In his inaugural address in March 1933, President Franklin Delano Roosevelt did not hide the country's precarious condition. "A host of unemployed citizens face the grim problem of existence," he said, "and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment." Roosevelt, his demeanor sincere and purposeful, saw both despair and determination in the nation's citizens. "This nation asks for action, and action now." From Congress he would request "broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe." With these words, Roosevelt launched a program of federal activism — which he called the New Deal — that would change the nature of American government.

The New Deal represented a new form of liberalism, a fresh interpretation of the ideology of individual rights that had long shaped the character of American society and politics. Classical nineteenth-century liberals believed that, to protect those rights, government should be small and relatively weak. However, the progressives of the early twentieth century believed individual freedom and opportunity were best safeguarded by strengthening state and federal control over large businesses and monopolies. New Deal activists went much further: their social-welfare liberalism expanded individual rights to include economic security. Beginning in the 1930s and continuing through the 1960s, they increased the responsibility of the national government for the welfare of ordinary citizens. Their efforts did not go unchallenged. Conservative critics of the New Deal charged that its "big government" programs were paternalistic and dangerous, undermining individual responsibility and constraining personal freedom. This division between the advocates and the critics of the New Deal shaped American politics for the next half century.

Before Roosevelt was elected president, between the onset of the depression in 1929 and November 1932, the "dark realities of the moment" wore down American society. Rising unemployment, shuttered businesses, failing banks, and home foreclosures tore at the nation's social fabric. As crisis piled upon crisis and the federal government's initiatives under President Hoover proved ineffectual, Americans had to reconsider more than the role of government in economic life: they had to rethink many of the principles of individualism and free enterprise that had guided so much of the nation's history.
Girls — Are You Interested in a Job?

Find out what an occupation has to offer you in pay, employment, security and promotion. Free classes in occupations.

The New Deal  This Federal Arts Project poster from 1936 captured the spirit of the New Deal under President Franklin Roosevelt. Produced for the Illinois branch of the National Youth Administration, one of the many New Deal agencies of the decade, the poster demonstrates the goal of getting Americans working again. Roosevelt and other “New Dealers” hoped to decrease unemployment, raise people’s spirits, and point to a brighter future in the midst of the Great Depression. Library of Congress.
# Early Responses to the Depression, 1929–1932

The American economy collapsed between 1929 and 1932, by virtually any measurement. U.S. gross domestic product fell almost by half, from $103 billion to $58 billion. Consumption dropped by 18 percent, construction by 78 percent, and private investment by 88 percent. Nearly 9,000 banks closed their doors, and 100,000 businesses failed. Corporate profits fell from $10 billion to $1 billion. Unemployment rose to 25 percent. Fifteen million people were out of work by 1933. “Hoover made a sousehound outa me!” sang jobless harvest hands in the Southwest.

The depression respected no national boundaries. Germany had preceded the United States into economic contraction in 1928, and its economy, burdened by heavy World War I reparations payments, was brought to its knees by 1929. France, Britain, Argentina, Brazil, Poland, and Canada were hard hit as well. Recovery proved difficult because the international gold standard constrained economic policymaking. The United States and most European nations had tied the value of their currencies to the price of gold, and the amount of gold held in reserves, since the late nineteenth century. This system had worked fairly well for a few decades, but it was vulnerable during economic downturns, when large financiers withdrew their investments and demanded gold payments. The gold standard rendered the international monetary system inflexible at precisely the moment when maximum flexibility was needed.

## Enter Herbert Hoover

President Herbert Hoover and Congress responded to the downturn by drawing on two influential American traditions. The first was the belief that economic outcomes were the product of individual character: people’s fate was in their own hands, and success went to those who deserved it. The second tradition held that through voluntary action, the business community could right itself and recover from economic downturns without relying on government assistance or, worse, submitting to government regulation. Following these principles, Hoover asked Americans to tighten their belts and work hard. After the stock market crash, he cut federal taxes in an attempt to boost private spending and corporate investment. "Any lack of confidence in the economic future or the strength of business in the United States is foolish,"

