



Soup kitchens were a common means of providing some relief to hungry, out-of-work Americans.



New Deal policies helped labor unions such as the CIO.

1935 The Second New Deal begins in January. In August Congress passes the Social Security Act, which helps older people, those with disabilities, children, and job seekers.

1936 In November President Roosevelt defeats Alfred Landon to win re-election. Autoworkers at a General Motors plant in Flint, Michigan, begin a sit-down strike in December.

1937 Roosevelt tries unsuccessfully to increase the number of Supreme Court justices.

1938 The unemployment rate jumps as the U.S. economy continues to decline.

1939 Partly as a result of European orders for arms and war equipment, the U.S. economy begins to recover and then to boom.

1935

1935 Great Britain grants India a constitution.

1936

1936 The Spanish Civil War begins.

1937

1937 The German airship *Hindenburg* explodes, killing 36 people.

1938

1938 Great Britain, France, Germany, and Italy sign the Munich Pact.

1939

1939 World War II begins in Europe.

If you were there . . .

How would you react to the economic collapse?

You Be the Historian



What's Your Opinion? Do you **agree** or **disagree** with the following statements? Support your point of view in your journal.

- **Economics** Economic problems can always be predicted and planned for.
- **Constitutional Heritage** A president who controls the courts and the legislature has too much power.
- **Global Relations** Economic problems in one nation will always hurt the world economy.



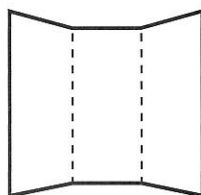
The End of Prosperity

Read to Discover

1. What was the stock market like before the crash?
2. What were the major causes of the Great Depression, and how did it weaken the U.S. economy?
3. How did economic hard times affect Americans?

Reading Strategy

TRI-FOLD Create the "Tri-Fold" FoldNote described in the Appendix. Write what you know about the stock market crash and its effects in the column labeled "Know." Write what you want to know in the column labeled "Want." As you read the section, write what you learn in the column labeled "Learn."



Define

- bull market
- bear market
- buying on margin
- speculation
- business cycle

Identify

- Great Depression
- Bonus Army
- Herbert Hoover



A March 1929 magazine cover highlighted the widespread interest in the stock market.

The Story Continues

American businesses boomed during the 1920s. Both production and employment were high and on the rise. More Americans than ever before owned houses and cars. Each week about 80 million Americans went to the movies. At his March 1929 inauguration, President Herbert Hoover said, "I have no fears for the future of our country. It is bright with hope."

★ The Stock Market Crash

Further proof of a healthy economy was the rise in stock prices in the late 1920s. Many Americans, from homemakers to business executives, bought and sold stocks. The rising demand for stocks led to a **bull market**, or a continuing rise in stock market prices. Many experts thought that a **bear market**, or a continuing drop in stock prices, was unlikely. General Motors executive John J. Raskob wrote an article titled "Everyone Ought to Be Rich."

Many people who invested in the stock market were **buying on margin**—buying stocks on credit with a loan from a broker. Brokers, in turn, had borrowed this money from banks. This activity is called **speculation**—putting money in a high-risk investment with the hope of making a profit. Speculators gambled that no matter how much they had paid for a stock, someone else would pay more.

The stock market reached a high point in September 1929. On October 23, however, it dropped sharply. On October 24, which became known as Black Thursday, thousands of frightened investors tried to sell their stocks before prices fell any lower. By noon the market had lost \$9 billion in value. After a brief recovery, the stock market collapsed completely on October 29—Black Tuesday. In just one day the market lost a full year’s profits. One journalist recalled the public response to the event.



“The wires to other cities were jammed with frantic orders to sell [stock]. So were the cables, radio, and telephones to Europe and the rest of the world. Buyers were few, sometimes wholly absent. . . . This was real panic. . . . When the closing bell rang, the great bull market was dead and buried.”

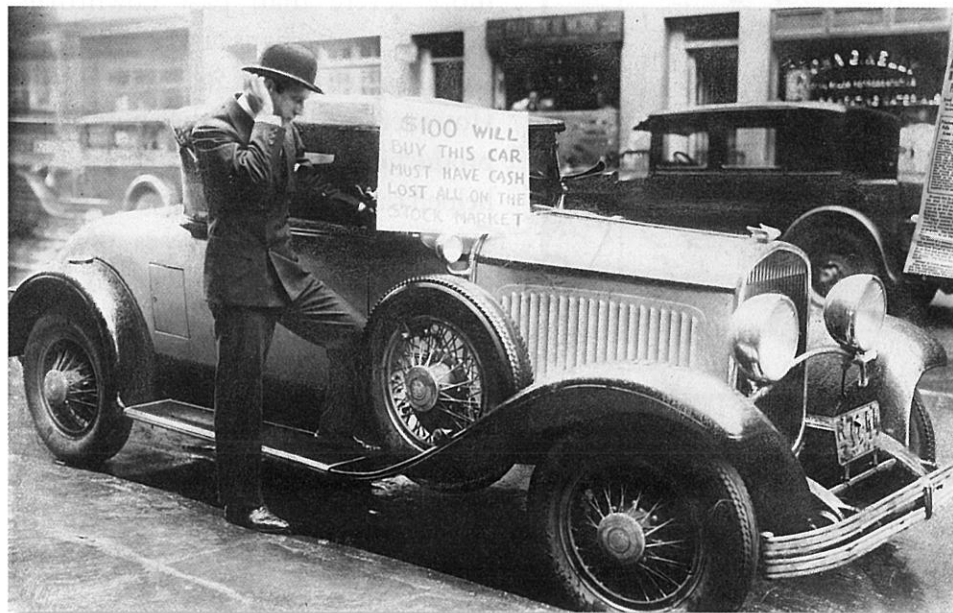
—Jonathan Norton Leonard, *Three Years Down*

Many speculators who had bought on margin lost everything. They were forced to pay their brokers with savings or by selling their china, clothing, and jewelry to get cash. Even Americans who had never invested in the market soon felt the effects of the Great Crash. The nation became locked in a downward economic spiral known as the **Great Depression**.

