**History-IGCSE**

**The USA 1919-41**

**10.1- How far did the US economy boom in the 1920s?**

**What was the boom?**

The “boom” is the name given to the dynamic growth of the American economy in the decade after the First World War. In the 1920s American business growth more quickly than ever before. They found faster and cheaper ways of making goods than ever before. Many families bought new houses in the suburbs of America rapidly growing cities. The government build more roads and ever before. More houses were supplied with basic services.

**Factors behind the economic boom**

**Industrial strength**

The USA was a vast country, rich in natural resources. A growing population which most part lived in towns or cities. They were working in the industries. The US companies had access to the raw materials they needed in the USA. American industry has been growing vigorously. The USA led the world in most areas of industry. The managers of this industries were skilled and professional. American agriculture had become the most efficient and productive in the world.

**The First World War**

The Americans tried to stay out of fighting the war, but they lent money to the Allies, and sold arms and munitions to Britain and France, and massive amounts of foodstuffs as well. This one-way trade gave American industry a real boost. Plastic and other materials were produced. Aircraft technology was improved. Historians have called the growth and change the USA second industrial revolution.

**Republican Policies**

1. Laissez-faire: Republicans believed that the government should interfere the as little as possible in the everyday lives of people.
2. Protective tariffs: The Republicans believed in import tariffs which made is expensive to import foreign goods.
3. Low taxation: The Republicans kept taxation as low as possible.
4. Powerful trusts: The Republicans allowed the trust to do what they wanted, believing that the captains of industry knew better than politicians what was the best for the USA.

**New industries, new methods**

The country was able to exploit its vast resources of raw materials to produce steel, chemicals, glass and machinery. These new industries in turn became the foundation of an enormous boom in consumer goods. Things that used to be luxuries were now made cheaper by new inventions and mass production.

**The car**

The most important of these new booming industries was the motor car or automobile industry. Car production was revolutionized by Henry Ford. By the end of the 1920s the motor industry was the USA's biggest industry. As well as employing hundreds of thousands of workers directly, it also kept workers in other industries in employment made it possible for people to buy a house in the suburbs, which further boosted house building.

**Mass Consumption**

Mass production requires mass Consumption. Mass nationwide advertising, had been used for the first time in the USA during the war to get Americans to support the war effort. There was a huge growth in the number of mail-order companies. Even if they did not have the money people could borrow it easily. A brand-new kind of shop emerged-the chain state the same shop selling the same products all across the USA.

**A state of mind**

One thing that runs through all the factors you have looked at so far is an attitude or a state of mind. Most Americans believed that they had a right to prosperity. Business people had the confidence to invest in the new industries, to experiment with new ideas and to set up businesses and employ people.

**Problems in the farming industry**

* Declining exports
* New competitors: Farmers were also struggling against competition from the highly efficient Canadian wheat producers.
* Over-production: Underlying all these problems was overproduction. From 1900 to 1920, while farming was doing well, more and more land was being farmed.
* Falling prices: Prices plummeted as desperate farmers tried to sell their produce.

**Problems in traditional industries**

Coal industry was producing too much coal and this reduced the price of coal and therefore profits. At the same time coal was losing out to new power sources like electricity and oil. They also suffered from competition from industries which used new man-made materials and were often mechanized.

**Unemployment**

The growth in industry in the 1920s did not created many new jobs. Industries were growing by electrifying or mechanizing production. They included many poor whites, but an even greater proportion of African American and Hispanic people and other members of the USA's large immigrant communities.

**10.2- How far did US society change in the 1920s?**

**The USA in the Roaring Twenties**

**Town v. country**

Americans lived in towns and cities/than in the country. People flocked to them from all over the USA. The growing city with its imposing skyline of skyscrapers was one of the most powerful symbols of 1920s USA. The skyscrapers were built because there was no more land available. Throughout the 1920s there was tension between rural USA and urban USA

**Entertainment**

**Radio**

Almost everyone in the USA listened to the radio. Most households had their own set, it was a communal activity - most families listened to the radio together.

**Jazz**

The radio gave much greater access to new music. Jazz music became an obsession among young people, African Americans who moved from the country to the cities had brought jazz and blues music with them.

**Sorts**

**Cinema**

In a small suburb outside Los Angeles, called Hollywood, a major film industry was developing. During the 1920s movies became a multi-billion-dollar business and it was estimated that, by the end of the decade, a hundred million cinema tickets were being sold each week.

**Morals**

The cinema quickly discovered the selling power of sex. During the 1920s movies became a multi-billion-dollar business and it was estimated that, by the end of the decade, a hundred million cinema tickets were being sold each week. Meanwhile, in the real world, contraceptive advice was openly available for the first time.

