

Paper 2
Section A
USA 1919 -1929

THE USA 1919 - 1929

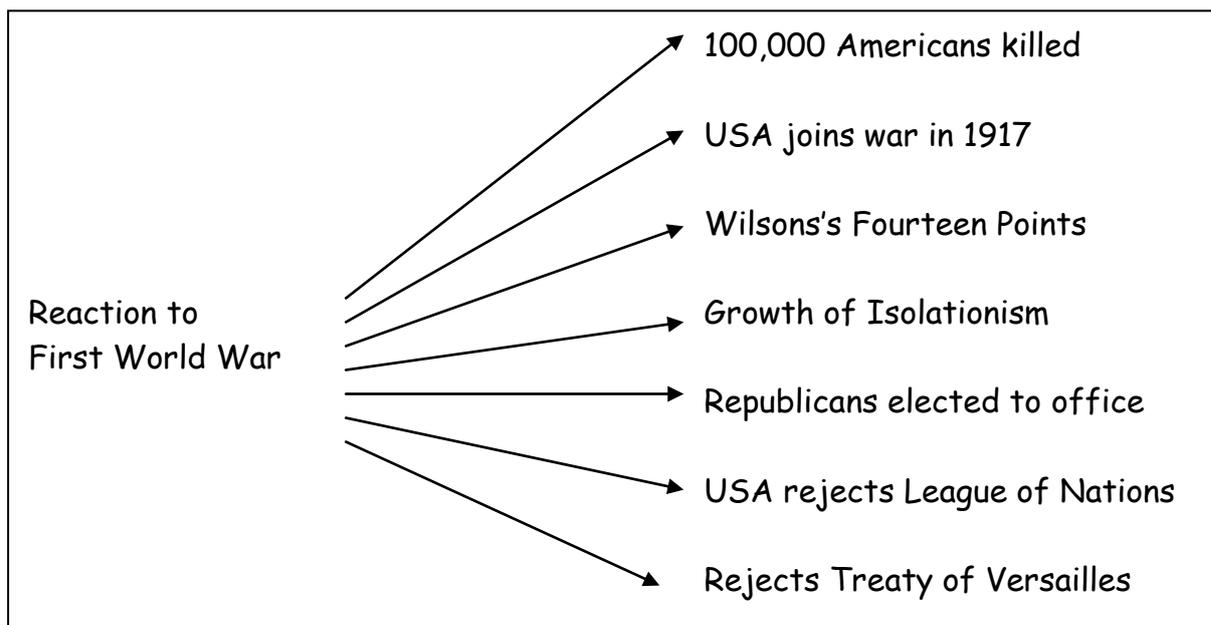
Part One

The Growth of Isolation 1919 - 1922

Isolation = Not wanting to get involved in other countries problems.

The First World War had brought benefits to the USA. America had supplied the Allies with their food and raw materials, and also gained overseas markets from the countries involved in the fighting. It had become the strongest power in the world. However, the war had other effects. The loss of American lives in a 'European' war brought a mood of isolation. This caused policy changes within the USA including the restriction of immigration and trade.

