Students analyze the causes and effects of the Great Depression and how the New Deal fundamentally changed the role of the federal government.

**US.45** ... Analyze the causes of the Great Depression, including the following: (E, H)

- the economic cycle driven by overextension of credit
- overproduction in agriculture and manufacturing
- laissez faire politics
- buying on margin
- excess consumerism
- rising unemployment
- the crash of the stock market
- high tariffs

**US.46** ... Describe the steps taken by President Hoover to combat the economic depression, including his philosophy of “rugged individualism,” the Reconstruction Finance Corporation, and the response to the “Bonus Army.” (E, P)

**US.47** ... Write a narrative piece that includes multiple media components to describe the toll of the Great Depression on the American people, including massive unemployment, migration, and Hoovervilles. (C, E, H, G)

**US.48** ... Analyze the causes and consequences of the Dust Bowl of the 1930’s. (C, E, H, G)

**US.49** ... Identify and explain the following New Deal programs and assess their past or present impact: (E, H, P, TN)

- Works Progress Administration
- Social Security
- Federal Deposit Insurance Corporation
- Securities and Exchange Commission
- Fair Labor Standards Act
- Agricultural Adjustment Acts
- Civilian Conservation Corps
• National Recovery Administration and NIRA - Tennessee Valley Authority
• Cumberland Homesteads
• Great Smoky Mountains National Park

**US.50** ... Analyze the effects of and the controversies arising from New Deal economic policies, including charges of socialism and FDR’s “court packing” attempt. (E, P)

**US.51** ... Citing evidence from maps, photographs and primary source documents, analyze the development of TVA on Tennessee’s rural geography, economy, and culture, and debate the issues of the Norris Dam and Dale Hollow Lake controversies. (C, E, G, P, TN)

**US.52** ... Cite textual evidence, determine the central meaning, and evaluate different points of view by examining excerpts from the following texts: Herbert Hoover (“Rugged Individualism”), Franklin Roosevelt (“First Inaugural Address”), and John Steinbeck (The Grapes of Wrath). (C, P)

**US.53** ... Evaluate multiple sources of information presented in diverse formats and media as in the political cartoons about the New Deal. (P)

**Primary Documents and Supporting Texts to Read:** excerpts from “Rugged Individualism” speech, Herbert Hoover; “First Inaugural Address” Franklin Roosevelt; excerpts from The Grapes of Wrath, John Steinbeck
4.1 Causes: The Build Up

THE GREAT DEPRESSION

"Once I built a railroad, I made it run. I made it race against time. Once I built a railroad, now it’s done. Brother, can you spare a dime?"

At the end of the 1920s, the United States boasted the largest economy in the world. With the destruction wrought by World War I, Europeans struggled while Americans flourished. Upon succeeding to the Presidency, Herbert Hoover predicted that the United States would soon see the day when poverty was eliminated. Then, in a moment of apparent triumph, everything fell apart. The stock market crash of 1929 touched off a chain of events that plunged the United States into its longest, deepest economic crisis of its history.

It is far too simplistic to view the stock market crash as the single cause of the Great Depression. A healthy economy can recover from such a contraction. Long-term underlying causes sent the nation into a downward spiral of despair. First, American firms earned record profits during the 1920s and reinvested much of these funds into expansion. By 1929, companies had expanded to the bubble point. Workers could no longer continue to fuel further expansion, so a slowdown was inevitable. While corporate profits, skyrocketed, wages increased incrementally, which widened the distribution of wealth.

The richest one percent of Americans owned over a third of all American assets. Such wealth concentrated in the hands of a few limits economic growth. The wealthy tended to save money that might have been put back into the
economy if it were spread among the middle and lower classes. Middle class Americans had already stretched their 
debt capacities by purchasing automobiles and household appliances on installment plans.

There were fundamental structural weaknesses in the American economic system. Banks operated without guaran-
etees to their customers, creating a climate of panic when times got tough. Few regulations were placed on banks 
and they lent money to those who speculated recklessly in stocks. Agricultural prices had already been low during 
the 1920s, leaving farmers unable to spark any sort of recovery. When the Depression spread across the Atlantic, 
Europeans bought fewer American products, worsening the slide.

When President Hoover was inaugurated, the American economy was a house of cards. Unable to provide the proper 
relief from hard times, his popularity decreased as more and more Americans lost their jobs. His minimalist approach 
to government intervention made little impact. The economy shrank with each successive year of his Presidency. As 
middle class Americans stood in the same soup lines previously graced only by the nation’s poorest, the entire social 
fabric of America was forever altered.

THE MARKET CRASHES

It was a boom time for the STOCKHOLDER. STOCK PRICES soared to record levels. Millionaires were made 
overnight. Sound like the stock market of the 1990s? Try the New York Stock Exchange on the eve of the GREAT 
CRASH in 1929.

Although the 1920s were marked by growth in stock values, the last four years saw an explosion in the market. In 
1925, the total value of the NEW YORK STOCK EXCHANGE was $27 billion. By September 1929, that figure 
skyrocketed to $87 billion. This means that the average stockholder more than tripled the value of the stock portfolio 
he or she was lucky enough to possess.

In his LADIES’ HOME JOURNAL article, "Everyone Ought to Be Rich," wealthy financier JOHN J. RASKOB 
advised Americans to invest just $15 dollars a month in the market. After twenty years, he claimed, the venture 
would be worth $80,000. Stock fever was sweeping the nation, or at least those that had the means to invest.

Fueling the rapid expansion was the risky practice of buying stock on margin. A MARGIN PURCHASE allows 
an investor to borrow money, typically as much as 75% of the purchase price, to buy a greater amount of stock.
4.1 Causes: The Build Up

The Roaring ‘20s came to a screeching halt when the stock market took a historic nosedive at the end of the decade. Here, a nervous crowd gathers in front of the New York Stock Exchange on October 29, 1929.

Stockbrokers and even banks funded the reckless **speculator**. Borrowers were often willing to pay 20% interest rates on loans, being dead certain that the risk would be worth the rewards. The lender was so certain that the market would rise that such transactions became commonplace, despite warnings by the Federal Reserve Board against the practice. Clearly, there had to be a limit to how high the market could reach.

What causes stock prices to fall? Although the workings of the New York Stock Exchange can be quite complex, one simple principle governs the price of stock. When investors believe a stock is a good value they are willing to pay more for a share and its value rises. When traders believe the value of a security will fall, they cannot sell it at as high of a price. If all investors try to sell their shares at once and no one is willing to buy, the value of the market shrinks.

On October 24, 1929, "**Black Thursday**," this massive sell-a-thon began. By the late afternoon, wealthy financiers like J.P. Morgan pooled their resources and began to buy stocks in the hopes of reversing the trend.

