CHAPTER 27

The New Deal: 1933-1941

ANTICIPATION/REACTION

Directions: Before you begin reading this chapter, in the column entitled “Anticipation” place a check mark beside any of the following seven statements with which you now agree. When you have completed your study of this chapter, come back to this section and in the column entitled “Reaction” place a check mark beside any of the statements with which you then agree. Note any variation in the placement of check marks from anticipation to reaction and explain why you changed your mind.

<table>
<thead>
<tr>
<th>Anticipation</th>
<th>Reaction</th>
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<tbody>
<tr>
<td>1. ____ During the 1932 presidential campaign, Franklin Roosevelt perfected a plan to solve the Depression, then spent the next nine years implementing that plan.</td>
<td>_____ 1.</td>
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<td>2. ____ To stimulate economic recovery, FDR turned to deficit spending and abandoned efforts to balance the federal budget.</td>
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<td>3. ____ The New Deal’s many work relief programs (WPA, CWA, CCC, etc.) barely kept the unemployment rate below 10 percent during the 1930s.</td>
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<td>4. ____ Contrary to expectations because he was a political moderate, FDR quickly resorted to extreme measures to combat the Depression.</td>
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<td>5. ____ As is usually the case in hard times, union membership declined dramatically during the Great Depression.</td>
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<td>6. ____ On the eve of U.S. entry into World War II, the New Deal had effectively ended the Great Depression.</td>
<td>_____ 6.</td>
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<td>7. ____ Having learned from their Great War experience, Americans were less isolationist and more committed to going to war in 1939 when the Allies declared war on Germany and World War II began.</td>
<td>_____ 7.</td>
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LEARNING OBJECTIVES

After reading Chapter 27 you should be able to:

1. Explain how Franklin Roosevelt’s New Deal sought to revive the economy amid the Great Depression.
2. Explain the political views of those who opposed Franklin Roosevelt.
3. Evaluate Roosevelt’s attempt to alter the Supreme Court.
4. Show the impact of the New Deal on women, African Americans, and Native Americans.
5. Explain how the United States tried to remain isolated from events leading to the Second World War.

CHAPTER OVERVIEW

The Hundred Days

The special 1933 session of Congress known as the Hundred Days adopted dozens of New Deal measures without serious opposition. The day after his inauguration, President Roosevelt, who had no comprehensive plan of action, declared a nationwide bank holiday and forbade the exportation of gold. In the first of his “fireside chats” over radio, Roosevelt outlined a plan to reopen sound banks under Treasury licenses. A few weeks later, he took the country off the gold standard, hoping to induce prices to rise.

Congress established the Federal Deposit Insurance Corporation to guarantee bank deposits and to separate investment and commercial banking. Lawmakers also created the Home Owners Loan Corporation to refinance mortgages and prevent foreclosures.

The National Recovery Administration (NRA)

Congress addressed the problems of unemployment and industrial stagnation by creating the Civilian Conservation Corps, which provided jobs for young men in reforestation projects, and the National Industrial Recovery Act, which allowed manufacturers to draft codes of “fair business practices.” The law enabled producers to raise prices and limit production without violating antitrust laws. For workers, the NIRA allowed collective bargaining (Section 7a), established federally regulated minimum wages and maximum hours, and abolished child labor. However, the NIRA did not end the depression or revive industry because the dominant producers raised prices and limited production instead of hiring more workers and increasing output.

Organized labor used the NIRA to persuade workers that Roosevelt wanted them to join unions. When the American Federation of Labor showed little enthusiasm for enrolling mass-production workers, John L. Lewis and garment-trade unionists formed the Congress of Industrial Organizations (CIO), which in time grew to rival the AFL in size and influence.

The Agricultural Adjustment Administration (AAA)

The Agricultural Adjustment Act combined compulsory restrictions on production with subsidies to producers of staple goods such as wheat, cotton, tobacco, and pork. The money for these payments was raised by levying processing taxes on middlemen, such as flour millers, who passed the costs on to consumers. The AAA sought to raise prices to a “parity” level with industrial prices. Farmers could also qualify for “rental” payments by withdrawing acreage from cultivation. To reduce 1933 output, Agriculture Secretary Henry A. Wallace ordered the destruction of crops in the field and the slaughter of millions of hogs at a time when some people went hungry. Thereafter, acreage limits proved sufficient to raise some agricultural prices. But dairy farmers, cattlemen, the railroads (who had less to haul), tenant farmers, and sharecroppers
(when owners took land out of production) were all hurt by the AAA, and consumers paid higher prices for food.