How did the USA react to the end of World War I



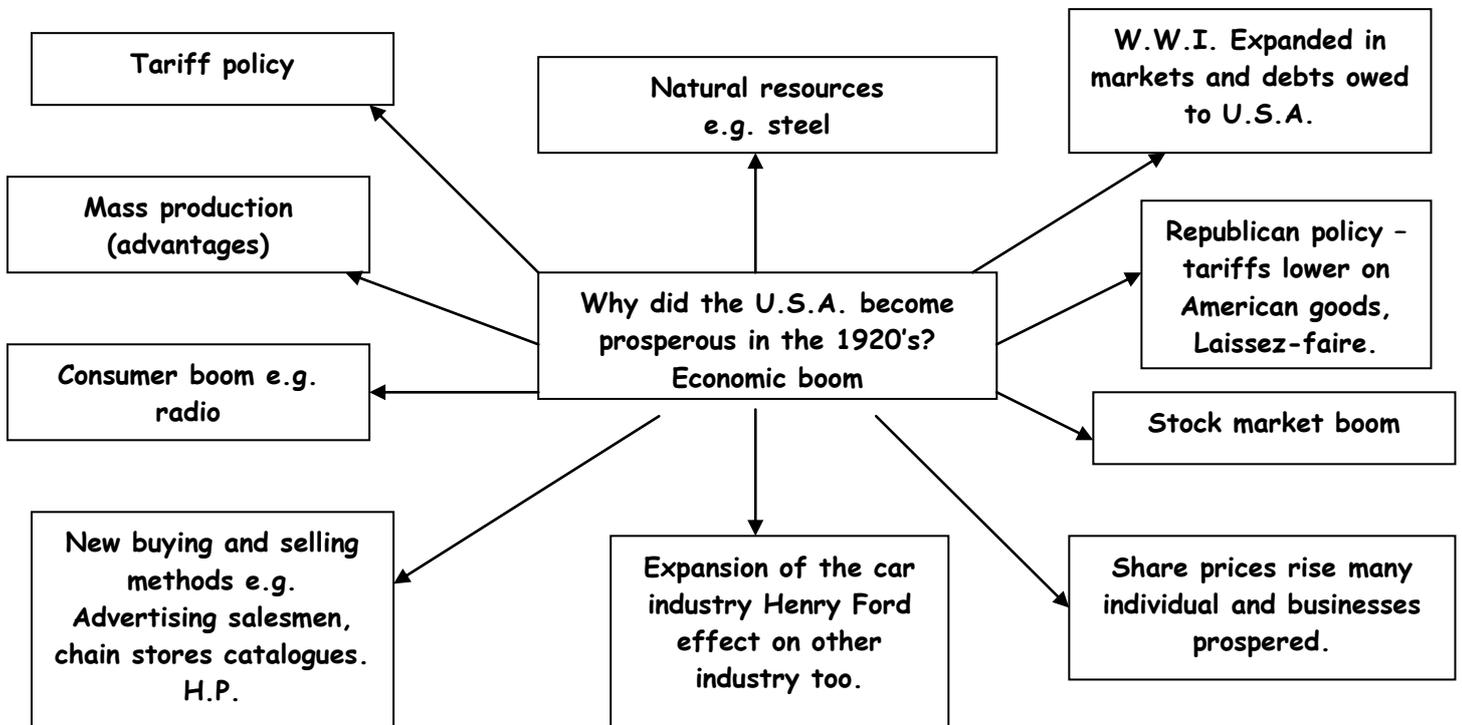
Part Two

The Promised Land?

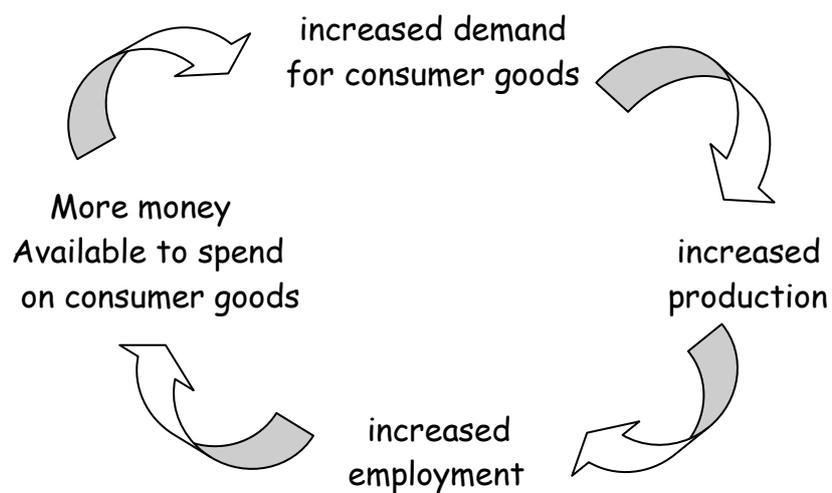
The USA in the 1920s

The 1920s was a time of contrasts in the USA. Economic prosperity allowed many Americans to buy a wide range of consumer goods to make life easier. They also began to invest in shares, and the stock market boomed. At the same time there was poverty, and many Americans could

not share in the prosperity. There was also intolerance, especially towards black people. In addition, the introduction of Prohibition resulted in organised crime and violence.



