

The Stock Market Crash

READING FOCUS

- What events led to the stock market's Great Crash in 1929?
- Why did the Great Crash produce a ripple effect throughout the nation's economy?
- What were the main causes of the Great Depression?

MAIN IDEA

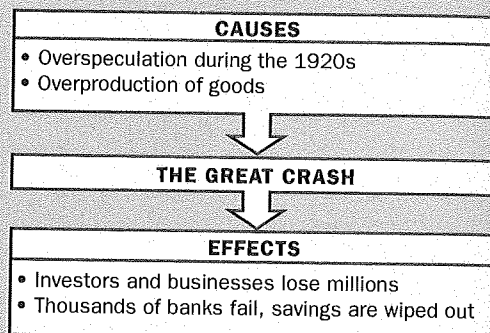
In October 1929, panic selling caused the United States stock market to crash. The crash led to a worldwide economic crisis called the Great Depression.

KEY TERMS

Dow Jones Industrial Average
Black Tuesday
Great Crash
business cycle
Great Depression

TAKING NOTES

As you read, complete the following diagram to show some of the causes and effects of the Stock Market's Great Crash in 1929.



Setting the Scene On October 29, 1929, fear gripped the floors of the New York Stock Exchange as investors watched millions of dollars slip away. The “wonderful prosperity” of the 1920s had come to an abrupt end. Writers Gordon Thomas and Max Morgan-Witts captured the scene:

“A messenger struggling through the crowd suddenly found himself yanked by his hair off his feet. The man who held him kept screaming he had been ruined. He would not let the boy go. The terrified youth at last broke free, leaving the man holding tufts of his hair. Crying in pain, the messenger fled the Exchange. His hair never regrew.

Behind, he left a scene of increasing pandemonium. As huge blocks of shares continued to be dumped, . . . 1,000 brokers and a support army of 2,000 page boys, clerks, telephonists . . . and official recorders could sense this was going to be the ‘day of the millionaire’s slaughter.’

William Crawford, swept along helplessly by the great tide of people, would always remember how ‘they roared like a lot of lions and tigers. They hollered and screamed, they clawed at one another’s collars. It was like a bunch of crazy men.’”

—Gordon Thomas and Max Morgan-Witts from *The Day the Bubble Burst*

The Market Crashes

Before the panic on that fateful October day, most people saw no reason to worry. In early 1928, the **Dow Jones Industrial Average**, an average of stock prices of major industries, had climbed to 191. By Hoover’s Inauguration

Day, March 4, 1929, it had risen another 122 points. By September 3, the Dow Jones average reached an all-time high of 381.

The rising stock market dominated the news. Keeping track of prices became almost as popular as counting Babe Ruth’s home runs. Eager, nervous investors filled brokerage houses to catch the latest news coming in on the ticker tape. Prices for many stocks soared far above their real value in terms of the company’s earnings and assets.

Black Thursday After the peak in September, stock prices fell slowly. Some brokers began to call in loans, but others continued to lend even more. One bank official assured the nervous public: “Although in some cases speculation has gone too far, . . . the markets generally are now in a healthy condition.”

When the stock market closed on Wednesday, October 23, the Dow Jones average had dropped 21 points in an hour. The next day, Thursday, October 24, worried investors began to sell, and stock prices fell. Investors who had bought General Electric stock at \$400 a share sold it for \$283 a share.

Again, business and political leaders told the country not to worry. Another banking executive said that only a nation as rich as the United States could “withstand the shock of a \$3 billion paper loss on the Stock Exchange in a single day without serious effects to the average citizen.” President Hoover maintained that the nation’s business “is on a sound and prosperous basis.”

Black Tuesday To stop the panic, a group of bankers pooled their money to buy stock. This action stabilized prices, but only for a few days. By Monday, prices were falling again. Investors all over the country raced to get their money out of the stock market. On October 29, **Black Tuesday**, a record 16.4 million shares were sold, compared with the average 4 million to 8 million shares a day earlier in the year.

This collapse of the stock market is known as the **Great Crash**. Despite efforts to halt it, the Crash continued beyond Black Tuesday. By November 13, the Dow Jones average had fallen from its September high of 381 to 198.7. Overall losses totaled \$30 billion. The Great Crash was part of the nation’s **business cycle**, a span in which the economy grows, then contracts.

The Ripple Effect of the Crash

Initially the effects of the Crash were felt only by those who were heavily invested in the stock market. By 1929, that number was about 4 million people out of a population of 120 million. Some investors lost everything. One wealthy Bostonian who lost heavily in the market wrote in his diary, “The profit in my little book melted yesterday to seven thousand. It is probably nil [nothing] today. . . . My dreams of a million—where are they?”

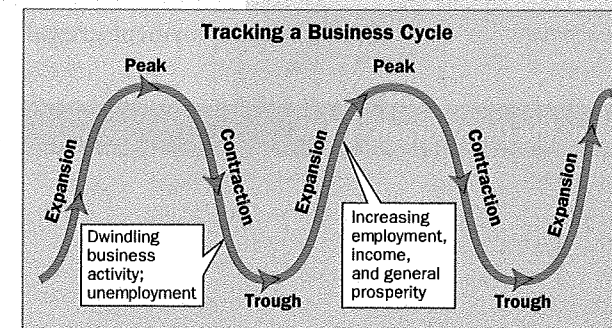
Within a short time, however, the effects of the Great Crash began to ripple throughout the nation’s economy. Soon millions of people who had never owned a share of stock were affected. The following list explains how the effects of the Crash spread to all Americans.

Focus on ECONOMICS

Business Cycle The periodic growth and contraction of a nation’s economy.

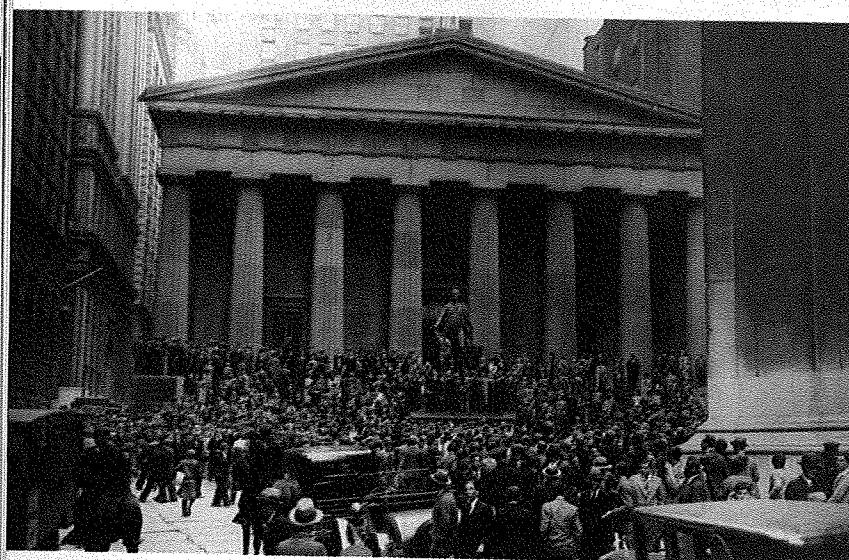
The Historical Context The Crash of 1929 brought an abrupt end to the economic expansion of the 1920s and ushered in a prolonged period of economic contraction known as the Great Depression. During the Depression, political leaders debated whether to stimulate the economy through higher government spending or to rely on the natural operation of the free market to restore economic expansion and prosperity.

The Concept Today The American economy continues to alternate between periods of higher growth and slower growth, or contraction. Both the federal government, through its taxing and spending fiscal policies, and the Federal Reserve, through its monetary policies that regulate the nation’s supply of money, seek to prevent shocks that would bring about severe downturns in the economy.



READING CHECK

Who felt the effects of the Great Crash?



Risky loans hurt banks Banks earn their profits on the interest they earn from lending out their deposits. Throughout the 1920s, banks loaned huge sums of money to many high-risk businesses. When stock prices fell, these businesses were unable to repay their loans.

Consumer borrowing Banks also make money on loans they lend to consumers. Consumers had borrowed heavily from banks throughout the 1920s to purchase consumer goods. When banks called in their loans, customers did not have cash to pay them.

Bank runs The Great Crash resulted in widespread bank runs. Fearful that banks would run out of money, people rushed to make withdrawals from their accounts. To pay back these deposits, banks had to recall loans from borrowers. However, many businesses and consumers hurt by falling stock prices could not repay their loans. Even if loans were repaid, banks could not get the money fast enough to pay all the depositors demanding their money.

Bank failures The combination of unpaid loans and bank runs meant that many banks across the country failed. Thousands of banks closed their doors when they could not return their depositors' money. In just a few years, more than 5,500 banks failed.

Savings wiped out Bank failures wiped out what little savings people had. By 1933, the money from 9 million savings accounts had vanished.

Cuts in production Businesses now could not borrow money to use to produce more goods. In addition, businesses lacked any incentive to spend money producing goods. Few people had money to buy them.

Rise in unemployment As businesses cut back on production, they laid off workers. Unemployment grew.

Further cuts in production As unemployment grew and incomes shrank, consumers spent less and less money and businesses produced still fewer goods. The overall output of goods in the economy dropped.

Economic Contraction The results of the Great Crash described above are all symptoms of an economy beginning to contract. A contraction is an economic decline marked by a falling output of goods and services. A particularly long and severe contraction is known as a depression. The contraction that began with the Great Crash triggered the most severe economic downturn in the nation's history—the **Great Depression**. The Great Depression lasted from 1929 until the United States entered World War II in 1941.