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tr>
<td>1929</td>
<td>Stock market crash</td>
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<td>1930</td>
<td>Smoot-Hawley Tariff</td>
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<td>1931</td>
<td>Scottsboro case: trials and appeals</td>
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<td>1932</td>
<td>Bonus Army marches on Washington, D.C. (May–July)</td>
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<td>1932</td>
<td>Franklin Delano Roosevelt elected president (November)</td>
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<tr>
<td>1933</td>
<td>FDR's inaugural address and first fireside chats</td>
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<td>1933</td>
<td>Emergency Banking Act launches the Hundred Days</td>
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<td>1933</td>
<td>Civilian Conservation Corps (CCC) created</td>
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<td>1933</td>
<td>Agricultural Adjustment Act (AAA)</td>
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<td>1933</td>
<td>National Industrial Recovery Act (NIRA)</td>
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<td>1933</td>
<td>Tennessee Valley Authority (TVA) established</td>
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<td>1933</td>
<td>Townsend Clubs promote Old Age Revolving Pension Plan</td>
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<td>1934</td>
<td>Securities and Exchange Commission (SEC) created</td>
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<td>1934</td>
<td>Southern Tenant Farmers Union (STFU) created</td>
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<td>1934</td>
<td>Indian Reorganization Act</td>
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<td>1935</td>
<td>Supreme Court voids NIRA in Schechter v. United States</td>
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<td>1935</td>
<td>National Labor Relations (Wagner) Act</td>
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<td>1935</td>
<td>Social Security Act creates old-age pension system</td>
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<td>1935</td>
<td>Works Progress Administration (WPA) created</td>
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<td>1935</td>
<td>Rural Electrification Administration (REA) established</td>
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<td>1935</td>
<td>Supreme Court voids Agricultural Adjustment Act</td>
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<td>1935</td>
<td>Congress of Industrial Organizations (CIO) formed</td>
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<td>1936</td>
<td>Landslide reelection of FDR marks peak of New Deal</td>
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<td>1937</td>
<td>FDR's Supreme Court plan fails</td>
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<td>1937</td>
<td>&quot;Roosevelt recession&quot; raises unemployment</td>
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<td>1938</td>
<td>Fair Labor Standards Act</td>
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Hoover assured the country in late 1929. Treasury secretary Andrew Mellon suggested that the downturn would help Americans "work harder" and "live a more moral life."

While many factors caused the Great Depression, Hoover's adherence to the gold standard was a major reason for its length and severity in the United States. Faced with economic catastrophe, both Britain and Germany abandoned the gold standard in 1931; when they did so, their economies recovered modestly. But the Hoover administration feared that such a move would weaken the value of the dollar. In reality, an inflexible money supply discouraged investment and therefore prevented growth. The Roosevelt administration would ultimately remove the United States from the burdens of the gold standard in 1933. By that time, however, the crisis had achieved catastrophic dimensions. Billions had been lost in business and bank failures, and the economy had stalled completely.

Along with adherence to the gold standard, Hoover and many congressional Republicans believed in another piece of economic orthodoxy that had protected American manufacturing in good economic times but that proved damaging during the downturn: high tariffs (taxes on imported goods designed to stimulate American manufacturing). In 1930, Republicans enacted the Smoot-Hawley Tariff. Despite receiving a letter from more than a thousand economists urging him to veto it, Hoover approved the legislation. What served American interests in earlier eras now undermined them. Smoot-Hawley triggered retaliatory tariffs in other countries, which further hindered global trade and worsened economic contraction throughout the industrialized world.

The president recognized that individual initiative, business voluntarism, and high tariffs might not be enough, given the depth of the crisis, so he proposed government action as well. He called on state and local governments to provide jobs by investing in public projects. And in 1931, he secured an unprecedented increase of $700 million in federal spending for public works. Hoover's most innovative program was the Reconstruction Finance Corporation (RFC), which provided federal loans to railroads, banks, and other businesses. But the RFC lent money too cautiously, and by the end of 1932 it had loaned out only 20 percent of its $1.5 billion in funds. Like most federal initiatives under Hoover, the RFC was not nearly aggressive enough given the severity of the depression.

