

Test Date: 2/8/23

Test Format: 25 multiple choice

Define the following terms:

- | | |
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| 1)"Black Tuesday" | 2)Herbert Hoover |
| 3)Franklin Roosevelt | 4)"Hoovervilles" |
| 5)"Hoover Blankets" | 6)Reconstruction Finance Corporation (RFC) |
| 7)"Bonus Army" | 8)"The New Deal" |
| 9)"Fireside Chats" | 10)Civilian Conservation Corps (CCC) |
| 11)Federal Emergency Relief Administration (FERA) | 12)Huey Long |
| 13)National Recovery Administration (NRA) | 14)Wagner-Steagall Act |
| 15)Public Works Administration (PWA) | 16)John Maynard Keynes |
| 17)Tennessee Valley Authority (TVA) | 18)Gold Reserve Act |
| 19)Federal Deposit Insurance Corporation (FDIC) | 20)"Court Packing Plan" |
| 21)Francis Townsend | 22)Father Charles Coughlin |
| 23)Eleanor Roosevelt | 24)Mary McLeod Bethune |
| 25)John Collier | 26)Indian Reorganization Act |
| 27)"The Dust Bowl" | 28)John Steinbeck |
| 29)Social Security | 30)Frances Perkins |
| 31)The Wagner Act (NLRB) | 32)Fair Labor Standards Act |
| 33)John L. Lewis | 34)Deficit Spending |
| 35)Alfred Smith | 36)Agricultural Adjustment Act (AAA) |
| 37)Securities and Exchange Commission (SEC) | 38)"Buying on Margin" |
| 39)Federal Communications Commission (FCC) | 40)Hawley-Smoot Tariff |

HERBERT HOOVER

(1874–1964, P. 1929–1933)



No one was ever elected president by more people and yet rejected by more people when he ran for a second term than was Herbert Clark Hoover. The reason for his decline in popularity was the Great Depression. A few predicted it was coming, but none could have predicted its terrible effect, not only on the United States, but on other nations as well. The blame fell on Hoover, whether he deserved the blame or not.

Hoover was born in West Branch, Iowa, in 1874. His father died when he was six, and his mother died when he was eight. He was taken in by Quaker relatives in Oregon, who taught him the importance of hard work and service. He enrolled in the new Stanford University in California in 1891; it was there that he met Lou Henry, who later became his wife. He was an excellent engineering student, and she was a geology student. After graduating, he went to Australia where he developed a new system for gold mining.

He was then hired as chief engineer for a Chinese mining company. He married Lou in 1898, and the trip to China became their honeymoon. They often worked together; when she could not go, she studied Chinese with a tutor. Hoover discovered major coal deposits in northwest China. While the Hoovers were there, an anti-foreigner group called the Boxers attacked anyone who was not Chinese. In Peking, where he and other foreigners lived, they were in great danger. Hoover organized the men, while his wife organized the women for defense.

Hoover's success took him to a major mining company in England. His job took him around the world many times, and he was perhaps as well-traveled as any American of his time. When World War I came, he took charge of relief work in Belgium. People began referring to him as the "Great Humanitarian." President Wilson appointed him food administrator during the war. After the war, he went to Europe to prevent people from starving in Germany and Austria. Both political parties wanted him to run on their ticket, but Hoover took the position of secretary of commerce under Presidents Harding and Coolidge.

As secretary of commerce, Hoover's constant theme was that government should help business, not get into it. He wrote pamphlets encouraging the citizen to save his money and be self-reliant and hardworking. The Commerce Department became the most efficient in the government. In 1928, when it was clear Coolidge did not want another term, the spotlight was on Hoover, and he easily won the Republican nomination.

The election of 1928. The Democrats chose as their candidate the same man they had rejected in 1924, Governor Al Smith of New York. Smith was still Catholic and still "wet" (favoring an end to prohibition); those became the great issues of the campaign. Many Americans feared that a Catholic president would let the Pope take over. As ridiculous as it seems today, there were rumors that Smith planned to build a tunnel under the Atlantic to the Vatican. The Ku Klux Klan was not only attacking African-Americans, but Catholics as well. They were very powerful at the time.

Hoover did not discuss the religion issue, but he called prohibition a "noble experiment." His party's main theme was prosperity, and some Republicans used the phrase: "a chicken in

every pot and two cars in every garage." Hoover himself said: "We in America today are nearer to the final triumph over poverty than ever before in the history of the land." Those words came back to haunt him later.

The election was another landslide: Hoover won 444–87 in electoral votes and 21.3 million to 15 million in popular votes. In accounting for his victory, Hoover said: "General prosperity was on my side."

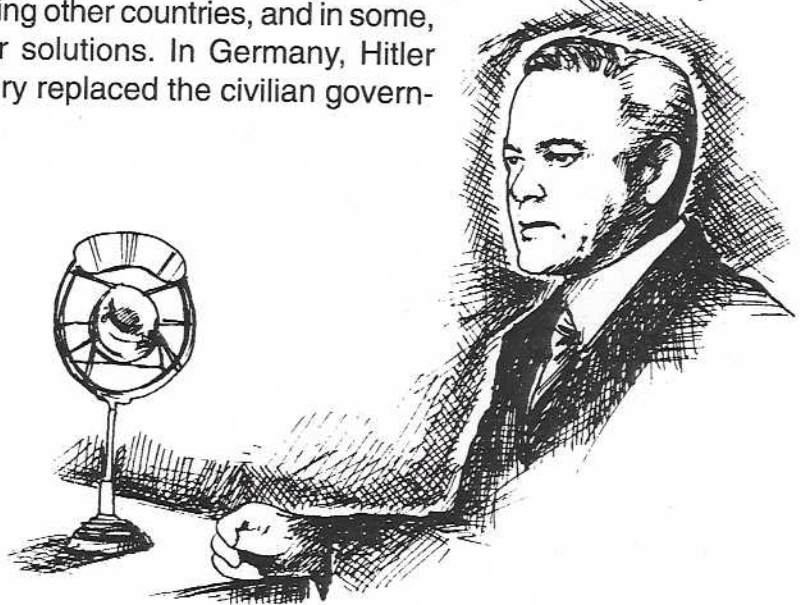
HOOVER AS PRESIDENT. Hoover had been in office six months when the stock market started dropping at alarming rates. On October 29, 1929, the bottom fell out. There were no buyers, and stocks were being sold for practically nothing. *Variety*, the show business newspaper, put it best: "Wall Street Lays an Egg." Hoover began calling conferences of business leaders to encourage them. He gave statements saying that the problem was only temporary and that business would return to normal in weeks.