CIRCLE OF PROSPERITY



Americans who did not share in the prosperity

Some sections of the population continued to live in poverty:

- **Farmers** New machinery produced too much food - more than the US population needed - so food prices fell. This meant that farmers' incomes fell, and many farmers were evicted from their land because they could not afford to keep up their mortgage payments.
- **Black People** Many black people suffered from the slump in farming and lost their jobs. Large numbers moved from the south to the north in search of work but still ended up with the lowest-paid jobs. This was also the case for many immigrants.
- **Workers in older industries** Coalmines closed as people began using new forms of power such as gas, oil and electricity. Textile factories closed as demand fell.

*60% earned less than \$2,500 (below the poverty line)

"The Roaring Twenties"

Is this a good description of the USA in the 1920s?

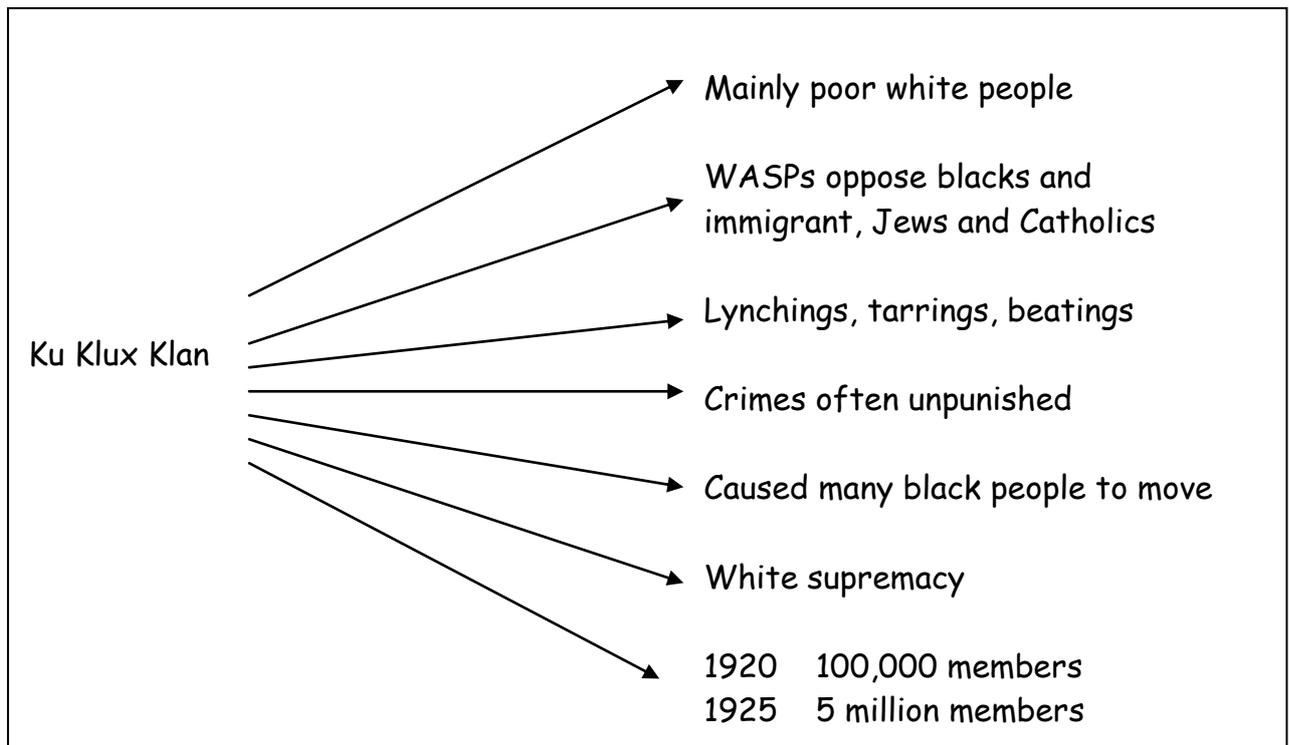
Social Changes - Good

- More prosperity
- New technology
- Role of women
- Leisure time
- Cars
- Cities
- Reaction to W.W.1.

