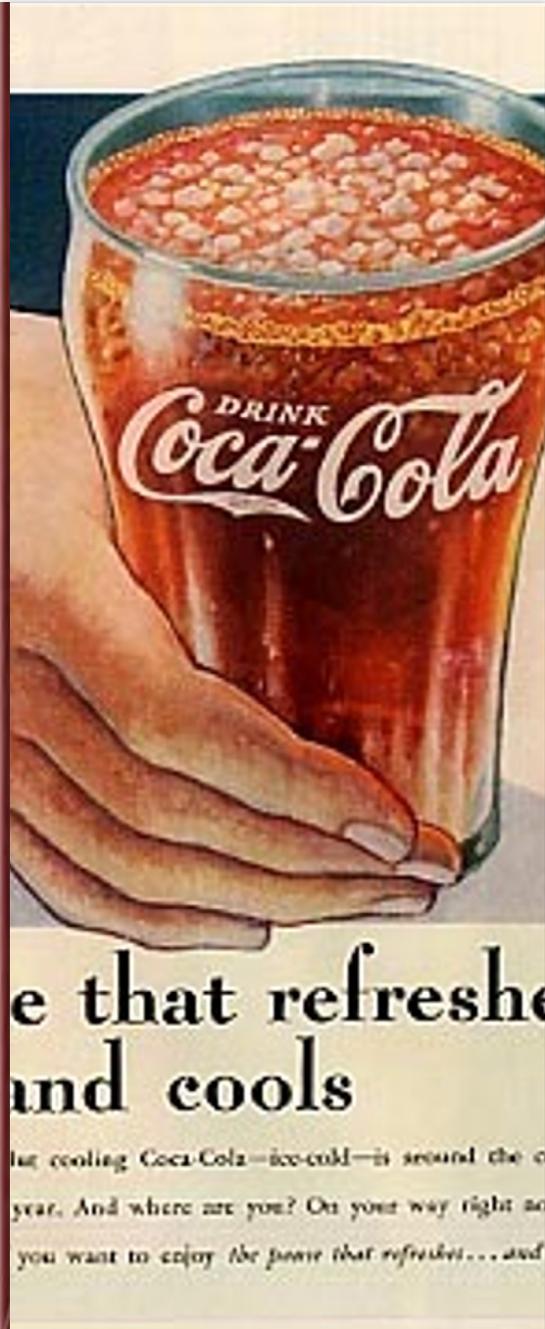


1920s USA: Why Did the Economy Boom?

 **Mission:** to discover why the American economy boomed during the 1920s.



The Rise of a Superpower

There were a number of reasons why the USA became the leading world power during the 1920's. The following sources will further explain the main reasons listed below.

-  **Impact of WW1**
-  **Republican Policies**
-  **Industrial Strength**
-  **New Ideas New Methods**
-  **Other Reasons**

Republican Presidents were in office from 1921 to 1933. They followed a policy of **laissez faire**, meaning that the government interfered as little as possible in the running of the economy. Instead, they believed that business should get on with the process of creating jobs and wealth. The government helped in this by keeping taxes as low as possible. This also allowed businesses to invest more money, expand and giving consumers more money to keep spending.

BBC Bitesize Revision Extract

Marketing : Propaganda

According to a recent Nationwide survey:
**MORE DOCTORS SMOKE CAMELS
THAN ANY OTHER CIGARETTE**

The period from 1920 - 29 is often called the 'Roaring Twenties' because it was a time of noise, lively action and economic prosperity. The First World War had been good for American business. Factory production had risen sharply to meet the needs of the war. America had been able to capture markets that used to buy from Europe. Once the war was over these countries continued to buy American goods.

