KEY TOPIC 1

How far would you agree that new business methods were responsible for the booming of America’s economy in the 1920?

New Business Methods
The influence of new business methods can be summarized by the US president of the time, Calvin Coolidge, stating that “the chief business of the American peoples is business”. The development of new business practises played a significant factor in the development of the American economy, as management sciences supported the continuing in new management sciences supported the growing complexity of inter-state businesses and advertising expanded demand to match the exponentially growing demand.

- Management Science
  - Increased size of businesses meant that they were more complex to manage. Led to the development of different management roles
  - Growth of business schools - 1928, 89 schools with 67,000 students

- Growth of huge corporations
  - Firestone - rubber
  - By 1927, the largest 200 companies owned 20% of the nation’s wealth
  - US Steel was the first billion dollar corporation in the world - producing 61% of the USA Steel production

- Advertising and Sales
  - Companies hired psychologists to find out how to sell to people in adverts
    - Lucky Strike = ‘torches of freedom’ (cigarettes) - appeal to women
    - Celeb endorsements, slogans and logos
  - By 1929, companies spent $3 billion annually on advertising, 5x more than in 1914

Government Policy
The laissez faire and protectionist policies of the government, with high tariffs, few regulations and tax reductions, also created the economic environment for the boom, with rapid growth in the domestic market due to investment and the growth of corporations and businesses.

- Fordney McCumber Act 1922, raised tariffs on imported goods to encourage buying in America
- Federal tax reductions, 1924, 26 and 28
  - Mainly benefitted the wealthy
  - Totalled $3.5 billion (large scale industrialists and corporations)
  - Didn’t mean much to people who were too poor to pay Fed. taxes in the first place

- Fewer Regulations
  - Laws concerning business practises were ignored such as child labour or price fixing between companies to prevent fair competition
    - Bad in places like the Southern States’ textile mills - Child labour was around, and a 56-hour week was common, with little wage change to more than 18 cents an hour

Economic Climate
The economic climate in the USA at time, with weakened foreign markets due to the First World War, the repayment of wartime loans, and the availability of cheap credit to consumers allowed for growth due to the opportune climate for an economic boom.

- Easy Credit
  - People would pay deposits and pay the rest in hire purchases - take out debts with interest
- 4.1 million hours fighting forest fires
- 1.3 billion trees planted
- Gave men self respect and a purpose

**Housing**
- Home Owners Refinancing Corporation
  - Helped offer new mortgages at low rates of interest over longer periods
- Federal Housing Administration
  - Offer federal insurance to protect ability to repay low interest, long term mortgages taken out on new homes
  - Attempt to stimulate the housing market
  - Loans only for newly purchased single family homes - not used to renovate existing properties or for buildings set out as apartments where several people lived
    - DIDN'T HELP AT ALL
    - Only less than 25% of urbanears could afford to take out a mortgage
    - Mainly benefited white, middle class families
    - Inner city areas run down and left to poorer EM who were forced to rent squalid properties

**Indian Reorganisation Act**
- Recognised NA culture and encouraged it
  - Tribes reorganised into governing bodies that could vote to adopt the constitution and have their own police and legal systems
  - Controlled land sales on the reservations and managed tribal resources
  - Could take advantage of the New Deal such as the CCC and PWA

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**How far do you agree that the left was more successful than the right in challenging the New Deal?**