But the bottom fell out of the market on Tuesday, October 29. A record 16 million shares were exchanged for smaller and smaller values as the day progressed. For some stocks, no buyers could be found at any price. By the end of the...
day, panic had erupted, and the next few weeks continued the downward spiral. In a matter of ten short weeks the value of the entire market was cut in half. Suicide and despair swept the investing classes of America.

![Image of J.P. Morgan](image.png)

**FIGURE 4.6**

Wealthy investors like J.P. Morgan hoped to stop the crash by pooling their resources and buying up large amounts of stock.

**HOOVER AND “RUGGED INDIVIDUALISM”**

Rugged individualism was the phrase often used by Herbert Hoover during his presidency. It refers to the idea that individuals should be able to help themselves, and that the government does not need to involve itself in people’s economic affairs or in national economics in general. Himself a libertarian, Hoover’s own rugged individualism may have resulted from his frustration with the unprecedented government involvement in the economy during World War I. Hoover emphasized that rugged individualism was not laissez-faire, and that it in fact denounced laissez-faire economics.

Hoover entered office with a plan to reform the nation’s regulatory system, holding that a federal bureaucracy should have limited regulation over a country’s economic system. A self-described progressive and reformer, Hoover saw the presidency as a vehicle for improving the conditions of all Americans by encouraging public-private cooperation, which he termed "volunteerism". Hoover saw volunteerism as preferable to governmental coercion or intervention, both of which he felt opposed the American ideals of individualism and self-reliance.

Regarding poverty, Hoover said that "given the chance to go forward with the policies of the last eight years, we shall soon, with the help of God, be in sight of the day when poverty will be banished from this nation. " He added that "we in America today are nearer to the final triumph over poverty than ever before in the history of any land. " Mere months after Hoover made these statements, however, the Stock Market Crash of 1929 occurred, and the world’s economy spiraled downward into the Great Depression.

Hoover carried his idea of "rugged individualism" into the Great Depression, insisting that the federal government should not interfere with the American people during the economic crisis. Providing large-scale humanitarian efforts, Hoover feared, would injure "the initiative and enterprise of the American people. " Unfortunately, this approach had little effect, and the economy continued to suffer for years.

**SINKING DEEPER AND DEEPER**

When the stock market crashed on October 29, 1929, few Americans believed that a decade long depression was underway. After all, only 4 million Americans had money invested on Wall Street. 90% of American households owned precisely zero shares of stock. President Herbert Hoover quickly addressed the nation, professing his faith in the soundness of the American economy. But soothing words were clearly not enough to stop the shrinking of a
The stock market crash had many short-term consequences. Banks that improvidently lent money to futures traders to buy stock on margin found that many of those loans would go unpaid. Consequently, a rash of BANK FAILURES swept the nation. This had a tremendous ripple effect on the economy. If a working-class family was unfortunate enough to have their savings held in trust by a failed bank — too bad for them, all their money was lost.

As Americans saw banks close and savings disappear, less money was spent on goods and services. Many consumers who had bought the new conveniences of the GOLDEN TWENTIES on the installment plan were unable to make their payments. Businesses began to lay off workers to offset new losses. Many manufacturers had overproduced and created huge inventories.

Unemployment brought even less savings and spending, and the economy slowed yet another notch. The downward spiral continued into 1933. The $87 billion 1929 New York Stock Exchange was worth a mere $15 billion in 1932. UNEMPLOYMENT rose from 1.5 million Americans in 1929 to a debilitating 12 million in 1932.

Despair swept the nation. In addition to the nationwide 25% unemployment rate, many laborers were forced to choose between wage cuts and a PINK SLIP. Most people who retained their jobs saw their incomes shrink by a third. SOUP KITCHENS and CHARITY LINES, previously unknown to the middle class, were unable to meet the growing demand for food.

Desperate for income, thousands performed odd jobs from taking in laundry to collecting and selling apples on the street. College professors in New York City drove taxicabs to make ends meet. Citizens of Washington State lit
During the 1930s, photographer Imogen Cunningham documented the lives of the destitute of Oakland, California. This print is entitled "Under the Queensborough Bridge."

FIGURE 4.8

Forest fires in the hopes of earning a few bucks extinguishing them. Millions of backyard gardens were cultivated to grow vegetables. Americans prowled landfills waiting for the next load of refuse to arrive in the hopes of finding a few table scraps among the trash.

The strife was uneven across the land. Oklahoma was particularly hard hit, as a DROUGHT brought dry winds, kicking up a "DUST BOWL" that forced thousands to migrate westward. African Americans endured unemployment rates of nearly twice the white communities, as African American workers were often the last hired and the first fired. Mexican Americans in California were offered free one-way trips back to Mexico to decrease job competition in the state. The Latino population of the American Southwest sharply decreased throughout the decade, as ethnic violence increased.

First published in 1939, John Steinbeck’s novel The Grapes of Wrath told of the Joad family’s loss of their Oklahoma tenant farm and the hardships they encountered while trying to reach California and start anew.

FIGURE 4.9

As the days and weeks of the GREAT DEPRESSION turned into months and years, Americans began to organize their discontent.

THE GREAT DEPRESSION SUMMARIZED

The Great Depression began with the Wall Street Crash of October, 1929 and rapidly spread worldwide. The market crash marked the beginning of a decade of high unemployment, poverty, low profits, deflation, plunging farm incomes, and lost opportunities for economic growth and personal advancement. Although its causes are still uncertain and controversial, the net effect was a sudden and general loss of confidence in the country’s economic future. The usual explanations include high consumer debt, ill-regulated markets that permitted over-optimistic loans
by banks and investors, and the lack of high-growth new industries, all interacting to create a downward economic spiral of reduced spending, falling confidence, and lowered production.

**Causes of the Great Depression**

There were several events that inevitably caused the Great Depression; one of those being the overall decline in demand. Around 1928, demand for new housing had faltered; this led to declining sales of building materials and unemployment among construction workers. The automobile industries and other factories had to reduce production rates, and farm prices dropped.

In the stock market, investors bought shares "on margin," while at the same time taking out loans to pay for those shares. The investors hoped that when the shares were sold, they would make enough money to pay back the loan and interest, and also have some profit remaining for themselves. The practice of buying on margin led to an extremely unstable stock market. Investors’ uncontrolled purchases on margin eventually led to a collapse of the stock market.

**The Stock Market Crash**

On October 24, 1929, also known as Black Thursday, the value of common stock and shares dropped by 40%. A downward spiral was set in motion. Economists dispute how much weight to give the stock market crash of October 1929. It clearly changed sentiment about and expectations of the future, shifting the outlook from very positive to negative, but some feel that an increase in interest rates by the Federal government could have also caused the slow steps into the downturn towards the Great Depression.