Hoover urged business to increase production and hire more workers; he talked to states about new building projects. It did no good. Business was afraid the situation would get worse, and state tax revenues were dropping. Hoover hoped to encourage spending by cutting federal taxes, but the taxes were already so low that it did no good.

Everything began falling apart. "A" lost money on the stock market, so he cancelled the order for a new car from "B." With car sales falling, "C" fired "B," and at the factory, "D" lost his assembly line job because sales were so weak. "D" could no longer afford his house payments and had to move into rental property. The price of everything was falling, and banks were in trouble because they had lent money to "A," "B," "C," "D," and many more. Bank deposits were not protected, so those with money in the bank started taking their money out. Banks began to close. People who had money did not want to spend it, fearing they might lose their jobs.

Hoover did not believe in the federal government giving relief; that was the job of charities and states. He did try other strategies. He urged farmers to cut crop production, but fearing the bank might take their land, farmers produced more. He tried lending money to banks, railroads, and other large businesses through the RFC (Reconstruction Finance Corporation); that failed, however. Hoover was also very concerned about keeping the budget balanced, but many Americans felt it was more important to take care of the unemployed and the needy.

The Depression was also destroying other countries, and in some, the people were turning to radicals for solutions. In Germany, Hitler came to power, and in Japan, the military replaced the civilian government.



Name: _____ Date: _____

The Crash Heard Around the World

Throughout the twenties, people spent money much more freely than ever before. More products were available; more people had jobs, and wages were higher. People bought on credit. As stock prices steadily climbed throughout the decade, people often invested everything they had, mortgaged their homes, and even borrowed money to buy stocks. They thought the prosperity of the twenties would last forever.

In the fall of 1929, investors who had bought stocks on credit began to sell. As more stocks sold, prices fell. Investors panicked, especially those who had bought stocks on margin (bought at a lower price, promising to pay the rest later). Between Black Thursday (October 24, 1929) and Terrible Tuesday (October 29, 1929) so many shares of stock were sold that the market collapsed completely. In one day, stock values dropped \$10–\$15 billion.

Not all Americans had invested in the stock market, but almost everyone felt an immediate effect of the crash. Most Americans kept their savings in banks that had invested the funds in the stock market. When the stock market crashed, the banks couldn't return the money to investors. In one terrible week, rich, middle-class, and poor people lost everything.

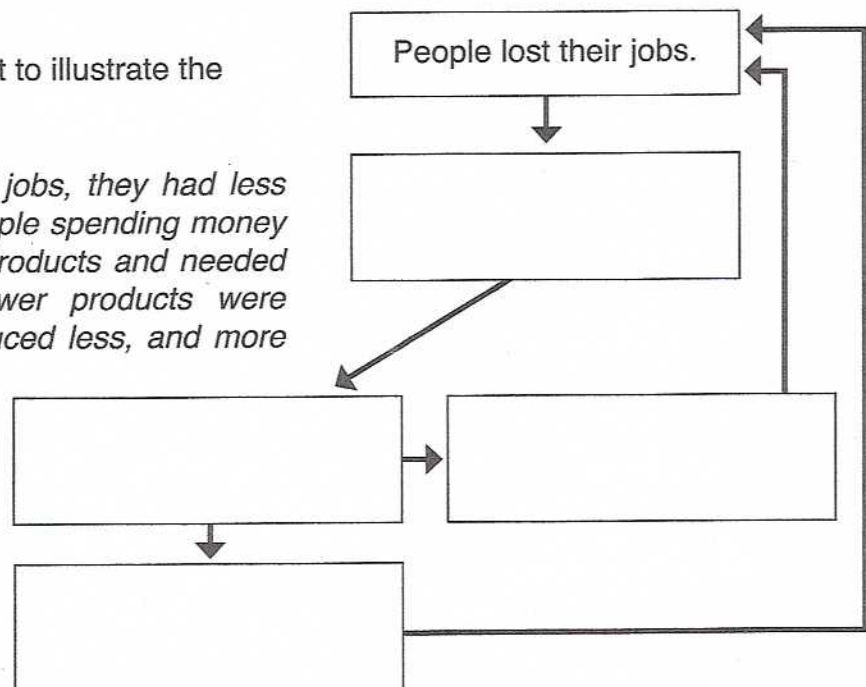
Over 1,300 banks went broke in 1930. Another 2,300 failed the following year. The stock market crash brought the good times of the twenties to a screeching halt. Although no one yet realized the extent of the problem, the stock market crash began the Great Depression, which lasted until the mid 1940s.

Unemployment went from three percent in 1925 to 25 percent in 1932. Many people who still had jobs were required to take cuts in pay to keep their jobs.

Graphic Organizer

Directions: Fill in the flowchart to illustrate the paragraph below.

As more people lost their jobs, they had less money to spend. Less people spending money meant stores sold fewer products and needed fewer workers. Since fewer products were purchased, factories produced less, and more people lost their jobs.



Herbert Hoover and the Great Depression

of

As Herbert Hoover looked out the White House windows, he felt like the coach of a losing team. No matter what he tried, nothing seemed to work. Like almost everyone else, he felt that the stock market drop was only temporary, and soon the economy would get back to normal. As a good and decent man who believed that if people cooperated anything could be solved, he relied on the method that had always served him well—he called meetings. Governors and business executives were asked to start new spending programs and avoid the temptation of cutting wages; they agreed. Labor unions were asked not to threaten strikes that would hamper recovery, and they agreed. That policy usually would have ended the problem; but this time, there was a gloom that took confidence and hope away. People did not worry about getting ahead; they were only concerned with surviving.

