

The Economic Impact of Demobilization

FL **SS.912.A.5.1** Discuss the economic outcomes of demobilization.

Vocabulary Builder: **consumer** (con-SUME ur) *n.* a buyer or user of goods and services

The end of the World War I was met with rejoicing. Government control of production, prices, and consumer goods was ending. Life could return to "normalcy." In spite of the desire for life as it had been, times had changed.

Farmers

For farmers, the economic outcome of demobilization was disaster. The war had created a large demand for American crops. In addition, the government had regulated prices for crops and for consumer goods. To meet the demand for farm goods, farmers went into debt. They had purchased more land. They had also purchased the big equipment necessary to operate large farms. Following the war, the demand for American crops dropped. The government ended the price controls that were in place through the war, and with the drop in demand came a drop in prices. Farmers responded by planting more crops in order to harvest and sell enough to meet their expenses. They were caught in a downward spiral of declining food prices and increased food production. Credit had fueled farm expansion, and now credit and growing debt kept the farmers on their farms.

Industry

With the end of wartime restrictions on production, industries changed direction and began producing the consumer goods people had been wanting. First and foremost was the development of the automobile industry. Thanks to Henry Ford, automobiles were available and affordable and everyone wanted one. People also eagerly bought such wonderful items as vacuum cleaners, phonographs, and electric irons. Middle class Americans wanted to buy their own homes in the suburbs, and the construction industry boomed. As industry prospered, so did workers. Wages grew steadily but slowly for the average laborer. Yet in the midst of what seemed like prosperity, workers weren't making enough money to support the spending of the Twenties. As with farmers, credit was funding the economic boom. Corporations, however, were seeing the profits from consumer spending. Company owners and stockholders saw financial gains during these years.

Check for Understanding How did demobilization impact farmers?

The Red Scare



SS.912.A.5.2 Explain the causes of the public reaction Degree (Sacco and Vanzetti, labor, racial unrest) associated with the Red Scare.

Vocabulary Builder: anarchist (AN ark ist) *n.* a person who believes that governments are unnecessary and should be overthrown

While the victorious Allied Powers met in Paris to hammer out a peace treaty, one former ally, Russia, was involved in civil war. The Russian Revolution in 1917 led to Communist control of Russia. The nation was renamed the Union of the Soviet Socialist Republics under the leadership of Vladimir Lenin. Communists believed that their revolution was not an isolated event. It was to be the first of many revolutions around the world as workers united to get out from under the influence of capitalism. With this dream in mind, Lenin supported and encouraged revolutions beyond the borders of the Soviet Union.

The Red Scare

In the United States, fear of revolutionaries was reinforced by some actual revolutionary activity. During 1919 and 1920, a number of public and corporate officials received bombs in the mail. Anarchists were believed to be behind these mail bombs and bomb threats. Attorney General A. Mitchell Palmer, who himself had received a mail bomb, ordered the FBI to investigate the American Communist organizations. Around 250 suspected Communists were arrested and expelled from the United States. Federal agents and local police then rounded up and arrested thousands more. Some were known or suspected radicals while others were merely immigrants. Eventually, 556 were deported. Communism anticipated that the world's workers would overthrow capitalism. As a result, fear of communism led to fear of labor activists and pro-labor activities.

Sacco and Vanzetti

In the midst of this national panic, the paymaster of a shoe factory near Boston was murdered during a robbery. Eyewitnesses reported that the robbers "looked Italian," so authorities arrested Nicola Sacco and Bartolomeo Vanzetti. Although both men were known anarchists, there was no hard evidence to show their guilt in this murder. In September 1920, just days after their indictment, a cart loaded with dynamite exploded on Wall Street and killed some 40 people. Although the bombers were never found, anarchists were suspected. This created a more hostile climate during the Sacco and Vanzetti trial and the two men were found guilty of the shoe factory murder. They were put to death on August 23, 1927. By then, however, the panic associated with the Red Scare was dying out. Americans had other concerns.

Check for Understanding How did the Communist Revolution in Russia lead to the Red Scare in the United States?