International influences also caused the Great Depression. Nations adopted the practice of Protectionism, under which foreign goods were subject to tariffs, or import duties, so that foreign products would cost more and local products would cost less. The United States enacted extremely high tariffs. However, other nations retaliated against the United States by establishing their own tariffs. Thus, American businesses lost several foreign markets.

International credit structure was another cause of the Depression. At the end of World War I, European nations owed enormous sums of money to American banks. However, these debts were rarely repaid. The smaller American banks were crippled because farmers could not pay debts, while larger banks suffered because other nations could not pay debts.

**Depression**

Banks began to fail in October 1930 (one year after the crash) when farmers defaulted on loans. There was no federal deposit insurance during that time, and bank failures were common. Depositors worried that they might lose all their savings, therefore, they withdrew their money and changed it into currency. As withdrawals increased, the money multiplier decreased, which meant that money circulation slowed. This led to a decrease in the money supply, an increase in interest rates, and a significant decrease in aggregate investment.

By 1932, unemployment had surged to 25 percent, while stock prices plummeted by more than 80 percent. More than 85,000 businesses had declared bankruptcy. Industries that suffered the most included construction, agriculture, shipping, mining, and logging, as well as durable goods like automobiles and appliances, whose purchase could be postponed. Farmers traveled to the West, especially to California, hoping to find better opportunities in life. Once the great depression deepened, most families were unable to pay rent and were evicted from their homes to stay in "Hoovervilles."

The economy reached bottom in the winter of 1932–33. In 1932, Herbert Hoover lost the presidential election to Franklin Delano Roosevelt in a sweeping landslide. Roosevelt’s economic recovery plan, the New Deal, instituted unprecedented programs for relief, recovery and reform, and brought about a major realignment of American politics. In 1933, President Franklin Delano Roosevelt created the Federal Deposit Insurance Corporation (FDIC), which provided a hedge against bank losses.
4.2 "Rugged Individualism"

THE BONUS MARCH

Many in America wondered if the nation would survive.

Although the United States had little history of massive social upheaval or coup attempts against the government, hunger has an ominous way of stirring those passions among any population. As bread riots and shantytowns grew in number, many began to seek alternatives to the status quo. Demonstrations in the nation’s capital increased, as Americans grew increasingly weary with President Hoover’s perceived inaction. The demonstration that drew the most national attention was the BONUS ARMY MARCH of 1932.

In 1924, Congress rewarded VETERANS of WORLD WAR I with certificates redeemable in 1945 for $1,000 each. By 1932, many of these former servicemen had lost their jobs and fortunes in the early days of the Depression. They asked Congress to redeem their BONUS CERTIFICATES early.

Led by WALTER WATERS of Oregon, the so-called Bonus Expeditionary Force set out for the nation’s capital. Hitching rides, hopping trains, and hiking finally brought the Bonus Army, now 15,000 strong, into the capital in June 1932. Although President Hoover refused to address them, the veterans did find an audience with a congressional delegation. Soon a debate began in the Congress over whether to meet the demonstrators’ demands.

As deliberation continued on Capitol Hill, the Bonus Army built a SHANTYTOWN across the Potomac River in ANACOSTIA FLATS. When the Senate rejected their demands on June 17, most of the veterans dejectedly returned home. But several thousand remained in the capital with their families. Many had nowhere else to go. The Bonus Army conducted itself with decorum and spent their vigil unarmed.

However, many believed them a threat to national security. On July 28, Washington police began to clear the demonstrators out of the capital. Two men were killed as tear gas and bayonets assailed the Bonus Marchers.
Fearing rising disorder, Hoover ordered an army regiment into the city, under the leadership of General Douglas MacArthur. The army, complete with infantry, cavalry, and tanks, rolled into Anacostia Flats forcing the Bonus Army to flee. MacArthur then ordered the shanty settlements burned.

Many Americans were outraged. How could the army treat veterans of the Great War with such disrespect? Hoover maintained that political agitators, anarchists, and communists dominated the mob. But facts contradict his claims. Nine out of ten Bonus Marchers were indeed veterans, and 20% were disabled. Despite the fact that the Bonus Army was the largest march on Washington up to that point in history, Hoover and MacArthur clearly overestimated the threat posed to national security. As Hoover campaigned for reelection that summer, his actions turned an already sour public opinion of him even further bottomward.

America sank deeper in Depression.

HOOVER’S LAST STAND

PRESIDENT HERBERT HOOVER had the distinction of stepping into the White House at the height of one of the longest periods of growth in American history. Less than seven months after his inauguration, the worst depression in American history began. Undoubtedly, the fault of the Great Depression was not Hoover’s. But as the years of his Presidency passed and the country slipped deeper and deeper into its quagmire, he would receive great blame. Urban shantytowns were dubbed HOOVERVILLES. Newspapers used by the destitute as bundling for warmth became known as Hoover blankets. Pockets turned inside out were called Hoover flags. Somebody had to be blamed, and many Americans blamed their President.

Running for President under the slogan "RUGGED INDIVIDUALISM" made it difficult for Hoover to promote massive government intervention in the economy. In 1930, succumbing to pressure from American industrialists, Hoover signed the HAWLEY-SMOOT TARIFF which was designed to protect American industry from overseas
competition. Passed against the advice of nearly every prominent economist of the time, it was the largest tariff in American history.

The amount of protection received by industry did not offset the losses brought by a decrease in foreign trade. The Hawley-Smoot Tariff proved to be a disaster. Believing in a balanced budget, Hoover’s 1931 economic plan cut federal spending and increased taxes, both of which inhibited individual efforts to spur the economy.

Finally in 1932 Hoover signed legislation creating the Reconstruction Finance Corporation. This act allocated a half billion dollars for loans to banks, corporations, and state governments. Public works projects such as the Golden Gate Bridge and the Los Angeles Aqueduct were built as a result of this plan.

Hoover and the RFC stopped short of meeting one demand of the American masses — federal aid to individuals. Hoover believed that government aid would stifle initiative and create dependency where individual effort was needed. Past governments never resorted to such schemes and the economy managed to rebound. Clearly Hoover and his advisors failed to grasp the scope of the Great Depression.

The stage was set for the Election of 1932. New York Governor Franklin D. Roosevelt won the Democratic nomination on the fourth ballot of their national convention. Roosevelt promised "a new deal for the American people" that included a repeal of the prohibition amendment. The Republicans renominated Hoover, perhaps because there were few other interested GOP candidates.

Election day brought a landslide for the Democrats, as Roosevelt earned 58% of the popular vote and 89% of the electoral vote, handing the Republicans their second-worst defeat in their history. Bands across America struck up Roosevelt’s theme song — "HAPPY DAYS ARE HERE AGAIN" — as millions of Americans looked with hope toward their new leader.
4.3 Social and Cultural Effects

SOCIAL AND CULTURAL EFFECTS OF THE DEPRESSION

No nation could emerge from the cauldron of national crisis without profound social and cultural changes. While many undesirable vices associated with hopelessness were on the rise, many family units were also strengthened through the crisis. MASS MIGRATIONS reshaped the American mosaic. While many businesses perished during the Great Depression, others actually emerged stronger. And new forms of expression flourished in the culture of despair.

