It was one of the most startling moments in North Carolina history. In the summer of 1933, farm agents in every county went to farms and plowed up crops in the fields. A third of the cotton, tobacco, and peanuts planted that spring were ruined. For an agrarian people who lived close to the land, to ruin a crop deliberately was unheard of. Yet, North Carolinians were ready for the “new deal” promised them by their nation’s leaders. They would be startled more than once.

When Franklin D. Roosevelt became president in 1933, the federal government immediately began to fight the effects of the Great Depression. First, Roosevelt closed all the banks temporarily and sent trusted bookkeepers to check the accounts. If a bank was solvent (sound), then it could reopen, and its account holders could know their money was safe. Second, Roosevelt used federal money to spread more relief for people in every state. All types of people were given temporary work to provide them with some money. Third, Roosevelt and the Congress helped the national economy recover by regulating how much factories and farms could operate and how much they could make. All of these New Deal measures had one thing in

Above: As Franklin D. Roosevelt campaigned in 1932, he spread a feeling of optimism that times would get better. Roosevelt campaigned in Charlotte during his reelection bid in 1936.
### Figure 26  New Deal Programs and Legislation

<table>
<thead>
<tr>
<th>Program/Legislation</th>
<th>Date</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Adjustment Administration (AAA)</td>
<td>1933</td>
<td>Reduced production of crops, to raise farm prices. Declared unconstitutional in 1936.</td>
</tr>
<tr>
<td>National Recovery Administration (NRA)</td>
<td>1933</td>
<td>Reduced destructive competition and helped workers by setting minimum wages and maximum weekly hours. Declared unconstitutional in 1935.</td>
</tr>
<tr>
<td>Tennessee Valley Authority (TVA)</td>
<td>1933</td>
<td>Built dams on the Tennessee River to control flooding and generate electricity.</td>
</tr>
<tr>
<td>Public Works Administration (PWA)</td>
<td>1933</td>
<td>Put people to work building roads, buildings, and other public works projects.</td>
</tr>
<tr>
<td>Federal Deposit Insurance Corporation (FDIC)</td>
<td>1933</td>
<td>Insured individual savings accounts so that people did not lose their money if banks failed or closed their doors.</td>
</tr>
<tr>
<td>Federal Emergency Relief Administration (FERA)</td>
<td>1933</td>
<td>Provided federal funds for state and community relief efforts.</td>
</tr>
<tr>
<td>Civil Works Administration (CWA)</td>
<td>1933</td>
<td>Provided temporary federal jobs for the unemployed.</td>
</tr>
<tr>
<td>Civilian Conservation Corps (CCC)</td>
<td>1933</td>
<td>Provided jobs for young single men building forest trails and roads, planting trees to reforest the land and control flooding, and building parks.</td>
</tr>
</tbody>
</table>

Figure 26: putting money into the hands of citizens so they could spend more and revive the economy. The New Deal programs were divided into three different initiatives: relief, recovery, and reform.

**Relief With Temporary Jobs**
Relief programs had both a short-term and a long-term impact on North Carolina. In the short term, people got money to pay off their debts and go on living. In the long term, the state was improved by structures that made
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<tr>
<td>Federal Housing Administration (FHA)</td>
<td>1934</td>
<td>Insured home loans for low-income families.</td>
</tr>
<tr>
<td>Securities and Exchange Commission (SEC)</td>
<td>1934</td>
<td>Regulated stocks and gave stock information.</td>
</tr>
<tr>
<td>Social Security Administration (SSA)</td>
<td>1935</td>
<td>Created a system for retirement and unemployment insurance.</td>
</tr>
<tr>
<td>Works Progress Administration (WPA)</td>
<td>1935</td>
<td>Employed out-of-work Americans to repair roads, build or repair bridges, paint murals, write guidebooks, put on plays and musical performances, and create statues in parks.</td>
</tr>
<tr>
<td>National Labor Relations Act</td>
<td>1935</td>
<td>Guaranteed the right of employees to organize and to bargain collectively with their employers. Created the National Labor Relations Board to hear unfair labor practices.</td>
</tr>
<tr>
<td>National Youth Administration (NYA)</td>
<td>1935</td>
<td>Provided job training and part-time work for college students.</td>
</tr>
<tr>
<td>Fair Labor Standards Act</td>
<td>1938</td>
<td>Established a maximum work week and minimum wage, prohibited child labor in certain industries, and set a minimum age for child workers.</td>
</tr>
</tbody>
</table>

everyone’s life better. Some towns got federal money to lay water and sewer pipes into mill villages. Some of those lines were used for decades. Other communities built new post offices that lasted half a century.

The impoverished Mountains region was particularly helped. A federal construction agency (the Public Works Administration) hired thousands of Mountains residents to clear, grade, and pave the route of the Blue Ridge Parkway. The idea was to open the Mountains for visitors to see its wonders and to trade with its residents. Another agency, the
North Carolina and Virginia share more than just a border and a tobacco heritage. They also share one of the world’s most famous roads: the Blue Ridge Parkway. The parkway is a very long place. It is almost 469 miles from end to end, from the mountain gap where it starts near Charlottesville, Virginia, to its end at the Cherokee Reservation, in the shadow of the Great Smoky Mountains. The North Carolina portion is about 252 miles long.

