A-Level History

Transition Tasks

Year 11 → Year 12

Compulsory Tasks These must be completed before you start your course in September	Minimum Time	Date
KS5 Preparation: AO1 is for me - In Sixth Form you are expected to arrive at your lessons having already learnt the key facts in advance. This will in involve completing reading before the lesson and the completing a task or taking notes on it - Complete activity 1 pages 4-6 - Complete activity 2 pages 7-13 - Complete activity 3 pages 14-17 - Complete activity 4 pages 18-20.	10 Hours	
Developing background: Britain Module - Watch each of these episodes from Andrew Marr's: The History of Modern Britain and take cornel notes - https://www.youtube.com/results?search_query=andrew+marr+history+of+modern+britain Guidance how to take cornel notes can be found on page 22	10 Hours	
Developing background: USA module **Watch the following documentaries and create 5 sections of Cornell notes on following topics:** - Why was there a boom in 1920s USA? List all reasons/detail/rank/explain…. - How far did everyone feel the benefits of the boom? Who did and who did not? - What caused the Wall Street Crash? List all reasons/detail/rank/explain…. - Were the 1920s intolerant or a time of social change? (red scare/ KKK/ prohibition/changing role of women or not) - Were 1920s a period of great cultural change? (radio/film/baseball/ jazz/Harlem…) **https://www.youtube.com/watch?v=RN7ftyZigYs** **https://www.youtube.com/watch?v=fF2MqYjVg50** **https://www.youtube.com/watch?v=VfOR1XCMf7A** I suggest you watch these once all the way through NOT taking any notes, just to take the info in. THEN you will need to watch them again BUT stopping them regularly to add the info into your Cornell notes, watch the clip and read and the article about how to do this form of Notes (which will be used in 6th form) https://www.youtube.com/watch?v=ErSjc1PEGKE https://www.thoughtco.com/notes-with-the-cornell-note-system-4109052	10 Hours	
Research Articles Click on the link below to take you to the A-Level Magazine Archive - Link - Use the search function and type in key topics you have already read about such as: New Deal, KKK, NHS, Butler Act - You will need to read 5 articles and take notes on Britain and 5 on the USA	10 hours	

Challenge task These must be completed before you start your course in September	Date
1. Suggested Reading - Anthony Seldon and Daniel Collings, Britain under Thatcher (Seminar Studies In History, Routledge, 1999 - Ian Cawood, Britain in the Twentieth Century - Robert Pearce, Contemporary Britain 1914–1979 (Longman, 2004) - Geoff Stewart and Les Barker, The United States 1917–54: Boom Bust & Recovery (Pearson, 2010) - Chris Rowe, USA, 1890–1945 (Nelson Thornes, 2008	
2. Suggested Videos/ films / Lectures - Margaret Thatcher, The Iron Lady (2012) - Made in Dagenham (2010) - Introduction to British Government - The Great Gatsby (2013) - David M. Kennedy - The Great Depression: Causes, Impact, Consequence	
1. Suggested Online Courses - The First World War: trauma and memory - Roaring Twenties? Europe in the interwar period - Beyond the Ballot: Women's Rights and Suffrage from 1866 to Today	

You will be studying 2 units in year 12. We will be following the Edexcel A-level course Route H. It would be helpful if you were to buy the text that accompanies the course.

- **Democracies in change: Britain and the USA in the 20th century**
- **ISBN: 9781447984849**

Paper 1, Option 1H: Britain transformed, 1918–1997

In this unit we will look at a number of key questions, such as:

1. Why did Britain believe a welfare state was needed after WW2?
2. What economic challenges did British governments face during the 20th Century and how successful were they in dealing with them?
3. How and why did the role and status of women change in the 20th Century?
4. Why did immigration become a controversial issue in Britain after 1948 and what did the British government do about it?
5. How and why did living standards improve after 1945 for the people?
6. What can people's leisure time tell us about life in 20th Century Britain?
7. What impact did Thatcher's governments (1979–90) have on Britain, 1979–1997?

Activity 1: Read the information below and complete the table after

Why did the Liberal Party decline?