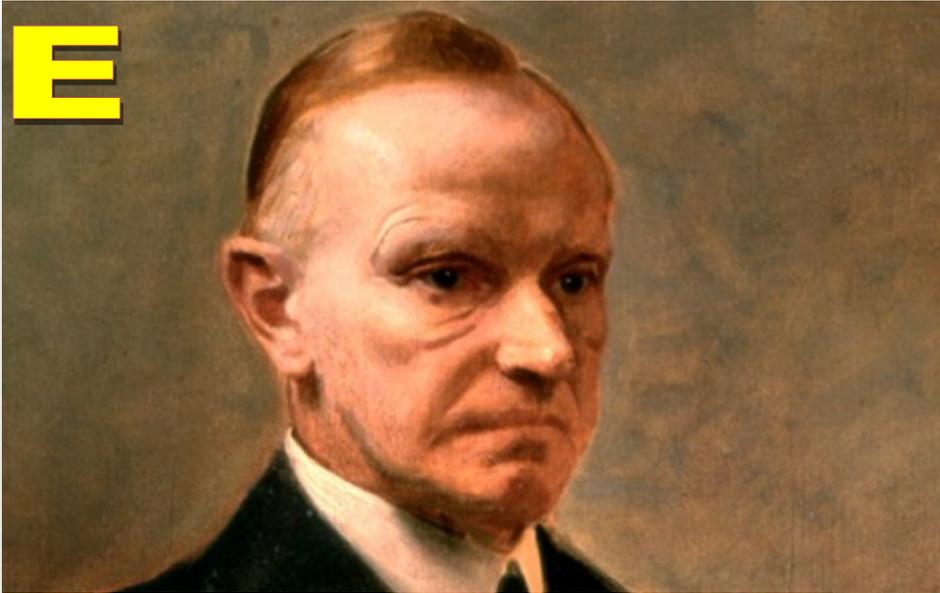
Schoolshistory.org

C

The Republican Presidents - Harding, Coolidge and Hoover, tried to help American businesses by increasing taxes on foreign imports. This was achieved with a new law called the **Fordney – McCumber Tarriff Act in 1922**. These new import taxes were called 'Tariffs' and made goods that were made outside of the USA more expensive to buy. This encouraged Americans to buy goods made in the USA and led to a boom in the amount of goods being made and sold by American businesses.

Schoolshistory.org

D



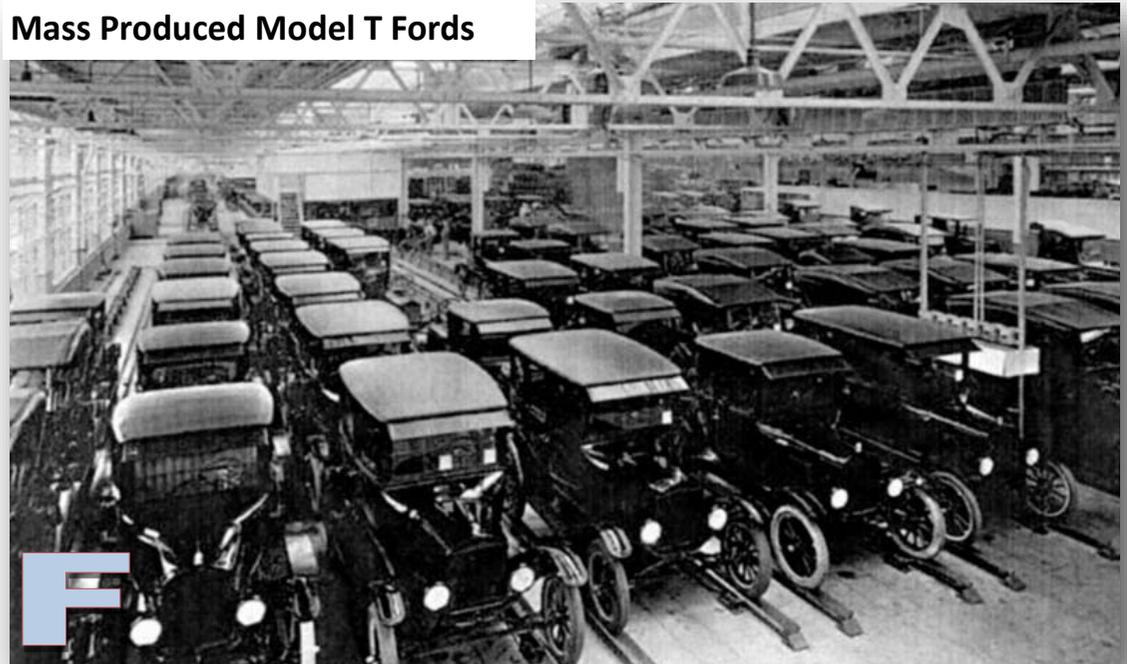
Republican President Calvin Coolidge: 1923 -1929

The Americans stayed out of fighting in the First World War until 1917, but throughout the war they lent money to the Allies, and sold weapons and food to Britain and France. This one way trade gave American industry a real head start before the 1920's. In addition, while European colonial powers fought it out, the Americans were able to take advantage and fill the global trade gap created. There were other benefits too. Before the war Germany had had one of the most successful chemical industries. The war stopped this in its tracks and by the end of the war the USA had taken over Germany in the supply of chemical products. When the USA did join the fighting in 1917, it was not in the war long enough for the war to drain it's morale and resources like it had drained Europe's.