**The Tennessee Valley Authority (TVA)**

Roosevelt wanted to expand a government-owned hydroelectric plant at Muscle Shoals, Alabama, into the centerpiece of a broad experiment in social planning aimed at improving the lives of people in the region. Over the objections of private power companies, the Tennessee Valley Authority Act authorized a board to build dams, power plants, and transmission lines and to sell fertilizers and electricity to individuals and communities in the Tennessee Valley. The TVA also promoted industrialization, soil conservation, reforestation, flood control, navigation, and recreation. The authority provided a “yardstick” by which private power-company rates could be tested. It improved the standard of living of millions of inhabitants of the valley.

**The New Deal Spirit**

A majority of Americans in the 1930s considered the New Deal successful because some actual recovery had occurred and President Roosevelt had infused his administration with the spirit of optimism. The New Deal lacked any consistent ideological base; Roosevelt did what he thought would work, borrowing ideas from the populist tradition on inflating currency, from Theodore Roosevelt’s New Nationalism on de-emphasizing competition and relaxing antitrust laws, from the Progressive social workers helping the downtrodden, and from Wilson’s wartime agencies on establishing bureaucratic procedures. Rival officials within the administration and special interest groups battled to implement their own views, while Roosevelt mediated between them.

**The Unemployed**

Millions remained jobless in 1934, but their loyalty to Roosevelt remained firm. Breaking with tradition, the Democrats increased their already-large majorities in Congress in the mid-term elections. In May 1933, Congress had established the Federal Emergency Relief Administration (FERA), headed by Harry Hopkins, which dispensed its funds through state relief organizations. Hopkins also persuaded Roosevelt to create the Civil Works Administration (CWA) to provide work for the unemployed. When costs of the agency reached $1 billion in five months, however, Roosevelt abolished the CWA. Despite charges that Hopkins’ projects were wasteful, roads, bridges, schools, and other structures were built or refurbished.

In 1935, Hopkins was named to direct the Works Progress Administration, which spent $11 billion over eight years and employed 8.5 million people. Besides public works, the WPA made numerous cultural contributions: Those with theatrical skills, as well as writers and artists were kept at work in WPA projects. The National Youth Administration created part-time jobs for high school and college students. Despite the public-works programs, national unemployment during the New Deal era never dropped below 10 percent, and in many places it was much higher. The WPA did not do more because Roosevelt feared drastically unbalancing the federal budget and hesitated to undertake public projects that might compete with private enterprise.
Literature in the Depression

Depression-era writers often wrote from anger and pessimism and were critical of many aspects of American life. John Dos Passos’ trilogy, *U.S.A.*, anticapitalist and deeply pessimistic, was a monument to the despair and anger of liberals in the 1930s. John Steinbeck’s *The Grapes of Wrath* captured the bewilderment of the downtrodden and the brutality of their fear-driven exploiters. In his depression-era novels, Thomas Wolfe caught the frantic pace and confusion of the great cities, the despair of the depression, and the fears and hopes of Americans.

Novelist William Faulkner depicted southern aristocrats and impoverished whites and blacks unable to escape from their surroundings; he pictured the South’s poverty and pride, and its dreadful racial problem. Further, he was unexcelled as a commentator on the multiple dilemmas of modern life and was awarded the Nobel Prize for literature in 1949.

The Extremists: Long, Coughlin, and Townsend

Roosevelt’s moderation and the desperation of the poor provoked several extremist critics, including Louisiana Senator Huey “Kingfish” Long, a demagogue who professed a concern for the poor. Long thought Roosevelt was too conservative. Declaring “Every Man a King,” Long’s “Share the Wealth” movement attracted several million members. He proposed the confiscation of large family fortunes and a tax of 100 percent on all incomes exceeding $1 million a year. The money would be used to buy every family a “homestead” and provide an annual family income plus old-age and veterans’ pensions and educational benefits.

