

CHAPTER 25

The Great Depression and the New Deal, 1929–1941

LEARNING OBJECTIVES

After you have studied Chapter 25 in your textbook and worked through this study guide chapter, you should be able to:

1. Discuss the impact of the Great Depression on the American economic system and on farmers, industrial workers, marginal workers, and middle-class workers and their families.
2. Explain and evaluate the Hoover administration's attempts to deal with the economic and human crises posed by the Great Depression.
3. Examine how and why Americans responded to the Great Depression as they did.
4. Examine the issues and personalities and explain the outcome of the 1932 presidential and congressional elections.
5. Discuss the impact of Franklin D. Roosevelt's personal and professional experiences prior to 1932 on his political, social, and economic views, and examine the relationship between his political, social, and economic views and his handling of the Great Depression.
6. Explain the practical and theoretical basis for the legislative enactments of the First New Deal (1933–1934), and evaluate the effectiveness of the First New Deal in solving the problems of the depression.
7. Examine the variety of criticisms leveled against the New Deal, and discuss the alternatives proposed.
8. Explain the practical and theoretical basis for the legislative enactments of the Second New Deal (1935–1939), and evaluate the effectiveness of the Second New Deal in solving the problems of the depression.
9. Identify the components of the New Deal coalition, and examine the impact of this coalition on the 1936 presidential election.
10. Examine the power struggle between craft unions and industrial unions during the New Deal era; discuss the victories and defeats of organized labor during this period; and assess the overall impact of the New Deal era on organized labor in the United States.
11. Discuss the extent to which the New Deal changed the relationship between the federal government and American citizens.
12. Examine the impact of the New Deal on the West, Native Americans, and the South.
13. Discuss the role played by radio and Hollywood movies in the emergence of a shared national popular culture.
14. Examine the problems encountered by President Roosevelt during his second term.

15. Contrast the Supreme Court’s reaction to New Deal legislation before and after 1937, and explain the reasons for the shift.
16. Discuss the issues and personalities and explain the outcome of the 1940 presidential election.
17. Examine the impact of the New Deal on African Americans, and explain their response to the obstacles they faced.
18. Discuss the legacy of the New Deal.

THEMATIC GUIDE

Chapter 25 opens with a discussion of the Great Depression’s impact on people’s lives. The human story includes the increase in malnutrition and starvation, altered marital patterns, the sufferings of drought- and debt-ridden farmers, the plight of industrial workers, the desperation of marginal workers, and changes to family life.

Hoover’s response to appeals from the people that the government extend aid was at first defensive. Hoover was convinced that the nation’s economic problems could be solved by business organizations and professional groups voluntarily working together to find solutions, with the government coordinating their efforts. As the depression deepened, Hoover reluctantly began to energize the government. At the same time, however, he pursued policies that caused further deterioration of the economic situation.

In the midst of the depression, few Americans thought in radical, revolutionary terms. However, some did begin to strike out at what they believed to be the cause of their distress. The Farmers’ Holiday Association attempted to drive prices up by withholding agricultural products from the marketplace. Unemployed Councils engaged in protest that sometimes became violent. Racial violence also increased, as some attempted to find scapegoats on whom to blame their problems. The most spectacular public confrontation occurred when the Bonus Army converged on Washington, D.C., in the summer of 1932. However, in the case of the Bonus March, it was the government, not the people, that overreacted.

An understanding of Franklin Roosevelt’s background, his perception of himself, his society, and American government is important to an understanding of his approach to the Great Depression. That background and Roosevelt’s frame of reference are outlined as part of the discussion of the presidential election of 1932. In this discussion, we also see that in spite of a deepening crisis Americans did not adopt radical solutions. Instead, they continued to follow tradition by peacefully exchanging one government for another.

With the aid of the “Brain Trust,” Roosevelt adopted a theoretical basis for the New Deal he promised to the American people. Roosevelt believed that government could act as a positive force in American society. In deciding how it should act, he was a pragmatist and thus willing to experiment. At first he accepted the idea that government could and should effectively regulate big business. He accepted the idea that centralized economic planning by the federal government could solve some of the problems associated with the depression, and he was willing to have government engage in direct relief to alleviate the distress of the nation’s citizens. Furthermore, the first New Deal was based on the assumption that overproduction was the underlying problem.

