

Chapter 5

United States of America: 1898-1941

INTRODUCTION

The period from 1898 to 1941 in the history of the USA saw it move from being a large, rich country with little affect on world events to the most powerful and influential nation in the world – militarily, economically and culturally. At the start of the twentieth century the USA was a young, energetic country with vast potential, but she had not worked out her place in the world. In the next forty years she would take a dominant role in her own part of the world and, more reluctantly, be drawn into a dominant global role. At home, the nation had serious social problems and economic challenges, but its huge wealth, faith in the democratic system and outstanding leaders such as Franklin D. Roosevelt would give it the strength to work through most of these.

BACKGROUND

By the end of the nineteenth century the United States of America was the fastest growing and most dynamic nation on earth. She had been through a tough but successful century since the War of Independence and was now ready to launch herself into the world as an economic and later military giant. Major developments in the nineteenth century were:

- The huge expansion into unsettled territories in the West, creating massive cattle and farming wealth, especially after the US-Mexican War of 1846.
 - The victory of the Northern Unionists over the Southern Confederates in the Civil War of the 1860s which paved the way for huge industrial growth.
 - The rise of rich and powerful investors called the 'robber barons'. These men, ruthless though they were, created huge economic empires which gave the US its investment capital. They included Rockefeller, James Fisk, John Pierpont Morgan, Andrew Carnegie, and Leland Stanford. They built empires based on oil, steel, gold railways and cattle. Later, other men like William Randolph Hearst, who built a newspaper and publishing empire, would join them.
 - Inventions like Bell's telephone and Edison's electric light, phonograph and moving pictures. There were also developments in engineering and building, with the first skyscrapers going up in cities like New York and Chicago.
 - The growth of a trade union movement to counter the excesses of the robber barons. These trade unions had mixed success with some huge industrial battles. These battles sometimes led to deaths in associated riots. Two of the organisations included the Knights of Labor and the American Federation of Labor.
 - Immigration was increased greatly to feed the growing economy with cheap labour. Traditional sources of labour in the eighteenth century were replaced by millions of immigrants, first from Ireland and then from Eastern and Southern Europe.
 - The development of a huge gap between rich and poor, with the bosses living in luxury and the poor, especially in the industrial cities, living in tenement slums. This led to the rise of the political 'bosses', Mafia type figures, who made their fortunes by gaining support amongst the desperate poor.
 - The great land rush into the West that spread settlements from the Pacific to the Atlantic, but at the same time, dispossessed Indian tribes of most of the land that they had left.
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CHRONOLOGY

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| 1898 | The Spanish - American War, fought over Cuba, but which eventually gained for the US the Philippines, Guam, Puerto Rico and a strong presence in Cuba itself. |
| 1901 | President Roosevelt announced his 'big stick' foreign policy, which called for more US intervention in the Americas. |
| 1902 | President Theodore Roosevelt began action against the giant Trusts. |
| 1910 | The 'Jim Crow' laws became common in most Southern states. |
| 1915 | The <i>Lusitania</i> was sunk by a German U boat. |
| 1917 | The Zimmerman Note from Germany to Mexico, promising Mexico a return of what it had lost to the US if Mexico helped Germany in a war against the US. |
| 1917 | Literacy test imposed on would be immigrants. |
| 1917 | The US declared war on Germany. |
| 1918 | Americans gained great victories at great cost in the First World War. |
| 1919 | Attorney-General Palmer asked J. Edgar Hoover to attack anarchists and aliens. |
| 1919 | The US participated in the Peace Talks after the First World War. Wilson pushed his 14 Points as a basis for a new world order. |
| 1920 | Congress voted against the US joining the League of Nations. |
| 1920 | Congress passed the Volstead Act, introducing the prohibition of alcohol. |
| 1921 | Nicola Sacco and Bartolomeo Vanzetti, two Italian immigrants, were convicted of murder and later executed. There was serious doubt about their guilt and suspicion about the judge's motives |
| 1921 | Henry Ford produced his first mass production T Model Ford. |
| 1924 | Congress imposed a limit on the number of immigrants each year - 154,000. |
| 1925 | The Scopes 'monkey trial' convicted a school teacher in Tennessee for teaching evolution in school. |
| 1927 | The first 'talkie', a movie with sound, starring Al Jolson in <i>The Jazz Singer</i> . |
| 1928 | Herbert Hoover gave his famous speech where he outlined his doctrine on 'American Individualism', in which he laid out the capitalist policy of his Republican government for free economic development |
| 1929 | Al Capone and his gang took on rival gangs in the St Valentine's Day Massacre. |
| 1929 | The Wall Street Stock Market Crash. |
| 1931 | Al Capone gaoled for tax evasion. |
| 1932 | Franklin D. Roosevelt elected President. |
| 1933 | Prohibition ended. |
| 1933 | The first New Deal began. |
| 1936 | The second New Deal began. |
| 1937 | Japan invaded China. |
| 1938 | Recession in the USA, following the end of the New Deals. |
| 1941 | Pearl Harbor was bombed and the USA entered the Second World War. |

TERMS AND CONCEPTS

Americanisation	The process of American culture and financial interests dominating the economies and culture of other countries. Sometimes it is seen as a type of cultural imperialism.
capitalism	The belief in the right to become wealthy through private enterprise, often if it meant at the expense of the working poor. <i>Laissez faire</i> capitalism is when there is little government regulation of the business or intervention in the economy to assist the poor or control the market place.
conservatism	A political approach, by usually rich and established people, which aims to maintain the <i>status quo</i> and to keep forces of reform like unions and minority groups in order.
democracy	A system of government where the people govern through their elected representatives.
isolationism	A strong trend in pre-World War II American politics which said that America should keep itself free from involvement in foreign affairs, especially European affairs.
industrialisation	The growth of secondary industry. which uses raw materials and converts them into manufactured goods. Associated with the growth of cities and factories.
manifest destiny	A belief by Americans that they had a destiny, given to them by God, to dominate the North American continent.
nationalism	A feeling amongst a people of common interests and a common destiny. It creates a desire for self-government and independence.
the frontier	The area, originally west of the Appalachians but later anywhere, that Americans wanted to expand into.
progressivism	The policy of Theodore Roosevelt, and presidents who followed him, where they attacked those people in society who were exploiting workers and consumers. They sought to break down monopolies, improve working conditions and food and medicinal drug quality.
racism	Stereotypical views about people based on their racial background.
political machine	A group dominated by the 'boss', elected or not, who dictates what happens in a city.
New Deal	The approach of F.D.Roosevelt to solving the problems of the Great Depression. It involved both relief for the poor and 'kick starting' the economy.
alphabet agencies	The government agencies set up during the New Deal to deal with problem areas. They included the AAA (Agricultural Adjustment Agency) and the TVA (Tennessee Valley Authority).
Lend-Lease	The system whereby the US gave assistance to Britain and her allies during the Second World War.
segregation	The separation of races, especially in the southern states of America during this whole period that we are studying from 1898 to 1941 and beyond.
gunboat diplomacy	Attempting to intimidate with a show of force, often with naval vessels.
Monroe Doctrine	The policy set by President Monroe in 1823 after the European wars against Napoleon, whereby the US made very clear to the European powers that the Americas were no longer a place for colonisation and that the whole area was 'hands-off' for European powers. In effect, it came to mean that the Caribbean was seen as an 'American Lake' and that the US became the dominant power in North and South America.

