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The Great Depression and the New Deal, 1933–1938

PART I: Reviewing the Chapter

A. Checklist of Learning Objectives

After mastering this chapter, you should be able to

1. describe the rise of Franklin Roosevelt to the presidency in 1932.
2. explain how the early New Deal pursued the “three Rs” of relief, recovery, and reform.
3. describe the New Deal’s effect on labor and labor organizations.
4. discuss the early New Deal’s efforts to organize business and agriculture in the NRA and the AAA and indicate what replaced those programs after they were declared unconstitutional.
5. describe the Supreme Court’s hostility to many New Deal programs and explain why FDR’s “Court-packing” plan failed.
6. explain the political coalition that Roosevelt mobilized on behalf of the New Deal and the Democratic Party.
7. discuss the changes the New Deal underwent in the late thirties and explain the growing opposition to it.
8. analyze the arguments presented by both critics and defenders of the New Deal.

B. Glossary

To build your social science vocabulary, familiarize yourself with the following terms.

1. **dispossessed** The economically deprived. “. . . she . . . emerged as a champion of the dispossessed. . . .” (p. 778)
2. **rubber-stamp** To approve a plan or law quickly or routinely, without examination. “. . . it was ready to rubber-stamp bills drafted by White House advisors. . . .” (p. 781)
3. **blank-check** Referring to permission to use an unlimited amount of money or authority. “. . . Congress gave the president extraordinary blank-check powers. . . .” (p. 781)
4. **foreign exchange** The transfer of credits or accounts between the citizens or financial institutions of different nations. “The new law clothed the president with power to regulate banking transactions and foreign exchange. . . .” (p. 782)
5. **hoarding** Secretly storing up quantities of goods or money. “Roosevelt moved swiftly . . . to protect the melting gold reserve and to prevent panicky hoarding.” (p. 783)
6. **boondoggling** Engaging in trivial or useless work; any enterprise characterized by such work. “Tens of thousands of jobless were employed at . . . make-work tasks, which were dubbed ‘boondoggling.’” (p. 785)
7. **Fascist (Fascism)** A political system or philosophy that advocates a mass-based party dictatorship, extreme nationalism, racism, and the glorification of war. “Fear of Long’s becoming a fascist dictator ended. . . .” (p. 786)

8. **parity** Equivalence in monetary value under different conditions; specifically, in the United States, the price for farm products that would give them the same purchasing power as in the period 1909–1914. “. . . this agency was to establish ‘parity prices’ for basic commodities.” (p. 788)
9. **holding company** A company that owns, and usually controls, the stocks and securities of another company. “New Dealers . . . directed their fire at public utility holding companies. . . .” (p. 791)
10. **collective bargaining** Bargaining between an employer and his or her organized work force over hours, wages, and other conditions of employment. “The NRA blue eagles, with their call for collective bargaining, had been a godsend. . . .” (p. 795)
11. **jurisdictional** Concerning the proper sphere in which authority may be exercised. “. . . bitter and annoying jurisdictional feuding involving strikes continued. . . .” (p. 797)
12. **checks and balances** In American politics, the interlocking system of divided and counter-weighted authority among the executive, legislative, and judicial branches of government. “. . . Roosevelt was savagely condemned for attempting to break down the delicate checks and balances. . . .” (p. 799)
13. **pinko** Disparaging term for someone who is not a “red,” or Communist, but is presumed to be sympathetic to communism. “Critics deplored the employment of ‘crackpot’ college professors, leftist ‘pinkos.’ . . .” (p. 802)
14. **deficit spending** The spending of public funds beyond the amount of income. “Despite some \$20 billion poured out in six years of deficit spending. . . .” (p. 803)
15. **left (or left-wing)** In politics, groups or parties that traditionally advocate progress, social change, greater economic and social equality, and the welfare of the common worker. (The **right** or **right-wing** is traditionally groups or parties that advocate adherence to tradition, established authorities, and an acceptance of some degree of economic and social hierarchy.) “He may even have headed off a more radical swing to the left. . . .” (p. 804)

PART II: Checking Your Progress

A. True-False

Where the statement is true, mark T. Where it is false, mark F, and correct it in the space immediately below.

- ___ 1. Roosevelt’s call for a “New Deal” in the 1932 campaign included attacks on the Hoover deficits and a promise to balance the federal budget.
- ___ 2. The economy was beginning a turn upward in the months immediately before Roosevelt’s inauguration.
- ___ 3. Congress rushed to pass many of the early New Deal programs that granted large emergency powers to the president.
- ___ 4. Roosevelt’s monetary reforms were designed to maintain the gold standard and protect the value of the dollar.
- ___ 5. The Civilian Conservation Corps (CCC) and the Public Works Administration (PWA) were designed to reform American business practices.
- ___ 6. Two early New Deal programs, the National Recovery Administration (NRA) and the Agricultural Adjustment Administration (AAA), were both declared unconstitutional by the Supreme Court.