Few chief executives could have survived the downward economic spiral of 1929-1932, but Hoover's reluctance to break with the philosophy of limited government and his insistence that recovery was just around the corner contributed to his unpopularity. By 1932, Americans perceived Hoover as insensitive to the depth of economic suffering. The nation had come a long way since the depressions of the 1870s and 1890s, when no one except the most radical figures, such as Jacob Coxey, called for direct federal aid to the unemployed (Chapter 19). Compared with previous chief executives—and in contrast to his popular image as a "do-nothing" president—Hoover had responded to the national emergency with unprecedented government action. But the nation's needs were even more unprecedented, and Hoover's programs failed to meet them (Map 22.1).

MAP 22.1 The Great Depression: Families on Relief

Although the Great Depression was a nationwide crisis, some regions were hit harder than others. Economic hardship was widespread in the agricultural South, the rural Appalachian states, and the industrial states of the Northeast and Midwest. As the depression worsened in 1931 and 1932, local and state governments, as well as charitable organizations, could not keep up with the demand for relief. After Franklin D. Roosevelt assumed the presidency in 1933, the national government began a massive program of aid through the Federal Emergency Relief Administration (FERA).
Rising Discontent

As the depression deepened, the American vocabulary now included the terms Hoovervilles (shantytowns where people lived in packing crates) and Hoover blankets (newspapers). Bankrupt farmers banded together to resist the bank agents and sheriffs who tried to evict them from their land. To protest low prices for their goods, in the spring of 1932 thousands of midwestern farmers joined the Farmers' Holiday Association, which cut off supplies to urban areas by barricading roads and dumping milk, vegetables, and other foodstuffs onto the roadways. Agricultural prices were so low that the group advocated a government-supported farm program — drawing on Populist ideas from the 1890s (Chapter 19).

In the industrial sector, layoffs and wage cuts led to violent strikes. When coal miners in Harlan County, Kentucky, went on strike over a 10 percent wage cut in 1931, the mine owners called in the state's National Guard, which crushed the union. A 1932 confrontation between workers and security forces at the Ford Motor Company's giant River Rouge factory outside Detroit left five workers dead and fifty with serious injuries. A news photographer had his camera shot from his hands, and fifteen policemen were beaten. Whether on farms or in factories, those who produced the nation's food and goods had begun to agitate, protest, and organize in the face of mounting economic troubles.

Veterans staged the most publicized — and most tragic — protest. In the summer of 1932, the Bonus Army, a determined group of between fifteen thousand and twenty thousand unemployed World War I veterans, piled into cars, hitchhiked, and even walked to Washington to demand immediate payment of pension awards that were due.
to be paid in 1945. "We were heroes in 1917, but we're bums now," one veteran complained bitterly. While their leaders unsuccessfully lobbied Congress, the Bonus Army set up camps near the Capitol building. Hoover deployed regular army troops under the command of General Douglas MacArthur, who forcefully evicted the marchers and burned their encampment to the ground. When newsreel footage showing the U.S. Army attacking and injuring veterans reached movie theaters across the nation, Hoover's popularity plunged even further. In another measure of how the country had changed since the 1890s, what Americans had applauded when done to Coxey in 1894 was condemned in 1932.

The 1932 Election

Amidst rising discontent as the 1932 election approached, most Americans believed that something altogether new had to be tried—whatever that might be. The Republicans, reluctant to dump an incumbent president, unenthusiastically renominated Hoover. The Democrats turned to New York governor Franklin Delano Roosevelt, whose state had initiated innovative relief and unemployment programs. Roosevelt, born into a wealthy New York family, was a distant cousin to former president Theodore Roosevelt, whose career he emulated. After attending Harvard College and Columbia University, Franklin Roosevelt served as assistant secretary of the navy during World War I (as Theodore Roosevelt had done before the War of 1898). Then, in 1921, a crippling attack of polio left both of his legs permanently paralyzed. Supported by his wife, Eleanor, he slowly returned to public life and campaigned successfully for the governorship of New York in 1928 and again in 1930. Running for the presidency in 1932, Roosevelt pledged vigorous action but gave no indication what that action might be, arguing simply that “the country needs and, unless I mistake its temper, the country demands bold, persistent experimentation.” He won easily, receiving 22.8 million votes to Hoover's 15.7 million.