**The car**

Cars helped the cities to grow by opening up the suburbs. They carried their owners to and from their entertainments.

**Women in 1920s USA**

Women formed half of the population of the USA and their lives were as varied as those of men. Their relationships with men were strictly controlled. Most working women were in lower-paid jobs such as cleaning, dressmaking and secretarial work. In the 1920s, many of these things began to change, especially for urban and middle-class women, for a range of reasons:

* Impact of war When the USA joined the war in 1917, some women were taken into the war industries, giving them experience of skilled factory work for the first time.
* The vote in 1920 they got the vote in all states
* The car Through the 1920s, they shared the liberating effects of the car.
* Housework Their domestic work was made easier (in theory) by new electrical goods such as vacuum cleaners and washing machines.
* Behavior For younger urban women many of the traditional roles of behavior were eased as well. Women wore more daring clothes.

**Employment**

In urban areas more women took on jobs-particularly middle-class women. They typically took on jobs created by the new industries.

**Choices**

Films and novels also exposed women to a much wider range of role models.

**Limitations**

Women were still paid less than men, even when they did the same job. One of the reasons women's employment increased when men did not was that women were cheaper employees. In politics as well, women in no way achieved equality with men. They may have been given the vote but it did not give them access to political power.

**How did women respond?**

A combination of traditional religion and old country values kept most American women in a much more restricted role than young urban women enjoyed.

**Intolerance**

At the same time as some young Americans were experiencing liberation, others were facing intolerance and racism. The vast majority of Americans were either immigrants or descendants of recent immigrants. Immigrants were flooding in, particularly Jews from eastern Europe and Russia who were fleeing persecution, and people from Italy who were fleeing poverty. The United States had always prided itself on being a 'melting pot'. In theory, individual groups lost their ethnic identity and blended together with other groups to become just Americans".

**The Red Scare**

In the 1920s these racist attitudes towards immigrants were made worse by an increased fear of Bolshevism or Communism. The USA watched with alarm as Russia became Communist after the Russian Revolution of 1917. It feared that many of the more recent immigrants from eastern Europe and Russia were bringing similar radical ideas with them to the USA. This reaction was called the Red Scare

**Immigration quotas**

In 1924 the government introduced a quota system that ensured that the largest proportion of immigrants was from north-west Europe (mainly British, Irish and German).

**The experience of African Americans**

White governments, fearing the power of African Americans, introduced many laws to control their freedom. They could not vote. They were denied access to good jobs and to worthwhile education, and well into the twentieth century they suffered great poverty.

**The Ku Klux Klan**

The Ku Klux Klan was a white supremacy movement. It used violence to intimidate African Americans. Thousands of African Americans were murdered by lynching in this period. Many reports describe appalling atrocities at which whole families, including young children, clapped and cheered. It is one of the most shameful aspects of the USA at this time.

**Improvements**

In the north, African Americans had a better chance of getting good jobs and a good education. There was a successful 'black capitalist' movement, encouraging African Americans to set up businesses. In Chicago they ran a successful boycott of the city's chain stores, protesting that they would not shop there unless African American staff were employed. The popularity of jazz made many African American musicians into high profile media figures.

**Problems**

African Americans in the northern cities lived in great poverty. In Harlem in New York they lived in poorer housing than whites, yet paid higher rents. They had poorer education and health services than whites. Large numbers of black women worked as low paid domestic servants. Factories making cars employed few blacks or operated a whites-only policy.

**The Vanishing Americans**

The native Americans were the original settlers of the North American continent. They almost disappeared as an ethnic group during the rapid expansion of the USA during the nineteenth century. Those who survived or who chose not to leave their traditional way of life were forced to move to reservations in the mid-west. A census revealed that most African Americans lived in extreme poverty, with much lower life expectancy than whites, that they were in worse health and had poorer education and poorly paid jobs. They were also losing their culture.

**The Monkey Trial**

The trial captured public imagination and the arguments on both sides were widely reported in the press. Scopes was convicted of breaking the law, but it was really American Fundamentalism itself which was on trial- and it lost! At the trial the anti-evolutionists were subjected to great mockery.

**Why was prohibition introduced?**

In the nineteenth century, in rural areas of the USA there was a very strong temperance movement. Members of temperance movements agreed not to drink alcohol and also campaigned to get others to give up alcohol. Most members of these movements were devout Christians who saw what damage alcohol did to family life. They wanted to stop that damage. The temperance movements were so strong in some of the rural areas that they persuaded their state governments to prohibit the sale of alcohol within the state. Supporters of prohibition became known as 'dries'. In 1917 the movement had enough states on its side to propose the Eighteenth Amendment to the Constitution. This prohibited the manufacture, sale or transportation of intoxicating liquors.