Father Charles Coughlin, the Detroit-based “Radio Priest,” claimed that inflating the currency would end the depression. Through his National Union for Social Justice, Coughlin attacked bankers, New Deal planners, and Roosevelt’s farm program. A virulent anti-Semite and red-baiter, Coughlin alleged that Roosevelt was beholden to communists and Jews.

Dr. Francis Townsend’s “old-age revolving pensions” proposed paying every person 60 and over a pension of $200 per month, provided that the pensioners not hold jobs and would spend the checks within 30 days. Their purchases, he argued, would stimulate production and revitalize the economy. Left unsaid though, and perhaps unrealized, was that the scheme would have cost roughly half the national income at the time. Like Long’s Share Our Wealth scheme, Townsend’s plan would have revolutionized the distribution of wealth in the United States. Townsend’s movement also marked the emergence of a new force in American society; the percentage of elderly people in the population was rising.

Influenced by the strength of the Long, Coughlin, and Townsend forces as well as a skeptical, even hostile Supreme Court, Roosevelt shifted economic gears in preparation for the 1936 election. Reversing his effort to court businessmen, he called for new taxes on corporations and restoring competition.

The Second New Deal

In 1935, the New Deal Congress introduced two landmark pieces of legislation. The National Labor Relations (Wagner) Act restored labor protections wiped out by the Supreme Court in
Schecter v. United States (1935), the case that struck down the NRA. It gave workers the right to bargain collectively and prohibited employers from interfering with union activities. The National Labor Relations Board was established to supervise plant elections.

The Social Security Act authorized old-age insurance, to be financed jointly by a tax on wages and payrolls. It also created a federal-state unemployment-insurance program. Social Security did not initially cover agricultural workers, domestics, and the self-employed, and it did not include health insurance, but over the years pension payments were increased and the classes of covered workers were enlarged.

The Rural Electrification Administration, created by executive order, lent money at low rates to utility companies and farm cooperatives in order to bring electrical power to rural areas. Through the Wealth Tax Act, the Second New Deal imposed high taxes on large incomes and on estates, gifts, and corporate profits. New Deal critics expressed alarm at the costs of government programs and their fear it was undermining of the foundations of American freedom and liberty. Nevertheless, the imperatives of the depression forced Roosevelt to adopt deficit spending, a practice extolled by the British economist John Maynard Keynes to stimulate consumption.

The Election of 1936

Governor Alfred M. Landon of Kansas, the 1936 Republican presidential nominee, made little headway in his contention that he could administer the New Deal more efficiently than Franklin Roosevelt. The radical fringe’s candidate, Congressman William Lenke of North Dakota, polled few votes on a Union party banner.

Roosevelt campaigned for the support of workers and the underprivileged, virtually writing off business as “economic royalists.” Labor unions and blacks, farmers and the elderly all swung heavily to Roosevelt and the president carried every state but Maine and Vermont. Republican Congressional ranks were reduced to 89 in the House and 16 in the Senate.

Roosevelt Tries to Undermine the Supreme Court

FDR interpreted his reelection in 1936 as a mandate for further reforms; only the Supreme Court stood in the way. Prior to 1937, the Supreme Court viewed the New Deal with apprehension. Four justices were anti-New Deal and opposed to expanding the scope of government authority; two others, including Chief Justice Charles Evans Hughes, often sided with the conservatives. When the Court threatened to undo major measures of the Second Hundred Days, including Social Security, Roosevelt asked Congress to shift the balance in the Court by increasing the number of justices. Roosevelt badly underestimated opposition to the plan from within his own party and from the public, the press, and Congress, and he was forced to back down. Yet, in time, the persistent president was able to appoint a New Deal-majority to the Court, and the legislation of the Second New Deal was saved. The Court fight, however, was a major blow to Roosevelt’s prestige.
The New Deal Winds Down

The Congress of Industrial Organizations’ unionizing of big industries changed the power structure within the national economy. It gained workers higher wages, shorter hours, paid vacations, insurance, and a measure of job security. It recruited blacks and other minorities into the labor movement and it increased the influence of labor in politics. CIO-sponsored “sit-down strikes” began in 1937, and fearful that efforts to clear the plant of striking workers would lead to the sabotage of expensive machinery, most employers capitulated to the strikers. The major steel companies recognized the CIO and granted higher wages and a 40-hour work week. But the aggressive way the unions pursued their objectives cooled middle-class enthusiasm for all reform.

