**1920’s and CAUSES OF THE GREAT DEPRESSION (Theme #25)**

Volstead Act (1919) – the 18th Amendment to the US Constitution prohibited the production, etc., of "intoxicating liquors", it did not define "intoxicating liquors"; this law would be needed to define the term and implement the Amendment

Prohibition (1919-1932) – the prohibition of alcohol put into place by the 18th Amendment and the Volstead Act which had a dramatic effect on the decade known as the “Roaring 20’s”; also led to the growth of organized crime as criminals attempted to control the illegal trade of alcohol

speakeasies – an establishment that illegally sold alcoholic beverages during Prohibition

bootleggers – people who illegally transported alcohol during Prohibition

Al Capone – an American gangster who led a crime syndicate located in Chicago dedicated to smuggling and bootlegging of liquor and other illegal activities during the Prohibition Era of the 1920s and 1930s

“return to normalcy” – Republican presidential candidate Warren Harding’s campaign promise in the election of 1920; referred to getting back to domestic concerns after WWI and the debate over the Treaty of Versailles and the League of Nations, and to allowing businesses to prosper after the heavy amount of legislation passed during the Progressive Era

19th Amendment to the Constitution (1920) – granted women the right to vote

KDKA (1920) – a CBS-owned radio station in Pittsburgh, Pennsylvania, that was the first commercially licensed radio station in the US;

Margaret Sanger (1921) – founder of the American Birth Control League which evolved into the Planned Parenthood Federation of America in 1942

Revenue Act (1921) – the first Republican tax reduction following their landslide victory in the 1920 federal elections; new Secretary of the Treasury Andrew Mellon argued that significant tax reduction was necessary in order to spur economic expansion and restore prosperity; Mellon obtained repeal of the wartime excess profits tax

Fordney-McCumber Act (1921) – tariff law that pushed import duties to an all-time high; it reflected American isolationist inclinations following WWI; it was designed to ensure economic self-sufficiency to help keep the US out of future wars; also provided loans to postwar Allied governments who returned the favor by buying American goods

assembly line – a manufacturing process in which parts (usually interchangeable parts) are added to a product in a sequential manner using optimally planned logistics to create a finished product much faster than with handcrafting-type methods; it was developed by Ford Motor Company between 1908 and 1915 with the production of the Model T; it had major social ramifications as mass production led to the affordability of previously expensive products and the introduction of high wages for factory workers

business consolidation – refers to the mergers or acquisitions of many smaller companies into much larger ones; most industries in the US during the 1920s were down to only a handful of major companies that controlled the vast majority of the industry

installment plan – credit system where payment for merchandise/items is made in installments over a pre-approved period of time; in the 1920's this plan helped people purchase items like automobiles, household appliances, radios, phonographs, pianos, and furniture

open shop – a place of employment at which one is not required to join or financially support a union as a condition of hiring or continued employment; became prevalent in the 1920s as businesses hoped to keep expenses down by not having to negotiate with unions

Ohio Gang – a group of politicians and industry leaders who came to be associated with President Warren G. Harding who betrayed their public trust through a number of scandals

Teapot Dome Scandal (1922) – an unprecedented bribery scandal and investigation during the Presidency of Warren G. Harding; the scandal also was a key factor in posthumously destroying the public reputation of Harding, who was extremely popular at the time of his death in office in 1923; U.S. Secretary of the Interior Albert Fall received a large bribe for turning over the Teapot Dome oil fields (which were public or govt. owned lands) in Wyoming to a private company

“trickle-down theory” – negative term used by Democrats that refers to the policy of providing across the board tax cuts or benefits to businesses, such as tax breaks, in the belief that this will indirectly benefit the broad population; this policy is mainly supported by Republicans, but they most often refer to it as "supply-side economics"; if the rich had more money they would increase their businesses thus employing more

McNary-Haugen Bill – a proposed bill in the 1920s to limit agricultural sales within the United States, and either store them or export them; despite attempts in 1924, 1926, 1927, and 1928 to pass the bill — it was vetoed by President Calvin Coolidge, and never approved; according to the bill, a federal agency would be created to support and protect domestic farm prices by purchasing surpluses and selling them overseas, the federal government would take losses that would be paid for through fees against farm producers

fundamentalism – describe a narrowly defined set of beliefs that developed into a movement within the Protestant community of the US in the early part of the 20th century; requires a word-for-word belief in the Bible; known for opposing the teaching of evolution in schools during the 1920s