✓ **Reading Check: Summarizing** Describe the rise and fall of the stock market in the late 1920s.

★ The Economy Collapses

The crash hurt banks in two main ways. First, banks and small investors suffered great losses from their stock investments. Second, banks had encouraged their customers to buy stocks, even when the investments were very risky. After the crash many of these customers could not repay their bank loans. Such problems caused some banks to close.



October 29, 1929

The stock market crashes.

Analyzing Primary Sources

Drawing Inferences and Conclusions What does the description tell you about how people responded to the news of the market’s collapse?

Interpreting the Visual Record

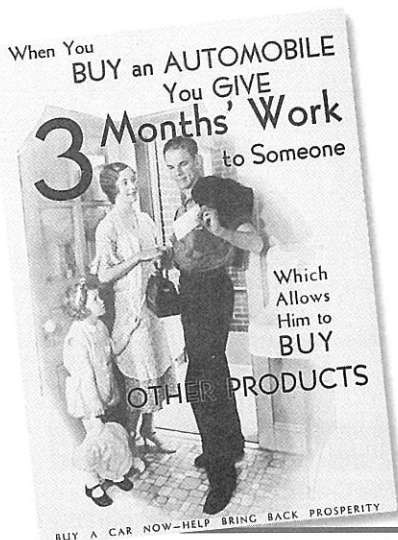
The Crash The stock market collapse led to financial panic. Why is this man selling his car so cheaply?



When news of the first bank closings spread, millions of people panicked. Their deposits were not insured, as deposits are now. Americans rushed to withdraw their money before more banks failed. However, because banks generally do not keep enough money on hand to cover all deposits, many literally “ran out of money” and shut their doors. The banking crisis continued. In 1931 alone, some 2,294 banks closed their doors. Millions of Americans lost their life savings.

The banking crisis soon caused a business crisis. Bank closures left many businesses without corporate savings and operating accounts. Lacking money to stay in business, some closed down entirely. Other businesses canceled plans to build new factories or expand existing ones. Industries slowed production and cut their workforces. In 1930 more than 26,000 businesses failed.

Businesses tried to encourage consumers to buy goods and stimulate growth.



✓ **Reading Check: Analyzing Information** How did the stock market crash affect banks and businesses?

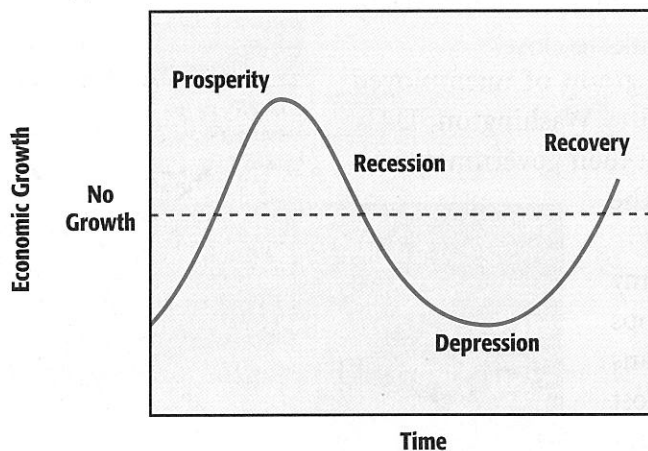
★ The Causes

The Great Depression occurred so quickly that most Americans were left wondering what had happened. Traditionally, when production exceeds consumption and surpluses pile up, manufacturers cut production and lay off workers. This pattern causes a recession, and some businesses fail. However, consumers eventually buy up surpluses and companies increase production and rehire workers, leading to prosperity. This economic pattern is known as the **business cycle**.

Before 1929 the economy had followed the business cycle, recovering more or less on its own. The Great Depression was much longer and much more severe than past downturns, however. Historians and economists still disagree about its exact causes. However, most agree that both overproduction and global trade problems helped cause the Great Depression.

The 1920s were years of high business productivity. Between 1919 and 1929 productivity rose 43 percent. Farmers’ production levels also increased. As long as demand stayed high, rising productivity caused growing profits. But many markets in the late 1920s stopped expanding. Most of the people who could afford luxury items had already bought them.

The Typical Business Cycle



Interpreting Graphs At first, most Americans thought the stock market crash had caused only a temporary recession.

Skills Assessment **Drawing Inferences and Conclusions** What do you think a graph of the business cycle during the Great Depression would look like?

An unequal distribution of wealth in the United States made the problem worse. In 1929 only 1 percent of the U.S. population owned about one third of all personal wealth. At the same time, about 60 percent of all American families earned less than \$2,000 a year. Most Americans could not afford to buy many products. This situation left businesses with larger surpluses than usual.

At the same time, international trade declined significantly, further reducing the market for American goods. Europeans still recovering from World War I could not afford American products. As a result, concerned that American goods were not selling well in Europe, U.S. lawmakers set high tariffs, or taxes on imported goods. These tariffs made it difficult for European nations to sell their goods in the United States. Without these crucial sales, Europeans had less money to purchase American surpluses.

✓ **Reading Check: Summarizing** Identify the two main factors leading to the Great Depression.

★ The Depression Hits Home

The Great Depression hit Americans very hard, and unemployment skyrocketed. Many people struggled just to feed and house themselves. Some turned to theft. As one man explained, “People that didn’t wanna steal had to steal. . . they were honest people, but they stole to survive.” Even the lucky people with jobs saw their wages and hours drop.

State and local governments and private charities raised money to help poor and unemployed Americans. Soup kitchens, breadlines, and shelters sprang up across the country. The need, however, was far greater than the available resources. Many people became angry with the lack of help from the federal government.

In May 1932 these frustrations led a small group of unemployed World War I veterans to protest. They traveled to Washington, D.C., from all over the country demanding payment of their government war bonuses. Soon these veterans became known as the **Bonus Army**.

President **Herbert Hoover** saw the Bonus Army as a dangerous mob and ordered federal troops to restore order. The troops drove the veterans from their camps with bayonets and tear gas. Most Americans were angry at the government’s treatment of these people who had once risked their lives for their country. The incident led many to criticize President Hoover.