- **Support levels**
  - **LEFT WING**
    - Support concentrated in small areas, and groups very radical in nature
      - Meant lack of unity often leading to a decline in support
    - Huey P. Long - “Kingfish”
      - Most famous opposition to FDR and proved popular with over 4 million supporters
      - “Share Our Wealth”
        - Redistribute any personal fortunes over $3 million
        - Promise families a $4000 grants and allowing access for everyone to a house and a car
        - Introduced old age pensions and free education and cheap food for the poor
      - Targeted all ages and backgrounds, and offered new change
    - Left wing support = highly radical and just loud - poorly supported - THUNDER OF THE LEFT
  - Father Charles Coughlin and Francis Townshend
    - Less popular critics who were very radical, and this hindered their public popularity - especially when communism was underlying as a threat still in the ISA
      - Coughlin attacked Jewish members of FDR’s admin, and backed radical union members. Had 35 million radio listeners nationwide on ‘The golden hour of the little flower’ - lost to anti semitic ideas
      - Townshend = radical pension (federal) plans - those over 60 of more than $200/month, encouraged inflation
      - Only around 500,000 agreed with their policies - hard to gain national support
  - **RIGHT WING**
Post
- Huge illegal immigration owing to lack of red tape
  - 200,000 / year enter
    - 500,000 illegal in 1951 alone
    - Used as farmers in fruit producing areas
- Japanese Americans - negative change - worse off
- Before
  - No change
- After
  - 2000 japanese labelled submersives were rounded up
  - Attitude that they should be locked up
  - 100,000 sent to ‘relocation centres’
    - 10 centres in the west - forcibly sent
  - $400 million lost in looting as had to leave houses
  - Social tensions after pearl harbour

KEY TOPIC 4

To what extent did the federal government policy stimulate the economic growth of the years 1945-1955?
- Federal Government Policy
  - Economic transformation
    - US economy grew throughout the war
      - GNP up 355 SINCE 1941
      - Usa had 1% of the world population but 42% of the global income
      - PCI was almost double Britain
    - Federal government spent more - $36.5 billion
    - States spent more on roads and schools
    - Expansion economically meant greater employment
      - Aircrafts, chemicals and electrical goods
  - GI Bill of Rights
    - “Selective Servicemen’s Readjustment Act” 1944
      - Offered grants to veterans to improve their education and skills
      - 8 million veterans took part
      - Received $20 a week
      - Offered low interest home loans that allowed ex-servicemen and families to move to a home in the suburbs
- The growth of the car industry
  - Sales of cars rose from 69,500 in 1945 to 6.7 million by 1950
    - Expansion in the ‘big 3’; Ford, General Motors and Chrysler
    - The number of two car families doubled - between 1951 and 1958- many bought on credit
    - More cars in LA than in the whole of Asia
    - General motors was richer in GDP than belgium
  - Helped roadside hotels, motels, gas stations and garages
    - First ‘holiday inn’ opened in Tennessee in 1952
Witch hunt

HUAC
- Fueled by fear and anti-communist attitudes, rarely justifiably backed by evidence
- Any communist sympathisers or movies were reported and banned
  - Charlie Chaplin forced to leave the U.S
  - Believed people were brainwashing the people
  - Produced a ‘blacklist’ in 1954 of 350 people who would not be employed into the film industry due to their suspected communist links
  - Union leaders forced to swear they weren’t communist by the terms of the Taft-Hartley Act

Loyalty review board - Truman
- Check on gov employees
- Over 1,200 dismissed and 6,000 resigned and 150 organisations banned for being accused of supporting communism

Lots of speculation

China Lobby
- Fall of China to the communists in 1949 led many to believe that the State Department was at fault. The China lobby was created, and campaigned for action against the new communist regime and how the U.S had let it fall
- Pat McCarran, (D.), tried to persuade people that it must be the work of secret communist infiltrators within the state department

McCarthy
- Made a speech in 1950 accusing state dept of harbouring 200 spies
  - Later changed to 57, and had no evidence, but people believed him
  - The use of ‘multiple untruths’ - such complex accusations that no one could unravel or refute them
  - Attacked the army for communists
    - Was censured by the Senate
    - Banned 30,000 books from the library for having ‘communist leanings’ or messages

To what extent did the lives of black Americans change in the post war period to 1955?

Truman’s Presidency
- First pres since Lincoln to make significant contributions to the development of civil rights
- 1946 civil rights committee to investigate racial abuse
- Called for laws to prevent lynching
- Group of 20 southern democrats and 15 republicans blocked every civil rights measure introduced into the senate
  - Used filibusters
- Did manage to pass the Exec order to desegregate the armed forces and guarantee fair employment opportunities in the civil service
  - Fair Employment Board set up to replace the FEPC
  - Navy and Air completely desegregated, and army followed after Korean War

Eisenhower’s Presidency