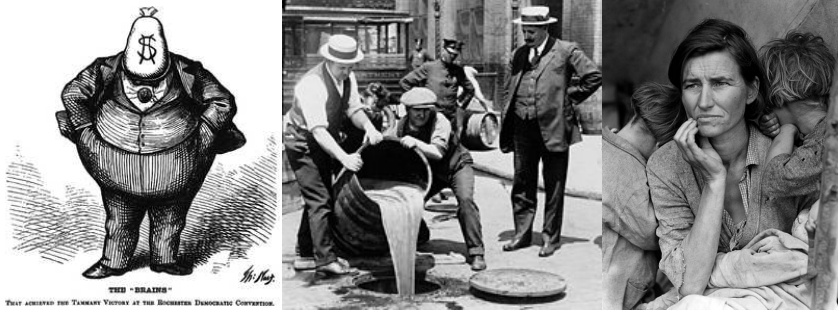


Unit 4: From Prosperity to Poverty

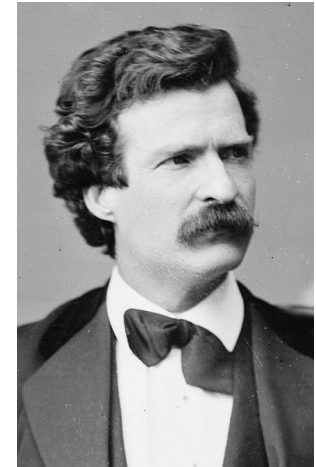


From about 1870 to the 1930s, the United States experienced a number of changes that responded to how industry, society, and politics were moving. The Gilded Age marked a period of excess and corruption that stemmed from the Industrial Revolution. The Progressive Era was a response to the direction this country was taking. The 1920s gave the appearance that this country was thriving through the amount of prosperity we were experiencing on the surface. However, certain practices were leading this country into economic ruin. The perceived prosperity experienced during the 1920s was following by what would become known as the Great Depression.

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Chapter 1 The Gilded Age

The Gilded Age spanned the period of time when the United States was industrializing and experiencing enormous growth. The term “Gilded Age” was coined by Mark Twain, who criticized the extravagance of the extremely wealthy when so many people were living in poverty. He believed it was an era of serious social problems and corruption disguised by a thin layer of gold.



Political bosses emerged out of these problems and engaged in corrupt practices to maintain their power base. The people and institutions that political bosses controlled were called the political machine. All politics revolved around the political bosses.



The corruption took on many forms that brought in votes and filled the pockets of the political bosses. Political bosses would give out city jobs, government contracts, or political appointments in return for votes. Political bosses also took care of immigrants by finding them jobs, a place to live, and helped them become citizens in return for votes. In addition, dead people, children, and even dogs were added to the list of eligible voters. In Philadelphia, a precinct of 100 voters returned 252 votes.