✓ **Reading Check: Supporting a Point of View** How do you think Hoover should have dealt with the Bonus Army?

Research on the ROM

Free Find:

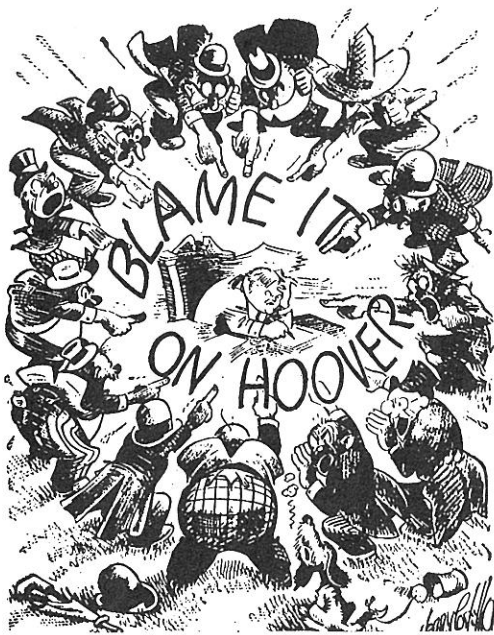
Herbert Hoover

After reading about the presidency of Herbert Hoover on the **Holt Researcher CD-ROM**, outline the policies and programs that Hoover developed to assist the economy during the Great Depression.

Interpreting the Visual Record

Hoovervilles As homelessness increased, people built camps of shacks in vacant lots or on the outskirts of cities. **How do the camp buildings contrast with the rest of the neighborhood?**





Many people blamed President Hoover for not bringing the depression to a quick end.

★ President Hoover Fights Back

The rising suffering and unrest concerned President Hoover. However, he felt that the government should not support the people. Instead, he believed that relief and recovery should come largely through voluntary cooperation rather than federal efforts.

Despite this belief, Hoover did approve some federal relief programs such as the Reconstruction Finance Corporation (RFC). The RFC lent money to railroads, banks, and other key businesses to keep them running. Hoping to create jobs, he asked the RFC to lend up to \$1.5 billion to the states for public works in 1932.

Hoover's efforts were not enough to end the depression. Overall, he failed to recognize how serious the depression was. In March 1930 he told Americans, "We have now passed the worst and with continued unity of effort we shall rapidly recover."

However, the economic situation only grew worse. As the depression deepened, many people began insisting that the federal government should play a greater role in fixing the economy. One New Jersey resident wrote to President Hoover in 1930.

Analyzing Primary Sources

Drawing Inferences and Conclusions What does the author believe President Hoover values least of all?



"Our children have Schoolless days and Shoeless days. . . Why does Every Thing have Exceptional Value. Except the Human being—why are we reduced to poverty and starving and anxiety and Sorrow. . . Why not End the Depression have you not a Heart[?]?"

—Anonymous letter to President Hoover, quoted in *Down and Out in the Great Depression*, edited by Robert S. McElvaine

✓ **Reading Check: Identifying Points of View** Why was Hoover reluctant to provide government aid to people?

Section 1 Review

Go **hrw** **Practice** **Online**

keyword: SC5 HP24

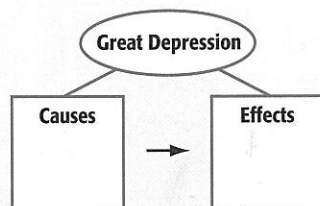
1 Define and explain:

- bull market
- bear market
- buying on margin
- speculation
- business cycle

2 Identify and explain:

- Great Depression
- Bonus Army
- Herbert Hoover

3 **Identifying Cause and Effect** Copy the graphic organizer below. Use it to show the major causes of the Great Depression and how each cause weakened the U.S. economy.



4 Finding the Main Idea

- What were the characteristics of the stock market before the crash?
- How did Americans' lives change during the Great Depression?

5 Writing and Critical Thinking

Summarizing Imagine that you are an unemployed worker in 1930. Write a letter to President Hoover describing your troubles and telling him what you think should be done to end the depression.

Consider the following:

- bank failure
- access to basic necessities
- government assistance and programs

Roosevelt's New Deal

Read to Discover

1. How did President Roosevelt and Congress try to help Americans during the Hundred Days?
2. How did the New Deal help Americans suffering from the depression?
3. Why did some people criticize the New Deal?

Reading Strategy

CONCEPT MAPPING Draw a circle in the center of a sheet of paper. Label the circle "New Deal." Draw six rays from the circle. Draw a circle at the end of each ray. Label the circles "Cause," "Programs," "Leaders," "Criticisms," and "Effects." As you read about the New Deal, write details about each topic next to its circle.

Define

- fireside chats
- sit-down strike

Identify

- Brain Trust
- New Deal
- Harry L. Hopkins
- Tennessee Valley Authority
- National Industrial Recovery Act
- Huey Long
- Works Progress Administration
- Social Security Act
- Frances Perkins
- National Labor Relations Act
- Congress of Industrial Organizations

The Story Continues

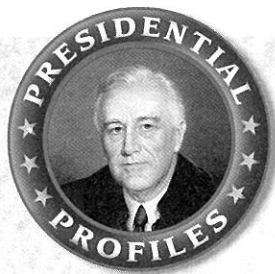
As Hoover's popularity fell, Democrats felt certain that they could win the election. They chose Franklin D. Roosevelt (FDR), the governor of New York, as their candidate. Usually candidates did not attend their party's nominating convention. However, FDR immediately flew to Chicago to accept his nomination. There, he offered new hope to the country. "I pledge you, I pledge myself, to a new deal for the American people."

★ The Election of 1932

Roosevelt won a landslide victory in the November election. Additionally, the Democrats won majorities in both houses of Congress. President-elect Roosevelt began working before his inauguration, with Hoover still in the White House. During his campaign, Roosevelt had brought experts together for advice on policies and programs. Most members of this so-called **Brain Trust** were college professors, labor leaders, lawyers, and



This magazine cover showed a cheerful Roosevelt riding to his inauguration next to a sullen Hoover.



