**Unit 5 Review**

Nation’s Sick Economy:

* Much of the prosperity of the 1920s was more superficial than real because many people were living beyond their means off credit (buy now, pay later).
* Key industries began to lose business; overproduction weakened the economy; incomes are falling then consumer behavior is affected negatively; this all causes deflation (decrease in the general price of a good or service)
* Farmers tend to be one of the main victims of the depression; no more demand; Government tries to help with price support (government bought surplus crops at guarantee prices and sold them to the world market)
* Income inequality – majority of population barely makes a decent standard of living ($2,500)
* Election of 1928: Herbert Hoover vs. Alfred E. Smith – Smith is career politician, but Hoover is a republican; Hoover can point to years of success with republicans, so Americans believe in him; He supports “rugged individualism”
* Many people lose their confidence in the banks and begin to pull their money out, and sell their stocks causing *Black Tuesday*, the day the stock market crashed
* By 1933, 1 in ever 4 American were jobless
* People begin to live in shantytowns, which become known as Hoovervilles
* Dust bowl – windstorm that picked up millions of tons of dust from plains and carried it all the way to the East Coast cities
* About 300,000 hoboes (mostly men)
* People begin to demand direct relief (help from the government)
* Women in the Great Depression: there was a false stigma that they weren’t as poor because they weren’t seen standing in breadlines, but they were either scared or ashamed
* Children in the Great Depression: Many teenagers ran away from home to find a job known as hoovertourists; Lack of tax revenue leads to shortened school year and schools closing

Hoover’s Failed Policies

* One success was the Hoover Dam – provides electricity, flood control, and water supply
* Failures: Federal Home Loan Bank Act, meeting with leaders, tried to create food shortages with farmers, Reconstruction Finance Corporation
* Bonus Army – WWI veterans wanted their bonus now instead of in 1945; marched to DC to persuade the vote; the senate voted the bill down; Hoover teargassed the crowd

New Deal Fights the Depression:

* Election of 1932: Herbert Hoover vs. FDR
* First day in the office: “Bank Holiday” closes all the banks to check if they’re sound
* During his first 100 days he begins to pass New Deal legislation

1. Relief for the needy
2. Economic recovery
3. Financial reform

* FDR lifted the prohibition, so he could tax the alcohol (18th = no drinking; 21st = drink again)
* To support New Deal programs, the government must take part in deficit spending (government spends more money than it takes)
* Liberal critics: argued that the New Deal was not doing enough
* Conservative critics: argued that they’re doing too much; they’re increasing the federal government too quickly; they’re interfering with the free-market economy
* Supreme Court were the biggest critics of the New Deal: they thought that FDR was using legislative powers that did not belong to him and was involved in local matters that did not concern the federal government
* FDR’s enemies: (1) Father Coughlin (wanted to guaranteed income – anti-sematic), (2) Dr. Townsend (pension plan – only had elderly as following), (3) Huey Long (“Every Man a King” – assassinated)

New Deal, New Opportunities

* The Second New Deal was so popular because it included everyone (minorities, poor people, women, people of all colors).
* Election of 1936: FDR vs. Alfred Landon – FDR won by the biggest margin in history; for the first time, African Americans voted Democrat and labor unions supported a presidential candidate
* Eleanor Roosevelt advocated for people who were typically underrepresented
* Frances Perkins, secretary of labor, first female cabinet member
* Mary McLeod Bethune, former educator, the head of the Division of Negro Affairs of the NYA; developed the “black cabinet”
* FDR made many strides for the African American community, but did not want to lose Southern Democrat following and did not pass anti-lynching law or get rid of the poll tax
* Indian Reorganization Act – land belong to entire tribe, children can attend schools on reservations, tribes elect tribal council

Culture in the 1930s:

* 90% of households own radio – it is used a news source and a form of entertainment
* Movies were popular because they served as an escape from reality
* 1930s: movies, swing jazz, bars
* By 1937 congress pressured FDR to stop New Deal programs because the government could not afford any more deficit spending or go into further debt
  + Side note: FDR was worried about Hitler and had the country focus on producing war supplies