma City by promoting the state capital as a regional headquarters for National Recovery Administration affiliated trade associations. In the future this could make the city a vital urban center for the Southwest. The close association of the Chamber and the Oklahoma recovery committee indicates the basically conservative nature of the New Deal's principal program.<sup>24</sup>

The National Recovery Administration began its Blue Eagle Drive on August 27, 1933 with a nation-wide radio broadcast starring such speakers and entertainers as Hugh Johnson, Will Rogers, Bing Crosby, Eddie Cantor, Kate Smith and Al Jolson. Oklahoma's National Recovery Administration committee held an intensive speaking campaign to parallel the national program and conducted rallies and parades to sell the Blue Eagle to every city, town and hamlet in the state. Supporting all this, the Volunteer National Recovery Sales Army conducted a house-to-house, business-to-busi-

<sup>23</sup> *NRA Campaign in Oklahoma City, 1933-1935; The Oklahoma News, August 31, 1933.*

<sup>24</sup> Russell Hogin and David Shackelford to Frank Buttram, September 14, 1933, *NRA Campaign in Oklahoma City, 1933-1935; The Daily Oklahoman, August 3, 1933.*

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Frank Buttram, head of the Oklahoma Recovery Board and Will Rogers, who helped "kick off" the National Recovery Administration's Blue Eagle Drive on August 27, 1933

ness canvass of the city and state selling the program like recovery encyclopedias.<sup>25</sup>

In addition to the workings of the volunteer group, radio programs and local speakers, the National Recovery Administration promoted its Blue Eagle Drive through several other means. The recovery committee held a five-mile long parade of the reemployed and built a billboard 20 by 200 feet containing the names of those who had signed the Blue Eagle pledge. Probably the biggest promotional event was a mass rally held on September 6,

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<sup>25</sup> United States Government, *Pointed Paragraphs for Speakers* (Washington: Government Printing Office, 1933), pp. 2-4.

in Oklahoma City. Washington included the entire Southwestern District in the meeting which listed as its main guests Henry Rainey, Speaker of the United States House of Representatives, and Mrs. S. L. Johnson, of Okmulgee, Oklahoma, mother of the National Recovery Administration's director.<sup>26</sup>

Oklahoma's initial response to the Blue Eagle Drive overwhelmingly favored the new program. By August 31, over two-thirds of the city's businesses had signed the President's Reemployment Agreement, and consumer pledges totaled 101,693. The latter included 36,870 white males, 62,778 white females and a total of 2,045 blacks. By as early as August 6, 1,800 new workers had been added to the city's businesses, amounting to a payroll increase of \$15,000 per week. For example, the city's grocery stores added 500 employees by going on a forty hour week and a six hour day; M'Ewen-Halliburton Dry Goods Store increased its payroll by thirty workers; and Horabaugh-Brown Dry Goods Company added twenty employees. The influence of the petroleum industry on reemployment has been mentioned already. In fact, there are indications that Oklahoma City led the nation in the drive for pledges. Praising the efforts of the city and the director of the local National Recovery Administration, a memo from Washington to all state committees cited the Sooner State's progress as the best example of the national campaign. Oklahoma's efforts in the Blue Eagle Drive even merited a visit from Harry Hopkins, head of the Civil Works Administration and principal advisor to President Roosevelt; Hopkins met with campaign workers and the city's Chamber of Commerce on August 23.