Impact on Workers and Farmers With no money and little incentive to produce more goods, factories throughout the country began to close. Thousands of workers lost their jobs or endured pay cuts. In August 1931, Henry Ford shut down his Detroit automobile factories, putting at least 75,000 people out of work.

Soon after local factories closed, small local businesses began to suffer as well. Restaurants and other small businesses closed because customers could no longer afford to go to them. Formerly wealthy families dismissed household workers. Farm prices, already low, fell even more, bringing disaster to many families. In 1929, a bushel of wheat had sold for \$1.18; in 1932 it brought a mere 49 cents. Cotton dropped from 19 to 6.5 cents a pound.

By 1932, more than 12 million people were unemployed, which accounted for about a quarter of the labor force. (See the graph to the right.) Others worked only part-time or had their wages cut. The Gross National Product (GNP)—the total value of goods and services a country produces annually—dove from \$103 billion in 1929 to just \$56 billion in 1933.

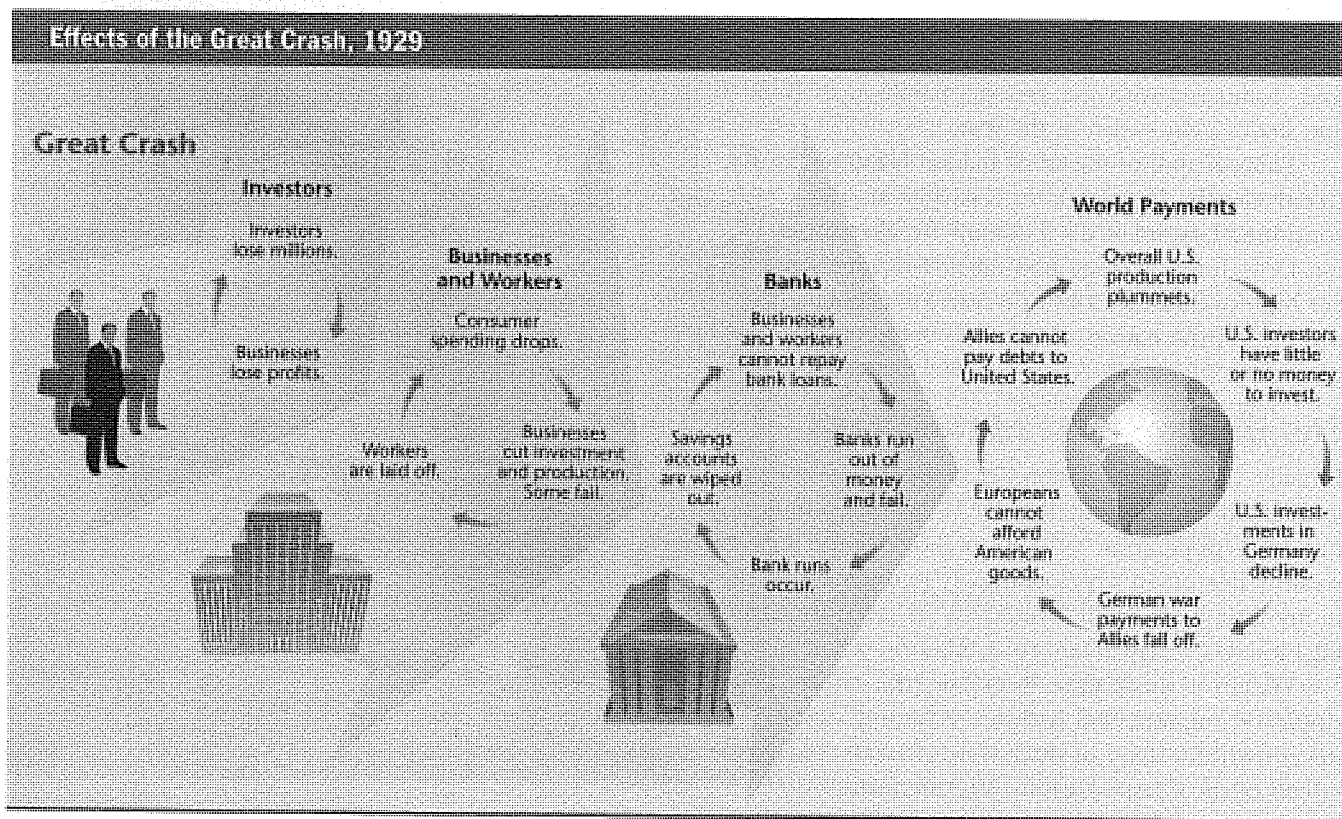
Impact on the World By the 1930s, international banking, manufacturing, and trade had made nations around the world interdependent. For example, Latin America depended on U.S. markets for its goods. Europeans depended on the United States for investments and loans. When the world's leading economy fell, the global economic system began to crumble or contract in much the same way the U.S. economy had.

After World War I, the United States had insisted that France and Britain, its wartime allies, repay their war debts. At the same time, Congress kept import taxes high, making it hard for European nations to sell goods in the United States. With economies weakened by the war and little chance of selling goods in the United States, the Allies had to rely on Germany's reparations payments for income.

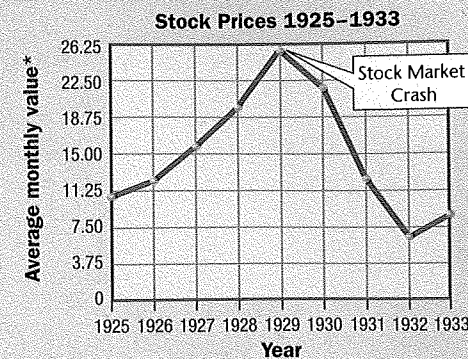
As long as American companies invested in Germany, reparations payments continued. But with the Depression, investments fell off. German banks failed, Germany suspended reparations, and the Allies, in turn, stopped paying their debts. Industrial production fell by 40 percent in Germany, 14 percent in Britain, and 29 percent in France. Europeans could no longer afford to buy American-made goods. Thus the American stock market crash started a downward cycle in the global economy.

INTERPRETING DIAGRAMS

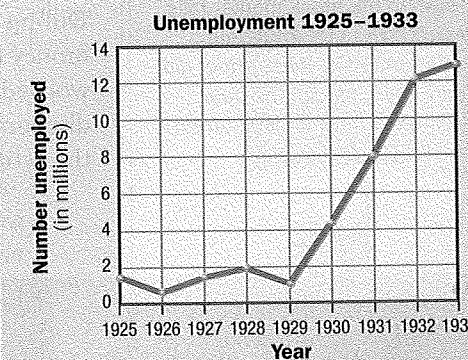
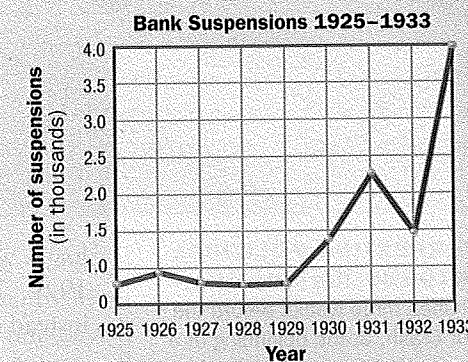
After the Great Crash, each sector of the economy experienced a damaging cycle of events. Each cycle also directly influenced the others. **Expressing Problems Clearly** How did the events following the Great Crash interact and affect one another?



Economic Impact of the Great Depression



*Based on Standard and Poor's index of common stocks



SOURCE: Historical Statistics of the United States, Colonial Times to 1970

INTERPRETING GRAPHS

The stock market crash caused a series of economic disasters. **Analyzing Information** Roughly how many people became unemployed between 1929 and 1933?



INTERPRETING POLITICAL CARTOONS This cartoon was published three weeks before the Great Crash, at the beginning of a “bear market.” A bear market exists when the stock market falls for a period of time. **Analyzing Visual Information** What effect did the cartoonist predict the bear market would have on Wall Street?

Underlying Causes of the Depression

The stock market crash of 1929 did not cause the Great Depression. Rather, both the Great Crash and the Depression were the result of deep underlying problems with the country’s economy.

An Unstable Economy Overall, the seemingly prosperous economy of the 1920s lacked a firm base. National wealth was unevenly distributed, with most money in the hands of a few families who tended to save or invest rather than buy goods. Industry produced more goods than most consumers wanted or could afford. Farmers and many workers had not shared in the economic boom. The uneven prosperity of the 1920s made rapid recovery from an economic downturn impossible.

Overspeculation During the 1920s, speculators bought stocks with borrowed money and then pledged those stocks as *collateral* to buy more stocks. Collateral is an item of value that a borrower agrees to forfeit to the lender if the borrower cannot repay the loan. Brokers’

loans went from under \$5 billion in mid-1928 to \$850 billion in September 1929. The stock market boom was based on borrowed money and optimism instead of real value.

Government Policies Mistakes in monetary policy were also to blame. During the 1920s, the Federal Reserve system, which regulates the amount of money in circulation, cut interest rates to spur economic growth. Then in 1929, worried about overspeculation, the Federal Reserve limited the money supply to discourage lending. As a result, there was too little money in circulation to help the economy recover after the Great Crash.

Section

2

Social Effects of the Depression

READING FOCUS

- How did poverty spread during the Great Depression?
- What social problems were caused by poverty in the 1930s?
- How did some people struggle to survive hard times?