Scopes Trial – an American legal case that tested the Butler Act (Tennessee state law) which made it unlawful to teach any thoughts on the origin of man other than the Biblical account of man’s origin; the trial drew intense national publicity, with modernists pitted against traditionalists (fundamentalists) over the teaching of evolution in the schools; The trial involved two celebrity lawyers, former Presidential candidate William Jennings Bryan for the prosecution and famous lawyer Clarence Darrow for the defense, and was followed on radio transmissions throughout America

A.C.L.U. or American Civil Liberties Union – founded in 1920 it is an organization which focuses on litigation (court cases), communication efforts, and on legislative lobbying; the ACLU's stated mission is "to defend and preserve the individual rights and liberties guaranteed to every person in this country by the Constitution and laws of the United States"

F. Scott Fitzgerald – an American author of novels and short stories, whose works are the paradigm writings of the Jazz Age, a term he coined himself; he is widely regarded as one of the twentieth century's greatest writers. He finished four novels, *This Side of Paradise*, *The Beautiful and Damned*, *Tender Is the Night* and his most famous, the celebrated classic, *The Great Gatsby*; topics of his writing treat themes of youth and promise along with despair and age

Lost Generation – used to characterize a general feeling of disillusionment of American literary notables (such as F. Scott Fitzgerald, Ernest Hemingway, and John Steinbeck) who lived in Europe, mostly Paris, after WWI

flappers – referred to a "new breed" of young women in the 1920s who wore short skirts, bobbed their hair, listened to jazz, and flaunted their disdain for what was then considered acceptable behavior; they were seen as brash for wearing excessive makeup, drinking, treating sex in a casual manner, smoking, driving automobiles and otherwise flouting social and sexual norms; generally single women who lived and worked in cities

Jazz Age – describes the period after the end of WWI, through the Roaring Twenties, ending with the onset of the Great Depression; the age takes its name from popular music, which saw a tremendous surge in popularity; among the prominent concerns and trends of the period are the public embrace of technological developments typically seen as progress — cars, air travel and the telephone - as well as new modernist trends in social behavior, the arts, and culture

Harlem Renaissance – refers to the flowering of African American intellectual life during the 1920s and 1930s centered in the Harlem neighborhood of New York City; it was characterized by an overt racial pride that came to be represented in the idea of the New Negro, who through intellect and production of literature, art, and music could challenge the pervading racism and stereotypes to promote progressive politics, and racial and social integration – the creation of art and literature would serve to "uplift" the race

Marcus Garvey – founded the Universal Negro Improvement Association, which sought to work for the general uplift of the people of African ancestry at home and abroad; his work centered on themes of promoting a return to Africa and the improving the lives of African-Americans here economically

Charles Lindbergh (1927) – completed the first trans-Atlantic non-stop solo flight and became a national hero

Sacco and Vanzetti case (1927) – a court case where Italian immigrants were convicted of murdering two men during a 1920 armed robbery in Massachusetts; after a controversial trial and a series of appeals, the men were executed; the case was controversial as there was limited evidence against the men and the case seemed to represent some of the nativist or anti-immigration sentiment of the time

*The Jazz Singer* (1927) – the first feature-length motion picture with synchronized dialogue sequences; its release heralded the commercial ascendance of the "talkies" and the decline of the silent film era

isolationism – a foreign policy which combines a non-interventionist military policy and a political policy of economic nationalism (protectionism); result of Americans desire to stay out of the affairs of Europe following US involvement in WWI

Al Smith – an politician who was elected Governor of New York four times, and was the Democratic U.S. presidential candidate in 1928; he was the first Roman Catholic to run for President as a major party nominee; he lost the election to Herbert Hoover; was also a “wet” (proponent of the repeal of Prohibition)

Herbert Hoover – Republican politician who came to national prominence for his successful running of the Food Administration during WWI and for his role as Secretary of Commerce under Presidents Harding and Coolidge; he won the 1928 Presidential election with a campaign promise that “prosperity was right around the corner”; when the Wall Street Crash of 1929 struck less than eight months after he took office, Hoover tried to combat the ensuing Great Depression with volunteer efforts, none of which produced economic recovery during his term, and he was blamed for the nation’s economic problems

welfare capitalism – economic belief supported by President Hoover which refers to the practice of businesses providing welfare-like services to employees; it was centered in industries that employed skilled labor as many companies started offering higher pay and non-monetary compensation such as health care, housing, and pensions, as well as employment bureaus, in-house training, sports teams and social clubs; Hoover believed these efforts by business would help lessen the ill-effects of the Great Depression, and that the government was not directly responsible for the well-being of the people