Though business conditions had improved since 1933, a “Roosevelt recession” developed in 1937 when FDR cut back relief spending. Roosevelt thereafter committed himself to heavy deficit spending. Another public-works bill was passed, while a second AAA established marketing quotas and acreage limits for growers of staple crops. The Commodity Credit Corporation was empowered to lend money to farmers on their surplus crops. The Fair Labor Standards Act abolished child labor and established a national minimum wage and a 40-hour work week.

When conservative Democrats raised objections to further extensions of the New Deal, Roosevelt tried to purge them from the party. Voters in Democratic primary elections flatly rebuffed his intervention, especially in the South. Anti-New Deal Democrats increasingly joined with Republicans, strengthened by the 1938 midterm elections, into a “conservative coalition.” The coalition failed to do away with completed reforms but succeeded in blocking additional legislation.

Significance of the New Deal

The Great Depression finally ended in 1939 when the massive war that broke out in Europe mobilized the world economy. Throughout the 1930s, FDR was willing to experiment, but, because of that, the New Deal was often contradictory and counterproductive. At times Roosevelt favored deficit spending to check the depression; on other occasions, he proposed balanced budgets. The New Deal sometimes viewed the major economic problem as overproduction and at other times suggested that the answer lay in more production. Roosevelt’s activist role in the New Deal also inured the nation to the idea that the federal government should accept responsibility for the national welfare and act to address problems.

New Deal programs, which vastly enlarged the federal bureaucracy and enhanced the power and prestige of the presidency, were increasingly accepted by both parties and may have prevented later economic declines from becoming catastrophes. Among other things, the New Deal encouraged the growth of unions, made farm life more civilized and old age more secure, developed natural resources, made employers more socially conscious, and heightened the American people’s sense of community.
Women as New Dealers: The Network

Women played an active role in the Roosevelt administration due to the influence of Molly Dewson, head of the Women’s Division of the Democratic National Committee, and Secretary of Labor Frances Perkins, the first woman to serve in the Cabinet. First Lady Eleanor Roosevelt was a force in her own right through her newspaper column, “My Day,” and as a speaker on public issues. She was particularly identified with efforts to obtain better treatment for African Americans.

Blacks During the New Deal

Although African Americans had supported Hoover’s reelection, they voted overwhelmingly for Roosevelt in 1936. New Deal programs benefited many blacks, though they were often paid at lower rates than whites under NRA codes. Blacks in the CCC were assigned to segregated units, and Social Security excluded from coverage agricultural laborers and domestic servants, many of whom were minorities. In 1936, Roosevelt named Mary McLeod Bethune to head the Division of Negro Affairs in the National Youth Administration, a position from which she developed educational and occupational programs for disadvantaged black youths. African American workers benefited when the CIO unions accepted black members.

A New Deal for Indians

In 1924, Congress granted citizenship to all Indians, although they continued to be treated as wards of the state. Assimilation, it was assumed, had failed. A new Indian Affairs Commissioner, John Collier, tried to preserve Indian culture, yet help them utilize modern medical advances and soil conservation techniques. The Indian Reorganization Act of 1934 abolished the Dawes Act allotment system and encouraged Indians to return individually-owned land to their tribes. Some Indians opposed the return of their lands to communal holdings, particularly those whose lands held oil and mineral rights. Some critics charged Collier with segregating the Indians, whereas others accused him of promoting “pagan” practices and even trying to convert the Indians to “communism.” In the 1950s, Congress ended most government efforts aimed at preserving Indian cultures.

The Role of Roosevelt

Rexford Tugwell, a member of Roosevelt’s “Brains Trust,” found Roosevelt to be not “much at home with ideas” but always open to new facts and willing to take chances on imaginative solutions to problems. Roosevelt has been criticized for his lack of knowledge of economics, his vague political philosophy, and his weak administrative abilities. He encouraged rivalry among subordinates, assigned different agencies overlapping responsibilities, failed to discharge incompetents, and delayed making important decisions. Nevertheless, Roosevelt constructed the coalition that made the New Deal possible and was one of the most effective presidents in American history. Roosevelt’s fireside chats and biweekly press conferences convinced most Americans that he had their welfare at heart. Roosevelt personified the government to ordinary American citizens.
The Triumph of Isolationism

While most Americans embraced isolationism in the 1930s, Roosevelt was already an internationalist. Isolationism was reinforced by an investigation conducted by Senator Gerald P. Nye of North Dakota into the role played by munitions makers and bankers from 1914 to 1917, which seemed to bear out a popular belief that a “conspiracy” among these “merchants of death” had dragged the United States into World War I.