PEOPLE AND GROUPS

Afro-Americans	Americans of African descent.
muckrakers	The journalists and other writers who exposed the corruption and exploitation that was widespread in America at the time.
robber barons	Men who made their fortunes in one of the new industries like the railways or oil, who exploited the workers in making their fortunes. Sometimes known as magnates.
Ku Klux Klan	An organisation, based mostly in the Southern states, which practiced open and violent racism towards Afro-Americans, Catholics, communists and Jews.
Al Capone	The most notorious of the gangsters in the Roaring Twenties.
Democrats	The political party which traditionally represents ordinary Americans and which often took a more interventionist approach to foreign policy.
Republicans	The political party which traditionally represents business and wealth and which often took a more isolationist approach to foreign policy.

American Presidents 1897-1945

William McKinley Republican, 1897-1901. Presided over the US victory in the Spanish-American War of 1898 and the acquisition of Pacific territories. Re-elected for a second term but assassinated by the anarchist Leon Czolgosz in 1901.

Theodore Roosevelt Republican, 1901-1908. Tried to reform big business. Advocated an active foreign policy. Won the Nobel Peace Prize for mediating an end to the Russo-Japanese War in 1905. Followed Progressive and trust busting policies.

William H. Taft Republican, 1909-1912. His high tariff policies alienated many liberal Republicans who formed a Progressive Party. Had some success in initiating anti-trust laws.

Woodrow Wilson Democrat, 1913-1920. Believed in principles of liberalism. Introduced laws to lower tariffs, regulate finance and prohibit unfair business practices. Entered the First World War to 'make the world safe for democracy'. Advocated a revision of Allied war aims according to his 14 points. Failed to secure all of his aims at the Versailles Peace Conference in 1919. The US Senate rejected membership of the League of Nations, Wilson's own creation.

Warren Harding Republican, 1921-1923. Pursuing 'normalcy', he rejected US involvement in the League of Nations, slashed taxes and raised tariffs. However, corruption flourished. Harding died in office in 1923.

Calvin Coolidge Republican, 1923-1929. 'Silent Cal' followed an isolationist foreign policy and opposed government intervention in the economy. He chose not to stand for re-election in 1929.

Herbert Hoover Republican, 1929-33. He tried to balance the budget after the Depression hit and refused to use federal powers to alleviate the plight of those adversely affected by the Depression.

Franklin Delano Roosevelt (FDR) Democrat, 1933-45. In his inauguration address he said, 'the only thing we have to fear is fear itself'. He responded to the Depression by using large scale federal government intervention in the economy and implemented the New Deal programs. Having weaned America off complete laissez-faire capitalism, FDR went on to lead America out of isolationism, into World War II and a dominant global role. He died in office in 1945 and was succeeded by Vice President Truman.

US Presidents are elected for four year terms. Elections take place in leap years (or Olympic years) and the new President takes office in the following year. If a President dies, the Vice President takes over and serves out the remainder of the term as President. Franklin Delano Roosevelt was elected for an unprecedented four terms. He died in office in 1945, the first year of his fourth term. Subsequently, the American Constitution was amended to impose a two term limit.

KEY FEATURES

1. US Foreign Policy 1898 – 1919

The US in the 19th century wanted to be left alone to develop its economy and, according to the doctrine of Manifest Destiny, expand to its natural boundaries in North America. She wanted to avoid what George Washington called 'foreign entanglements'. In 1823 President James Monroe developed this idea further when he announced what became known as the Monroe Doctrine. Essentially, he declared that the Western Hemisphere, both North and South America, was the USA's sphere of influence. No European interference in this area would be tolerated.

This policy, which largely confined America's interests and influence to the Americas, continued until the end of the century.¹ Then, in 1898, the Spanish-American War occurred. This event, while it did not immediately propel America onto the centre of the world stage, signalled that she was now a significant power with the potential to play a much greater role in world affairs. Indeed, some in the US, who became known as jingoists, saw the opportunity for America to take its place as one of the great world powers. In the world of 1900 this implied such things as the building of a global empire and the deployment of a large navy.

1898: The Spanish-American War

In 1898 the US became involved in a war with Spain over Cuba. The war started over American complaints about the behaviour of the Spanish Governor in Cuba and his attempts to put down Cuban rebels trying to break away from Spanish rule.

- The US sent the USS *Maine* to Havana, the Cuban capital, to protect US citizens and property. The US had a lot of money invested in Cuba
- On 15 February 1898 the USS *Maine* blew up in the Havana Harbour with the loss of 266 lives. US public opinion wanted revenge. The cry 'Remember the Maine... to hell with Spain', was heard across the nation. The US Congress voted a resolution recognising Cuban independence.
- On 24 April, in response, the Spanish declared war on the US.

- On 1 May the US navy's Asian fleet, under the command of Admiral Dewey, sank a Spanish fleet in Manila Bay in the Philippines, a Spanish colony in the western Pacific. Then 11,000 US troops landed and, fighting alongside Filipino guerrillas, defeated the Spanish in the Philippines.
- In July 1898 Guam, a Spanish colony in the Pacific, also fell to US forces. This was followed by the US annexation of Hawaii. (This last move had little to do with the Spanish-American War. Hawaii had long been under US domination.)
- On 29 May 1898, a US fleet blockaded a Spanish fleet at Santiago Harbour, Cuba.
- On 1 July 1898 the US won the battle of San Juan Hill, the definitive battle for Cuba
- On 3 July 1898 the Spanish fleet was sunk as it attempted to escape Santiago Harbour.
- On 17 July 1898 the Spanish surrendered, thus marking the end of the war.

Results of the Spanish-American War

The US armed forces had satisfied those in the USA who wanted to see their nation flex its muscles on the world stage. The material gains were substantial:

- Puerto Rico and Guam now became US possessions.
- The US bought the Philippines from Spain for \$20 million.
- Cuba effectively became a US puppet state, with a 'friendly' government.

