

From The Roaring 20s to the Great Depression



The Roaring 20's

- After the devastation of WWI, the 1920's were seen as a time of relief, peace, and discovery in America
- America was in an age of unprecedented Political Prominence
- The American economy was booming
 - The standard of living increased across the country:
Average incomes up 30%
 - Individual spending was continuously going up as was the production of affordable consumer goods
- American Culture was changing in ways which would eventually shape the future of the world

Social Change

The 1920's were a time of DRAMATIC social change in America

Why?

- Opportunities for women and African Americans in the workforce increased because of WWI vacancies and a booming economy
- Technology and Popular Media created a mass culture like never before
- It became popular to go against traditional ideas (ignoring prohibition, etc)
- Social customs and morals began to relax

The Great Migration

- During WWI millions of African Americans moved from the rural South to the industrialized North and California to fill the jobs vacated by American Soldiers
- This movement is often referred to as the **Great Migration**



The Great Migration

- The Great Migration movement provided African Americans with far better economic opportunities.

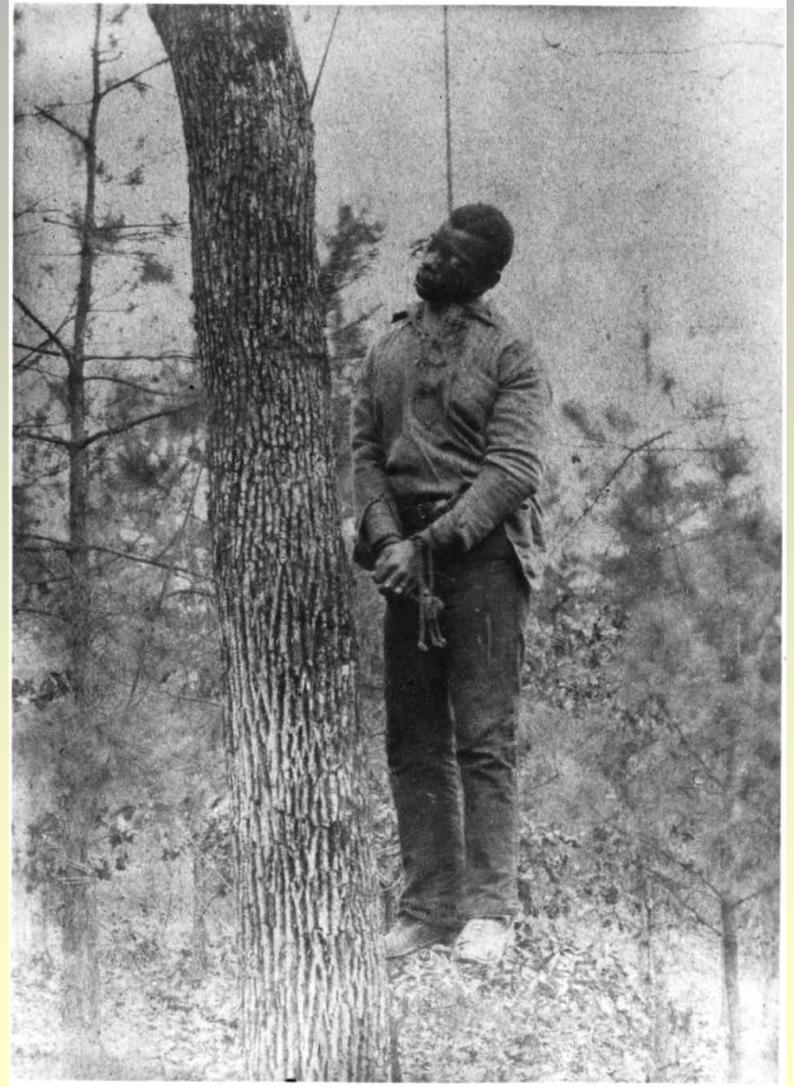


However, they still faced a great deal of discrimination and prejudice

Racial Tensions

Violence Against African Americans

- Mob violence between white and black Americans erupted in about 25 cities during the summer of 1919.



- Why do you think there was so much violence and hate between white people and black people in 1919?

Revival of the Klan

- The Ku Klux Klan regained power during the 1920s and greatly increased its membership outside the South.



