

# Candidate 1 evidence

## History Higher Assignment

To what extent did the labour welfare reforms  
improve the lives of those in Britain, between  
1945 and 1951?

History Higher Resource Sheet	
Candidate Name	Scottish Candidate Number
Evidence	
Churchill, Clement, Attlee Beveridge	
1945, 1946, 1948, 'cradle', inflation, varying, Rowntree 1950 2% 1936 36%	
7 million - 13.5 million, Glasses 5 million dental 8 million, retrace, victim, 1956 90%, ignorance	
1944, Mobility, basic	
1946 GR EK >overcrowding, 1951 200,000, 1949 Housing, evict, safety health, 1951 shortages, least mmW, 1950 1951	
Coal, conditions exploitation, maintained, large, maintained employment, management, 1946 -2.5%, direct or war	
Wedge, financial, housing, divide, nationalisation -conditions - time, healthcare	
"Each of Beveridge's 'five giants' was vigorously attacked, with great success." The Making of the Welfare State by R.J.Cootes	
References	
"Many of the welfare benefits such as family allowances, were very cost-effective ways of relieving hardship." Martin Pugh, State & Society, 1944 , Higher History Britain and Scotland 1850s-1979 by Sydney Wood	
"The NHS failed to improve the general medical service available to the bulk of the population." Charles Webster (Official Historian of NHS), Changing Britain 1850-1979 by Donald Morrison, Elliot Morrison, Tom Monaghan	
"The 1944 Act did, however, go a long way towards removing wealth as a direct influence on the State secondary education." The Making of the Welfare State by R.J.Cootes	
"Although the housing shortage still seemed never-ending, great progress had been made." The Making of the Welfare State by R.J.Cootes	
"Many historians argue that the real success of the post-war years was not the provision of welfare benefits for people in need but the maintenance of full employment." AQA History Britain, 1906-1951 by Nelson Thornes	

To what extent did the Labour welfare reforms improve the lives of those in Britain, between 1945 and 1951?

In 1945, the Labour Party took control of the British government after Winston Churchill caused a general election and lost by a considerable margin. His successor was the leader of the Labour Party, Clement Attlee, who became the new Prime Minister. The Labour government over their 6 year period of power brought in a variety of reforms, addressing the '5 giants' that were established in the Beveridge Report 1942. The five giants were Want (poverty), Disease (health), Ignorance (education), Squalor (housing) and Idleness (unemployment), which were all dealt with to varying extents, which this essay will argue that the Labour welfare reforms were successful in improving the lives of those in Britain between 1945 and 1951.

The giant of 'Want' was tackled by numerous reforms being brought in by the Labour government. In 1945, the Family Allowance Act provided a benefit for mothers, which was they would receive 5 shillings for every child after the first born. This was seen to have a positive impact on families and in the textbook 'State and Society, 1944 Higher History Britain and Scotland 1850s – 1979' by Sydney Wood, Martin Pugh agrees that "Many of the welfare benefits such as family allowances, were very cost-effective ways of relieving hardship." In 1946 the National Insurance Act was introduced which was where workers would pay into the scheme and receive benefits like old-age pensions, sickness and unemployment benefits. This was important as it was compulsory, so it provided a safety net to those who needed it. The National Assistance Act was passed in 1948, which was where means tests were introduced to assess how much assistance the unemployed and lowly paid could receive. This is important as it provided those that didn't qualify for national insurance a safety net and allowed Labour's philosophy of 'cradle to the grave' care to be fulfilled. However, when the benefit amounts were decided, the government didn't take into account that inflation would occur, so the amounts of money provided weren't enough. Furthermore, the money that was to be paid in for national insurance was 5% of people's average pay, so they became poorer as a result. In evaluation, the reforms brought into tackle Want were carried out to varying extents, as they provided an essential amount of financial aid but it wasn't immediately beneficial. The introduction of means tests also caused a lot of embarrassment which meant that people were put off applying for them, hindering the impact of the reforms. But the reforms brought in clearly dealt with poverty well as Rowntree discovered that in 1950 there was a 2% poverty level compared to 36% in 1936. This shows the dramatic positive effect that reforms had. Overall, the Labour welfare reforms improved the lives of most in Britain between 1945-1951.