Ben Walsh - Modern World History

G

Mass Produced Model T Fords



F

Electrical power was introduced in factories to drive machinery, and thus it became possible to introduce *mass-production* to a number of factories, eg refrigerators, washing machines, vacuum cleaners and radio sets The car industry is the best example of mass-production during the period. **Henry Ford** was a pioneer with his idea of mass producing affordable cars for the people of America. As he produced more and more cars, he could reduce his prices. By 1925 the price of a car was around \$290, which was much cheaper than the price of \$850 in 1908. Henry Ford was of the opinion that it was better to sell more cars for a small profit, as that meant employing more workers. By 1929 Americans owned 23 million cars. The workers earned good wages (\$5 per day), thousands of jobs were created, roads were built, petrol stations were built, as were hotels and restaurants. Therefore the **entire** economy was given a substantial boost due to the car industry

H

School History Textbook.

“Work is planned on the drawing board and the operations sub – divided so that each man and each machine do only one thing ... the thing is to keep everything in motion and take the work to the man not the man to the work.”

Henry Ford c 1924

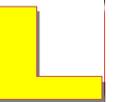


Ever since the 1870s, American industry had been growing quickly. By the time of the First World War, the USA led the world in most areas of industry. It was the leading oil producer. It was leading in developing new technology such as motor cars, telephones and electric lightning. In fact electricity and electrical goods were a key factor in the economic boom. Other new industries such as chemicals were also growing fast. The managers of these new industries were increasingly skilled and professional, and they were selling more and more of their products in the USA and in Europe, Latin America and the Far East.

Ben Walsh—Modern World History



During the First World War **propaganda** was used to persuade people to join the fight - after the war ended, companies hired the same creative people persuade people to **BUY** via **marketing!**



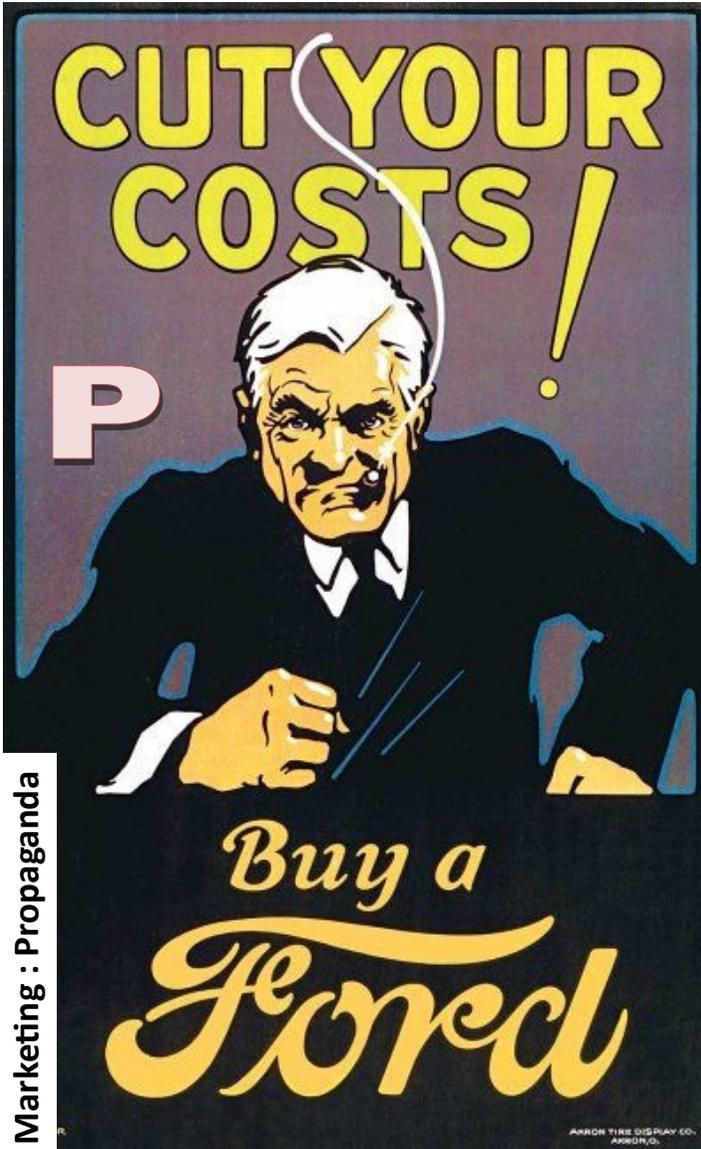
The Republicans allowed the development of trusts. These were super corporations, which dominated industry. Woodrow Wilson and the Democrats had fought against the idea of trusts because they believed it was unhealthy for men such as Carnegie (steel) and Rockefeller (oil) to have a monopoly (complete control) of a whole industry. Republicans allowed the trusts to do what they wanted, believing that these ‘captains of industry’ knew better than anyone what was good for the USA.