Liberal Party Split

- In 1918, Lloyd George (a member of the Liberal Party) was prime minister and the 'man who had won the war'. He occupied a key position at the Versailles peace conference and was able to moderate the extremism of Clemenceau.
- At home, he spoke of a 'land fit for heroes to live in' and a 'war to end all war'.
- But Lloyd George was only able to continue to serve as Prime Minister only with the backing of the Conservative and the Labour parties.
- The Liberal Party was actually led by a man called Herbert Asquith not Lloyd George. Asquith and the Liberal Party began seeing themselves as the 'official opposition' to Lloyd George's coalition government
- Asquith refused offers to become Lord Chancellor and heal the rift in the party under Lloyd George's leadership.
- At the end of the War, Lloyd George accepted the need to hold an election.
- However, he had no wish to lose his post as Prime Minister, which he would have to concede if he fought as a Liberal under Asquith's leadership: his own ambition wouldn't allow this to happen.
- Therefore, with the agreement of the Conservatives, he fought under the banner of the Coalition Government.
- The result of the election was a disaster for the Liberal party.
- 484 National Coalition MPs were returned (338 Cons, 136 Lloyd George led Liberals, 10 Lab), but only 28 members of the Asquith led Liberal Party
- This increased the hatred felt by the two wings of the party for each other at a time when the new changes in franchise (1918 Act) together with the huge social and political changes throughout post-war Europe meant that the Liberals needed to be united.

Representation of the People Act

- A key factor to electoral fortunes was the new voters established by the 1918 Representation of the People Act.
- Electorate doubled to 21 million.
- Industrial working class became the majority in the new mass electorate.
- 2/3rds of constituencies had a working class majority of 80% or more.
- Reduction in plural voting; 160,000 business votes; 70,000 university votes
- 40% of new electorate were women (over the age of 30)
- Many of these new voters were working class and more likely to vote for the Labour Party who strongly supported working class people
- Between 1910 (before ROPA) and 1923 (after ROPA) the Labour party went from having 7.1% of the vote to having 30.5%, meanwhile the Liberals share of the vote declined – from 43.9% to 29.6% - evidence that the new influx of voter led to a rise in the Labour Party's power – and a decline of the Liberals.
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Lloyd George's conduct

- Lloyd George had made his name as a champion of limiting the rights of the privileged and the 'man who won the war'.
- In June 1922, a scandal emerged where he was selling knighthoods and peerages amassing a huge political fortune - a knighthood could be bought for £10 000 -[which he refused to share with the Liberals unless they followed his ideas].
- The scandal did much damage to his credibility and he was portrayed as corrupt.
- At the same time, he was seen as a warmonger, threatening Turkey if it sought to revise the terms of the peace treaty in the Chanak Incident.
- The subsequent election saw the Conservatives win a handsome majority with Lloyd George's National Liberals in third place, overtaken by Labour

Spending cuts

- In 1922 Lloyd George's coalition government carried out massive spending cuts called 'Geddes Axe'.
- To save money education was only made compulsory until the age of 14.
- Women did benefit from the Maternity and Child Welfare Act in 1918. This had set up child welfare clinics and ante-natal clinics all over the country. But women had to pay for treatment.
- Other benefits were also cut
- Total spending on welfare went done from £206 million to £182 million
- Defence spending was cut from £190 million to £111 million
- Lloyd George and the Liberals took most of the blame for this

1) Why did the Liberal Party decline 1918-24? (in each box you should write a reason and add detailed evidence)

Reason 1:	Reason 2:
Evidence	Evidence
Reason 3:	Reason 4:
Evidence	Evidence
Reason 5:	Reason 6:

Evidence	Evidence

Activity 2 Unit 1 will have an interpretation element of the paper which will focus on the impact of Margret Thatcher's government. Watch the documentary (link below) and read the article below and make a table of the positive and negative things she did
https://www.youtube.com/watch?v=VqdYH_lkIwM

Perhaps the only undisputed facts of Margaret Thatcher's premiership are that she first entered 10 Downing Street as prime minister on 4 May 1979 and departed with a tear in her eye on 28 November 1990.

Everything in between: how she changed Britain, what actually changed, and especially what it means for us today, has been the subject of an intermittent war of words throughout the two decades since her resignation – and it is a war that has intensified in the days since her death.

It's only by trawling through the historical reference – from census data to coal board records, from the World Bank to the Institute for Fiscal Studies, and from more than 30 years of social research – that even the basic facts about the nation reshaped during the Thatcher era take form.

What they show of Britain's new landscape is telling – but, of course, what will always be a matter for argument is how much would have happened with any prime minister, and how much was down to the Lady.

For millions of Britain's better-off working class – the famed C2s targeted by political strategists and tabloid owners alike – the most direct impact of Thatcherism was on levels of home ownership: Thatcher's dream of a nation of owner-occupiers was perhaps one of her most fully realised.

