

Chapter 23: The Search for Security and Prosperity: The 1920's

Hopes for Prosperity and Peace After World War I

New Attitudes

The **Isolationist Attitude** believed that countries should only be concerned with their own issues and not become involved with other countries.

Americans **did not want** to be involved with foreign countries after the war.

Americans also wanted **to limit the number of immigrants** to reduce contact with other countries and keep society "less diverse".

The desire to live better

Americans wanted to **spend their money buying items that could not be purchased during the war**. These included vacuum cleaners, electric refrigerators, radios, and model T cars.

Isolationist Attitude = less immigration and less foreign trading \Rightarrow **less people**
o sell manufactured goods and farm products to \Rightarrow farmers and
manufacturers suffer economically

The 18th amendment \Rightarrow outlawed alcohol \Rightarrow **organized crime to sell alcohol**

Foreign Policy During the 1920's

Republican Control

Republicans won control of Congress in 1918 and the Presidency in 1920 because **republicans had the same isolationist attitude as the American people**.

The republican candidate for presidency in 1920 **promised to focus on America and limit connections with other countries**.

League of Nations

The United States refused to join the League of Nations **because they feared involvement with other countries might lead to another war**.

The League of Nations was not as effective without the United States because **they lacked the money and military force to impact larger nations**.

Navel Limitations

Navel Treaties of 1920 effected both Japan and Germany

- 1.) Japan \Rightarrow **treaty limited # of ships they could build** \Rightarrow Japanese angry
- 2.) Germany \Rightarrow **were not a part of treaty** \Rightarrow **made many battleships and submarines**

High Tariffs

High Tariffs isolated United States from Europe **by stopping European products from coming into the United States.**

High Tariff Problems

Quota: limit on the number of goods that can be bought

High Tariffs caused two problems:

- 1.) Hurt Farmers by **angering countries that bought U.S. farm products. These countries reacted by using quotas, which limited the demand for American products.**
- 2.) Caused more problems between Allied countries and Germany. **Allied countries could not pay U.S. back from the war** \Rightarrow **Allied countries demanded Germany pay reparations** \Rightarrow **German resentment and anger towards allied countries.**

Immigration Restrictions

Congress passed new immigration laws **to limit contact with foreigners.**

The laws set limits on how many people could come from each country. **Countries where more U.S. citizens had come from, were allowed higher rates of immigration.**

The Seven Factors of the Economy

The U.S. economy had difficult times after the World War I because of two reasons:

- 1.) They had to switch from making war products to consumer products.
- 2.) Two million soldiers came home and needed to find jobs.

Gross National Product: the total value of all products and services made in a specific country.

An increase in the Gross National Product **means the economy is getting healthier.**

Equipment and Tools

Electricity was one of the most important tools during the 1920's.

Transportation

Automobiles

Ford's use of the assembly line made Model T cars easier to make and cheaper to sell. This meant the average skilled worker could afford to buy one.

Cadillac, Buick, Chevrolet, Pontiac, and Oldsmobile joined to form General Motors.

The steel, rubber, and glass industries were all affected by the increase in car sales.

Other industries that grew because of the increase in automobiles were:

- 1.) **New construction of roads**
- 2.) **More gas stations, restaurants, and motels**

The increase in automobile sales changed people's lives by **speeding up life activities and allowing people to travel.**

Air Transportation

The Wright Brothers made the first motorized flight in **1903**

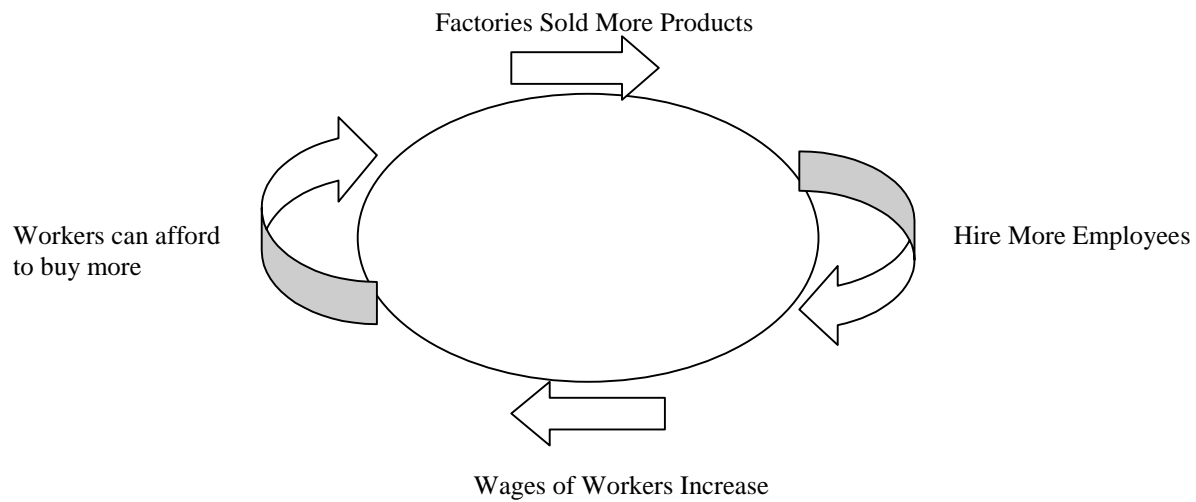
The first passenger flight was in **1923**

Charles Lindbergh was known as the **man who made the first non-stop flight across the Atlantic Ocean.**

Demand for Products

Productivity of Workers: amount a worker produces over a period of time

The increase in the number of workers and their wages also increases the demand of products because **now there are more workers that can afford products.**
See Diagram.