When consumers stopped buying, producers started laying off workers. Banks stopped lending money because they feared their depositors would all want to take their deposits from the bank at the same time (a run), and they did not have the cash on hand for such an event. Banks began to pressure borrowers to pay off their loans, and they tightened credit. Stores tried using sales to attract customers, but with no money, they could not afford even a good bargain.

Agricultural Marketing Act of 1929

Farmers, who did not enjoy prosperity in the 1920s, faced a drop in the prices of farm goods in the grocery store. When the cost of buying seed, equipment, and rail transportation became higher than the price they could sell food for in the city, farmers stopped shipping their crops and found ways to use them to feed their families. Milk needed by children in town was dumped into the gully. To help the farmer, Hoover and Congress created the Agricultural Marketing Act in 1929. The government bought up \$500 million worth of farm products and asked farmers to cut back production. Farmers, desperate to meet their mortgage payments, raised more; so the farm problem continued. The Midwest and Southern Plains regions experienced a severe drought in 1931. In 1932, dust storms spread across the Midwest, earning the region the name “the dust bowl.” The number of storms doubled the following year. In 1934, the United States experienced one of its worst droughts ever, affecting the Central and Western states.

Reconstruction Finance Corporation (RFC)

To encourage economic activity, the Reconstruction Finance Corporation was established by Congress on January 22, 1932. That year, the RFC loaned \$1.5 billion to railroads, banks, and corporations. That effort did not work either, as those companies used it to pay debts or dividends.

Quick Fact

From 1932 to 1957, the RFC distributed over 40 billion in loans and investments.

Unemployment Continues to Rise

Unemployment increased from 3 million in 1929 to 9 million in 1931 and to 13 million in 1932. This meant that one out of every four Americans was unemployed, and many who had jobs worked only part of the day or two or three days a week. Employers were cutting wages, in many cases just to keep the company from going under. Millions of Americans were unemployed, hungry, and without housing for the first time in U.S. history. As desperate as the situation was, only a few thousand Americans turned to communism or socialism as the answer. But in 1932, they threw Hoover and his party out of office by an electoral vote of 472–59.

Name: _____ Date: _____

The 1930s

The 1920s may have begun with a bang, but the 1930s opened with a crash. The effects of the October 1929 Stock Market Crash echoed across the nation as the new decade began. Investors lost tens of billions of dollars. Over a million people lost their life savings in the stock market crash. Even those who had no money in stocks felt the chain reaction that resulted.

People in the thirties faced many new challenges as businesses and industries shut down and banks collapsed. Millions of people found themselves unemployed and homeless. Schools closed in rural areas. An estimated 2.2 million children were not attending school in 1933. Between 1930 and 1935, as many as 750,000 farms were lost because of bankruptcy.

President Herbert Hoover underestimated the severity of the problem as he assured people that the crisis was "a passing incident in our national lives." Hoover did not believe the federal government should pro-

vide relief or jobs to individuals. He thought private charities, together with city and state governments, were responsible for helping those in need.

During the thirties, many people relied on soup kitchens for food. They stood in bread lines to buy day-old bread. They looked to the government to solve the massive unemployment problem. Men walked around with their pockets turned inside out to show they were broke. Millions learned to make do with what they had, because they couldn't afford new clothing, furniture, appliances, or automobiles.

Advances in technology, communications, and transportation continued but at a much slower pace than in the previous decade.



Think About It

What if you had been a child during the Great Depression? What could you have done to help your family get through?

Critical Thinking

Do you agree or disagree with Hoover that charities instead of the government were responsible for those in need? Why? Give specific details or examples to support your opinion.

FRANKLIN D. ROOSEVELT

(1882–1945, P. 1933–1945)

No president ever held office during a time with such a variety of crucial events than did Franklin Roosevelt. Those who loved him said he had not only saved the nation but the world as well. Those who hated him called him a charlatan and trickster whose "reign" had destroyed the balance of federal and state governments, had created the "welfare state," and had forced the United States into World War II. One thing was certain: the American public's feelings about him were never neutral.

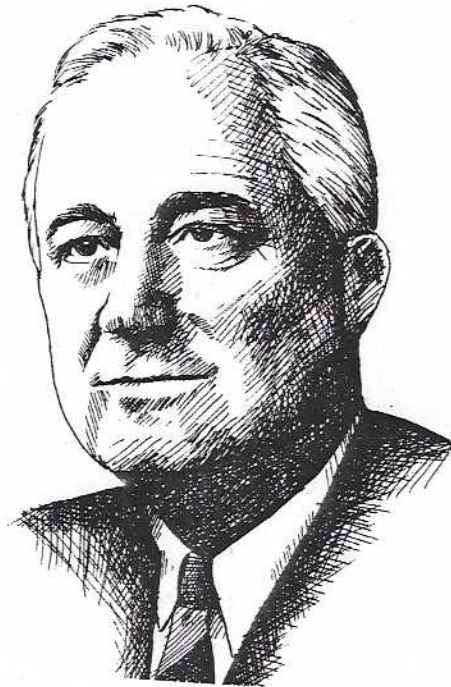
FDR, as he came to be called later, was born into a wealthy family residing at Hyde Park, New York. His father had made his fortune in coal, shipping, and railroads. He was the only child, and his mother was overly-protective. She wanted him to have the best of everything. His cousin, Theodore, was a Republican, but he had a close tie to Franklin's father, James, a loyal Democrat. Franklin attended Groton Academy, a school for very wealthy boys, where he began to show concern for the less fortunate. In 1900, he entered Harvard, where he got by with a "C" average but earned his degree in three years. While he was at Harvard, he fell in love with Eleanor Roosevelt, a distant cousin. After graduating from Harvard, he married Eleanor in 1905. After a year at Columbia University Law School, he became a lawyer.