Figures from the 1981 and 1991 UK censuses show the scale of this change. In 1981, two years into Thatcher's premiership, England and Wales had 10.2 million owner-occupiers. A mere decade later, their ranks had swelled to 13.4 million.

Credit: Guardian graphics Guardian

Thatcher certainly didn't invent the ideal of home ownership, but she did an astonishing amount to boost it – and far more than any government since. Twenty years later, the 2011 census, reporting on a Britain with a population six million higher than in Thatcher's time, recorded that the number of owner-occupiers had only ticked up to 14.9m households.

Many of the new Thatcher-era first-time buyers gained their ownership through the right to buy scheme, giving council tenants the right, for the first time, to buy their homes at a hefty discount – about which Thatcher had initial reservations, due to her instinctive thrift.

In England alone, more than 970,000 local authority-owned houses were sold through the scheme during Thatcher's premiership, more than have been sold in the two decades since.

Such changes clearly came with a cost, and one of the most direct costs was the gradual decrease in the amount of social housing – and the resultant long waits on housing lists today – from a country with a growing population and atomising households (the number of people per household in the UK is slowly but steadily falling, as more of us live alone).

In 1981, England and Wales had 5.4m households in social housing. By 1991, this had dropped by 900,000 to 4.5m. In the post-Thatcher years, this gradual drop-off has endured, with 4.1m households living in social housing at the last census.

That was only the most direct effect. In addition, many of the first people to buy their council homes through right to buy almost immediately started to struggle with their mortgages.

As a result of the Thatcher government's decision to target and control inflation – seen by many people then and now as a necessary move – interest rates (and therefore mortgage repayments) never fell below about 7.4% during Thatcher's premiership, and peaked at 17%.

This is a figure unimaginable to many of today's younger adults: interest rates have not been above 6% since the turn of the millennium.

For some families these pressures were very real: James and Maureen Patterson were among the first families to buy their council home, and were visited by Thatcher as they did so. In the following years, their marriage disintegrated, apparently in part due to financial pressure on making the mortgage repayments.

Thatcher's housing policies had one other long-term legacy, hailed by some and cursed by others: house prices rocketed during and after her tenure. According to figures from the Department for Communities and Local Government, the average selling price of a house in 1979 was £19,925. By

1990, this had tripled, to £59,785. Over the next two decades, it multiplied again, reaching £251,634 by 2010.

The economy has been subject to the whims of the housing market ever since Thatcher: the housing crash and negative equity of the early 1990s were hardly unrelated to the accompanying recession, while the consumer boom of the early 2000s was fuelled by housing debt – as was the subsequent, interminable, bust.

In this, the coalition government came in to power tacking, tacitly, away from Thatcher, with a vow to rebalance the economy away from such housing-fuelled booms, of which the housewife-frugality-espousing Thatcher may not have approved but nonetheless helped fuel.

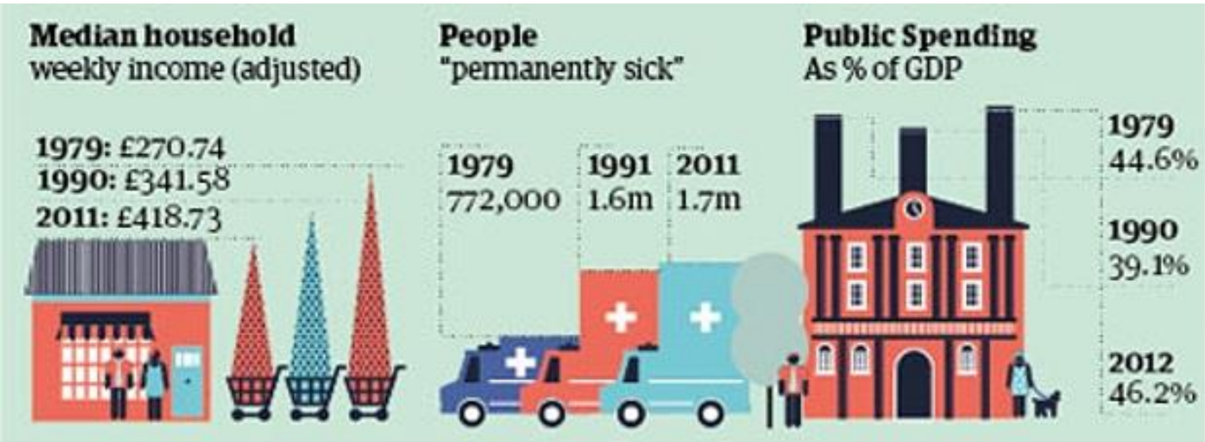
But unlike the Lady, George Osborne proved for turning, and plans to revitalise the economy with his help-to-buy policy. The echoes of Thatcher are surely not accidental.