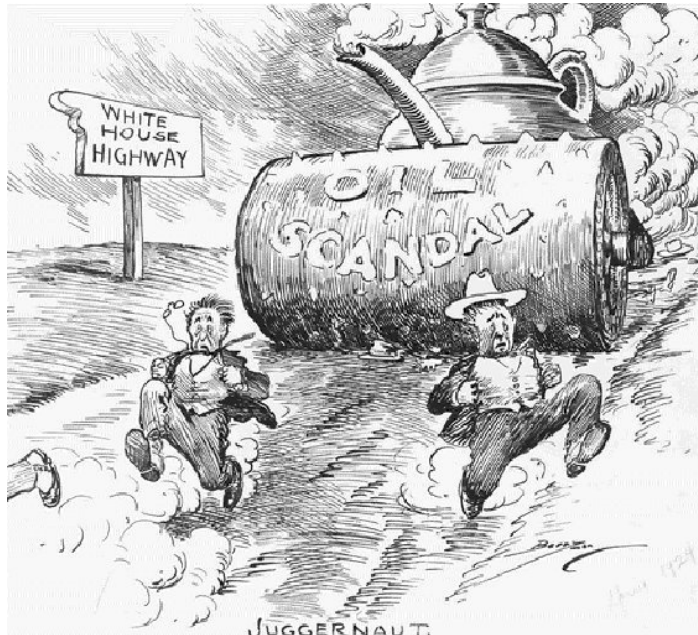


Besides corruption at the ballot booth, political bosses and their political machines took kickbacks. Political bosses would hire companies for city work and have them inflate their prices so that a portion of the money paid to the companies would be "kicked-back" to the political bosses. One of the most notorious political bosses was a man by the name of William "Boss" Tweed. He cheated New York City out of \$100 million and was sentenced to 12 years in prison.



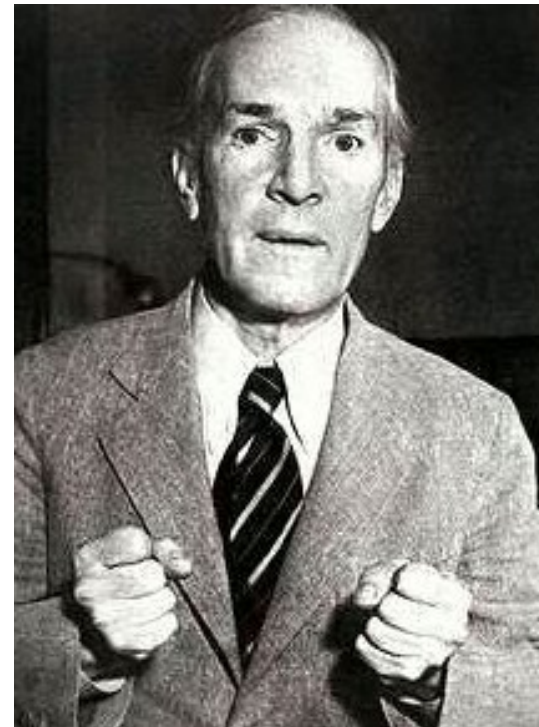
Corruption extended as high as the office of president of the United States. With the power to control appointments to his office, President Harding appointed political allies and old friends to cabinet posts and other positions. They were known as the Ohio Gang. This is called patronage and there are inherent problems with this practice.

Harding appointed Charles Forbes as the director of the Veteran's Bureau. Forbes ended up selling already scarce medical supplies from veteran's hospitals and kept the money for himself. Albert Fall, Harding's Secretary of the Interior, leased oil-rich public lands at Teapot Dome (Wyoming and Elk Hills, California) to two private oil companies. Although it was legal to lease the lands, Fall took bribes totaling \$500,000 (or \$6.5 million today), which is illegal. Fall was the first former senator and cabinet member to be sentenced to prison for corruption.



Chapter 2 The Progressive Era

The Progressive Era was a period of time in which Americans sought to return control of the government to the people, restore economic opportunities, and correct injustices in American life. Muckrakers (because they dragged people through the muck) played a major role in uncovering the country's most pressing problems. Muckrakers were journalists that exposed corruption and convinced the public of the need to reform. Good-government leagues were established to replace corrupt officials with honest leaders.



Upton Sinclair was one of the most famous muckrakers at the time after his book *The Jungle* was published and exposed the deplorable conditions of the meatpacking industry.

There were a number of areas of progressive reforms that took place in the early 20th century.