Federal Farm Board (1929) – created before the stock market crash on Black Tuesday, but its powers were later enlarged to meet the economic crisis farmers faced during the Great Depression; it was established by the Agricultural Marketing Act to stabilize prices by holding surplus grain and cotton in storage, and to promote the sale of agricultural products; it was part of Hoover’s limited response to the Great Depression

“Black Thursday” – October 29, 1929; it was the most devastating stock market crash in the history of the US; and led to a global economic crisis known as the Great Depression

Smoot-Hawley Tariff (1930) – raised U.S. tariffs on over 20,000 imported goods to record levels; the ensuing retaliatory tariffs by U.S. trading partners reduced American exports and imports by more than half and contributed to the severity of the Great Depression

Emergency Committee for Employment (1930) – President Herbert Hoover's first organizational response to the economic crisis that became the "Great Depression"; its stated goal was job-creation, which was to be accomplished by expanding federal employment, encouraging the expansion of locally financed public construction, and stimulating private sector job-creation schemes; this represents a change from Hoover’s previous policies, but was seen as too little, too late

Hoovervilles – the popular name for shanty towns built by homeless people during the Great Depression; they were named after President Herbert Hoover, because he allegedly let the nation slide into depression; Democrats coined other terms, such as "Hoover blanket" (old newspaper used as blanketing) and "Hoover flag" (an empty pocket turned inside out)

Farmers Holiday Association (1932) – a movement of Midwestern farmers who, during the Great Depression, endorsed the withholding of farm products from the market, in essence creating a farmers' strike

Wisconsin milk strike (1933) – a series of strikes conducted by a cooperative group of Wisconsin dairy farmers in an attempt to raise the price of milk paid to producers during the Great Depression; initially they were to simply not sell milk unless a previously agreed upon price had been met, however, when the strikers realized they were grossly outnumbered and that some of the members were selling at a reduced price, they resorted to roadblocks to prevent milk deliveries to the manufacturers

Bonus Army (1932) – an assemblage of WWI veterans who protested in Washington, D.C. called the Bonus Army as they sought a federal law to grant immediate payment of a bonus granted to WWI soldiers that was not to be redeemed until 1945; Congress failed to pass the law to allow this and the govt. ordered the removal of these people from the city, which resulted in resistance, and shots were fired and two veterans were killed

Reconstruction Finance Corporation (1932) – an independent agency set up by Herbert Hoover that gave $2 billion in aid to state and local governments and made loans to banks, railroads, farm mortgage associations, and other businesses during the Great Depression; it is one of the few govt. programs sponsored by Hoover to provide relief and it was continued by the New Deal (again, too little, too late)

*Young Lonigan* (1932) – the first in a trilogy of novels by American author James T. Farrell; it was a classic novel of Irish life on the South Side of Chicago, which portrays sympathetically and graphically his protagonist's coming of age and helps readers understand the extreme racism of the time period in urban areas

General Causes of the Great Depression:

* overproduction in farming and industry (due to mechanization and the assembly line)
* overvalue of stocks
* unequal distribution of wealth (wealthiest gaining a higher percentage of the nation’s wealth)
* relative wage stagnation (wages rose but not at the rate of the growth of the cost of living due to the increased number of products available to consumers at the time)
* massive growth in personal debt (due to installment plan buying)

How People were Effected by the Stock Market Crash Who didn’t own Stocks:

Farmers

* Farmers borrowed money from banks to purchase new farm machinery.
* Farms produced more food.
* Prices on farm goods went down
* Stock market crashed.
* Farmers couldn’t pay the banks back the money they owed them.
* Banks demanded that people who owed money pay back their loans.
* Farmers lost their farms.

People with Money in Banks

* More and more Americans bought stocks as they saw how profitable they were.
* Stock prices became overvalued.
* Stock values began to go down.
* Stock market crash.
* Banks demanded that people who owed money pay back their loans.
* People couldn’t pay the banks back the money they owed them.
* People pulled their savings out of the banks.
* Banks closed.
* People lost their life’s savings.

Industrial Workers.

* By the start of the 1920s businesses became more efficient.
* More products became available for consumers to buy.
* During the 1920s middle and lower class workers’ salaries didn’t increase much.
* People bought goods on credit.
* Consumers built up too much debt.
* Consumers stopped buying more new products.
* Sales for businesses went down.
* The stock market crashed.
* Because of the economic crisis people bought even fewer goods.
* Businesses lost a lot of money as sales became very low.
* Businesses went bankrupt or laid off workers.
* People lost their jobs.
* People couldn’t make the payments they owed to banks on their home loans.
* People lost their homes.