The Great Depression brought a rapid rise in the CRIME RATE as many unemployed workers resorted to petty theft to put food on the table. Suicide rates rose, as did reported cases of malnutrition. Prostitution was on the rise as desperate women sought ways to pay the bills. Health care in general was not a priority for many Americans, as visiting the doctor was reserved for only the direst of circumstances. Alcoholism increased with Americans seeking outlets for escape, compounded by the repeal of prohibition in 1933. Cigar smoking became too expensive, so many Americans switched to cheaper cigarettes.

Higher education remained out of reach for most Americans as the nation’s universities saw their student bodies shrink during the first half of the decade. High school attendance increased among males, however. Because the prospects of a young male getting a job were so incredibly dim, many decided to stay in school longer. However, public spending on education declined sharply, causing many schools to open understaffed or close due to lack of funds.

Demographic trends also changed sharply. Marriages were delayed as many males waited until they could provide for a family before proposing to a prospective spouse. Divorce rates dropped steadily in the 1930s. Rates of abandonment increased as many husbands chose the "poor man’s divorce" option — they just ran away from their marriages. Birth rates fell sharply, especially during the lowest points of the Depression. More and more Americans learned about birth control to avoid the added expenses of unexpected children.

Mass migrations continued throughout the 1930s. Rural New England and upstate New York lost many citizens seeking opportunity elsewhere. The GREAT PLAINS lost population to states such as California and Arizona. The Dust Bowl sent thousands of "OKIES" and "ARKIES" looking to make a better life. Many of the MIGRANTS were adolescents seeking opportunity away from a family that had younger mouths to feed. Over 600,000 people were caught hitching rides on trains during the Great Depression. Many times offenders went unpunished.
Popular culture saw new trends as well. Despite the costs of an evening out, two out of every five Americans saw at least one movie per week. Classic films like \textit{Frankenstein}, \textit{It Happened One Night}, and \textit{Gone with the Wind} debuted during the Great Depression. Radio flourished as those who owned a radio set before the crash could listen for free. President Roosevelt made wide use of radio technology with his periodic "fireside chats" to keep the public informed. Dorothea Lange depicted the sadness of Depression farm life with her stirring photographs. And an apt musical form — the blues — gained popularity during the decade.

- Popular Culture During the Great Depression
- The Great Depression - Facts & Summary - HISTORY.com
- Timeline of the Great Depression
- America from the Great Depression to World War II

**HOOVERVILLES**

- Hoovervilles - Facts & Summary - HISTORY.com
- Hoovervilles and Homelessness
- Hoovervilles During the Great Depression
- Local Help
THE FARMING PROBLEM

Farmers faced tough times. While most Americans enjoyed relative prosperity for most of the 1920s, the Great Depression for the American farmer really began after World War I. Much of the Roaring ’20s was a continual cycle of debt for the American farmer, stemming from falling farm prices and the need to purchase expensive machinery. When the stock market crashed in 1929 sending prices in an even more downward cycle, many American farmers wondered if their hardscrabble lives would ever improve.

The first major New Deal initiative aimed to help farmers attempted to raise farm prices to a level equitable to the years 1909-14. Toward this end, the AGRICULTURAL ADJUSTMENT ADMINISTRATION was created. One method of driving up prices of a commodity is to create artificial scarcity. Simply put, if farmers produced less, the prices of their crops and livestock would increase.

The AAA identified seven BASIC FARM PRODUCTS: wheat, cotton, corn, tobacco, rice, hogs, and milk. Farmers who produced these goods would be paid by the AAA to reduce the amount of acres in cultivation or the amount of LIVESTOCK raised. In other words, farmers were paid to farm less!

The press and the public immediately cried foul. To meet the demands set by the AAA, farmers plowed under millions of acres of already planted crops. Six million young pigs were slaughtered to meet the subsidy guidelines. In a time when many were out of work and tens of thousands starved, this wasteful carnage was considered blasphemous and downright wrong.

But farm income did increase under the AAA. Cotton, wheat, and corn prices doubled in three years. Despite having misgivings about receiving government subsidies, farmers overwhelmingly approved of the program. Unfortunately, the bounty did not trickle down to the lowest economic levels. Tenant farmers and sharecroppers did not receive government aid; the subsidy went to the landlord. The owners often bought better machinery with the money, which further reduced the need for farm labor. In fact, the Great Depression and the AAA brought a virtual end to the practice of sharecropping in America.

The Supreme Court put an end to the AAA in 1936 by declaring it unconstitutional. At this time the Roosevelt administration decided to repackage the agricultural subsidies as incentives to save the environment. After years and years of plowing and planting, much of the soil of the Great Plains and become depleted and weak. Great winds blew clouds of dust that fell like brown snow to cover homes across the region as residents of the "Dust Bowl" moved west in search of better times.

The SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT paid farmers to plant clover and alfalfa instead of wheat and corn. These crops return nutrients to the soil. At the same time, the government achieved its goal of reducing crop acreage of the key commodities.

Another major problem faced by American farmers was mortgage foreclosure. Unable to make the monthly payments, many farmers were losing their property to their banks. Across the CORN BELT of the Midwest, the situation grew desperate. Farmers pooled resources to bail out needy friends. Minnesota and North Dakota passed laws restricting FARM FORECLOSURES. Vigilante groups formed to intimidate bill collectors. In Le Mars, Iowa, an angry mob beat a foreclosing judge to the brink of death in April 1933.

FDR intended to stop the madness. The FARM CREDIT ACT, passed in March 1933 refinanced many mortgages in danger of going unpaid. The FRAZIER-LEMKE FARM BANKRUPTCY ACT allowed any farmer to buy back a lost farm at a low price over six years at only one percent interest. Despite being declared unconstitutional, most of the provisions of Frazier-Lemke were retained in subsequent legislation.
In 1933 only about one out of every ten American farms was powered by electricity. The RURAL ELECTRIFICATION AUTHORITY addressed this pressing problem. The government embarked on a mission of getting electricity to the nation’s farms. Faced with government competition, private utility companies sprang into action and by sending power lines to rural areas with a speed previously unknown. By 1950, nine out of every ten farms enjoyed the benefits of electric power.