Now that more people had electricity the demand **for electrical products such as vacuums and radios increased.**

Companies tried to increase demand for products through **advertisements.**

People felt optimistic

It's good for the economy when people feel optimistic about the future because **they spend more money.**

Money and Credit

The government made it easy for businesses to borrow money by offering **loans with low interest rates.**

Installment Plan :The consumer buys a product by paying a smaller portion of the whole price and then making payments until the item is paid off.

Installment plans are beneficial for consumers because **it allows them to purchase products without having to save up to pay for the full price.**

Installment plans are also beneficial for the seller because **they make money off the interest charged.**

Labor

Membership in unions decreased in the 1920's due improvements in working conditions and wages.

Profit

The prices of stocks increased in the 1920's because people were **optimistic about businesses making money.**

Oligopoly: A small group of companies make and sell almost all of the products in that market.

Business expanded in the 1920's by **opening more stores to sell products, to repair products, and banks to help people buy products.**

Congress helped people, especially rich people, keep more of their money by **reducing income taxes.**

Greed in the Government

Teapot Dome Scandal: involved a government official taking bribes from a petroleum company owner to illegally use the Navy's oil reserve at Teapot Dome.

Changes and Resistance During the 1920s

Changes in American Society

Up until the late 1800s people believed in the **values of a quiet, home-based, rural lifestyle.**

Larger Urban Areas

Two changes that occurred in urban areas during 1920s are:

- 1.) Large numbers of Americans moved from rural areas to urban areas to work.
- 2.) Middle-class people moved from crowded cities to suburbs.

One major difference between the culture in urban and rural areas was the **mixing of many cultures in the urban cities.**

More leisure time

Electric machinery reduced the amount of hours the middle class had to work, allowing them more leisure time.

Mass culture

Mass Culture: groups of people behave in many of the same ways because they have listened to or watched the same events.

The popularity of movies increased when **sound was combined with the motion picture.**

Movies helped create a mass culture in the U.S. by **advertising all of the most current fashions.**

Radios also helped create a mass culture by bringing people **music, news, entertainment, and advertising.**

Jazz was a new form of music that became popular in the 1920s **because its exciting fast pace reminded people of city life.**

Literature

Famous American Writers of the 1920s:

- 1.) F. Scott Fitzgerald
- 2.) Ernest Hemingway
- 3.) William Faulkner
- 4.) Langston Hughes

Women in the 1920s

Flappers: Women who didn't behave how society said they should.

Resistance to Change

People living in small towns that did not benefit from the 1920s growing economy and city people that did not like the increase in immigrants were unhappy with American life in the 1920s.

Anti-union and anti-Bolshevik attitudes

The **Bolsheviks** were blamed for most of the strikes that happened in the early 1920s.

The real causes of strikes were **low pay and bad working conditions.**

The FBI was **created to find groups of people that were a threat to the government.**

J. Edgar Hoover was the head of the FBI.

The Palmer Raids

Most Americans did not object to the Palmer Raids because they **trusted the government and what they were doing.**

The American Civil Liberties Union was created to protect peoples Constitutional rights.

Actions against immigrants

Sacco and Vanzetti were executed for murdering a factory manager, but many people believe that they were really executed because **they were immigrants and anarchists.**

Prohibition

Rural Americans were strong supporters of the prohibition.

Prohibition made getting alcohol very expensive, **criminal gangs found that they could make a great deal of money illegally selling alcohol.**

Al Capone = one of the major gang leaders that made money off of prohibition

The 18th amendment eventually **became unenforceable and was then repealed.**

The Rebirth of the Klan

The new Klan was different because **it also targeted Jews and Catholics.**

The clan lost support after 1926 for several reasons:

- 1.) Many Klan leaders were convicted of crimes**
- 2.) Large amounts of Klan dues were stolen by Klan officers**
- 3.) People were tired of Klan violence**

The Scopes trial

John Scopes was arrested for **teaching about evolution.**

The trial received a lot of attention because of the **narrow-mindedness of people about religion and morals.**

The 1928 presidential campaign

Alfred E. Smith was different from other presidential candidates because **he was Catholic.**

Immigrants supported Alfred E. Smith for president.

Hoover won the election.

1920s Solutions Create Problems for the 1930s

Unequal distribution of wealth

Business men, middle-class workers, and some factory workers made enough money in the 1920s

Workers with low skills that worked in factories such as; the textile mills, coal mines, and steel mills did not make enough money in the 1920s.

Many Farmers struggled in the 1920s because they **could not make enough money to pay off their debts.**

The federal government **did not do much to help the farmers.**

President Coolidge veto bills that would have helped farmers **because it would make consumers pay more for farm products.**

Overproduction

Demand for American products decreased in the late 1920s for three reasons:

- 1.) **The wealthy had already bought all that they wanted**
- 2.) **The poor did not have the money to spend**
- 3.) **High Tariffs limited trade with Europe**

Inventory = products that have been made, but that did not sell.

The decrease in demand forced companies **to stop hiring and stop building new factories.**

High Levels of Debt

Many consumers were in debt because **they still owed money on all of the products they had already bought through installments.**

Business was also in debt because **they borrowed money to expand and make more products.**

A Shaky Stock Market

Speculators =took large risks playing the stock market

Speculators =Buy lots of stock \Rightarrow only pay a small portion \Rightarrow sell
stock at higher rate \Rightarrow pay the what they owed