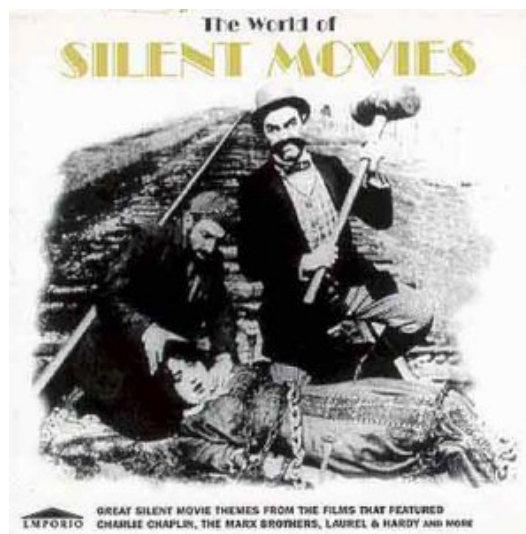


Key Question 2
The Rise and Fall of the American Economy



WHITCHURCH HIGH SCHOOL
HISTORY GCSE
UNIT 2
IN-DEPTH STUDY



THE USA, A NATION OF CONTRASTS
1910-1929

Key Question 2
The Rise and Fall of the American Economy

MARKING AND ASSESSMENT OF YOUR WORK

What we expect from you.

- You must present all work neatly and tidily - no graffiti or unnecessary drawing in your workpacks
- You must complete all class tasks set by the teacher
- You must answer all your work in full sentences
- You must complete all of your homework on time

What you can expect from us.

Classwork - This will be checked and commented on for presentation and quality of answers - Worthy of praises can be awarded for exceptional effort and work in lessons.

Assessment Tasks - These will be marked using subject criteria and you will be awarded the marks or grades you achieve for that specific skill. Your teacher will tell you what level you have achieved and will make a comment on how you can make progress to the next level.

End of Unit Tests - These will be marked using the WJEC Examination markschemes and you will be awarded marks and grades that will help you understand the progress you are making. After each Unit test you will be given a review and target sheet which will comment on your performance and suggest ways in which you can make progress. You will also be able to comment on your performance and set targets for the future.

Worthy of praises

1. You can achieve worthy of praise points for high quality work in lessons
2. You can achieve worthy of praise points for full completion of workpack including extension tasks. There will be no graffiti or unnecessary writing or drawing in the packs.

Key Question 2

The Rise and Fall of the American Economy

This unit focuses in depth on selected themes and issues relating to the history of the USA between 1910-1929. You will be required to:-

- consider the main problems and challenges facing American society during the period, the major economic problems and the development of American culture and society.
- develop an awareness of how aspects of life in the USA in this period have been represented and interpreted
- investigate any relevant issues using a range of historical sources.

The Syllabus - Topic 2

THE RISE AND FALL OF THE AMERICAN ECONOMY	
Key questions	Content
<p>What were the causes of the economic boom?</p>	<p>America's assets and development - (<i>natural resources; hire purchase and easy credit; spread of electricity; new methods of manufacturing; mass production</i>)</p> <p>The attitude and policies of the Republican Presidents - (<i>Laissez faire policy; rugged individualism, protectionism</i>)</p>
<p>How did this prosperity affect American society?</p>	<p>The new consumer society (<i>new household gadgets e.g: telephone, refrigerators, hoovers; the era of the skyscraper</i>)</p> <p>The influence of the car industry (<i>Ford and the development of the assembly line; the Model T; impact on feeder industries; improvements in infrastructure</i>)</p> <p>Groups and sectors that did not prosper (<i>e.g: farmers; black Americans; immigrants; older industries; the trade unions</i>)</p>
<p>Why did this prosperity come to a sudden end in 1929?</p>	<p>Longer term reasons for the end of prosperity (<i>e.g: overproduction; falling demand for consumer goods; boom in land and property values</i>)</p> <p>Short term reasons for the end of prosperity (<i>e.g: over speculation in shares; availability of easy credit</i>)</p> <p>The Wall Street Crash and its immediate effects (<i>e.g loss of confidence; panic selling; Black Thursday; crash of the markets</i>)</p>

Key Question 2

The Rise and Fall of the American Economy

THE US ECONOMY IN 1910

By 1910 the US economy was developing into one of the world's strongest.

