

Section 2**Roosevelt and the New Deal****Section 2 Focus Question**

How did President Roosevelt respond to the Great Depression? To begin answering this question,

- Learn how FDR won the 1932 presidential election.
- Read how the New Deal tried to help economic recovery.
- Note what new laws regulated the economic system.
- Identify problems and criticisms faced by the New Deal.

Section 2 Summary

Franklin D. Roosevelt, known as FDR took office in 1933 and provided hope and action. His program, the New Deal, included many reforms. The New Deal had critics and mixed results, yet FDR became a popular President.

Franklin D. Roosevelt

Roosevelt, a Democrat and governor of New York, was elected President in 1932. FDR was a wealthy cousin of Theodore Roosevelt. He was disabled from polio, yet he was never shown in his wheelchair. In his 1933 inaugural speech, he offered hope by stating: "the only thing we have to fear is fear itself. . . ." His first action was to declare a bank holiday, a four-day closing of all banks. Then he introduced the Emergency Banking Relief Act, which restored confidence in the nation's banks. FDR also began his fireside chats, which were national radio broadcasts to explain his measures and reassure the public. ✓

Relief for the Jobless

FDR's New Deal measures had three key goals: relief for the jobless, economic recovery, and reforms to prevent future depressions. The Federal Emergency Relief Administration (FERA) provided financial help for the unemployed. The Civilian Conservation Corps (CCC) hired jobless men to work on environmental projects in national parks, forests, and wilderness areas. The Works Progress Administration (WPA) hired people to build or repair schools, post offices, roads, bridges, and airports. Even artists and writers were employed for government arts and writing projects. ✓

Key Events**1929**

Stock market crash marks the beginning of the Great Depression.

1933

President Roosevelt launches the New Deal.

1935

Congress passes the Social Security Act.

1941

Great Depression ends as the United States prepares for war.

✓ Checkpoint

Name the method FDR used to reassure the public.

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✓ Checkpoint

Name two federal programs that gave work to the jobless.

1. _____

2. _____

✓ Checkpoint

Identify FDR's two priorities for economic recovery.

1. _____
2. _____

✓ Checkpoint

Explain why the FDIC was established.

Reading Strategy

Reread the bracketed paragraph. Underline the cause of a roadblock FDR faced. Draw an arrow to FDR's reaction (the effect).



✓ Checkpoint

List three critics of FDR's New Deal.

1. _____
2. _____
3. _____

Promoting Economic Recovery

FDR established federal agencies to help industry and agriculture. The National Recovery Administration (NRA) aimed to keep prices stable while increasing employment. The Public Works Administration (PWA) hired people for major public works projects, such as building the Lincoln Tunnel in New York City. The Tennessee Valley Authority (TVA) built dams along the Tennessee River to provide jobs and electricity in a poverty-stricken region. These programs generally accomplished their goals. They failed to significantly improve the economy, however. ✓

Reforming the Economic System — taking measures so it won't happen again

FDR's reform measures aimed to prevent another depression. Companies were now required to report honestly about their stock. The Federal Deposit Insurance Corporation (FDIC) was created to protect bank deposits. Federal agencies were established or strengthened to set fairness and safety standards for various industries. ✓

Obstacles to the New Deal

Many Americans supported FDR's New Deal. He easily won reelection in 1936. Yet, he faced roadblocks. One challenge came from the judicial branch. The Supreme Court declared some of his programs unconstitutional. In response, FDR tried to "pack" the court by proposing to add six additional judges who would support him. Congress defeated the plan. However, in 1937, FDR was able to appoint a liberal justice when a conservative resigned.

FDR's critics included conservatives who complained about regulations on business, as well as liberals who wanted more done for the poor. Among his loudest critics was Louisiana Senator Huey Long, who called for taxing the rich and giving their wealth to the poor. Still, FDR remained popular and kept most of the country's trust. ✓

Check Your Progress

1. What was Roosevelt's first action after taking office?

2. What were the three goals of FDR's New Deal program?

Section 3**Life in the Great Depression****Key Events****1929**

Stock market crash marks the beginning of the Great Depression.

1933

President Roosevelt launches the New Deal.

1935

Congress passes the Social Security Act.

1941

Great Depression ends as the United States prepares for war.

✓ Checkpoint

Explain what First Lady Eleanor Roosevelt did to help during the Depression.

✓ Checkpoint

Give two reasons that caused high unemployment for African Americans.

1. _____

2. _____

Section 3 Focus Question

How did the Great Depression affect daily life? To begin answering this question,

- Read how the Depression affected minorities.
- Learn about the causes and effects of the Dust Bowl.
- Understand how art and media informed and entertained people during the Depression.

Section 3 Summary

The Great Depression made life more difficult for nearly everyone. However, some people experienced special hardships. Their challenges were related to gender, racial or ethnic background, or where they lived.