Franklin D. Roosevelt

Character Trait:
Pursuit of Excellence

Franklin D. Roosevelt was born into a wealthy New York family. Roosevelt served in the New York legislature and as assistant secretary of the navy. In 1920 he was the Democratic vice presidential candidate. Although he was popular and intelligent, Roosevelt was not considered a strong leader.

His life changed dramatically in 1921 when he suffered an attack of polio. This disease left him paralyzed in both legs. He learned to move again with the help of leg braces, though he often used a wheelchair. He re-entered politics and enjoyed great success. Roosevelt's private battle with polio made him more compassionate. It also gave him the strength to lead the nation during the depression crisis. **What event changed Roosevelt's life and how?**

social workers. As Roosevelt and his Brain Trust worked day and night, Americans hoped their new leaders could end the depression.

On the day of his inauguration, Roosevelt told the American people “the only thing we have to fear is fear itself.” Roosevelt called a special session of Congress, which became known as the Hundred Days. During the Hundred Days, Congress passed many programs to battle the depression. Together, these programs became known as the **New Deal**. The federal government paid for many of these New Deal programs by raising taxes or by spending more money than it took in.

✓ **Reading Check: Drawing Inferences and Conclusions** Why do you think a Democratic Congress helped FDR accomplish his programs?

★ New Deal Programs

The New Deal's first goal was to restore the nation's confidence in its banks. On March 6, 1933, Roosevelt called for a “bank holiday” and ordered all banks to close temporarily. Three days later Congress passed the Emergency Banking Act. Under this law the government planned to inspect each bank's finances and then allow healthy banks to reopen.

Little more than a week after his inauguration, Roosevelt began giving his **fireside chats**—radio addresses to the American people. In a March 12 chat he declared that “it is safer to keep your money in a reopened bank than under the mattress.” Banks began reopening the next day. By the end of March, people had deposited nearly \$1 billion in American banks. Congress also created the Federal Deposit Insurance Corporation (FDIC) to protect bank accounts. During the depression, the FDIC insured deposits up to \$5,000 per account.

With banks working again, Roosevelt turned his attention to the unemployed. By 1933 one fourth of all American wage earners were jobless. Many others had only temporary or part-time work. Even full-time employees had a hard time buying the basic necessities. In May 1933 Congress created the Federal Emergency Relief Administration (FERA), granting states money to give to those in need.

However, most Americans wanted jobs, not charity. Therefore, the president put the head of FERA, **Harry L. Hopkins**, in charge of the Civil Works Administration (CWA). CWA employees built airports, roads, and sewers. Another jobs program, the Civilian Conservation Corps (CCC), hired 18- to 25-year-old men from families on relief. These CCC recruits lived in U.S. Army camps while fighting forest fires, improving national parks, and planting trees.

One New Deal program, the **Tennessee Valley Authority** (TVA), was planned to help one of the poorest and least-developed parts of the country. The TVA built dams along the Tennessee River, providing flood control and hydroelectric power. Thousands of rural families received electricity in their homes for the first time.

During the Hundred Days, Congress also helped farmers by passing the Agricultural Adjustment Act (AAA) to lower production and raise prices. The AAA paid farmers to cut production of certain crops. However, the Supreme Court ruled that the way the AAA raised money was unconstitutional. Roosevelt also created the Farm Credit Administration (FCA). In its first 18 months the FCA refinanced more than 20 percent of all farm mortgages. The agency helped farmers keep their farms and also saved many rural banks from closing.

Roosevelt then turned to the problem of economic recovery and growth. He proposed the **National Industrial Recovery Act** (NIRA), which would suspend antitrust laws and stop unfair competition. In a fireside chat Roosevelt explained the idea behind the NIRA.



“If all employers in each competitive group agree to pay their workers the same wages . . . and require the same hours . . . then higher wages and shorter hours will hurt no employer. Moreover, such action is better for the employer than unemployment and low wages, because it makes more buyers for his product.”

—Franklin D. Roosevelt, quoted in *The Public Papers and Addresses of Franklin D. Roosevelt*

For example, the NIRA created the National Recovery Administration (NRA) to help companies in the same business create codes of fair competition to prevent further business failures.

✓ **Reading Check: Summarizing** Describe how President Roosevelt’s New Deal addressed four key areas of need.



New Deal Critics

Soon after the Hundred Days ended, two main groups of critics began attacking the New Deal. One group believed the New Deal went too far in expanding the size and power of the federal government. Others in this group said that the cost of New Deal programs would bankrupt the country.

A second group of critics thought the New Deal did not go far enough in helping the needy and promoting social reform. Father Charles E. Coughlin, a Catholic priest in Detroit, wanted America’s wealth and natural resources nationalized. Louisiana senator **Huey Long** also called for a more equal distribution of wealth. During the depression, Long proposed a Share-Our-Wealth plan. This plan called for every family to receive a guaranteed income of \$2,500 a year, funded by higher taxes on the wealthy. He promised that his plan would give every family “enough [money] for a home, an automobile, a radio, and the ordinary conveniences.” Long’s dream of running for president ended when he was assassinated in 1935.

✓ **Reading Check: Contrasting** Explain the different criticisms of the New Deal.

Analyzing Primary Sources

Making Generalizations and Predictions What would be the effect if all employers paid the same wages and required the same hours?

CONNECTING TO

MATH

Just the Facts

Percentage of Labor Force Unemployed

Year	Percentage
1933	24.9
1934	21.7
1935	20.1
1936	16.9
1937	14.3
1938	19.0
1939	17.2

Using Mathematical Skills

1. What year showed the highest percentage of unemployment?
2. Use these figures to create a line graph showing the change in unemployment during the depression.
3. Imagine that you are a member of Congress. Use these figures to write a speech arguing either for or against the effectiveness of New Deal work programs.

★ The Second New Deal

In the 1934 midterm elections, the Democrats strengthened their control of Congress. This sign of public support led President Roosevelt to propose new programs. Comparing the depression to an illness, he said that this Second New Deal sought “not only cure of the symptoms but also removal of their cause.”