1. What do we mean by 'the economy of the US'?

--

US industry was beginning to bring great benefits to its citizens. At the same time the development of rich farmland on the Great Plains ensured an efficient and advanced agricultural system. All classes were beginning to benefit from improved productivity (amount of things being made) and efficiency. There were more orders for goods and more demand for food which meant that more people needed to be employed to supply these things. This meant more people had steady incomes (wages). The economy was on the upturn. However there were some Americans who were not benefiting from this improved economy.

2. Who was not benefiting?

2.[a]

[b]

[c]

TIMELINE OF EVENTS

- 1913 - Henry Ford Pioneers assembly line production
- 1914 - Start of WW1
- 1917 - USA enters WW1
- 1918 - End of WW1
- 1919 - Economic recession - strikes in USA
- 1921 - **Warren Harding US President**
- 1922 - Boom in US economy
- 1923 - **Calvin Coolidge US President**
- 1925 - Model T Ford costs \$290
- 1929 - Wall Street Crash
- 1929 - **Herbert Hoover US President**

Key Question 2

The Rise and Fall of the American Economy

WHAT WERE THE CAUSES OF THE ECONOMIC BOOM?

Aim: Students should be able to answer the question - Why did the American Economy experience a boom between 1915-1929

Objective: Students to complete tasks on this topic

IMPACT AND CONSEQUENCES OF THE FIRST WORLD WAR

1. Read p 109 and in the spaces below answer the question. What was the impact of the First World War on the American Economy? Do not copy out from the text just make a brief point

1.
2.
3.
4.
5.

2. In 1919 there was a lot of unemployment in America after WW1. Why was this? Give 2 reasons.

[a]
[b]

3 Why did workers get angry at this time?

--

4 Explain briefly what happened in America between 1919 and 1922

1919 -
Race -
1921 -

5 But what was happening by 1922?

Key Question 2

The Rise and Fall of the American Economy

WHAT WERE THE CAUSES OF THE ECONOMIC BOOM OF THE 1920's

Aim: To develop an understanding of the changes in the American economy from 1920-1929

Objectives: To complete tasks on this topic

Resources: Introductory Powerpoint on website - Video on website Reading in workpack and P 109-113 in Text.

Read the following and then read p109-113 in the textbook so that you can complete the diagram on p 7 of this pack

ECONOMIC BOOM

The keys to America's economic boom were **technological progress and increased consumer demand**. Businesses began to make huge profits.

Industrial production virtually doubled in the 1920s.

Between 1919 and 1920:

- America's gross national product (GNP) grew from \$78 billion to \$103 billion.
- The number of households with a radio rose from 60,000 to 10 million.
- The number of people filing income tax returns for earnings of more than \$1 million a year rose from 65 to 513.
- The number of airline passengers grew from less than 6000 in 1926, to approximately 173,000 in 1929.

The economic boom affected society. Jobs were easy to find and were better paid than before. There was a clear link between prosperity and social change. For example, as middle-class women became better off they enjoyed greater social freedom - they wore make-up, shorter skirts and smoked in public. Above all, the motor industry (automobiles) grew rapidly. As the cars poured off the production lines there was a need for more rubber to make tyres, glass for windscreens and leather for seats. The man behind the rise of the motor industry was Henry Ford.

FIVE CAUSES OF THE BOOM

1. **Isolationism** - the republican government under **President Harding** (1921-3) and **President Coolidge** (1923-9) kept out of foreign affairs, and limited foreign competition by imposing high import tariffs.
2. **Technology** - especially in the electrical, chemicals and film industries.
3. **Mass production** - especially in the automobile industry.
4. **Hire purchase** - allowed people to purchase new gadgets such as vacuum cleaners, washing machines and refrigerators. Borrowing increased the amount of money available to spend, and, therefore, the demand for goods.
5. **Shares** - firms learned to raise money for expansion by selling shares on the Stock Exchange - this was to cause problems later.