MAIN IDEA

By the early 1930s, wage cuts and growing unemployment had brought widespread suffering across the United States.

KEY TERMS

Hooverville
Dust Bowl

TAKING NOTES

As you read, complete this chart by listing examples of how the Great Depression affected different parts of American society.

| Effects of the Great Depression | |
|---------------------------------|----------------------------------------------------------------------------------------------------|
| Social Groups | Effects |
| City laborers | Many lost their jobs, became homeless, lived in poverty, some resorted to living in “Hoovervilles” |
| Farmers | |
| Women | |
| Children | |
| Men | |
| Racial minorities | |

Setting the Scene Many Americans thought the Depression would not last. They were soon proved wrong. Hard times continued and eventually spread to all levels of society. Those who never imagined they would one day have to ask friends, neighbors, or even the government for money found themselves with no other option. In this account from 1934, a “middle-class” college graduate details the awkwardness and pain associated with what she described as “becoming one of them,” or joining the ranks of the poor:

“Two years ago I was living in comfort and apparent security. My husband had a good position in a well-known orchestra and I was teaching a large and promising class of piano pupils. When the orchestra was disbanded we started on a rapid down-hill path. My husband was unable to secure another position. My class gradually dwindled away. We were forced to live on our savings.

In the early summer of 1933 I was eight months pregnant and we had just spent our last twelve dollars on one month’s rent for an apartment. . . . [which] lacked the most elementary comforts such as steam heat, bathtubs, sunlight, and running hot water. They usually are infested with mice and bedbugs. Ours was. . . .

What then, did we do for food when our last money was spent on rent? So strong was the influence of our training that my husband kept looking feverishly for work when there was no work, and blaming himself because he was unable to find it. . . . An application to the Emergency Home Relief Bureau was the last act of our desperation.”

—From Ann Rivington [pseudonym],
“We Live on Relief,” *Scribner’s Magazine*, April 1934

Poverty Spreads

Imagine that the bank where you have a savings account suddenly closes. Your money is gone. Or your parents lose their jobs and cannot pay the rent or mortgage. One day you come home to find your furniture and all of your belongings on the sidewalk—you have been evicted.

WORK-IS-WHAT-I
WANT-AND-NOT-CHARITY
WHO-WILL-HELP-ME-
GET-A-JOB-7 YEARS-
IN-DETROIT-NO MONEY
SENT AWAY-FURNISH-
BEST-OF-REFERENCES
PHONE RANDOLPH 8381 ROOM 1
1934



VIEWING HISTORY The number of people without jobs rose dramatically after the Crash. **Drawing Inferences** What can you tell from this man’s sign about the social view of charity in the 1930s?

Section

1 Assessment

READING COMPREHENSION

1. What is the **Dow Jones Industrial Average**?
2. What happened on **Black Tuesday**?
3. Which part of the **business cycle** did the **Great Depression** represent?
4. What could cause a country’s Gross National Product to decrease?
5. How did the unstable economy in the 1920s contribute to the Great Depression?

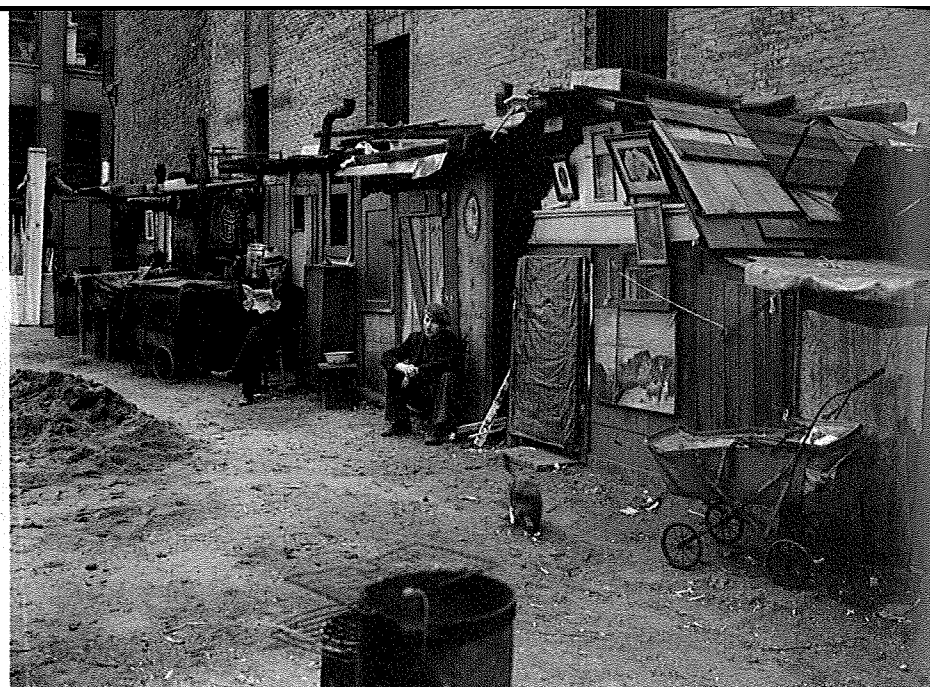
CRITICAL THINKING AND WRITING

6. **Recognizing Cause and Effect** How did the Great Depression have such a huge impact on the economies of other countries?
7. **Making Comparisons** Many people today use credit cards and charge accounts to buy on credit. Is this practice as dangerous now as it was in 1929? Why or why not?
8. **Writing to Inform** It is the day after Black Tuesday. Write a brief newspaper report describing the scene at local banks.

Take It to the NET

Activity: Writing a Diary Entry Research the events of October 1929 leading up to the Great Crash. Then write a diary entry from the perspective of a stockbroker in New York noting your experiences. How are you affected by the crash? What is your reaction? Use the links provided in the *America: Pathways to the Present* area of the following Web site for help in completing this activity.
www.phschool.com

VIEWING HISTORY Makeshift huts served as homes for the homeless and unemployed in this New York City Hooverville. **Making Comparisons** Do “Hoovervilles” exist today? Under what conditions do the homeless now live?



People at all levels of society faced these situations during the Great Depression. Professionals and white-collar workers, who had felt more secure in their jobs than laborers, suddenly were laid off with no prospects of finding another position. Those whose savings disappeared could not understand why banks no longer had the money they had deposited for safekeeping.

“Hoovervilles” The hardest hit were those at the bottom of the economic ladder. Some unemployed laborers, unable to pay their rent, moved in with relatives. Others drifted around the country. In 1931, census takers estimated the homeless population in New York City alone at 15,000.

Homeless people sometimes built shanty towns, with shacks of tar paper, cardboard, or scrap material. These shelters of the homeless came to be called **Hoovervilles**, mocking the President, whom people blamed for not resolving the crisis.

A woman living in Oklahoma visited one Hooverville: “Here were all these people living in old, rusted-out car bodies,” she noted. “There were people living in shacks made of orange crates. One family with a whole lot of kids were living in a piano box.”

Many homeless and jobless people, rather than staying in one place, became drifters, hitchhiking from one “hobo jungle” to another. Thousands rode the rails—or jumped on trains illegally to travel across the country. They slept in boxcars or open freight cars. By 1933, an estimated one million people were on the move, risking jail, injury, or death.

Farm Distress Farm families suffered as low crop prices cut their income. When they could not pay their mortgages, they lost their farms to the banks, which sold them at auction. In the South, landowners expelled tenant farmers and sharecroppers. In protest against low prices, farmers dumped thousands of gallons of milk and destroyed crops. These desperate actions shocked a hungry nation.

The Dust Bowl For thousands of farm families in the Midwest, the harsh conditions of the Depression were made even more extreme by another major crisis of the decade. The origin of this one was not economic, but environmental. Between 1931 and 1940, so much soil blew out of the central and southern Great Plains that the region became known as the **Dust Bowl**.

The Dust Bowl was created, in part, by dust storms that began in the early 1930s. Farmers said the storms were the result of a severe drought. While drought was a major factor in creating the Dust Bowl, it was not the only factor. Farming practices also contributed.

As long as there was a thick layer of prairie grasses to protect topsoil, severe weather could not harm the land. When farmers plowed the land, however, they stripped the soil of its natural protection. Winds picked up the dark, nutrient-rich topsoil and carried it eastward, sometimes for hundreds of miles, leaving behind barren, shifting dunes of grit and sand. The map below shows the extent of soil erosion across the plains.

The most severe storms of the dry years were called “black blizzards.” Time after time, dirt was swept up and dropped by the ton over states and cities far to the east. The dirt darkened the sky in New York City and Washington, D.C. It stained the snows of New England red and dropped on ships hundreds of miles off the Atlantic Coast. The drought and winds persisted for more than seven years, bringing ruin to the farmers.

The combination of terrible weather and low prices for farm products caused about 60 percent of Dust Bowl families to lose their farms. More than 440,000 people left Oklahoma during the 1930s. Nearly 300,000 people left Kansas. Thousands of families in Oklahoma, Texas, Kansas, and other southwestern Plains states migrated to California. Many found work on California’s farms as laborers. About 100,000 of the Dust Bowl migrants headed to cities such as Los Angeles, San Francisco, and San Diego. Relief did not come to the Dust Bowl region until the early 1940s, when the rains finally arrived and World War II drove farm prices up.

Poverty Strains Society

As the Depression wore on, it took a serious physical and psychological toll on the entire nation. Unemployment and fear of losing a job caused great anxiety. People became depressed; many considered suicide, and some did take their own lives.