New Consumer Goods - The Radio

Ben Walsh
GCSE Modern World History.
Textbook





Marketing : Propaganda

'The Republicans kept taxes as low as possible. This brought some benefits to ordinary working people, but it brought even more to the very wealthy. The Republican thinking was that if people kept their own money they would spend it on American goods and wealthy people would invest their money into industries.'

Ben Walsh - Modern World History



In order to help American people to purchase the new goods that were available, systems of *hire-purchase and credit* were introduced. This meant that a person could buy something by paying for it on a monthly basis. As a result, the majority of Americans could afford expensive goods. In order to encourage Americans to take advantage of the scheme, advertisements were placed on roadsides, on the radio, in newspapers and in cinemas. During the same period, chain stores appeared for the first time, eg J P Penney. Catalogue shopping also became fashionable as it was a convenient way of buying goods.

BBC History Bitesize



The USA was a vast (very big) country, rich in natural resources. It had a growing population, c120 million by 1923. Most of the population was living in towns and cities. Most worked in industry and usually earning higher wages than in farming. These new town dwellers became an important market for the USA's new industries. Most companies had no need to export outside of the US and had access to all the raw materials they needed.



Ben Walsh - GCSE Modern World History.



Resources By State

The Impact of **WW1**

Industrial Strength

WHY

Other Reasons

BOOM ?