In response to German, Italian, and Japanese resort to force to achieve their territorial aims, Congress passed the Neutrality Act of 1935, which forbade the sale of munitions to all belligerents whenever the president should proclaim that a state of war existed. In 1936, a second neutrality act forbade all loans to belligerents. Thereafter, Italy invaded Ethiopia, and civil war broke out in Spain with the major combatants the forces of General Francisco Franco, backed by Italy and Germany, and the leftist Spanish Republic, backed by communists. Congress therefore amended the Neutrality Act to cover civil wars. In 1937, a third neutrality act gave the president authority to make the sale of goods to belligerents on a cash-and-carry basis. In 1938, the House narrowly defeated the Ludlow Amendment, which would have prohibited Congress from declaring war without prior approval of the nation’s voters.

War Again in Europe

The world moved closer to war when Japan invaded China in 1937. Roosevelt concluded that resisting aggression was more important than maintaining neutrality, and in a 1937 speech, he had declared that the way to deal with “the epidemic of world lawlessness” was to “quarantine” it. Yet few Americans seemed interested in following the president’s leadership away from isolationism.

In 1938, Nazi Germany demanded that Czechoslovakia cede the German-speaking Sudetenland, then seized the rest of Czechoslovakia in early 1939. Germany was clearly not stopping there, but Roosevelt was unable to obtain repeal of the Neutrality Act so that the United States could sell arms to Britain and France in the event of war. In August 1939, Germany and the Soviet Union signed a nonaggression pact, a prelude to their joint assault on Poland.

Hitler’s troops invaded Poland on September 1, 1939, at last provoking Britain and France into a declaration of war. Congress then permitted short-term loans and the sale of arms on a cash-and-carry basis, but American vessels were forbidden to trade with the belligerents. Since the Allies controlled the seas, however, cash-and-carry gave them a clear advantage. Poland quickly fell to Hitler’s army, and after a winter lull that cynics called the “phony war,” the German “Blitzkrieg” swept through the Low Countries, Scandinavia, and France. The British army retreated from Dunkirk, and Hitler proceeded to try to bomb and starve the British into submission. Epic air battles over England during the summer of 1940 repelled the Nazis, but the Royal Navy could not halt German submarine attacks.

In response to these events, Roosevelt transferred 50 old navy destroyers to the British in exchange for naval bases in the Caribbean and Newfoundland, Congress enacted America’s first peacetime draft, and to strengthen national unity, Roosevelt committed federal funds to a top-secret atomic bomb program, and he brought two Republicans, Henry Stimson and Frank Knox, into his Cabinet as secretaries of war and navy, respectively.
A Third Term for FDR

Roosevelt, convinced that only he could rein in the isolationists, cast aside the two-term precedent set by George Washington to seek a third term. Vice-President Garner, disenchanted with Roosevelt and the New Deal, refused to run again. Roosevelt therefore dictated the selection of Agriculture Secretary Henry Wallace as Garner’s successor. The Republicans nominated a dark horse and former Democrat, Wendell Willkie, an Indiana-born utilities executive who had opposed the TVA. Roosevelt won rather handily despite Willkie’s claim that the president intended to take the nation to war.

Two competing groups quarreled over the proper U.S. policy. The Committee to Defend America by Aiding the Allies favored all-out aid to Britain, while the America First Committee, which included aviator Charles A. Lindbergh, took an isolationist stance.

The Undeclared War

When Winston Churchill informed Roosevelt that the cash-and-carry system was insufficient for British security needs, Roosevelt persuaded Congress to pass the Lend-Lease Act. This measure called for spending $7 billion on war materials that the president could sell, lend, lease, exchange, or transfer to any country whose defense he deemed vital to that of the United States.

