The Great Depression and the New Deal

(1) CHAPTER OUTLINE

The Depression changed Diana Morgan's life, as it did the lives of countless other Americans. It disrupted her comfortable existence and forced her to search for work in order to help her family. Diana's job in a New Deal agency introduced her to the far more serious problems of other Americans and persuaded her of the importance of New Deal efforts in alleviating misery and want.

The Great Depression
   The Depression Begins
   Hoover and the Great Depression

Economic Decline
   A Global Depression
   The Bonus Army

Roosevelt and the First New Deal
   The Election of 1932
   Roosevelt’s Advisers

One Hundred Days
   The Banking Crisis
   Relief Measures
   Agricultural Adjustment Act
   Industrial Recovery
   Civilian Conservation Corps
   Tennessee Valley Authority
   Critics of the New Deal

The Second New Deal
   Work Relief and Social Security
   Aiding the Farmers
   The Dust Bowl: An Ecological Disaster
   The New Deal and the West
   Controlling Corporate Power and Taxing the Wealthy
   The New Deal for Labor
   America's Minorities in the 1930s
   Women and the New Deal
The Last Years of the New Deal
   The Election of 1936
   The Battle of the Supreme Court
   Completing the New Deal

The Other Side of the 1930s
   Taking to the Road
   The Electric Home
   The Age of Leisure
   Literary Reflections of the 1930s
   Radio's Finest Hour
   The Silver Screen

Conclusion: The Mixed Legacy of the Depression and the New Deal

(2) SIGNIFICANT THEMES AND HIGHLIGHTS

1. As the anecdote about Diana Morgan suggests, the Depression decade was a harsh one for many Americans. Although Hoover moved forcefully to meet the crisis, he failed to stop the economic decline or to gain the confidence of the American people.

2. Although Franklin Roosevelt built on Hoover's beginning, unlike Hoover, he was able to persuade Americans that his programs could solve the country's economic woes. Some characterized his programs as radical, but Roosevelt steered a moderate course with both his recovery measures and his efforts at social justice and reform. He never succeeded, however, in bringing the country out of the Depression.

3. The chapter shows the more positive side of the Depression era. Middle-class Americans were caught up in a communications revolution, enjoyed spectator sports, were fascinated by gadgets, and were interested in travel. The 1930s was a decade defined by the modern kitchen and Walt Disney just as much as by bread lines and alphabet-soup agencies. This bright side of the 1930s suggests how hard it is to generalize about a complex period like the Depression.

(3) LEARNING GOALS

Familiarity with Basic Knowledge

After reading this chapter, you should be able to:

1. Give three reasons for the deepening economic depression and three measures Hoover took to stem the Depression.

2. Characterize the first New Deal from 1933 to 1935 and name several measures of relief, recovery, and reform passed in the first hundred days.
3. Show how the Social Security Act and the Works Progress Administration exemplified the move of the second New Deal toward goals of social reform and social justice.

4. Explain the significance of the Wagner Act (National Labor Relations Act) and its impact on organized labor.

5. Describe the New Deal's programs for minority groups.

6. Give three or four examples of the “other side” of the 1930s.

**Practice in Historical Thinking Skills**

After reading this chapter, you should be able to:

1. Compare and contrast Hoover's and Roosevelt's approaches to the Depression.

2. Evaluate the New Deal as the realization of progressive dreams.

3. Develop an argument supporting or rejecting the chapter author's assessment of the New Deal: “It promoted social justice and social reform, but it provided very little for those at the bottom of American society.”

(4) **IMPORTANT DATES AND NAMES TO KNOW**

1929  
Stock market crash  
Agricultural Marketing Act

1930  
Depression worsens  
Hawley-Smoot Tariff

1932  
Reconstruction Finance Corporation established  
Federal Home Loan Bank Act  
Glass-Steagall Banking Act  
Federal Emergency Relief Act  
Bonus march on Washington, D.C.  
Franklin D. Roosevelt elected president

1933  
Emergency Banking Relief Act  
Home Owners Loan Corporation  
Twenty-first Amendment repeals Eighteenth Amendment (ends prohibition)  
Agricultural Adjustment Act  
National Industrial Recovery Act (NIRA)  
Civilian Conservation Corps (CCC) established  
Tennessee Valley Authority (TVA) established  
Public Works Administration established
1934  Unemployment peaks  
Federal Housing Administration (FHA) established  
Indian Reorganization Act

1935  Second New Deal begins  
Works Progress Administration (WPA) established  
Social Security Act  
Rural Electrification Act  
National Labor Relations (Wagner-Connery) Act  
Public Utility Holding Company Act  
Committee of Industrial Organization (CIO) formed

1936  United Auto Workers sit-down strikes against General Motors  
Roosevelt reelected president  
Economy begins to rebound  
Margaret Mitchell writes *Gone With the Wind*

1937  Attempt to expand the Supreme Court  
Economic collapse  
Farm Security Administration established  
National Housing Act

1938  Fair Labor Standards Act  
Agricultural Adjustment Act (2nd)

1939  John Steinbeck writes *The Grapes of Wrath*  
*Gone With the Wind* movie released

**Other Names to Know**

Francis E. Townshend  
Mary McLeod Bethune  
Eleanor Roosevelt

Father Charles E. Coughlin  
John Maynard Keynes  
Frances Perkins

Huey Long  
Harold Ickes  
Dorothea Lange

**(5) GLOSSARY OF IMPORTANT TERMS**

**deficit spending:** the practice of having the government spend more dollars on goods and services than it receives from taxes and other revenues in order to stimulate the economy

**Brain Trust:** FDR's informal group of advisers
(6) ENRICHMENT IDEAS

1. Enjoy some 1930s movies as historical documents. What do they tell you about the myths, values, and spirit of that decade?

