

CHAPTER
25

1. Economic Collapse
2. Roosevelt and the New Deal
3. Effects of the Depression and the New Deal

The Great Depression and the New Deal

1929–1940



ESSENTIAL QUESTION

How did the government react to the crisis of the Great Depression?

CONNECT Geography & History

How were different regions of the United States impacted by the Great Depression?

Think about:

- 1 how the Great Depression affected people living on the east and west coasts
- 2 how people living in the Dust Bowl were forced to move in search of work
- 3 the role of the natural environment and weather in economics and recovery

WHY CAN'T YOU
GIVE MY DAD
A JOB?



Child tries to help his father find employment.

1929

U.S. stock market crashes. Great Depression begins.



1932 Military removes veterans seeking bonuses from Washington.

Effect Americans turn against Hoover. Franklin D. Roosevelt is elected president.

1931 Over 8 million Americans are unemployed.

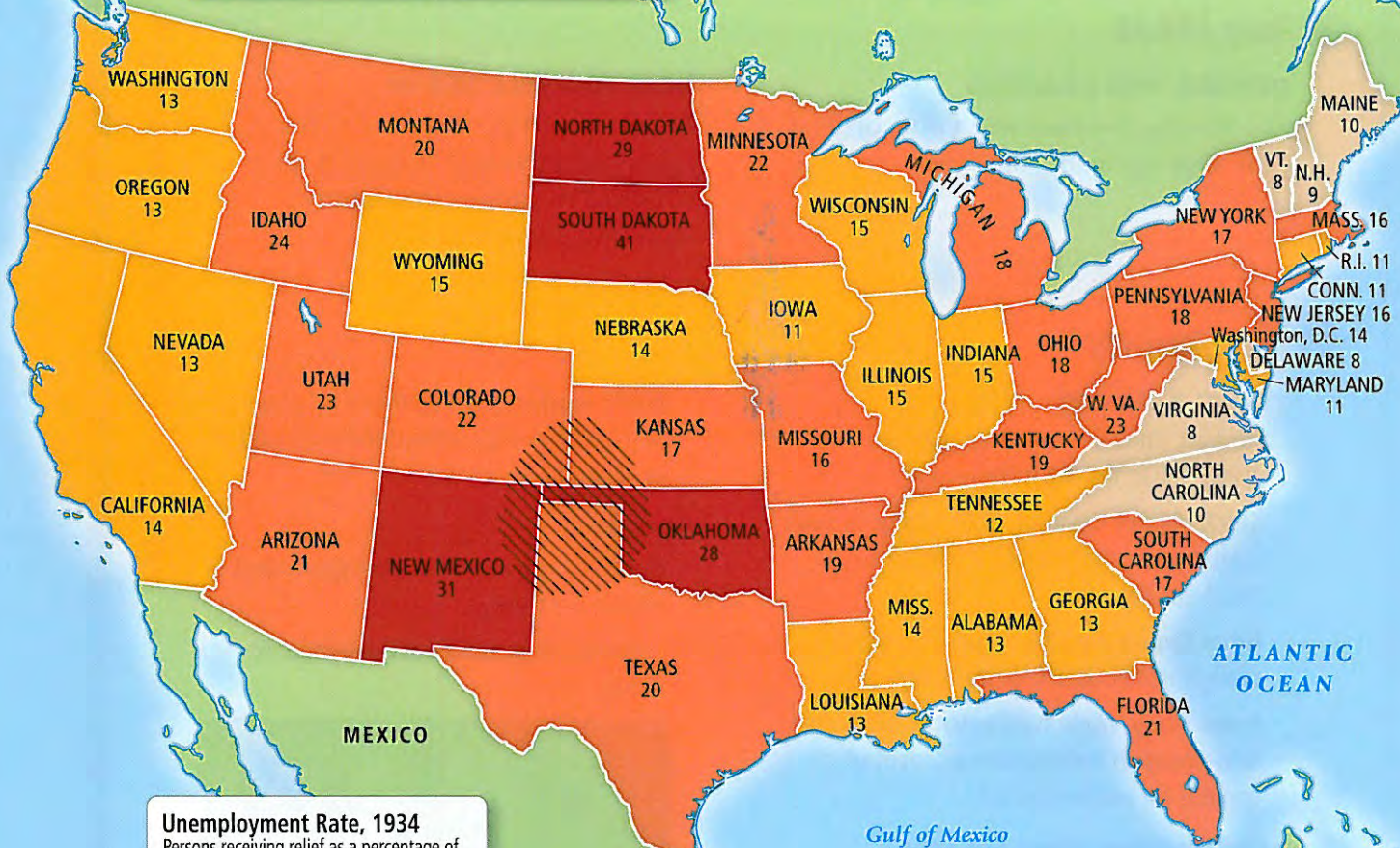
1933 States ratify 20th Amendment. Presidential inauguration date moved to January.



Bankrupt man selling car

Great Depression Unemployment 1934

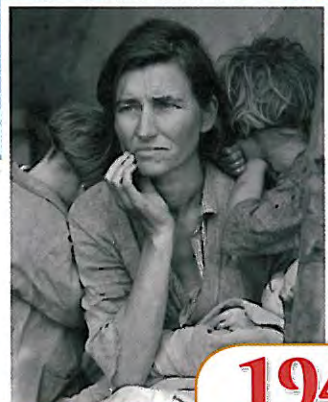
[Click here](#) to preview the United States during the Great Depression @ClassZone.com



Unemployment Rate, 1934
Persons receiving relief as a percentage of total state population

- 0 to 10%
- 11 to 15%
- 16 to 25%
- 26% and over

Area of the Dust Bowl



Migrant family in California

1935 Congress passes the Social Security Act.

Effect Retirees receive monthly payments.



1936 Roosevelt is reelected.

Roosevelt campaign button

1938 Congress of Industrial Organizations breaks from the American Federation of Labor.

1940

John Steinbeck awarded Pulitzer Prize for *The Grapes of Wrath*, a novel of the Great Depression.

SECTION
1

Reading for Understanding

▶ Key Ideas

BEFORE, YOU LEARNED

The Roaring Twenties was a time of great prosperity for many Americans.

NOW YOU WILL LEARN

When the prosperity of the 1920s collapsed, President Herbert Hoover struggled to address the country's economic problems.

▶ Vocabulary

TERMS & NAMES

Herbert Hoover Republican president who failed to halt the Great Depression

Stock Market Crash of 1929 plunge in stock market prices that marked the beginning of the Great Depression

Great Depression the serious and worldwide economic decline of the 1930s

Bonus Army World War I veterans who came to Washington seeking early payment of bonuses for wartime service

BACKGROUND VOCABULARY

speculation buying and selling risky items in the hope of making a quick profit

public works government-funded projects to assist individuals, families, and communities in need

REVIEW

credit arrangement for delaying payment of a loan or purchase

economic depression severe economic slump



Visual Vocabulary Herbert Hoover

▶ Reading Strategy

Re-create the diagram shown at right. As you read and respond to the **KEY QUESTIONS**, use the diagram to record the differences between wealthy Americans, the middle class, and the poor.



See Skillbuilder Handbook, page R8.



COMPARE AND CONTRAST

Rich	Middle Class	Poor
<i>able to buy luxury items</i>	<i>forced to buy goods on credit</i>	<i>forced to buy goods on credit</i>
<i>invested heavily in the stock market</i>		



GRAPHIC ORGANIZERS

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Economic Collapse



15.A.3c Describe the relationship between consumer purchases and businesses paying for productive resources.

15.A.3d Describe the causes of unemployment (e.g., *seasonal fluctuation in demand, changing jobs, changing skill requirements, national spending*).

One American's Story

Gordon Parks was a well-known photographer, author, and filmmaker who grew up in the 1920s. As a 16-year-old, he worked as a busboy at the exclusive Minnesota Club. There, prosperous club members spoke of the strong economy. Parks expected a bright future—he hoped to graduate from high school and begin a career. Then came the stock market crash of October 1929.

PRIMARY SOURCE

“I couldn’t imagine such financial disaster touching my small world; it surely concerned only the rich. But by the first week of November . . . I was without a job. All that next week I searched for any kind of work that would prevent my leaving school. Again it was ‘We’re firing, not hiring.’ . . . I went to school and cleaned out my locker, knowing it was impossible to stay on.”