Key Question 2
The Rise and Fall of the American Economy

INFRASTRUCTURE

PRODUCTION LINE

CAUSES OF THE ECONOMIC
BOOM



GOVERNMENT'S ROLE

CONSUMERISM

Key Question 2

The Rise and Fall of the American Economy

Henry Ford and the impact of the motor industry

- The motor industry led to a boom in other related industries
- Henry Ford developed the **assembly line** and conveyor belt to speed up motor production.
- Ford's River Rouge plant in Detroit, Michigan became the largest factory in the world.
- Ford produced a standard model, the Model T Ford. A new Model T Ford cost less than \$300 in the mid-1920s.
- By 1929, more than 26 million cars were registered in the USA.
- The automobile industry also caused other industries such as steel, rubber, leather and paint to grow rapidly.



A model T Ford

'You can have any colour you like as long as it's black'



Source A

Ford's assembly line in Detroit

[a] What does source A tell you about how cars were made in the Ford car factory?

[2]

Key Question 2

The Rise and Fall of the American Economy

THE POLICIES OF THE REPUBLICAN PRESIDENTS

Aim: To understand how the policies of the US Presidents helped the Economic Boom of the 1920's

Objective: to complete the task on this topic.

Resources: Text book P 111.

Read the text about the Warren Harding, Calvin Coolidge, and Herbert Hoover then complete the speeches next to their pictures.



I am **WARREN HARDING**. As you can see I am very good looking. I was a Republican President between 1921 and 1923. I believe in a policy of _____. I _____ taxes to let firms have more money to _____ in development and growth. To protect the country from foreign competition I introduced the _____ in 1922. This placed _____



I am **CALVIN COOLIDGE** and this is my beautiful wife. I was Republican President from 1923-1929. I was known as _____. I once said 'The business of _____'. While I was President the economy _____.



I am **HERBERT HOOVER**, best looking of all the Republican Presidents. I was President from 1929. I believed in **LAISSEZ-FAIRE** and '**rugged individualism**'. This means that people should _____

Key Question 2

The Rise and Fall of the American Economy

WHAT WERE THE CAUSES OF THE ECONOMIC BOOM OF THE 1920's

From 1922 to 1929 there was an economic boom in America - Why was this? Complete the 2 diagrams below to explain this add a brief explanation of each of the headings. See p110 in the textbook. There is one example given.

Electricity -
Allowed **mass production** in industry.
Made vacuum cleaners, fridges, washing machines radios

Presidents -
1921
1923
1929
Isolationism

Laissez-faire

Impact of WW1 -

Reasons for the economic boom (1)

New production methods

Henry Ford

Availability of credit

Advertising

Transport

Construction

Key Question 2

The Rise and Fall of the American Economy

DID ALL AMERICANS EXPERIENCE DO WELL OUT OF THE BOOM?

Aim: To understand that not every body benefited from the economic boom

Objective: To complete the diagram on the economic losers during 1920-1929

Resources: Textbook p113

Task - Read p113 and complete the diagram below. Who did worse in this period? Put your choice of which group did worse in the rank column in the diagram.

Group	Why they suffered	What happened to them

The pictures below represent all the groups that did not benefit from the boom. Using your knowledge label the pictures.



Key Question 2

The Rise and Fall of the American Economy

TEST YOUR LKNOWLEDGE - WHAT CAN YOU REMEMBER?