Roosevelt, Taft & Wilson

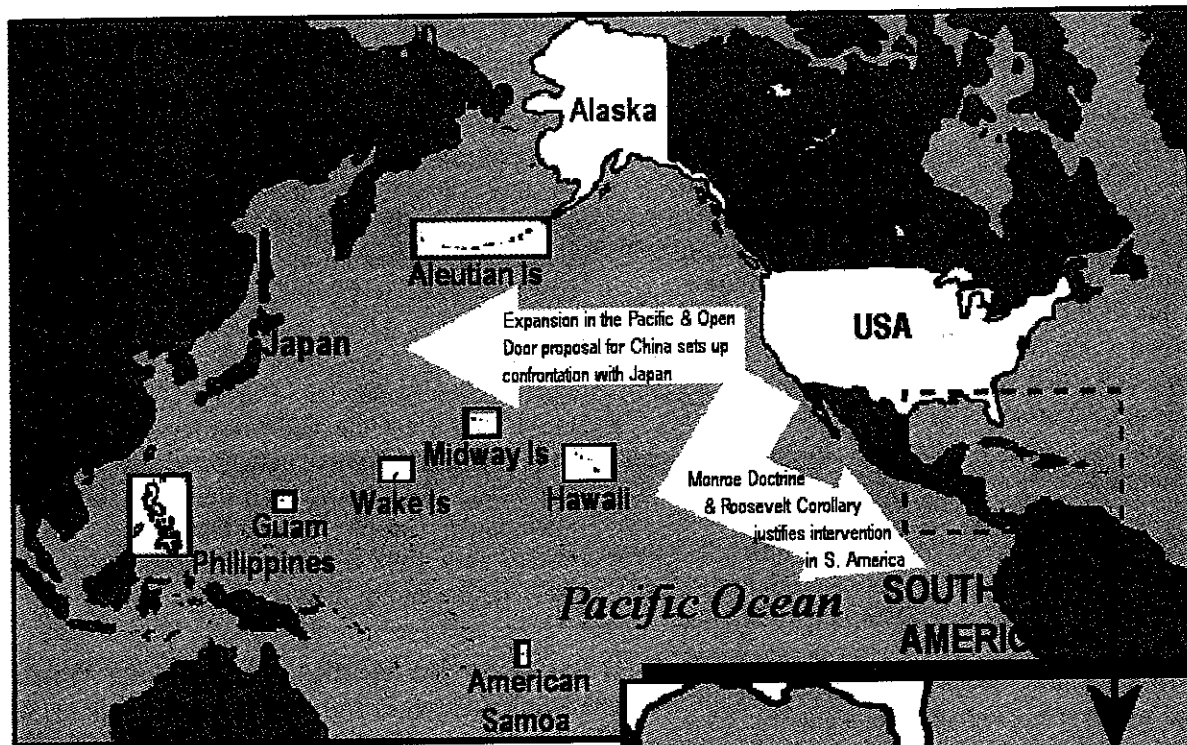
President Theodore Roosevelt created what was called the 'Big Stick' policy. This referred to a comment in 1901 that he would 'speak softly and carry a big stick' in his dealings with Central and South America.

In 1903 Colombia rejected a treaty giving the US the right to build a canal across the isthmus of Panama. Roosevelt then supported a revolution in Panama and made a deal with the winning side to dig the Panama Canal, which would greatly assist US trade between the Atlantic and Pacific Oceans.

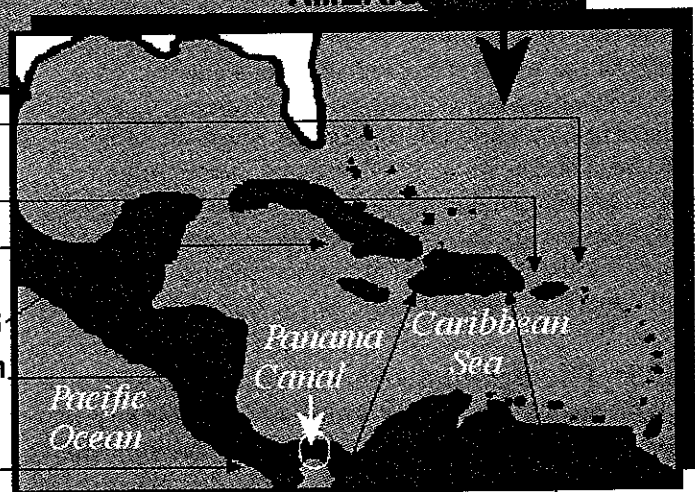
Roosevelt also stepped into the Russo-Japanese War as a mediator in 1905, an action which earned him the Nobel Peace Prize.

Roosevelt created what was called the 'Roosevelt Corollary', which meant that, to protect trade and investments in the Western Hemisphere, the US would act as a sort of police force. He and later

¹ See, however, the Background section of Chapter 9, where America's expansion into the Pacific is discussed.



VIRGIN ISLANDS (US) purchased from Denmark, 1917
PUERTO RICO ceded by Spain to the US, 1898
CUBA occupied 1898-1902 & US military intervention 3 times in the next 2 decades
MEXICO US military intervention in 1914 & 1916
NICARAGUA almost continuous US occupation from 1912-1933
PANAMA US backed revolution saw Panama separate from Colombia in 1903. The US was given control over the proposed Panama Canal Zone. The canal was completed in 1914 and the US retained control throughout the 20th century.



HAITI occupied by US, 1914-1935

DOMINICAN REPUBLIC occupied by US, 1916-1924

Map 5.1 US expansion and influence in the Pacific, Asia, Central America & the Caribbean.

presidents also pushed 'Dollar Diplomacy', where they encouraged American firms to invest in South and Central America as a way of strengthening the US presence in their own part of the world.

Under William Howard Taft, who succeeded Theodore Roosevelt as President in 1908, the people of the US showed signs of wanting to withdraw from 'foreign entanglements'. There was strong support for a return to the traditional American policy of isolationism. These sentiments ensured that America

would remain neutral when the First World War broke out in 1914.

Woodrow Wilson was elected President in 1912. His foreign policy emphasised the fact that isolationism did not mean that the US would not quickly intervene in affairs in the Americas if it thought its interests were threatened. His actions here included:

- An unsuccessful attempt to negotiate a Pan-American Pact to guarantee the security of the Americas.

- Intervention in Mexican affairs when he supported Venustiano Carranza, a moderate, against the military dictator General Victoriano Huerta. There was a great threat to American lives and property in Mexico and in the border area. Eventually, Wilson's efforts were successful and Huerta was replaced by Carranza. But, he was a weaker leader and eventually Wilson had to send in the US army to stop the attempted revolution of another would-be dictator, General Pancho Villa.
- Sending troops into Haiti and Domingo in 1915 and 1916 to put down rebellions. These islands became US protectorates.