Elected in November, Roosevelt would not begin his presidency until March 1933. (The Twentieth Amendment, ratified in 1933, set subsequent inaugurations for January 20.) Meanwhile, Americans suffered through the worst winter of the depression. Unemployment continued to climb nationwide. In a measure of the depth of woe, in three major industrial cities in Ohio, the jobless rate shot to staggering levels: 50 percent in Cleveland, 60 percent in Akron, and 80 percent in Toledo. Private charities and public relief agencies reached only a fraction of the needy. The nation's banking system was so close to collapse that many state governors closed banks temporarily to avoid further withdrawals. Several states were approaching bankruptcy, their tax revenues too low to pay for basic services. By March 1933, the nation had hit rock bottom.

IN YOUR OWN WORDS How did Americans, from ordinary citizens to political leaders, respond to the Great Depression?

The New Deal Arrives, 1933–1935

The ideological differences between Herbert Hoover and Franklin Roosevelt were not vast. Both leaders wished to maintain the nation's economic institutions and preserve its social structure, to save capitalism while easing its worst downturns. Both believed in a balanced government budget and extolled the values of hard work, cooperation, and sacrifice. But Roosevelt's personal charm, political savvy, and willingness to experiment made him far more effective and popular than Hoover. Most Americans felt a kinship with their new president, calling him simply FDR. His New Deal would put people to work and restore hope in the nation's future.
**AP EXAM TIP**

Evaluate the impact of mass media on the relationship between citizens and government in the 1930s.

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**AP ANALYZING VOICES**

**Ordinary People Respond to the New Deal**

Franklin Roosevelt’s fireside chats and his relief programs prompted thousands of ordinary Americans to write directly to the president and his wife, Eleanor. Taken together, their letters offer a vivid portrait of depression-era America that includes popular support for, as well as opposition to, the New Deal.

**MRS. M. H. A.**

Mrs. M. H. A. worked in the County Court House in Eureka, California.


"June 14, 1934

Dear Mrs. Roosevelt:

I know you are overburdened with requests for help and if my plea cannot be recognized, I’ll understand it is because you have so many others, all of them worthy. . . .

My husband and I are a young couple of very simple, almost poor families. We married eight years ago on the proverbial shoe-string but with a wealth of love. . . . We managed to build our home and furnish it comfortably. . . . Then came the depression. My work has continued and my salary alone has just been sufficient to make our monthly payments on the house and keep our bills paid. . . . But with the exception of two and one-half months work with the U.S. Coast and Geodetic Survey under the C.W.A. [Civil Works Administration], my husband has not had work since August, 1932.

My salary could continue to keep us going, but I am to have a baby. . . . I can get a leave of absence from my job for a year. But can’t you, won’t you do something so my husband can have a job, at least during that year? . . . As I said before, if it were only ourselves, or if there were something we could do about it, we would never ask for help.

We have always stood on our own feet and been proud and happy. But you are a mother and you’ll understand this crisis.

Very sincerely yours,

Mrs. M. H. A."

**UNSIGNED LETTER**

This unsigned letter came from a factory worker in Paris, Texas.


"November 23, 1936

Dear President,

[N]ow that we have had a land Slide [in the election of 1936] and done just what was best for our country . . . I do believe you Will Strain a point to help the ones who helped you mostly & that is the Working Class of People I am not smart or I would be in a different line of work & better up in every way yet I will know you are the one & only President that ever helped a Working Class of People.

I am a White Man American age, 47 married wife 2 children in high School am a Finishing room foreman I mean a Working foreman & am in a furniture Factory here in Paris Texas where thaire is 175 to 200 Working & when the NRA [National Recovery Administration] came in I was Proud to See my fellow workmen Rec 30 Per hour in Place of 8 cents to 20 cents Per hour . . .

I can’t see for my life President why a man must toil & work his life out in Such factories 10 long hours ever day except Sunday for a small sum of 15 cents to 35 cents per hour & pay the high cost of honest & deason living expences.

please see if something can be done to help this one Class of Working People the factories are a man killer not venelated or kept up just a bunch of Republickins Grafters 90/100 of them Please help us some way I Pray to God for relief. I am a Christian . . . and a truthful man & have not told you wrong & am for you to the end.