—Gordon Parks, *A Choice of Weapons*

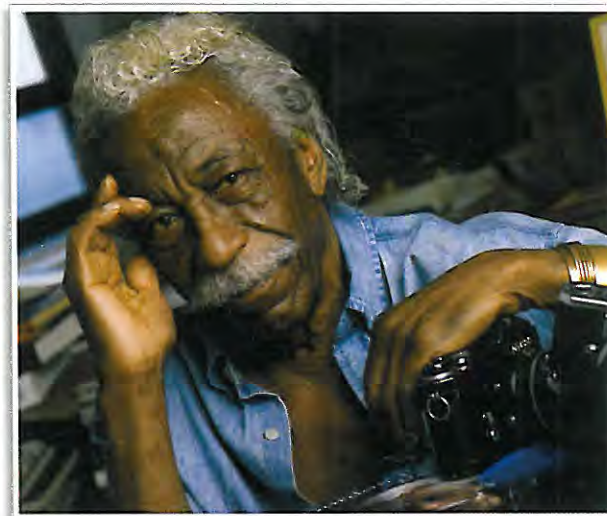
The crash of 1929 crushed the dreams of Parks and millions of other Americans. The “Roaring Twenties” had suddenly gone silent.

The Myth of Prosperity

KEY QUESTION How did 1920s prosperity affect different social groups?

In 1928, Secretary of Commerce **Herbert Hoover** became the Republican candidate for president. Americans believed Hoover when he predicted growing prosperity in the next decade. Few people recognized that serious economic problems were threatening the “roar” in the Roaring Twenties.

Problems in Business The prosperity of the 1920s hid the fact that some basic industries were in serious trouble. Many industries—such as railroads, textile mills, and mining—had improved efficiency and begun to produce more goods. But the income of middle-class and poor people didn’t rise



Gordon Parks


enough for them to purchase the additional products. Many items went unsold and piled up in warehouses. Unless businesses sold their products, they couldn't pay for materials, salaries, equipment, or shipping.

Farmers also faced difficult times. Due in part to advances in technology—such as improvements in motorized machinery, irrigation methods, and motor fuels—farmers produced more crops than they could sell. The increased supply caused lower food prices. Low prices and high rates of debt for new machinery made farmers vulnerable to changes in the economy.

The Illusion of Wealth The vast wealth of America's richest citizens hid the fact that many people were struggling just to get by. Although fancy cars and modern appliances were the latest fads, most Americans could not afford such luxuries. Rather, the vast majority of people in the 1920s had only small incomes and little savings.

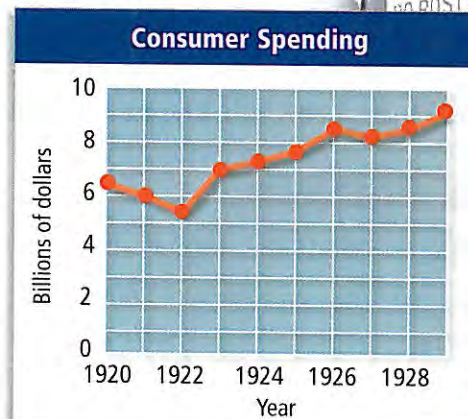
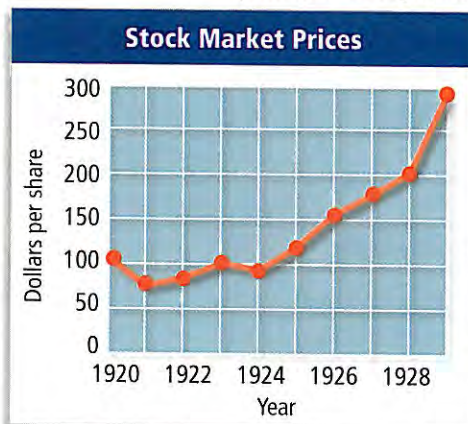
Making matters worse, many Americans could not find steady work. In particular, African Americans had high jobless rates. Regardless, many consumers continued to buy goods on **credit**, an arrangement for delaying payment on a purchase. This caused many people to acquire large debts.

Yet the stock market still showed promise as prices kept climbing. As a result, many Americans rushed to buy stocks. Increasingly, investors bought on **speculation**, buying and selling risky stocks in the hope of making a quick profit. In addition, investors often borrowed money to buy more stocks. But this was a dangerous strategy. When stock prices fell, borrowers couldn't repay their loans. Due to their debt, many Americans risked bankruptcy.

 **COMPARE & CONTRAST** Explain how 1920s prosperity affected rich and poor.

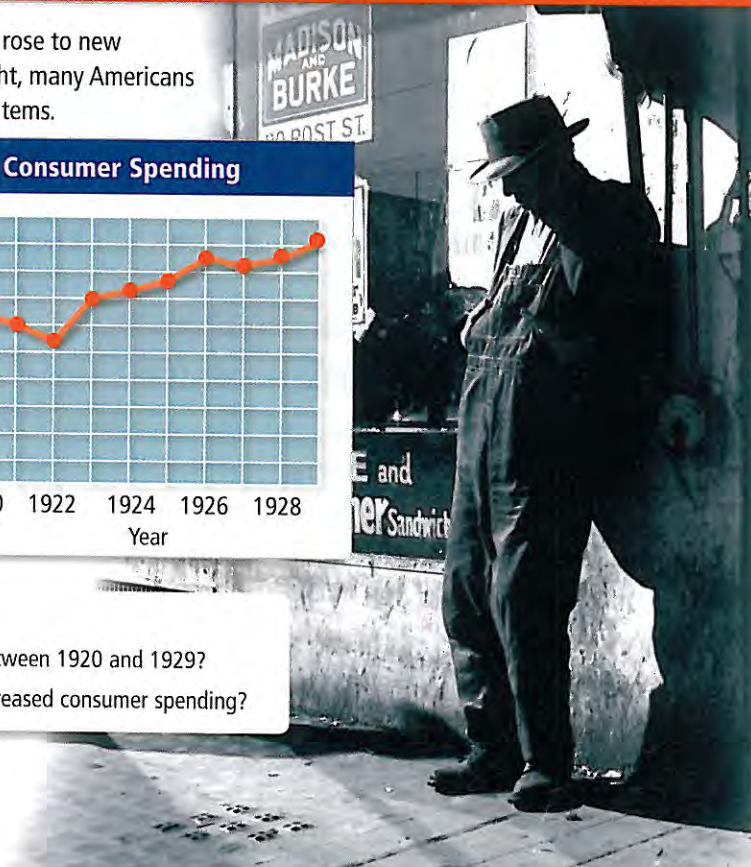
COMPARING Economic Data 1920–1929

Throughout the 1920s, the stock market rose to new heights. Believing the future looked bright, many Americans spent their money on stocks and luxury items.



CRITICAL THINKING

- Analyze Graphs** How much did consumer spending increase between 1920 and 1929?
- Recognize Effects** How did the rise in stock prices relate to increased consumer spending?



The Crash and the Great Depression

KEY QUESTION What caused the crash of 1929 and the Great Depression?

After only eight months in office, President Herbert Hoover watched helplessly as the country fell into the worst **economic depression**, or financial slump, in United States history.

Economic Crisis The fragile American economy worsened considerably when a massive financial panic led to the **Stock Market Crash of 1929**. During a mere two-month period, stocks on the New York Stock Exchange went from being worth a fortune to being almost worthless. As a result, investors tried desperately to sell their stocks before going bankrupt.

On the worst day of the crash—October 29—stock prices fell so sharply that people referred to the day as “Black Tuesday.” On that day, some stocks fell more than 75 percent. Millions of ordinary Americans lost their entire life savings in a matter of hours.

But the stock market crash was only the first in a series of devastating events. In the following five months, thousands of banks were forced to close, having literally run out of money.

With little or no cash in their pockets, people could not afford to purchase goods and everyday products. In addition, businesses laid off, or fired, millions of workers. Many Americans were now unemployed.

The Great Depression The United States had experienced economic depressions before. But the **Great Depression** of the 1930s was the worst economic crisis in the nation’s history. It also affected millions of others around the globe. Many European countries had borrowed money from U.S. banks to rebuild after World War I. When the American economy failed, so did Europe’s.

The depression held its grip on America and the world for over a decade, from its beginning in October 1929 to America’s entry into World War II in 1941. During this period, millions experienced starvation, homelessness, and extreme suffering.