Impact on Health “No one has starved,” President Hoover declared, but some did, and thousands more went hungry. Impoverished people who could not afford food or shelter got sick more easily. Children suffered most from the long-term effects of poor diet and inadequate medical care.

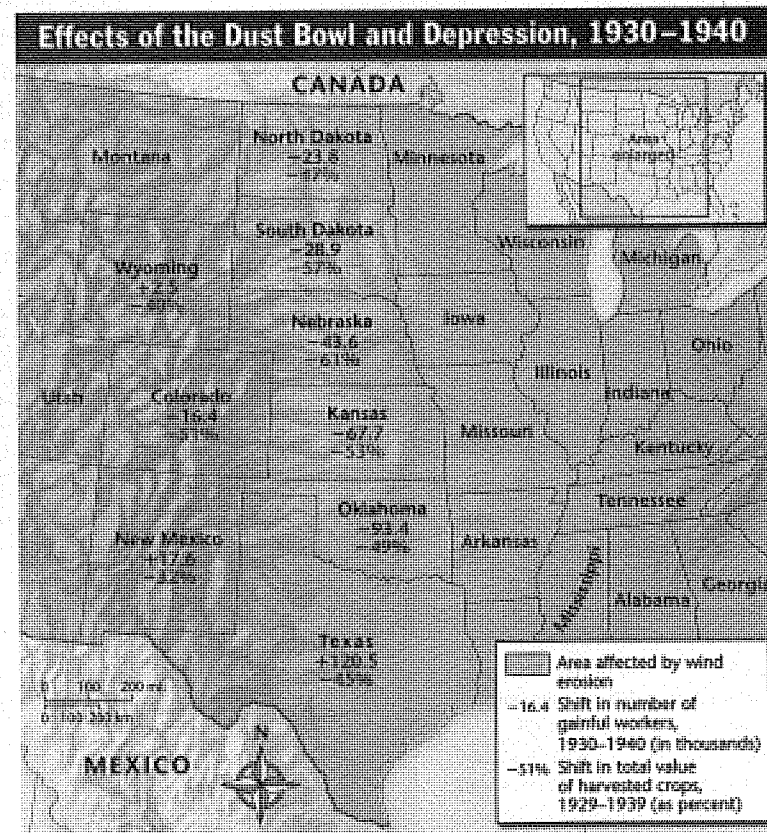
“All last winter we never had a fire except about once a day when Mother used to cook some mush or something,” one homeless boy recalled. “When the kids were cold they went to bed. I quit high school, of course.”

In the country, people grew food. In cities, they sold apples and pencils, begged for money to buy food, and fought over the contents of restaurant garbage cans. Families who had land planted “relief gardens” to feed themselves or so they could barter food for other items. One historian recalled:

Sounds of an Era

Listen to a reading from John Steinbeck’s *The Grapes of Wrath* and other sounds from the Great Depression.

MAP SKILLS Drought combined with over-farming to reduce the Great Plains to dust. **Regions** How did farmers destroy the region’s natural protection against severe weather?



Focus on GEOGRAPHY

Weather in the Dust Bowl The Great Plains is called “America’s breadbasket.” Deep, fertile soils, a long growing season, and flat land make it ideal for farming. But the region has always experienced severe weather. Hot and humid tropical air masses come from the Gulf of Mexico. Cold polar air masses rush southward from above the Arctic Circle. When these air masses collide, powerful storms with fierce updrafts are created. The complex root systems of the grasslands had protected the soil from weather. As you have read, however, when farmers plowed the land, this natural protection was lost.

READING CHECK

How did the Great Depression impact people's health?

"In Detroit nearly one out of every seven persons was on relief [government aid]. Children scavenged through the streets like animals for scraps of food, and stayed away from school. . . . Among high school students in the inner city the incidence of tuberculosis tripled. Each day four thousand children stood in bread lines. With their sunken, lifeless eyes, sallow cheeks, and distended bellies, some resembled the starving children in Europe during the war."

—Robert Conot

Stresses on Families Living conditions declined as families moved in together, crowding into small houses or apartments. The divorce rate dropped because people could not afford separate households. People gave up even small pleasures like an ice cream cone or a movie ticket.

Men who had lost jobs or investments often felt like failures because they could no longer provide for their families. If their wives or children were working, men thought their own status had fallen. Many were embarrassed to be seen at home during normal work hours. They were ashamed to ask friends for help.

Women faced other problems. Those who had depended on a husband's paycheck worried about feeding their hungry children. Working women were accused of taking jobs away from men. Even in the better times of the 1920s, Henry Ford had fired married women. "We do not employ married women whose husbands have jobs," he explained. During the Depression, this practice became common. In 1931, the American Federation of Labor endorsed it. Most school districts would not hire married women as teachers, and many fired those who got married.

Many women continued to find work, however, because poor-paying jobs such as domestic service, typing, and nursing were considered "women's work." The greatest job losses



VIEWING FINE ART Dorothea Lange's most famous photographs, the "Migrant Mother" series (1936, right), have become a symbol of the Depression. The face of the undernourished mother displays a numbness to her destitute surroundings, yet a certain determination to pull through it all. Above is another of Lange's most famous photographs, "White Angel Breadline." **Determining Relevance** What effect did Lange's photographs have on the general public?



of the Depression were in industry and other areas that seldom hired women.

Discrimination Increases Hard economic times put groups of Americans in competition with one another for a shrinking number of jobs. This produced a general rise in suspicions and hostilities against minorities. African Americans, Hispanics, and in the West, Asian Americans all suffered as white laborers began to demand the low-paying jobs typically filled by these minorities. Hispanics and Asian Americans lost not only their jobs but also their country. Thousands were deported—even those born in the United States.

Black unemployment soared—about 56 percent of black Americans were out of work in 1932. Some white citizens declared openly that blacks had no right to jobs if whites were out of work.

Gordon Parks, a photographer who rode the rails to Harlem, later wrote:

"To most blacks who had flocked in from all over the land, the struggle to survive was savage. Poverty coiled around them and me with merciless fingers."

—Photographer Gordon Parks

Because government relief programs often discriminated against African Americans, black churches and organizations like the National Urban League gave private help. The followers of a Harlem evangelist known as Father Divine opened soup kitchens that fed thousands every day. Discrimination was even worse in the South, where African Americans were denied civil rights such as access to education, voting, and health care. Lynchings increased.

The justice system often ignored the rights of minority Americans. In March 1931, near Scottsboro, Alabama, nine black youths who had been riding the rails were arrested and accused of raping two white women on a train. Without being given the chance to hire a defense lawyer, eight of the nine were quickly convicted by an all-white jury and sentenced to die.

The case of the "Scottsboro boys" was taken up, and sometimes exploited, by northern groups, most notably the Communist Party. The party helped supply legal defense and organized demonstrations, which, after many years, helped overturn the convictions, but four of the "boys" spent many years in jail.

Stories of Survival

A generation of Americans would live to tell their grandchildren how they survived the Depression. Wilson Ledford first felt the effects of the Depression in March 1930 when he was 15, living in Chattanooga, Tennessee, with his mother and younger sister. Wilson had worked part time and after school in a grocery store since he was 11. By 1930, his family could no longer afford Chattanooga. They moved back to Cleveland, Tennessee, a nearby small town. They survived on the rent Wilson's mother received on a house and 15 acres of land, which she still owned. The property brought in \$6 a month in rent—except when the tenants were out of work. After taxes and insurance, the family had about a dollar a week to live on. Wilson "swapped work with neighbors." He looked after the family horse and cow, chopped wood for the fireplace, tended the garden that provided family food, and raised corn to feed the animals:

AMERICAN BIOGRAPHY



Dorothea Lange
1895-1965

"The camera is an instrument that teaches people how to see without a camera," said photographer Dorothea Lange. Born in New Jersey in 1895, Lange decided at a young age to be a photographer. In 1919, Lange opened a portrait studio in

San Francisco where she photographed wealthy clients. Beyond the windows of her studio, she could see the spreading effects of the Depression. She thought about the vast difference "between what I was working on in the printing frames [in the studio] and what was going on in the street."

Lange's first exhibition, in 1934, landed her an assignment to photograph the hundreds of migrant workers streaming into California from the Dust Bowl. Lange's photographs showed the world the desperation and bravery of families displaced by the Depression.

Lange continued to document the suffering and mistreatment of other Americans until her death in 1965. But she will be forever linked in people's minds to the 1930s and the human courage that she made a part of the nation's permanent record.



VIEWING HISTORY Many Americans reluctantly waited in “souplines” such as this when they did not have enough money to buy food. **Drawing Inferences** What do you think was the hardest part of such an experience? What made it easier?

“We had to raise most of what we ate since money was so scarce. . . . Sometimes I plowed for other people when I could get the work. . . . I got 15 cents an hour for plowing, and I furnished the horse and plow.”

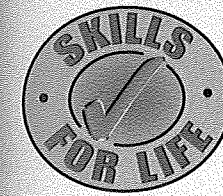
—Wilson Ledford

Nothing was wasted. Wilson’s mother kept chickens and traded eggs at the store for things they could not grow or raise. Overalls cost 98 cents; shoes were \$2. She bought a pig for \$3 and raised it for meat, and she made jelly from wild blackberries. Despite the family’s own poverty, she gave extra milk and butter to “some poor people, a woman with three small children who lived in a one-room shack with a dirt floor.”