In 1935 Roosevelt created the **Works Progress Administration** (WPA) to put Americans to work. Before the WPA ended in 1943, millions of its workers built hospitals, parks, roads, and schools. WPA workers also cared for small children, surveyed historical sites, and offered other services. The National Youth Administration (NYA) was another WPA program. It gave part-time work to high school-age youth and college students. These jobs helped many students stay in school instead of dropping out to search for work.

Roosevelt also wanted to help those Americans who, as he said, were “unable . . . to maintain themselves independently . . . through no fault of their own.” In August 1935 Congress passed the **Social Security Act** to help older people, those with disabilities, children, and job seekers.

The Social Security program had three main parts. First, it set up a pension system for retired workers age 65 and older. Second, it gave the unemployed short-term cash benefits while they looked for work. Third, the Social Security administration offered payments to women with dependent children as well as to people with disabilities. It did not cover all workers, however. Many people, particularly agricultural and domestic workers, did not get benefits.

✓ **Reading Check: Finding the Main Idea** What Second New Deal programs offered aid and benefits to American workers?

CONNECTING TO THE ARTS

The Federal Arts Project
Under the direction of the WPA, the Federal Arts Project sponsored artists around the nation. When asked why he was spending money to support artists, Harry L. Hopkins, director of the WPA, replied, “They’ve got to eat just like other people.” During the Great Depression, WPA artists painted many murals celebrating the achievements of American workers in many different industries. This mural inside Coit Tower in San Francisco shows the accomplishments of California agriculture. How does this image try to provide a positive message during the hard times of the depression?



★ New Deal Labor Programs

President Roosevelt chose **Frances Perkins** as his secretary of labor in 1933. She was the first female cabinet member in American history. In May 1935 Roosevelt and Perkins received a serious blow when the Supreme Court declared the NIRA unconstitutional.

The same year Congress passed the **National Labor Relations Act** (NLRA). The NLRA protected unions and upheld their right to collective bargaining—negotiations between unions and owners. As a means of enforcement, the NLRA created the National Labor Relations Board. The board oversaw union elections and helped settle disputes between workers and employers. Largely because of the NLRA, labor became a powerful force in politics during the depression. Backed by a growing number of members, unions campaigned for pro-labor candidates and lobbied Congress for pro-labor legislation. The new, stronger labor movement benefited the Democrats the most.

At the start of the depression, many skilled workers had belonged to craft-based unions associated with the American Federation of Labor (AFL). In 1938 several former AFL leaders founded the **Congress of Industrial Organizations** (CIO). The CIO wanted to organize both skilled and unskilled workers in major industries into individual unions. The CIO also welcomed African Americans, immigrants, and women as union members.

Union efforts to improve working conditions led to a number of major strikes during the depression. Workers created the **sit-down strike**, in which they stayed in the factories but refused to work. Strikers hoped that the sit-down strike would keep owners from replacing them with new employees. Major sit-down strikes took place at the Goodyear Tire Factory in Akron, Ohio, and at General Motors plants in Flint, Michigan, during the Great Depression.

✓ **Reading Check: Summarizing** How did New Deal legislation affect labor?

★ The Election of 1936

As the presidential election of 1936 drew near, Republicans still criticized the New Deal. However, they offered few new options. The Republicans nominated Alfred M. Landon, the governor of Kansas, as their candidate for president. President Roosevelt fought back against the Republicans, saying that they had given Americans “nine crazy years at the [stock market] ticker and three long years in the breadlines.”

Still, some Democrats worried about losing the election. The Republicans had strong backing from the business community and other groups. In addition, a few major issues, such as labor unrest, the ongoing depression, and Supreme Court opposition to parts of the New

LINKING PAST to PRESENT

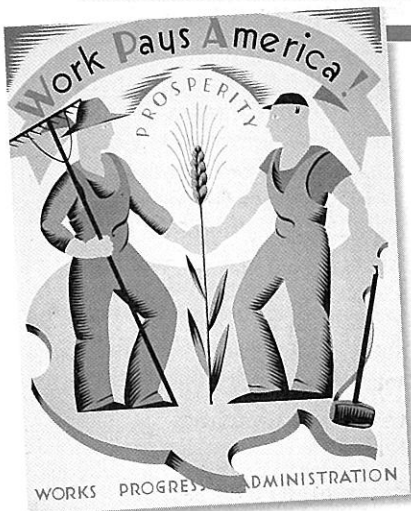
Social Security

Congress passed the Social Security Act in 1935. Critics, however, complained that it ignored large segments of the population who needed assistance. Since then, lawmakers have made many changes to expand the act. By the late 1990s, Social Security programs covered 95 percent of the nation's workers. The Social Security old-age pension program has proved to be expensive. By 1989 it accounted for one fourth of the federal budget. As the nation's population ages, many Americans worry that Social Security funds will run out. Congress has considered several ways to help protect Social Security funds. For example, Congress has increased the number of workers paying Social Security taxes and the amount of those taxes. In addition, Congress has gradually increased the retirement age from 65 to 67. Many people today do not rely solely on Social Security for retirement but instead save money during their working lives in retirement savings accounts such as Individual Retirement Accounts (IRAs), 401K plans, and Keogh plans. How has the Social Security program expanded since 1935?