The US also showed interest in Asia and, in particular, trade with China. Suspicious of Japan's interests here, the US maintained a strong commitment to an 'open door' policy, whereby China's independence would be respected and all foreign powers would be able to trade freely. Japan, on the other hand, was intent on carving out an exclusive sphere of influence in China. This clash of interests with Japan would become critical in the years leading up to the Second World War.

The First World War

When the First World War started in August 1914, President Wilson was able to keep the US out of the fighting. From the German point of view, however, American neutrality appeared to favour the Allies. Partly because of an Allied naval blockade, the US reduced trade with the Central Powers from \$170 million in 1914 to virtually nothing by 1916. In the meantime, American trade with the Allies soared from \$825 million to \$3.25 billion.

Frustrated with this imbalance, the Germans launched a campaign of unrestricted submarine warfare against ships crossing the Atlantic Ocean. The most famous victim was the SS *Lusitania*, a passenger ship which was sunk without warning by a German submarine in May 1915. Despite this provocation, Wilson was able to keep American pride in tact without entering the war by having the Germans agree to give passenger ships ample warning before firing upon them.

However, there were a number of factors that eventually drew the US into the war:

- Despite some sympathy for the Central Powers from a German-American minority, most Americans supported the Allied democracies of Britain and France.
 - By 1917, the US had loaned so much money to the Allied governments that the US needed an Allied victory in order to ensure that the loans would be repaid.
 - In 1917 the Germans resumed unrestricted submarine warfare in a final bid to stop American supplies reaching Britain. As a consequence, in February German submarines began sinking American ships in the Atlantic.
 - Around the same time, US intelligence intercepted the Zimmerman Note, a message from German foreign secretary Zimmerman to the Mexican government. In it the Germans outlined a proposal to help Mexico regain territory it had lost to the US if Mexico launched an attack on the US. (The German aim was for the Mexican attack to occupy the Americans so that they would not enter the European war. Mexico never seriously considered the proposal.)
- The US government and its people were outraged by the last two events and the US declared war on Germany on 6 April 1917.
- As part of the war effort:
- Conscription was introduced. The US army grew from 200,000 in April 1917 to 4,000,000 by the end of the war.
 - US troops began arriving in June 1917 but they did not enter action until October 1917 and were not at full strength until April 1918.
 - General John J. Pershing commanded the army while Admiral William S. Sims commanded the navy.
 - To keep its distance from the war aims of the Allied powers, the US referred to itself as an Associated Power.
 - The Wilson government brought down legislation that gave the Federal government unprecedented powers over the economy and taxation.
 - The government waged a huge propaganda campaign to get public support for the war effort and used emergency powers to bring in censorship.
 - US troops saw action in large battles like Belleau Wood and the Second Battle of the Marne. At the end of the war the US had lost 112,432 killed; 230,074 had been wounded. These casualty figures were much less than for the major European belligerents, but the US troops had only been in action in the last twelve months of the war.

American involvement in the war boosted the morale of the Allied powers and provided millions of fresh reinforcements at a time when Germany had virtually exhausted its reserves. Thus, American entry into the war was one of the major factors contributing to the Allied victory in November 1918.

1919 - the US & the Peace Settlement

President Wilson, originally reluctant to take the US onto the world stage, found himself at centre stage at the war's end. Following America's critical role in the final stages of the war, Wilson was one of the Big Three (along with Lloyd George of Great Britain and Georges Clemenceau of France) at the Versailles Peace Conference in 1919.

At the Versailles Conference Wilson was the great idealist who sought to make a just peace and 'make the world safe for democracy'. To this end, Wilson pursued his 'Fourteen Points', which were designed to create a world community where it would be difficult for war to break out again. He wanted to remove the causes of war by: ending secret diplomacy, ensuring free trade with no economic barriers, reducing armaments, adjusting colonial claims according to the interests of local people, and adjusting the boundaries of Europe to recognise ethnic differences.

While Wilson took a leading role at the Peace Conference, he was unable to stop the other major powers, Britain and France, from imposing harsh peace terms on Germany. Nevertheless, with the creation of the League of Nations, Wilson believed that the world now had an organisation where all nations could come together and act collectively to solve disputes and avoid war.

Unfortunately for Wilson, when he returned home he found that there was strong feeling against involvement in any organisation that might risk drawing America into 'foreign entanglements'. Popular sentiment, as represented in the American Congress, favoured a retreat back into isolationism. In 1919 the Congress opposed joining the League of Nations and the Senate finally rejected it in 1920.

Wilson, broken physically and emotionally, did not run for re-election in 1920. His successor, the Republican Warren Harding, stood for a 'return to normalcy' and announced that 'we seek no part in directing the destinies of the world...'

2. Domestic USA 1898 - 1919

At the turn of the century the US was an industrial giant. Her industry was led by the 'robber barons', who had made their wealth through great initiative but also through the labour of the country's workers, especially recent immigrants to the burgeoning urban centres. The West had been won and the indigenous Americans subdued.

Statistics

In 1900 the United States was the richest and most productive country in the world. 20 million of its 74 million people worked in secondary industry. It produced:

31.9% of the world's coal
34.1% of the world's iron
36.7% of the world's steel

Roosevelt and Progressivism

In 1901 Theodore Roosevelt became president after the assassination of President McKinley. He was a Republican, born to a very wealthy family and was committed to the growth of free enterprise. At the same time, he saw the ills the industrial revolution had brought to ordinary Americans and he brought down several reforms, aimed at giving people what he called a 'square deal'. The problems facing American society at the time included:

- Exploitation of the industrial workers, who endured long hours in unsafe conditions.
- Rapid urbanisation - the growth of large industrial cities, which attracted millions from overseas and rural America. Many of the newcomers lived in unhealthy and overcrowded slums.
- Low wages for workers. In 1900 the average industrial worker earned \$9 for a 59 hour week. In the cotton industry it was \$6.20 for a 62 hour week or 10 cents an hour.
- The violent opposition that employers set up against unions which tried to improve the lot of the workers.
- Child labour.

President Roosevelt and like-minded Progressives took strong moves to improve the lot of the average American. These included:

- Implementing the Sherman Anti-Trust Act, designed to break up big companies which had monopolies in many industries. The first target, the Northern Securities Company, a railroad

company directed by the multi-millionaire J.P. Morgan, was charging big customers like oil and coal companies less to carry freight than small customers like farmers. The farmers had no other way of getting their goods to the markets. Roosevelt took the company to the Supreme Court and won the right for the Federal Government to regulate the industry and its prices. In other cases he broke up monopolies into smaller companies. The Standard Oil Company was broken up into 34 smaller holdings. This 'trust-busting' was not always successful as the smaller companies were often still owned by the parent company.