Wilson never got to high school, “as survival was more important.” The Ledfords had no radio, but Wilson made his own entertainment. Wilson and some other boys cleaned the rocks off a field, graded it, and made a baseball diamond. Baseballs were precious. “You could buy a pretty good baseball for a quarter and a real good one for 50 cents. . . . If we lost a ball during the game, everyone had to go hunt for it.”

In the summer of 1932, when he was 17, Wilson got a job in Chattanooga delivering ice. He worked there again the next summer: “I worked twelve hours a day, six days a week, and made \$3.00 a week.” When the icehouse closed in the fall, Wilson hitchhiked throughout the Southeast looking for work, but never had any success. “I pumped up so many tires for people I rode with, I had blisters all in my hands. Finally I got back home.”

Later Wilson bought a truck to haul coal, cotton, and oranges, then worked nights in a woolen mill while carrying ice during the day. Finally, “I got a call from Chickamauga Dam and I went to work there. That was a good job working on the dam. I made 60 cents an hour. Times were better by then, but did not start booming until World War II started.”



Drawing Inferences

Drawing inferences is a way of interpreting what you read. When you draw inferences about a person’s character, you add what you know to what an author tells you, including facts about the person’s words and actions, and ideas that are implied but not directly stated in the text.

Gordon Parks eventually became a successful photographer and writer. But when the Great Depression hit, he was only a teenager, on his own and desperately in need of a job and a place to live. When he tried to get a room in a cheap hotel, he was refused because he was black (Passage A). Later, Parks determined to become a photographer (Passage B).

LEARN THE SKILL

Use the following steps to draw inferences:

- 1. Identify stated facts.** Identify what the person actually said and did. Determine what information is directly stated.
- 2. Identify unstated ideas.** Distinguish between what is implied by the facts and what is suggested by the perspective of the author.
- 3. Add what you know.** Use information you know about the historical period and about human nature to help you understand the person’s actions.
- 4. Draw inferences about the person’s character.** Keep the point of view of the author in mind, and be wary of authors who may have a bias.

PRACTICE THE SKILL

Answer the following questions:

1. Summarize the facts in each passage.
2. (a) What does Passage A suggest about Parks’s reaction to racism? Explain. (b) Where does Parks suggest what he wants you to think? (c) What do you think the author of Passage B wants you to feel about Parks? Explain.
3. (a) How does your knowledge of the Depression help you understand what Parks does in Passage A? (b) How does your understanding of human nature help you evaluate Parks’s decision to tell the truth in Passage B? Explain.
4. (a) From the passages, what inferences can you draw about Parks as a teenager? As an adult? (b) How do the two passages help you understand Gordon Parks?

APPLY THE SKILL

See the Chapter Review and Assessment for another opportunity to apply this skill.

A

“Mike tells me you’re looking for a room and work. That so?” [the manager] asked, squinting down . . . at me.

“That’s right.”

“You look like a clean-cut colored boy.”

“I’m a boy. I don’t know what my color’s got to do with it.”

“Don’t go gittin’ your dander up. I think I got a proposition for you.” I waited. “How’d you like to have a room and a job both?”

“Where?”

“Right here. I’m needin’ a boy to clean this place. You’ll git a room in the back and a half a buck a day. . . .”

“I’d like to know why I can’t just pay and sleep here?”

“Look, I ain’t no expert on race problems,” the . . . man said impatiently. “I’m just givin’ you a proposition. Whyn’t you try it and see how things work out?”

“Give me twenty-five cents more a day and some food.”

“Hell, fellow, you’ll be makin’ a buck a day with all that. That’s big dough round these parts.”

“Sorry,” I said, turning as if I were going.

“Just a second.” I had bluffed him into a decision. “Okay. . . .”

—Gordon Parks, *Voices in the Mirror: An Autobiography*

B

“Early in 1938, Parks walked through the door of an upscale women’s clothing store in St. Paul and asked if they might need any fashions photographed. The manager wasn’t interested, but the fellow’s wife convinced him to give Parks a chance. Parks borrowed a Speed Graphic camera on credit, and spent a day photographing models. But when he developed the film, he was devastated to find that he had double-exposed all but one shot. Sally Parks [his wife] suggested he take a chance and blow up the one good picture. When the store manager saw it, he was thrilled. Where were the rest? Parks told the truth. He was allowed to reshoot. Soon his pictures filled the windows of Frank Murphy’s store. That was the beginning. . . .”

—Dick Russell, *Black Genius and the American Experience*

Section

2

Assessment

READING COMPREHENSION

1. Who lived in **Hoovervilles**?
2. What factors led to the creation of the **Dust Bowl** in the 1930s?
3. What were some causes and effects of increased discrimination during the Great Depression?
4. What can you learn about the Depression from Wilson Ledford’s experiences?

CRITICAL THINKING AND WRITING

5. **Identifying Central Issues** Explain the effect the Depression had on the psychology of many Americans. Why do you think the Depression changed people’s goals and expectations?
6. **Writing an Interview** In an effort to learn firsthand what it was like to live during the Great Depression, write ten questions that you might ask someone who lived through it.



Take It to the NET

Activity: Writing a Newspaper Article Write a newspaper article describing the conditions faced by those living in the Dust Bowl during the Great Depression. Be sure to include a lot of details for the readers back home. Use the links provided in the *America: Pathways to the Present* area of the following Web site for help in completing this activity.
www.phschool.com

Surviving the Great Depression

READING FOCUS

- In what ways did Americans pull together to survive the Great Depression?
- What signs of change did Americans begin to notice in the early 1930s?

MAIN IDEA

Americans survived the Great Depression with determination and even humor. They helped one another, looked for solutions, and waited for the hard times to pass.

KEY TERMS

penny auction
Twenty-first Amendment

TAKING NOTES

As you read, prepare an outline of this section. Use Roman numerals to indicate the major headings of this section, capital letters for the subheadings, and numbers for the supporting details.

I. Americans Pull Together

A. Farmers Stick Together

1. Worked together to minimize impact of Great Depression

2. _____

3. _____

B. Young People Ride the Rails

1. Young people left home to seek a better life.

2. _____

3. _____

Setting the Scene No one who lived through the Great Depression ever forgot it. Long after the economy rebounded, many from the “Depression generation,” even those who recovered enough to live a very comfortable life, would continue to pinch pennies as if financial ruin were just around the corner. Many Americans avoided buying on credit, instead saving for years to pay cash for needed items. Others even stuffed money under their mattresses rather than trust their life savings to banks.

Americans Pull Together

Not all the memories of the Depression were bad or despairing, as one reporter noted:

“The great majority of Americans may be depressed. They may not be well pleased with the way business and government have been carried on, and they may not be at all sure that they know exactly how to remedy the trouble. They may be feeling dispirited. But there is one thing they are not, and that is—beaten.”

—Journalist Gerald W. Johnson, 1932

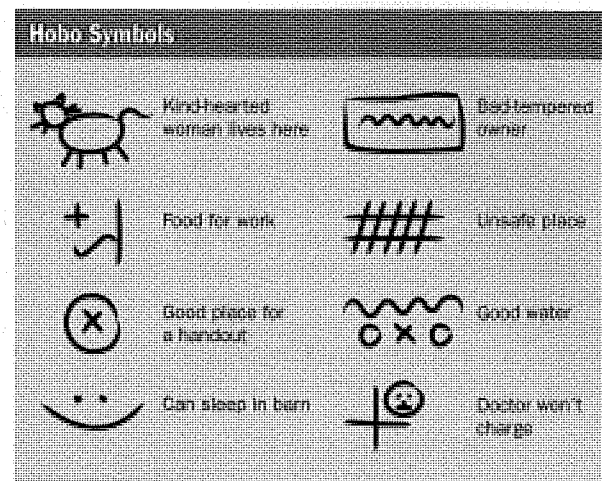
Throughout the country people pulled together to help one another. Tenant groups formed to protest rent increases and evictions. Neighbors, in difficult circumstances themselves, helped those they saw as worse off than themselves. One woman remembered:

“There were many beggars, who would come to your back door, and they would say they were hungry. I wouldn’t give them money because I didn’t have it. But I did take them in and put them in my kitchen and give them something to eat.”

—Depression survivor Kitty McCulloch

VIEWING HISTORY Traveling hobos gave each other helpful information about certain areas with symbols such as these. They were usually written on sidewalks, fences, or buildings using chalk or coal.

Drawing Inferences How did such a symbol system help hobos and the homeless? Why do you think they wanted to help each other?



McCulloch also gave one beggar a pinstripe suit belonging to her husband, who, she explained, already had three others.

Farmers Stick Together Farmers also worked together to minimize the impact of the Depression. When a farmer was unable to pay the mortgage on his farm, the bank would foreclose on the property and then sell it at an auction. In some farm communities, local farmers met secretly and agreed to keep bids low during the auction. In what were known as **penny auctions**, farmers would bid mere pennies on land and machines auctioned by the banks in order to help their struggling neighbors. Buyers then returned the farms and machinery to their original owners. As one farmer recalled about his farming community:

“The aim of our organization was pure survival. All the farmer asked was more time to see him through the depression years. If they won, they had saved (temporarily at least) their home and means of livelihood, and the means of paying their just debts. If they lost, they would be no worse off. They knew they had nothing to lose, so they decided to fight. . . .”

—Harry Haugland

In the first two months of 1933, more than 70 foreclosure sales on farms were blocked by penny auctions. The success of penny auctions as well as the threat of violence at some farm auctions led some states to pass laws suspending foreclosures on farms. For example, in February 1933, the Iowa state legislature passed a “foreclosure moratorium law,” which gave farmers more time to pay back their mortgages.