Reforms to Local Elections

Voting Before Progressive Reforms

Party leaders picked the candidates

Primary

Voting After Progressive Reforms

Voters select political party candidates

Only state legislators could introduce bills

Initiative

Voters can put bills before the legislature

Only the legislature could pass laws

Referendum

Voters can vote on bills directly

Only the courts or legislature could remove elected officials

Recall

Voters can remove officials from office with a recall vote

New Constitutional Amendments

16th Amendment

Power was given to Congress to pass an income tax

17th Amendment

Provided for direct elections of senators



18th Amendment

Made it illegal to make, sell, or transport alcohol

19th Amendment

Granted women the right to vote

New Regulations

Pendleton Act	Interstate Commerce Act	Sherman Antitrust Act
Created the Civil Service Commission to make sure that only qualified people got federal jobs.	Created the Interstate Commerce Commission to oversee the railroad companies.	Made it illegal for companies to restrict competition and outlawed the formation of monopolies

Presidential Reforms



Theodore Roosevelt

- Broke up trusts and monopolies
- Helped establish the Pure Food and Drug Act
- Protected the wilderness by establishing national forests



William Taft

- Established the 8-hour work day
- Raised tariffs (tax on imports)

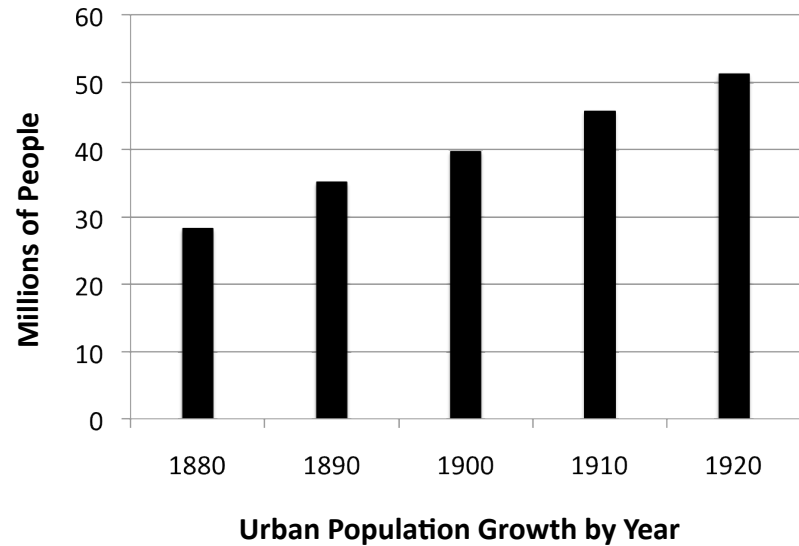


Woodrow Wilson

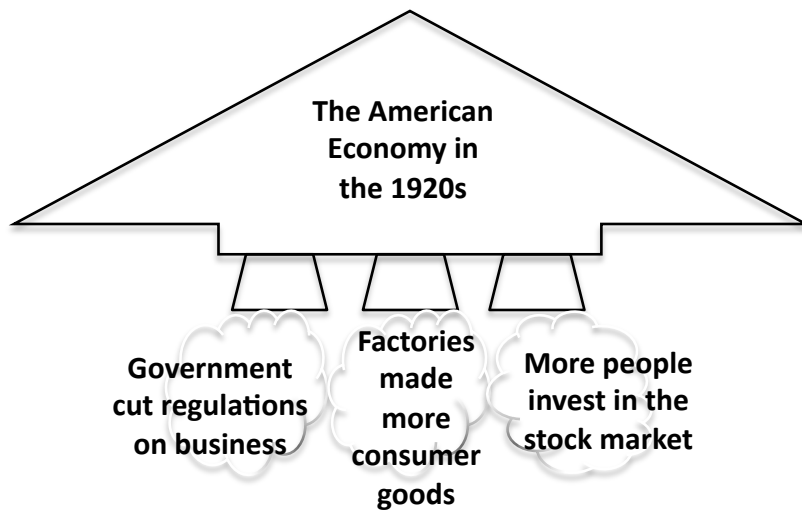
- Lowered tariffs
- Signed the Clayton Antitrust Act
- Persuaded Congress to pass the Federal Trade Commission (FTC)

**Chapter 3
The Roaring 20s**

The Roaring 1920s marked an era of what appeared to be tremendous prosperity and financial security. There was accelerated urbanization. For the first time more Americans lived in cities than in rural areas because that is where many jobs could be found. By 1920, more than 5 million people lived in New York City and almost 3 million people lived in Chicago.