CAUSES AND EFFECTS Explain what caused Black Tuesday, bank closings, and mass unemployment.

CONNECT Cause and Effect

TROUBLING SIGNS Although the 1920s were seemingly prosperous, there were many signs of the coming crisis. Key industries struggled and products went unsold. Farmers faced growing debts. And Americans used credit to make purchases beyond their means.

September 23, 1929

Stock prices reach a high point.

September 1929

	2	3	4	5	6	7
	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October 23, 1929

Stock prices drop sharply, after period of decline.

October 1929

		1	2	3	4	5
	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

October 24, 1929

People panic and sell their stocks to avoid going bankrupt.

October 29, 1929

Stock market crashes on Black Tuesday.

THE GREAT DEPRESSION SETS IN

- Panicked Americans withdraw life savings from banks.
- Banks run out of money and are forced to close.
- Cash becomes scarce and people stop buying goods.
- Businesses close or lay off workers.
- Unemployment and homelessness soar.

CRITICAL THINKING Evaluate What was the most significant cause of the Great Depression?

Bonus Army members outside their shack, 1932
Why did Bonus Army members camp in Washington, D.C.?



Hoover Loses the Nation's Trust

KEY QUESTION Why did the American people lose faith in Hoover?

As unemployment, hunger, and homelessness grew, many Americans blamed President Hoover and looked to him to end their hard times. But the Republican Hoover did not want to increase the government's role in the economy, nor did he believe in government aid to the needy. Instead, Hoover encouraged churches and private charities to aid people in need. He also met with business leaders and persuaded them to voluntarily maintain wage rates.

Eventually, Hoover decided that voluntary efforts weren't enough. In 1932 he supported creation of the Reconstruction Finance Corporation, a government-funded organization that would give loans directly to banks and railroads. He also approved **public works** projects—government-funded construction that would create jobs as well as addressing other community needs. The most famous project was one Hoover had been working for since 1922, when he was Secretary of Commerce: the Boulder Dam (today called Hoover Dam) in Nevada, a massive development to supply three states with cheap hydro-powered electricity. (See pages 782–783.) Yet these measures were “too little, too late” to save Hoover's presidency. He could not escape a reputation as a “do-nothing” president.

The Bonus Army Many World War I veterans had been promised a bonus for their wartime service. The bonuses were not due until after 1940. But the depression hit veterans as hard as anyone. In the summer of 1932, the **Bonus Army** of an estimated 15,000 veterans poured into Washington, D.C., to appeal to Congress for early payment. Congress, facing its own financial problems, rejected early payment. Feeling angry and defeated, much of the Bonus Army left the capital and returned home. Thousands of others, however, stayed to protest.

By late July, the remaining Bonus Army was camped in a “Hooverville”—a village of huts, shacks, and other temporary residences—on the outskirts of Washington, D.C. Angered by their protest, General Douglas MacArthur decided to drive out the Bonus Army. His troops threw tear gas, fired shots, and prodded the veterans with bayonets. In the skirmish, one veteran was shot to death. A witness described the event:




Bonus Army members clash with authorities.

PRIMARY SOURCE

“I saw in a news reel the tanks, the cavalry, and the gas-bomb throwers running those wretched Americans out of our capital. I was so raging mad I could have torn the theater down.”

—Evalyn Walsh McLean, *Father Struck It Rich*

Americans were outraged, and many blamed President Hoover for the attack. Hoover’s increasing unpopularity led to his defeat in the 1932 presidential election. Rejecting Hoover’s policies, Americans elected the Democratic candidate—New York State governor Franklin Delano Roosevelt (or FDR, as he was known). As president, FDR’s first goal would be to rebuild Americans’ hope for the future and their trust in government.

 **SEQUENCE EVENTS** Describe how the nation lost trust in Hoover.



Illinois Learning Standards Review



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TERMS & NAMES

1. Explain the importance of
 - Herbert Hoover
 - Great Depression
 - Stock Market Crash of 1929
 - Bonus Army

USING YOUR READING NOTES

2. **Compare and Contrast** Complete the diagram from the beginning of this section.

Rich	Middle Class	Poor
<i>able to buy luxury items</i>	<i>forced to buy goods on credit</i>	<i>forced to buy goods on credit</i>
<i>invested heavily in the stock market</i>		

KEY IDEAS

3. What were the risks of buying goods on credit and stocks on margin?
4. What caused thousands of banks to fail?
5. Why did Hoover become unpopular?

CRITICAL THINKING

6. **Analyze Point of View** In a 1928 campaign speech, presidential candidate Herbert Hoover said, “We shall soon . . . be in sight of the day when poverty will be banished from this nation.” Explain why Hoover believed this.
7. **Synthesize** Why do you think the economic depression that began on Black Tuesday came to be called the Great Depression?
8. **Writing Letter** As a young person hit by the Depression, write a letter to Hoover. Describe your circumstances and why you have lost faith in him.

BUILDING THE BOULDER DAM

[Click here](#) to see the Boulder Dam public works project come to life @ [ClassZone.com](#)

Hoover's Public Works

In 1929, President Herbert Hoover approved the Boulder Canyon Project Act. Employing over 5000 people, the dam was created to provide hydro-powered electricity to three states.



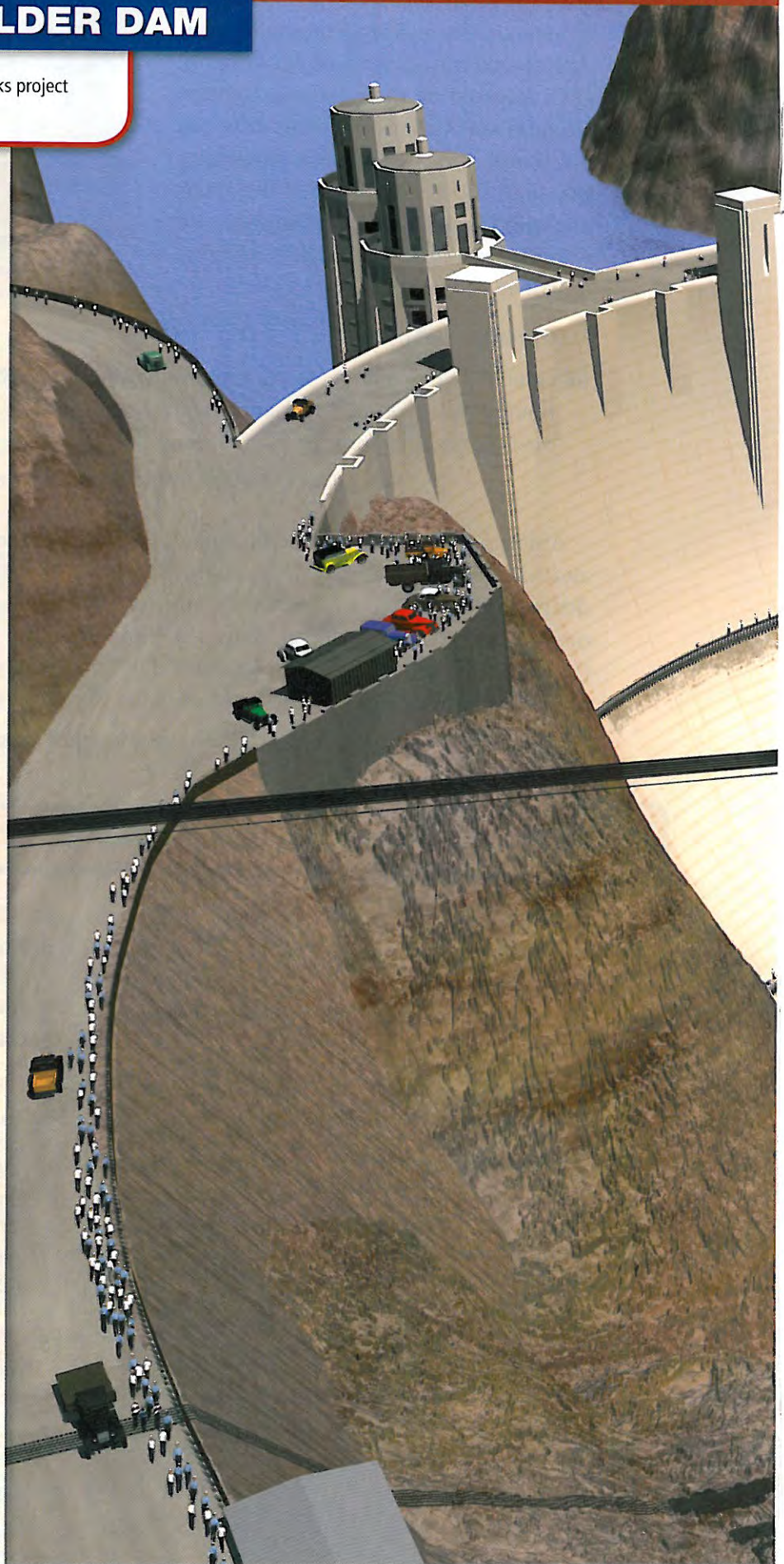
[Click here](#) Before construction started, engineers diverted the Colorado River around the dam site by blasting four large tunnels through the canyon walls.

