

# **BBC** Bitesize

**NARRATOR:** Many Americans are not happy with President Herbert Hoover's response to the Great Depression.

In 1932, they vote to replace him with his Democratic opponent, New York Governor Franklin D Roosevelt.

Roosevelt promises action! He has plans to lift America out of the depression. In this New Deal he offers direct government support and commits to...

**ROOSEVELT:** "action, and action now".

**NARRATOR:** During his first 100 days as president, he addresses what he sees as some of the nation's most pressing needs - restoring trust in banks, helping the unemployed, and ending prohibition.

The Great Depression forced many banks out of business, wiping away people's life savings and sending panic rippling across the country. To calm fears, Roosevelt closed all banks, and only allowed the financially stable ones to reopen.

To restore the people's confidence in government, Roosevelt speaks directly to them through a series of national radio broadcasts called 'fireside chats'.

**ROOSEVELT:** "I want to talk to the people of the United States about banking..."

**NARRATOR:** He surrounds himself with policy experts and puts them in charge of dozens of new agencies and programmes tasked with solving the problems of the Depression. Collectively, they are known as the Alphabet Agencies.

One of these agencies is The Federal Emergency Relief Administration. It provides food, clothing and blankets for the poorest Americans.

Another alphabet agency, The Home Owners Loan Corporation, boosts the economy. It convinces banks to start providing mortgages again by guaranteeing to pay them off if a borrower can't.

However, a racist grading system is introduced that consistently rates black, and some immigrant communities, as ineligible for financial support, making it extremely difficult for some and impossible for others to access home loans. This deepens the economic divide.

The Roosevelt administration tackles unemployment through agencies like The Public Works Administration, which puts millions of people back to work, building schools, hospitals, and airports. They also build modern public housing but require that those living there are racially segregated.

Roosevelt's 'New Deal' launches America's economic recovery, dramatically reducing unemployment - but not everyone approves of his methods. The Supreme Court rules that some agencies overstep their authority by taking on powers that legally lie with individual state governments.

At the same time, politicians like Louisiana's Huey Long feel the New Deal doesn't go far enough when it comes to redistributing wealth.

Meanwhile, civil rights activists such as W.E.B. DuBois point out the New Deal doesn't do enough to combat discrimination against African Americans or Women.

Many women find work at alphabet agencies, but they still face discriminatory practices such as receiving wages lower than their male colleagues. Despite its shortcomings, the New Deal is considered the most significant set of domestic policies in 20th century America.