Women in the Depression

Women took on extra responsibilities during the Depression. Many had to get jobs to support their families. Some were secretaries and salesclerks, more secure jobs than men's factory work. However, women in factory jobs were usually cut before men. Those who were maids also lost positions when families could no longer afford paid help. At home, women made their family's clothing to save money. One very busy woman was First Lady Eleanor Roosevelt. She traveled the country to report conditions to the President and to help evaluate needs. She also supported women's rights and racial equality. ✓

*Eyes and Ears
for the President*

African Americans in the Depression

African Americans experienced more hardships than most whites during the Depression. Whites competed for jobs that African Americans traditionally held. African American workers were often the first to be cut in layoffs. As a result, **50%** African American unemployment was 50 percent or higher in the South and in northern cities like New York. Through the influence of the First Lady, FDR appointed some 100 African American leaders to government posts. Some served as his informal "Black Cabinet." ✓

↓ created to keep
the President informed
on Black issues

Other Americans in the Depression

Mexican Americans and Native Americans also faced special challenges. Mexicans who were migrant workers, or those who moved about picking crops, were threatened by whites who wanted their jobs. Many Mexicans, including some who were U.S. citizens, were deported. Native Americans were among the poorest people in the United States before the Depression. A program called the Indian New Deal provided jobs for them. It also aimed to give them greater control of their reservations, encouraged Indian schools, and stopped the sale of tribal lands. Still, they remained very poor. ✓

The Dust Bowl

Farmers in the southwestern Plains faced a new problem when a severe drought hit in 1930. Crops failed. With no plants to hold the topsoil in place, it blew away in giant dust storms called "black blizzards." This disaster lasted five years. It turned the region into what was called the Dust Bowl. Oklahoma was especially hard hit. Thousands of "Okies" abandoned their ruined farms and moved to California to find work. There they suffered more hardships as they competed for low-paying jobs. ✓

Arts and Media of the Depression

Some artists and writers used the Depression as a theme in their work. Photographers and painters captured visually the suffering of people. John Steinbeck's *The Grapes of Wrath* described the experiences of Dust Bowl Okies in California. Some movies also depicted people's struggles. But most helped ordinary Americans escape their miseries. Mickey Mouse and child star Shirley Temple were very popular. People listened to radio for entertainment, for news, and for FDR's fireside chats. Continuing dramas sponsored by soap companies created the birth of soap operas. ✓ *Interesting*

Check Your Progress

1. List the people who were hardest hit by the Depression.

2. Name three groups of people who captured the experience of the Great Depression.

1.

2.

3.

Reading Strategy

Circle the main idea of the bracketed paragraph. Underline two sentences that provide supporting details.



✓ Checkpoint

Explain why many Mexican Americans were deported.

✓ Checkpoint

Name the region that became the Dust Bowl.

✓ Checkpoint

List three reasons why people listened to the radio.

1.

2.

3.

The Great Depression and the New Deal

(1929-1941)

What You Will Learn

The Great Depression was the worst economic crisis in American history. Millions of people lost their jobs, homes, and savings. President Roosevelt responded with the New Deal.

Key Events

1929 Stock market crash marks the beginning of the Great Depression.

1933 President Roosevelt launches the New Deal.

1935 Congress passes the Social Security Act.

1941 Great Depression ends as the United States prepares for war.

everyone felt the impact of the Great Depression

✓ Checkpoint

List the industries that were declining before the stock market crashed.

Chapter 23 Focus Question

As you read this chapter, keep this question in mind: **How did the Great Depression affect the American people and change the role of government?**

Section 1

Hoover and the Crash

Section 1 Focus Question

Why did the economy collapse after the stock market crash? To begin answering this question,

- Read about the economic problems of the late 1920s.
- Understand how the Great Depression started.
- Find out how the Great Depression affected Americans.
- Learn about Hoover's response to the Depression.

Section 1 Summary

The Great Depression was an economic crisis that affected the entire country. President Hoover's responses failed to stop the crisis, and he became increasingly unpopular.

A Collapsing Economy

Problems with the economy developed in the late 1920s. Major industries such as coal mining, railroads, clothing, and agriculture were declining. Yet stock prices kept rising. Margin buying led to risky investments. This worked as long as people could sell their stock for more than they paid. However, on October 23, 1929, stock prices started falling rapidly. Margin buyers were forced to sell their stock to pay off their loans, and the heavy selling caused prices to drop more. The stock market crashed completely on October 29, 1929. Many investors lost all of their money. ✓

The Great Depression Begins

The stock market crash contributed to the Great Depression, which lasted 12 years. One cause of the Depression was **overproduction**, which occurs when there are too many goods produced and not enough buyers. A banking crisis was another cause. Rural banks lost money because farmers could not repay their loans. Many city banks lost huge sums in the crash. Thousands of banks closed, and depositors lost their money. A downward spiral developed. People had less money to buy goods, so factories cut jobs. The unemployed had even less money to spend. Many businesses declared **bankruptcy**, or financial failure caused by a company's inability to pay its debts. Because of international loans and trade, the Depression spread worldwide. ✓