[not signed]"

**R. A.**

R. A. was sixty-nine years old and an architect and builder in Lincoln, Nebraska.


"May 19/34

Dear Mrs Roosevelt:

In the Presidents inaugral address delivered from the capitol steps the afternoon of his inaugration he made mention of The Forgotten Man, and I with thousands of others am wondering if the folk who was borned here in America some 60 or 70 years a go are this Forgotten Man, and with thousands of others am wondering if the folk who was borned here in America some 60 or 70 years a go are this Forgotten Man, the President had in mind, if we are this Forgotten Man then we are still Forgotten.

R. A."

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**Roosevelt and the First Hundred Days**

A wealthy patrician, Roosevelt was an unlikely figure to inspire millions of ordinary Americans. But his close rapport with the American people was critical to his political success. More than 450,000 letters poured into the White House in the week after his inauguration. The president’s masterful use of the new medium of radio, especially his
We who have tried to be diligent in our support of this most wonderful nation of ours both socially and otherwise, we in our younger days tried to do our duty without complaining. And now a great calamity has come upon us and seemingly no cause of our own it has swept away what little savings we had accumulated and we are left in a condition that is impossible for us to correct, for two very prominent reasons if no more.

First we have grown to what is termed Old Age, this befalls every man.

Second, . . . we are confronted on every hand with the young generation, taking our places, this of course is what we have looked forward to in training our children. But with the extra ordinary crises which left us helpless and placed us in the position that our fathers did not have to contend with. . . .

We have been honorable citizens all along our journey, calamity and old age has forced its self upon us please do not send us to the Poor Farm but instead allow us the small pension of $40.00 per month.

Mrs. Roosevelt I am asking a personal favor of you as it seems to be the only means through which I may be able to reach the President, some evening very soon, as you and Mr. Roosevelt are having dinner together privately will you ask him to read this. And we American citizens will ever remember your kindness.

Yours very truly.
R. A. ""

**M. A. H.**

M. A. H. was a widow who held a low-level salaried position in a corporation.


Dec. 14, 1937

Mrs. Roosevelt:

I suppose from your point of view the work relief, old age pensions, slum clearance and all the rest seems like a perfect remedy for all the ills of this country, but I would like for you to see the results, as the other half see them.

We have always had a shiftless, never-do-well class of people whose one and only aim in life is to live without work. I have been rubbing elbows with this class for nearly sixty years and have tried to help some of the most promising and have seen others try to help them, but it can't be done. We cannot help those who will not try to help themselves and if they do try a square deal is all they need, . . . let each one paddle their own canoe, or sink. . . .

I live alone on a farm and have not raised any crops for the last two years as there was no help to be had. I am feeding the stock and have been cutting the wood to keep my home fires burning. There are several relievers around here now who have been kicked off relief but they refuse to work unless they can get relief hours and wages, but they are so worthless no one can afford to hire them. . . . They are just a fair sample of the class of people on whom so much of our hard earned tax-money is being squandered and on whom so much sympathy is being wasted. . . .

You people who have plenty of this world's goods and whose money comes easy have no idea of the heart-breaking toil and self-denial which is the lot of the working people who are trying to make an honest living, and then to have to shoulder all these unjust burdens seems like the last straw. . . . No one should have the right to vote their self a living at the expense of the tax payers. . . .

M. A. H. ""

**QUESTIONS FOR ANALYSIS**

1. How do you explain the personal, almost intimate, tone of these letters to the Roosevelts?
2. How have specific New Deal programs helped or hurt the authors of these letters?
3. What are the basic values of the authors? Do the values of those who support the New Deal differ from the values of those who oppose it?
To draft legislation and policy, he relied heavily on financier Bernard Baruch and a "Brains Trust" of professors from Columbia, Harvard, and other leading universities. Roosevelt also turned to his talented cabinet, which included Harold I. Ickes, secretary of the interior; Frances Perkins at the Labor Department; Henry A. Wallace at Agriculture; and Henry Morgenthau Jr., secretary of the treasury. These intellectuals and administrators attracted hundreds of highly qualified recruits to Washington. Inspired by New Deal idealism, many of them would devote their lives to public service and the principles of social-welfare liberalism.