One of the most successfully tackled giants by the Labour government was disease, which aimed to improve the health of Britain on the 5<sup>th</sup> July 1948, the National Health Service was introduced in Britain. It was founded on three principles: Universal access, free services and comprehensiveness. It provided free optical care, free

dental care and free prescriptions. The necessity for care can be shown as there was an increase in the number of prescription orders from 7million to 13.5 million by September 1948. This is important as the sheer number of people taking the care offered showed the intensity of Britain's health problem. The NHS can be shown to have helped people's lives in Britain by as early as September 1948. There was an order of 5 million pairs of glasses and a rise to 8 million dental patients. However, by 1951 the NHS was struggling financially and had to retract services like optical and dental care for free, as well as introduce prescription fees. This shows cracks in the preparation of the NHS by the Labour reforms and in the textbook 'Changing Britain 1850-1979' by Donald Morrison, Elliot Morrison and Tom Monaghan, it said that the Official Historian of the NHS at the time, Charles Webster, reviewed "The NHS failed to improve the general medical service available to the bulk of the population." This shows the alternative view that the NHS wasn't able to fulfil all its potential in helping improve all the lives of those in Britain between 1945 and 1951. In evaluation, the NHS was ultimately a victim of its own success as it was forced to take away specific services for free, but the fact that it is still present in Britain shows its monumentally incredible achievement for the Labour government. In 1956, a survey found that 90% of people thought the NHS was a good service which counter argues Charles Webster. The attack on health also impacts the giant of ignorance, which will be later discussed in this essay, as there was an increase in school attendance due to healthier children. Overall, the Labour welfare reforms improved the lives of those in Britain between 1945 and 1951, through aid to their health.

The Labour government brought in welfare reforms to deal with British education, which attacked the giant of Ignorance. The Education Act of 1944 had previously been brought in, which meant that children had to stay in school until they were 15, as well as schools providing free meals and medical inspections. An array of smaller education acts were brought in with planning for schools to accommodate more pupils due to increased attendance for longer. A test was also sat at age 11 to determine whether a child attended grammar school or secondary school. This is important as the tiered system theoretically meant that each child received the best tailored education to them. However, the working class children lacked the home support and resources that middle class children were able to afford, so the working class children tended to receive a lesser education, meaning their lives were not improved as their career paths after school were limited. In evaluation, there was an improvement in social mobility as children were forced to stay in education longer. However, there was still a divide in class in schools, as middle class children tended to go to grammar schools and the working class went to secondary schools. Despite this in 'The Making of the Welfare State' by RJ Cootes, he says "The 1944 Act, did, however, go a long way towards removing wealth as a direct influence on the state secondary education" which does show some improvements made. Overall, the Labour welfare reforms dealing with education were slightly successful in improving British lives between 1945 and 1951, as it at least provided a basic education that hadn't been there prior to the reforms.

The welfare reforms brought in by Labour between 1945 and 1951 dealt with the giant of Squalor, which aimed to improve the housing in Britain. In 1946, the New Towns Act was passed setting out the planning of 14 new Towns in the East Kilbride and Glenrothes area, in an attempt to reduce overcrowding. The government also brought in prefabs, which were factory made houses, and by 1951 there were 200,000 being built a year. The Housing Act was brought in, in 1949, which meant that the council could buy housing in disrepair and improve its quality of living. This allowed slums to be evicted so they could be destroyed. This is important because it allowed the health of inhabitants to improve as they were moved away from the inner city pollutants. It also provided a great sense of safety to those living in Britain as they had a place they could call 'home'. However, by 1951, there was still a very long waiting list for council properties and a shortage of housing in the country. Families had taken to squatting in aerodromes ( ex-military housing) in London, but even this wasn't big enough. In evaluation, the issue of housing was the least effectively dealt with by the Labour reforms as there was still a great amount of homelessness in Britain by the end of their time in government. However, with the lack of money, materials and workers that they had as their possession, they were able to achieve an incredible amount. RJ Cootes agrees with this in 'The Making of the Welfare State' as he says, "Although the housing shortage still seemed never-ending, great progress had been made." This is further supported by the fact that Labour had aimed to have 12 new towns by 1950 and had established 14 new towns by 1951. Overall, the Labour welfare reforms did improve some of the lives of those in Britain between 1945 and 1951.