Young People Ride the Rails At the height of the Great Depression, many young people left their homes, either out of necessity or the desire to seek a better life. In the mid-1930s roughly 250,000 teenagers were living on the road, illegally riding the rails of freight trains. Some rode the rails to find work; others hungered for adventure. Clarence Lee, who left home when he was 16, recalled:

“I wanted to stay home and fight poverty with my family. But my father told me I had to leave. . . . But I didn’t have it in my mind to leave until he told me, ‘Go fend for yourself. I can’t afford to have you around any longer.’”

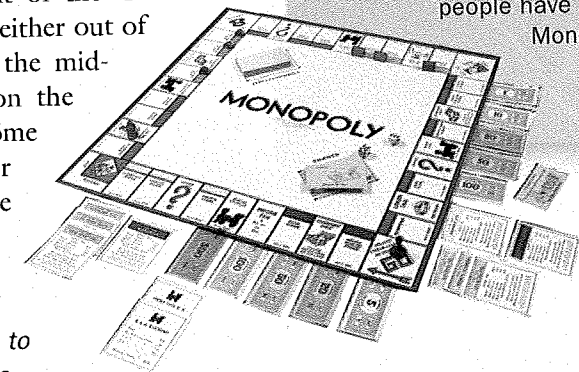
—Clarence Lee

Jim Mitchell also left home at 16. He was not forced to leave, but he could not deal with the pressures of home life after his father lost his job and was unable to support the family. “The quickest and easiest way to get out,” he recalled, “was go jump a train and go somewhere.”

Young people riding the rails faced danger every day. They were vulnerable to train-related injuries, the possibility of being arrested by police, or even the threat of being shot at by angry farmers. These hobos, as they are sometimes called, witnessed the Depression in all parts of the country firsthand. Many who rode the rails described their experiences as some of the loneliest times of their

Focus on CULTURE

Monopoly With everyday life so difficult during the Depression, people needed a way to get their minds off their troubles. In response to this need, Charles B. Darrow, an unemployed man living in Germantown, Pennsylvania, created a compelling board game. Called Monopoly®, the game allowed people to live the fantasy of acquiring land, houses, and hotels that they could rent or sell to fellow players. Darrow brought Monopoly to executives at Parker Brothers, a leading board game company, to see if they would produce it. The company rejected Darrow’s game, saying that it had 52 design errors. Determined to make the game a success, Darrow worked on correcting the flaws and produced Monopoly on his own. Darrow sold so many sets so quickly that Parker Brothers reconsidered its decision and agreed to produce it. The game was introduced in 1935 and was a bestseller in its first year. Since then, an estimated 500 million people have played Monopoly.



READING CHECK

Why did so many young people ride the rails in the 1930s?

READING CHECK

What political solutions did some Americans seek in the 1930s?

lives. Yet, most managed to survive and pull themselves together when the Depression came to an end.

Seeking Political Solutions As bad as conditions were, few Americans called for violent political change. In Europe, economic problems brought riots and political upheaval, but in the United States most citizens trusted the democratic process to handle their problems. As one writer wryly observed:

“Ten million unemployed continue law-abiding. No riots, no trouble, no multi-millionaires cooked and served with cranberry sauce, alas.”

—William Saroyan, 1936

For some Americans, however, radical and reform movements offered new solutions to the country's problems, by promising a fairer distribution of wealth. The Communist Party had about 14,000 members, mainly intellectuals and labor organizers. In the 1932 election, the Communist candidate polled just over 100,000 votes. Socialists, who called for gradual social and economic changes rather than revolution, did better. Their presidential candidate, Norman Thomas, won 881,951 votes in 1932, about 2.2 percent of the total vote.

Voting figures and party membership do not reflect the notable interest in radical and reform movements in the 1930s. Those who were part of those movements remember the decade as a high point of cooperation among different groups of Americans—students, workers, writers, artists, and professionals of all races. They worked together for social justice in cases such as that of the Scottsboro boys.

Depression Humor For the most part, Americans gritted their teeth and waited out the hard times. Jokes and cartoons helped people through their troubles. The term “Hooverville” was at first a joke. People who slept on park benches huddled under “Hoover blankets”—old newspapers. Empty pockets turned inside out were “Hoover flags.” When Babe Ruth was criticized for requesting a salary of \$80,000, higher than Hoover's, he joked, “I had a better year than he did.”

People fought despair by laughing at it. In 1929, humorist Will Rogers quipped, “When Wall Street took that tail spin, you had to

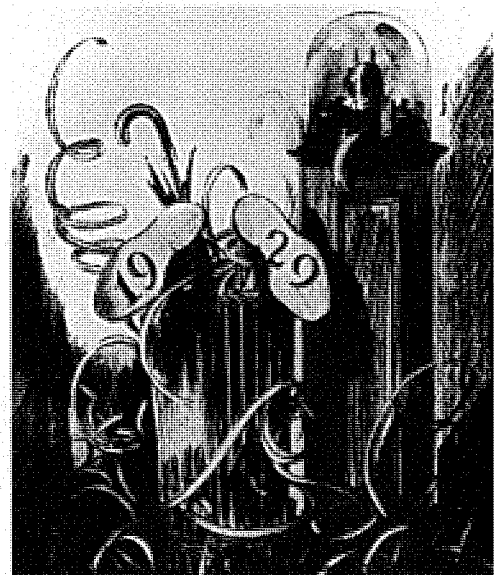
stand in line to get a window to jump out of.” A cartoon that showed two men jumping out of a window arm-in-arm was captioned “The speculators who had a joint account.”

Signs of Change

Looking back, we know that the Great Depression began to ease when the United States entered into World War II in 1941. Americans suffering through the Depression, of course, had no idea when the hard times would end. They looked for signs of change, and even in the early 1930s there were some.

Prohibition Is Repealed In February 1933, just 15 years after it passed the Eighteenth Amendment banning the sale of alcoholic beverages, Congress passed the **Twenty-first Amendment**, repealing Prohibition. The amendment was ratified by the end of the year.

Some people, including President Hoover, regretted the repeal, but most welcomed it as an end to a failed social experiment and as a curb on gangsters who profited from bootlegging. Control of alcohol returned to the states, eight of which chose to continue the ban on liquor sales.



INTERPRETING POLITICAL CARTOONS Showing the darker side of Depression humor, an end-of-the-year cartoon in *Life* magazine summed up the hopes and disasters of 1929. **Drawing Conclusions** Why did Americans use humor to fight their despair?

The Empire State Building For many, a dramatic symbol of hope was the new Empire State Building, begun in 1930. John J. Raskob, the developer of the gleaming new skyscraper, won the race to build the world's tallest building. Some 2,500 to 4,000 people worked on its construction on any given day. The cost of the construction was about \$41 million (including land). Because of the Depression, projected building costs were cut in half.

The 102-story Empire State Building soared 1,250 feet into the sky and was topped with a mooring mast for blimps. The building's 67 elevators, traveling 1,000 feet per minute, brought visitors to its observation deck. The building officially opened on May 1, 1931, when President Hoover pressed a button in Washington, D.C. that turned on the building lights, illuminating the New York City skyline. On the first Sunday after it opened, more than 4,000 people paid a dollar each to make the trip to the top.

The End of an Era By the mid-1930s, it was clear that an era was ending. One by one, symbols of the 1920s faded away. In 1931, organized crime gangster Al Capone was at last brought down, convicted of tax evasion and sent to prison. The frugal former President Calvin Coolidge, who presided over the freewheeling prosperity of the 1920s, died in January 1933. Baseball legend Babe Ruth retired in 1935. The Depression-era labor policies of automaker Henry Ford, once admired for his efficiency, made him labor's prime enemy.

In 1932, the nation was horrified when the infant son of aviation hero Charles Lindbergh and Anne Morrow Lindbergh was kidnapped and murdered. Somehow this tragedy seemed to echo the nation's distressed condition and its fall from the heights of its energy and heroism in the 1920s.



VIEWING HISTORY Workers like the man shown above looked out over New York City as they labored to complete the Empire State Building. **Determining Relevance** How was the Empire State Building a symbol of hope?

Section

3

Assessment

READING COMPREHENSION

1. What were **penny auctions** and how did they help farmers overcome some of the hardships of the Great Depression?
2. Why was there an interest among some Americans in radical and reform movements? How did American involvement in these movements differ from the political movements occurring in some parts of Europe at the same time?
3. Why was the **Twenty-first Amendment** passed? Why do you think it was passed during the Great Depression?

CRITICAL THINKING AND WRITING

4. **Making Comparisons** Cite three events in American history that reflect the same qualities of cooperation and endurance exhibited by Americans during the Depression.
5. **Writing an Opinion** In a time of crisis, the building of an expensive skyscraper such as the Empire State Building might have been seen as wasteful. Instead, many Americans found it inspiring. What might account for this view of the project?

Take It to the NET

Activity: Virtual Field Trip Take a tour showing the construction of the Empire State Building. What kinds of conditions did the workers encounter? Write a poem or an essay based on the images you see. Use the links provided in the *America: Pathways to the Present* area of the following Web site for help in completing this activity.
www.phschool.com

The Election of 1932

READING FOCUS

- How did President Hoover respond to the Great Depression?
- What did Roosevelt mean when he offered Americans a “new deal”?
- Why was the election of 1932 a significant turning point for American politics?