**What was the impact of prohibition?**

Prohibition lasted from 1920 until 1933.Levels of alcohol consumption fell by about 30 per cent in the early 1920sThe government ran information campaigns and prohibition agents arrested

**Supply and demand**

Enforcement was underfinanced. There were not enough agents-each agent was poorly paid and was responsible for a huge area. By far the biggest problem was that millions of Americans, particularly in urban areas, were simply not prepared to obey this law. Illegal stills (short for distilleries) sprang up all over the USA as people made their own illegal whisky-moonshine. The stills were a major fire hazard and the alcohol they produced was frequently poisonous. Most Americans had no need for their own still. They simply went to their favorite speakeasy. The speakeasies were well supplied by bootleggers.

**Corruption**

Prohibition led to massive corruption. Many of the law enforcement officers were themselves involved with the liquor trade. The breweries stayed in operation by bribing local government officials, prohibition agents and the police to leave them alone.

**Gangsters**

The most common image people have of the prohibition era is the gangster. Estimates suggest that organized gangs made about $2 billion out of the sale of illegal alcohol. Gangsters generally came from poorer backgrounds within these communities. They were often poorly educated, but they were also clever and ruthless.

**Chicago and Al Capone**

Al Capone arrived in Chicago in 1919, on the run from a murder investigation in New York. He ran a drinking club for his boss Johnny Torio. He built up a huge network of corrupt officials among Chicago's police, local government workers, judges, lawyers and prohibition agents.

**The end of prohibition**

It seemed that prohibition, often called "The Noble Experiment”, had ailed. It had made the USA lawless, the police corrupt and the gangsters rich and powerful. Legalizing alcohol would create jobs. raise tax revenue and free up resources tied up in the impossible task of enforcing prohibition. The Democrat President Franklin D Roosevelt was elected in 1932 and prohibition was repealed in December 1933.

**10.3- What were the causes and consequences of the Wall Street Crash?**

**Causes of the Wall Street Crash**

**Speculation**

It seemed to many Americans that the stock market was an easy and quick way to get rich. Anyone could buy shares, watch their value rise and then sell the shares later at a higher price. Around 600,000 new investors were speculators. Speculation is a form of gambling. Speculators det intend to keep their shares for long. They borrow money to buy some shares, then sell them again as soon as the price has risen. Women became heavily involved in speculation.

**Weaknesses in the US economy**

There were other concerns, such as the unequal distribution of wealth and the precarious state of some banks. the decade before the Crash, over 500 banks had failed each year. These were mainly small banks who lent too much. There were signs that American industries were producing more of these goods than they could sell. Europe had put up its own tariffs to protect its industries. Many investors had borrowed money to buy their shares and could not afford to be stuck with shares worth less than the value of their loan.

**The economic consequences of the Wall Street Crash**

In the short term, the large speculators were ruined. The rich lost most because they had invested most. They had always been the main buyers of American goods, so there was an immediate downturn in spending. Many others had borrowed money in order to buy shares that were now worthless. President Hoover reassured the nation that prosperity was 'just around the corner'. He cut taxes to encourage people to buy more goods and by mid-1931 production was rising again slightly and there was hope that the situation was more settled. The Crash had destroyed the one thing that was crucial to the prosperity of the 1920s: confidence. In 1929, 659 banks failed. As banks failed people stopped trusting them and many withdrew their savings. They now kept their money instead of buying new goods or shares. Businesses cut production further and laid off more workers. As workers were laid off or were paid less, they bought even less.

**The human cost of the Depression**

People in agricultural areas were hardest hit by the Depression, because the 1920s had not been kind to them anyway. As farm income fell, huge numbers of farmers were unable to pay their mortgages. Some farmers organized themselves to resist banks seizing their homes. Most farmers, however, had no choice but to pack their belongings into their trucks and live on the road. In the towns, the story was not much better. Unemployment rose rapidly. Forced to sell their homes or kicked out because they could not pay the rent, city workers joined the army of unemployed searching for work of any kind. At night the parks were full of the homeless and unemployed.

**The 1932 presidential election**

Hoover was regarded as a 'do nothing' President. This was not entirely fair on Hoover. He tried to restart the economy in 1930 and 1931 by tax cuts. He tried to persuade business leaders not to cut wages. He did put money into public works programmers tried to protect US industries by introducing tariffs, but this simply strangled international trade and made the Depression worse. He believed that social security was not the responsibility of the government. Relief should be provided by local government or charities.