Finally, the giant of idleness was tackled, which attempted to deal with the levels of unemployment in Britain. Nationalisation was introduced, whereby the government took control of certain industries instead of them being privately run. These industries included coal, steel, iron and railway industry. There was an improvement in the pay and working conditions of workers and exploitation was also addressed. Jobs were able to be created and maintained as a result of this. This is important as the profit made from these industries allowed the government to help a larger group of individuals rather than a private owner helping one individual. The textbook 'AQA Britain, 1906-1951' by Nelson Thornes says, "Many historians argue that the real success of the post-war years was not the provision of welfare benefits for people in need but the maintenance of full employment." This evidence shows how it was the sustainment of employment that helped the most people, providing a securer income. However, there was poor management of nationalisation in the beginning, leading to problems for the scheme long-term. In evaluation, the dealing of unemployment showed some improvement in the lives of those in Britain as by 1946, unemployment had been reduced by 2.5% and there was nearly full employment reached. However, it is debatable whether this was a direct result of the Labour welfare reforms or whether it was due to the post war conditions where there was a lot of jobs available due to destruction of towns needing rebuilt and the loss of life in the conflict. Overall, the lives at those in Britain were improved by the Labour welfare reforms brought in between 1945 and 1951.

In conclusion, the Labour welfare reforms successfully improved the lives of those in Britain, between 1945 and 1951. By bringing in such a variety and large number of reforms, a large chunk of Britain's problems and the five giants were able to be dealt with effectively. The financial support provided through family allowances and national insurance was extremely beneficial in the combination to the improvement of lives. However, the issue of housing was dealt with poorly as there was too few houses for people in Britain, and there was still a very evident class divide in education, restricting lower classes from higher paid jobs in later life. The nationalisation of industries showed mixed results as there was an improvement in working conditions, but in the long run the scheme didn't work extremely well. But it is undeniable that the best achievement of the Labour welfare reforms was the establishment of the National Health Service, as it positively influenced millions of lives in Britain. Overall, the Labour welfare reforms have demonstrated that they had a positive affect on improving British life between 1945 and 1951, and RJ Cootes agrees with this triumph of the Labour Party in 'The Making of the Welfare State' as he says "Each of Beveridge's 'Five giants' was vigorously attacked, with great success."

## Candidate 2 evidence

# History Higher Assignment

To what extent was fear and terror the main  
reason for Nazis maintaining power between  
1933-1939?

History Higher Resource Sheet	
Candidate Name	Scottish Candidate Number
Evidence	
<p>*Intro: 1933 - Minority Treaty of Versailles</p> <p>*Fear &amp; Terror: Concentration' edelweiss / Swingjugend • SS gestapo<sup>2</sup></p> <p>*Propaganda: • brainwash • Berlin Olympics<sup>4</sup></p> <p>*Social Policies • everyday life - 800,000/500,000<sup>5</sup> • Women - Irma Grese / Herba Bothe / Maria Mandel<sup>6</sup></p> <p>*Economic • 0% 1938<sup>7</sup> • Reichsarbeitsdienst<sup>8</sup></p> <p><u>Conclusion</u> Fear</p>	
References	
<p><sup>1</sup> Lechiexlechte CFE higher Maxine Hughes, Chris Hume</p> <p><sup>2</sup> WWI. britannia.com/topic/gestapo</p> <p><sup>3</sup> L</p> <p><sup>4</sup> WWI. bbc.com/bitesize/guide/72932p3/revision</p> <p><sup>5</sup> L</p> <p><sup>6</sup> "The Mission of women is to be beautiful and to bring into the world" - Goebbels</p> <p><sup>7</sup> WWI. bbc.com/bitesize/guides/22932p3</p> <p><sup>8</sup> L</p> <p><sup>9</sup> WWI. bbc.com/bitesize/guide/22932p3/revision</p>	



In 1933 Hitler became the chancellor of Germany despite only having a minority government of just over 30%. After spending some time in prison due to the beer hall putsch and writing 'Mein Kampf', Hitler became a well-known and well liked leader due to his want the elimination of the Treaty of Versailles and for Germany to become a world superpower. In order to assess to what extent was Fear and Terror was the main reason for Nazis remaining in power from 1933-1939, a number of factors need to be considered. These include Fear and Terror, Propaganda, Social Policies and Economic policies. From this the conclusion will be drawn that fear and terror was the most important factor for the Nazis remaining in power.