Select New Deal Programs

FIRST NEW DEAL, 1933–1934	PROVISIONS
Emergency Banking Act	Gave the executive branch the right to regulate banks
Farm Credit Administration (FCA)	Refinanced loans to keep farmers from losing their land
Civilian Conservation Corps (CCC)	Employed young men on public-works projects
Federal Emergency Relief Administration (FERA)	Provided relief to the needy
Agricultural Adjustment Act (AAA) of 1933	Paid farmers to grow fewer crops; later declared unconstitutional
Tennessee Valley Authority (TVA)	Built dams and power plants in the Tennessee Valley region
Home Owners Loan Corporation (HOLC)	Lent money to home owners to refinance their mortgages
Federal Deposit Insurance Corporation (FDIC)	Insured deposits in individual bank accounts
National Recovery Administration (NRA)	Regulated industry and raised wages and prices
Public Works Administration (PWA)	Set up public-works projects to increase employment
Civil Works Administration (CWA)	Provided federal jobs to the unemployed
Securities and Exchange Commission (SEC)	Regulated the securities market
Federal Housing Administration (FHA)	Insured bank loans for building and repairing homes
SECOND NEW DEAL, 1935–1938	PROVISIONS
Works Progress Administration (WPA)	Created jobs in public works, research, and the arts
Rural Electrification Administration (REA)	Provided electricity to rural areas lacking public utilities
National Youth Administration (NYA)	Provided job training and part-time jobs to students
National Labor Relations Act (NLRA)	Recognized labor's right to bargain collectively
Social Security Act	Provided unemployment benefits and retirement pensions
Farm Security Administration (FSA)	Provided loans to help tenant farmers buy land
Agricultural Adjustment Act (AAA) of 1938	Paid farmers to voluntarily limit crop production
Fair Labor Standards Act	Established a minimum wage and a 40-hour workweek



Public support for programs such as the WPA helped Roosevelt win reelection in 1936.

Deal, hurt Roosevelt's reputation. However, a majority of Americans still favored Roosevelt. Roosevelt won an even bigger victory than in 1932, with 523 electoral votes to Landon's 8.

Like many New Deal critics, some Supreme Court justices worried that President Roosevelt was taking more power than the Constitution allowed. During Roosevelt's first term, they had ruled several New Deal programs unconstitutional. After he was re-elected, Roosevelt tried to avoid more rulings like that one. In February 1937 Roosevelt asked Congress to pass the Judicial Procedures Reform Act. This act would have allowed the president to appoint a new justice, up to a total of six, for every justice who did not resign after turning 70 years old.

Roosevelt's critics said he was "court packing," or filling the Court with his own judges. Even his allies worried that his plan would upset the checks and balances of the federal government. Congress denied the request. However, the Supreme Court did not rule against any other New Deal legislation. Roosevelt later appointed new justices who favored his programs to replace justices who retired.

✓ **Reading Check: Analyzing Information** Why was Roosevelt able to win over the American people, yet not the Supreme Court?

★ Evaluating the New Deal

The New Deal changed almost every aspect of American life and greatly expanded the role of the federal government. Similarly, Roosevelt expanded the role of the president.

Did the New Deal actually end the Great Depression? Many critics feel that it never led to full economic recovery. They point out that the United States suffered another small depression in 1937–38. In addition, some critics blame the New Deal for promoting deficit spending, in which the government spends more than it takes in as income.

New Deal supporters believe that it saved the United States from economic and political collapse. They argue that its expansion of government was necessary during a time of crisis. They also believe that New Deal programs helped keep future depressions from happening. Some of these—such as the Federal Deposit Insurance Corporation and Social Security—still exist today.

✓ **Reading Check: Contrasting** How do opinions about the outcomes of the New Deal differ?



Interpreting Political Cartoons

New cures *This political cartoon pokes fun at Roosevelt's willingness to try any solution to the problems caused by the depression. What do the bottles in the cartoon represent?*

Section 2 Review

go **Homework**
hrw **Practice**
.com **Online**

keyword: SC5 HP24

- 1 **Define and explain:**
 - fireside chats
 - sit-down strike
- 2 **Identify and explain:**
 - Brain Trust
 - New Deal
 - Harry L. Hopkins
 - Tennessee Valley Authority
 - National Industrial Recovery Act
 - Huey Long
 - Works Progress Administration
 - Social Security Act
 - Frances Perkins
 - National Labor Relations Act
 - Congress of Industrial Organizations

- 3 **Categorizing** Copy the graphic organizer below. Use it to show how President Roosevelt and Congress fought the depression during the Hundred Days.



- 4 **Finding the Main Idea**
 - a. How did Americans benefit from the New Deal?
 - b. What were the major criticisms of the New Deal?
- 5 **Writing and Critical Thinking**

Supporting a Point of View Imagine that you are a New Deal supporter. Pick the New Deal program you think was most important. Prepare an argument in support of your choice for a debate with a critic of the New Deal. Explain the reasons for your choice.

Consider the following:

 - weakened economy
 - personal suffering
 - role of government

Americans Face Hard Times

Read to Discover

1. What effect did the Great Depression have on families and farmers?
2. How did farmers try to survive the depression?
3. How did government programs help support the arts during the depression?

Reading Strategy

QUESTION THE AUTHOR As you read this section, pause at the end of each subsection and think about what the author is trying to tell you. Why is the author telling you that? How could the author say it more clearly? What would you say instead?

Identify

- Dust Bowl
- Eleanor Roosevelt
- Marian Anderson
- John Steinbeck
- Dorothea Lange
- Margaret Mitchell
- Woody Guthrie
- Will Rogers



During the depression, many American families had to live in whatever makeshift shelters they could create.

The Story Continues

In the difficult days of the fall of 1931, after her husband lost his job, Freda Stallings gave birth to her third child. The Stallings family did everything humanly possible to take care of their family. Freda's husband, Odie, walked miles looking for work. Freda and Odie often kept their baby warm by sleeping with him. One morning, after a cold night, they woke to find him dead. With no money for a coffin, they buried him in a cardboard box.

★ Family Life

The Great Depression took a heavy toll on American families. Like Freda and Odie Stallings, many families lacked the money for basic necessities such as clothing, food, and shelter. In the difficult struggle to make ends meet, some families did not survive. Divorce rates rose during the depression, and both marriage and birth rates fell. Men and women often found their traditional economic roles changing, depending on which spouse had work. Unable to find work nearby, some men left their families and traveled the country in search of jobs. Some never returned.

Even children felt the harsh realities of the Great Depression. To help their families, children often had to drop out of school and go to work. Others ran away from home and tried to support themselves. One boy wrote this diary entry about his struggle to survive in 1932.



“Slept in paper box. Bummed swell breakfast. . . . Rode freight to Roessville. Small burg, but got dinner. . . . Rode to Sidell. . . . Hit homes for meals and turned down. Had to buy supper 20 cents. Raining.”