- The Klan's focus shifted to include terrorizing not just African Americans but also Catholics, Jews, immigrants, and others.

Terrorizing the Minorities

- The KKK used terror to intimidate minorities and get them to leave town or die.
- One of the main ways they terrorized people was through **lynching** or punishing someone for an alleged crime with out due process



- Usually this ended with a hanging, shooting, or burning their victim alive

Fighting Discrimination

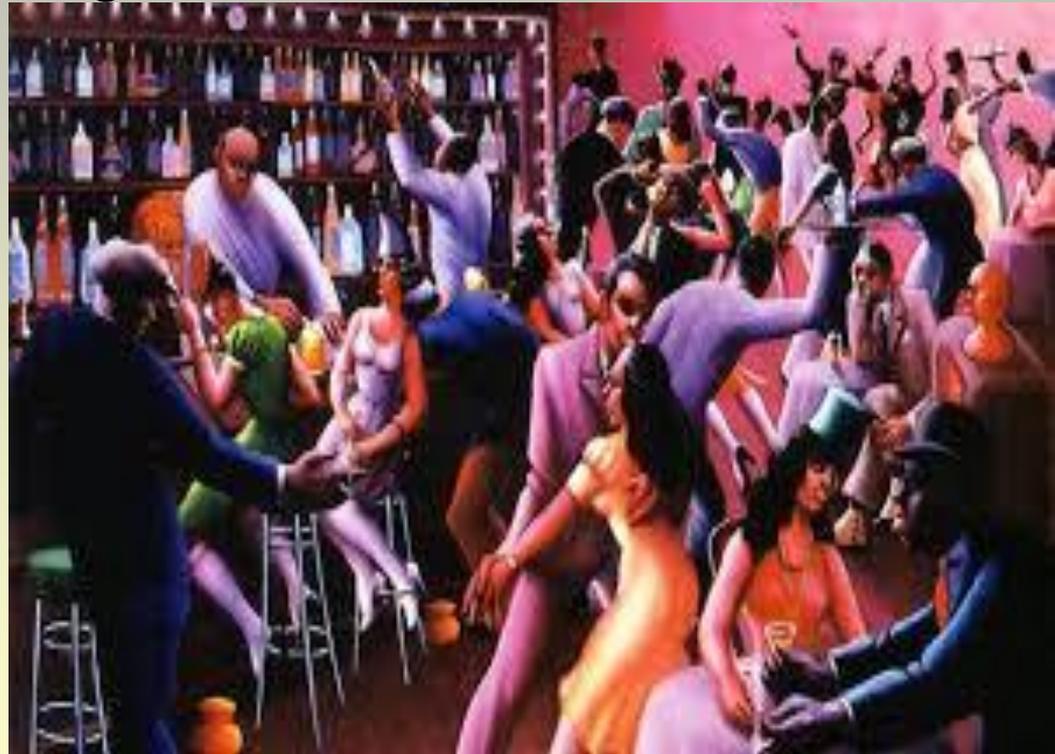
- the National Association for the Advancement of Colored People (**NAACP**) fought for anti-lynching laws and worked to promote the voting rights of African Americans.
- the **Universal Negro Improvement Association (UNIA)** created by **Marcus Garvey** tried to build up African Americans' economic power, encouraging them to buy shares in his **Negro Factories Corporation**.
- **Garvey** also started the **Back-To-Africa Movement** which encourage African Americans to settle land in Africa and start their own country leading the founding of the country of Liberia

Harlem Renaissance

- The African American culture in the United States went through a dramatic social change during the 1920's known as the

Harlem Renaissance

- During this time African American **Art, Music,** and **Literature** began to gain unprecedented exposure in American popular culture



- The heart of this “**New Negro**” movement was the Harlem Neighborhood in New York

The Jazz Age

- **Jazz** is a style of music that grew out of the African American music of the South which was mainly improvised or made up on the spot
- It became so strongly linked to the culture of the 1920s that some call the era the **Jazz Age.**



Prohibition

- **The 18th Amendment** to the Constitution, which took effect on January 16, 1920, made the manufacture, sale, and transport of liquor, beer, and wine illegal.