MAIN IDEA

As the Depression worsened, people blamed Hoover and the Republicans for their misery. The 1932 presidential election brought a sweeping victory for Democrat Franklin D. Roosevelt and profound changes in the role of government.

KEY TERMS

Hawley-Smoot tariff
Reconstruction Finance Corporation (RFC)
Bonus Army

TAKING NOTES

As you read, complete this chart listing some ideas of the presidential candidates in 1932.

| Candidate | Ideas on Government |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Herbert Hoover | <ul style="list-style-type: none"> • Believed in minimal government action • Strict view of government (less government is better) • |
| Franklin Delano Roosevelt | <ul style="list-style-type: none"> • Willing to experiment with government roles • Supported broadening the role of government • |

Setting the Scene In 1932, President Hoover asked the popular singer Rudy Vallee to come up with a theme song for his campaign. Hoover wanted a song that would help people forget about their troubles during the Depression. The song that Vallee produced, “Brother, Can You Spare a Dime?” was taken from the Broadway musical *New Americana*, and soon became a fitting symbol for the Depression years. Although embraced by Americans, it was not quite the rousing song of optimism Hoover would have preferred as a campaign song.

“Once I built a railroad
I made it run
Made it race against time.
Once I built a railroad
Now it's done
Brother, can you spare a dime?”

In contrast, the Democratic candidate for President in 1932, Franklin Delano Roosevelt, built his campaign around a much different tune:

“Happy days are here again,
The skies above are clear again
Let us sing a song of cheer again—
Happy days are here again.”

As the election approached, Hoover, known as the “great engineer” for his exceptional engineering career, tried desperately to “engineer” the United States out of the Depression. His strict adherence to his political beliefs, however, would put severe limits on what he was able to accomplish.

Hoover's Limited Strategy

For a few months after the stock market crash, President Hoover, along with business leaders, insisted that the key to recovery was confidence. Hoover

blamed the Great Depression on “world-wide economic conditions beyond our control”—not on problems in the United States economy. Taking Hoover's advice, business and government leaders tried to maintain public confidence in the economy. Even as factories closed, Hoover administration officials insisted that conditions would improve soon.

Voluntary Action Fails Hoover believed that voluntary controls by businesses in the United States were the best way to end the economic crisis. He quickly organized a White House conference of business leaders and got their promise to maintain wage rates. At first, many firms did keep wages up. By the end of 1931, however, companies were quietly cutting workers' pay.

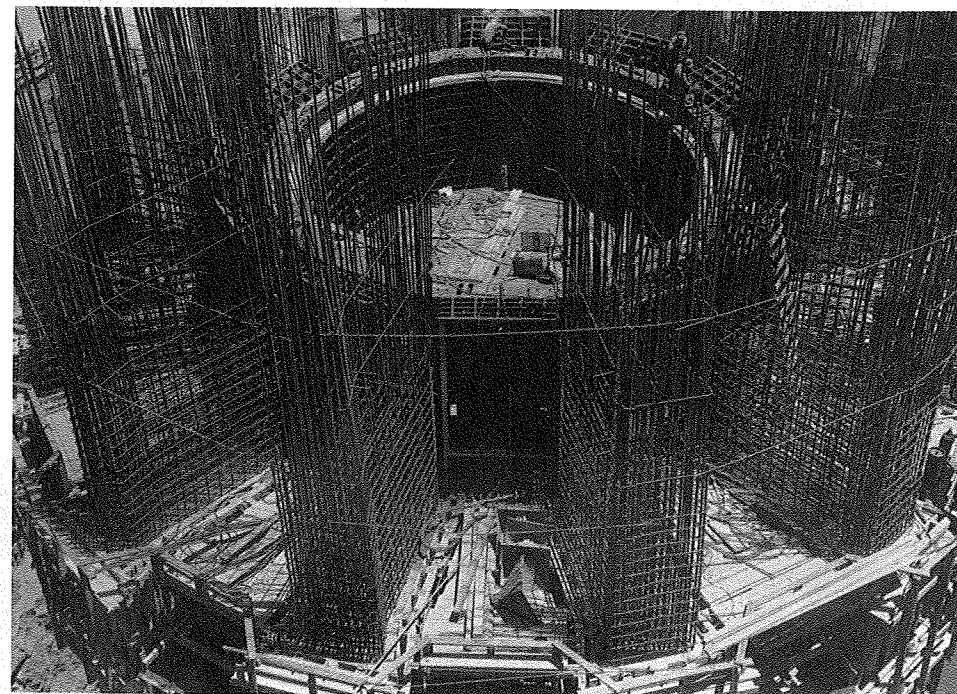
Hoover held rigidly to his principle of voluntary action. A shy man, he was successful in business but inexperienced in politics. As a result, he showed less flexibility when it came to political compromise. Often unwilling to budge from his views, Hoover was ultimately unable to make his plan attractive to the American people. After a year of misery, the public began to blame him and the Republicans for the crisis.

The Government Acts Despite his staunch beliefs and continual reassurances to the public, Hoover knew that he had to do something to alleviate the suffering of so many Americans. Even before the Depression began, Congress, with the support of Hoover, passed the Agricultural Marketing Act in June 1929. The act provided a form of relief for farmers by creating a Federal Farm Board, which was designed to stabilize the prices of farm crops. The program proved to be a failure, however, losing over \$150 million and sending farm prices on another downward spiral.

As a result of the worsening Depression, the Republicans took a beating in the 1930 midterm elections. After the election, Republicans no longer controlled the House, and their majority in the Senate was reduced to just one seat. As the hardships continued and criticisms increased, Hoover took an even more active approach. To create jobs, the government spent more on new public buildings, roads, parks, and dams. Construction on Boulder Dam (later renamed Hoover Dam) began in 1930. A President's Emergency Committee on Employment advised the President to create local relief programs.

In an attempt to protect domestic industries from foreign imports, in 1930 Congress passed the **Hawley-Smoot tariff**, the highest import tax in history. The tariff backfired. European countries raised their own tariffs, bringing a sudden slowdown in international trade. Hoover suspended the Allies' payments of their war debts, but Europe's economies grew weaker.

In early 1932, Hoover set up the **Reconstruction Finance Corporation (RFC)**, which gave government credit to a number of institutions, such as large industries, railroads, and insurance companies. The act also lent money to banks so that they could extend loans. Also that year, Congress passed the



VIEWING HISTORY Boulder Dam, seen here under construction, was built with massive steel bar columns, and used as much steel as the Empire State Building. **Synthesizing Information** What did Hoover hope to accomplish by spending money to build Boulder Dam?



VIEWING HISTORY This *New Yorker* cover drawing of FDR's inauguration in 1933 shows Roosevelt, the new President, in contrast with Hoover. **Recognizing Bias** Do you think this drawing is being critical of a particular candidate or of the American public's perception of the two candidates?

READING CHECK

What did Hoover think of direct federal relief?

Home Loan Bank Act, which, by discounting mortgage rates, helped homeowners save their homes and farmers keep their farms. The RFC reflected the theory that prosperity at the top would help the economy as a whole. To many people, however, it seemed that the government was helping bankers and big business leaders while ordinary people went hungry. Despite the RFC, banks continued to fail.

Hoover's Unpopularity Grows Despite his support of these programs, Hoover insisted that state and local governments should handle relief. Hoover argued that direct federal relief would destroy people's self-respect and create a large bureaucracy. His refusal to provide direct aid brought bitter public reaction and negative publicity. Although his World War I relief work had earned him the title "Great Humanitarian," Hoover's attitude toward Depression relief made him seem cold and hard-hearted.

Many people blamed Hoover, not always fairly, for their problems. While people went hungry, newspapers showed a photograph of him feeding his dog on the White House lawn. People booed when he said such things as "Our people have been protected from hunger and cold."

Private charities and local officials could not meet the demands for relief as Hoover wanted. Finally, in 1932, Hoover broke with tradition and let the RFC lend the states money for unemployment relief. But it was too little and too late.

As the Depression deepened, some economists backed the ideas of British economist John Maynard Keynes. Keynes argued that massive government spending could help a collapsing economy and encourage more private spending and production of goods and services. This economic theory was not yet widely accepted, however.

Veterans March on Washington A low point for Hoover came in the summer of 1932, when 20,000 jobless World War I veterans and their families encamped in Washington, D.C. The **Bonus Army**, as they called themselves,



VIEWING HISTORY

MacArthur's troops set fire to the Bonus Army camps after driving out the protesters. **Determining Relevance** Why do you think the government's response to the Bonus Army hurt Hoover at election time?

wanted immediate payment of a pension bonus that had been promised for 1945. The House of Representatives agreed, but the Senate said no. Most of the Bonus Army then went home, but a few thousand stayed, living in shacks.

Although the bonus marchers were generally peaceful, a few violent incidents prompted Hoover to call in the army. General Douglas MacArthur decided to use force to drive the marchers out of Washington. Armed with bricks and stones, the Bonus Army veterans faced their own country's guns, tanks, and tear gas. Many people were injured. Hoover was horrified, but he took responsibility for MacArthur's actions. In the next election, the lingering image of this ugly scene would help defeat him.

A "New Deal" for America

"I pledge myself to a new deal for the American people," announced presidential candidate Franklin Delano Roosevelt as he accepted the Democratic Party's nomination at its Chicago convention in July 1932. Delegates cheered, and an organ thundered out the song "Happy Days Are Here Again." The Republicans, in June, had again named Hoover as their candidate. As the presidential campaign took shape, the differences between the two candidates became very clear.