Complete the sentences below and then find the words in the wordsearch

1. These people suffered in the 1920's boom F_____
2. This means to leave alone or no government intervention in the economy.
L_____
3. There were 20,000,000 of these by 1929 T_____
4. He was President in 1921 H_____
5. This man made the most popular car in the 1920's H_____
6. Cars were made on these A_____ L_____
7. The development of electricity enabled M_____ P_____ in
factories
8. He was president in 1923 (nickname Silent Cal) C_____
9. This was the most popular car (only in Black) M_____
10. People used this to buy goods if the had no cash C_____
11. America was to be separate from the rest of the world I_____
12. He was president in 1929 H_____
13. These people had come a long way to be given low pay I_____
14. The Empire State Building is one of these S_____
15. This was used much more so sell goods A_____

A	S	D	G	H	J	K	L	I	C	W	A	D	V	E	R	T	I	S	I	N	G	Y
T	H	I	S	O	L	A	T	I	O	N	I	S	M	A	S	D	G	H	J	K	L	I
E	J	X	I	V	A	X	I	E	O	E	R	T	I	D	F	G	H	J	K	L	P	F
L	U	H	J	C	I	Z	J	I	L	M	I	F	J	M	L	F	A	R	M	E	R	S
E	T	E	M	I	S	P	M	J	I	A	J	C	K	T	M	K	M	D	F	G	H	J
P	E	N	H	J	S	I	H	M	D	S	M	I	S	R	F	I	K	R	T	Y	U	I
H	W	R	G	M	E	J	G	H	G	S	H	J	K	C	V	U	G	D	F	G	H	J
O	Q	Y	F	H	Z	M	F	G	E	P	G	M	Y	V	B	N	Y	R	T	U	O	H
N	S	F	D	G	F	H	D	F	L	R	F	H	S	D	F	G	H	J	A	M	N	B
E	D	O	S	F	A	G	S	D	K	O	D	G	C	W	E	R	T	K	G	N	V	B
S	F	R	B	D	I	F	G	S	J	D	S	F	R	M	O	D	E	L	T	N	T	K
X	C	D	B	S	R	D	T	Y	U	U	R	D	A	G	D	F	G	H	J	H	U	S
W	E	R	T	D	E	S	B	M	R	C	T	S	P	C	R	E	D	I	T	G	H	D
D	F	G	H	J	J	K	L	I	E	T	Y	G	E	B	W	E	R	T	F	F	N	F
C	A	S	D	G	H	J	K	L	I	I	U	F	R	C	D	F	G	H	J	D	B	H
V	H	A	R	D	I	N	G	X	B	O	I	D	Y	H	O	O	V	E	R	S	V	Y
B	W	E	R	T	C	V	B	N	M	N	K	S	A	S	D	G	H	J	K	L	I	H
N	M	A	S	S	E	M	B	L	Y	L	I	N	E	X	B	W	E	R	T	A	S	D

Key Question 2
The Rise and Fall of the American Economy

WHAT HAVE I LEARNT ABOUT THE BOOM IN AMERICA IN THE 1920's

(✓) Tick the boxes to show what you know.

I know:

why there was a boom in the USA in the 1920s

what is meant by an assembly line

how US governments helped the boom

what Henry Ford did to help the boom

what was meant by hire purchase

how the First World War helped US industry

how to explain reasons

how to complete a mind map

Knows	not sure	don't know/

I know best

I need to work on (up to 3 targets)

Key Question 2

The Rise and Fall of the American Economy

WHY DID THIS PROSPERITY COME TO A SUDDEN END IN 1929?

THE WALL STREET CRASH

Aim: To understand the long and short term factors behind the Wall Street Crash

Objectives: To complete tasks on Wall Street Crash

Resources: Powerpoint on Wall Street Crash on website, Video on website, workpack resources, Textbook p114-115

THE WALL STREET CRASH

When the Wall Street stock market crashed in October 1929, the world economy was plunged into the **Great Depression**. By the winter of 1932, America was in the depths of the greatest depression in its history.

The number of unemployed people reached upwards of 13 million. Many people lived in primitive conditions close to famine. One New York family moved into a cave in Central Park. In St Louis, more than 1,000 people lived in shacks made from scrap metal and boxes. There were many similar **Hoovervilles** all over America. Between 1 and 2 million people travelled the country desperately looking for work. Signs saying 'No Men Wanted' were displayed all over the country.