The Human Cost

Between 1929 and 1933, unemployment rose from 3 percent to 25 percent, with some 13 million people out of work. Even people with jobs had salaries cut. Poverty and misery gripped the country. Many people lost their homes and lived in makeshift dwellings. The magnitude of the crisis was so great that many schools closed from lack of funds. ✓

Hoover Responds

Hoover's advisers thought the economy would bounce back on its own. When it did not, Hoover encouraged businesses and local governments and charities to help those in need. Finally, in 1932 Hoover created the Reconstruction Finance Corporation to provide money to local governments and key industries. The Depression continued to worsen, however. Hoover's popularity fell after the Bonus Army incident in June 1932. World War I veterans marched on Washington to demand a \$1,000 **bonus**, or extra payment, promised for their military service. Some veterans refused to leave, and the military fired on them. The country was outraged. ✓

Check Your Progress

1. What were two causes of the Great Depression?

2. How did the loss of jobs make the Depression worse?

✓ Checkpoint

Explain why the Depression spread worldwide.

Vocabulary Builder

Magnitude means "great size, significance, or importance." List two examples of how human suffering showed the magnitude of the Depression.

✓ Checkpoint

Identify the unemployment figures of the Great Depression.

✓ Checkpoint

Name two measures President Hoover took in response to the Depression.

Section 4

Legacy of the New Deal

Section 4 Focus Question

What were the long-term effects of the New Deal? To begin answering this question,

- Find out how Social Security began.
- Learn how the New Deal reformed labor relations.
- Identify the main arguments for and against the New Deal.

Section 4 Summary

Social and labor reforms increased the size and influence of the federal government. These changes gave the New Deal its lasting legacy.

Social Security

One of the most important legacies of the New Deal is Social Security. The Social Security Act was passed in 1935 to help old people, children, the disabled, and the unemployed. Old-Age Insurance was a key part of the Social Security Act. It guaranteed a pension to retired people. The pension was funded by a payroll tax, or a tax that removes money directly from workers' paychecks. Businesses were required to match the amount withheld from their employees.

The Social Security Act also included Aid to Dependent Children (ADC), which provided money for children without fathers at home. It let mothers stay home to raise their children. Social Security also gave financial help to disabled people and offered the states federal money to give short-term payments to unemployed workers. ✓

Lasting Labor Reforms

FDR had the first woman Cabinet member, Frances Perkins. As secretary of labor, she supported reforms that gave workers more rights. The 1935 National Labor Relations Act gave employees the right to organize unions. It also allowed collective bargaining, or the right of unions to speak for all workers in labor negotiations. The 1938 Fair Labor Standards Act set a minimum wage and maximum hours for the work week. It established the idea of extra pay for overtime work. It also ended some kinds of child labor.

Key Events

1929

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1941

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✓ Checkpoint

List four types of payments that Social Security provided.

Reading Strategy

Ask and answer a question about labor unions.

Question:

Answer:

✓ Checkpoint

List three key benefits that the Fair Labor Standards Act established for all workers.

1. _____
2. _____
3. _____

Vocabulary Builder

Synonyms for the word *impact* include "influence" and "effect." List two influences or effects of the New Deal on government.

✓ Checkpoint

State when the Great Depression finally ended, and why.

Union membership increased as unions became more powerful. More women and African Americans became union members through the new Congress of Industrial Organizations (CIO). Formed by John L. Lewis, the CIO included all workers, skilled and unskilled, in each industry. A new labor tactic was the **sit-down strike**, in which employees would stay on the job but stop working. The sit-down strike was successful for auto workers, although it was later ruled illegal by the Supreme Court. ✓

Scorecard on the New Deal

The New Deal had a strong and lasting impact on the federal government. The size of government was increased along with its role in solving social problems. There was much debate over whether this was good or bad. Arguments against the New Deal included concerns that a powerful federal government threatened individual freedom and free enterprise. The cost of the New Deal programs led to **deficit spending**. This occurs when the government spends more money than it receives in taxes. Some critics also questioned the effectiveness of New Deal programs. They argued that preparing for war in 1941—not New Deal programs—pulled the country out of the Depression.

Supporters of the New Deal pointed to the millions of new jobs it created and how it ended the banking crisis. It also reformed the stock market and improved working conditions. Buildings, roads, and bridges were improved or created. About 12 million acres of national parks were improved through New Deal programs. Rural America had electricity for the first time, and great works of art emerged. Many Americans also felt greater confidence in their government. Supporters of the New Deal believed that the programs helped save democracy in the United States when other countries in Europe and Asia turned to dictatorships. ✓

Check Your Progress

1. Explain why the New Deal had a lasting legacy.

2. Identify at least two arguments for and two arguments against the New Deal.