In Franklin and Eleanor Roosevelt, the Democrats had a remarkable political couple ready to bring them to victory. Franklin, nicknamed "FDR" by the press, was born in 1882. He graduated from Harvard University and took a job in a law firm, although his main interest was politics. He was elected twice to the New York State Senate before becoming Assistant Secretary of the Navy under President Wilson.

In 1920, FDR ran for Vice President but lost. The following summer, he came down with polio and never walked without help again. He spent much of the 1920s recovering at Warm Springs, Georgia, but with his wife's help kept up his political interests.

Eleanor Roosevelt, a niece of Theodore Roosevelt, was born in 1884 into a wealthy family. She married her distant cousin Franklin in 1905. During the 1920s, in New York State, Eleanor worked for several causes, including public housing legislation, state government reform, birth control, and better conditions for working women. By 1928,

Fast Forward to Today

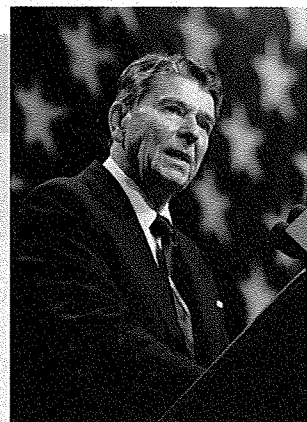
Philosophy of Government

FDR's New Deal represented the birth of a new philosophy of the government's role in American life. Since the days of FDR, Americans have had differing opinions on what the size and role of the government should be.



1933 Roosevelt's New Deal greatly expands the role of government for social and welfare programs.

1964 In the tradition of FDR, President Johnson promises a "Great Society," which would provide legislation to combat poverty and offer healthcare.



1981 Conservatives, who believe in a minimal role for the government, score a victory when President Reagan begins to cut social welfare spending.



1993 President Clinton promotes a smaller, but active government, which reconciles FDR's activism with Reagan's conservatism.

? What are possible consequences of both a large government role in social welfare and a limited government role?

Focus on GOVERNMENT

The Twentieth Amendment On March 2, 1932, Congress proposed the Twentieth Amendment to the Constitution. Called the "Lame Duck Amendment," its purpose was to shorten the period between election day in November and the time when congressional representatives and the President take office. Prior to this amendment, elected officials took office on March 4. During this post-election period of over four months, those who had lost the election were "lame ducks," and would spend this time without having much influence or effectiveness. The amendment changed the inauguration date to January 20, cutting the lame duck period in half. By October 15, 1933, every state had ratified the amendment. The first presidential term to be affected would be FDR's second term, which began on January 20, 1937.

when FDR was persuaded to run for governor of New York, Eleanor was an experienced political worker and social reformer.

After FDR's success as governor of New York (1929–1932), his supporters believed him ready to try for the presidency. With his broad smile and genial manner, he represented a spirit of optimism that the country badly needed.

Unlike Hoover, FDR was ready to experiment with governmental roles. Though from a wealthy background, he had genuine compassion for ordinary people, in part because of his disability. He was also moved by the great gap between the nation's wealthy and the poor.

As governor of New York, Roosevelt had worked vigorously for Depression relief. In 1931, he set up an unemployment commission and a relief administration, the first state agencies to aid the poor in the Depression era. When, as a presidential candidate, FDR promised the country a "new deal," he had similar programs in mind.

The Election of 1932

Hoover, the incumbent candidate for President, summed up the choice that voters had in 1932:

"This campaign is more than a contest between two men. . . . It is a contest between two philosophies of government."

—President Herbert Hoover, October 1932

This statement also accurately describes the long-term impact of the 1932 presidential election. It was a historic battle between those who believed that the federal government could not and should not try to fix people's problems, and those who felt that large-scale problems such as the Depression required the government's help. The election would have an enormous effect on public policy for decades to come.

Still arguing for voluntary aid to relieve the Depression, Hoover attacked the Democratic platform. If its ideas were adopted, he said, "this will not be the America which we have known in the past." He sternly resisted the idea of giving the national government more power.

Roosevelt, by contrast, called for "a reappraisal of values" and controls on business:

"I feel that we are coming to a view through the drift of our legislation and our public thinking in the past quarter century that private economic power is . . . a public trust as well."

—Franklin Delano Roosevelt, 1932

While statements like this showed FDR's new approach, many Americans did not support Roosevelt because of his ideas as much as they opposed Hoover because he had been too passive. Even longtime Republicans deserted him. A reserved man by nature, Hoover became grim and isolated. He gave few campaign speeches. Crowds jeered his motorcade.

FDR won the presidency by a huge margin of 7 million popular votes. Much of his support came from groups that had begun to turn to the

Democrats in 1928: urban workers, coal miners, and immigrants of Catholic and Jewish descent.

On a rainy day in 1933, FDR stood before a Depression-weary crowd and took the oath of office of President of the United States. As reporter Thomas Stokes observed, a stirring of hope moved through the crowd when Roosevelt said, "This nation asks for action and action now."

Phrases like this foreshadowed a sweeping change in the style of presidential leadership and government response to its citizens' needs. Ultimately, such changes altered the way many Americans viewed their government and its responsibilities.

In the depths of the Great Depression, many Americans had to give up cherished traditional beliefs in "making it on their own."

They turned to the government as their only hope. Thus, as you will read in the next chapter, the Roosevelt years saw the beginning of many programs that changed the role of government in American society.

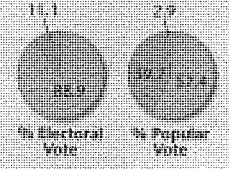
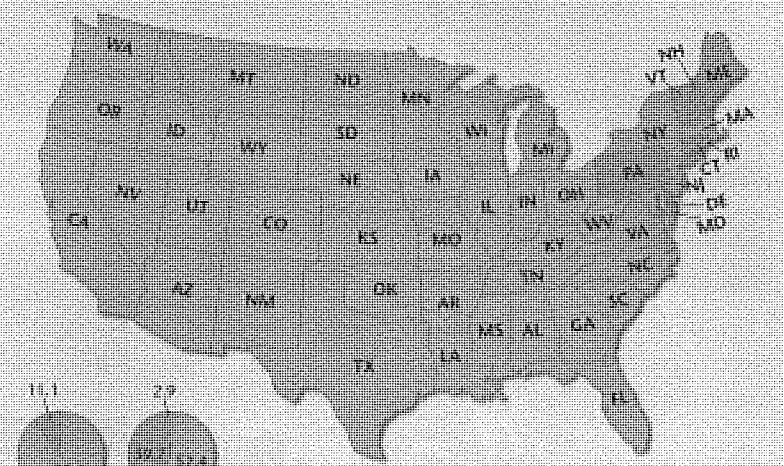
The words of FDR's Inaugural Address gave much of the country renewed hope for the future:

"So first of all let me assert my firm belief that the only thing we have to fear is fear itself."

—President Franklin Delano Roosevelt, First Inaugural Address, 1933

Having overcome fear in his own life many times, Roosevelt spoke with conviction and confidence, reassuring a frightened nation.

Presidential Election of 1932



| Candidate/Party | Electoral Vote | Popular Vote |
|----------------------------------|----------------|--------------|
| Franklin D. Roosevelt (Democrat) | 472 | 22,821,857 |
| Herbert Hoover (Republican) | 59 | 15,761,841 |
| Other | | 1,160,615 |

MAP SKILLS Franklin D. Roosevelt and the Democratic Party won the popular vote in 1932 as well as a huge margin of electoral votes. **Location** Which states' electoral votes did Hoover win?

COMPARING PRIMARY SOURCES

Fighting the Depression

Sharp philosophical differences characterized the presidential campaign of 1932.

Analyzing Viewpoints Compare the statements made by the two candidates.

Against Drastic Measures

"We are told by the opposition that we must have a change, that we must have a new deal. It is not the change . . . to which I object but the proposal to alter the whole foundations of our national life which have been built through generations of testing and struggle."

—Herbert Hoover, speech at Madison Square Garden, October 31, 1932

For Drastic Measures

"I have recounted to you in other speeches, and it is a matter of general information, that for at least two years after the Crash, the only efforts made by the [Hoover administration] to cope with the distress of unemployment were to deny its existence."

—Franklin D. Roosevelt, campaign address, October 13, 1932

READING CHECK

From what groups did FDR receive support in the 1932 election?

Section

4

Assessment

READING COMPREHENSION

- How did President Hoover hope to end the Depression and its hardships?
- What was the intent of the **Hawley-Smoot tariff** and the **Reconstruction Finance Corporation**?
- How did the **Bonus Army** conflict contribute to Hoover's downfall?
- Describe Franklin Delano Roosevelt's appeal to the American voter in 1932.

CRITICAL THINKING AND WRITING

- Distinguishing Fact From Opinion** Do you think the criticisms of Hoover were justified, or might the Depression have brought failure for any President? Explain.
- Writing a News Story** Take the position of a reporter covering FDR's inaugural speech. Write a brief newspaper report describing what the President said and how Americans responded to the speech.

Take It to the NET

Activity: Analyzing Primary Sources Read several of FDR's campaign speeches. What issues did he focus on? Referring to the map of the election of 1932 above or online, did FDR win the states in which he made campaign stops? Use the links provided in the *America: Pathways to the Present* area of the following Web site for help in completing this activity. www.phschool.com