Roosevelt could have done little, however, without a sympathetic Congress. The 1932 election had swept Democratic majorities into both the House and Senate, giving the new president the lawmaking allies he needed. The first months of FDR's administration produced a whirlwind of activity on Capitol Hill. In a legendary session, known as the Hundred Days, Congress enacted fifteen major bills that focused primarily on four problems: banking failures, agricultural overproduction, the business slump, and soaring unemployment. Derided by some as an "alphabet soup" because of their many abbreviations (CCC, WPA, AAA, etc.), the new policies and agencies represented the emergence of a new American state.

**Banking Reform** The collapsing banking system hobbled the entire economy, curtailing consumer spending and business investment. Widespread bank failures had reduced the savings of nearly nine million families, and panicked account holders raced to withdraw their funds. On March 5, 1933, the day after his inauguration, FDR declared a national "bank holiday" — closing all the banks — and called Congress into special session. Four days later, Congress passed the Emergency Banking Act, which permitted banks to reopen if a Treasury Department inspection showed they had sufficient cash reserves.

In his first Sunday night fireside chat, to a radio audience of sixty million, the president reassured citizens that their money was safe. When the banks reopened on March 13, calm prevailed and deposits exceeded withdrawals, restoring stability to the nation's basic financial institutions. "Capitalism was saved in eight days," quipped Roosevelt's advisor Raymond Moley. Four thousand banks had failed in the months prior to Roosevelt's inauguration; only sixty-one closed their doors in all of 1934 (Table 22.1). A second banking law, the Glass-Steagall Act, further restored public confidence by creating the Federal Deposit Insurance Corporation (FDIC), which insured deposits up to $2,500 (and now insures them up to $250,000). The act also prohibited banks from making risky, unsecured investments with the deposits of ordinary people. And in a profoundly important economic and symbolic gesture, Roosevelt removed the U.S. Treasury from the gold standard in June 1933, which allowed the

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<td><strong>American Banks and Bank Failures, 1920–1940</strong></td>
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<td>Year</td>
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Federal Reserve to lower interest rates; since 1931, it had been raising rates, which had only deepened the downturn.

**Agriculture and Manufacturing** Roosevelt and the New Deal Congress next turned to agriculture and manufacturing. In those sectors, a seeming paradox was evident: the depression led to overproduction in agriculture and underproduction in manufacturing. Reversing both problematic trends was critical. The *Agricultural Adjustment Act* (AAA) began direct governmental regulation of the farm economy for the first time. To solve the problem of overproduction, which lowered prices, the AAA provided cash subsidies to farmers who cut production of seven major commodities: wheat, cotton, corn, hogs, rice, tobacco, and dairy products. Policymakers hoped that farm prices would rise as production fell.

By dumping cash in farmers’ hands, the AAA briefly stabilized the farm economy. But the act’s benefits were not evenly distributed. Subsidies went primarily to the owners of large and medium-sized farms, who often cut production by reducing the amount of land they rented to tenants and sharecroppers. In Mississippi, one plantation owner received $26,000 from the federal government, while thousands of black sharecroppers living in the same county received only a few dollars in relief payments.

In manufacturing, the New Deal attacked declining production with the National Industrial Recovery Act. A new government agency, the *National Recovery Administration* (NRA), set up separate self-governing private associations in six hundred industries. Each industry — ranging from large corporations producing coal, cotton textiles, and steel to small businesses making pet food and costume jewelry — regulated itself by agreeing on prices and production quotas.

The AAA and the NRA were designed to rescue the nation’s productive industries and stabilize the economy. The measures had positive effects in some regions, but most historians agree that, overall, they did little to end the depression.

**Unemployment Relief** The Roosevelt administration next addressed the massive unemployment problem. By 1933, local governments and private charities had exhausted their resources and were looking to Washington for assistance. Although Roosevelt wanted to avoid a budget deficit, he asked Congress to provide relief for millions of unemployed Americans. In May, Congress established the Federal Emergency Relief Administration (FERA). Directed by Harry Hopkins, a hard-driving social worker from New York, the FERA provided federal funds for state relief programs.