Citizens of the Sooner State expressed their support in ways other than just signing their pledges. State newspapers stated their views in the form of editorials and editorial cartoons calling for full cooperation with the President and the recovery program. The University of Oklahoma announced that it planned an addition of forty new courses to be held during the evenings and on Saturdays. These were to help workers use the excess leisure time made available by shorter working hours. Men from Guymon, Oklahoma, who had been employed under the Blue Eagle, started the nation's first National Recovery Administration baseball team. According to the team's captain, C. L. Saunders, baseball helped keep "thoughts of hard times and blue days away from the human mind." The team carried a banner displaying the Blue Eagle to all ballgames, parading with it down the town's main street.<sup>27</sup>

<sup>26</sup> *NRA Campaign in Oklahoma City, 1933-1935*; Draper to Earp, September 1, 1933, *Ibid.*

<sup>27</sup> *The Oklahoma News*, September 1, 1933; *The Daily Oklahoman*, August 3, 1933; *The Edmond Sun* (Edmond), August 3, 1933 and September 7, 1933; C. L. Saunders to Franklin D. Roosevelt, August 3, 1933, *NRA Campaign in Oklahoma City, 1933-1935*.

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In addition to the more traditional business, professional and citizen's groups who promised to work for the Blue Eagle, Oklahoma's more radical elements also offered their suggestions and support. Urban radicals and their jobless agricultural counterparts joined their voices in favor of a federal recovery program. The Progressive Youth of Oklahoma, an organization of young Socialists, Communists and Liberals, backed the National Recovery Administration, but promised to keep it honest by lobbying for strict enforcement of the codes. Leftist help also came from Oklahoma's United Front which included the Veterans of Industry, Farmers and Workers of America, the International Labor Defense, the Socialist party and Communist party. This group offered several names for labor representatives on the compliance board, none of whom were accepted. The stand of Oklahoma's left ran counter to that of its national brothers. For example, the National Executive Committee of the Socialist Party, in a statement issued July 4, 1933, denounced the National Recovery Administration as only dealing with the symptoms of the far more pervasive disease of capitalism. The national Socialists also feared that this arrangement easily could have been turned into an American brand of fascism.<sup>28</sup>

At high noon on Monday, May 27, 1935 the nine justices of the United States Supreme Court unanimously declared the National Recovery Administration unconstitutional. However, the real verdict, judging the effects of the National Recovery Administration on the economic life of states such as Oklahoma, proved much more complex. On the negative side, the Blue Eagle was a bureaucracy at its worst; the creeping slowness of the administrative hierarchy had benefited those who violated the codes and frustrated those who sought a fair hearing under the National Recovery Administration. The national recovery policy had also precipitated a rise in prices, hurting the nation's buying power. For example, Oklahoma reported an increase in the costs of meals from five to twenty cents, and in the price of a haircut to fifty cents.<sup>29</sup> More positively, business profits climbed from \$100,000 in 1932 to over \$430,000,000 in 1935; more important for Oklahoma, the 1932 petroleum profits of \$20,000,000 more than doubled in three years.<sup>30</sup> In the same period Oklahoma's unemployed declined from 354,000

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<sup>28</sup> *The Oklahoma News*, July 31, 1933; J. T. Bays, C. W. Hollaway, and G. E. Taylor to Earp, August 3, 1933. *NRA Campaign in Oklahoma City, 1932-1935*; David Shannon, *The Socialist Party in America* (New York: The MacMillan Company, 1955), pp. 227-249.

<sup>29</sup> *The Oklahoma News*, August 3, 1933.

<sup>30</sup> National Recovery Administration, *Report on the Operation of the National Industrial Recovery Act*, Library, Oklahoma State University, Stillwater, Oklahoma), p. 42.

to 227,000, a drop of nearly thirty-six percent, and weekly payrolls increased \$478,000,000 to \$638,000,00.<sup>31</sup>

John Steinbeck's portrayal of the "Okies" trekking to California could have been joined by an equally important picture of the exodus to Sooner cities. Those who chose the latter road may have faced better economic opportunities than their brothers in the California migrant camps. The renewed strength of the petroleum industry and the partial success of Oklahoma's National Recovery Administration were major causes of such opportunities. Those who fled the terrors of the Dust Bowl found some solace in their strange new urban environment under the protective wing of the Blue Eagle.

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<sup>31</sup> Bureau of Business Research, "Report," Business Department, University of Oklahoma, Norman, Oklahoma, 1937. Oklahoma Department of Labor, *Biennial Report, 1934-1936*, p. 17.