U.S. Economic Policy During the 1920s

FL SS.912.A.5.3 Examine the impact of United States foreign economic policy during the 1920s.

Vocabulary Builder: **reparation** (rep a RAY shun) *n.* compensation for a wrong, particularly by restoring something to good condition

When World War I began, the United States owed money to other nations. During the war and in the years immediately following, the United States loaned money to Britain, France, and other countries for war materials and for reconstruction. By 1919, the European nations together owed the United States some \$10 billion. The United States was no longer a debtor nation. It was now the world's creditor.

Dawes Plan

The Treaty of Versailles placed blame for World War I on Germany. It also placed responsibility for **reparations** on Germany. In 1921, the cost of reparations was set at the equivalent of \$35 billion. France and Britain wanted this money from Germany in order to repay their debt to the United States. The German economy, however, was in shambles. How could Germany repay Britain and France? The answer was the Dawes Plan. Proposed by Charles G. Dawes, a Chicago banker, the Dawes plan had two parts. It scaled down the debt due to the United States and it arranged for American banks to loan money to Germany. This meant that as Germany began paying off debt to Britain and France, Britain and France could make payments to the United States. Like so many other things in the Twenties, the Dawes Plan was funded by debt.

American Investment

The Republican administrations of the Twenties encouraged American investment and trade overseas, particularly in Latin America. While American businesses funded railroads, banana and sugar plantations, oil fields, and public utilities, the United States government stood ready to protect these interests. American troops were involved in Haiti, the Dominican Republic, and Nicaragua during these years.

Check for Understanding How did the Dawes Plan help Britain and France pay off their debt to the United States?

The Consumer and the Economy During the 1920s

FL **SS.912.A.5.4** Evaluate how the economic boom during the Roaring Twenties changed consumers, businesses, manufacturing, and marketing practices.

Vocabulary Builder: **chassis** (SHAZ ee) *n.* frame and wheels that support the engine and body of a motor vehicle; **frugal** (froo-guhl) *adj.* not wasteful

After World War I, the United States entered an era of prosperity known as the Roaring Twenties. For the first time, average Americans could buy expensive items such as automobiles. Cities and their surrounding suburbs grew, leisure time increased, and the ways Americans spent their free time changed. But the wave of prosperity did not last. In 1929, the U.S. economy collapsed. America entered the Great Depression, a time when many people did not have money or jobs. Throughout the Twenties, mass media grew and helped to shape American culture.

Consumers

After the **frugal** years of the war, Americans were ready to buy and wanted consumer items. Factories began turning out automobiles, phonographs, and appliances. The American family came to expect a home with electric lighting and a telephone, a car, vacation in which to enjoy the car, and opportunities for entertainment. While most women still remained at home, they had new appliances to make their work easier. Many of those who may in the past have employed household help now did their own housework.

Business and Manufacturing

Henry Ford probably did more than any other single individual to revolutionize American manufacturing. Beginning in 1913, he began experimenting with the assembly line. The use of interchangeable parts and the assembly line were not new ideas. Both had already sped up manufacturing. But by applying these manufacturing processes to the automobile industry, Henry Ford brought mass production to new levels. He began by using a rope and windlass to pull a **chassis** by six assemblers along the line of parts. As the workers moved by the parts, they picked them up and put them on the car. The next step was to keep the workers stationary and draw chassis after chassis along in front of the workers. Each worker would place a particular piece on each chassis as it passed in front of him. This process cut down assembly time from 12 ½ hours to 1½ hours. By the 1920s, the entire vehicle was assembled by a similar process. Reducing the time required to make a single automobile allowed Ford to reduce the cost of automobiles. Soon many American families could realize the dream of owning their own automobiles. With the automobile industry came other industries. Roads were expanded, homes could be built in the suburbs, and oil became valuable as fuel for the new vehicles.