Eleanor was an unusual person. She was born into a wealthy family, but she never cared much for wealth or position. She had been very shy as a girl and was so old-fashioned that her nickname was "Granny." Eleanor changed over the years into a dynamic woman with the ability to meet a leader as well as a common person and to make both feel welcome. By the end of her life, people were calling her "First Lady of the World."

In 1910, Franklin was elected to the state senate, and in 1912 he campaigned hard for Woodrow Wilson, whom he greatly admired. Wilson appointed him assistant secretary of the navy, where he learned much about national defense and foreign policy. In 1920, FDR ran with James M. Cox as the vice presidential candidate; he and Cox were beaten in a Republican landslide.

In 1921, Roosevelt contracted polio; his legs were paralyzed, and he was in great pain. By hard work and determination, he was able to walk again within a year with the aid of heavy braces. He built up his upper body to compensate for the weakness of his lower body. He began going down to Warm Springs, Georgia, to swim and strengthen his legs. During the next three years, Eleanor kept him involved in politics and his law career.

Al Smith asked him to take charge of his 1924 presidential campaign. When he slowly walked across the stage to give his speech at the Democratic convention, the delegates knew how much courage he had shown and gave him a long standing ovation. Roosevelt called Smith "the happy warrior." Smith did not get the nomination, but FDR was on his way. In 1928, FDR again led the Smith campaign, and FDR ran for governor; Smith lost, FDR won.



New York was hard hit by the Depression, and FDR pushed a number of programs to help the poor and unemployed. To pay for the programs, income taxes were raised on the wealthy. In 1932, FDR was running for president, and so were three others, including Al Smith. FDR argued that it was time for the federal government to come to the aid of the poor. To win, he offered the vice president position to John Nance Garner, the favorite son of Texas. After being nominated, FDR flew to Chicago to address the convention, the first time that had been done by any candidate. He told them: "I pledge you, I pledge myself, to a new deal for the American people." The "New Deal" became the name for his program.

The campaign of 1932. FDR loved to campaign and gave 16 major speeches, each devoted to one topic. His attacks on the Depression made Hoover angry, so he started campaigning. Hoover argued that the Depression had been caused by worldwide collapse, and Democrats in Congress had refused to cooperate with him in finding answers. When the people voted, FDR won by over seven million popular votes and 472-59 in electoral votes. It was clear that the nation wanted a new deal.

ROOSEVELT AS PRESIDENT (first term). By March 1933, when FDR became president, one of every four Americans was unemployed, 5,504 banks had closed, and many farmers were losing their land because they could not pay their mortgages. A few thousand veterans had marched on Washington demanding their pensions immediately, and they had been driven out of town by soldiers with tanks. Many people were traveling across the nation looking for jobs. FDR assured the nation in his inaugural address that "The only thing we have to fear is fear itself." He proposed new programs, and Congress quickly approved them in what came to be known as the "Hundred Days."

FDR began with the banking crisis. All banks were closed until their books could be examined to decide which were strong enough to survive. FDR went on the radio with his first "Fireside Chat" to assure people that when their bank reopened, their money would be safe. The people believed him, and more deposited their money than withdrew it. To protect bank accounts, the Federal Deposit Insurance Corporation (FDIC) was created to insure them, and bank runs, in which everyone wanted to withdraw his or her money at the same time, became a thing of the past.

To save money, FDR cut the salaries of federal workers and veterans' pensions. Another group of veterans came to Washington. Instead of driving them out, he sent hot coffee to them. A group of veterans met with one of his assistants, and then they all went home.

New spending programs came one after another. The Civilian Conservation Corps (CCC) was created to employ young men in work projects. They lived in barracks and received \$25 a month, one-half of which went to their families. They received good food, an education, hard work, and fresh air. The Federal Emergency Relief Administration (FERA) gave states money for relief programs.

Farmers had been hurt by too much production, and that had cut prices they received for their products. A new program, the Agricultural Adjustment Act, was created to pay farmers to take land out of production. Crops in the ground were plowed under; six million pigs were slaughtered and their bodies ground up and buried. Farm prices went up. Some said it was because of the AAA; others said it happened because of droughts in farm areas.

Another program that caused much debate was the National Recovery Administration (NRA). Instead of punishing businesses for setting prices, it called for meetings of industries to set prices. If the price of \$1 was set for a widget, then all widget manufacturers had to charge \$1

for it. Codes set wages for an industry as well. If the wage for a skilled widget maker was set at 40¢ an hour, that was the wage all skilled widget makers were paid. The labor codes abolished child labor.

Electric service had been slow to reach much of the South. The Tennessee Valley Authority (TVA) was created to build dams along the Tennessee River for flood control and to provide electric power. However, the farms and homes of thousands of people were in that area, so they had to sell their land and move because their homes would have soon been under water.



In 1934, the Securities and Exchange Commission (SEC) was created to correct problems in the stock market. Any business selling stocks now had to provide accurate information on the company. The Federal Communications Commission (FCC) regulated the communications industry: radio stations, telephone, and telegraph.

Government was now regulating economic areas it had never touched before, and while FDR remained popular, there were critics who did not like what was happening. The rich were so unhappy they were calling FDR "that man." But there were others who said he was not doing enough. One of these, Senator Huey Long

of Louisiana, called for a much heavier tax on the rich. Dr. Francis Townsend, a doctor who found himself poor at the age of 66, developed a program to help the elderly; it would give every person "of good character" over the age of 60 \$200 per month, provided he spent every penny of it by the next payday.

The Supreme Court was also critical of some New Deal programs. The Court declared the NRA unconstitutional in 1935. Part of the AAA was ruled unconstitutional in 1936, and the second AAA was created to avoid the mistakes of the first one. FDR was angry with the Court for its criticism, and he referred to the Court as "the nine old men."

