

The First New Deal: Agriculture

In the spring of 1933, the agricultural sector of the economy was in a state of collapse. It thereby provided a laboratory for the New Dealers' belief that greater regulation would solve many of the country's problems. In 1933, Congress passed the Agricultural Adjustment Act (AAA) to provide economic relief to farmers. The AAA proposed to raise crop prices by paying farmers a subsidy to compensate for voluntary cutbacks in production. Funds for the payments would be generated by a tax levied on industries that processed crops. By the time the act had become law, however, the growing season was well under way, and the AAA paid farmers to plow under their abundant crops. Crop reduction and further subsidies through the Commodity Credit Corporation, which purchased commodities to be kept in storage, drove output down and farm prices up.

1. In 1933, what was passed by Congress to provide economic relief to farmers?

2. What government organization purchased commodities to be kept in storage?

Between 1932 and 1935, farm income increased by more than 50 percent, but only partly because of federal programs. During the same years that farmers were being

encouraged to take land out of production – displacing tenants and sharecroppers – a severe drought hit the Plains states. Violent wind and dust storms during the 1930s created what became known as the "Dust Bowl." Crops were destroyed and farms ruined.

3. During the 1930s, the Dust Bowl hit what part of the country?

By 1940, 2.5 million people had moved out of the Plains states, the largest migration in American history. Of those, 200,000 moved to California. The migrants were not only farmers, but also professionals, retailers, and others whose livelihoods were connected to the health of the farm communities. Many ended up competing for seasonal jobs picking crops at extremely low wages.

4. Approximately how many people migrated from the Plains states by 1940?

- a. 1.5 million
- b. 2 million
- c. 2.5 million
- d. 3 million

The government provided aid in the form of the Soil Conservation Service, established in 1935. Farm practices that damaged the soil had intensified the impact of the drought. The service taught farmers measures to reduce erosion. In addition, almost 30,000 kilometers