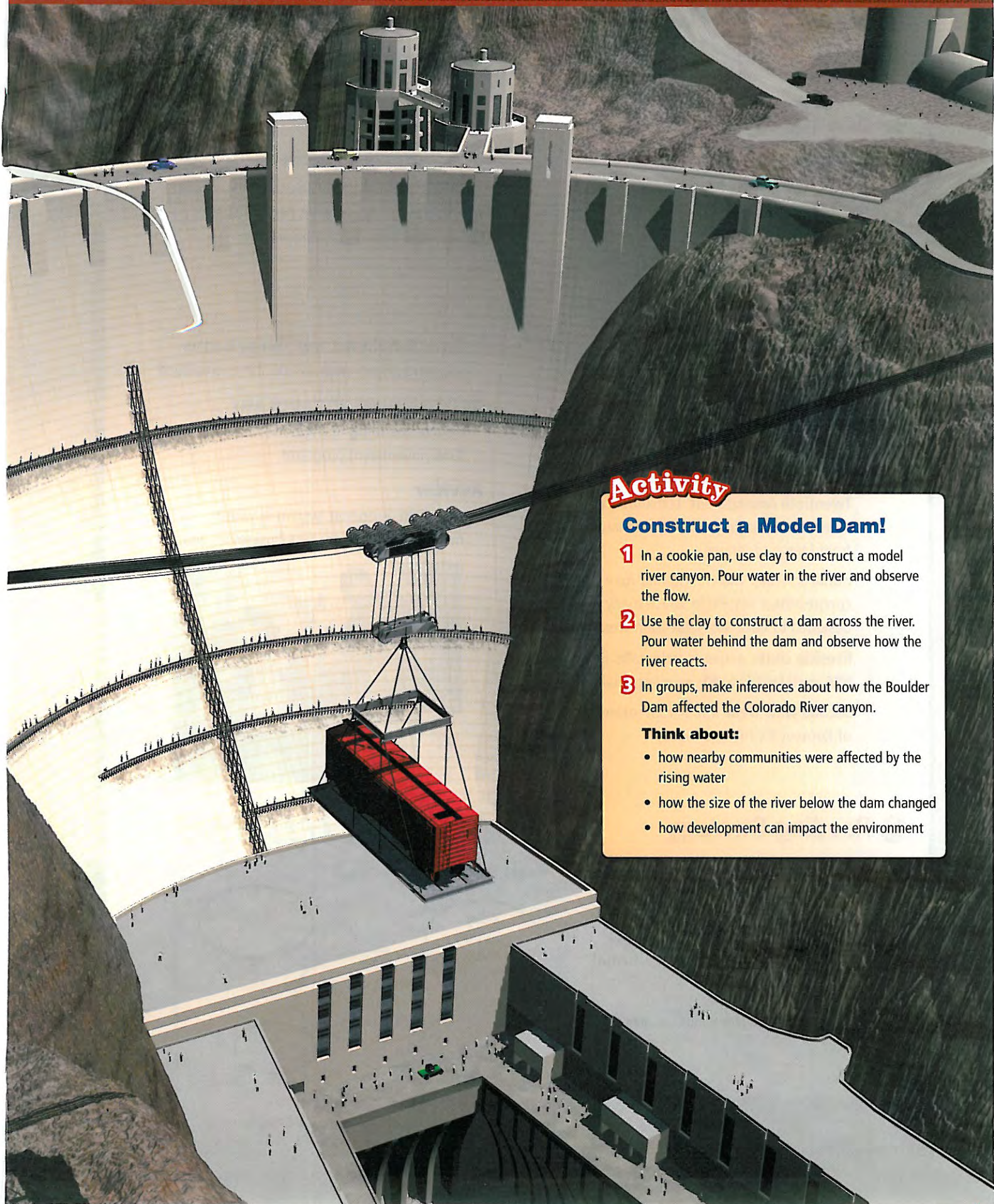


[Click here](#) To enable construction, workers built a complex system of metal and wooden scaffolding.



[Click here](#) Once completed in 1936, the Boulder Dam was 726 feet high and 1,244 feet long.





Activity

Construct a Model Dam!

- 1 In a cookie pan, use clay to construct a model river canyon. Pour water in the river and observe the flow.
- 2 Use the clay to construct a dam across the river. Pour water behind the dam and observe how the river reacts.
- 3 In groups, make inferences about how the Boulder Dam affected the Colorado River canyon.

Think about:

- how nearby communities were affected by the rising water
- how the size of the river below the dam changed
- how development can impact the environment

SECTION
2

Reading for Understanding

▶ Key Ideas

BEFORE, YOU LEARNED

During the 1930s President Herbert Hoover struggled to address the country's economic problems.

NOW YOU WILL LEARN

President Franklin D. Roosevelt launched an aggressive program to fight the Great Depression.

▶ Vocabulary

TERMS & NAMES

Franklin Delano Roosevelt Democratic president who created the New Deal to counter the effects of the Great Depression

First New Deal 1933–1935 program created by President Roosevelt to fight the Depression

Twentieth Amendment constitutional amendment moving presidential inauguration from March to January

Hundred Days March 9 to mid-June 1933 congressional session in which many laws designed to fight the Depression were passed

fireside chats series of radio talks in which FDR explained his policies in a casual style

Second New Deal 1935–1937 extension of Roosevelt's First New Deal

Social Security Act law creating fund for assisting retired workers and the unemployed

BACKGROUND VOCABULARY

deficit spending using borrowed money to fund government programs

REVIEW

socialism economic system in which members of a society own businesses equally



Visual Vocabulary
listening to a fireside chat

▶ Reading Strategy

Re-create the diagram shown at the right. As you respond to the **KEY QUESTIONS**, use the diagram to record the main goals of the First New Deal. You may add additional branches.



See Skillbuilder Handbook, page R4.

MAIN IDEA AND DETAILS



GRAPHIC ORGANIZERS

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Roosevelt and the New Deal



14.D.3 Describe roles and influences of individuals, groups and media in shaping current Illinois and United States public policy (e.g., *general public opinion, special interest groups, formal parties, media*).

15.E.3b Explain how laws and government policies (e.g., *property rights, contract enforcement, standard weights/measurements*) establish rules that help a market economy function effectively.

One American's Story

During the 1932 presidential campaign, FDR had offered few specifics about how he would solve the nation's problems. But voters appreciated his upbeat campaign speeches and great personal charm. Roosevelt's inaugural speech showed his serious side. It also displayed his trademark optimism.

PRIMARY SOURCE

“So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.”

—Franklin Delano Roosevelt, *Inaugural Address*

FDR's words reassured Americans and gave them hope that their country could prosper once again.



Franklin Delano Roosevelt and Eleanor Roosevelt

Roosevelt Takes Charge

KEY QUESTION What were the goals of the New Deal?

During his campaign, FDR created a comprehensive program to fight the Great Depression. He called it the “New Deal.” There were two New Deals. In the **First New Deal**, which lasted from 1933 to 1935, FDR focused his programs on relief, recovery, and reform in America.

The Waiting Period The country had to endure a frustrating four-month wait from the November election to Roosevelt's inauguration in March. The **Twentieth Amendment**, which moved the inauguration date to January, was ratified too late for Roosevelt. As he waited, FDR consulted his brain trust—a group of economists and professors who had advised him during his campaign. They studied the nation's problems and recommended solutions.