- This became referred to as **Prohibition**

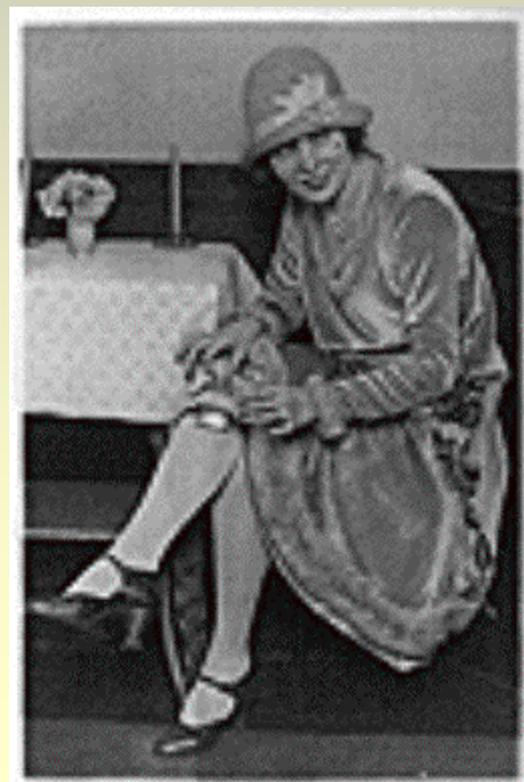
Prohibition

- As a result, many Americans turned to **bootleggers**, or suppliers of illegal alcohol.



- All over the country **speakeasies** or secret illegal bars began opening up
- speakeasies were either disguised as legitimate businesses or hidden in some way

- Prohibition increased the contrast between people in the country and people in the city, since people in the city were more likely to ignore the law.
- Prohibition also increased the number of liquor-serving establishments in some major cities to far above pre-Prohibition levels.



Organized Crime

- The sale of illegal liquor became very profitable as a business
- It required a great deal of organization to avoid being arrested
- Illegal speakeasies helped lead to the development of organized crime.



- Organized crime often moved into other illegal activities as well, including gambling, prostitution, and other forms of **racketeering**.