Roosevelt’s initial actions, outlined in “Franklin D. Roosevelt and the Launching of the New Deal,” demonstrate both the conservative nature of his approach and his realization that the psychology of pessimism within the country was as great an enemy as the depression itself. The legislation that was passed, as well as the fireside chats, provided a sense of movement that helped break the mood of pessimism.

An attempt to solve the problem of overproduction through centralized planning provided the theoretical framework for passage of the AAA and the NIRA. Belief in giving direct relief to states and to individuals may be seen in acts such as the Civil Works Administration and the CCC. As these and other measures passed during the Hundred Days were implemented, unemployment began to fall. However, as the immediacy of the crisis began to abate, groups and individuals became more outspoken in their criticism of and opposition to the New Deal. The range of criticism indicates that Roosevelt was a political moderate in the route that he chose. Furthermore, opposition from popular critics like Huey Long, the influence of Eleanor Roosevelt and other advocates of social reform, and the political realities of having to maintain the allegiance of interest groups that were part of the emerging New Deal coalition, help explain the launching of the Second New Deal.

The Second New Deal stemmed from the view that underconsumption was the nation's basic problem, that business and banking interests had to be regulated more closely, and that the government had a responsibility to the aged and the needy in American society. These assumptions were behind the Emergency Relief Appropriation Act, the Social Security Act, and the Wealth Tax Act. The Second New Deal and the forging of the New Deal coalition carried Roosevelt to victory in the 1936 election.

Having discussed the reforms of the New Deal, the authors consider the impact of the New Deal era on organized labor, which benefited from both Section 7(a) of the NIRA and the Wagner Act. Therefore, despite determined resistance by management and a division within the labor movement that led to the creation of the Congress of Industrial Organizations (CIO), the union movement made impressive gains during the 1930s.

In “Federal Power and the Nationalization of Culture,” we turn to a discussion of the profound change that the New Deal caused in the relationship between Americans and their government. Examples are offered to support the authors' contention that the federal government, by gaining more control over water, hydroelectric power, and land in the West, gained more control over the region's future. Furthermore, passage of the Indian Reorganization Act not only indicates a more enlightened governmental approach to American Indians, but also demonstrates that federal activism extended to people in the West, not just to the region's natural resources. We also see, through discussion of the Tennessee Valley Authority, the Roosevelt administration's successes and failures in its attempts to transform the South and integrate the region into the nation's culture and economy.

After examining the impact of the radio and movies on the breaking down of regional boundaries and the emergence of a national culture, we look at the limits of the New Deal. Mistakes and political reality meant that Roosevelt did not enjoy successes during his second term like those experienced in his first. He made a political and tactical mistake in his request for a restructuring of the Supreme Court. His dislike of deficit spending and desire for a balanced budget led to drastic cuts in federal spending, which in turn led to a new recession in 1937 and to a renewal of deficit spending. Such mistakes undercut some of Roosevelt's charisma; therefore, even though the New Deal coalition held together in the 1940 presidential election, Roosevelt did not achieve the landslide victory he had enjoyed in 1936.

The experience of African Americans and Mexican Americans demonstrates that racism continued as a force detrimental to the lives of nonwhites and was clearly a reason that all Americans did not benefit equally from the New Deal. The Scottsboro case serves as a symbol of the ugliness of race relations in the depression era. Furthermore, despite the presence of the Black Cabinet, President Roosevelt was never fully committed to civil rights for blacks, and some New Deal measures functioned in a discriminatory way. However, there were some indications that change was on the horizon.

First, in relation to cases arising out of the Scottsboro trial, the Supreme Court ruled that the due process clause of the Fourteenth Amendment made the criminal protection procedures (the right to adequate defense counsel and the right to an impartial jury) of the Sixth Amendment applicable to the states. Second, Roosevelt created the Black Cabinet and had within his administration people

committed to racial equality. In addition, Eleanor Roosevelt, the conscience of the New Deal, demonstrated her commitment to racial equality through her vocal and public support of Marian Anderson. Furthermore, African Americans continued, as they had throughout their history, to work on their own behalf to overcome the injustices and abuses associated with white racism.

The chapter ends with a discussion of the way in which historians view the legacy of the New Deal.