The Dust Bowl

The Dust Bowl, also known as the Dirty Thirties, was a period of severe dust storms causing major ecological and agricultural damage to American prairie lands in the 1930s, particularly in 1934 and 1936. The phenomenon was caused by severe drought coupled with decades of extensive farming without crop rotation, fallow fields, cover crops and other techniques to prevent wind erosion. Deep plowing of the virgin topsoil of the Great Plains had displaced the natural deep-rooted grasses that normally kept the soil in place and trapped moisture even during periods of drought and high winds.

Thus, during the drought of the 1930s, the soil dried, turned to dust, and blew away eastward and southward in large dark clouds. At times, the clouds blackened the sky, reaching all the way to East Coast cities such as New York and Washington, D.C. Much of the soil ended up deposited in the Atlantic Ocean, carried by prevailing winds, which were themselves strengthened by the dry and bare soil conditions. These immense dust storms—given names such as “black blizzards” and “black rollers”—often reduced visibility to a few feet. The Dust Bowl affected 100,000,000 acres, centered on the panhandles of Texas and Oklahoma, and adjacent parts of New Mexico, Colorado, and Kansas.

This catastrophe intensified the economic impact of the Great Depression in the region. Millions of acres of farmland were damaged, forcing farmers—already suffering from depressed prices and declining incomes—to abandon their operations. Hundreds of thousands of people were forced to leave their homes. More than 500,000 Americans were left homeless. Over 350 houses had to be torn down after one storm alone.

Migrant Workers

Owning no land, many displaced people became migrant workers, traveling from farm to farm to pick fruit and other crops at starvation wages. Some residents of the Plains, especially in Kansas and Oklahoma, fell ill and died of dust pneumonia or malnutrition. Others attempted to migrate to other regions of the country. The Dust Bowl exodus was the largest migration in American history within a short period of time. By 1940, 2.5 million people had moved out of the Plains states; of those, 200,000 moved to California. With their land barren and homes seized in foreclosure, many farm families were forced to leave. Migrants left farms in Oklahoma, Arkansas, Missouri, Iowa, Nebraska, Kansas, Texas, Colorado and New Mexico. Many Americans migrated west looking for work, and most found economic conditions little better than the ones they had left, given the pervasiveness of the Great Depression.

More of the migrants were from Oklahoma than any other state, earning them the nickname "Okies. " The names "Arkies" and "Texies" were also used, but less common. Ben Reddick, a free-lance journalist and later publisher of the Paso Robles Daily Press, is credited with first using the term Oakie, in the mid-1930s, to identify migrant farm workers. He noticed the "OK" abbreviation (for Oklahoma) on many of the migrants’ license plates and referred to them in his article as "Oakies. " Californians began calling all migrants by that name, even though many newcomers were not actually Oklahomans. Many West Coast residents and some politically motivated writers used "Okie" to disparage these poor, white (including those of mixed American Indian ancestry, the largest tribal group being Cherokees), migrant workers and their families. Will Rogers, a famous movie star with Oklahoma roots remarked jokingly that the Okies moving from Oklahoma to California increased the average intelligence of both states.

Author John Steinbeck later wrote The Grapes of Wrath, which won the Pulitzer Prize, and Of Mice and Men, about these migrant workers and their struggles. The music and writings of Woody Guthrie were also inspired by the migrant workers and the Dust Bowl.

In the 1930’s, severe drought and dust storms caused agricultural and ecological damage, exacerbating the economic
4.4. The Dust Bowl

**FIGURE 4.18**
Migrant Mother, Lange’s Migrant Mother, age 32

**FIGURE 4.19**
Dust Storm in Texas, 1935
plight of farmers during the Great Depression.
When America hit rock bottom, Americans expected bold leadership. Herbert Hoover was perceived as doing nothing to help when the nation was in its darkest hour. When the votes were tallied in 1932, Americans made a strong statement for change, and sent Franklin D. Roosevelt to the White House. Ironically, Roosevelt made few concrete proposals during the campaign, merely promising "a new deal for the American people." The plan that ultimately emerged during his Presidency was among the most ambitious in the history of the United States.

FRANKLIN ROOSEVELT was born in 1882 to a wealthy New York industrialist. The fifth cousin of THEODORE ROOSEVELT, FDR became involved in politics at a young age. A strong supporter of WOODROW WILSON and the LEAGUE OF NATIONS, Roosevelt became the unsuccessful Democratic candidate for Vice-President in 1920. The following year he contracted polio, and learned that he could never walk without crutches again.

Roosevelt campaigned hard for fellow New Yorker AL SMITH’s 1924 and 1928 Presidential bids and then received Smith’s support to run for governor of New York. In his two terms as governor of New York, Roosevelt earned a reputation as a progressive reformer. He then threw his hat into the ring of Presidential politics.

Roosevelt had no grand strategy to fix the Depression. He was a bold experimenter. FDR liked to examine an idea and evaluate it on its philosophical merits. The details could be negotiated later. If it worked, fine. If not,
he was more than willing to start over with a new plan. He surrounded himself with competent advisors, and delegated authority with discretion and confidence. As a master of the radio, his confidence was contagious among the American populace.

Before his first term expired, Roosevelt signed legislation aimed at fixing banks and the stock market. He approved plans to aid the unemployed and the nation’s farmers. He began housing initiatives and ventures into public-owned electric power. New Deal programs aided industrialists and laborers alike. His friends and enemies grew with every act he signed into law.

The NEW DEAL sparked a revolution in American public thought regarding the relationship between the people and the federal government.
FIGURE 4.23
Before the Banking Reform Act of 1933, keeping your money in a bank was not a sure way to save. If the bank made unwise investments, the bank could fail and depositors’ money would be lost. Here, depositors line up outside a Detroit bank hoping to get their savings back.

A BANK HOLIDAY

In days past, depositing money in a savings account carried a degree of risk. If a bank made bad investments and was forced to close, individuals who did not withdraw their money fast enough found themselves out of luck. Sometimes a simple rumor could force a bank to close. When depositors feared a bank was unsound and began removing their funds, the news would often spread to other customers. This often caused a panic, leading people to leave their homes and workplaces to get their money before it was too late.

These runs on banks were widespread during the early days of the Great Depression. In 1929 alone, 659 banks closed their doors. By 1932, an additional 5102 banks went out of business. Families lost their life savings overnight. Thirty-eight states had adopted restrictions on withdrawals in an effort to forestall the panic. Bank failures increased in 1933, and Franklin Roosevelt deemed remedying these failing financial institutions his first priority after being inaugurated.

Roosevelt, unlike Hoover, was quick to act. Two days after taking the oath of office, Roosevelt declared a "bank holiday." From March 6 to March 10, banking transactions were suspended across the nation except for making change. During this period, Roosevelt presented the new Congress with the Emergency Banking Act. The law empowered the President through the Treasury Department to reopen banks that were solvent and assist those that were not. The House allowed only forty minutes of debate before passing the law unanimously, and the Senate soon followed with overwhelming support.