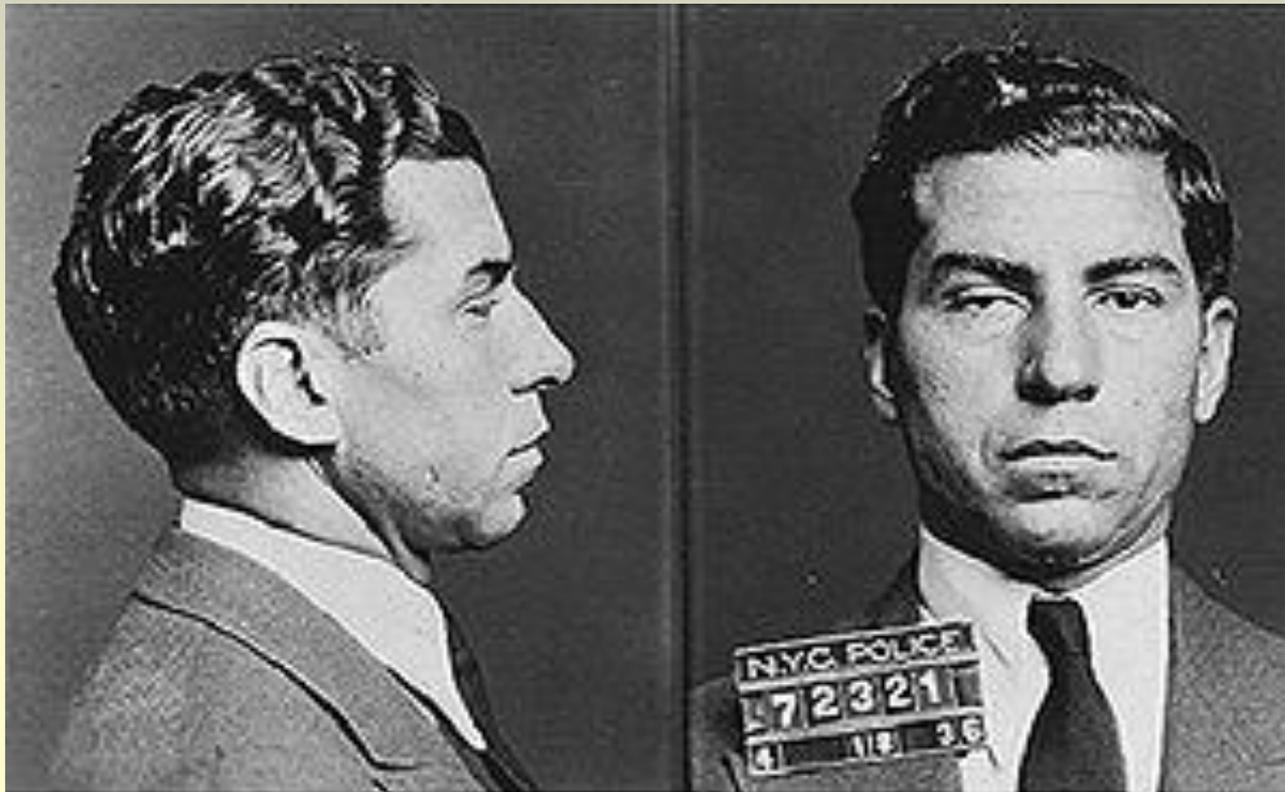


- As rival groups fought for control in some American cities, gang wars and murders became commonplace.



American Gangsters

- In New York **Lucky Luciano** organized all the different groups of gangsters into one **Mafia**: an organized crime group or family.



- One of the most notorious criminals of this time was **Al Capone**, nicknamed “**Scarface**,”
- He rose to the top of Chicago’s organized crime network.
- Capone proved talented at avoiding jail but was finally imprisoned in 1931

...For Tax Evasion...



Women's Suffrage

- **The 19th Amendment** gave women the right to vote in all elections beginning in 1920.
- At first, many women did not exercise their right to vote.
- It took time for women's votes to make an impact



Why do you think it took a while for women to start voting in mass?

Women's Changing Roles

- **The flapper** (the name given to bold, fun-loving young women) came to symbolize a revolution in manners and morals that took place in the 1920s.
- **Flappers** challenged conventions of dress, hairstyle, and behavior. They would party, smoke, drink, and dress immodestly
- Many Americans disapproved of flappers' free manners as well as the departure from traditional morals that they represented.