- ___ 7. The primary agricultural problem of the Great Depression was declining farm production caused by the natural disasters of the period.
- ___ 8. The Securities and Exchange Commission and the Public Utilities Holding Company Act both imposed new federal regulations to reform corrupt or self-serving business practices that injured the public.
- ___ 9. The Tennessee Valley Authority (TVA) was designed primarily to aid in conserving water and soil resources in eroded hill areas.
- ___ 10. The Committee for Industrial Organization (CIO) used sympathetic New Deal laws to unionize many unskilled workers previously ignored by the American Federation of Labor (AF of L).
- ___ 11. Roosevelt's political coalition rested heavily on lower-income groups, including African-Americans, Jews, Catholics, and southerners.
- ___ 12. After Roosevelt's Court-packing plan failed, the conservative Supreme Court continued to strike down New Deal legislation just as it had before.
- ___ 13. After 1938 the New Deal lost momentum and ran into increasing opposition from an enlarged Republican bloc in Congress.
- ___ 14. The New Deal more than doubled the U.S. national debt through "deficit spending."
- ___ 15. By 1939 the New Deal had largely solved the major depression problem of unemployment.

B. Multiple Choice

Select the best answer and write the proper letter in the space provided.

- ___ 1. Franklin Roosevelt's presidential campaign in 1932
 - a. called for large-scale federal spending to reduce unemployment and restore prosperity.
 - b. focused primarily on issues of international trade.
 - c. promised to aid the ordinary person by balancing the federal budget and ending deficits.
 - d. emphasized that there was no way out of the depression in the near future.
- ___ 2. Eleanor Roosevelt became an influential figure in the 1930s especially by advocating the cause of
 - a. the impoverished and dispossessed.
 - b. feminists and proponents of sexual liberation.
 - c. farmers and ranchers.
 - d. immigrant ethnic groups and Roman Catholics.
- ___ 3. The Roosevelt landslide of 1932 included the shift into the Democratic camp of traditionally Republican
 - a. New Englanders.
 - b. African-Americans.
 - c. labor unions.
 - d. southerners.

- ___ 4. Roosevelt's first bold action during the Hundred Days was
- taking the nation off the gold standard.
 - declaring a national bank holiday.
 - legalizing labor strikes and job actions.
 - doubling relief for the unemployed.
- ___ 5. The *primary* purpose of the Civilian Conservation Corps (CCC) was
- to restore unproductive farmland to productive use.
 - to protect wildlife and the environment.
 - to provide better-trained workers for industry.
 - to provide jobs and experience for unemployed young people.
- ___ 6. Strong political challenges to Roosevelt came from extremist critics like
- Father Coughlin and Huey Long.
 - Frances Perkins and Harry Hopkins.
 - Henry Ford and Mary McLeod Bethune.
 - John Steinbeck and John L. Lewis.
- ___ 7. Roosevelt's National Recovery Administration (NRA) ended when
- Dr. Francis Townsend attacked it as unfair to the elderly.
 - Congress refused to provide further funding for it.
 - it came to be considered too expensive for the results achieved.
 - the Supreme Court declared it unconstitutional.
- ___ 8. Roosevelt's Agricultural Adjustment Administration met sharp criticism because
- it failed to raise farm prices.
 - it actually contributed to soil erosion on the Great Plains.
 - it raised prices by paying farmers to slaughter animals and not grow crops.
 - it relied too much on private bank loans to aid farmers.
- ___ 9. In addition to the natural forces of drought and wind, the Dust Bowl of the 1930s was also caused by
- Roosevelt's AAA farm policies.
 - excessive use of dry farming and mechanization techniques on marginal land.
 - the attempted shift from wheat and cotton growing to fruit and vegetable farming.
 - the drying up of underground aquifers used to irrigate the Great Plains.
- ___ 10. The so-called "Indian New Deal" included an emphasis on
- local tribal self-government and recovery of Indian identity and culture.
 - the distribution of tribal lands to individual Indian landowners.
 - the migration of Indians from rural reservations to the cities.
 - programs to encourage businesses like gambling casinos to locate on Indian lands.
- ___ 11. The major New Deal program that attempted to provide flood control, electric power, and economic development occurred in the valley of the
- Columbia River.
 - Colorado River.
 - Hudson River.
 - Tennessee River.