FIGURE 4.24
With quick and effective legislation, Franklin Delano Roosevelt, 32nd President of the United States, was able to halt the bank crisis.

Banks were divided into four categories. Surprisingly, slightly over half the nation’s banks were deemed first category and fit to reopen. The second category of banks was permitted to allow a percentage of its deposits to be withdrawn. The third category consisted of banks that were on the brink of collapse. When the holiday was ended, these banks were only permitted to accept deposits. Five percent of banks were in the final category — unfit...
to continue business.

On the Sunday evening before the banks reopened, Roosevelt addressed the nation through one of his signature "Fireside Chats." With honest words in soothing tones, the President assured sixty million radio listeners that the crisis was over and the nation’s banks were secure. On the first day back in business, deposits exceeded withdrawals. By the beginning of April, Americans confidently returned a billion dollars to the banking system. The bank crisis was over.

But the legislation was not. On June 16, 1933, Roosevelt signed the Glass-Steagall Banking Reform Act. This law created the Federal Deposit Insurance Corporation. Under this new system, depositors in member banks were given the security of knowing that if their bank were to collapse, the federal government would refund their losses. Deposits up to $2500, a figure that would rise through the years, were henceforth 100% safe. The act also restricted banks from recklessly speculating depositors’ money in the stock market. In 1934, only 61 banks failed.

![Figure 4.25](image)

**FIGURE 4.25**
Ms. Lydia Lobsiger became the first American citizen to be paid by the Federal Deposit Insurance Corporation for deposits in an insured bank that failed.

Letters poured in to the White House from grateful Americans. Workers and farmers were thrilled that their savings were indeed now safe. Bankers breathed a sigh of relief knowing that Roosevelt did not intend to nationalize the banking system as many European countries had already done. Although radical in speed and scope, Roosevelt’s banking plan strengthened the current system, without fundamentally altering it. One of his advisors quipped, "Capitalism was saved in eight days."

### PUTTING PEOPLE BACK TO WORK

Out of work Americans needed jobs. To the unemployed, many of whom had no money left in the banks, a decent job that put food on the dinner table was a matter of survival.

Unlike Herbert Hoover, who refused to offer direct assistance to individuals, Franklin Roosevelt knew that the nation’s unemployed could last only so long. Like his banking legislation, aid would be immediate. Roosevelt adopted a strategy known as "priming the pump." To start a dry pump, a farmer often has to pour a little into the pump to generate a heavy flow. Likewise, Roosevelt believed the national government could jump start a dry economy by pouring in a little federal money.

The first major help to large numbers of jobless Americans was the Federal Emergency Relief Act. This law gave $3 billion to state and local governments for direct relief payments. Under the direction of Harry Hopkins, FERA assisted millions of Americans in need. While Hopkins and Roosevelt believed this was necessary, they were reticent to continue this type of aid. Direct payments might be "narcotic," stifling the initiative of Americans seeking paying jobs. Although FERA lasted two years, efforts were soon shifted to "work-relief"
4.5. The New Deal

FIGURE 4.26
Over 9,000,000 Americans were involved in a multitude of Works Progress Administration projects, from building roads to beautifying government buildings. The above WPA mural depicts the arrival of the first train west of Chicago and can be found in an Oak Park, Illinois, post office.

programs. These agencies would pay individuals to perform jobs, rather than provide handouts.

The first such initiative began in March 1933. Called the CIVILIAN CONSERVATION CORPS, this program was aimed at over two million unemployed unmarried men between the ages of 17 and 25. CCC participants left their homes and lived in camps in the countryside. Subject to military-style discipline, the men built reservoirs and bridges, and cut fire lanes through forests. They planted trees, dug ponds, and cleared lands for camping. They earned $30 dollars per month, most of which was sent directly to their families. The CCC was extremely popular. Listless youths were removed from the streets and given paying jobs and provided with room and shelter.

FIGURE 4.27
Of the many programs instituted by the New Deal, the Civilian Conservation Corps was one of the most popular and successful. Here, FDR meets with some of the participants in the CCC.

There were plenty of other opportunities for the unemployed in the New Deal. In the fall of 1933, Roosevelt authorized the CIVIL WORKS ADMINISTRATION. Also headed by Hopkins, this program employed 2.5 million in a month’s time, and eventually grew to a multitudinous 4 million at its peak.

Earning $15 per week, CWA workers tutored the illiterate, built parks, repaired schools, and constructed athletic fields and swimming pools. Some were even paid to rake leaves. Hopkins put about three thousand writers and artists on the payroll as well. There were plenty of jobs to be done, and while many scoffed at the make-work nature of the tasks assigned, it provided vital relief during trying times.

The largest relief program of all was the WORKS PROGRESS ADMINISTRATION. When the CWA expired, Roosevelt appointed Hopkins to head the WPA, which employed nearly 9 million Americans before its expiration. Americans of all skill levels were given jobs to match their talents. Most of the resources were spent on public works programs such as roads and bridges, but WPA projects spread to artistic projects too.

The FEDERAL THEATER PROJECT hired actors to perform plays across the land. Artists such as BEN SHAHN beautified cities by painting larger-than-life murals. Even such noteworthy authors as JOHN STEINBECK and RICHARD WRIGHT were hired to write regional histories. WPA workers took traveling libraries to
Living conditions during the Depression were often abhorrent. Mrs. Handley and some of her children seek shelter in a shack in Walker County, Alabama.

Critics called the WPA "We Piddle Around" or "We Poke Along," labeling it the worst waste of taxpayer money in American history. But most every county in America received some service by the newly employed, and although the average monthly salary was barely above subsistence level, millions of Americans earned desperately needed cash, skills, and self-respect.

Before the advent of Social Security, many unemployed Americans were forced to seek food from shelters and soup kitchens. This Chicago soup kitchen was sponsored by the notorious gangster Al Capone.

Social Security not only directly aided those who had retired and widows and orphans of insured workers, but it also encouraged states to provide more far-reaching social assistance programs.
4.5. The New Deal

PENSIONS for the retired or the notion of Social Security was not always the domain of the federal government. Individuals were expected to save a little of each paycheck for the day they would at last retire. Those who were aggressive enough to negotiate a pension plan with an employer were few indeed. The majority of working Americans, however, lived check to check, with little or nothing extra to be saved for the future. Many became a drag on the rest of the family upon retirement. The **Social Security Act of 1935** aimed to improve this predicament.

Many nations in Europe had already experimented with pension plans. Britain and Germany had found exceptional success. The American plan was a bit different in its design. **Social Security** was described as a "contract between generations." The current generation of workers would pay into a fund while the retirees would take in a monthly stipend. Upon reaching the age of 65, individuals would start receiving payments based upon the amount contributed over the years.