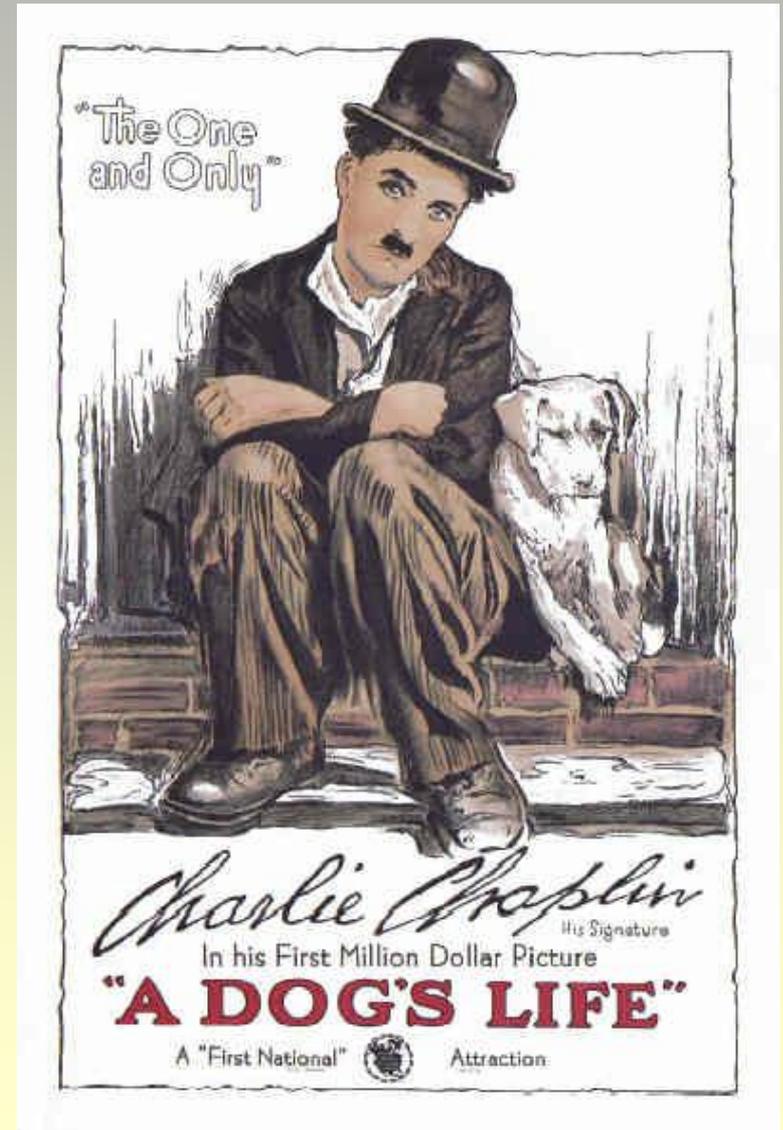
The Mass Media

- Inventions such as telephones, radios, and motion pictures made **Mass Media** (communicating ideas with large numbers of people) **possible**
- It helped form a common **American popular culture** during the 1920s.



The Mass Media

- The popularity of motion pictures grew throughout the 1920s
- “**talkies**,” or movies with sound, were introduced in 1927.
- Before which time movies typically required live music like a piano player



- Newspapers grew in both size and circulation during the 1920's.
- **Tabloids** or compact papers which replaced serious news with entertainment, became popular.
- Magazines also became widely read.





- Although radio barely existed as a mass medium until the 1920s, it soon enjoyed tremendous growth.
- Networks linked many stations together, sending the same music, news, and commercials to Americans around the country.

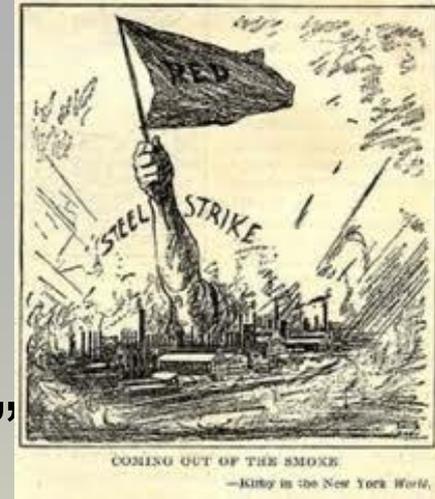
American Heroes

- Mass Media also created for the first time National **Celebrities** like sports stars and the first Aviators
 - **Babe Ruth** – Baseball's homerun king. Record would last for 40yrs
 - **Charles Lindbergh**- the first person to fly non-stop across the Atlantic Ocean
 - **Amelia Earhart**- the first woman to fly solo across the Atlantic and the first person to fly solo from Hawaii to California.



The Red Scare

- The 1920's also brought America's first experience with the "Red Scare"
 - A "Red Scare" is the promotion of fear of a potential rise of communism.
 - This came about in part because of the rise of communism in Russia
 - Fears were further escalated by unrest amongst the working classes and in politics.



Issues of Religion:

- During the 1920's science, technology, and modern social issues began challenging traditional religious beliefs
- To fight this a religious movement called fundamentalism gained popularity.
- **Fundamentalists** supported traditional Christian ideas and argued for a literal interpretation of the Bible.