—Blink, quoted in *The Great Depression*, by T. H. Watkins

In many cases, however, the struggle brought out the strengths of family and community. One New York resident recalled that “the safety net at that time was the big families. Even though you were unemployed, there was always somebody working, and the families somehow managed to hold together.”

✓ **Reading Check: Summarizing** What was life like for families in the depression?

★ Farmers in the Depression

Even before the depression, farmers faced the problems of low prices and overproduction. The crash made things even worse. As prices bottomed out, many farmers could not sell their crops at all. It cost more to grow and ship their products than people would pay for them. Without income, farmers could not repay their house and land loans.

Banks would then take over ownership of the farms by a process known as foreclosing. Frustrated farmers often fought back. For instance, when banks held auctions to sell farms and belongings, many people would not bid market prices. With no other offers, the banks had to accept the lower bids. The buyers usually gave the items back to their neighbors.

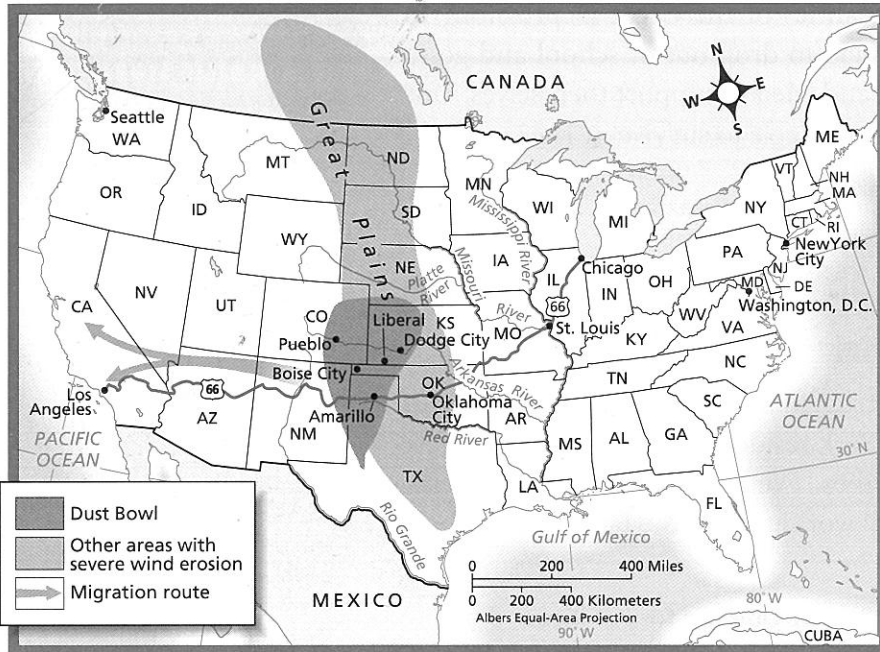


Supply, Demand, and Prices

An excess in the supply of goods was one factor that may have led to the Great Depression. You may have heard of the theory of supply and demand. *Demand* means the amount of a good people will buy at a certain price. *Supply* is the amount of a good sellers will produce at a certain price. Here is how the theory works: When goods are traded freely, the price of a good will go up if the demand is greater than the supply. Similarly, the price will drop if the supply is greater than the demand. (This happened during the Great Depression.) Prices will remain unchanged if supply equals demand. Sometimes, however, goods are not traded freely. For example, the government may pay farmers to cut the supply of some goods in order to help drive up prices. **Under the law of supply and demand, how are prices determined?**

Interpreting the Visual Record

Lobbying for agriculture Groups such as the Southern Tenant Farmers Union fought to protect the rights of African American and white farmers and sharecroppers. **What conditions during the Great Depression might have caused people from different backgrounds to work together?**



The Dust Bowl, 1930s

Interpreting Maps Strong winds carried away dry topsoil in a vast region of the central United States, forming what became known as the Dust Bowl. Many farmers followed Route 66 west to escape the Dust Bowl.

Skills Assessment

- Places and Regions** In what states were the main effects of the Dust Bowl located?
- Summarizing** From New Mexico on, through which states did the typical migration route pass?



The Resettlement Administration was a New Deal program that helped farmers who had lost their land find new places to live.

During the mid-1930s the situation grew even worse. A severe drought struck the Great Plains—the region from North Texas up to North Dakota. Farmers there usually overworked their land and did little to prevent soil erosion. Soon heavy winds began sweeping away the dried-out topsoil. These dust storms turned parts of the Great Plains into the so-called **Dust Bowl**, destroying farm life in the area. One woman from Kansas recalled how the dust seemed to cover everything. “Our hair was gray and stiff and we ground dirt between our teeth.” A dust storm could rage from one hour to more than three days.

✓ **Reading Check: Identifying Cause and Effect** How did farmers’ practices help cause the Dust Bowl, and what was the result?

★ Working Hard to Survive

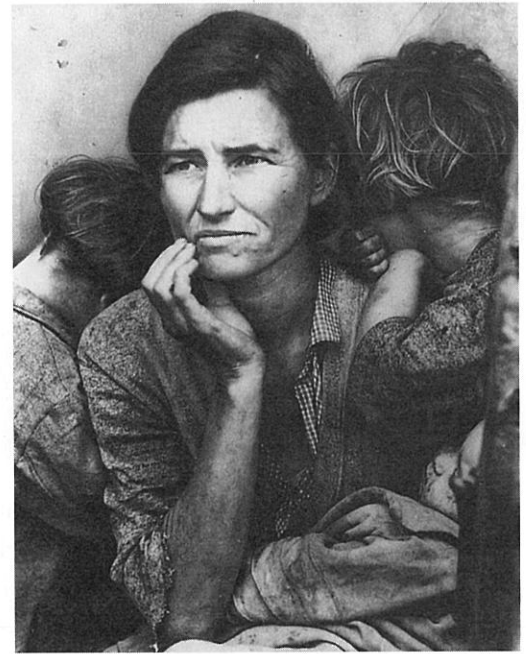
The Great Depression hit minorities very hard. In order to reserve jobs for Americans, the government deported many Mexican-born farmworkers and their families. Some of the workers’ children were American-born, and therefore were U.S. citizens, but they were deported as well.