**Franklin D Roosevelt**

* He was not a radical, but he believed in 'active government' to improve the lives of ordinary people although only as a last resort if self-help and charity had failed.
* He had plans to spend public money on getting people back to work. As Governor of New York, he had already started doing this in his own state.
* He was not afraid to ask for advice on important issues from a wide range of experts, such as factory owners, union leaders and economists.

**The campaign**

Roosevelt's own plans were rather vague and general (see Source 16). But he realized people wanted action, whatever that action was. He promised the American people a 'New Deal'. It was not only his policies that attracted support; it was also his personality. He radiated warmth and inspired confidence. He won by 7 million votes and the Democrats won a majority of seats in Congress.

**10.4- How successful was the New Deal?**

**The Hundred Days**

In the first hundred days of his presidency, Roosevelt worked round the clock with his advisers (who that the only thing we became known as the 'Brains Trust') to produce an enormous range of sweeping measures. These two measures, the Emergency Banking Act and the Securities Exchange Commission, gave the American people a taste of what the New Deal was to look like, but there was a lot more to come. The Federal Emergency Relief Administration tackled the urgent needs of the poor. The Civilian Conservation Corps (CCC) was aimed at unemployed young men. The Agricultural Adjustment Administration (AAA) tried to take a long-term view. The final measure of the Hundred Days passed on 18 June was the National Industrial Recovery Act (NIRA). It set up two important organizations. The Public Works Administration (PWA) used government money to build schools, roads, dams, bridges and airports. These would be vital once the USA had recovered, and in the short term they created millions of jobs. The National Recovery Administration (NRA) improved working conditions in industry and outlawed child labor.

**The Tennessee Valley Authority**

Roosevelt therefore set up an independent organization called the Tennessee Valley Authority (TVA), which cut across the powers of the local state governments. The main focus of the TVA's work was to build a series of dams on the Tennessee river (see Source 5). They transformed the region. The dams made it possible to irrigate the dried-out lands. They also provided electricity for this underdeveloped area. Above all, building the dams created thousands of jobs in an area badly hit by the Depression.

**Impact**

The measures introduced during the Hundred Days had an immediate effect. They restored confidence in government. Reporters who travelled the country brought back reports of the new spirit to be seen around the USA.

**The Second New Deal**

The Wagner Act forced employers to allow trade unions in their companies and to let them negotiate pay and conditions. It made it illegal to sack workers for being in a union. The Social Security Act provided state pensions for the elderly and for widows. The Works Progress Administration (WPA), later renamed the Works Project Administration, brought together all the organizations whose aim was to create jobs. The Resettlement Administration (RA) helped smallholders and tenant farmers who had not been helped by the AAA. This organization moved over 500,000 families to better-quality land and housing. The Farm Security Administration (FSA) replaced the RA in 1937.

**Opposition to the New Deal**

**Not enough!**

A number of high-profile figures raised the complaint that the New Deal was not doing enough to help the poor. Despite the New Deal measures, many Americans remained desperately poor. The hardest hit were African Americans and the poor in farming areas.

**Too much**

* The New Deal was complicated and there were too many codes and regulations.
* Government should not support trade unions and it should not support calls for higher wages the market should deal with these issues.
* Schemes such as the TVA created unfair competition for private companies.
* The New Deal schemes were like the economic plans being carried out in the Communist USSR and unsuitable for the democratic, free-market USA.
* Roosevelt was behaving like a dictator.
* High taxes discouraged people from working hard and gave money to people for doing nothing or doing unnecessary jobs

**Opposition from the Supreme Court**

It appealed to the Supreme Court. The Court ruled that the government had no right to prosecute the company. This was because the NRA was unconstitutional. It undermined too much of the power of the local states.

**Verdicts of the New Deal**

**Aspect 1: A new Society?**

* The New Deal restored the faith of the American people on their government.
* The New Deal divided de USA.

**Aspect 2: Industrial Workers**

* Roosevelt government generally tried to support unions and make large corporations and negotiate with them.
* Big business remained immensely powerful.

**Aspect 3: Unemployment and the economy**

* The New Deal created millions of jobs
* It cut the number of business failures
* Confidence remained low

**Aspect 4: African Americans**

* Gained benefits form the different aspects of the Deal.
* More black workers were employed

**Aspect 5: Women**

* Some women achieved prominent positions.
* Most od the New Deal programmed were aimed to help men rather than women.

**Aspect 6: Native Americans**

* Provided money to help native Americans to buy and improve land and control their own tribal areas.
* Helped to preserve and practice their traditions.