The argument over the wider impact of Thatcherism on Britain's economy makes disagreements over housing policy look trivial.

Looking only at the core measure of economic performance – GDP growth – Thatcher's performance was slightly better than that of her predecessor, James Callaghan, but slightly worse than under Tony Blair, with average growth over her tenure standing at around 2.3% a year.

This kind of generalisation hides every argument that matters, though. Thatcher made changes to the UK's tax system, some changes to welfare, and many to the nature of British jobs, both through privatisation and economic liberalisation – not least in her battle with the unions.

Perhaps the best look at what Thatcherism meant for British families comes from a series of measures calculated by the Institute for Fiscal Studies, which calculated household incomes after tax (and any income from benefits), and put them into monetary amounts relative to 2010-11 prices, stripping out the effects of inflation.



Credit: Guardian graphics Guardian

These figures show families got richer. The median household – the household right in the middle, where half are richer, half are poorer – earned the equivalent of £270.74 a week in 1979. By 1990, this had increased by 26% to £341.58.

But, as you would expect, these gains were nowhere near evenly distributed, and the poorest got the least. A family in the bottom 10% had a weekly income of £151.58 as Thatcher came into power. Eleven years later as she left Downing Street, the family had just £158.57 – a mere 4.6% more. Such stagnation for the poorest families was not inevitable: though inequality remained high in the post-Thatcher era, by 2011 that income had risen to £215.86.

The richest families – the top 10% – did far better, with their incomes increasing from the equivalent of £472.98 in 1979 to £694.83 in 1990. The good times for high-rollers continued post-Thatcher, with 2011 incomes of £845.54 a week.

The IFS figures are stark on the dispersion of British society in income terms through the Thatcher era, and this had a knock-on effect on poverty as it is typically measured.

The common international standard for poverty is a relative one: a family earning less than 60% of the median income, meaning its members are excluded from many aspects of a nation's life. By this measure, though, a family in poverty in 1990 may be richer than one not in poverty in 1979.

It is perhaps illustrative to note that in 1981 3.7m households lacked (or had to share) either an inside toilet or bath. By 1991, only 259,000 did.

Still, the poverty figures don't look good: the number of children in poverty almost doubled under Thatcher, from 1.7 million in 1979 to 3.3 million in 1990. Pensioner poverty in the same period increased too, from 3.1 million to 4.1 million. Those numbers rise still further if housing costs are factored in.

The headline poverty figures have both since fallen back from those levels – particularly pensioner poverty. In today's Britain, 2 million pensioners live below the poverty line – half the 1990 figure – while child poverty has dropped more modesty to 2.3 million.

Incomes, of course, only tell a small part of the story when it comes to Thatcher and the workforce – not to mention the shape of the economy.

Thatcher is perhaps most associated with the death of Britain's mining industry. There is no doubt that the figures show the number of miners collapsed under Thatcher and afterwards: in 1980, the UK had 230,000 coal miners. By 1990, only 57,000 remained. By 2004, the figure was below 6,000.

But what may be missed is that even more mining jobs were lost before Thatcher ever came into power. Over the course of the 1960s and 70s, more than 300,000 coal mining jobs disappeared, while around a million vanished between 1920 and 1980.

Thatcher was the coal industry's most visible foe, but not the one who lost it the most jobs. The root of residual anger at Thatcher lies, perhaps, in that Thatcher was the first post-war prime minister to cut such jobs without finding or creating replacement roles

That isn't to say that manufacturing and mining communities didn't feel devastating change – from which some have not recovered to this day. By the World Bank's measures, industry (including manufacturing) fell from contributing 40% of the UK's GDP in 1979 to just 34% in 1990 – and has since fallen more dramatically still to just under 22%.

Such trends weren't confined to the UK, however: industry in the United States fell from 33% to 27% during the Thatcher era, and to about 20% today. Even Germany went in a similar direction – though to a lesser extent – from 42% in 1979 to 28% now.