IDENTIFICATION AND SIGNIFICANCE

After studying Chapter 25 of *A People and a Nation*, you should be able to identify *and* explain fully the historical significance of each item listed below.

- Identify each item in the space provided. Give an explanation or description of the item. Answer the questions *who*, *what*, *where*, and *when*.
- Explain the historical significance of each item in the space provided. Establish the historical context in which the item exists. Establish the item as the result of or as the cause of other factors existing in the society under study. Answer this question: *What were the political, social, economic, and/or cultural consequences of this item?*

1. the Dust Bowl
2. Hoovervilles
3. Herbert Hoover
4. the Hawley-Smoot Tariff
5. the Reconstruction Finance Corporation
6. the Bonus Army

7. Franklin D. Roosevelt

8. the 1932 presidential campaign and election

9. the Twentieth Amendment to the Constitution

10. the banking crisis

11. Roosevelt's first inaugural address

12. national bank holiday

13. the Emergency Banking Relief Bill (March 9, 1933)

14. Roosevelt's fireside chats

24. the Second New Deal
25. the Works Progress Administration
26. the Federal Theater, Federal Arts, and Federal Writers Projects
27. the Social Security Act (August 15, 1935)
28. the Wealth Tax Act (August 30, 1935)
29. the 1936 presidential election
30. the National Labor Relations (Wagner) Act (July 5, 1935)
31. the United Auto Workers' strike of 1936
32. the Tennessee Valley Authority (May 18, 1933)

33. Roosevelt’s court-packing plan

34. *NLRB v. Jones and Laughlin Steel Corp.*

35. the 1940 presidential election

IDEAS AND DETAILS

Objective 1

1. During the depression, many argued that women workers deprived male breadwinners of jobs. Was this argument valid? Why?
 - a. Yes, because women were willing to work for lower wages than men.
 - b. Yes, because in the 1920s women had moved into many previously male-dominated jobs.
 - c. No, because the sex segregation of the job market made it very unlikely that men would be hired for “women’s” jobs.
 - d. No, because most women lost their jobs as the depression intensified.

Objective 2

2. Hoover’s recommendation that Congress create the Reconstruction Finance Corporation indicated which of the following?
 - a. Hoover believed it was more important to extend aid to farmers than to industrial workers.
 - b. Hoover believed that by increasing the supply of goods there would be a corresponding increase in demand.
 - c. Hoover had compromised his ideological principles by supporting direct aid to private industries.
 - d. Hoover placed blame for the depression on large economic entities.

Objective 2

3. Hoover responded to the Bonus March by
 - a. calling out troops to disperse the marchers.
 - b. establishing a comprehensive pension plan for future army veterans.
 - c. encouraging Congress to authorize the immediate payment of veterans’ benefits.
 - d. meeting with the marchers and negotiating a settlement.

Objective 6

4. Both the Agricultural Adjustment Act and the National Industrial Recovery Act were based, in part, on the belief that
 - a. limits should be placed on the production of both agricultural and industrial goods to deal with the problems of the depression.
 - b. prices of industrial and agricultural goods had to be lowered.
 - c. deficit spending would result in an economic rebound.
 - d. the depression could best be dealt with by state and local authorities.

Objectives 8 and 15

5. In 1935, the Supreme Court ruled part of the NIRA unconstitutional because it
 - a. violated the First Amendment.
 - b. extended federal power beyond its constitutional bounds.
 - c. discriminated against small businesses.
 - d. violated the due process clause of the Fourteenth Amendment.

Objective 7

6. In their criticisms of the New Deal, some wealthy business leaders charged that it
 - a. cooperated too closely with environmentalists.
 - b. extended too little aid to the lower classes.
 - c. exercised too little control over national economic forces.
 - d. relied on too much taxation and too much government regulation.

Objective 7

7. Through the Share Our Wealth program, Huey Long advocated that the government should
 - a. nationalize all major industry in the United States.
 - b. distribute free land to all families requesting it.
 - c. provided an annual income to all American families.
 - d. create a national health insurance program.

Objective 8

8. Which of the following is true of the Social Security Act?
 - a. It established an old-age insurance plan for all workers in the United States.
 - b. Through its enactment, the government acknowledged some responsibility toward the aged, the dependent, and the disabled.
 - c. It established a national health insurance program for all Americans.
 - d. All benefits were paid by employers and the government.