- ___ 12. The Social Security Act of 1935 provided for
- electricity and conservation for rural areas.
 - pensions for older people, the blind, and other categories of citizens.
 - assistance for low-income public housing and social services.
 - unemployment and disability insurance for workers.
- ___ 13. The new labor organization that flourished under depression conditions and New Deal sponsorship was
- the Knights of Labor.
 - the American Federation of Labor.
 - the National Labor Relations Board.
 - the Committee for Industrial Organization.
- ___ 14. Among the groups that formed part of the powerful "Roosevelt coalition" in the election of 1936 were
- African-Americans, southerners, and Catholics.
 - Republicans, New Englanders, and "Old Immigrants."
 - midwesterners, small-town residents, and Presbyterians.
 - businessmen, prohibitionists, and Coughlinites.
- ___ 15. Roosevelt's attempt to "pack" the Supreme Court proved extremely costly because
- the Court members he appointed still failed to support the New Deal.
 - Congress began proceedings to impeach him.
 - its failure ended much of the political momentum of the New Deal.
 - many of his New Deal supporters turned to back Huey Long.

C. Identification

Supply the correct identification for each numbered description.

- _____ 1. Term used by FDR in 1932 acceptance speech that came to describe his whole reform program
- _____ 2. FDR's reform-minded intellectual advisers, who conceived much of the New Deal legislation
- _____ 3. Popular term for the special session of Congress in early 1933 that passed vast quantities of Roosevelt-initiated legislation
- _____ 4. The early New Deal agency that worked to solve the problems of unemployment and conservation by employing youth in reforestation and other socially beneficial tasks
- _____ 5. Large federal employment program, established in 1935 under Harry Hopkins, that provided jobs in areas from road building to art
- _____ 6. Widely displayed symbol of the National Recovery Administration (NRA), which attempted to reorganize and reform U.S. industry
- _____ 7. New Deal farm agency that attempted to raise prices by paying farmers to reduce their production of crops and animals
- _____ 8. The drought-stricken plains areas from which hundreds of thousands of "Okies" were driven during the Great Depression

- _____ 9. New Deal agency that aroused strong conservative criticism by producing low-cost electrical power in competition with private utilities
- _____ 10. New Deal program that financed old-age pensions, unemployment insurance, and other forms of income assistance
- _____ 11. The new union group that organized large numbers of unskilled workers with the help of the Wagner Act and the National Labor Relations Board
- _____ 12. New Deal agency established to provide a public watchdog against deception and fraud in stock trading
- _____ 13. Organization of wealthy Republicans and conservative Democrats whose attacks on the New Deal caused Roosevelt to denounce them as "economic royalists" in the campaign of 1936
- _____ 14. Roosevelt's scheme for gaining Supreme Court approval of New Deal legislation
- _____ 15. Law of 1939 that prevented federal officials from engaging in campaign activities or using federal relief funds for political purposes

D. Matching People, Places, and Events

Match the person, place, or event in the left column with the proper description in the right column by inserting the correct letter on the blank line.

- | | |
|--|---|
| ___ 1. Franklin D. Roosevelt | A. Republican who carried only two states in a futile campaign against "The Champ" in 1936 |
| ___ 2. Eleanor Roosevelt | B. The "microphone messiah" of Michigan whose mass radio appeals turned anti-New Deal and anti-Semitic |
| ___ 3. Banking holiday | C. Writer whose best-selling novel portrayed the suffering of dust bowl "Okies" in the Thirties |
| ___ 4. Harry Hopkins | D. Supreme Court justice whose "switch in time" to support New Deal legislation helped undercut FDR's Court-packing scheme |
| ___ 5. Father Coughlin | E. Presidential wife who became an effective lobbyist for the poor during the New Deal |
| ___ 6. Huey ("Kingfish") Long | F. Louisiana senator and popular mass agitator who promised to make "every man a king" at the expense of the wealthy |
| ___ 7. <i>Schechter</i> case | G. Former New York governor who roused the nation to action against the depression with his appeal to the "forgotten man" |
| ___ 8. Harold Ickes | H. Dramatic CIO labor action in 1936 that forced the auto industry to recognize unions |
| ___ 9. John Steinbeck | I. Lopsided but bitter campaign that saw disadvantaged economic groups lined up in a kind of "class warfare" against those better off |
| ___ 10. John L. Lewis | J. Former New York social worker who became an influential FDR adviser and head of several New Deal agencies |
| ___ 11. General Motors sit-down strike | K. Former bull moose progressive who spent billions of dollars on public building projects while carefully guarding against waste |
| ___ 12. Alfred M. Landon | L. Roosevelt-declared closing of all U.S. financial institutions on March 6-10, 1933, in order to stop panic and prepare reforms |
| ___ 13. Election of 1936 | |
| ___ 14. John Maynard Keynes | |
| ___ 15. Justice Roberts | |

- M. British economist whose theories helped justify New Deal deficit spending
- N. Supreme Court ruling of 1935 that struck down a major New Deal industry-and-labor agency
- O. Domineering boss of the mine workers' union who launched the CIO

E. Putting Things in Order

Put the following events in correct order by numbering them from 1 to 5.