The Hundred Days On March 4, 1933, **Franklin Delano Roosevelt** was finally inaugurated as the 32nd president. With the help of Congress, he set to work immediately. The session of Congress lasting from March 9 to mid-June 1933 is called the **Hundred Days**.

Roosevelt took three immediate steps that boosted public confidence. First, he declared a bank holiday—a temporary shutdown of all banks. Second, he promised that only the banks that were in good shape would be allowed to reopen. And third, FDR communicated directly with the public through **fireside chats**, a series of radio talks in which he explained his policies in a warm, casual style.

Roosevelt gave the first fireside chat on March 12, 1933. It was the day before banks reopened. FDR told Americans it was safer to “keep your money in a reopened bank than under the mattress.” The next day, people deposited more money into banks than they withdrew.

During the Hundred Days, FDR sent many new bills to Congress. These bills had three major goals—to bring relief to the needy, recovery for agriculture and industry, and reforms to the economy. (The chart on page 788 lists programs of the first hundred days of FDR’s First New Deal and explains what those programs accomplished.)

Responses to the New Deal Some critics thought the New Deal went too far. In programs such as the Tennessee Valley Authority (TVA), government-run enterprises competed with private businesses. This caused many people to view New Deal programs as a form of **socialism**, an economic system in which members of a society own businesses equally.

Other critics charged that the New Deal didn’t go far enough. Louisiana senator Huey Long suggested a program he called “Share the Wealth,” under which every family would be guaranteed a decent income. Another critic, Francis Townsend, wanted every American over age 60 to receive a \$200 pension, or sum of money paid regularly, every month.

In the 1934 congressional elections, voters had a chance to react to these criticisms. But, indicating their support for Roosevelt, voters sided with FDR and sent even more Democrats to Congress.

 **MAIN IDEAS & DETAILS** Describe the goals of the New Deal.



History Makers

Franklin Delano Roosevelt 1882–1945

When Franklin Delano Roosevelt was 39 years old, he contracted the debilitating disease polio, which left him paralyzed from the waist down. With the support of his wife Eleanor, however, Roosevelt refused to give up. Instead, he made himself into a strong and optimistic leader.

Perhaps because of his own physical challenges, Roosevelt was determined to help people in need. Roosevelt’s New Deal enacted numerous programs to bring relief to the unemployed, the elderly, the poor, and the homeless. Although raised in social and economic privilege, Roosevelt produced far-reaching social reforms to help those less fortunate.

CRITICAL THINKING Make Inferences

Why might FDR’s illness have influenced his thinking about people in need?



For more on Franklin Delano Roosevelt go to the Research & Writing Center @ ClassZone.com

NEW DEALS FOR YOUTHS

During the Great Depression, many youths lost their part-time and after-school jobs. As a result, some could not afford to pay for college. Others got into trouble with the law. One person who recognized the severity of this problem was Eleanor Roosevelt, who pushed her husband to address the situation. In 1935 FDR created the National Youth Administration (NYA). This agency provided technical training and part-time jobs for youths in America.

Today, America's youths continue to be important to many presidents. In 1993, President Clinton established AmeriCorps. This program places volunteers throughout the country to assist people in need. In 2003, President Bush nearly doubled AmeriCorps' enrollment to more than 70,000 volunteers annually.

AmeriCorps volunteer tutors student.

CRITICAL THINKING

- 1. Evaluate** Some critics thought the NYA took away the ability of young people to solve problems on their own. Do you agree?
- 2. Summarize** What is the double purpose of modern programs, such as AmeriCorps?



Roosevelt's Second New Deal

 **KEY QUESTION** How did the Social Security Act reflect Roosevelt's goals in the Second New Deal?

Despite some critics of the New Deal, most Americans greatly supported Roosevelt's efforts. Roosevelt was so encouraged by this support that, in 1935, he launched the **Second New Deal**. It lasted until 1937.

Social Reforms The Second New Deal focused on social reform. (See the chart on page 788.) In August 1935, Congress passed one of the most important bills of the century: the **Social Security Act**—dedicated largely to important social issues such as unemployment and retirement.

The act stated that while a person worked, a small amount of each paycheck would go to the Social Security fund in the Treasury. Employers would match their employees' contributions. Then, when a person retired from work, he or she would receive a monthly payment from the fund.

Another part of the act helped disabled, low-income elderly people not eligible for Social Security and low-income families with dependents.

COMPARING

Major Programs of the New Deal

FIRST NEW DEAL, 1933

FERA (Federal Emergency Relief Program)
Provided federal money for relief projects to the roughly 13 million unemployed

PWA (Public Works Administration)
Created jobs by having people build public works, such as highways and bridges

AAA (Agricultural Adjustment Administration)
Regulated farm production and promoted soil conservation

CCC (Civilian Conservation Corps)
Hired young men to work on other conservation projects, such as planting trees

FDIC (Federal Deposit Insurance Corporation)
Protected money of depositors in insured banks

NRA (National Recovery Act)
Regulated industry and raised wages and prices

SECOND NEW DEAL, 1935

WPA (Works Project Administration)
Established national works programs to create jobs

REA (Rural Electrification Administration)
Brought electricity to rural areas

Wagner Act
Protected labor's right to form unions and set up a board to hear labor disputes

Social Security Act
Provided workers with unemployment insurance and retirement benefits

Men working
in the CCC

CRITICAL THINKING

Make Generalizations How did New Deal programs help America's workers?

The act also gave a small monthly payment to the unemployed while they looked for work. Explaining the act, FDR stated:

PRIMARY SOURCE

“ We have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age. ”

—Franklin D. Roosevelt, quoted in *Promises to Keep*

FDR's Reelection In 1936, the Democrats nominated Roosevelt for a second term. Business leaders opposed his reelection because they thought that government power was increasing at their expense. But an alliance of working-class Americans supported FDR. The alliance included African Americans, who until then had remained loyal to the Republican Party—the party of Lincoln, who had freed enslaved people during the Civil War. However, FDR's programs to help the poor convinced many African Americans to vote Democrat. On election day, FDR won every state except Maine and Vermont.

▲ **CAUSES AND EFFECTS** Explain how the Social Security Act reflected Roosevelt's goals in the Second New Deal.



Roosevelt political button, 1936

The New Deal Slows Down

KEY QUESTION What led to the slowdown of the Second New Deal?

From the high point of his 1936 victory, Roosevelt's presidency took a downward turn. One of the reasons was a struggle between FDR and the Supreme Court.

Roosevelt and the Supreme Court Most of the nine justices of the Supreme Court did not support FDR's programs. They believed, as did many of Roosevelt's critics, that FDR's programs gave the federal government too much power in controlling the nation's economy. Using the power of judicial review (see Chapter 10), in 1935 the Court struck down laws that it believed gave the federal government too much power. These actions threatened to destroy the New Deal.

In 1937, FDR asked Congress to pass a bill allowing him to add six justices to the Supreme Court. If approved, FDR planned to appoint justices who shared his ideas about increasing the government's role in ending the Great Depression. This would give him the majority he needed to save his programs from being overturned. Both Republicans and Democrats harshly criticized FDR's court-packing bill. They said it interfered with the system of checks and balances that were set up by the U.S. Constitution. Congress agreed and voted it down.

Connecting History

Supreme Court Controversy

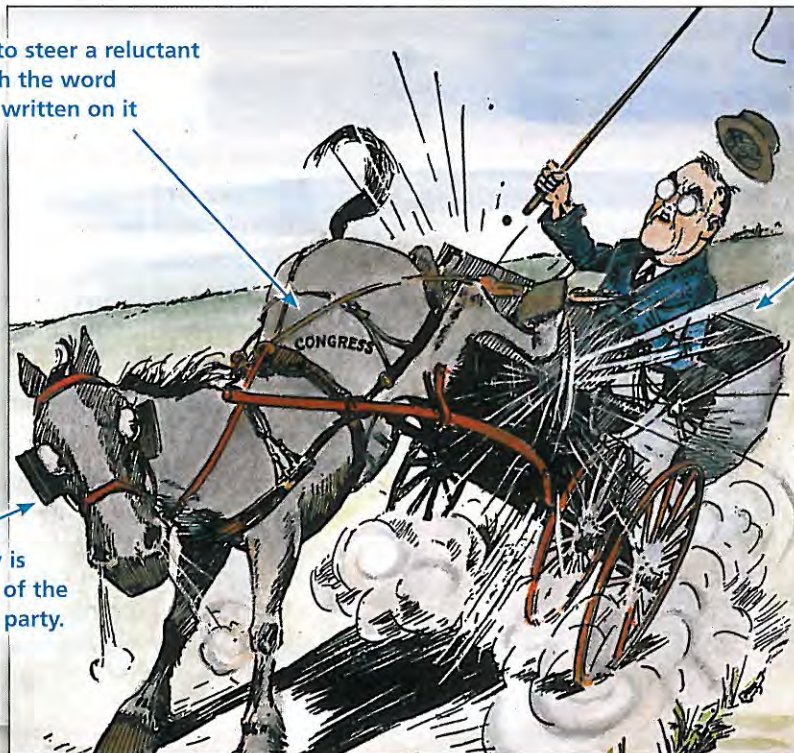
Over a century before FDR, President John Adams tried to pack the Supreme Court to his advantage. He succeeded with the Judiciary Act of 1801.