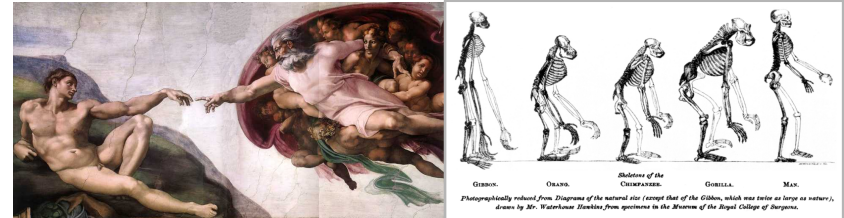


The 1920s era brought a number of changes to our economy.



The government cut regulations on businesses, which allowed corporations to concentrate more on making money because there were less limitations on doing business. Factories made more consumer goods because Americans had more opportunities to make money and had a certain amount of disposable income. With this disposable income, more people invested in the stock market and tried to increase their financial worth through managed risk.

The roaring 20s also brought clashes between science and religion.



Creationism v. Evolution

There was (and still is) a debate on what should be taught in schools. This debate was held between fundamentalist groups that take a literal interpretation of the Bible and the secular community. Tennessee passed the nation's first law that made it a crime to teach evolution in 1925. The American Civil Liberties Union (ACLU) promised to defend any teacher who was willing to challenge the law. The ACLU was (and still is) an advocate that fights for people's civil rights.

John Scopes was a biology teacher that dared to teach the evolutionary theory and was arrested. The ACLU hired Clarence Darrow (the most famous lawyer of his era) to defend Scopes. The prosecution was led by William Jennings Bryan, who was the Democratic presidential nominee.

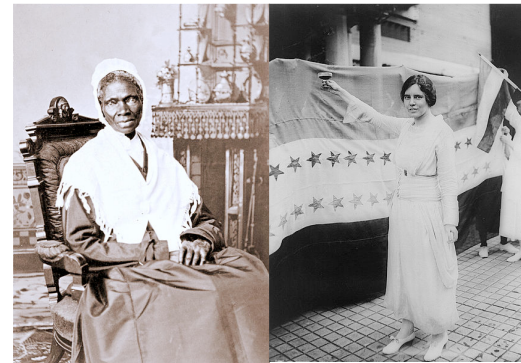
It was a highly politicized trial that put in question our rights under the First Amendment and the separation of church and state. In the end, Scopes was found guilty and was fined \$100 even though Darrow was able to get Bryan to admit that the Bible could be interpreted in different ways.

The 18th Amendment was signed in 1920 and launched an era known as Prohibition. The new law made it illegal to sell, consume, distribute, or transport alcohol. The government failed to adequately enforce the law and people continued to find ways to consume alcohol, both legal and illegal.



Drinkers went underground to hidden saloons called speakeasies, which were supplied by bootleggers who smuggled alcohol from Canada, Cuba, and the West Indies. Prohibition contributed to the growth of organized crime because figures like Al Capone made a fortune selling alcohol on the black market. The 18th Amendment was ultimately repealed in 1933.

The suffragist movement gained some momentum because they were instrumental in getting the 18th Amendment signed into law. With the help of people like Sojourner Truth and Alice Paul, women gained the right to vote with the passing of the 19th Amendment that same year.



International Film Service
SPEAKER GILLETT SIGNING THE SUFFRAGE BILL
The bill providing for a Constitutional Amendment granting the suffrage to women throughout the Nation was signed, as shown above, by the Speaker of the House of Representatives after it had been passed by the Senate

The 1920s was brought to life through media. American culture was highlighted for everyone to see through the sources of communication that was available to the public. Print media was popular but radio emerged as the most powerful communications medium in the 1920s. Information could be delivered faster and to a larger audience. Like many people use the television today, American families would gather around the radio to listen to the latest news or favorite shows. They could hear the voice of the president of the United States or a play by play of the World Series live.



