**The Great Depression**

During the economic boom of the Roaring Twenties, the traditional values of rural America were challenged by the Jazz Age, symbolized by women smoking, drinking, and wearing short skirts. The average American was busy buying automobiles and household appliances, and speculating in the stock market, where big money could be made. Those appliances were bought on credit, however. Although businesses had made huge gains — 65 percent — from the mechanization of manufacturing, the average worker’s wages had only increased 8 percent.

The imbalance between the rich and the poor, with 0.1 percent of society earning the same total income as 42 percent, combined with production of more and more goods and rising personal debt, could not be sustained. On Black Tuesday, October 29, 1929, the stock market crashed, triggering the Great Depression, the worst economic collapse in the history of the modern industrial world. It spread from the United States to the rest of the world, lasting from the end of 1929 until the early 1940s. With banks failing and businesses closing, more than 15 million Americans (one-quarter of the workforce) became unemployed.

President Herbert Hoover, underestimating the seriousness of the crisis, called it “a passing incident in our national lives,” and assured Americans that it would be over in 60 days. A strong believer in rugged individualism, Hoover did not think the federal government should offer relief to the poverty-stricken population. Focusing on a trickle-down economic program to help finance businesses and banks, Hoover met with resistance from business executives who preferred to lay off workers. Blamed by many for the Great Depression, Hoover was widely ridiculed: an empty pocket turned inside out was called a “Hoover flag;” the decrepit shantytowns springing up around the country were called “Hoovervilles.” Franklin Delano Roosevelt, the rich governor from New York, offered Americans a New Deal, and was elected in a landslide victory in 1932. He took quick action to attack the Depression, declaring a four-day bank holiday, during which Congress passed the Emergency Banking Relief Act to stabilize the banking system. During the first 100 days of his administration, Roosevelt laid the groundwork for his New Deal remedies that would rescue the country from the depths of despair.

The New Deal programs created a liberal political alliance of labor unions, blacks and other minorities, some farmers and others receiving government relief, and intellectuals. The hardship brought on by the Depression affected Americans deeply. Since the prevailing attitude of the 1920s was that success was earned, it followed that failure was deserved. The unemployment brought on by the Depression caused self-blame and self-doubt. Men were harder hit psychologically than women were. Since men were expected to provide for their families, it was humiliating to have to ask for assistance. Although some argued that women should not be given jobs when many men were unemployed, the percentage of women working increased slightly during the Depression. Traditionally female fields of teaching and social services grew under New Deal programs. Children took on more responsibilities, sometimes finding work when their parents could not. As a result of living through the Depression, some people developed habits of careful saving and frugality, others determined to create a comfortable life for themselves.

African Americans suffered more than whites, since their jobs were often taken away from them and given to whites. In 1930, 50 percent of blacks were unemployed. However, Eleanor Roosevelt championed black rights, and New Deal programs prohibited discrimination. Discrimination continued in the South, however, as a result a large number of black voters switched from the Republican to the Democrat party during the Depression.

The Great Depression and the New Deal changed forever the relationship between Americans and their government. Government involvement and responsibility in caring for the needy and regulating the economy came to be expected.

<http://www.pbs.org/wgbh/americanexperience/features/general-article/dustbowl-great-depression/>

**The New Deal**

In 1932 Franklin Delano Roosevelt was elected overwhelmingly on a campaign promising a New Deal for the American people. Roosevelt worked quickly upon his election to deliver the New Deal, an unprecedented number of reforms addressing the catastrophic effects of the Great Depression. Unlike his predecessor, Herbert Hoover, who felt that the public should support the government and not the other way around, Roosevelt felt it was the federal government’s duty to help the American people weather these bad times.

Together with his “brain trust,” a group of university scholars and liberal theorists, Roosevelt sought the best course of action for the struggling nation. A desperate Congress gave him carte blanche and rubber-stamped his proposals in order to expedite the reforms. During the first 100 days of his presidency, a never-ending stream of bills was passed, to relieve poverty, reduce unemployment, and speed economic recovery.

His first act as president was to declare a four-day bank holiday, during which time Congress drafted the Emergency Banking Bill of 1933, which stabilized the banking system and restored the public’s faith in the banking industry by putting the federal government behind it. Three months later, he signed the Glass-Steagall Act which created the FDIC, federally insuring deposits.

The Civil Conservation Corps was one of the New Deal’s most successful programs. It addressed the pressing problem of unemployment by sending 3 million single men from age 17 to 23 to the nations’ forests to work. Living in camps in the forests, the men dug ditches, built reservoirs and planted trees. The men, all volunteers, were paid $30 a month, with two thirds being sent home. The Works Progress Administration, Roosevelt’s major work relief program, would employ more than 8.5 million people to build bridges, roads, public buildings, parks and airports.

The National Industrial Recovery Act (NIRA) and the National Recovery Administration (NRA) were designed to address unemployment by regulating the number of hours worked per week and banning child labor. The Federal Emergency Relief Administration (FERA), created in 1933, gave $3 billion to states for work relief programs. The Agricultural Adjustment Act subsidized farmers for reducing crops and provided loans for farmers facing bankruptcy. The Home Owners’ Loan Corporation (HOLC) helped people save their homes from foreclosure.

While they did not end the Depression, the New Deal’s experimental programs helped the American people immeasurably by taking care of their basic needs and giving them the dignity of work and hope.