Marketing

As industry created new ways for Americans to spend their time and money, advertisers worked to convince Americans that they needed each and every one of these new goods. One method was through magazines and periodicals. In the 1920s, people had more time to read for enjoyment. Mass-market magazines became more popular than ever. The colorful publications told people about news, fashion, sports, and hobbies. These publications were also crammed with advertisements. These flashy ads in magazines and newspapers helped sell consumer products. The content of these publications often created fads, or temporary fashions and ways of acting. Magazines and newspapers helped to shape the culture of the era.

Check for Understanding How was Henry Ford able to reduce the cost of automobiles?

Cultural Changes During the 1920s

FL SS.912.A.5.6 Analyze the influence that Hollywood, the Harlem Renaissance, the Fundamentalist movement, and prohibition had in changing American society in the 1920s.

Vocabulary Builder: fundamentalist (fun da MEN tal ist) *n.* a person involved in a religious or political movement stressing strict and literal adherence to a set of basic principles

Life in the 1920s was full of change. Nations were changing, American cities were changing, automobiles allowed lifestyles to change, and behaviors were changing. Some of these changes were lasting, others were not, but all worked together to shape life in the Roaring Twenties.

Hollywood

Although movies had been around for a generation, they were silent pictures. In 1927, the first motion picture with sound was released, and the film industry changed forever. Millions of people flocked to theaters to see “talkies.” The movie industry, which was centered in Hollywood at that time, began to shape the dreams, ideals, and morals of Americans. Movies helped set fashion and standards of behavior, but many movies also endorsed traditional views of morality. Women’s attitudes and women’s roles also began to change based on ways women were portrayed in these new films. The fashions of women who were known as “flappers” were popularized in movies and magazines. Movie stars became household names, and people were as interested in the lives of movie stars as in those of people they knew personally.

Harlem Renaissance

The war years saw a huge migration of African Americans from the rural South to the industrial North. By 1930 200,000 African Americans had settled in Harlem. There, the rural Southern culture blended with the immigrant Caribbean culture, which was also found in New York. The result was a flowering of African American culture called the Harlem Renaissance. Uniquely African American music such as jazz and blues spread throughout American society. African American writers such as Jean Toomer, Claude McKay, and Langston Hughes wrote short stories, poems, and novels that expressed the joys and trials of being black in America. The Harlem Renaissance changed how white America viewed African Americans and how African Americans viewed themselves.

Fundamentalism

Rural, agricultural Americans saw the nation changing around them in the 1920s. Movies, culture, and society all seemed to be advocating a lifestyle contrary to what they believed was right. They began to feel that the church was being attacked and that their religious and moral beliefs were under siege. As Americans began to emphasize science and secular values over traditional ideas about religion, religious fundamentalists reaffirmed their commitment to the Bible and traditional values. Science and religion clashed in the national spotlight when a high school teacher, John Scopes, broke a Tennessee law by teaching Charles Darwin’s theory of evolution. In the 1925 Scopes Trial, John Scopes was tried and found guilty.

Cultural Changes During the 1920s (continued)

Prohibition

The Eighteenth Amendment (1919) banned the production and sale of alcohol. Prohibition was seen as a way to strengthen families and society in general. However, some people believed that a ban on alcohol contributed to organized crime. The law did not stop people from drinking. Even though alcohol could not be purchased legally, ordinary Americans smuggled it, sold it in secret, or made their own. They also gathered in secret drinking places known as speakeasies.

Check for Understanding What was the Harlem Renaissance?

The Resurgence of the Ku Klux Klan



SS.912.A.5.9 Explain why support for the Ku Klux Klan varied in the 1920s with respect to issues such as anti-immigration, anti-African American, anti-Catholic, anti-Jewish, anti-women, and anti-union ideas.

Vocabulary Builder: **assimilate** (a SIM i late) *v.* to be integrated or absorbed into a larger group so that differences are minimized or eliminated; **inflation** (in-fley-shuhn) *n.* a persistent, substantial rise in the general level of prices related to an increase in the volume of money and resulting in the loss of value of currency

For many people, change results in fear. Some react to this fear by finding someone or something to blame for the changes they fear. During the 1920s, the Ku Klux Klan experienced a revival driven by fear. Support for Klan ideas varied because different people feared different kinds of changes but as a group, the Ku Klux Klan blamed blacks, Jews, Catholics, and immigrants for cultural and societal changes. Klansmen used violence to intimidate these groups of people. They boycotted businesses owned by minorities, and the Ku Klux Klan terrorized and abused individuals in an attempt to instill fear in minority groups.