- ___ FDR devalues the dollar to about sixty cents in gold in an attempt to raise domestic prices.
- ___ Congress passes numerous far-reaching laws under the pressure of a national crisis and strong presidential leadership.
- ___ Republican attempts to attack the New Deal fall flat, and FDR wins reelection in a landslide.
- ___ FDR's frustration at the conservative Supreme Court's overturning of New Deal legislation leads him to make a drastic proposal.
- ___ Passage of new federal prolabor legislation opens the way for a new union group and successful mass labor organizing.

F. Matching Cause and Effect

Match the historical cause in the left column with the proper effect in the right column by writing the correct letter on the blank line.

Cause	Effect
___ 1. The "lame-duck" period from November 1932 to March 1933	A. Succeeded in raising farm prices but met strong opposition from many conservatives
___ 2. Roosevelt's leadership during the Hundred Days	B. Encouraged the CIO to organize large numbers of unskilled workers.
___ 3. The Civilian Conservation Corps, the Works Progress Administration, and the Civil Works Administration	C. May have pushed the Court toward more liberal rulings but badly hurt FDR politically
___ 4. New Deal farm programs like the AAA	D. Caused a sharp "Roosevelt Depression" that brought unemployment back up to catastrophic levels
___ 5. The Tennessee Valley Authority	E. Caused a political paralysis that nearly halted the U.S. economy
___ 6. The Wagner (National Labor Relations) Act	F. Provided federal economic planning, conservation, cheap electricity, and jobs to a poverty-stricken region
___ 7. FDR's political appeals to workers, African-Americans, southerners, and "New Immigrants"	G. Provided federal jobs for unemployed workers in conservation, construction, the arts, and other areas
	H. Caused Roosevelt to propose a plan to "pack" the Supreme Court
	I. Pushed a remarkable number of laws through Congress and restored the nation's confidence
	J. Forged a powerful political coalition that made the Democrats the majority party

- ___ 8. The Supreme Court's conservative rulings against New Deal legislation
- ___ 9. Roosevelt's attempt to "pack" the Supreme Court
- ___ 10. The rapid cutback in federal "pump-priming" spending in 1937

G. Developing Historical Skills

Reading Charts

Charts can classify complex information for ready reference. In this chapter they are an effective way to present the many New Deal laws, agencies, and programs. The chart dealing with the Hundred Days is on p. 781, and that dealing with the later New Deal on p. 784.

Answer the following questions.

1. Which Hundred Days agency whose primary purpose was recovery also contributed to relief and reform?
2. List three Hundred Days actions that were aimed *primarily* at recovery.
3. List three later New Deal measures aimed *primarily* at reform.
4. Which later New Deal law aimed *primarily* at relief also contributed to recovery and reform?
5. Which was the *last* of the later New Deal laws aimed *primarily* at providing relief?
6. Compare the two charts. What can you conclude about the Hundred Days compared to the later New Deal in relation to their relative emphasis on the three goals of relief, recovery, and reform? In which of the areas do you see the most continuity of purpose?

H. Map Mastery

Map Discrimination

Using the maps and charts in Chapter 34, answer the following questions.

1. *TVA Area*: In which four states was most of the Tennessee Valley Authority located?
2. *TVA Area*: How many major TVA dams were located in (a) Tennessee and (b) Alabama?
3. *The Rise and Decline of Organized Labor*: Before the organizing drives of the 1930s, which year saw the highest membership for organized labor?
4. *The Rise and Decline of Organized Labor*: About how many million members did the CIO gain between 1935 and 1945: 2 million, 4 million, 6 million, or 8 million?

Map Challenge

Using the graph of *The Rise and Decline of Organized Labor* on p. 797, write a brief essay explaining the changing fortunes of (a) organized labor in general and (b) the different types of unions—craft, industrial, and independent—from 1900 to 1998.

PART III: Applying What You Have Learned

1. What qualities did FDR bring to the presidency, and how did he display them during the New Deal years? What particular role did Eleanor Roosevelt play in FDR's political success?
2. How did the early New Deal legislation attempt to achieve the three goals of relief, recovery, and reform?
3. How did Roosevelt's programs develop such a strong appeal for the "forgotten man," and why did the New Deal arouse such opposition from conservatives, including those on the Supreme Court?
4. Discuss the political components of the "Roosevelt coalition" formed in the 1930s. What did the New Deal offer to the diverse elements of this coalition?
5. Was the New Deal essentially a conservative attempt to save American capitalism from collapse, a radical change in traditional American anti-government beliefs, or a moderate liberal response to a unique crisis?
6. How was the New Deal a culmination of the era of progressive reform, and how did it differ from the pre-World War I progressive era? (See Chapters 29 and 30.)