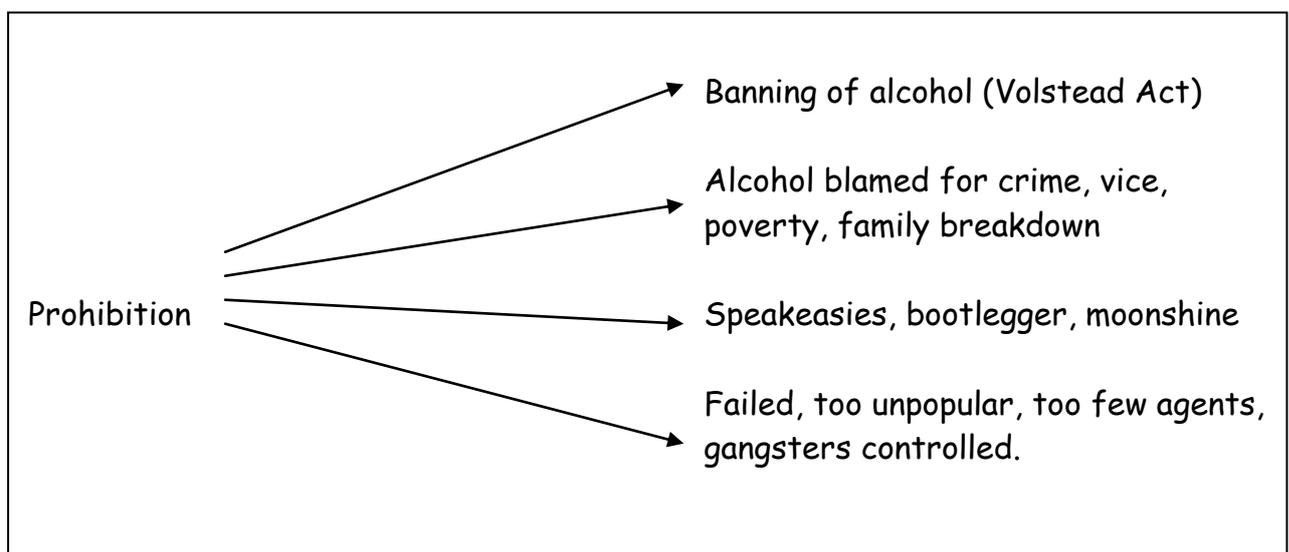
More prosperity - more money & time for leisure activities & consumer goods.

- Impact of the car - advantage - drawbacks
- Women - vote - household items - flappers
- Dancers - music - sports - crazes - jazz
- Cinema - Hollywood