FDR felt the pressure for even more changes. The Works Progress Administration (WPA) was created to give jobs to all kinds of people, from the very skilled to the unskilled. Most of its money went to street and road projects, public buildings, and parks. The Rural Electrification Administration (REA) brought electric power to rural areas. Social Security came in 1935 as an insurance program to help those over 65 years of age, the blind, and crippled children.

The election of 1936. By 1936, few Republicans held any high offices. Republicans were outnumbered in the House 103 to 319 and in the Senate 25 to 69. The Republican candidate for president was Governor Alf Landon of Kansas; the only question was how badly the Republicans would lose. When the results were in, Roosevelt won 523-8 in the electoral vote and by over 11 million popular votes. The new Congress was even more Democratic.

The Supreme Court battle. FDR was feeling great, and he now made one of the few serious political mistakes of his career. He planned to add up to six more members to the Supreme Court. It took little time for Congress to react against the president, and the public was outraged as well. Chief Justice Hughes sent a letter to Congress saying that the Court was up-to-date with the cases before it and adding more justices would only slow it down. FDR's pro-

posal went down in flaming defeat in Congress. Some changes were made in lower courts, but the Supreme Court remained untouched. Within months, two Supreme Court justices retired and two died; the whole fight had been unnecessary. Roosevelt could now appoint justices more favorable to his policies.

New programs. There was a rise in unemployment in 1937, and a new agency, the Public Works Administration (PWA), began new building projects in nearly every U.S. county. By 1939, it had spent \$6 billion.

Rising discontent with FDR. By 1938, FDR had more critics than ever before, and the public elected 79 more Republicans to the House and eight to the Senate. Just as serious to FDR was the rebellion of southern Democrats in Congress, who joined with Republicans to block his more liberal programs. The New Deal period had ended. FDR supporters said he had changed the United States from a land without hope to a thriving nation again. The critics said he had wasted billions of dollars in work and relief programs, and had made government too important.

World War II. Had it not been for a new world crisis, the story of FDR might have ended in 1940, but the new war threat extended his administration. Many countries in the world were dictatorships in the 1930s. Communists had taken control of the Soviet Union, and Fascists had ruled Italy since the 1920s. Germany was in the hands of Hitler's Nazis in 1933 and began its attacks on Jews two years later. In 1931, the Japanese invaded Manchuria, taking it from the Chinese. When the League of Nations criticized Japan, it left the League.

Americans began to worry that another war was imminent. They tried to avoid it by passing laws that would deter citizens from traveling on the ships of nations at war and by putting an embargo (a refusal to sell) on nations at war. FDR was not in favor of these laws, but he could not stop them from being passed.

In 1935, a series of actions took place as dictators began grabbing land. The Italians, led by Mussolini, attacked Ethiopia, one of the few independent countries in Africa. The Spanish Civil War began in 1936, with Germany helping one side and the Russians helping the other. That same year, Germany took the Rhineland from France. The Japanese started bombing Shanghai, China, in 1937. In 1938, Germany took Austria and a region called the Sudeten from Czechoslovakia. In March of 1939, Germany took the rest of Czechoslovakia and invaded Poland in September 1939. Great Britain and France declared war on Germany. World War II had begun. Nothing happened until 1940, when Hitler attacked Norway, Denmark, Holland, and France.

The United States was alarmed, but opinion was divided regarding war strategy. Americans wanted to stay out of the war, but was it best to do it by building up military strength or by showing peaceful intentions by not doing anything? The United States began a "cash and carry" policy; if a nation at war wanted supplies, it could pay for them and carry them home in their own ships. However, along with this came the problem of the sinking of ships by German submarines. Prime Minister Churchill said he had nothing to offer England but "blood, toil, sweat, and tears." When German dive bombers started attacking London in "the blitz," the United States realized its own defenses were too weak.

By September 1940, the U.S. defense budget had reached \$13 billion, and even though it was an election year, taxes were raised. The first peacetime draft came in 1940, and about 800,000 men were drafted in one year. State National Guards had also been called into active service. The United States sent 50 old destroyers to England to protect convoys crossing the

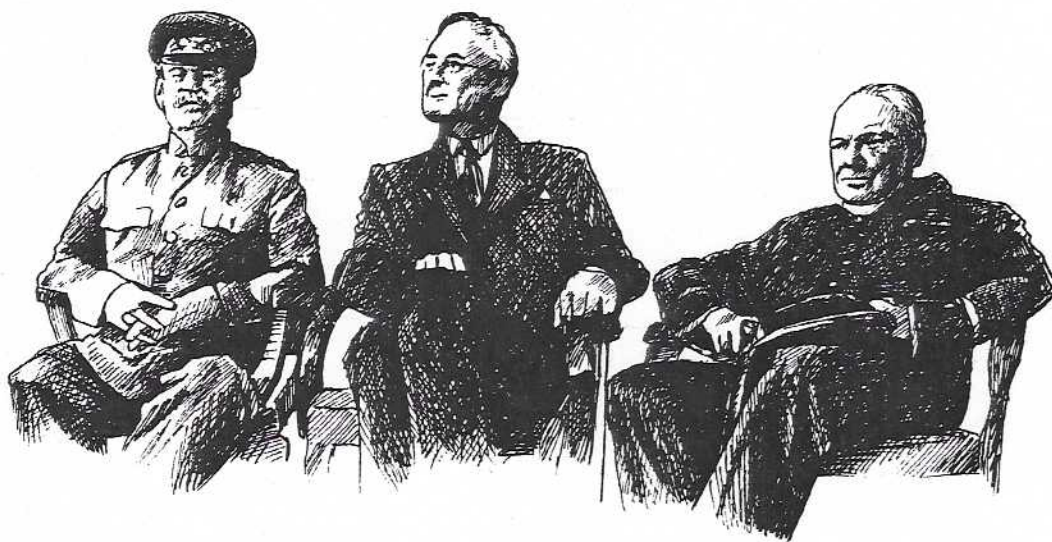
Atlantic. The United States began the lend-lease program in 1941 to send supplies to friendly nations at war.