Roosevelt and Hopkins had strong reservations about the “dole,” the nickname for government welfare payments. As Hopkins put it, “I don’t think anybody can go year after year, month after month, accepting relief without affecting his character.” To support the traditional values of individualism, the New Deal put people to work. Early in 1933, Congress established the *Public Works Administration* (PWA), a construction program, and several months later, Roosevelt created the Civil Works Administration (CWA) and named Hopkins its head. At its peak in 1934, the CWA provided jobs for 4 million Americans, repairing bridges, building highways, and constructing public buildings. A stopgap measure to get the country through the winter of 1933–1934, the CWA lapsed in the spring, when Republican opposition compelled New Dealers to abandon it. A longer-term program, the *Civilian Conservation Corps* (CCC), mobilized 250,000 young men to do reforestation.
and conservation work. Over the course of the 1930s, the “CCC boys” built thousands of bridges, roads, trails, and other structures in state and national parks, bolstering the national infrastructure (Map 22.2).

**Housing Crisis** Millions of Americans also faced the devastating prospect of losing their homes. The economic expansion of the 1920s had produced the largest inflationary housing bubble in American history to that point, a scenario in which home prices rose rapidly, fueled by widespread borrowing. In the early 1930s, home prices collapsed, banks closed, and the jobless could not afford mortgage payments. More than half a million Americans lost their homes between 1930 and 1932. In response, Congress created the Home Owners Loan Corporation (HOLC) to refinance home mortgages. In just two years, the HOLC helped more than a million Americans retain their homes. The Federal Housing Act of 1934 would extend this program under a new agency, the Federal Housing Administration (FHA). Together, the HOLC, the FHA, and the subsequent Housing Act of 1937 permanently changed the mortgage system and set the foundation for the broad expansion of home ownership in the post–World War II decades (Chapter 24).

When an exhausted Congress recessed in June 1933, at the end of the Hundred Days, it had enacted Roosevelt's agenda: banking reform, recovery programs for agriculture and industry, public works, and unemployment relief. Few presidents had won the passage of so many measures in so short a time. The new federal agencies were far

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MAP 22.2 Civilian Conservation Corps Camps
The Civilian Conservation Corps (CCC) gave hope to unemployed young men during the Great Depression. The first camp opened in Big Meadows, Virginia, in July 1933, and by the end of the decade CCC camps had appeared across the length of the country, located in rural, mountainous, and forested regions alike. Young men constructed bridges and roads, built hiking trails, erected public campgrounds, and performed other improvements. By the early 1940s, the CCC had planted three billion trees, among its many other contributions to the national infrastructure.
CHAPTER 22  Managing the Great Depression, Forging the New Deal, 1929–1938

The vigorous actions taken by Roosevelt and Congress had halted the downward economic spiral of the Hoover years, stabilized the financial sector, and sent a message of hope from the nation's political leaders. For all that, however, the New Deal did not break the grip of the depression.

The New Deal Under Attack

As New Dealers waited anxiously for the economy to revive, Roosevelt turned his attention to the reform of Wall Street, where reckless speculation and overleveraged buying of stocks had helped trigger the financial panic of 1929. In 1934, Congress established the Securities and Exchange Commission (SEC) to regulate the stock market. The commission had broad powers to determine how stocks and bonds were sold to the public, to set rules for margin (credit) transactions, and to prevent stock sales by those with inside information about corporate plans. The Banking Act of 1935

MAP 22.3 Popular Protest in the Great Depression, 1933–1939

The depression forced Americans to look closely at their society, and many of them did not like what they saw. Some citizens expressed their discontent through popular movements, and this map suggests the geography of discontent. The industrial Midwest witnessed union movements, strikes, and "Radio Priest" Charles Coughlin's demands for social reform. Simultaneously, farmers' movements — tenants in the South, smallholders in the agricultural Midwest — engaged in strikes and dumping campaigns and rallied behind the ideas of progressives in Wisconsin and Huey Long in the South. Protests took diverse forms in California, which was home to strikes by farmworkers, women, and — in San Francisco — all workers. The West was also the seedbed of two important reform proposals: Upton Sinclair's End Poverty in California (EPIC) movement and Francis Townsend's Old Age Revolving Pension clubs.