African Americans, who also faced discrimination, were often the last to be hired and the first to be fired. They also usually received lower wages than white workers. NIRA codes protected this kind of inequality. African Americans also faced segregation in some government work programs. New Deal agencies sometimes gave less help to African Americans than to whites. Despite the discrimination and segregation, New Deal programs still helped hundreds of thousands of African Americans. Most African Americans backed President Roosevelt and the New Deal. They simply believed that things would be worse under the Republicans.

Roosevelt asked for advice from African American leaders on matters ranging from economics to education. He appointed so many African Americans to his administration that they became known as the Black Cabinet. This group included Mary McLeod Bethune and Robert C. Weaver.

First Lady **Eleanor Roosevelt** also fought for minority rights. In early 1939, members of the patriotic organization Daughters of the American Revolution (DAR) refused to let **Marian Anderson**, a world-famous African American singer, use their hall for a concert. Eleanor Roosevelt, a DAR member, quit the group. With her support, Anderson performed for 75,000 people at the Lincoln Memorial in the spring of 1939.

✓ **Reading Check: Finding the Main Idea** What was the depression like for African Americans?



★ Arts and Literature

Unemployment hit actors, dancers, and other artists very hard during the depression. Roosevelt's administration created programs to help them, such as the WPA's Federal Writers' Project (FWP). The writers hired by the Federal Writers' Project created many valuable resources. These included state travel guides, oral histories, and American folklore collections. In April 1939 former FWP employee **John Steinbeck** published *The Grapes of Wrath*—the best-known novel of the depression.

The Federal Theater Project, the Federal Music Project, and the Federal Arts Project were among the new programs. Many Americans heard their first orchestra or saw their first play because of these programs. The Federal Arts Project hired artists to create posters for other agencies and murals for public buildings. The Farm Security Administration (FSA) used art to give Americans a close look at the effects of the depression. **Dorothea Lange** and other FSA photographers recorded rural life.

Many painters during the depression were inspired by local customs and folk themes. A group of these artists, including Thomas Hart Benton and Grant Wood, became known as the regionalists. Jacob Lawrence was a well-known artist who painted famous African Americans. Anna "Grandma" Moses painted images of what she called "old-timey" farm life.

Some novels offered an escape from the depression. *Gone With the Wind*, the best-selling novel by **Margaret Mitchell**, let readers leave their own troubles behind. Readers followed the adventures of Scarlett O'Hara, a once wealthy woman raised on a southern plantation. In the novel, Scarlett tries to rebuild her family's fortune after the Civil War and Reconstruction. Many readers could relate to her drive to triumph over hard times.

✓ **Reading Check: Summarizing** Identify and describe some major works of art and literature of the 1930s.

Interpreting the Visual Record

Documenting the depression
Dorothea Lange's Migrant Mother became a well-known symbol of the depression. What mood is expressed in this photograph?

★★★★★★★★★★★★★★ That's Interesting! ★★★★★★★★★★★★★★

The Book that Almost Wasn't
Did you know that Margaret Mitchell almost did not give her book *Gone With the Wind* to a publisher? It's true! She had finished most of the book by 1929. However, she lacked confidence in her work. "I know good writing, and I don't think mine good," she once said. Mitchell finally decided to give the book to an agent in 1935. The novel was enormously successful, selling as many as 50,000 copies in one day. Mitchell also won the Pulitzer Prize for her work. She later sold the movie rights for \$50,000—a large sum of money at the time.



Big band leaders such as Duke Ellington (shown here with members of his band), Count Basie, and Benny Goodman helped swing music sweep the nation.

★ Popular Entertainment

Many Americans used music to lift their spirits. Jazz remained popular during the Great Depression. Millions of Americans enjoyed dancing to the fast rhythms of a new jazz style called swing. Americans also drew inspiration and comfort from another traditional form of African American music—gospel. The vocal styles and religious messages of gospel became very popular during the 1930s. Mahalia Jackson was one of the most popular gospel singers.

Folk music, particularly the work of singer and songwriter **Woody Guthrie**, also touched Americans. Guthrie’s songs were tales of loss and struggle. One song had the line, “All along your green valley I’ll work till I die”—a grim reality for some Americans.

Radio shows also offered low-cost entertainment. Popular shows included *Little Orphan Annie*, *The Lone Ranger*, and *The Shadow*. Humorist **Will Rogers** had a popular radio show during the early days of the depression.

Many people escaped the depression through movies. Some of these films were serious, such as Pare Lorentz’s documentaries on the Dust Bowl and the Tennessee Valley region. However, most movies were produced strictly to entertain. Historical costume dramas, cartoons, comedies, and musicals were all popular. Movies, along with music and radio shows, helped Americans live through the Great Depression.

✓ **Reading Check: Analyzing Information** How did Americans use entertainment to escape their worries during the depression?

Section 3 Review

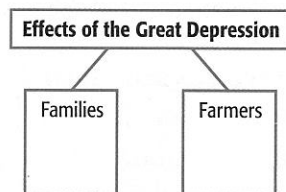
go **Homework**
hrw **Practice**
.com **Online**

keyword: SC5 HP24

1 Identify and explain:

- Dust Bowl
- Eleanor Roosevelt
- Marian Anderson
- John Steinbeck
- Dorothea Lange
- Margaret Mitchell
- Woody Guthrie
- Will Rogers

2 **Summarizing** Copy the graphic organizer below. Use it to identify the effects of the Great Depression on families and farmers.



3 Finding the Main Idea

- a. How did farmers try to cope with the problems that they faced during the depression?
- b. How did New Deal programs support the arts?

4 Writing and Critical Thinking

Identifying Cause and Effect Imagine that you are a present-day farmer whose family has been on the Great Plains for years. You have been asked to visit a local high school to talk about the Dust Bowl. Prepare a brief report on the Dust Bowl. Create a diagram showing the factors that created it and the effects it had. Assess the possibility of it occurring today.

Consider the following:

- environmental factors
- farming practices
- foreclosures