The consequences of deindustrialisation hit huge swaths of the UK, particularly Wales and northern England, hard. Unemployment soared from 5.3% in 1979 – a level high enough for the Conservatives' "Labour isn't Working" poster to go down in the annals of great election adverts – to peak at 11.9% in 1984. In 1990, the year of Thatcher's departure, it stood slightly higher than when her era began, at 6.9%.

Credit: Guardian graphics Guardian

This, though, hides the plight of millions of Britons who would never work again – those who were listed as ill, rather than unemployed.

In 1981, 772,000 people classed themselves as being out of the labour force because they were "permanently sick". A decade later, this figure had risen to 1.6 million. In numerous towns across the country, the increases were markedly higher – with those signed off sick tripling or even quadrupling in a decade. Twenty years later, in the 2011 census, the figure remained largely unchanged, despite the UK's growing population: 1.7 million people were classed as long-term sick or disabled.

The issue around the welfare bill for supporting people with disabilities, chosen as a priority by the current coalition, owes its genesis far more to Thatcher than to either John Major or New Labour.

Elsewhere in the workforce, Thatcherism did what might be expected. It was certainly bad for union membership, which fell from 13.2 million in 1979 to 9.8 million in 1990 – and has since fallen further, to less than 7.4 million.

Overall, strikes were busted too, through the use of laws that unions still condemn today: in 1979, 6m working days were lost to strikes. This peaked at a massive 29.5m in 1983, but fell to less than 2m in the year Thatcher was ousted. By 2010, whether thanks to diminished union power or improved industrial relations, fewer than 400,000 working days were lost to industrial action.

The Thatcher period was modestly good for women in the workforce, with full-time female hourly wages rising from 72% of those of men to 76% (they have continued their slow rise and are presently at 82% of men's wages).

Thatcher also leaves an unclear legacy when it comes to public spending. When she entered office, public spending made up 44.6% of GDP. After initially rising, this was sharply cut to 39.1% of GDP by the time of her departure. Since then, that trend has been more than reversed: in 2012, public spending accounted for 46.2% of GDP.

Whether you like or loathe the results, it's hard to disagree that Thatcher won her economic battles. But economic liberalism was only part of Thatcher's brand of politics. At the core of her ideology was a social conservatism, accompanied by promotion of "traditional moral values".

Care should be taken before forcing Thatcher into the mould of the US Republican party's fringes on social issues: she voted in favour of decriminalising homosexuality and abortion. However, she was no friend to the gay rights movement, complaining to the 1987 Tory conference that "children who need to be taught to respect traditional moral values are being taught that they have an inalienable right to be gay".

Such attitudes, enshrined in law through section 28, seemed to chime with the public at the time. The British Social Attitudes survey showed the proportion of the UK population who believed same-sex relations were "always wrong" was 50% in 1983, rising – fuelled perhaps by the emergence of Aids – to 58% in 1990.

But since then, the culture wars have moved in exactly the opposite direction. Today, only 20% of the British public answer the question in such a way.

Attitudes to marriage and divorce hardly stayed conservative during Thatcher's tenure, either. The number of weddings fell from 369,000 in 1979 to 331,000 in 1990, while divorces rose from 119,000 a year to 153,000 over the same time. The proportion of the public objecting to premarital sex dropped too, from 28% in 1983, to 22% in 1990, to just 12% today.

It seems that Thatcher also never really had the public believing in the ideological shifts she was making in Britain. When pollsters asked Britons in 1989 whether they would prefer a "mostly socialist" or "mainly capitalist" society, they favoured the former by a margin of 47% to 39%.

A society "which emphasises the social and collective provision of welfare" was favoured over one "where the individual is encouraged to look after himself" by a wider margin still: 54% to 40%.

Thatcher may not have changed the majority of minds during her tenure: but in the long run, the changed Britain she helped build may have continued that work. When Ipsos MORI asked that same question on welfare in 2009, the welfare option lost out narrowly to individualism, by 47% to 49% (with the margin of error, too close to call).

The evidence suggests Thatcher's children, and those who came after, have grown up more individualistic and less supportive of state institutions than their forebears. On those issues, she may well have had the last laugh.

The legacy of Thatcher's social conservatism is modest: Britain is, by and large, a nation marrying less, more accepting of homosexuality, and more accepting of people of other races (if not of immigration). Her cultural legacy is greater. In 2013, almost no one argues about what John Major did or didn't do for the country – while the mere mention of Thatcher's name can induce either exhortations of adoration or paroxysms of utter disgust.