Employees would have one percent of their incomes automatically deducted from their paychecks, a rate that was originally envisioned to reach 3%. Employers would also contribute for their employees. The plan was mandatory except for individuals in exempted professions. Roosevelt knew that this reform would be permanent. He guessed that once workers had paid into a system for decades, they would expect to receive their checks. Woe to the politician who tried to end the system once it was in place.

A committee of staffers led by **Secretary of Labor Frances Perkins**, the first female ever to hold a Cabinet position, penned the Social Security Act. In addition to providing old-age pensions, the legislation created a safety net for other Americans in distress. Unemployment insurance was part of the plan, to be funded by employers. The federal government also offered to match state funds for the blind and for job training for the physically disabled. Unmarried women with dependent children also received funds under the Social Security Act.

Roosevelt and his advisers knew that the Social Security Act was not perfect. Like other experiments, he hoped the law would set the groundwork for a system that could be refined over time. Social Security differed from European plans in that it made no effort to provide universal health insurance. The pensions that retirees received were extremely modest — below poverty level standards in most cases. Still, Roosevelt knew the plan was revolutionary. For the first time, the federal government accepted permanent responsibility for assisting people in need. It paved the way for future legislation that would redefine the relationship between the American people and their government.

**FDR’s Alphabet Soup**

The New Deal was clearly the most ambitious legislative program ever attempted by Congress and an American President.

Progressive politicians saw their wildest dreams come alive. The Great Depression created an environment where the federal government accepted responsibility for curing a wide array of society’s ills previously left to individuals, states, and local governments. This amount of regulation and involvement requires a vast upgrading of the government bureaucracy. An armada of government bureaus and regulatory agencies was erected to service the programs of the New Deal. Collectively, observers called them the “**Alphabet Agencies**.”
President Roosevelt signed the Social Security Act into law in 1935. Designed to pay retired workers age 65 or older a continuing income after retirement, this act helped Americans breathe easier about their futures.

In addition to setting a minimum wage and the maximum hours a person could work in a week, the National Recovery Administration outlawed child labor.

While the CCC, CWA, and WPA were established to provide relief for the unemployed, the New Deal also provided a program intended to boost both industries and working Americans. The National Industrial Recovery Act contained legislation designed to spark business growth and to improve labor conditions. The National Recovery Administration attempted to create a managed economy by relieving businesses of antitrust laws to eliminate "wasteful competition." The NRA, like the AAA for farmers, attempted to create artificial scarcity with commodities. The hope was that higher prices would yield higher profits and higher wages leading to an economic recovery.

To avoid charges of SOCIALISM, the NRA allowed each industry to draw up a code setting production quotas, limiting hours of operation, or restricting construction of new factories. Once the President approved each code, pressure was put on each business to comply. A PROPAGANDA campaign reminiscent of World War I ensued. Firms that participated in the NRA displayed blue eagles reminding consumers of a company’s apparent patriotism.

In 1933, Roosevelt asked Congress to create "a corporation clothed with the power of government but possessed of the flexibility and initiative of a private enterprise." The Tennessee Valley Authority was born, and economic recovery came to eastern Tennessee.

To enlist the support of LABOR UNIONS, the NRA outlawed child labor, set maximum hours, and required a
The greatest victory for labor unions was the guarantee of the right to collective bargaining, which led to a dramatic upsurge in union membership. Unfortunately, the NRA did little to improve the economy. The increase in prices actually caused a slight slowdown in the recovery. Workers complained that participating industries found loopholes to violate minimum wage and child labor obligations. When the Supreme Court finally declared the NRA unconstitutional in 1936, many had taken to calling it the "National Run Around."

The government blazed other new trails by creating the **TENNESSEE VALLEY AUTHORITY** in May 1933. The geography of the Tennessee River Valley had long been a problem for its residents. Centuries of resource exploitation contributed to soil erosion and massive, unpredictable floods that left parts of seven states impoverished and underutilized.

Funds were authorized to construct 20 new dams and to teach residents better soil management. The hydroelectric power generated by the TVA was sold to the public at low prices, prompting complaints from private power companies that the government was presenting unfair competition. Soon **FLOOD CONTROL** ceased to be a problem and FDR considered other regional projects.

There seemed to be no end to the alphabet soup. The **SECURITIES AND EXCHANGE COMMISSION** (SEC) was created to serve as a watchdog on the stock market. The **FEDERAL HOUSING AUTHORITY** (FHA) provided low interest loans for new home construction. The **HOME OWNERS LOAN CORPORATION** (HOLC) allowed homeowners to refinance mortgages to prevent foreclosure or to make home improvements. The **UNITED STATES HOUSING AUTHORITY** (USHA) initiated the idea of government-owned low-income housing projects. The **PUBLIC WORKS ADMINISTRATION** (PWA) created thousands of jobs by authorizing the building of roads, bridges, and dams. The **NATIONAL YOUTH ADMINISTRATION** (NYA) provided college students with work-study jobs. The **NATIONAL LABOR RELATIONS BOARD** (NLRB) was designed to protect the right of collective bargaining and to serve as a liaison between deadlock industrial and labor organizations.

Critics bemoaned the huge costs and rising national debt and spoon-feeding Americans. Regardless, many of the programs found in FDR’s "alphabet soup" exist to this day.

**CUMBERLAND HOMESTEADS**

- Cumberland Homestead Tower & Museum
- Homesteads History
- The Cumberland Homestead Project
- Cumberland Homesteads
- Cumberland Homesteads
- Appalachian Cultural Resources Workshop Papers  …
GREAT SMOKY MOUNTAIN NATIONAL PARK

- Great Smoky Mountains National Park (US National Park)
- The Great Smoky Mountains National Park
- Great Smoky Mountains National Park - GatlinburgTN
- Mountaineers and Rangers: A History of Federal Forest
- History & Culture - Great Smoky Mountains National Park (US)
- Stories - Great Smoky Mountains National Park (U.S.
- This Month in North Carolina History
4.6 Effects and Controversies of the New Deal

ROOSEVELT’S CRITICS

FIGURE 4.36
Father Charles Coughlin’s fiery radio broadcasts reached an estimated 40,000,000 listeners and attempted to sway popular opinion away from Franklin D. Roosevelt and his New Deal policies.

FDR was a President, not a king. His goals were ambitious and extensive, and while he had many supporters, his enemies were legion. Liberals and radicals attacked from the left for not providing enough relief and for maintaining the fundamental aspects of capitalism. Conservatives claimed his policies were “socialism in disguise”, and that an interfering activist government was destroying a proud history of self-reliance.

Despite big numbers at the ballot booth, Roosevelt needed to temper his objectives with the spirit of compromise and hope that his plans were popular enough to weather criticism. Friends and enemies alike had to admit that FDR was a political genius.