ANALYZING Political Cartoons

In 1937, FDR's proposal to add six justices to the Supreme Court earned him many critics. Both Republicans and Democrats in Congress insisted that FDR's plan violated the Constitution. In the cartoon below, the artist depicts FDR's struggle with Congress.

FDR trying to steer a reluctant donkey with the word "Congress" written on it

The donkey is the symbol of the Democratic party.



Political cartoonists used FDR's buggy as a symbol of his presidency.

CRITICAL THINKING

- 1. Make Inferences** What does the cartoon say about FDR's relationship with Democrats in Congress?
- 2. Draw Conclusions** Why is the donkey resisting FDR?
- 3. Synthesize** What is the basic meaning of the cartoon?




See Skillbuilder Handbook, page R24.

In the end, however, Roosevelt did achieve his goal of a more sympathetic Court. Between 1937 and 1941, retirements and deaths of Supreme Court justices allowed Roosevelt to name eight new judges to the bench. But the president may have lost more than he won. His attempt to pack the Supreme Court with allies damaged his image and gave ammunition to his critics.

A Downward Turn Roosevelt's problems continued into 1937, when he made a grave miscalculation. Like many others, FDR had severe doubts about the use of **deficit spending**, or using borrowed money to fund government programs. As a result, in 1937 Roosevelt decided to reduce the deficit by cutting back on his New Deal programs. He believed the nation had sufficiently recovered its economic health. But FDR was wrong. And the results for the nation were disastrous.

In no time, the economy spiraled downward as the amount of goods produced by industry fell and unemployment rose once again. So bad was this downturn that the economy would not recover fully again until the United States entered World War II in 1941. The war at last provided the hundreds of thousands of jobs needed to end the Great Depression.

 **CAUSES AND EFFECTS** Describe the key events that caused the slowdown of the Second New Deal.



TERMS & NAMES

1. Explain the importance of
 - Franklin Delano Roosevelt
 - fireside chats
 - First New Deal
 - Second New Deal
 - Twentieth Amendment
 - Social Security Act
 - Hundred Days

USING YOUR READING NOTES

2. **Main Ideas and Details** Complete the diagram you started at the beginning of this section. Record the main goals of the First New Deal. Create a second chart to record the goals of the Second New Deal.



KEY IDEAS

3. In what ways did Roosevelt give Americans hope?
4. How did FDR succeed in winning a second term?

CRITICAL THINKING



5. **Analyze Point of View** Why did people criticize FDR and his New Deal policies?
6. **Make Inferences** Why might the Social Security Act be considered one of the most important achievements of the New Deal?
7. **Form and Support Opinions** Do you agree with Congress's decision to stop FDR's Court-packing bill? Explain.
8. **Evaluate** How successful was FDR in addressing the Great Depression, and why?
9. **Math Graph** One of the New Deal programs was the Agricultural Adjustment Administration. It used the economic theory of supply and demand to help farmers. Use books or the Internet to research both the AAA and supply and demand. Create a graph to show how the AAA's regulation of supply and demand helped farmers.

Tennessee Valley Authority

In the early 1930s, the Tennessee Valley was one of the poorest and least developed regions in America. Many people there had no jobs and lived in homes without running water or electricity.

To improve this situation, FDR signed the Tennessee Valley Authority Act (TVA) on May 18, 1933. Because of this bill, twenty-nine hydroelectric dams were created in the Tennessee Valley.

The TVA provided cheap electricity to millions of customers. TVA dams and reservoirs also helped control floods and provided water for irrigation and reforestation. These TVA projects created thousands of jobs for the region's poor and unemployed.

 Tennessee River watershed
(watershed: an area of land that drains into a stream or river)
 Region served by TVA power

0 50 100 miles
0 50 100 kilometers

(right) This neighborhood in Wilder, Tennessee, had a single water pump before the TVA brought running water to the region.

(below) A nursery in Muscle Shoals, Alabama, where the TVA provided water for irrigation.



CRITICAL THINKING

- Summarize** What were the benefits of the Tennessee Valley Authority?
- Form and Support Opinions** Should the government be responsible for protecting the environment? Explain.



See Geography Handbook, page A3.

SECTION
3

Reading for Understanding

▶ Key Ideas

BEFORE, YOU LEARNED

In 1933, President Franklin D. Roosevelt launched an aggressive program to fight the Great Depression.

NOW YOU WILL LEARN

The Great Depression and the policies of the New Deal forever changed American society and government.

▶ Vocabulary

TERMS & NAMES

Dust Bowl region including parts of Kansas, Oklahoma, Texas, Colorado, and New Mexico in which farms were damaged by dust storms

Eleanor Roosevelt wife of FDR who helped him monitor New Deal programs and became a strong voice for women and minorities

Congress of Industrial Organizations (CIO) labor union; included skilled and unskilled workers; open to women and minorities

American Federation of Labor (AFL) largest labor union; more selective than CIO

BACKGROUND VOCABULARY

sit-down strike union tactic in which workers stayed idle in a plant rather than walking out

Liberal someone who favors federal government action to bring about social and economic reform


Conservative someone who favors restricted policies in social and economic reform

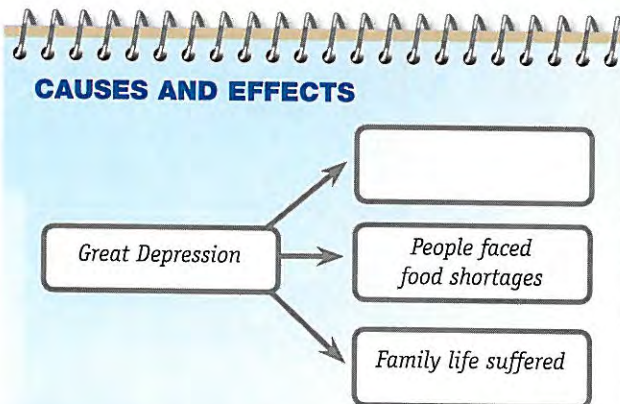


Visual Vocabulary
Dust Storm, circa 1930

▶ Reading Strategy

Re-create the diagram shown at right. As you read and respond to the **KEY QUESTIONS**, use the diagram to record how the Great Depression affected the American people. Add boxes as needed.

 See Skillbuilder Handbook, page R7.



GRAPHIC ORGANIZERS
Go to Interactive Review @ ClassZone.com

Effects of the Depression and New Deal



14.D.3 Describe roles and influences of individuals, groups and media in shaping current Illinois and United States public policy (e.g., *general public opinion, special interest groups, formal parties, media*).

15.A.3d Describe the causes of unemployment (e.g., *seasonal fluctuation in demand, changing jobs, changing skill requirements, national spending*).

One American's Story

Dynamite Garland's father had worked for the railroad. When the Great Depression struck, Dynamite's father lost his job, and her family moved into a rent-free garage.

PRIMARY SOURCE

“We had a coal stove, and we had to each take turns, the three of us kids, to warm our legs. It was awfully cold when you opened those garage doors. . . . In the morning, we'd get out and get some snow and put it on the stove and melt it and wash around our faces.”

—Dynamite Garland, quoted in *Hard Times*



Child living in Oklahoma City Shacktown by Dorothea Lange.