The first factor to consider when assessing to what extent was Fear and Terror was the main reason for Nazis remaining in power from 1933-1939 is fear and terror. In 1939 Hitler and the Nazis set plans out for the 'final solution' which saw the creation of concentration camps being used to get rid of the 'undesirable' of the new Aryan Germany (Lechiexlechie CfE higher Maxine Hughes, Chris Hume) Concentration camps differed in use but are mainly associated with forced labour and killing those who were sent there. This was important because it caused the public to fear the Nazis, giving them more control. However this does not mean groups were not created to oppose the Nazis. Groups such as the Edelweiss pirates and Swingjugend publically opposed the Nazis. Also, the secret state police or gestapo were used to monitor and spy on the public ([www.britainia.com/topic/gestapo](http://www.britainia.com/topic/gestapo)). They arrested anyone who in any way disagreed with the regime. This was important because this stopped many from opposing the Nazis and speaking against them. However, many people stopped talking to one another and distrusted everyone in fear of being sent away. In evaluation fear and terror was the most important factor for the Nazi maintaining power between 1933-1939. Concentration Camps cause many to fear speaking out against the Nazis in fear of being sent there, and the gestapo stopped people from speaking or helping out opposition to the Nazi party in fear of being arrested. However, some groups were formed in order to resist. This shows that Fear and Terror was able to help the Nazis maintain power as it stopped people from acting out due to being scarred of the consequences. This meant the Nazis were able to control and manages the German population better.

The second factor to consider when assessing to what extent was Fear and Terror was the main reason for Nazis remaining in power from 1933-1939 is propaganda. Propaganda in Nazi Germany was fundamental for the Nazis maintaining power. Propaganda was used to brainwash the German public by using speeches, poster, and rallies. This was important because it allowed the Nazi party to gain more support and keep the country under Nazi control. Hitler was a great speaker and gained a lot of the Nazi's support through this method. Even at home, people were listening to Nazi propaganda and slowly began to support the party. However, many historians argue about the effectiveness of Propaganda. Most people ignored the posters and were aware that the Nazis were selective with what the public could and could not know (Lechiexlechie CfE higher Maxine Hughes, Chris Hume). Also in 1936 the Berlin Olympics was used as a propaganda event to show off German and Aryan superiority. This was important because this gave the Nazis the opportunity to show off the Aryan rise to a global audience as well as how amazing Germany now was. However American athlete Jesse Owens won the Men's 200m. This caused a problem as he was African American ([www.bbc.com/bitesize/guide/72932p3/revision](http://www.bbc.com/bitesize/guide/72932p3/revision)). In evaluation propaganda allowed the Nazis to brainwash the German public, however many were able to ignore the Nazis claims and thus made it

harder for them to maintain power psychologically. The Olympics helped the Nazis to spread their propaganda globally, however such athletes like Jesse Owens dimmed the impact. This shows propaganda was a useful factor for the Nazis maintaining power, however was only useful to some extent as it was unable to work on most of the population.

The third factor to consider when assessing to what extent was Fear and Terror was the main reason for Nazis remaining in power from 1933-1939 is social policies. To maintain power, the Nazis controlled every aspect of everyday life. Anti-Nazi teachers, lawyers and doctors were all eliminated and the Nazis used the police, churches and youth groups in order to keep control of the German public. This was important because this meant that no one could not be associated with the Nazi party. From a young age Germans were taught Nazi views and that anyone that opposed them would be sent away. This made many Germans accept the regime in order to survive. However, counter groups were set up such as the Edelweiss Pirates. It is estimated that 800,000 opposed the Nazis and 500,000 died due to their beliefs (Lechiexlechie CfE higher Maxine Hughes, Chris Hume). Also, Women's lives in Germany revolved around the three 'K's' 'kinder, kuche, kinche' (children, church, kitchen). "The mission of women is to be beautiful and to bring life into the world"- Gobbles. This was important because it shows how women were treated in Nazi Germany. Gobbles was the minister of Propaganda and the quote shows how the Nazis wanted women to act as mothers and homemakers- "seen but not heard". However, women did work with 2.4 million employed. Also, some women worked as SS members such as Irma Grese, Herta Bothe and Maria Mandel ([www.bbc.com/bitesize/guides/22932p3](http://www.bbc.com/bitesize/guides/22932p3)). In evaluation Social policies allowed the Nazis to control the German population at a personal level, however, groups were formed and 800,000 German still publically opposed the Nazis. Women were seen as second-class citizens and were made to be mothers and homemakers; however some continued to have jobs, even within the Nazi party. This shows that whilst an important factor for maintaining power, the Nazis were not able to completely control the population at a personal level.