- Intervening on behalf of workers who were being exploited by their employers. In 1902, for example, coal miners went on strike to obtain better wages and conditions. Their employers refused even to talk to them. Roosevelt stepped in and told mine owners that the Federal Government would take control of the coal mines if they did not relent and negotiate with their workers. The strike was settled.
- Introducing the Meat Inspection and Pure Food and Drug Bills. These bills came about because of the corruption and dishonesty rampant in these industries. In the meat industry, for example, when packing meat into containers, companies were lining the bottom of the containers with decayed and tubercular meat, offal and, at times, rat meat.

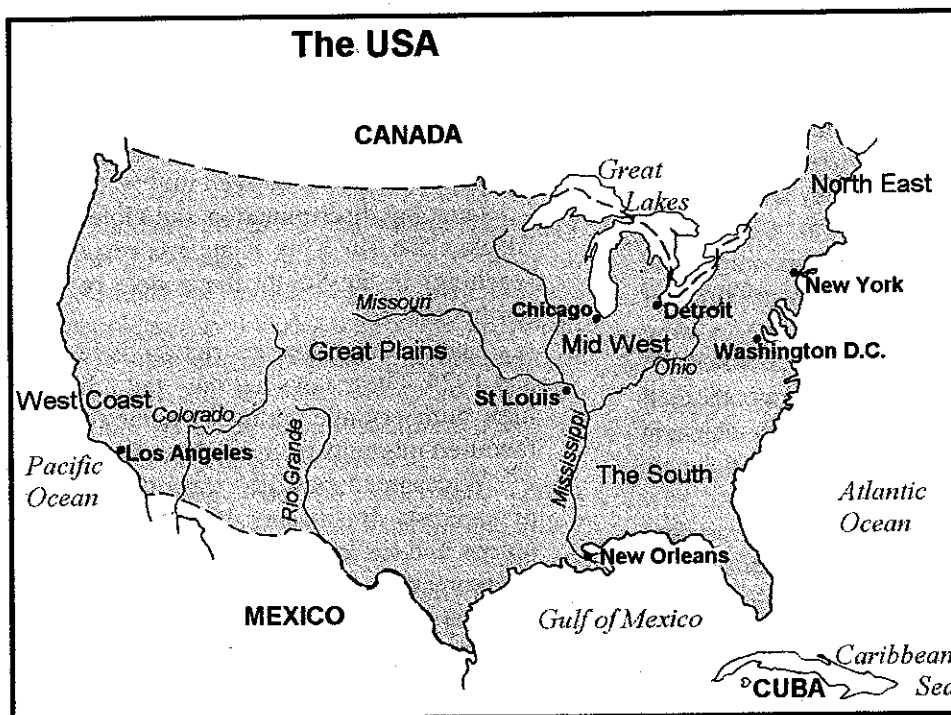
- The creation of national parks where millions of hectares were set aside to protect the forests and preserve them for future generations. Roosevelt also passed laws on mineral and soil conservation.

After Roosevelt, Presidents William Taft and Woodrow Wilson continued with progressive reforms. They were interrupted by the outbreak of the First World War.

The 'Jim Crow' Laws

One area of social injustice that did not receive any attention in this period was racial discrimination. Following the defeat of the South in the American Civil War (1861-1865) and the abolition of slavery, many in the southern states refused to accept black Americans as equals. Discrimination against blacks was widespread. This was formalised in the notorious 'Jim Crow' laws, which made segregation of Blacks and Whites enforceable by law in some southern states. This meant that Blacks and Whites could not travel together on buses, be educated in the same schools, use the same public toilets and so on. Blacks were even denied the right to vote in state and local elections.

Between 1900 and 1914 there were over 1000 lynchings in the United States. The violence was not only restricted to the South, there was anti-black violence in the North as well, with one of the worst episodes at Springfield Illinois, the home town of Abraham Lincoln.



Map 5.2 Mainland USA.

One ugly aspect of this period was the renewed activities of the Ku Klux Klan, an organisation that was opposed to Blacks, Catholics, Jews, communists and anti-prohibitionists. While many Americans were enjoying the liberation of the Jazz Age, many white southern Protestant Americans saw it all as evil and the result of city life. They hated the new immigrants from southern and eastern Europe and they looked back to the good old days. They conducted a reign of terror against Blacks. In the southern states most Blacks were as badly off as they had been at the end of the Civil War.

Opposition to Discrimination

Booker T. Washington was a prominent Black who founded Tuskegee University in Alabama for African-Americans and who encouraged fellow Blacks to forget about politics and concentrate on social advancement through education. President Roosevelt entertained him in the White House and publicly praised his work, an act which enraged southern bigots.

William B.B. DuBois, a Harvard graduate, called for more militancy. In 1909 he and others organised the National Association for the Advancement of Coloured People, the NAACP. They revolted against the 'Washington Compromise', a deal struck amongst politicians to turn a blind eye to the segregation in the South.

3. The Roaring Twenties

When the First World War ended and President Wilson departed at the beginning of the new decade, Americans felt that they had had enough of wars and international affairs. The incoming President Harding favoured a return to isolationism and Americans went back to making money and having a good time. The Roaring Twenties was a decade so named because it was marked by spending and throwing off the social and economic restrictions of the war years and the period before. The 1920s were marked by:

- Increased production. New consumer goods such as cars, radios, refrigerators, vacuum cleaners and electric and gas stoves rolled off the new assembly lines.
- Increased debt. The time payment or 'buy now, pay later' system came into effect. People worked up huge family debts in the belief that the economic good times would go on forever.
- The new status and popularity of business men like Henry Ford who were the new 'self made men'. They stood as symbols to Americans that

any 'ordinary Joe' off the street could make it big. In 1921 Henry Ford began mass production of the T Model Ford, affectionately known as the 'Tin Lizzie'.

- Republican governments which were known as Big Business Governments. They worked on the basis that if businesses were doing well they would hire more people and pay better wages and the country would be better off. The governments of Harding, Coolidge and Hoover tried to make conditions as favourable as they could for businessmen. This meant raising import duties on foreign goods to make them more expensive and less competitive with American goods, and lowering taxes on the rich and companies. *Laissez-faire* capitalism prevailed. In other words, there was very little government intervention in the economy or regulation of business.
- A new sense of social freedom. Fashions became daring, dances became wild and uninhibited. People went to the movies to see Charlie Chaplin and other silent movie stars. In 1927 the first 'talkie', *The Jazz Singer* starring Al Johnson, was released. These were good times for many, if you had money.
- Women were finally given the vote.
- The 'discovery' of African-American culture. 'Black music', Jazz, became popular and New York's Harlem became a gathering place for white intellectuals who mixed with African-Americans and listened to great musicians like Louis Armstrong and Duke Ellington.