Living Through Hard Times

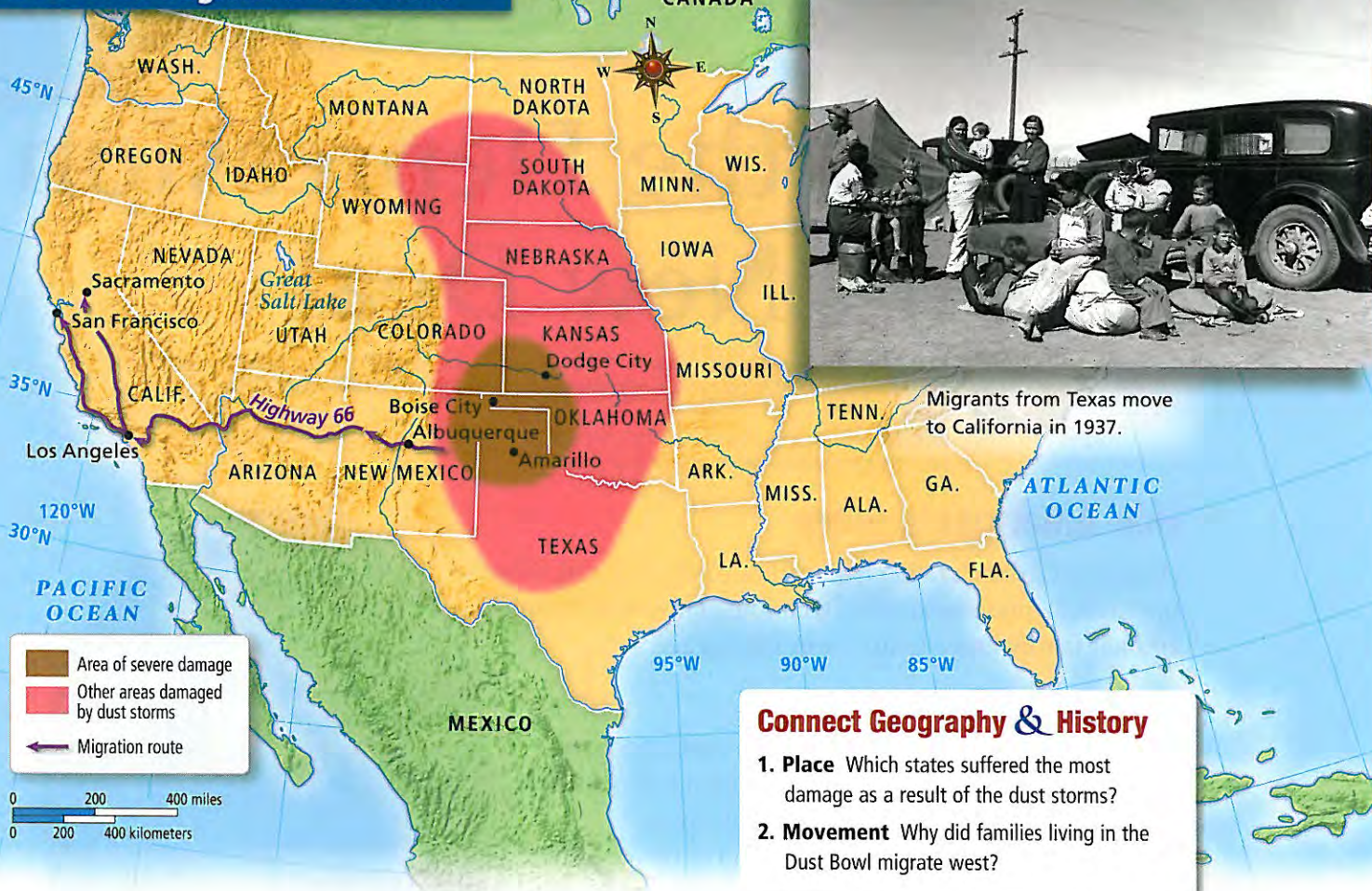
KEY QUESTION What hardships did the Great Depression bring to Americans?

During the Great Depression, few people escaped financial hardships. But farmers, particularly those on the Great Plains, were especially hard hit.

The Dust Bowl In the early 1930s, a drought hit the Great Plains and lasted for several years. A journalist wrote, “The only movement in the down-driving heat was the dead withering of the dry blighted leaves on the twigs.” Even before then, farming and grazing practices had damaged the land by destroying the natural grasses whose roots anchored the soil.

Winds picked up dirt from the dry, exposed fields. During dust storms, day turned into night as walls of dust filled the air and hid the sun. Dust damaged farms across a 150,000-square-mile region called the **Dust Bowl**, which covered parts of Kansas, Oklahoma, Texas, Colorado, and New Mexico. It was years until rain and new farming methods finally brought relief.

Dust Bowl Migration 1930–1940



With their crops buried under layers of dirt, ruined farmers loaded their belongings onto trucks and set off with their families to find work. Many drove west. They had heard that California's farms needed workers. Because many came from Oklahoma, they were sometimes called "Okies."

By 1940, about 2.5 million people fleeing the Dust Bowl had made their way to California and other Pacific coast states. But as the newcomers poured in, California farm towns quickly became overcrowded.

The Unemployed Not just in the Dust Bowl but all over the country, families suffered. Even after the recovery measures of the New Deal, unemployment remained high. In 1936, for example, 9 million people had no jobs.

Without work, families couldn't afford to buy food. Bread lines fed the hungry. In 1931, New York's 82 bread lines served an average of 85,000 small meals a day, usually consisting of bread with soup or stew. Men, women, and children waited in these lines for their daily food. Some fainted from hunger while they waited.

In addition, many people lost their homes during these difficult times. Thousands of homeless people sought shelter under bridges and overpasses. One woman remembered "people living in old, rusted out car bodies. . . . There were people living in shacks made of orange crates. One family with a whole lot of kids were living in a piano box."

Impact on Women and Children Children had to grow up fast during the Great Depression. To add to their family's income, boys worked after school or even dropped out of school. Often girls had to stay home to look after younger children. Sometimes teenagers who failed to find jobs ran away from home to avoid burdening their families. By late 1932, perhaps a quarter million teens roamed the country. They snuck onto freight trains, begged for food, and lived in squatter camps along the railroad tracks.

Family life suffered as many unemployed men felt a loss of status. They sometimes became irritable and quarreled with their families. Working women came under pressure to give up their jobs to jobless men. In fact, some New Deal projects would hire a woman only if her husband had a job. Even so, poverty forced many women to work as servants or at other low-paying jobs that men didn't want.

CAUSES AND EFFECTS Describe the hardships the Great Depression brought to Americans.

Culture in the 1930s

KEY QUESTION How did American culture reflect the Great Depression?

During the Great Depression, Americans sought relief in many ways. Some expressed their desperation through literature, photography, and painting works of art. Others escaped from the misery of their lives through the magic of motion pictures and radio.

Art and Entertainment The Works Progress Administration (WPA) helped writers find employment. Freed from economic worries, they wrote creatively in their spare time. The result was many significant works of literature. John Steinbeck was one such writer. His novel *The Grapes of Wrath* (1939) tells of Okies evicted from their farms.

Motion pictures and radio were also important—and very popular—industries in the 1930s. Even though these were difficult times for most Americans, many thought that 25 cents to see a film was money well spent. In the 1930s, historical epics such as *Gone with the Wind* (1939)

Tenement Flats
by Millard Sheets



History through Art

Tenement Flats

by Millard Sheets


Due to financial hardships during the 1930s, many Americans moved to low-rent apartment buildings called tenements. There, people often lived in small, dirty, unheated, and crowded apartments.

In this painting titled "Tenement Flats," artist Millard Sheets portrays a typical apartment building of the 1930s. Sheets created this painting in 1934 under the Public Works of Art Project (PWAP), that provided economic relief to artists.


CRITICAL VIEWING Make Generalizations What does the painting tell you about life in tenement neighborhoods?

and musicals like *The Wizard of Oz* (1939) were crowd favorites. As a result, many motion picture actors, directors, and executives prospered during the Great Depression, enjoying “the golden age of cinema.”

Radio, too, was popular. Once a family owned a radio, the entertainment it provided was free. In addition to enjoying comedy shows, families also listened to President Roosevelt’s fireside chats.

 **SUMMARIZE** Explain the ways American culture reflected the Depression.

Changes in American Society

 **KEY QUESTION** How did New Deal policies impact American society?

FDR’s policies offered some opportunities to minorities. However, for the most part, these gains were modest, and minority groups were among those hardest hit by the Depression.