In September 1941, Germany attacked the Soviet Union in an effort to reach its oil fields in the Crimea. The attack was slowed by rain, then snow; the Russians held a line from Leningrad in the north to Moscow to Stalingrad in the south.

The election of 1940. FDR ran for a third term, and a nation that felt it needed experience rather than change voted for him.

The United States enters the War. U.S. naval ships were escorting convoys across the Atlantic, and the United States sent needed supplies to China before it entered the war officially. On December 7, 1941, without warning, the Japanese attacked Pearl Harbor. The next day the United States declared war on Japan, and on December 11, the United States declared war on Germany and Italy.

The war years were very busy for the Roosevelts. The war was very complicated, and it involved civilian and military efforts. Congress cooperated and voted money for many projects they did not understand. One of these projects was the allocation of millions of dollars for the atomic bomb project without even knowing it existed. Mrs. Roosevelt traveled to military bases and sent reports to FDR. In 1941, FDR addressed the nation in what is known as the Four Freedoms Speech. This speech listed the four principles he considered essential for world peace: freedom of speech, freedom of religion, freedom from want, and freedom from fear. He made the speech to encourage Americans to support those who were fighting in WWII. The president traveled secretly to meetings of Allied leaders in Casablanca, Cairo, and Yalta. Of the three, the trip to Yalta was the most demanding for FDR. It occurred in February 1945 after he had won the 1944 election. Josef Stalin, the Russian leader, was difficult to deal with at Yalta. The president reported back to Congress when he returned from Yalta and then went to Warm Springs, Georgia, to rest. He died April 12, 1945, weeks before the war against Germany ended and four months before Japan's surrender.



Roosevelt and the New Deal

FDR and the New Deal

With unemployment nearly 25 percent, 5,500 banks closed, farmers threatened with losing their land, soup kitchens in cities, and many factories closed, millions of Americans anxiously waited to see what President-elect Franklin D. Roosevelt (usually referred to as FDR) would do. When he accepted the Democratic nomination, he had pledged himself to a “New Deal” for the American people. Now the nation wanted to know what kind of new deal he would give them.

FDR’s Inaugural Address

In his inaugural address on March 4, 1933, FDR expressed confidence that “this great Nation will endure as it has endured,” and “the only thing we have to fear is fear itself.” He asked for emergency powers to defeat the Depression, just as if it were an enemy country that had invaded the United States. With a Cabinet consisting of Democrats, two Republicans, and one woman (Frances Perkins), he acted swiftly to solve different problems. His first move was to close all banks until their records could be examined, and then the weak banks were closed permanently. He hoped this would restore public confidence in banks. He used his first “fireside chat” radio address to assure the people their money would be safe when the banks reopened. It worked, and when banks opened, people walked in to deposit and not to withdraw money.

Quick Fact

Roosevelt signed the Social Security Act into law on August 14, 1935.

Relief Aid and Job Creation

During his first 104 days in office, FDR asked Congress for 15 pieces of legislation and got all of them. These created many new agencies, usually known by their alphabet names.

The Agricultural Adjustment Act (AAA) went to work on the farm problem. Under Henry Wallace, it paid farmers to take land out of production. Since the 1933 crop was already in the ground, it had to be destroyed. To raise pork prices, thousands of pigs were killed; their bodies were ground up and buried. For city dwellers, all of this meant higher prices at a time when they could not afford it. But other New Deal programs were also at work.

To help states with relief projects, the Federal Emergency Relief Act (FERA) gave grants of \$500 million, but the idea of giving people money they hadn’t earned was not nearly as popular as giving them jobs so they could earn the money. The Civilian Conservation Corps (CCC) employed about 300,000 young men; they were paid \$30 a month (\$25 of that was sent to their families), given room and board, lived in military barracks, and worked at conservation projects. Public Works Administration (PWA) was another program to hire the unemployed, but it moved so slowly that it was replaced by the Civil Works Administration (CWA) in November 1933, and Works Progress Administration (WPA) replaced it in 1935.

The National Recovery Act (NRA) was created to encourage business growth. An industry (like steel or petroleum) was to draw up codes of fair competition, which included how much they would charge. This was to prevent cutthroat competition. Codes also set wages at no less than 30¢ an hour, abolished child labor, and required businesses to deal with labor unions. A business abiding by the code could display a “blue eagle” on its products.

What Were the Results?

The New Deal was a turning point in history, as the government began to regulate and involve itself in the economy. At first, the public was nearly 100 percent behind the changes, but in time, critics raised questions.

Name: _____ Date: _____

New Deal Programs

One popular New Deal program was the **Civilian Conservation Corps (CCC)**. Established by Congress in 1933, the CCC provided needy young men with jobs in forests and national parks.

The program had two main purposes: employment and training for young men and conservation of natural resources including timber, soil, and water. Unemployed, unmarried men between the ages of 17 and 23 were eligible to join the CCC. They were paid \$30 a month and lived in work camps. About three million men were employed by the CCC.