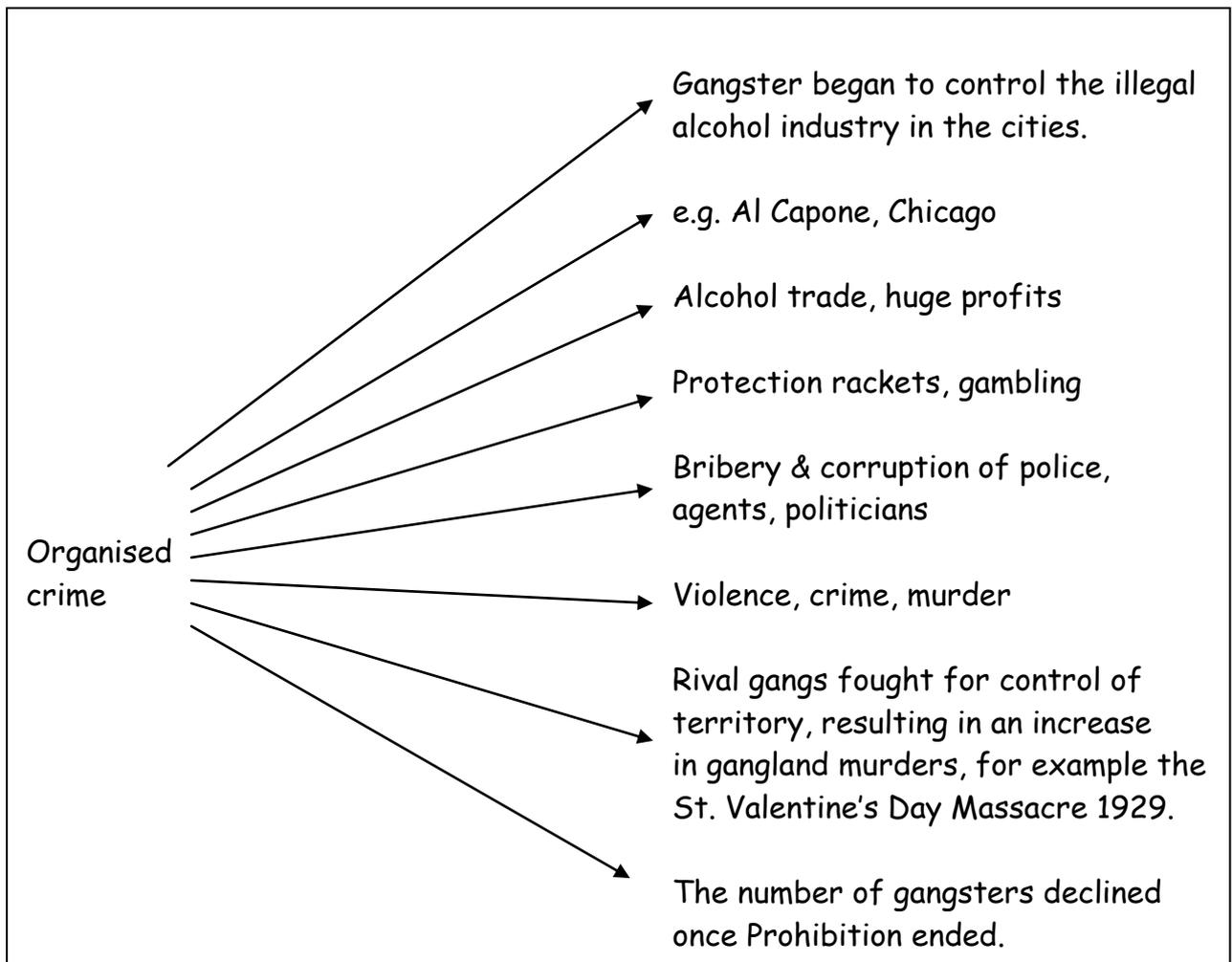
Social Changes - Bad



- Klan members often got away with their crimes because the Klan had links with the police and judges. It would also threaten witnesses and juries.
- It forced many black people to move to the northern towns.
- By the late 1920s its membership began to fall - but it continues to exist.



- Most American opposed Prohibition and where prepared to break the law to continue drinking.
- Attempts by the authorities to control the illegal drink trade failed.
- In 1933 Roosevelt ended Prohibition.