Evolution vs. Creationism

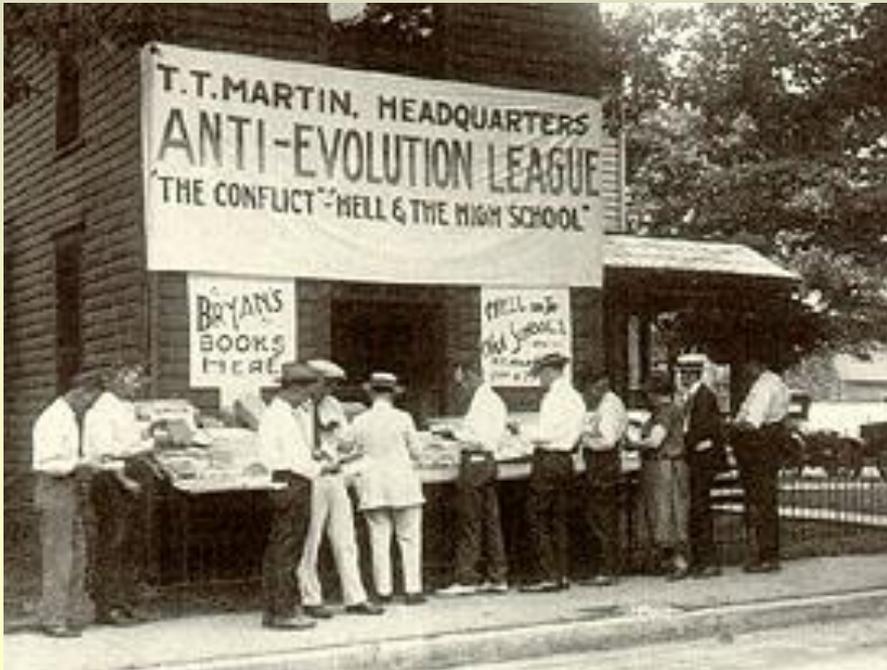
- Fundamentalists worked to pass laws against teaching the theory of evolution in public schools.
- In 1925 Tennessee passed a law called the **Butler Act** which outlawed the teaching of **Darwin's theory of evolution**
- Instead teachers had to teach **Creationism** or the creation of man according to the bible

Evolution and the Scopes Trial

- A science teacher named **John T. Scopes** challenged this law in Tennessee.
- He was charged with teaching evolution and his arrest led to what became known as the **Scopes Monkey Trial**



- The Scopes trial became the first trial to be broadcast over American radio.
- The case opened up a public debate between fundamentalists and modernists which is still being discussed today



Presidents during the 20's

- 1913-1920 → Woodrow Wilson (dem)
- 1921-1923 → Warren G. Harding (rep)
- 1923-1928 → Calvin Coolidge (rep)
- 1928-1932 → Herbert Hoover (rep)

The Great Depression



1929- 1940

Causes of the Great Depression

- The 1920's weren't "roaring" for everyone
- During WWI the farmers of America were expanding their farms to keep up with increased demand from the war



- After the war,
 - prices for crops fell
 - farmers were left owing money on land they couldn't afford to use
 - Farms failed and were abandoned

The Stock Market

- The buying and selling of stocks on **Wall Street** became very popular during the 1920's
 - ❖ **Wall Street**- common name for the New York financial district where the New York and American stock exchanges were headquartered.



- However, many of the stocks were bought on **Margin** (borrowing money to buy stocks)

Causes of the Great Depression

- People also speculated on their stocks.
Speculation is when you buy a stock expecting to sell it for an increased value in the near future.
- Speculation caused a rapid inflation of prices for goods and stocks
- Eventually no one could afford to buy so sellers were stuck with the debt.

Credit

- Another idea that became popular during the 1920's was the use of Credit for everyday purchases
- To make the idea more enticing companies offered to allow people to pay back the money on

Installment Plans

Where people could pay back a little bit at a time (plus interest)

Causes of the Great Depression

- **Credit** and **Margin Buying** caused a great deal of **debt** for many Americans
- Suddenly what seemed like the path to prosperity, resulted in debt and ruin for thousands of Americans

WORLD'S HIGHEST STANDARD OF LIVING



*There's no way
like the
American Way*



The Great Crash

- The economic troubles came to a head when the Stock Market crashed in October of 1929
- “**Black Tuesday**” October 29th 1929
 - \$14 billion lost in one day, that’s \$185 billion in today’s money
- In four days the market lost 40% of its value (over \$30 billion or \$1.3 trillion today)

Bank Runs

- People all across the country **defaulted** (failed to pay back) on their loans
- As a result banks began failing
- A run on the bank would happen because people were afraid the bank would close and they would lose their money
- Bank runs caused more banks to fail

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Bank Runs



Effects of the Great Crash

Great
Crash

Investors

Investors lose millions.

Businesses lose profits.



Businesses and Workers

Consumer spending drops.

Workers are laid off.

Businesses cut investment and production. Some fail.



Banks

Businesses and workers cannot repay bank loans.