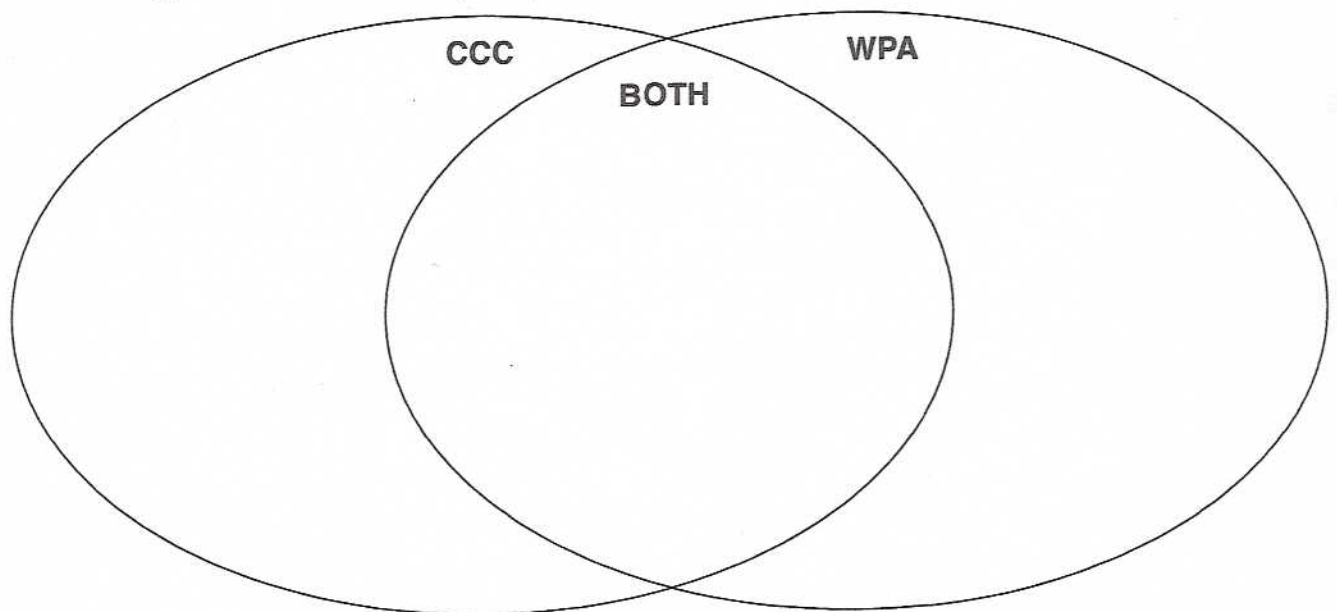
Workers carved out roads and hiking trails, cleaned up beaches, and cleared camping sites to develop national parks. They laid down telephone lines and constructed fire observation towers. Reforestation projects included planting about two million trees from Texas to North Dakota.

The **Works Progress Administration (WPA)** began in 1935 when the president and Congress decided to shift federal relief funds to providing useful employment. By 1943, the program had provided jobs for nine million workers in road maintenance and construction of buildings and facilities. The **National Youth Administration (NYA)** program also provided four million part-time jobs.

Projects included the construction of schools, dormitories, hospitals, airports, docks, and ports, plus slum clearance, flood control, and rural electrification. The WPA also provided jobs for artists (painting murals on public buildings), writers (conducting research projects), and actors and actresses (touring and performing in rural areas) through the Federal Writers, Theater, and Arts Program.

Graphic Organizer

Directions: Using the Venn diagram, compare the Civilian Conservation Corps (CCC) to the Works Progress Administration (WPA).



Name: _____ Date: _____

An Alphabet Soup of New Deal Programs

Besides the **CCC**, the **WPA**, and the **NYA**, Roosevelt's New Deal included a whole alphabet soup of other programs. Even Roosevelt himself was often referred to as **FDR**.

Research

Directions: Research New Deal programs to answer the questions about the following acronyms.



One of Roosevelt's earliest concerns was to stabilize banks and give depositors a sense of security. The **FDIC** insured the savings of depositors up to \$5,000 at all Federal Reserve banks.

1. What did **FDIC** stand for? _____

The **TVA** was authorized to manage local resources and construct a series of hydroelectric dams to provide cheap power.

2. What did **TVA** stand for? _____

Created in 1933, **FERA** granted three billion dollars to states to fund work projects for unemployed adults.

3. What did **FERA** stand for? _____

The **AAA** provided crop reduction subsidies to stabilize prices and loans for overdue farm mortgages.

4. What did **AAA** stand for? _____

Another federal program, the **HOLC**, helped people in danger of losing their homes due to foreclosure by allowing them to refinance with low-interest loans.

5. What did **HOLC** stand for? _____

The **NRA** was designed to assist industry and labor by establishing voluntary codes and standards for wages, working hours, child labor, etc. As a whole, this program had many faults, but it did bring about shorter workdays and five-day workweeks.

6. What did **NRA** stand for? (Note: this was not the National Rifle Association.)

Name: _____ Date: _____

The Social Security Act of 1935

Another important law passed while Franklin Roosevelt was president was the Social Security Act of 1935. This act set up six specific programs and established methods of taxes to fund them.

Old-Age Benefits (later called Social Security) was funded by federal taxes deducted from workers. When workers retired at age 65, they became eligible to receive a monthly check. Benefits were extended to widows and dependent children of retired workers.

States taxed employers to fund the **Unemployment Compensation** program, providing income to people who were out of work.

The other four programs were forms of welfare funded by grants from the federal government and administered by the states. They included **Old-Age Assistance**, **Aid to Dependent Children**, **Maternal and Child Welfare**, and **Aid to the Blind**.

Old-Age Assistance and Aid to the Blind

programs were designed to supplement Old-Age Benefits or to provide benefits for those not eligible for Old-Age Benefits.

Maternal and Child Welfare provided health care to poor mothers and their children and was designed to protect and care for homeless, neglected, or disabled children. Aid to Dependent Children helped support children living with only one parent or with relatives other than parents.

The first Social Security cards were issued in 1937 when the government began collecting Social Security taxes. Each person received a unique number used to keep track of earnings and taxes paid. Money was placed into a trust fund to be used to pay benefits, cover the costs of administering the program, and earn interest to build up the fund. To build up the fund, people who retired before 1940 received only one lump sum payment rather than monthly benefits.

Graphic Organizer

Directions: Complete the vocabulary chart by creating a definition, using the word in a sentence, and drawing an illustration that helps you remember the meaning of the word.

Word	Definition	Illustration
compensation	Sentence	
Word	Definition	Illustration
dependent	Sentence	

Name: _____ Date: _____

The Dust Bowl

Life had always been difficult for homesteaders on the Great Plains. Farms were small and water scarce with no reservoirs or irrigation systems. Even in good years, many were lucky to break even.