Objectives 6 and 8

9. The Second New Deal differed from the First in that it
 - a. adopted a more aggressive, less cooperative approach toward big business.
 - b. returned to the concept of laissez faire.
 - c. rejected the concept of deficit spending.
 - d. emphasized the importance of state action.

Objective 10

10. During the 1930s the growth of organized labor was most impressive among
- skilled workers.
 - industrial workers.
 - farm workers.
 - white-collar workers.

Objective 12

11. Which of the following is true of the Indian Reorganization Act of 1934?
- It virtually ended the forced assimilation of Indians.
 - Tribal governments were no longer recognized by the federal government.
 - It gave direct aid to impoverished Indians.
 - It promoted individual land ownership among Indians.

Objective 14

12. Roosevelt's 1937 decision to cut federal spending resulted in
- a balanced budget.
 - a lowering of interest rates.
 - renewed spending by business on capital improvements.
 - a new recession.

Objective 17

13. Analysis of the AAA and the WPA indicates which of the following?
- These measures were quite effective in bringing about a redistribution of wealth in the United States.
 - Money spent on such programs went mainly to the wealthy.
 - All of these programs extended benefits to people in the city but not to the people in rural areas.
 - Some New Deal measures functioned in ways that were discriminatory toward African Americans.

Objectives 9 and 17

14. African Americans supported Franklin Roosevelt for which of the following reasons?
- Roosevelt's New Deal relief programs helped many African Americans in their struggle for economic survival.
 - Roosevelt endorsed congressional enactment of a federal antilynching law.
 - Congress enacted legislation abolishing the poll tax at Roosevelt's insistence.
 - Roosevelt's Justice Department supported the NAACP in its legal challenges against Jim Crow laws in the southern states.

Objective 18

15. While some scholars debate Roosevelt's performance, all agree that
- the New Deal fundamentally changed the nation's power structure.
 - Roosevelt transformed the presidency.
 - the New Deal solved the fundamental question of unemployment.
 - Roosevelt was essentially a conservative.

ESSAY QUESTIONS

Objective 2

1. Explain President Hoover's response to the depression.

Objective 3

2. Discuss the impact of the Great Depression on the lives of Americans. What was the response of the American people to the depression? Why did they respond as they did?

Objectives 2 and 5

3. Discuss the similarities and differences between Herbert Hoover and Franklin Roosevelt in terms of personality, governing style, and view of the role of government.

Objectives 6 and 8

4. Discuss the similarities and differences between the theoretical basis of the First New Deal and that of the Second New Deal, and explain in both cases how the legislation enacted reflected each theory.

Objective 10

5. Discuss the impact of the New Deal on organized labor.

Objectives 1 and 17

6. Examine the impact of the depression and New Deal on African Americans.

ANSWERS

Multiple-Choice Questions

1.
 - c. Correct. Women were concentrated in jobs such as teaching, clerical and secretarial work, and switchboard operation. These were considered “women’s jobs,” and it was very unlikely that unemployed men would be hired for such jobs.
 - a. No. Despite the fact that women were usually paid less than men, this does not mean that women workers deprived unemployed men of jobs that were open to them.
 - b. No. The job market remained sex segregated.
 - d. No. At first women did lose their jobs more quickly than men, but as the depression intensified “women’s jobs” were not as hard hit as “men’s jobs.” Furthermore, the fact that the number of women who were gainfully employed increased during the 1930s does not indicate that most women lost their jobs as the depression intensified.
2.
 - c. Correct. When the depression began, President Hoover believed that it could be dealt with successfully through “associationalism.” Therefore, he did not believe that the federal government should directly intervene to solve the nation’s economic problems. However, as the depression deepened, Hoover reluctantly supported the chartering of the Reconstruction Finance Corporation (RFC). Through the RFC Hoover supported direct assistance in the form of loans to large entities at the top of the economy. He did so in the belief that such economic assistance would trickle down to the masses. By moving toward the idea of a more active federal role in dealing with the economic crisis, Hoover compromised his ideological principles by accepting limited federal “interference.”
 - a. No. The RFC did not extend direct aid to either farmers or to industrial workers.
 - b. No. The RFC was not based on the basic assumption of supply-side economics.
 - d. No. The RFC provided federal loans to large economic entities such as banks, insurance companies, and railroads. Hoover’s support for the creation of the RFC does not indicate that he blamed large economic entities for the depression.
3.
 - a. Correct. Hoover saw the Bonus Marchers as extremists, refused to meet with them after Congress defeated the Bonus Bill, and finally called out the army to attack and disperse the Bonus Expeditionary Force encamped in Washington.
 - b. No. Hoover remained steadfast in his belief in limited government, in individual initiative, and in self-help. He never suggested establishing a comprehensive pension plan for future veterans.
 - c. No. President Hoover urged Congress to defeat the Bonus Bill.
 - d. No. Hoover refused to meet with leaders of the Bonus Expeditionary Force.