Republican Policies

New **Ideas** - New **Methods**

Impact of WW1

B

Republican Polices

O

O

New Ideas + Methods

M

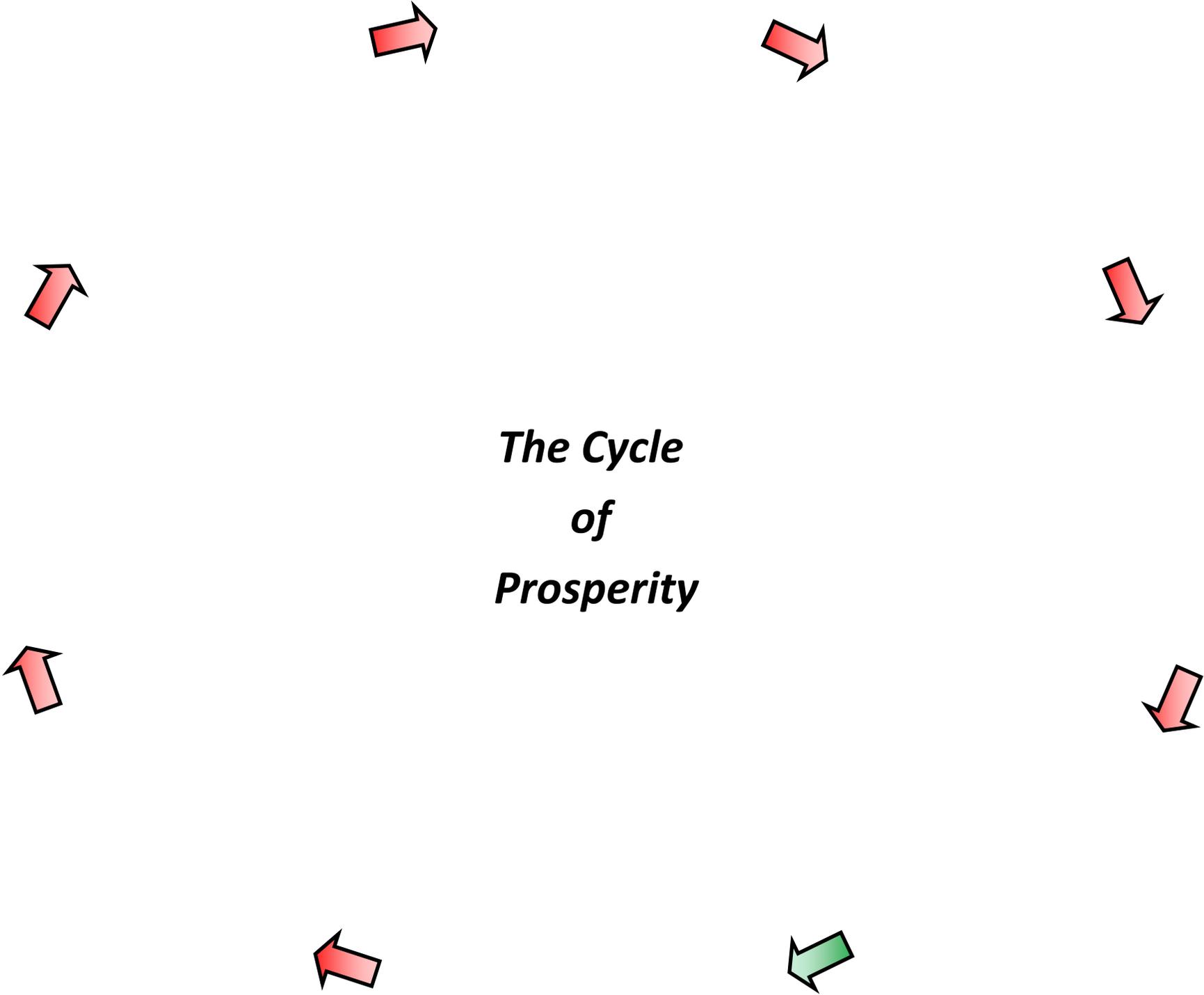


Industrial Strength



Make revision notes in and around BOOM

*The Cycle
of
Prosperity*



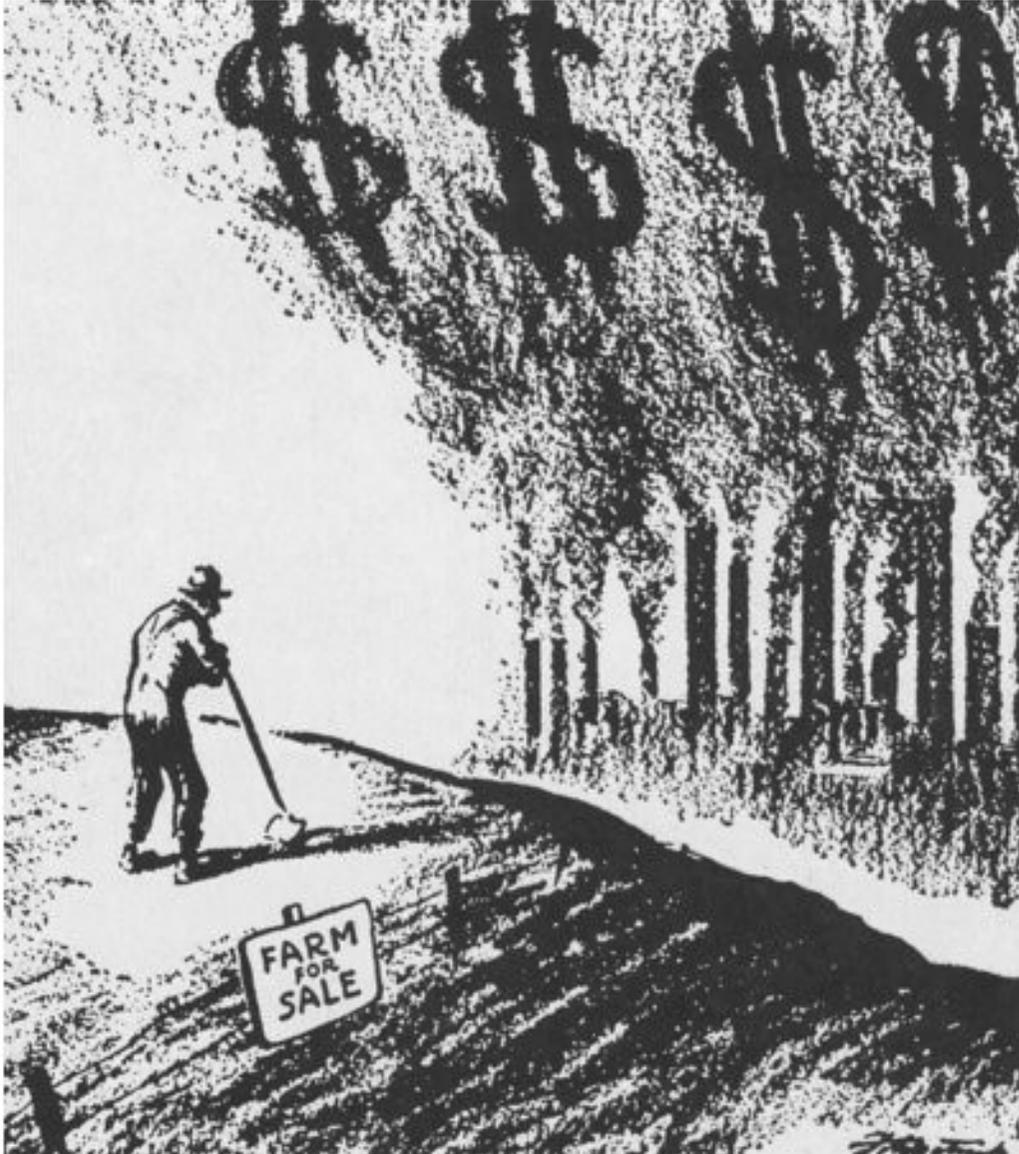




The cartoon about a man leaning on a rake



Know: how to identify the main features of a cartoon **Understand:** how to interpret these features **Skill:** cartoon analysis + evaluation.



Political Cartoon

Origins / Provenance - 1920s USA

Message of the cartoon (write this AFTER completing DEC process)

DESCRIBE the main features of the cartoon / poster

1. _____
2. _____
3. _____
4. _____
5. _____

EXPLAIN / interpret the main features of the cartoon / poster

1. _____
2. _____
3. _____
4. _____
5. _____

CONTEXT: what historical event / period is this cartoon about?

Reliable message or not? (circle a score below)

Unreliable 1 2 3 4 5 6 7 8 9 10 Reliable

Why Did The American Economy Boom?

Mission: use the sources to understand why the USA boomed in the 1920s.



Propaganda



Evaluate



Guess



Do Sum



Choose



Spot Bias



Corroborate



List



Explain

WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods

A

Define **laissez faire** and explain how it helped the American economy.



WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods

B

Identify the **propaganda devices** used in this advertisement .

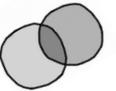


Plain Folk	Bandwagon	Generalisation
Name Calling	Testimonial	Repetition
Symbolism	Card Stacking	Other

WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods

C + G

What is **corroborated** in these two sources ?



WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods

D

Explain how the **Fordney – McCumber Tarriff Act** helped the economy



WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods

H

Do some **sums** !