Most of the aid went to Britain, but by November 1941, $1 billion was put at the disposal of the Soviet Union, which had been invaded by the Nazis in defiance of the Hitler-Stalin nonaggression pact. After attacks on two American ships, the *Greer* and the *Reuben James*, Congress allowed the arming of merchant ships and permitted them to carry cargoes to Allied ports. For all practical purposes, though not officially, the United States was already at war.

PEOPLE, PLACES AND THINGS

*Identify the following:*

- bank holiday
- ____________________________

- Hundred Days
- ____________________________

- fireside chats
- ____________________________

- parity
- ____________________________
TVA “yardstick” ________________________________________________________________

old-age revolving pensions ____________________________________________________

payroll tax _________________________________________________________________

“economic royalists” _________________________________________________________

sit-down strikes _____________________________________________________________

conservative coalition ___________________________________________________________________

Describe the following:

CCC ___________________________________________________________________

WPA ___________________________________________________________________

“Share the Wealth” ___________________________________________________________________

Schecter v. United States ___________________________________________________________________

NLRB ___________________________________________________________________

CIO ___________________________________________________________________
Fair Labor Standards Act

“Quarantine” speech

Sudetenland

Lend-Lease Act

Identify the following:

Henry A. Wallace

Wendell L. Willkie

Harry L. Hopkins

Charles Coughlin

Alfred M. Landon

Hugo L. Black

Eleanor Roosevelt

Frances Perkins
MAP EXERCISE

Refer to the map below. Match the country or region with its location as designated on the map.

1. Austria 2. Belgium 3. Denmark
4. France 5. Great Britain 6. Netherlands
10. Spain 11. Sudetenland
SELF-TEST

Multiple-Choice Questions

1. The National Industrial Relations Act (NIRA) provided for all of the following EXCEPT
   A. federally-funded public works.
   B. suspension of the antitrust laws.
   C. collective bargaining rights for labor.
   D. elimination of child labor.

2. The first Agricultural Adjustment Act (AAA) included all of the following EXCEPT
   A. a guarantee of parity between farm and manufacturing prices.
   B. rental payments to farmers for removing land from production.
   C. a tax on “middlemen” processors of farm goods.
   D. subsidies to growers of wheat, cotton, tobacco, and pork and other staples.

3. A “yardstick” to test the efficiency and rates of private companies was provided by the
   A. Rural Electrification Administration (REA).
   B. National Recovery Administration (NRA).
   C. Federal Deposit Insurance Corporation (FDIC).
   D. Tennessee Valley Authority (TVA).

4. President Roosevelt’s key contribution to the successes of the New Deal was his
   A. openness to suggestions.
   B. immense intellect.
   C. faithful adherence to a consistent ideological base.
   D. administrative efficiency.

5. All of the following were New Deal public works programs EXCEPT the
   A. Civilian Conservation Corps (CCC).
   B. National Recovery Administration (NRA).
   C. Civil Works Administration (CWA).
   D. Works Progress Administration (WPA).

6. The author of “the novel that best portrayed the desperate plight of the millions
   impoverished by the depression,” The Grapes of Wrath, was
   A. John Steinbeck.
   B. John Dos Passos.
   C. Thomas Wolfe.
   D. William Faulkner.
7. Match these three political “extremists” of the 1930s with their program to end the depression.

A. Huey Long
B. Father Charles E. Coughlin
C. Dr. Francis E. Townsend

1. inflating the currency
2. Share Our Wealth
3. national health insurance
4. old-age revolving pensions

A. A2, B1, C4
B. A4, B2, C3
C. A2, B1, C3
D. A3, B3, C2

8. What New Deal legislation did the Supreme Court rule unconstitutional in *Schechter v. United States* (1935)?

A. National Industrial Recovery Act
B. Wealth Act
C. National Labor Relations Act
D. Agricultural Adjustment Act

9. Match the legislation in the right column with the part of the New Deal in which it was enacted.

A. First Hundred Days
B. Second Hundred Days

1. Civilian Conservation Corps
2. Tennessee Valley Authority
3. Wagner Act
4. Social Security Act

A. A1, 2 : B3, 4
B. A1, 4 : B2, 3
C. A2, 3 : B1, 4
D. A2, 4 : B1, 3

10. The Wagner Act did all the of following EXCEPT

A. guarantee organized labor the right to bargain collectively.
B. create the National Labor Relations Board to supervise union elections.
C. authorize “sit-down” strikes.
D. prohibite employers from interfering with union organizing activities.