Savings accounts are wiped out.

Bank runs occur.

Banks run out of money and fail.

World Payments

Overall U.S. production plummets.

Allies cannot pay debts to United States.

U.S. investors have little or no money to invest.

Europeans cannot afford American goods.

U.S. investments in Germany decline.

German war payments to Allies fall off.



The Great Depression Begins

- The crash triggered a much wider, long term crisis known as the **Great Depression**
- A **depression** is a period of time when an economy is down and struggling
- During the Great Depression:
 - Many wealthy families lost everything
 - Some people even committed suicide

The Dustbowl

- Along with those problems for farmers during the 1920's, there was terrible drought through much of the 1930's
- Farmers crops across the country died and empty dirt fields caused major dust storms to blow across the Midwest.
- This is referred to as the **Dustbowl**.

Politics of the Great Depression

- **Herbert Hoover** became President of the United States in 1929
- He believed that the government should avoid getting involved with the Great Depression
- He expected the business world would fix itself (**Laissez Faire Gov**).



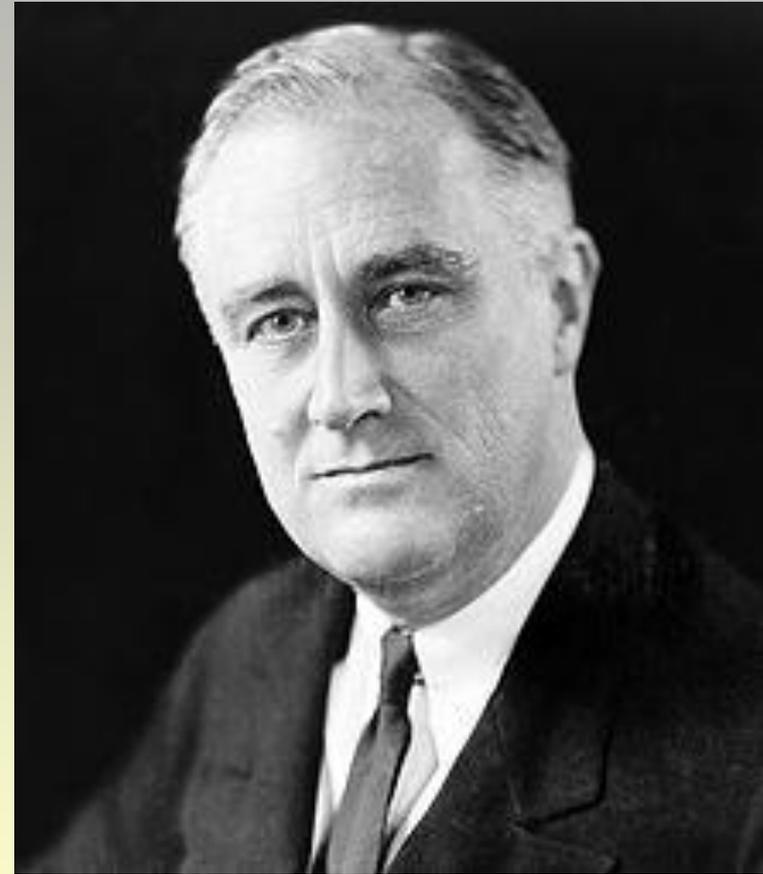
The Homeless

- The number of homeless people rose dramatically during the Great Depression
- They gathered together in makeshift shantytowns
- they called these places **Hooverville's** because they felt Herbert Hoover wasn't doing enough to stop the depression