But it's the economic changes during Thatcher's premiership, continued in large part by her successors, that have really shaped Britain ever since.

The rise of the property market and liberalisation of the financial sector shaped the economic booms of the late 1990s and most of the 2000s, and lay at the heart of the bust which followed. The unions remain weaker, and the utilities remain privatised.

Today's levels of economic inequality are roughly the same as those when Thatcher departed. The number of people classed as long-term sick, and relying consequently on the state's support, remains the same.

Whether defined against her or not, the challenges faced by the coalition government – and the circumstances that brought them to be – almost all had their roots in the government of Thatcher. And that legacy affects millions of people every day.

positive	Negative

In this unit you will look at a number of key questions, such as:

1. Why did America become the world's wealthiest country by the 1920s?
2. Why was America so violent and intolerant during the 1920s?
3. What did Americans do in their spare time before the Great Depression?
4. How did America try to get themselves out of the depression of the 1930s?
5. How successful was President Roosevelt in solving the depression in America?
6. What impacts did the Second World War have on women and minorities in the USA?
7. Why did America begin 'witch-hunting' during the 1950s?
8. What had the Civil Rights movement achieved by 1955 for African-Americans?

Activity 3: read the text below and the complete the table at the end

Why did the USA experience an economic boom in the 1920s?

The economic recession that occurred after the First World War proved to be short-lived and the USA in the 1920s was seen as prosperous and successful. Statistically this viewpoint seems substantiated. For example the Gross National Product of the USA rose from $73.3 billion in 1920 to $104.4 billion in 1929, which represented a growth rate of around 2% per year.

At the same time unemployment never rose above 3.7% and inflation never rose above 1%. The average industrial working week was reduced from 47.4 hours in 1920 to 44.2 hours in 1929, and real wages rose by some 13% during the decade. This all meant that Americans had greater purchasing power in the 1920s – a fact also reflected in the statistics. For instance, in 1922 Americans bought some 100,000 radios; in 1929 they bought 350,000, and during the decade the main US corporations saw profits rise by 62%.

There were several reasons for the economic boom of the 1920s in the United States. These included the size and economic wealth of the USA, the impact of the First World War, the entrepreneurial spirit of Americans, the policies of the Republican governments, progress in both technology and industrial techniques, new business methods, and the growth of credit.

1. The Size and Wealth of the USA

A combination of natural growth and immigration meant that by 1920 the population of the United States had reached 106.4 million. By contrast, for example, the British population in 1921 numbered 42 million. This large American population had considerable purchasing power, and businesses could rely on a large domestic market for their products.

Americans had by now also exploited the potential of the Great Plains and had developed an effective infrastructure, notably in the transport network. By the 1920s the nineteenth century railway system had been augmented by roads for the recently invented motor car, and these roads provided links between places where the railways had not always reached.

Finally the United States was rich in natural resources. There were large oil reserves in Texas and Oklahoma and extensive coalfields in Kentucky, West Virginia and Pennsylvania. There was an abundant supply of iron-ore, lead, tin, copper and other metals and timber could be easily provided from the forests of the Pacific North West. The southern states could provide cotton and the Mid West and western states grew copious amounts of food.

This meant that Americans did not have to import raw materials, could produce goods for a large market that wanted the products, and could bring them easily to that market.

2. The Impact of the First World War

The demand for supplies and armaments during the First World War, particularly from America's European allies, so stimulated American industry that by 1918 the USA was the world's largest industrial power. The USA also benefited from the self-destruction of its European rivals. Before 1914 the USA had been challenged industrially by the Germans and the British, but both European states had bankrupted themselves during the fighting and were no longer economic competitors of the United States. The problems faced by the Europeans meant that the United States was leagues ahead of its previous rivals and able to develop its economy more effectively.

3. The Entrepreneurial Spirit of Americans

The Americans were keen inventors – for example, it was they who had come up with the electric light bulb, the phonograph, the sewing machine and the telephone. The *'rugged individualism'* of the time also encouraged hard work and thrift.

The history of American businessmen in the nineteenth century also showed people that the so-called *'American Dream'* was possible – that if you worked hard enough you could be prosperous. It was this promise that had encouraged millions to come to the USA, and these millions provided a large, hard-working source of cheap labour, which in turn contributed to the development of American industrialisation.

4. The Policies of the Republican Governments

Republican government policy in the 1920s helped create the conditions that allowed for an economic boom. This policy was described as *'laissez-faire'*, which meant that government did not interfere with business or the economy.