Babe Ruth with the Baltimore Orioles



Americans spent \$4.5 billion dollars on entertainment in 1929, which included professional sports. Baseball became the American pass-time and people crowded into stadiums to see the new icons. Babe Ruth was a larger than life player who made a name for himself by pitching for the Yankees and hit 60 homeruns in 1927.

Through the use of new media (radio and movies), advertisements were used to sell products, and trends and fashions came into the mainstream. New ideals and roles emerged for some women in the 1920s. Emancipated young women who embraced the new fashions and urban attitudes were known as flappers.



Vaudeville shows were a form of entertainment and consisted of separate unrelated acts grouped together under one performance. These acts could include anything from musicians and magicians to acrobats and trained animals. Many famous people got their start from the Vaudeville stage, including:



Abbott & Costello



Bob Hope



Edgar Bergen



Movies offered a means of escape through romance and comedy. *Jazz Singer* (1927) was the first feature length movie with sound.



George Gershwin was a famed composer that merged traditional elements with American jazz.



Georgia O'Keeffe painted large and intensely colored images on canvasses, such as *Blue and Green Music*, and is considered the mother of American modernism.



Painters like Edward Hopper depicted the loneliness of American life as evidenced in *Nighthawk*.

The 1920s was one of the greatest literary eras in American history.



Ernest Hemingway was wounded in World War One and became one of the best known authors of the day. He criticized the glorification of war in his novels *The Sun Also Rises* and *A Farewell to Arms*.



F. Scott Fitzgerald coined the term “Jazz Age” to describe the 1920s era. He wrote *The Great Gatsby*, which reflected the emptiness of New York’s elite.



Sinclair Lewis was the first American novelist to win the Nobel prize in literature. He wrote *Babbitt*, whose main character ridiculed American conformity and materialism.



Willa Cather became a notable author because of her accounts of frontier life. She celebrated the simple, dignified lives of immigrant farmers through her novel *My Antonia*.

The Harlem Renaissance was a cultural movement that lasted from the 1910s to the 1930s, and centered around the Harlem neighborhood in New York City. Many prominent figures gained notoriety through this movement and influenced others in the United States. Some notable figures included:



Langston Hughes
(poet and novelist)



Mamie Smith
(blues singer)



Zora Neale Hurston
(folklorist)



Marcus Garvey
(publisher and journalist)



Lois Jones
(teacher and artist)



Louis Armstrong
(jazz trumpeter)

Chapter 4

Signs of Economic Trouble

There were a number of signs that the U.S. economy was in trouble and most people did not see the economic disaster of the Great Depression on the horizon. The textile industry faced competition from foreign producers in Japan, India, China, and Latin America. The railroad industry lost business to new modes of transportation from the mass production of automobiles. New home construction slowed, which impacted a wide range of economic areas (i.e. concrete, electrical, etc.).

World War One had caused an increase in demand for American agricultural or farm products. Due to Europeans at war throughout the European continent, the world turned to the United States as the main producer. With demand driving prices higher, many American farmers borrowed from banks to buy more land and equipment to keep up with the demand.



However, when World One War ended, European farmers went back to work and increased their production. More competition and production caused farm prices and incomes in the United States to drop sharply. This decrease in income made it difficult for many farmers to pay back their debts, which weakened the banking system.

Representatives of the federal government tried to step in to apply price supports for farmers by attempting to pass the McNary-Haugen Farm Relief Act. The plan was for the government to buy surplus crops at prices higher than the market value (pre-WWI prices). The government would then sell these crops on the world market for lower prices. To make up for the losses of buying high and selling low, the government would have placed a tax on domestic food sales. It would have passed the cost of the program onto consumers.

They tried to pass the Farm Relief Act four times before the Great Depression took hold but did not have enough votes so farmers were left to fend for themselves. Expenses rose faster than prices and farmers did not reduce production, which made prices plunge even further.