The final factor to consider when assessing to what extent was Fear and Terror was the main reason for Nazis remaining in power from 1933-1939 is economic policies. The Nazi Party was able to reduce the unemployment rate to 0% by 1939, however this figure did not include women, Jews, and 'non-Aryans'. This was important because it gave some Germans a reason to like the Nazis. They were employed which meant they had money and had new roads as well as a good economy. However, no wealth was made outside of Germany and non-Aryans did not receive the same economic boost (Lechiexlechie CfE higher Maxine Hughes, Chris Hume). Also, the German Work, Reichsarbeitsdienst reduced employment and made it so joining was compulsory for all men between 18-15 by 1935. This was important because they were given food and accommodation in exchange for their services. However, no money was given to the men so they relied on the Reich labour service to survive ([www.bbc.com/bitesize/guide/zw6s7p3](http://www.bbc.com/bitesize/guide/zw6s7p3)). In evaluation economic policies helped Germany improve the employment rate and made the country better off financially. However, forced many men to rely on the regime in order to live as they had no home or actual source of income. This shows economic policies was not the main reason for Nazis maintain power as it gave people a reason to like the Nazis, but not a reason to obey they Nazis.

In conclusion to what extent was Fear and Terror was the main reason for Nazis remaining in power from 1933-1939. Fear and Terror was the most important factor as it kept the German public from opposing the Nazis or speaking out against them. Concentration camps caused people to fear the

consciences of opposition and the gestapo stopped people speaking against the Nazis in public. However, other factors contributed, but to a lesser extent. Propaganda allowed the Nazis to brainwash the German population, however most were able to see through their lies. Whilst the Olympics showed off the Aryan strength, Jesse Owens disproved some Propaganda used. Social policies helped the Nazis control the population on a personal level; however women and some groups were still able to go against the Nazis ideals. Economic policies helped the Nazis get the unemployment rate to 0% and get the country in a better financial position; however it forced people to rely on the Nazis which may have affected their support. Overall, Fear and Terror was the most important factor for the Nazis maintaining power as it caused people to fear the consequences of going against them which stopped many from doing anything against the Nazis.

## Candidate 3 evidence

# History Higher Assignment

How important was the Wall Street crash as a  
cause of the Great Depression?

- Unemployment fell... wages^ 26%

Unemployment^ 25%. State funds↓. Michigan lost ^\$1mill  
 People underfed, almost half school children .Wall street sent economy2 crisis. H...factors.  
 Although, WSC...

- Quick money making scheme

\$8.5billion 'buying...  
 Warnings issued. FR letter Feb1929... not backed  
 Thursday 24/10 , 'Black... prices falling  
 "By 11am mad panic set in. Steel which opened that morning at 205.5-193.5, GE 315-283"

**Prosperity, Depression... New Deal.**  
 3pm businesses closing...13mill sold. Tuesday 16.5mill traded... 14bill pp wiped  
 Sig↑ although warnings issued, not backed  
 Not all involved  
 42% below  
 backed...LF

- 30,000 banks

During boom, banks lending. H,LF  
 Benefit...h small. Eg major employer  
 550 failed yearly  
 "1932,1616 banks closed down for this reason" **A New Deal**  
 Although lending=boom, no reliability check.  
 Borrow regardless....