But there were some unpleasant sides to the 1920s. These included:

- Racism and xenophobia, directed towards Blacks, recent immigrants and socialists. Evidence of this can be seen in:
 - Ongoing discrimination and violence against Blacks. The Ku Klux Klan was responsible for lynchings in the South; there were race riots in northern cities.
 - The immigration restriction laws of 1921 and 1924. These laws not only put a limit on the high numbers attempting to enter the US, but favoured migrants from northern Europe.
 - Widespread hostility towards the activities of socialists. Businesses dealt harshly with trade unions and tended to be supported by courts and governments.
 - The infamous trial of Nicola Sacco and Bartolomeo Vanzetti in 1921. Accused of armed robbery and murder, the two were convicted and executed despite their strong alibis. The verdict

had a lot to do with the fact that they were dark Italians with left wing socialist views. During the trial the judge told friends that he was going to get 'those anarchist bastards'.

- The rise of organised crime, encouraged by the black market trade of alcohol which was banned or 'prohibited' by Congress under the Volstead Act. 'Bootleggers' like Al Capone were blatant in their criminal activities and were very violent.
- The widespread existence of poverty. In northern industrial cities such as Cleveland and Pittsburg people still laboured long hours for low wages. Farmers and their labourers made very poor earnings in the south and west. The sharecroppers in the south payed part of their crop as rent, much like medieval serfs. In the west, the bottom fell out of the wheat and grain market after the war. Falling immigration helped to reduce the demand for excess farm produce, adding to a looming crisis in much of rural America.
- A strong conservative reaction to change. Much of the support for Prohibition, for example, was part of a confused bid by 'old Americans' to reassert the pure values of their pioneering past and stem the tide of change in the large urban centres. Similarly, there was a strong reassertion of religious fundamentalism. A famous example was the Scopes 'monkey trial', which took place in Dayton, Tennessee in 1925. In this trial the aging populist leader William Jennings Bryan tried to justify his opposition to the teaching of evolution in schools. He successfully prosecuted a teacher, John T. Scopes, for teaching Darwinism. The teacher was found guilty and fined, a decision later overruled. The case received world wide attention.

Stars, Sporting Heroes and Writers

The movie industry produced many stars and a new dimension to American culture. The movies, radio, newspapers and the motor car, which allowed ordinary people to travel to distant venues, all helped to usher in a new era of popular entertainment. A culture of heroes and heroines embraced not only movie stars but sports people, adventurers and even best selling authors. The idols included:

- Movie stars like Rudolph Valentino, Gloria Swanson, Al Jolson, Charlie Chaplin and Mary Pickford.
- Pioneering aviator Charles Lindbergh.
- Heavyweight boxing champion Jack Dempsey and baseball legend Babe Ruth.
- Writers such as F. Scott Fitzgerald, Ernest Hemingway, T.S. Elliot and Sinclair Lewis.

They became the critics of the age, attacking the hypocrisy and shallowness of the new values.

1920s Statistics

- From 1922 to 1927 the number of cars in the USA rose from 11 million to 20 million.
- Between 1919 and 1929 mass production factories doubled their output.
- Between 1919 and 1924, 600,000 farmers became bankrupt.
- During the Prohibition era of the 1920s New York boasted 32,000 'speakeasies', illegal drinking places.
- At the same time, Al Capone earned over \$100 million per year.
- In 1929 one in five Americans owned a car, compared to one in forty three in Great Britain.
- 63% of Americans lived below the poverty line.
- Farm income dropped by 30% between 1918 and 1929.
- The richest 0.14% of Americans had an income equal to the total of the poorest 63% of Americans.

4. The Great Depression

In October 1929 the Great Depression officially started, but in reality it had been coming for some time. Economic activity in the US was based on borrowings, both at the individual level and at the company level. Many of the fortunes and savings that had been amassed were really only paper money and were wiped out when share prices fell. Industry was producing more than it could sell. The great gap between rich and poor began to have an impact when poor workers could not afford to buy the goods that were being produced. As goods piled up in warehouses, workers began to be laid off and consumer demand fell even further. A long spiral downwards had begun.

President Hoover's Reaction

In 1928 the Republican Herbert Hoover was elected president. He was a free enterprise man and thought that the economy would right itself. He felt that it was the job of state and local governments and charities to deal with the problems created by the Depression. He did not believe that the Federal Government should interfere. The problem was that the state and local governments had no money.

Some of the features of Hoover's four years in power were:

- Like many Republicans and capitalists, Hoover feared the creation of 'big government'. He felt that this might happen if the federal government became more involved in running the economy. A 'self-made' man himself, Hoover did not want to see individuals become reliant on government. The concept of 'rugged individualism' was central to his version of capitalism.
- At least 20% of the male workforce was unemployed.
- Many people lost their homes, their savings and their self-respect, plunging into poverty and disease.
- Many small banks collapsed because they had lent money recklessly and were unable to return their depositors' money. This also spread the Depression further.
- Hoover increased import taxes by over 30% to protect US industry, but all this did was to reduce world trade. Again, the Depression was made worse.
- Hoover cut government spending by 10% and raised taxes by 30% in order to balance the budget. The result was a further reduction in spending and economic activity.
- Unemployment leapt from 4 million in 1930 to 14 million in 1933. Local and state governments could not afford welfare and people were reduced to begging and scavenging. Men jumped freight trains looking for work. They were called hobos and whole camps of them sprung up all over the US. Other shanty towns, which the Americans called 'Hoovervilles', sprung up on the edge of towns.
- Soup kitchens appeared everywhere to feed the poor. There was no social security or dole in the USA.
- In 1932 Hoover set up the Reconstruction Finance Corporation, which aimed at giving money to the states for poor relief and spending \$1.5 billion on public works to create jobs. It was a case of too little, too late.
- Average incomes fell from \$681 per year in 1929 to \$495 in 1933.
- Black unemployment was twice that of white Americans.
- Crime increased. The number of people in gaols rose by 40% in the 1930s. Gangsters like Bonnie and Clyde terrorised the country.
- Entertainment had a boom time as people went to the movies or sporting events to forget their troubles. Radio purchases actually increased during the Depression.

President Franklin D. Roosevelt

In November 1932 Franklin D. Roosevelt was elected president. He was a Democrat and promised the US a 'new deal'. He won the election with a landslide and voters also gave the Democrats a majority in both houses of Congress. FDR was known as a 'people's president'. He gave regular 'fireside chats' on the radio, where he explained his policies simply and honestly. He was a very good communicator and won the people's confidence. In the first one hundred days of his presidency he:

- Closed the banks for four days and only let those banks reopen which were secure. He also gave a government guarantee to deposits in banks of over \$5000. This gave people renewed confidence in the banks and stopped panic rushes to withdraw funds.
- Broke the connection between the gold standard and the dollar, which gave the government the ability to produce more money.
- Cut the wages of government employees by 15% and reduced spending by government departments so that he could direct more money to the poor.
- Ended prohibition.