The idea for the parkway is almost as old as the automobile itself. In the early 1900s, Mountains residents dreamed of “a crest road” that would take them along the top of the Blue Ridge. Traditionally, roads did not go to the top of the mountains; rather, they snaked around the sides and went through gaps in the slopes. The gasoline engine changed all that. World War I, however, put an end to the idea. During the 1920s, North Carolina put its money into the “good roads movement” to build an east-west highway and connect all the counties with a paved network of roads.

Below: North Carolina workers began the construction of the Blue Ridge Parkway near the Virginia line in Alleghany County. The workers’ hardest job was the blasting and removal of tons of rock from the mountainsides.
The New Deal made the Blue Ridge Parkway possible. The federal government used its money to put people back to work. President Franklin D. Roosevelt, a polio victim who loved to drive his specially built car, supported the idea of a scenic road that would bring more people to the mountains. He also knew that the massive task of carving out a road would employ thousands of Mountains residents. He also argued that a return to prosperity would help “the devastated landscape.”

The work on the parkway began in 1935, but the going was slow. The first 10 miles of roadbed were graded near the Virginia–North Carolina border, in Alleghany County. The workmen used up 35,000 drill bits in those 10 miles. Eventually, millions of trees were planted and millions of tons of rock were moved along the route. The work was slowed by World War II. But by 1967, crews had carved out 26 tunnels and paved all but 7 miles of the 469-mile route.

It took another twenty years to finish those seven miles. The unfinished part was to cross Grandfather Mountain, but Grandfather’s owner, Hugh Morton, argued that grading on his mountain would ruin some of the fragile natural environment. Morton wanted the Blue Ridge Parkway to come by his mountain but not damage it. After years of arguments about the best plan, engineers came up with one of the most ingenious structures ever built in the state. They built “a bridge over land,” made out of concrete piers and slabs. So sensitive was the project that the builders were not allowed to build an access road along the way. They had to place the pieces of the bridge, one by one, by standing on the piece that they had just installed. It was, as one engineer sighed, “the most complicated concrete bridge ever built” in the world. Since its completion in 1987, the Linn Viaduct is one of the most visited stretches of the parkway.
Tennessee Valley Authority, began to build hydroelectric dams on all the streams that fed into the Tennessee River. The idea was to give Mountains residents a source of power and stop the erosion of their bottom lands. The Fontana Dam in western North Carolina created one of the largest lakes in the state.

Across the state, thousands of young men enlisted in the Civilian Conservation Corps. They lived in CCC Camps, where they were fed and housed and given money to share with their families back home. They worked on stopping the effects of erosion caused by overfarming and overtimbering. Their biggest accomplishment was clearing and grading the Great Smoky Mountains National Park, which was opened in 1939. Perhaps their worst action was planting millions of kudzu plants. Kudzu, which quickly grew in gullies and fields across the state, was a Japanese vine that was supposed to hold the soil in place. Instead, it grew faster than anyone anticipated and took over fields, forests, and abandoned buildings.

Recovery Attempts

The major problem attacked by the New Deal was overproduction. The theory was this: If the amount of stuff made in the fields and the factories could be reduced—while as many people as possible were still working—then the price of the goods would go up, but people would have the money to buy them.

In 1933, the federal government set up two programs to do this. The first one was the Agricultural Adjustment Administration for farms,
known as the AAA. The second, the National Recovery Administration, commonly called the NRA, aimed to help factories.

The AAA Down East

It was the AAA that ordered the “plow-up” in 1933. The idea was that, by reducing the acreage of crops, farmers would make more money by growing less. It worked. By 1934, most cotton and tobacco farmers saw their incomes go up by a third. A few even doubled their incomes. Since people were continuing to smoke, tobacco farmers on the Coastal Plain particularly made more money, some even tripling the cash in their pockets after going to the tobacco auction. North Carolina farmers became very enthusiastic about the New Deal. Even after the Supreme Court outlawed the AAA (because it argued that Congress had gone too far in managing the marketplace), North Carolinians welcomed a second version of it in 1938.

The farm program did have problems, especially down east. The AAA payments were made to the landowners. Sharecroppers, particularly African Americans, did not always see the rise in incomes. Some landowners simply kept the extra money. And, the program had to have a majority of farmers approve it each year, which meant that black farmers could vote for the federal program, but could not vote for the congressmen who set it up. White leaders thought this would damage the tight grip they had over blacks with segregation.
Tobacco Price Supports

Still, the farm program became a long-lasting part of life on the Coastal Plain. This was particularly the case for tobacco farmers. They devised a cooperative system where each grower got a share of the tobacco market. Each grower held a tobacco allotment, that is, a specific amount of land on which to grow the crop. If a grower violated the size of the field, he or she paid a penalty. In return, the cooperative worked with the federal government to ensure that every farmer received enough cash to live on. This was called parity, the amount of money needed to make a minimum profit. If a farmer did not get a parity price at the auction, he or she stored the crop in an approved warehouse. The farmer then got a parity loan from the cooperative. When the market price went up, the farmer sold the crop at a profit and paid back the loan. North Carolina became quickly known for the success of these tobacco price supports.