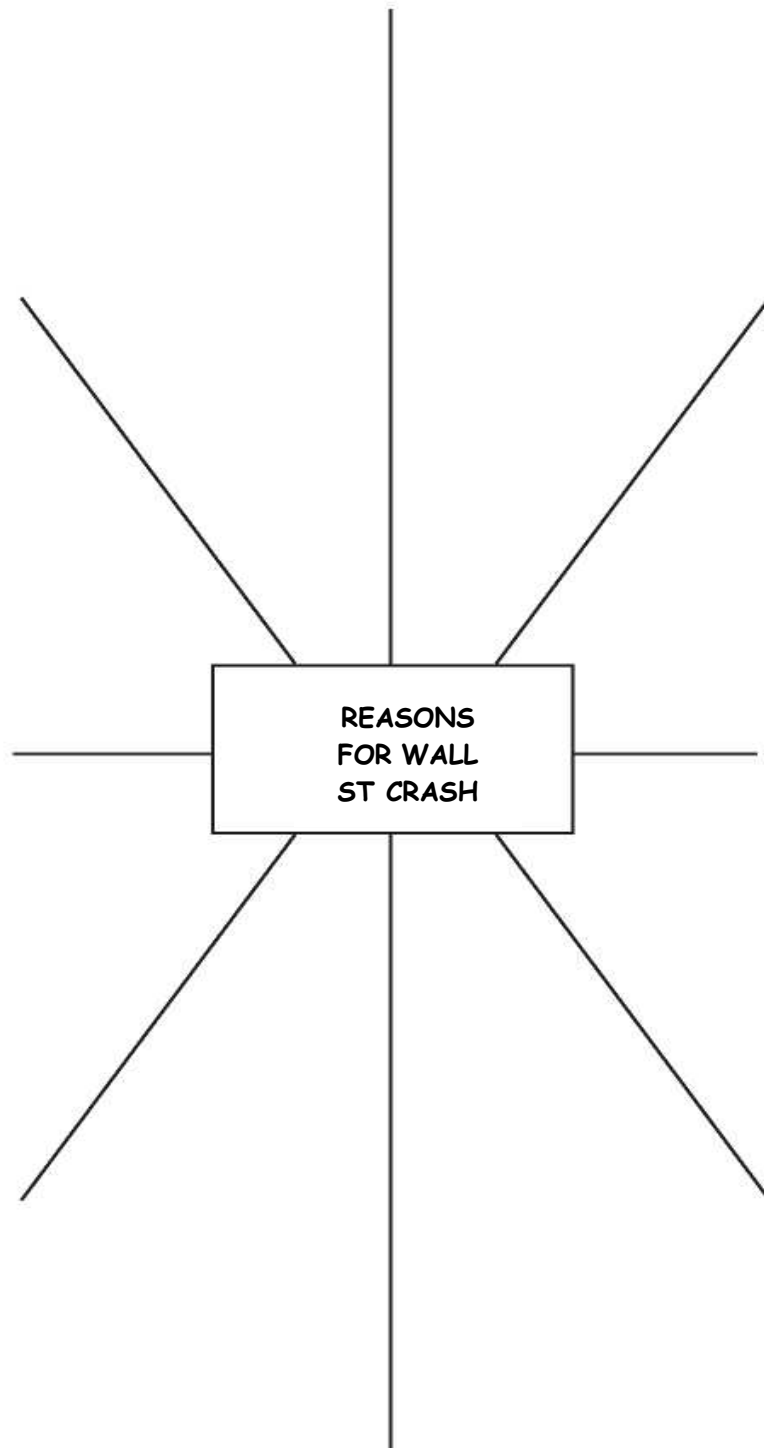
CAUSES OF THE DEPRESSION

1. As early as 1926, there were signs that the boom was under threat - this was seen in the collapse of land prices in Florida.
2. Eventually, there were too many goods being made and not enough people to buy them.
3. Farmers had produced too much food in the 1920s, so prices for their produce became steadily lower.
4. There were too many small banks - these banks did not have enough funds to cope with the sudden rush to take out savings, which happened in the autumn of 1929.
5. Too much speculation on the stock market - the middle class had a lot to lose and they had spent a lot on what amounted to pieces of paper.
6. The Wall Street Crash of October 1929 was a massive psychological blow.
7. America had lent huge sums of money to European countries. When the stock market collapsed, they suddenly recalled those loans. This had a devastating impact on the European economy.
8. The collapse of European banks caused a general world financial crisis.