The New Deal

The New Deal was a complex range of policies and spending initiatives designed to 'pump prime' the economy by creating jobs and putting money back into circulation. There were actually two New Deals, the first from 1933 to 1935 and a second from 1935 to 1938. There were three basic aims of the New Deal:

- Relief for families, farms and businesses in trouble.
- Recovery, to restart the economy.
- Reform, to make the economy stronger, with better laws and regulations, so that future economic problems could be dealt with more effectively.

The major initiative of the first New Deal was the establishment of the 'alphabet agencies', so named because of their initials. These agencies included:

- The Civil Works Administration, CWA. It created jobs in the winter of 1933 to 1934.
- The Farm Credit Association, FCA, which provided cheap loans to struggling farmers.
- The Home Owners Loan Corporation, HOLC, which provided cheap loans to struggling home buyers.
- The National Recovery Administration, NRA, which drew up codes for labour and industry.

This included regulation of prices, wages and hours of work. It was designed to keep profits reasonable, but to make wages livable and to spread the work around to more people. The NRA also gave workers the right to form and join unions, something that had never been readily accepted in the USA. Thirteen million people were assisted by this agency, although criticism was levelled at it because some employers used the codes and formed 'company unions', unions controlled by the company. Other companies like Ford Motors refused to accept the codes and would not let their workers join a union.

- The Civilian Conservation Corps, the CCC. It employed millions of young men to undertake conservation work. Run along military lines, it took the men to forests and national parks. They planted 200 million trees, restored historical sites, built forest fire lookouts and dug dams. In return they were fed, clothed, housed, received pocket money and had \$25 per month sent back to their families.
- The Agricultural Adjustment Agency, the AAA. This agency was designed to convince farmers to limit production so that prices would rise. Farmers were paid to plough crops into the ground and slaughter animals. One complication in farming in the US at the time was the creation of the 'Dust Bowl', a huge area covering much of North and South Dakota, Nebraska, Kansas, Oklahoma and a part of Texas. It was caused by the combination of poor farming techniques and drought. 350,000 people left their farms and headed west, most of them to end up in 'Hoovervilles'. The loss of production in farming here contributed as much to the raising of farm produce prices as did AAA policies.
- The Tennessee Valley Authority, the TVA. This authority was given the job of revitalising the Tennessee Valley, a huge farming area that crosses many states. It was poverty stricken and under-developed. The authority built twenty five dams across the area, providing irrigation and hydro-electricity. Whole areas of worn out farming country were brought back to life, revitalising the farmers' incomes and providing employment for millions.

The Second New Deal

By the end of 1934 the nation was becoming divided on the policies of the Roosevelt government. He lost the support of big business, which saw him as a socialist, who was using federal government powers too much. On the other hand, ordinary people

wanted him to introduce more reforms to help them. The US had no social security such as aged pensions and there was a cry for more reform. This brought about the second New Deal. Initiatives here included:

- The Works Progress Association, WPA, which created work for 5 million people in a range of activities from building roads to writing.
- The Wagner Act, which made it illegal for employers to stop workers from joining unions. (Large companies like the Ford Motor Company hired thugs to beat up any employee who showed an interest in unions.) Skilled workers were protected by the American Federation of Labor (AFL) but there were no unions to protect the unskilled workers. John L. Lewis broke away from the AFL and formed the Committee for Industrial Organisation, the CIO. This set up unions for coal miners and other unskilled workers. But it was difficult for workers and many had to strike for long periods to gain recognition of their rights from their employers.
- The Fair Standards Act of 1938 set minimum rates of pay and maximum hours of work for many workers.
- Pensions were provided for the aged and the disabled.
- The Resettlement Administration resettled hundreds of thousands of farmers from infertile land.
- The Rural Electrification Administration, REA, provided loans to extend electricity to country areas.

Was the New Deal Successful?

There has been a great deal of debate over what Roosevelt intended to do. He admitted to there being a lot of experimentation, commenting, '...if it fails, admit it frankly and try another. But above all, try something'. What is obvious is that he believed that a free market economy was not capable of regulating itself and that the federal government had to intervene to regulate it to protect all Americans and to make sure that the excesses that caused the Great Depression never occurred again.

Critics of the New Deal

There were many critics of the New Deal:

- The Supreme Court of nine judges created problems for Roosevelt. This is the highest court in the US and has the power to overrule a president's decisions if they are judged to be unconstitutional. When Roosevelt came to power, the court was made up of old men who had been appointed during the Republican years.

For some years these judges viewed many aspects of the New Deal as unconstitutional. In 1936 Roosevelt toyed with the idea of adding more judges to the bench who would be favourable to his policies. Eventually, however, some of the judges changed their minds. Roosevelt's initiatives became more secure. What the Supreme Court problems highlighted was the deep-seated opposition in American society to any form of government intervention.

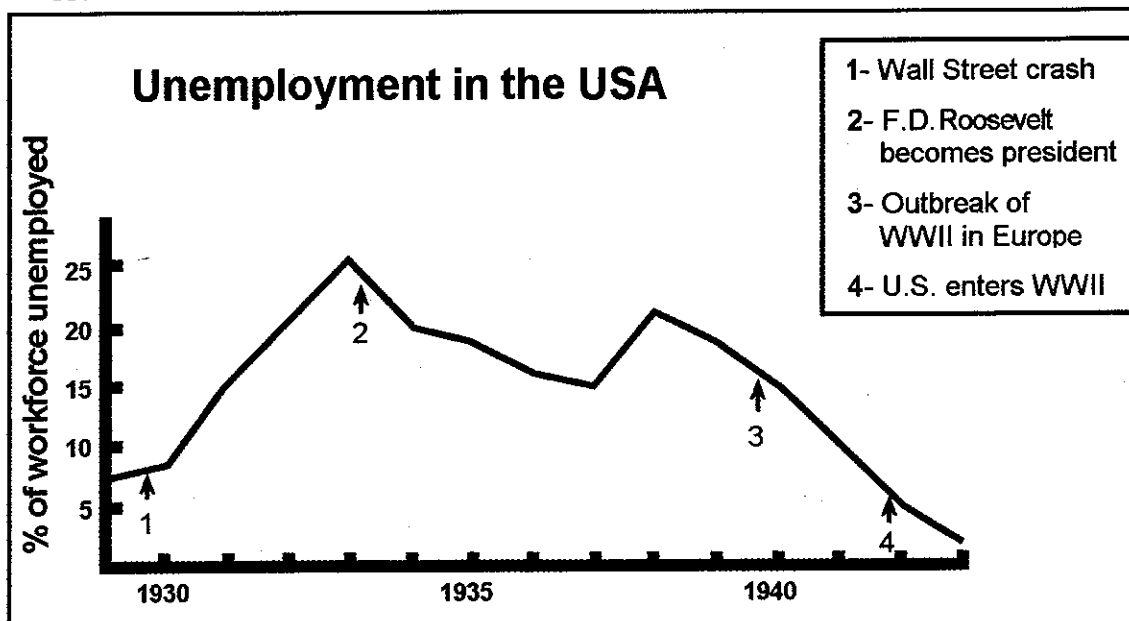
- Businessmen generally came to see the New Deal as being anti-business and giving too much power to the federal government. The alphabet agencies became arms of the government, controlling and regulating business activity. They believed it attacked individual freedoms. They also objected to Roosevelt's support for the unions.
- Many state politicians saw the New Deal as increasing federal powers at the expense of the states.
- Many federal politicians worried about the dramatic increase in presidential powers that the increased federal government activity resulted in.
- Some socialists thought that Roosevelt was not going far enough in attacking big business and that, although conditions for average Americans were improving, they were still being exploited by their bosses.
- Inevitably, small farmers who lost their farms or small businessmen who did not fare well, were not happy with Roosevelt and his New Deal.