The tobacco price support system had several effects. First, it allowed thousands of farm families to stay on the land and not move to the towns where jobs were scarce. Since price supports lasted for years, these families could better their lot and still live like their ancestors had. Second, it meant that voters in the east continued to be closely tied to the Democratic Party, which devised the plan. Third, it provided merchants, bankers, and warehousemen in the towns on Tobacco Road with guaranteed market prices for tobacco rose from 11.6 cents a pound in 1932 to 15.3 cents a pound in 1933.
business. Towns like Greenville and Kinston continued to set their school terms and schedule their store sales by the phase of the tobacco season. Tobacco Road had been a dirt path for many, but the New Deal turned it into a paved highway.

**The NRA and Labor**

The industrial component of the New Deal had its biggest impact on the industrial cities in the Piedmont. NRA officials in Washington, D.C., required each segment of business to devise a “code of conduct,” a list of rules and procedures that would allow the maximum number of people to be employed for a specific number of hours. Wages and prices were to be in the code. Everyone came under some code. Even barbers had to meet and come up with hours and prices. The NRA essentially allowed manufacturers to regulate themselves by cutting production.

In North Carolina, the NRA quickly stabilized the textile industry, in the sense that most of the mills could reopen and hire many of their workers back. It also finally, effectively, eliminated child labor. The textile code limited the work week to forty hours, instead of the average of sixty, and provided a minimum wage that, although low, helped everyone. (A minimum wage is the least amount an employer can pay a worker for a certain number of hours.) The NRA also had a provision that allowed labor unions to serve as a genuine voice for workers.

**The General Strike of 1934**

The right to collective bargaining, where a union spoke for all the workers in negotiations with employers, encouraged northern labor unions to try once more to organize the textile workers. Thousands of textile workers walked out of their mills on Labor Day 1934.

The General Strike, as it was called, spread from Danville, Virginia, across the two Carolinas into Georgia. It was the most aggressive strike by workers in the history of the state. Union members in places like Gastonia went from town to town to close other mills. Their “flying
squadrons” (a name borrowed from the airplane units of World War I) arrived at factory gates and tried to block the entrances.

The reaction was mixed. At some mills, workers walked out and stayed out. At others, mill hands who said they would take any work fought with the strikers. The National Guard was called out in some towns.

Eventually, as in the past, the workers began to drift back into the mills when their money ran out. Once again, in hard times, the owners had more cash and could wait longer, especially since they had few customers for their goods. Many workers who were not rehired blamed their plight on the union. As one worker noted, “Folks can talk all they want about the right to join a union, but right don’t count much when the money is against you.”

Reform Efforts of the New Deal

The New Deal meant for its relief and recovery efforts to be temporary. They were to end once the national economy was back on its feet and people were working and buying again. Some features, however, became permanent; more accurately, they lasted for the lifetime of the people affected by them.
In addition to the tobacco price support system, the Social Security Act gave some industrial workers their first retirement pension and helped them when they were laid off from work. Less successful was the federal law passed that further strengthened the hand of labor unions to bargain collectively for workers. Although there was success in the North, many North Carolinians were too embittered by the failure of the General Strike. Along the same line, many farm owners in the east resented New Deal attempts to buy worn-out land and sell it at low cost to sharecroppers. As a result, only about one in fifteen poor families escaped sharecropping. White elites particularly did not like losing their monopoly over the labor of poor black men, especially those who could not vote on the tobacco program. With the election of Clyde Hoey, a more conservative member of the Shelby Dynasty than Governor Gardner, the state did very little.

Despite misgivings about the long-term effects of the New Deal, every North Carolinian knew that it changed the life of the state. By 1939, every town had some street or building built with federal dollars. Airports too were built with federal assistance. Because of the rural electric cooperatives set up by the New Deal, more farmers had lights. More people were smoking than ever, and Tobacco Road profited. People knew they had more money in their pockets, and, except for the poorest of families on the Coastal Plain and in the Mountains, they were spending more of it.

And, as the 1930s came to an end, North Carolinians got caught up in the next phase of the New Deal, President Roosevelt’s program to make the United States “the arsenal of democracy.” World War II had started in China in 1937 and in Poland in 1939. All Americans, North Carolinians among them, were becoming involved.
The most famous author in state history was Thomas Wolfe. His series of novels, based loosely upon his life growing up in his mother’s boarding house in Asheville, became worldwide bestsellers in the 1930s. His most famous book, *Look Homeward, Angel*, took its name from an angel sold by his father in the family tombstone shop. The state has made his house a historic site in downtown Asheville and the angel still graces a grave in Hendersonville.

Section 3: The New Deal Plows Through North Carolina