Key Question 2

The Rise and Fall of the American Economy

Task:- Read page 10 of the workpack and page 114 and 115 of the textbook and complete this diagram by writing in the reasons for the Wall Street Crash. Then shade the Long term factors in green and the short term factors in red.



Key Question 2

The Rise and Fall of the American Economy

WHAT WAS THE IMPACT OF THE WALL STREET CRASH?

Aim: To understand that the Wall Street Crash had a real impact on the way of life of many Americans. To understand how to interpret graphs as evidence.

Objective: Students will complete the tasks on this topic.

EFFECTS OF THE DEPRESSION

1. Unemployment - 13 million people were out of work.
2. Industrial production dropped by 45 per cent between 1929 and 1932.
3. House-building fell by 80 per cent between 1929 and 1932.
4. The entire American banking system reached the brink of collapse.
5. From 1929 to 1932, 5,000 banks went out of business.
6. Although many people went hungry, the number of recorded deaths from starvation during the Depression was 110, although many other illnesses and deaths were probably related to a lack of nutrition.

The Growth of Hooverilles

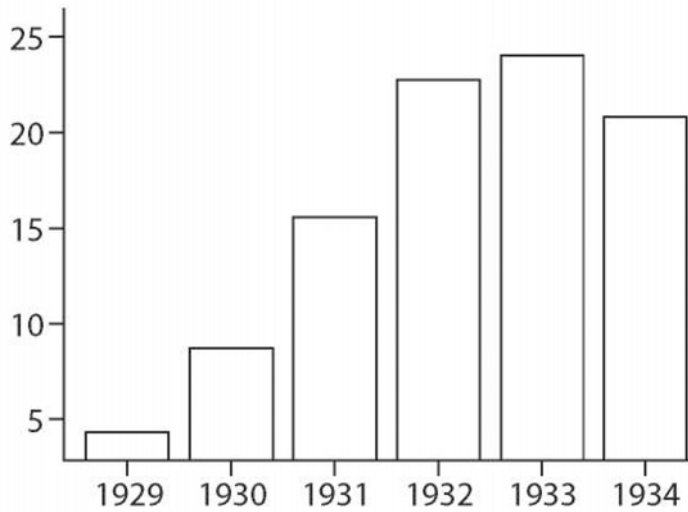
In the 1930s, Hooverilles (shantytowns) formed coast to coast in cities of the United States. Some families were fortunate enough to stay with friends and family members that hadn't been evicted yet, but homeless men, women and children were forced to take up residence in shacks as a result of the Great Depression. Angry, cold and hungry Americans, who had no other place to reside, dubbed groups of those shacks in honour of President **Herbert Hoover**.



A typical Hooverville

Key Question 2
The Rise and Fall of the American Economy

LONG TERM IMPACT ON THE AMERICAN ECONOMY



Percentage of workforce unemployed

[a] What can you learn from this graph about the American economy after 1929? [2]



Key Question 2

The Rise and Fall of the American Economy

WHAT HAVE I LEARNT ABOUT THE WALL STREET CRASH

(✓) Tick the boxes to show what you know.

I know:

what speculation is

why people invested in the stock market

what happened in October 1929

why there was overproduction in some companies

what the Wall Street Crash was

What the impact of the crash was on the American economy

What a Hooverville was

Knows	not sure	don't know/

I know best

--

I need to work on (up to 3 targets)

Key Question 2

The Rise and Fall of the American Economy

GLOSSARY

ECONOMY	
PROSPERITY	
RECESSION	
MASS PRODUCTION	
OVER PRODUCTION	
MECHANISATION	
SHARES	
CREDIT	
LAISSAEZ-FAIRE	
RUGGED INDIVIDUALISM	
PROTECTIONISM	
ISOLATIONISM	
DEPRESSION	
SPECULATION	
HOOVERILLES	