2. Your community may well have a mural painted by the WPA or a park constructed by the CCC. Locate and visit the site to see the kinds of work the government subsidized. What contributions to your community were made by these programs? Similarly, your library probably has a state guide written by WPA teams. Find it and see what kinds of historical and cultural sites were described.

3. In addition to Studs Terkel's *Hard Times*, a superb oral history of the 1930s, your library may have interesting local collections of primary documents that capture personal responses to the Depression years. You can use them in the same way as you might use the material collected from interviewing family and friends.

4. For a picture of the life of migrant workers in the 1930s, you could read the novel mentioned in the text, John Steinbeck's *The Grapes of Wrath*. For the Depression experience of blacks in the South, see Zora Neale Hurston's *Their Eyes Are Watching God*, and for black migrants in northern cities, read Richard Wright's *Native Son*.

(7) SAMPLE TEST AND EXAMINATION QUESTIONS

Multiple choice: Choose the best answer.

1. In 1929, Hoover did all of the following EXCEPT
   a. tell the American people to be optimistic
   b. declare a bank holiday
   c. support a tax cut
   d. urge businessmen to keep employment and wages up

2. During the 1930s,
   a. American family size remained stable
   b. the number of divorces rose
   c. the marriage rate dropped
   d. family size increased slightly

3. Hoover believed that the federal government must combat the economic collapse through
   a. direct subsidies
   b. relief to the unemployed
   c. loans to business and individuals
   d. government restriction of agricultural production
4. Early New Deal measures included all of the following EXCEPT
   a. banking legislation
   b. attempts to reduce government spending
   c. relief measures
   d. Social Security

5. The Agricultural Adjustment Act
   a. paid farmers to reduce acreage
   b. helped small farmers more than large farmers
   c. was welcomed by farmer leaders and economists
   d. resulted in more food for those on relief

6. Social Security
   a. covered most workers
   b. was financed entirely through taxes on businesses
   c. included all married women workers
   d. levied a regressive tax on workers' wages

7. The Wagner Act of 1935 did all of the following EXCEPT
   a. support labor's right to organize
   b. support the right to bargain collectively
   c. require workers to join unions
   d. establish a labor relations board

8. The sit-down strike was
   a. a tactic that involved occupying factory buildings
   b. picketing inside factory gates rather than outside
   c. a way of provoking violent confrontations with management
   d. a tactic ordered by union Communist leaders

9. During the New Deal, Franklin Roosevelt
   a. made sure blacks received benefits equal to those of whites
   b. relied on the “black cabinet” for advice on racial matters
   c. supported an anti-lynching bill
   d. pushed for a constitutional amendment to abolish the poll tax

10. The Indian Reorganization Act of 1934
    a. granted citizenship to all Indians born in the U.S.
    b. tried to restore the political independence of tribes
    c. allowed gambling on Indian reservations
    d. encouraged Indians to assimilate

11. In the 1930s,
    a. fewer women were appointed to high government positions than under Hoover
    b. feminism declined
    c. women were more affected by economic collapse than men
    d. more women lost their jobs than did men
12. The CIO
   a. separated workers by skill and craft
   b. excluded women
   c. excluded blacks
   d. organized workers on an industry-wide basis

13. During the 1930s, blacks
   a. stayed mainly in the South
   b. continued to migrate to the North
   c. found permanent jobs and economic security through government programs
   d. stayed loyal to the party of Lincoln (Republican)

14. New Deal housing legislation
   a. dramatically improved the housing of the poor
   b. helped the middle class by ensuring long-term mortgages
   c. helped the middle class fix up their urban houses
   d. gave subsidies to homebuilders

15. According to the text, The New Deal
   a. led to a significant redistribution of wealth
   b. redistributed power slightly through the Wagner Act
   c. undercut the power of business significantly
   d. was a revolutionary move toward socialism

Essays

1. Items 1-3 in the “Learning Goals” section “Practice in Historical Thinking Skills” lend themselves to topics for practicing writing essays.

2. “Although the Depression shook faith in the American dream, the New Deal was based on a reaffirmation of that dream.” Discuss.

3. “Cries that the New Deal was too radical were off target. The New Deal shored up and rationalized the capitalist system.” Discuss the extent to which you agree with this assessment.

4. “The New Deal was little more than warmed-up progressivism.” Do you agree? Why or why not?
Alphabet Soup: The New Deal passed so much legislation and introduced so many new government agencies that we have learned to identify many American agencies and organizations by their acronyms. How many of the following can you identify?

1. WPA
2. AAA
3. CIO
4. NIRA
5. NAACP
6. CCC
7. FERA
8. TVA
9. NLRB
10. FDIC

Identify and Interpret: Quotation
(that is, state who, what, where, when, and why significant)

"I am prepared under my constitutional duty to recommend the measures that a stricken nation in the midst of a stricken world may require. These measures, or such other measures as the Congress may build out of its experience and wisdom, I shall seek, within my constitutional authority, to bring to speedy adoption.

But in the event that the Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis - broad executive power to wage a war against the emergency as great as the power that would be given me if we were in fact invaded by a foreign foe."