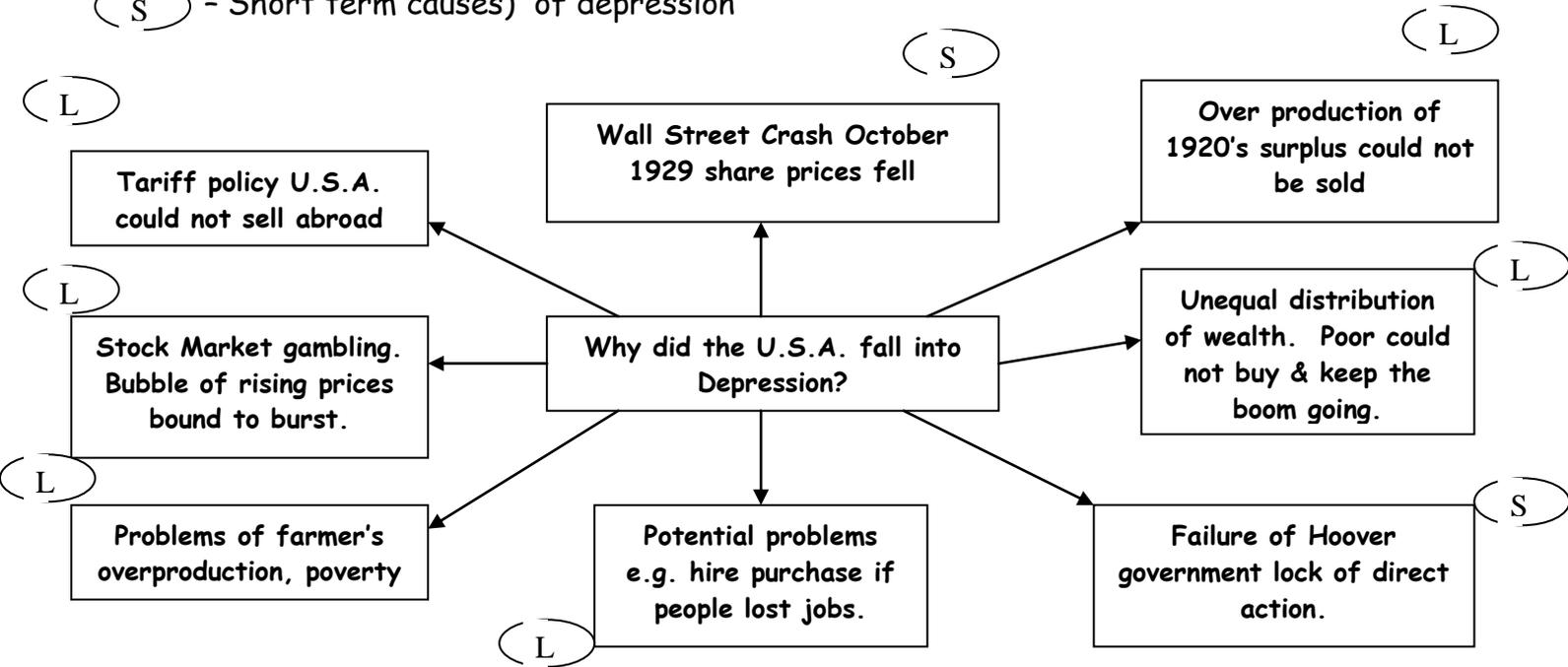


Part Three

The USA in Depression, 1929-33

In 1929 the economic prosperity, which many Americans thought would last indefinitely, suddenly ended. It gave way to Depression brought about by the Wall Street Crash-Unemployment grew and millions of Americans found themselves reduced to a state of Poverty - homeless and dependent on charity to survive. The Republican government could do little to solve their problems.

(L) - Long term causes)
 (S) - Short term causes) of depression



PLUS THE CIRCLE OF DEPRESSION!!

(S)

1. The US economy had four main weaknesses, despite the 1920s boom.

60 per cent of US families lived below the poverty line and so could not afford to buy consumer goods - the big trusts kept wages low.

The richest people (five per cent owned 33 per cent of US wealth) **had soon bought all they needed**.

60 per cent of US families lived below the poverty line and so could not afford to buy consumer goods - the big trusts kept wages low.

Many who lost their jobs had bought consumer goods on HP. With no wages (and no unemployment benefits), they were unable to keep up payments and **the goods were repossessed - so increasing the amount of over-production.**

2. This over-production was made more dangerous by a boom in share prices that encouraged millions of people to buy shares.

By 1929, over 20 million people owned shares. Many 'speculators' bought their shares **'on the margin'** while ordinary people bought them on HP.

In the autumn of 1929 some investors (including banks) lost confidence and began panic selling shares - this led to prices tumbling.

This became known as the **Wall Street Crash**. On 24 October ('Black Thursday'). 13 million shares were sold; on 29 October, 16 million were sold.

The Wall Street Crash and its effects

- On Thursday, 24 October 1929 ('Black Thursday'), the stock market 'collapsed' as investors tried to sell more and more of their shares. Share prices dropped. On 28 and 29 October, share values fell even more.
- Thousands of people were ruined.
- Banks now called in loans from people who had borrowed money to buy shares. When people could not pay back the loans, they were forced into bankruptcy.
- This put pressure on banks. People with money in banks began to panic and withdraw their money - this created a 'run on the banks'.
- Businesses shut down as their share became valueless and banks called in loans
- Unemployment grew as businesses closed. This meant that fewer people could buy goods and resulted in more business closing.
- A vicious circle was created - a cycle of depression.