Reckless *couped*

- Mass production

7mil cars 1919... 23mil 1929  
 2.4mil electrical 1912, 160mil 1929  
 Ad, celeb  
 Hcredit  
 71% incomes<\$2500  
 Saturation  
 Successful car advertising "the market was saturated, a million vehicles crammed the nations second hand lots" **The Day the Bubble Burst by Thomas... Witt**  
 Calvin Coolidge president 6, position to restrict credit  
 Gov£ improve road network, H,LF  
 Economist JK, republican ^important, under regulation and lack of redistribution

- LF

Cut taxes, stimulate spending  
 'BTB' public 50%  
 Sig.Benefit wealthy  
 ^shares  
 LF businesses failed  
 "Between 1924...1932 almost 110,000 businesses failed... 15mill unemployed." **The USA**

**1918-1968**  
 Andrew Mellon, cut \$6.4bill \$2.9 bill over 7yr.  
 Less regulation- price fixing, banking, industrial production  
 O.. in turn led to weaknesses... T

How important was the wall street crash as a cause of the Great Depression?

The USA experienced an economic boom through much of the 1920s, where unemployment fell and wages increased by 26-1. Conditions improved throughout the boom but did not continue into the 1930s. During the 1930s America experienced a depression, unemployment increased by 25-1. State funds were reduced, Michigan saw a loss of over \$1 million in state funds. People were unemployed, almost half of all school children. The Wall Street Crash sent the US economy into crisis. However there were other factors contributing to the Great Depression, the policies of republican government were important. There were weaknesses in the US banking system. There was overproduction and underconsumption of goods. Although the Wall Street Crash was important the policies of republican government was a more influential cause of the depression.

The wall street crash was an important cause of the depression. Wall Street was seen as a quick money making scheme, businessmen, stockbrokers and ordinary people played the stockmarket. This was significant because of the vast amounts of money invested. \$8.5 billion was spent 'buying on the margin', where people borrowed money in order to buy shares. This was very risky as people would only continue to make money as long as the market continued to rise. Warnings were issued as a result. The Federal Reserve sent a letter to banks urging them to stop lending money and a letter to newspapers warning the public about such loans. However, this could not be the most important factor as the federal reserve was not backed by federal government or the President Roosevelt so contributed to the ~~economic~~ economic crisis. By Thursday 24<sup>th</sup> October, known as 'Black Thursday' prices of shares were beginning to fall by 10 am. ~~As stated~~ As stated

in the book 'Prosperity, Depression and The New Deal',  
"By 11am mad panic had set in. US Steel which had opened at 205.5 points that morning had fallen to 193.5. General Electric which opened at 315 points had fallen to 283."  
By 3pm businesses were closing and 13 million shares had been sold. By the time 'Terrifying Tuesday' came around 16.5 million shares had been traded and \$4 billion in paper profits was wiped out. This was significant because of the huge effect it had across the US, although warnings were issued the reserve was never fully backed by government and the President took no hard action to step in.  
On the other hand, it would be wrong to say that all Americans were involved in the stock market and some realised the possibility of the market crashing. Furthermore there was already an economic crisis prior to the crash as 42% of Americans were living below the poverty line. This is significant because it suggests that the wall street crash was not entirely to blame for the depression. Furthermore this can also be backed up as the wall street crash only occurred due to underregulation and control from the government which used a laissez faire approach, they believed in having little to no involvement in the lives of the public. The Laissez Faire approach encouraged irresponsible behaviour by creating a false sense of well being from the short term large profits. Overall, the wall street crash was an important cause of the depression, however the policies of republican government were more important as they essentially led to the reckless spending on wall street. Therefore, the republican government policies are crucial to understanding the weaknesses of the economy. Had there been strong Federal and Presidential backing of the Federal Reserve board this may have eased the problem. However, the desire to 'get rich quick' was too good to miss for the public so they must

take some responsibility for the crash also.

The weaknesses in the US banking system were also an important cause of the depression. There were 30,000 banks in the USA in 1920. During the boom, banks lent money for business expansion, mortgages or to simply allow the purchase of goods. This is important as the Laissez faire attitude of government meant they paid little attention to what banks did on a day to day basis. A benefit of local banks was that anyone could use them, however most local banks were very small and relied on the success of the local economy. For example if a major employer closed down, many people would withdraw savings at a similar time. Most banks could not withstand a setback like this. This highlights the signs of the beginning of an economic crisis. On average 550 banks failed per year in the 1920s. As stated in the book 'A New Deal', "In 1932 1616 banks had closed down for this reason" (that they had no ready supply of cash.) Although banks lending money stimulated the boom, there was no evaluation of the reliability of the borrower. This meant that anyone could borrow money regardless of employment or income, so when the time came to pay it back, they simply couldn't. This was significant because of the huge effect it had across the US, reckless loans were given to individuals and businesses and banks themselves were making reckless investments with customer deposits, when coupled with lack of ~~real~~ real regulation from government, the problem of unregulated credit was significant. Although the banking system went drastically downhill contributing to the depression, the weakness ~~was~~ was actually caused due to lack of regulation and control from government. Had there been ~~strong powers and measures to support the reserve board~~ ~~strong powers and measures to support the reserve board~~ regulations in place the banking crisis may