To add to their problems, there was drought and dust storms that plagued the plains and it became known as the Dust Bowl. Farmers could not pay off the loans they received during WWI (400,000 farms were lost to foreclosure) and the banking system was weakened.

Many Americans appeared prosperous during the 1920s with the rise of consumerism. In actuality, people were piling up huge debts by purchasing these consumer goods on credit. Consumers agreed to buy now and pay later to keep up with the consumer culture of the 1920s.

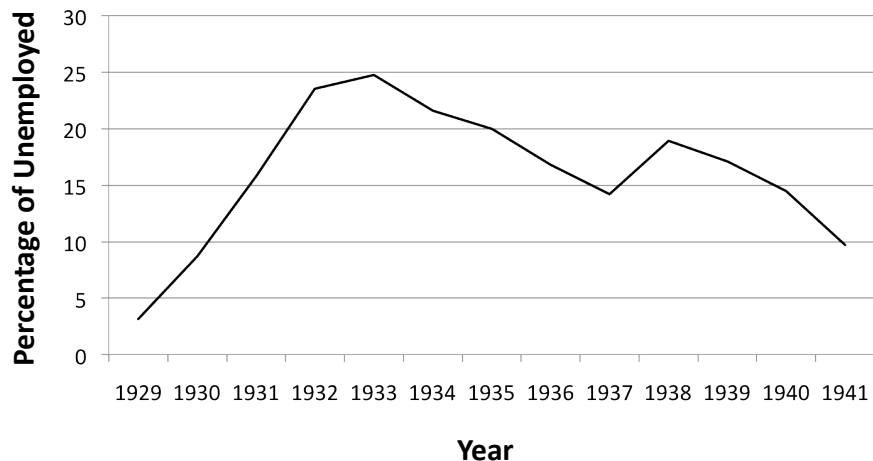


Chapter 5 The Start of the Great Depression

The stock market crashed on October 29, 1929 and that day became known as Black Tuesday. Investors saw the economy slowing down and began selling stocks. Many people were forced to sell to repay loans. As stock prices continued to fall, more people sold their stock, making prices plunge further. After the crash, many businesses laid off workers or had to shut their doors for good and people lost everything they had. Americans lost confidence in the economy. Consumer confidence is extremely important for economic stability because people need to believe that their money is safe to invest or spend. There was economic chaos and people flooded the streets.



Great Depression Unemployment Rate



Millions of people were unemployed and had to find new places to live without money or prospects of jobs being available. Hundreds of thousands of shantytowns were constructed consisting of makeshift shacks made out of scrape materials. These towns became known as Hoovervilles (Hoover was the sitting president at the time).