In reality however the government interfered significantly – it went out of its way to aid business. In 1922 Congress passed the Fordney-McCumber Tariff Act, which placed import duties on all manner of foreign produce, including farm products, textiles and chinaware. This tariff had the effect of protecting American manufacturers against foreign competition by making American products cheaper.

Government also cut taxes, which helped American business. In a series of tax cuts between 1921 and 1926 surtax on the rich was reduced from 50% to 20%. This encouraged the rich to invest their extra cash in new and developing industries, allowing them to grow. Tax advantages towards large corporations also encouraged the growth of industry, and this in turn meant that the US Treasury actually gained more money as a result of increased profits.

Finally there was legislation against trade unions. No-strike agreements, also known as *'Yellow Dog contracts'*, were upheld by the law courts, which meant that management had greater control over its workforce.

5 Progress in Technology and Industrial Technique

Although motor cars had been produced in the USA since the 1880s, in Detroit, ichigan, an industrial revolution took place. Motor car manufacturer Henry Ford introduced an assembly line that took the work of car assembly to the workers rather than expecting the workers to move to the car. Each worker became responsible for the assembly of just one particular car part, which meant that even unskilled workers could be trained very easily.

The assembly line also meant that the rate of production could be set at a constant rate, which was faster than previous methods of car assembly. This meant that Ford could produce more cars, which meant he could reduce the cost of each car whilst increasing his own profits. By 1926 Ford was able to produce a Model T Ford car every 10 seconds.

Ford workers also benefited from this. Ford introduced the $5 a day pay rate for car workers, which was significantly above rates offered elsewhere. However, in return the workers were not allowed to join a trade union, and they were expected to obey the company rules on working conditions.

There were significant spin-offs from the growth in the motor car industry. By 1929 the motor industry directly employed 7% of all American industrial workers, paying almost 9% of all industrial wages. Indirectly the industry created thousands of jobs in industries such as steel, rubber, paint, timber and electrics, all of which were needed in the construction of a motor car.

There was also expansion in the petroleum industry, which provided the fuel for the cars, as well as in the tourist industry, roadside advertising and merchandising, garages, car dealerships and various other businesses catering to the car industry. Finally the Federal Highways Act of 1921 also boosted the motor industry and its associated trades. This gave the federal government responsibility for building roads and, during the 1920s, the government built 10,000 miles of road per year on average.

The motor industry is the epitome of the booming American economy during the 1920s, but the new technology and techniques also affected most of the other industries as well, for example, the production of electrical goods such as radios and washing machines.

6. New Business Methods

In the 1920s the Americans developed the concept of business management. The idea was that all aspects of the manufacturing process could be analysed scientifically in order to devise a system that would maximise output.

From this came the growth and development of the large corporation, which was able to benefit from economies of scale and integration. By 1929 the 200 largest corporations controlled 20% of the wealth of the USA and nearly 40% of its business wealth. The corporations were also able to benefit from discount purchasing, and their size meant they were able to indulge in research and development that could produce even better products at even cheaper prices. Finally they were large enough to staff their organisations with specialist workers, and they were wealthy enough to borrow money easily for investment purposes.

The government actually encouraged corporate control of individual industries. Whilst Herbert Hoover was Secretary of Commerce he encouraged the growth of trade associations within an industry. The aim of these associations was to allow firms to benefit from the exchange of information, which would then allow them to standardise manufacturing methods and also to take advantage of the latest technology. Hundreds were created by 1929, though many criticised this development on the grounds that associations tended to act like the pre-war trusts.

The 1920s also saw a rapid growth in advertising and marketing, bringing awareness to the American people of the products available. This was aided by the development of the motor car, the radio and the cinema. The secret was not only to make consumers aware of the available products, but also to persuade them that the product on offer was absolutely vital for their lives (and, of course, infinitely superior to products of rivals and competitors).

7. The Growth of Credit

The development of technology and business techniques meant American manufacturers could produce more goods at a lower unit cost per item. However, this would have meant nothing unless there was a demand for these products. Advertising allowed manufacturers to bring their products to the attention of consumers, but all would count for nothing unless the American people could afford to buy the goods.

Even though the 1920s was a time of increasing real wages for many Americans, some products remained beyond the purchasing capability of many, such as the motor car. This could have brought the boom to an end, because once the demand from those who could afford cars was satisfied, there would be no need to produce more.