Immigrants

With the return of soldiers to civilian life, the labor pool was larger than the number of available jobs. Competition for jobs became bitter. Many people blamed African Americans and immigrants for the difficulty in finding work. In addition, immigrants from Southern and Eastern Europe tended to be Catholic and Jewish. Both groups maintained their cultural identity rather than assimilating easily into the American "melting pot." Both groups were easily identified as "different" and were easy to single out for abuse and hatred. The Red Scare increased the fear that every eastern European immigrant could be a Communist or anarchist. The Klan took advantage of these fears with demands that the United States be reserved for "real" Americans, the "old pioneer stock" of Protestant and Anglo-Saxon heritage.

African Americans

During the 1920s, Klan activity against African Americans spread beyond the South. During the war, African Americans had settled in the industrial cities of the North. Competition between white and black Americans led to race riots between 1919 and 1921. People were killed on both sides and property was looted and destroyed. Northerners who would have rejected Klan activity embraced it because it mirrored their own anger.

Women

By the 1920s, roles for women were changing rapidly, and women were breaking free of their traditional role as home keeper and mother. Many women had spent the previous decade working outside the home helping keep the American economy moving at full strength in the war effort. Now women had the right to vote. They were wearing short dresses, bobbing their hair, driving automobiles, and in general behaving with great freedom. Many members of the Ku Klux Klan, along with conservative members of society, saw this as another example of the moral breakdown they believed the nation was experiencing.

The Resurgence of the Ku Klux Klan (continued)

Labor

Immediately following the war, the United States experienced a period of inflation. Workers found their wages did not keep pace with their expenses, and there were several strikes. As often happened in labor issues, many strikes turned violent. Radicals in the unions were blamed for the violence. People who wanted to hate could believe that the unions were a haven for radicals and anarchists preparing to overthrow the government.

Check for Understanding How did changes in society relate to the resurgence of the Ku Klux Klan?

International Peace Attempts

FL SS.912.A.5.5 Describe efforts by the United States and other world powers to avoid future wars.

Vocabulary Builder: *idealist* (i DEF il ist) *n.* a purist who rejects practical considerations

When the dust of World War I had settled and nations had counted up their losses, the numbers were staggering. Combat losses were around 10 million dead and 20 million wounded. Then there were the losses of civilian life and property. In all, World War I had been a war beyond any previous war. People became convinced that this must be the "War to End All Wars" in fact as well as in name. The 1920s saw several attempts to make this true.

League of Nations and World Court

The League of Nations was Wilson's great dream, but the United States refused to commit to this dream. In fact, without the United States, the League had little real power. The World Court was established to judge international disputes. However, these had to be submitted voluntarily by nations. As with the League of Nations, the United States government remained uncommitted to the World Court.

Washington Naval Conference

Held in Washington, D.C. in 1921 and 1922, the Washington Naval Conference brought together the world's leading naval powers. The goal was to prevent a race for naval power by restricting the size of each nation's navy. There were three agreements reached at this conference. The first involved five powers: the United States, Great Britain, France, Italy, and Japan. These nations agreed to a formula for limiting the number of warships each nation could construct. In a second treaty the United States, Great Britain, France, and Japan agreed to respect one another's rights in the Pacific. A third treaty, involving nine nations, affirmed the Open Door Policy in China.

Kellogg-Briand Pact

The Kellogg-Briand Pact was an *idealistic* attempt to outlaw war. It was drawn up by United States Secretary of State Frank B. Kellogg and French Foreign Minister Aristide Briand in 1928. The pact banned war and declared that it was no longer to be used "as an instrument of national policy." Although eventually ratified by over 60 nations, even its creators knew it was doomed to fail.

Check for Understanding How did the Washington Naval Conference attempt to prevent a race for naval power?