Support for the New Deal

Overwhelming support for the New Deal came from ordinary Americans. They had been desperate under President Hoover, who seemed to have no answers. By contrast, the first thing Roosevelt provided was hope. The New Deal showed that he was taking action. It provided poor relief and created jobs. Moreover, Roosevelt's New Deal policies showed that he was ready to stand up to big business to protect ordinary people. Roosevelt was elected for an unprecedented four terms, a clear sign of his popularity and the support for his policies amongst the majority of Americans.

Judging the New Deal

When the last act of the New Deal was passed in 1938 there was still large scale unemployment in the USA and wages and living conditions were lower than in 1929. But they were vastly improved over the bad years of 1932 and 1933. Perhaps the best measure of the success of the New Deal was in 1936, when Roosevelt tried to cut back on the government measures and unemployment began to rise again. It was obvious that the economy needed the sort of government intervention that Roosevelt's New Deal had given. This would continue into the 1940s through the military spending required to pursue the Second World War.



Graph 5.1 Unemployment in the USA, 1929-1943.

5. US Foreign Policy in the 1920s & 1930s

During the 1920s and the years of the Depression the US, like Britain and other western democracies, was more concerned with the domestic economic problems. Meanwhile, in Germany, Italy and Japan militarist governments came to power. They adopted policies of aggressive expansion. This threatened world peace and, ultimately, US interests. The USA's response was to:

- Try to maintain its neutral position over affairs in Europe.
- Try to help European countries, including Germany, rebuild their economies.
- Organise an international response to Japan's growing power in the Pacific. In 1921 this was done through the organisation of the Washington Conference where, with Britain, the US persuaded Japan to limit the size of her navy.
- Bring in the Neutrality Acts, whereby the US passed laws stopping Americans from selling weapons to countries at war and made it difficult for countries at war to trade with the USA.

The Second World War

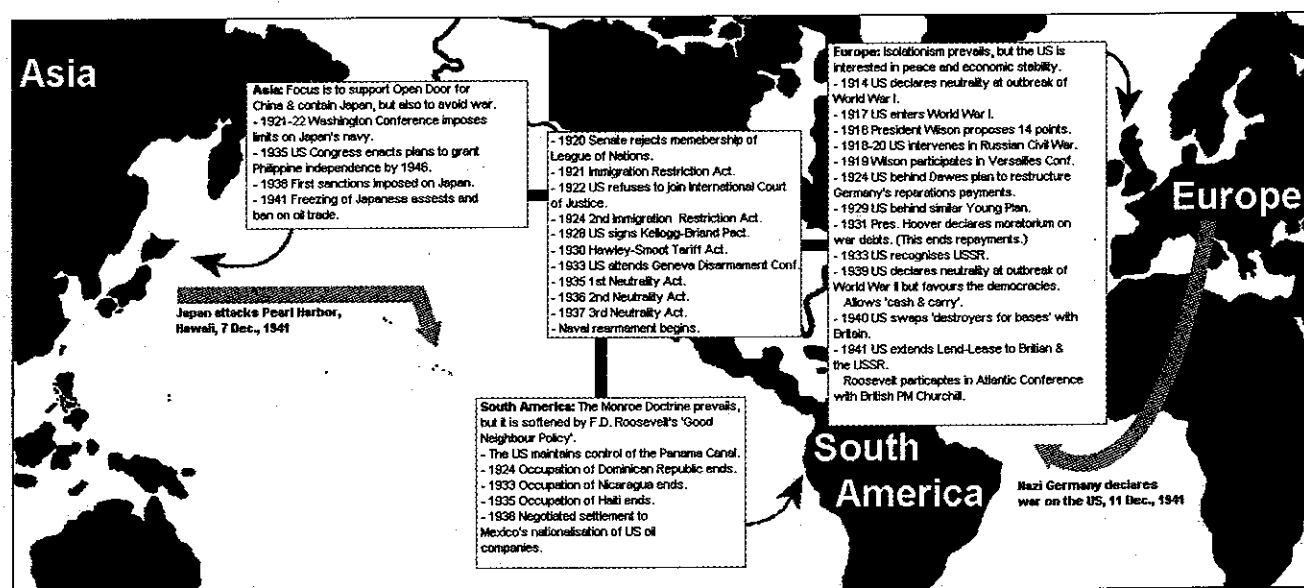
In 1939, when the Second World War started, the US tried to keep out of it. But Roosevelt's sympathies were with the anti-Fascist countries and he supplied weapons and aid to them, especially Britain and France. However, he was restricted by the Neutrality Acts that stopped the USA selling

weapons to a country at war. He convinced Congress to change this.

There was also a legal problem in lending Britain money to fight the war so Roosevelt came up with the 'Lend-Lease' program, where he lent Britain and later the Soviet Union weapons to fight Germany. He swore that the USA would become 'the arsenal of democracy'.

In the Asia-Pacific region the USA was increasingly in opposition to Japanese expansion. The Japanese, by invading Manchuria and China, were defying the US call for an Open Door policy in China and threatening to dominate Asia and the Pacific. This was an area where the US had extensive trade and territorial interests. There was a series of events that finally drew Japan and the US into conflict. These were:

- Japan's invasion of China in 1937. Roosevelt banned US exports to Japan.
- The Japanese invasion of French Indochina (now Vietnam, Laos and Cambodia). Roosevelt froze all Japanese economic interests in the US, denying the Japanese access to them.
- A US embargo on oil exports to Japan until the Japanese withdrew from Indochina and China. This gave Japan two choices: to comply or to fight. She chose to fight.
- On 7 December 1941 Japan bombed the US naval base at Pearl Harbor, thus bringing the US into the Second World War.



Map 5.3 An outline of US foreign policy in the 1920s and 1930s.