Before farmers moved to the area in the late 1800s, the land was covered with hardy grasses that held the fine-grained soil in place even during times of drought, wind, or heavy rains.

When large numbers of homesteaders settled in the region, they plowed up the grasses and planted crops. The cattle they raised ate whatever grass was left. This exposed the soil to the winds that constantly swept across the flat plains. When a series of droughts hit the area in the early thirties, combined with the farming practices of the past 50 years, there was nothing to hold the soil in place.

A large area in the southern part of the Great Plains region of the United States came to be known as the **Dust Bowl** during the 1930s. Much of this area suffered extensively from soil erosion.

The Depression had already caused the price of wheat and corn to fall to all-time lows. When crops failed, farmers couldn't make



mortgage payments on their farms. By 1932, a thousand families a week were losing their farms in Texas, Oklahoma, and Arkansas. Thousands of families migrated west in search of a better life.

In 1935, both the federal and state governments began developing programs to conserve the soil and reclaim the area. This included seeding large areas with grass; the rotation of wheat, then sorghum, and then lying fallow; contour plowing; terracing; and strip planting. In some areas, "shelter belts" of trees were planted to break the force of the wind.

Cause and Effect

Directions: For the cause listed below, write a possible effect.

Cause: The Dust Bowl, the Great Depression, and crop failure led to families losing their farms in Texas, Oklahoma, and Arkansas.

Effect: _____

Research

Directions: Learn more about one of the methods for conserving the soil or reclaiming the land listed in the last paragraph of the reading exercise. On poster board, create an illustration of how the technique works and how it can prevent soil loss.

Name: _____ Date: _____

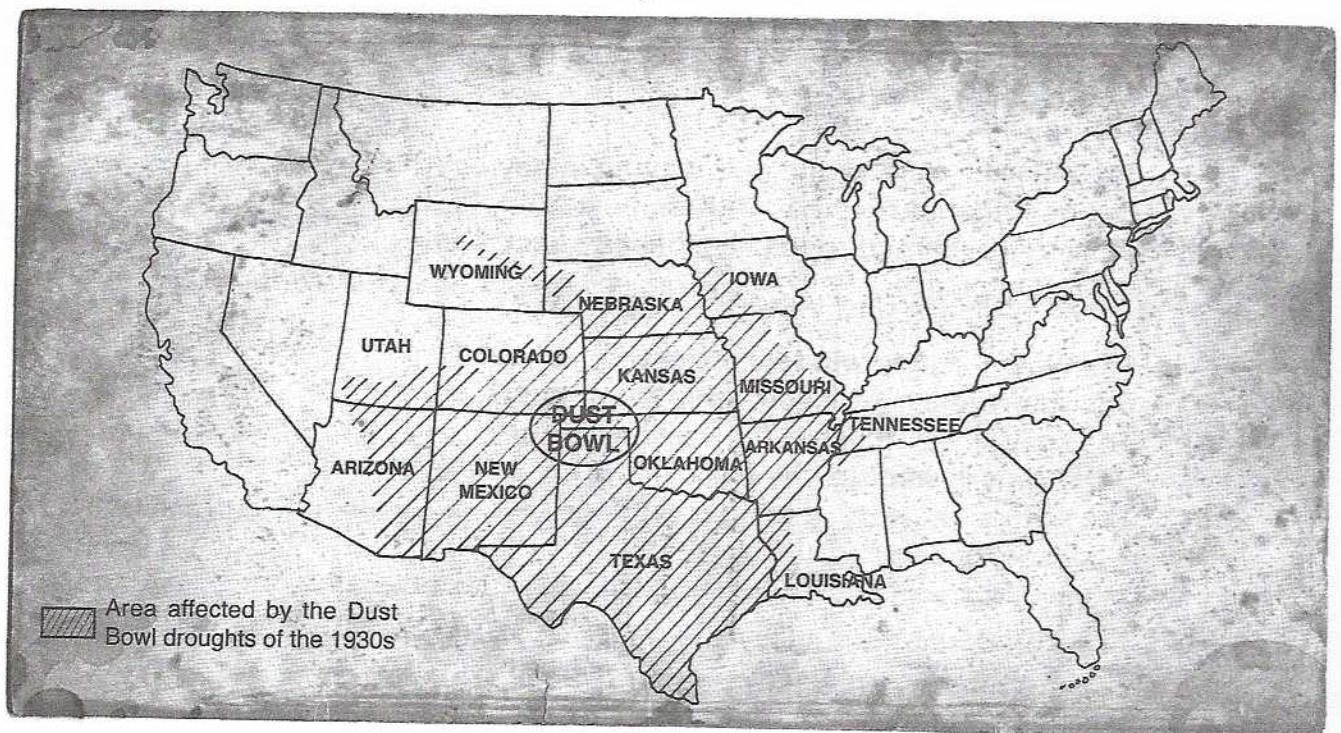
Conditions Get Worse

The problems in the Dust Bowl area increased in 1936 when the winds began blowing almost continuously. People fled to shelter as huge clouds of dust advanced on them. Dust was carried great distances by the wind, in some cases darkening the sky all the way to the Atlantic Ocean.

During the next four years, as much as three to four inches of topsoil blew away, leaving only hard, red clay, which made farming impossible. Sand settled around homes,

fences, and barns. People slept with wet cloths over their faces to filter out the dust. They woke to find themselves, their pillows, and blankets caked with dirt. Animals were buried alive or choked to death on the dust.

People died if they remained outside too long during a dust storm. Many also died from what came to be called "dust pneumonia"—severe damage to the lungs caused by breathing dust.



Map Skills

1. Centered in northern Texas, the panhandle of Oklahoma, and southwestern Kansas, the Dust Bowl also included all or part of which other states?

2. Which four states were completely in the area affected by the Dust Bowl?

3. Which three states in the area affected by the Dust Bowl were farthest north?