4.
 - a. Correct. An assumption on which the AAA and the NIRA were based was that overproduction was the major factor preventing economic recovery. Therefore, through centralized national planning, farmers and industries would be encouraged to produce less.
 - b. No. The AAA sought to raise the prices of farm goods, and the NIRA attempted to do the same for manufactured goods.
 - c. No. Neither the AAA nor the NIRA called for deficit spending.
 - d. No. Both the AAA and the NIRA demonstrated Roosevelt's willingness to deal with problems from the national level.
5.
 - b. Correct. The Court held part of the NIRA to be unconstitutional because it regulated businesses that were wholly involved in intrastate commerce, which, the Court contended, was an extension of federal power beyond its constitutional bounds. Furthermore, the Court held that the NIRA delegated excessive legislative power to the executive branch of the government.
 - a. No. The First Amendment deals with freedom of religion, speech, and the press and the right to assemble peacefully and petition the government for redress of grievances. The Court did not find that the NIRA abridged these rights.
 - c. No. The Court held part of the NIRA to be unconstitutional because it regulated businesses that were wholly involved in intrastate commerce, but it did not hold that the act discriminated against small businesses.
 - d. No. The Court did not rule that the NIRA was in violation of the Fourteenth Amendment.
6.
 - d. Correct. Wealthy business leaders believed that the New Deal demonstrated excessive government regulation of business and that it relied on too much taxation.
 - a. No. The Roosevelt administration did not demonstrate a great deal of concern for the environment in drafting New Deal legislation, and wealthy business leaders did not charge that the administration cooperated too closely with environmentalists.
 - b. No. Wealthy business leaders and conservatives were critical of relief programs such as the CCC and the FERA and claimed that such programs were based on socialist ideology.
 - c. No. Wealthy business leaders and conservatives, who believed that the economy should be allowed to operate in accordance with natural economic laws, criticized the Roosevelt administration for centralized economic planning.
7.
 - c. Correct. Long proposed that the government provide a guaranteed annual income of \$2,000 to every American family.
 - a. No. Although Long believed that the New Deal was too closely allied with business interests, he did not advocate nationalizing all major industry in the United States.
 - b. No. Long proposed a homestead allowance of \$5,000, but did not propose actually giving land.
 - d. No. Although Long proposed a free college education for every American, he did not propose a national health insurance program.
8.
 - b. Correct. Although the law was a relatively conservative measure and did not apply to all workers, it established the idea of government responsibility toward the aged, dependent, and disabled.
 - a. No. Although the Social Security Act established an old-age insurance program, the law did not apply to all workers.