One major threat to FDR came from FATHER CHARLES E. COUGHLIN, a radio priest from Detroit. Originally a supporter of the New Deal, Coughlin turned against Roosevelt when he refused to nationalize the banking system and provide for the free coinage of silver. As the decade progressed, Coughlin turned openly anti-Semitic, blaming the Great Depression on an international conspiracy of Jewish bankers. Coughlin formed the NATIONAL UNION FOR SOCIAL JUSTICE and reached a weekly audience of 40 million radio listeners.

Another reformer who felt the New Deal had not gone far enough was FRANCIS TOWNSEND, a doctor from Long Beach, California. Townsend proposed the OLD AGE REVOLVING PENSION. This plan called for every American over the age of sixty to retire to open up jobs for the younger unemployed. The retirees would receive a monthly check for $200, a considerable income during the Depression. There was one catch. The recipients had to agree to spend the entire sum within a month. Townsend argued that this plan would ignite the economy, as well as provide for a proper pension for those who had worked so hard for so long.

The person considered the greatest threat to Roosevelt politically was HUEY "THE KINGFISH" LONG of Louisiana. Long was a rollicking country lawyer who became governor of Louisiana in 1928. As governor, Long used strong-arm tactics to intimidate the legislature into providing roads and bridges to the poorest parts of the state. He emerged onto the national scene with his election to the United States Senate in 1930. In 1934, he started a movement called "SHARE OUR WEALTH." With the motto "EVERY MAN A KING," Long proposed a 100% tax on personal fortunes exceeding a million dollars. The elderly would receive pensions. The poorest Americans were promised an estate worth no less than $5000, with a $2500 yearly minimum income guaranteed. Democrats worried that a Long bid for the Presidency might steal votes from FDR in 1936, but an assassin’s bullet ended the Kingfish’s life in 1935.

Despite his re-election landslide, Roosevelt’s mainstream opponents gained steam in the latter part of the decade. Frustrated by a conservative Supreme Court overturning New Deal initiatives, FDR hatched a "COURT PACK-
Advocating a program to "share the wealth," U.S. Senator from Louisiana Huey "Kingfish" Long in August 1935 announced his intention to run for President against FDR, but an assassin's bullet ended his life less than a month later.

ING" scheme. He proposed that when a federal judge reached the age of seventy and failed to retire, the President could add an additional justice to the bench. This thinly veiled scheme would immediately enable him to appoint six justices to the high court.

Conservative Democrats and Republicans charged FDR with abuse of power and failed to support the plan. During the 1938 Congressional elections, Roosevelt campaigned vigorously against anti-New deal Democrats. In nearly every case, the conservatives won. This COALITION OF SOUTHERN DEMOCRATS AND REPUBLICANS dominated the Congress until the 1960s and effectively ended the reform spirit of the New Deal.

AN EVALUATION OF THE NEW DEAL

How effective was the New Deal at addressing the problems of the Great Depression?

No evaluation of the New Deal is complete without an analysis of Roosevelt himself. As a leader, his skills were unparalleled. Desperate times called for desperate measures, and FDR responded with a bold program of experimentation that arguably saved the capitalist system and perhaps the American democracy. As sweeping as his objectives were, they still fundamentally preserved the free-market economy. There was no nationalization of industry, and the social safety net created by Social Security paled by European standards.

Observers noted that his plan went far enough to silence the "lunatic fringe," but not far enough to jeopardize
4.6. Effects and Controversies of the New Deal

As Chief Justice of the Supreme Court during the New Deal, Charles Evans Hughes often voted to uphold controversial legislation. But there was little doubt when it came to FDR's "court-packing scheme" — Hughes was vehemently opposed.

capitalism or democracy. FDR’s confidence was contagious as millions turned to him for guidance during their darkest hours. His mastery of the radio paved the way for the media-driven 20th-century Presidency. His critics charged that he abused his power and set the trend for an imperial Presidency that would ultimately endanger the office in future decades.

The New Deal itself created millions of jobs and sponsored public works projects that reached most every county in the nation. Federal protection of bank deposits ended the dangerous trend of bank runs. Abuse of the stock market was more clearly defined and monitored to prevent collapses in the future. The Social Security system was modified and expanded to remain one of the most popular government programs for the remainder of the century. For the first time in peacetime history the federal government assumed responsibility for managing the economy. The legacy of social welfare programs for the destitute and underprivileged would ring through the remainder of the 1900s.

Laborers benefited from protections as witnessed by the emergence of a new powerful union, the CONGRESS OF INDUSTRIAL ORGANIZATIONS. African Americans and women received limited advances by the legislative programs, but FDR was not fully committed to either civil or women’s rights. All over Europe, fascist governments were on the rise, but Roosevelt steered America along a safe path when economic spirits were at an all-time low.

However comprehensive the New Deal seemed, it failed to achieve its main goal: ending the Depression. In 1939, the unemployment rate was still 19 percent, and not until 1943 did it reach its pre-Depression levels. The massive spending brought by the American entry to the Second World War ultimately cured the nation’s economic woes.

Conservatives bemoaned a bloated bureaucracy that was nearly a million workers strong, up from just over 600,000 in 1932. They complained that Roosevelt more than doubled the national debt in two short terms, a good deal of which had been lost through waste. Liberals pointed out that the gap between rich and poor was barely dented by the
end of the decade. Regardless of its shortcomings, Franklin Roosevelt and the New Deal helped America muddle through the dark times strong enough to tackle the even greater task that lay ahead.
4.7 The Tennessee Valley Authority

From the New Deal to a New Century

TVA Heritage

Primary Sources on TVA

primary source set

Norris Dam and Dale Hollow Lake

Norris Dam: families uprooted, jobs created
4.7. The Tennessee Valley Authority

FIGURE 4.44
4.8 Rhetoric of the Great Depression

Herbert Hoover’s “Rugged Individualism”

Herbert Hoover

Franklin Roosevelt’s “First Inaugural Address”

"Only Thing We Have to Fear Is Fear Itself": FDR’s First...

MEDIA
Click image to the left or use the URL below.
URL: http://www.ck12.org/flx/render/embeddedobject/135595

John Steinbeck’s

The Grapes of Wrath
4.9 Political Cartoons of the New Deal

Political Cartoons of The New Deal

Posters From the New Deal

Photos of the New Deal

New Deal Programs

Newspapers over the New Deal

New Deal
QUALIFYING TEST FOR SUPREME COURT JOBS

GREAT!
NOW, ONE MORE, ALL TOGETHER!

YES!
YES!
YES!
YES!
YES!

FIGURE 4.47
FIGURE 4.48

FIGURE 4.49
A Young Man's Opportunity

CCS

For Work Play Study & Health

Applications Taken by
Illinois Emergency Relief Commission
Illinois Selecting Agency

Made by Illinois WPA Art Project Chicago