How much cheaper were cars in 1925 compared to 1908 =

Roughly How many days would a car worker need to work to buy a car in 1925 =

The US population was 122 million in 1929 - what was the ratio on car owners to non car owners =

WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods

J + F + H

List 3 benefits of Henry Ford's method of mass production



1 -

2 -

3 -

WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods



K

What's **new** after 1870?

1.	2.
3.	4.
5.	6.

WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods



L

Identify the **propaganda devices** used in this advertisement .

Plain Folk	Bandwagon	Generalisation
Name Calling	Testimonial	Repetition
Symbolism	Card Stacking	Other

WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods



M

Trusts in the trusts ?

Trusts were
Captains of industry were ...
Trusts helped the economy by ...

WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods



N,L,O

Explain the connection between these 3 sources in relation to the boom

WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods



Q

What's **new**?

1.	2.
3.	4.
4.	6.

WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods



R + U

How did America's resources helped the economic boom ?

1 -
2 -
3 -

WW1 Legacy Republican Policy Industrial Strength New Ideas / Methods



S

Why did Republicans prefer low taxes ?

Why Did The U.S. Economy Boom?

Major Reasons For The Boom

1= Impact of WW1

2= Republican Policies

3= Industrial Strength

4= New Ideas + Methods

Mission: use the sources and understand reasons for the economic boom.

	Key Point	Explain / develop	1	2	3	4
A	Policy of Laissez Faire	This Republican policy gave businesses a lot of freedom to grow without interference from the government.				
B	Marketing and advertisements	Companies became skilled at selling products to the American consumer - even things they didn't need!				
C						
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