11. The Social Security Act originally provided for all of the following EXCEPT

A. old-age insurance.
B. national health insurance.
C. unemployment insurance.
D. a payroll tax.

12. British economist John Maynard Keynes advised attacking the Depression by all the following EXCEPT

A. balancing the budget.
B. lowering interest rates.
C. reducing taxes.
D. increasing government expenditures.
13. For the presidential election in 1936, the “radical fringe” of American politics nominated
   A. William Lemke.
   B. Gerald L. K. Smith.
   C. Huey Long.
   D. Alf Landon.

14. In 1936, President Roosevelt drew the majority of votes from all of the following interest
   groups EXCEPT
   A. businessmen.
   B. African Americans.
   C. the elderly.
   D. workers.

15. The New Deal did NOT
   A. return the country to full employment.
   B. encourage the growth of unions.
   C. vastly increase the federal bureaucracy.
   D. commit the nation to the idea that the federal government had responsibility for the
      national welfare.

16. During the New Deal years, Roosevelt and/or the New Deal did all the following EXCEPT
   A. appoint the first woman member of the Cabinet.
   B. protect Mexican American workers from deportation by Southwestern states.
   C. treat African Americans as second-class citizens.
   D. encourage the revival of tribal government among Native Americans.

17. The neutrality acts in the 1930s forbade all the following EXCEPT
   A. the president to lend or lease war contraband to belligerents.
   B. sale of munitions to all belligerents.
   C. all loans to belligerents.
   D. Americans to travel on belligerent ships.

18. World War II began in Europe in 1939 when Germany invaded
   A. Austria.
   B. Poland.
   C. Czechoslovakia.
   D. Belgium.

19. Roosevelt’s pledge to defend the “Four Freedoms” did NOT include the freedom
   A. of speech.
   B. of the people to keep and bear arms.
   C. from fear.
   D. from want.

20. Which of these occurred *before* war began in Europe in September 1939?
   A. Congress authorized the sale of arms to belligerents on a cash-and-carry basis.
   B. Roosevelt condemned international lawlessness in a “quarantine speech.”
   C. Roosevelt traded Britain 50 old destroyers for British bases in the Caribbean.
   D. Congress enacted the first peacetime draft in U.S. history.
Essay Questions

1. Explain how the NRA, AAA, and TVA sought to revive the economy during the Great Depression. Evaluate each program.

2. Show how the “Second New Deal” promoted reforms that still affect workers and consumers.

3. Explain why many regard the New Deal as a success even though it did not end the Great Depression.

4. Evaluate the impact of the New Deal on women, African Americans, and Native Americans.

5. Discuss the elections of 1936 and 1940 regarding party nominees, issues, outcomes, and significance. Why did Franklin Roosevelt become unbeatable in national elections?

CRITICAL THINKING EXERCISE

Label each of the following statements that refer to the New Deal as “T” for true, “F” for false, or “O” for opinion.

_____ 1. Roosevelt reversed the thrust of NIRA because he had increasing troubles with business and the Supreme Court.

_____ 2. Roosevelt’s attempt to purge his party of conservatives in the 1938 campaign strengthened the hand of liberals.

_____ 3. Roosevelt’s fireside chats convinced many that he had each citizen’s welfare in mind.

_____ 4. Had he attempted to do so, Roosevelt was the one president who could have convinced Americans to abandon free enterprise and adopt socialism.

_____ 5. “Roosevelt was not really very much at home with ideas.”

_____ 6. The national government should work diligently to remedy specific social problems.

_____ 7. Roosevelt’s practice of dividing authority among competing administrators gave the national government remarkable flexibility.

_____ 8. Roosevelt’s handling of the Depression and World War II make him the single most outstanding president, eclipsing even Washington and Lincoln.

_____ 9. New Deal programs succeeded in reducing national unemployment to historic low levels.

_____ 10. One legacy of the New Deal was to strengthen the hold of interest groups over the government.
11. New Deal programs probably kept many intellectuals from falling into even deeper despair during the turbulent 1930s.

12. Roosevelt repudiated the Keynesian doctrine that deficit spending could stimulate a lagging economy.