never have happened. Therefore the more important cause was the policies of the republican government.

Overproduction and underconsumption was another important cause of the depression. This came about from Mass Production, which was popularised by Henry Ford, meant that production was much quicker and much cheaper. By 1919 Americans were driving 7 million cars and increased to 23 million by 1929. Purchasing of electrical goods also increased, 2.9 million goods were sold in 1912, increasing to 160 million in 1929.

People were able to afford these goods which led to the huge increase in the 1920s. This increase in consumption came with a development in advertising techniques such as celebrity endorsements, this would encourage customers to buy the promoted products. However this could not be the most important factor as many people were influenced to buy products due to the option of them being available on credit, which was encouraged by banks and allowed by the government. ~~Further~~ On the other hand, not all Americans could afford these goods, 71% of families incomes were less than \$2500 which was the minimum for a level of comfort. The supply of goods was far greater than the demand ~~the~~ during the 1930s, this was called 'saturation of the market'. As said in 'The Day the Bubble Burst' by Thomas and Witt, the unintended consequence of successful car advertising was a failure to notice that "the market was saturated. A million vehicles crammed the nation's second hand lots." However this could not be the most important factor as policies introduced by the government could have lowered the impact of overproduction and underconsumption. Calvin Coolidge who was President for 6 years was in a position to work with congress to restrict easy credit but failed to do so. Furthermore, government investment to improve the road network from rural areas into cities

would have increased potential customers into the boom. However, due to the Laissez faire approach, this was not considered. It could be ~~said~~ said that overproduction and underconsumption was the most important cause. However, most historians, including economist JK Galbraith argue that republican policies were more important as this only occurred due to under regulation and lack of redistribution of wealth within society. Therefore, the policies of republican government are a more important cause of the depression.

The policies of the republican government were also an important factor of the Great Depression. The government believed ~~was~~ in a Laissez faire approach, where they trusted businesses to continue making money to keep the economy afloat. They also cut taxes in order to stimulate spending. Another policy they introduced was an attempt to 'Balance the Budget', this cut public spending by 50%. The tax cuts were significant as ~~they did not benefit~~ the reality was that they benefitted wealthy businessmen, however there was no benefit ~~for~~ for the poor as they could not afford goods anyway. This increase in disposable income led to more money being invested in the unpredictable stock market rather than goods. Furthermore, due to the Laissez Faire approach many businesses failed as they did not receive support when in need. As stated in 'The USA, 1918-1968', "Between 1924 and 1932 almost 110,000 separate businesses failed and 15 million were unemployed." Andrew Mellon successfully cut government spending from \$6.4 billion to \$2.9 billion over 7 years. This was significant as there was less funds to regulate things such as price fixing, banking and industrial production. This meant that businesses had to keep a set price on items regardless of high unemployment or other market issues. Overall, the Laissez Faire attitude of government was responsible for American economic decline,

this in turn led to weaknesses within the banking system and then eventually not being monitored. Therefore, the policies of the ~~first~~ republican government are the most important cause of the Great Depression.

There were many factors contributing to the Great Depression. The Wall Street crash ~~was~~ began the economic crisis, however this was caused by the lack of regulation due to government's Laissez Faire policy. On the other hand, the US banking system went drastically downhill, however this was caused by government choosing not to intervene in a time of crisis. Overproduction and underconsumption increased unemployment from business closing down, however this could have been combatted from increased government funding. Overall, if the policy of Laissez faire had been abolished the crisis may never have happened. ~~It is~~ It is clear that the policies of the republican government are the most important cause. Therefore, it would be wrong to say that the Wall Street crash was the most important.