Therefore, to extend and stimulate demand, a system of hire purchase was introduced. This allowed consumers to buy goods for a small deposit and then pay off the rest of the price in a series of small instalments for a small rate of interest. Encouraged by advertising, consumers bought a large number of goods via hire purchase, from motor cars to refrigerators. Between 1919 and 1929 the amount of consumer credit, excluding agriculture, grew from $32 billion to $60 billion.

What was the most significant cause of the 1920s USA boom?
#1 Cause:
#2 Cause
#3 Cause
#4 Cause
Most important cause? Explain why more important than the other causes

Activity 4: watch the documentaries and read the notes below and then complete the table at the end.

https://www.youtube.com/watch?v=qlSxPouPCIM

https://www.youtube.com/watch?v=FAZjlxWNszw

Causes of Wall Street Crash

What was it:
- 12.8 million shares sold on New York Stock Exchange
- By end of day, value of shares on stock exchange had falled by almost $4 billion
- Following week, record of 16 million shares changed hands at v. low prices
- End of November, $30 billion wiped off share values
- Began biggest economic depression in US + world history

Causes

1. Overproduction
- Low tax policies = by 1929, richest owned 33% of nation's welath while bottom 40% of population owned 12.5%. US economy lacked spending power to buy all goods produced.
- Belief that USA had entered new era of continued economic growth meant corporations built more factories to provide goods for seemingly ever-expanding market. By late 1920s, economy had reached full capacity in terms of what domestic market for goods could consume.
- Fordney-McCumber Tariff 1922 limited US trade with world economy - in retaliation foreign countries introduced own tariffs.
- Much of European market affected by aftermath of war e.g. Germany had to pay reparations to Allied powers. Potential markets lost by creation of communist state in Russia = resultig tensions between USSR + capitalist world limited trade.
- 1920-29, US manufacturing capacity rose 50% while US exports rose bby only 38%.

2. Land Speculation
- Prelude to crash had occurred in 1926 with land speculation centred on Florida. Many saw 1920s as period of unrivalled prosperity + average incomes rose = idea of owning property in Florida very attractive.
- Rich industrialists such as T. Coleman Du Pont saw possibility of buying up land in southern Florida + selling to newly prosperous populations. Growth of motor car made Florida more accessible.
- Area around modern-day Miami went through massive land boom - 1920-25, Miami population grew 30,000 to 130,000.
- 1926 - Florida Land Boom had collapsed. Lack of infrastructure e.g. railways + roads impeded development. Land boom given bad name by those who sold land in non-existent town of Nettie = led to loss of confidence.
- 1925 Internal Revenue Service began taxing profits on property speculation.

- Sept. 1926 = major hurricane devastated large parts southern Florida = left 50,000 homeless.

3. The Bull Market

- Over-speculation = there was belief that bull market of 1920s would be never-ending. Share values almost doubled 192529 from $34 billion to $64 billion. Idea that even ordinary American could 'get rich quick' = considerable share speculation.
- By 1929, many Americans buying shares on the margin - borrowing money + paying 10% of price and then paying back loan through selling shares at higher price in future. Practice worked as long as prices kept rising. Once share prices began to fall = speculation began to unravel. (Hoover = 'mad **** of speculation' when elected in 1928)
- 1929-30 share speculators lost money, many bankrupt. Confidence in value of stock prices began to waver = triggered share sale panic
- Harvard Economic Society had warned of share price fall - ignored.

4. Weaknesses of US banking system

- Under director Benjamin Strong, Federal Reserve Board kept US interest rates low at 3.5% = helped fuel considerable amount of borrowing by banks. Much of the money banks invested went into share speculation + property investments instead of loans to commerce + industry so did not contribute to growing the economy.
- 'Call loans' - loans to individuals + companies to buy shares 'on the margin'. Once share prices began to fall, borrowers unable to pay back these loans.
- Only 1/3 of US banks operated within Federal Reserve System. Other 2/3 in unregulated market without clear controls on how they should operate = high-risk lending to businesses not in strong financial position.
- 1921 - 29, 5,000 banks went out of business. Banks were institutons that provided money for industry through loans so weaknesses in system made major economic depression inevitable.

What was the most significant cause of the Wall Street Crash?
#1 Cause:
#2 Cause
#3 Cause
#4 Cause
Most important cause? Explain why more important than the other causes

How to take cornel notes?

Watch the clip and read and the article about how to do this

https://www.youtube.com/watch?v=ErSjc1PEGKE

https://www.thoughtco.com/notes-with-the-cornell-note-system-4109052