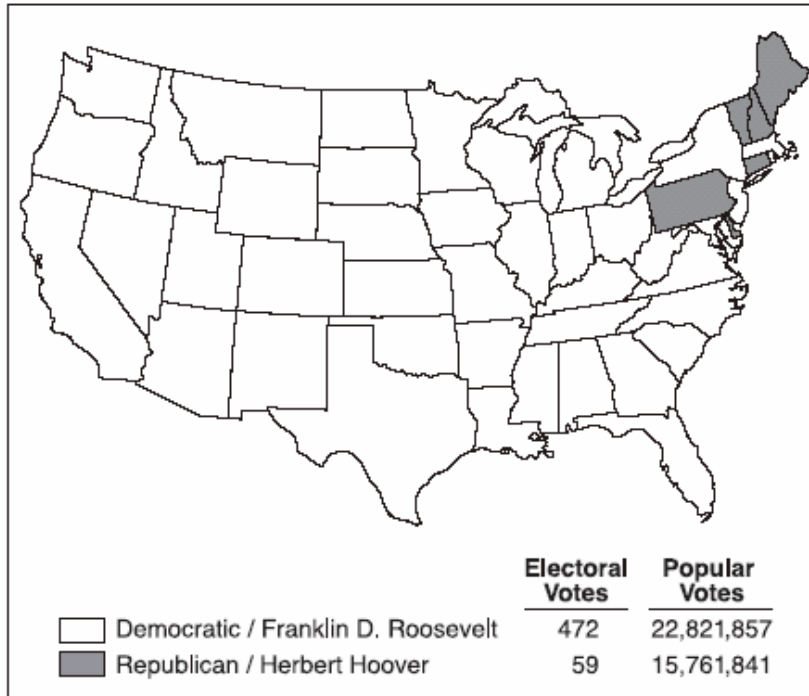


Starving citizens became a common sight in wealthy places like Manhattan. Soup kitchens and bread lines were established by charitable organizations and public agencies to provide free food to the needy. In addition to farmers, many people and businesses could not repay loans made in the 1920s and the banking system was weakened even further. Many banks had to close (9,000 by 1933) and people with bank accounts lost all their money.



Most Americans blamed President Hoover for the Great Depression. Hoover was president when the market crashed. He believed in laissez-faire economics (the idea that the economy would take care of itself without government interference). He was unable to lead the country out of the depression. Voters did not re-elect Hoover and Franklin Delano Roosevelt was elected to replace him as President of the United States in 1933.

Election of 1932



Source: <http://www.archives.gov/federalregister/electoralcollege/votes> (adapted)

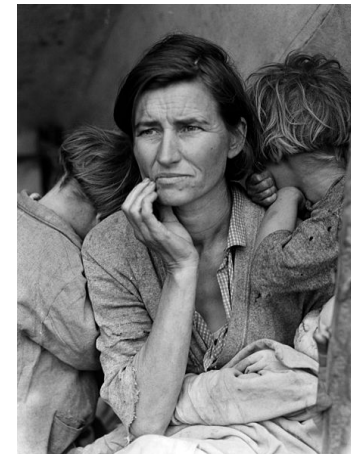
Chapter 6 The New Deal



Franklin Delano Roosevelt (FDR) had the enormous task of repairing the ailing economy and bring confidence to the American people. Congress was united in trying to figure out a way to pull this country out of economic turmoil and passed an unprecedented 15 new laws in three months that created relief, recovery, and reform programs known as the New Deal.

RELIEF

Government programs to help the needy.



RECOVERY
Government programs to help stabilize the economy after the Great Depression.

REFORM
Government programs that were meant to prevent another depression from happening again.

Relief Programs

Works Progress Administration (WPA)



Hired jobless people to make clothes and build public buildings and parks.

Civilian Conservation Corps (CCC)



Employed young men to work on outdoor projects for \$1 a day.

Reform Programs

Social Security Act



Provided a safety net for people who were old, poor, or unemployed.

Federal Deposit Insurance Corporation (FDIC)



Insured personal bank accounts in banks approved by the government.

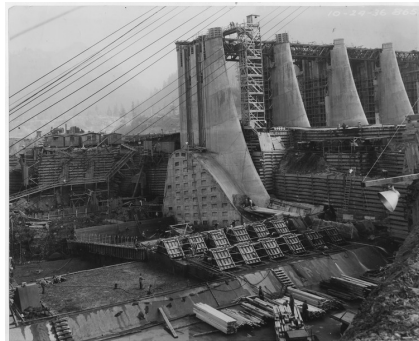
Recovery Programs

Agricultural Adjustment Act (AAA)



Farmers were paid not to grow certain crops in an effort to keep prices stable (supply and demand).

Tennessee Valley Authority (TVA)



Built dams to provide electricity to 7 southern states and supported thousands of jobs.

New Deal: Good or Bad

Supporters thought it was good because...

Government has a duty to help all citizens.

The New Deal helped the nation through the worst days of the Great Depression.

The New Deal saved the nation's democratic system because many people in other countries rebel against their governments during economic turmoil.

Critics thought it was bad because...

Government should not interfere in business or people's lives.

New Deal spending led to increases in the national debt because of deficit spending.

The New Deal did not end the Great Depression.