- c. No. The Social Security Act authorized money grants to the states for public health work, but it did not establish a national health insurance program.
 - d. No. The measure is considered relatively conservative because benefits were to be paid by workers and employers, not by the government.
- 9.
- a. Correct. Roosevelt believed that business leaders had placed their own interests above those of the nation. Therefore, during the Second New Deal, Roosevelt abandoned business-government cooperation and, to “cut the giants down to size,” moved to enforce antitrust laws.
 - b. No. Both the First and the Second New Deals reflect Roosevelt’s belief that the government could act as a positive force in American society. Therefore, he did not return to the idea of passive government embodied in the laissez-faire philosophy.
 - c. No. Although Roosevelt remained a fiscal conservative and was committed to a balanced budget, deficit spending characterized both the First and the Second New Deals.
 - d. No. Both the First and the Second New Deals strengthened the role of the federal government. However, state and local governments were given the task of implementing much of the legislation passed under both New Deals.
- 10.
- b. Correct. Workers in many major industries began to organize in industrial unions, such as the UMW and the UAW.
 - a. No. Skilled workers were already heavily involved in the labor movement through the American Federation of Labor.
 - c. No. Organized labor did not consist of farm workers.
 - d. No. White-collar workers were not organizing in the 1930s.
- 11.
- a. Correct. John Collier as Director of the Bureau of Indian Affairs during the Roosevelt administration wanted to reverse the course of America’s Indian policy. Instead of forced assimilation, Collier wanted to perpetuate Native American religions and cultures. The Indian Reorganization Act of 1934 was very instrumental in ending forced assimilation of American Indians and in restoring Indian lands to tribal ownership.
 - b. No. The Indian Reorganization Act of 1934 extended federal recognition to tribal government.
 - c. No. The Indian Reorganization Act of 1934 was not a relief measure and did not extend direct aid to impoverished Indians.
 - d. No. The Indian Reorganization Act of 1934 restored Indian lands to tribal ownership and did not promote individual land ownership among Indians.

12. d. Correct. The massive spending cuts ordered by Roosevelt in 1937, along with the tightening of credit by the Federal Reserve Board, caused a recession. As a result, Roosevelt returned to deficit spending, which brought some economic recovery by 1939.
- a. No. Although Roosevelt's intention in cutting federal spending was to achieve a balanced budget, this was not the end result.
- b. No. At the same time that Roosevelt cut spending, the Federal Reserve Board tightened credit, causing interest rates to rise.
- c. No. At the same time that Roosevelt cut federal spending, the Federal Reserve Board tightened credit. This, in turn, caused business to cut back on spending for capital improvements.
13. d. Correct. In operation, these acts indicate an antiblack bias and demonstrate that although African Americans benefited from the New Deal, they did not get their fair share.
- a. No. These measures did not bring about a redistribution of wealth.
- b. No. Money spent on these programs tended to benefit middle- and lower-income groups, not the wealthy.
- c. No. The AAA helped people in rural areas more than people in urban areas, and the WPA benefited people in both areas.
14. a. Correct. Although African Americans did not receive their fair share from New Deal relief programs and public-works programs, the New Deal helped many African Americans in their struggle for economic survival. Furthermore, African Americans were well aware of the Black Cabinet and of Eleanor Roosevelt's commitment to social justice, especially after the First Lady arranged for Marian Anderson to sing at the Lincoln Memorial on Easter Sunday after the singer was barred from performing in Washington's Constitution Hall. For all of these reasons, African Americans supported Franklin Roosevelt, and most changed their political affiliation from the Republican Party to the Democratic Party.
- b. No. Roosevelt needed the support of southern Democrats to secure passage of his legislative program. As a result, the president did not intervene to break a southern filibuster and secure passage of an antilynching bill in 1938. Despite that, African Americans supported Roosevelt.
- c. No. Congress did not act to abolish the poll tax in the southern states. This was not accomplished until the Twenty-fourth Amendment to the Constitution was ratified in 1964. This amendment outlawed the poll tax as a prerequisite for voting in federal elections.
- d. No. President Roosevelt was never totally committed to the cause of civil rights. Therefore, the Justice Department did not support the NAACP in its legal challenges against Jim Crow laws in the southern states during the Roosevelt administration.

15. b. Correct. Political scientists and historians agree that Roosevelt transformed the presidency.
- a. No. The nation's power structure was not fundamentally changed by the New Deal. In fact, that was never one of President Roosevelt's goals.
- c. No. One of the failures of the New Deal was that it did not solve the problem of unemployment. In 1939 the unemployment rate stood at 19 percent. Ultimately, it was massive government spending during the Second World War that solved the problem of unemployment and brought full economic recovery.
- d. No. Some scholars believe that Roosevelt was too conservative in his approach to the problems of the depression. However, that does not mean that those who view him in that way label him a conservative. Furthermore, most scholars agree that Roosevelt was not a radical and that he wanted to save the capitalist system, not destroy it. Therefore, most scholars would label Roosevelt as either a progressive or a liberal.