Opportunities for Women Throughout FDR’s presidency, First Lady **Eleanor Roosevelt** acted as her husband’s “eyes and ears.” Often, she traveled on his behalf. She visited coal mines, work camps, and hospitals to find out how programs were working. Then she told the president what she learned and made suggestions.

In March 1933, Eleanor Roosevelt began to hold regular press conferences for women reporters. At these meetings, the first lady introduced the women who ran New Deal programs. During Roosevelt’s presidency, more women held government positions than ever before. In 1933, the president named Frances Perkins secretary of labor. This appointment made her the first female cabinet officer.

Minorities and the New Deal Under FDR, African Americans played a bigger role in government than ever before. FDR had a group of African-American advisers, called his “Black Cabinet.”

Though he included African Americans in government, FDR failed to back some civil rights bills. In spite of this, African Americans remained loyal to the president because of his efforts to help the poor and end unemployment.

At the same time, many Mexican Americans were also affected by FDR’s economic reforms. As the economy worsened, some American farmers



History Makers

Eleanor Roosevelt 1884–1962

In 1905, Eleanor Roosevelt married her distant cousin, Franklin Delano Roosevelt. Despite her privileged upbringing, Eleanor was committed to several social causes.

From the start, Eleanor Roosevelt dedicated herself to her husband’s causes. As first lady, Mrs. Roosevelt was an active political ally. Often she traveled the country to promote New Deal programs on her husband’s behalf.

Even after her husband’s death, Mrs. Roosevelt remained an inspired social reformer. She fought for human rights, child welfare, housing reform, and equal rights for women and minorities. By the time of her death in 1962, Eleanor Roosevelt had become one of the most influential women of the 20th century.

COMPARING Leaders

How do Eleanor Roosevelt’s contributions compare to those of other First Ladies?




For more on Eleanor Roosevelt, go to the Research & Writing Center @ ClassZone.com

blamed Mexican immigrants who had taken their jobs. As a result, the federal government deported some immigrants back to Mexico. Many of those who were forced to leave, however, were legal U.S. citizens. Upon being deported, they argued that their rights as U.S. citizens were ignored.

Unions Gain Strength Some minorities joined a new union, the **Congress of Industrial Organizations** (CIO). Previously, the country's largest labor organization was the **American Federation of Labor** (AFL). It was open only to skilled workers, such as plumbers and electricians. The CIO, however, included both skilled and unskilled workers and was also open to women and minorities.

To improve working conditions, some labor organizations used a **sit-down strike** as a bargaining tactic. Instead of walking off their jobs, striking workers remained idle. This prevented factory owners from hiring strike-breakers. In addition, the Wagner Act, passed in 1935, gave unions the ability to negotiate better working conditions. The growing strength of labor unions was just one legacy of the New Deal.

 **SYNTHESIZE** Summarize the New Deal's impact on American society.



NLRB v. Jones & Laughlin Steel Corp. (1937)

KEY ISSUE The role of the U.S. Government in regulating labor relations and union practices

The Case

In 1935, Congress established the National Labor Relations Board (NLRB). This agency was created to regulate labor practices and working conditions.

The following year, the NLRB charged the Jones and Laughlin Steel Corporation with "unfair labor practices" for intimidating union organizers. In 1936, the case went to the Supreme Court to determine if a congressional agency had the authority to regulate labor relations.

HISTORICAL IMPACT In 1937, the Supreme Court ruled in favor of the NLRB. This had a major impact on American business. First, it allowed unions to grow throughout the country. Second, it broadened the power of Congress by confirming its right to regulate corporations.

CRITICAL THINKING

- 1. Make Inferences** Why did some people oppose the government's involvement in labor relations?
- 2. Causes and Effects** Why did unions grow as a result of the Court's decision?

Legacies of the New Deal

KEY QUESTION What are some of the legacies of Roosevelt's New Deal?

Roosevelt's New Deal transformed American society. In the past, Americans had looked to local and state government for help. Under the New Deal, however, the federal government took on a greater role in social reform.

A Larger Role for Government President Roosevelt's presidency had two major effects upon the role of government. First, FDR greatly increased the power of the president's office. During FDR's administration, the White House became the center of government. More than other early 20th-century presidents, Roosevelt proposed bills and programs for Congress to consider instead of waiting for Congress to act.

Second, Roosevelt expanded the federal government. The New Deal established numerous government agencies and organizations to promote government social programs.



CONNECT to the Essential Question

How did the government react to the crisis of the Great Depression?

HOOVER'S SOLUTION	PROBLEM	ROOSEVELT'S SOLUTION
Encouraged volunteer relief efforts	Homelessness and poverty	Created programs for social relief
Reduced federal spending Raised taxes	Federal government in debt	Reduced deficit spending
Funded public works projects that created jobs	High Unemployment	Created Public Works Administration Protected laborers' rights Passed Social Security Act to provide unemployment benefits
Did not offer a solution	Loss of confidence in stock market and banks	Created SEC to monitor and regulate the stock market Created FDIC to protect money in banks
Reconstruction Finance Corporation	Government blamed for worsening economy	Conducted fireside chats to explain policies Increased role of the federal government as protector of public welfare Increased power of the presidency

CRITICAL THINKING Evaluate Did the government do enough to end the Great Depression?

An Ongoing Political Debate Many issues that arose during FDR's presidency continue to influence American politics. For example, **Liberals** and **Conservatives** still argue about whether federal or local government should be responsible for various reform programs. A political liberal favors government action to bring about social and economic reform. A conservative favors fewer government controls and more individual freedom in economic matters.

New Deal Programs Today Despite these lingering disagreements, a number of FDR's New Deal programs remain important today. For example, Social Security—created during the Second New Deal in 1935—still provides retirement and healthcare benefits to millions of Americans. In fact, all Americans who are legally employed must register for Social Security.

In addition, the Federal Deposit Insurance Corporation (FDIC) continues to operate today. This agency insures bank deposits up to \$100,000 and replaces the deposits if banks should fail.

The Securities and Exchange Commission (SEC)—created in 1934—continues to monitor the stock market. It makes sure companies and individuals follow fair practices for buying and selling stocks. Both the FDIC and SEC were established after the Stock Market Crash in 1929 and continue to protect American investors today.

 **SUMMARIZE** Describe the legacies of Roosevelt's New Deal.

Connecting History

The Role of Government

Debate over the federal government's role in social and economic reform began in the 1780s. Then, Federalists battled Anti-Federalists over the strength of the national government.



Illinois Learning Standards Review



ONLINE QUIZ

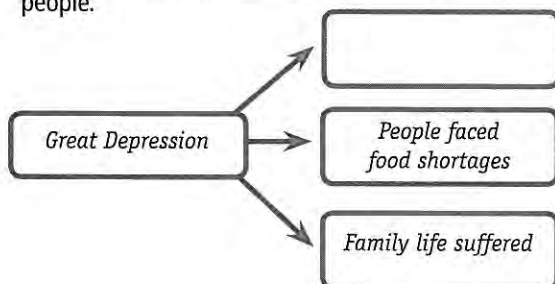
For test practice, go to [Interactive Review @ ClassZone.com](http://InteractiveReview@ClassZone.com)

TERMS & NAMES

1. Explain the importance of
 - Dust Bowl
 - Eleanor Roosevelt
 - American Federation of Labor (AFL)
 - Congress of Industrial Organizations (CIO)

USING YOUR READING NOTES

2. **Causes and Effects** Use the diagram to record how the Great Depression affected the American people.



KEY IDEAS

3. Why were movies popular during the Depression?
4. What was FDR's "Black Cabinet"?
5. How do some of today's political issues date back to the Depression?

CRITICAL THINKING

6. **Make Generalizations** Why did New Deal programs include funding to support the arts and culture?
7. **Compare and Contrast** How did Eleanor Roosevelt's early views about the role of women in society contrast with her later views?
8. **Evaluate** Overall, do you think that minorities gained more under Roosevelt than they had before?
9. **Writing Editorial** As first lady, Mrs. Roosevelt wrote a newspaper column in which she tried to get support for her programs. Write an editorial about a policy you'd like to see changed in your school or community. State the problem with the policy clearly and provide sound solutions that support your views.