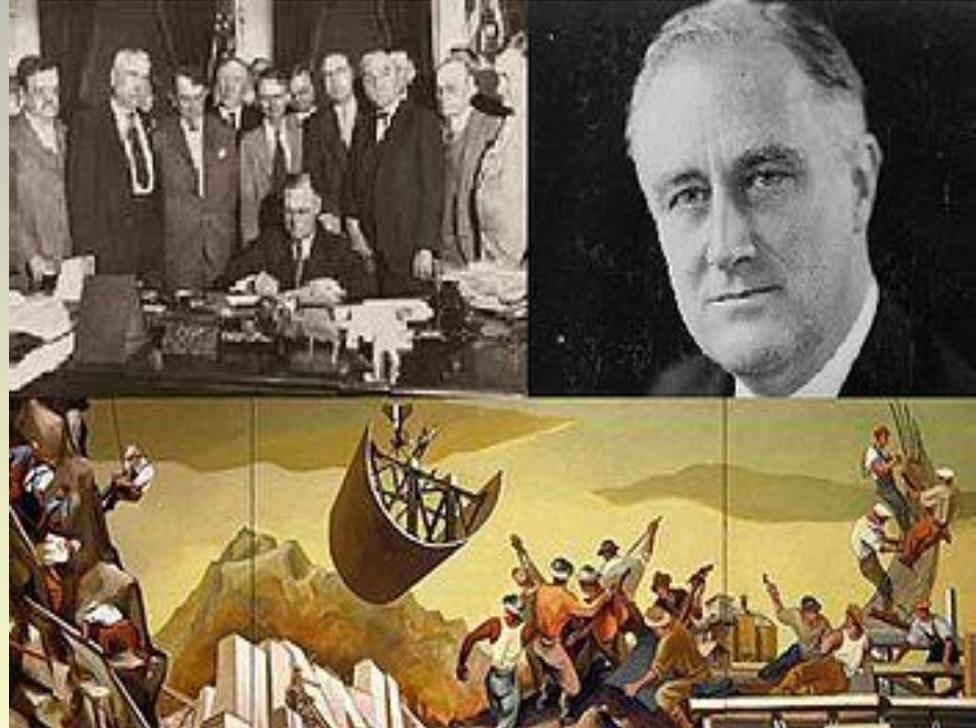
Presidential Election of 1932

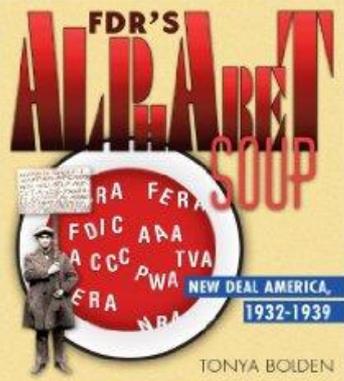
- In 1932 Hoover lost the Presidency to the Governor of New York **Franklin D. Roosevelt**
- Aka: FDR
- FDR won all but 6 states



The New Deal

- FDR started a series of economic reforms he called the **New Deal** to help the country recover
- He spent the **first 100 days** of his presidency passing many of these new reforms





First 100 days

- March 9 Emergency Banking Act
- March 20 Government Economy Act
- March 22 Beer-Wine Revenue Act
- March 31 Creation of Civilian Conservation Corps
- April 19 Abandonment of Gold Standard
- May 12 Federal Emergency Relief Act
- May 12 Agricultural Adjustment Act
- May 12 Emergency Farm Mortgage Act
- May 18 Tennessee Valley Authority Act
- May 27 Securities Act
- June 5 Abrogation of Gold Payment Clause
- June 13 Home Owners Loan Act
- June 16 Glass-Steagall Banking Act
- June 16 National Industrial Recovery Act
- June 16 Emergency Railroad Transportation Act
- June 16 Farm Credit Act

The Emergency Banking Act

- To stop the Nationwide run on banks FDR declared a 4 day Bank Holiday while he created **the Emergency Banking Act**
- Under the act Banks had to be approved by the Federal Reserve before doing business
- The **Federal Reserve** is the Nations central government run bank that helps stabilize the economy

The Gold Standard



- The United States economy was based on a **Gold Standard** (each dollar bill was worth a certain weight of gold)
- During the Great Depression much of the country's gold supply was taken out of circulation (bank runs, foreign loans etc)
- Less gold in the system meant less money to go around and the economy contracted further
- FDR's new deal took the U.S. off of the gold standard allowing the country to expand the economy beyond the amount of gold available

Repeal of Prohibition

- As a means to increase the Government's tax revenue the **21st amendment** was passed which repealed the 18th amendment and made alcohol legal once again.

How would repealing Prohibition allow the Government to gain more tax revenue?

GOOD OLD DAYS
ARE BACK AGAIN!



The Glass-Steagall Act

- The Glass-Steagall Act of 1933 created a government agency called the **FDIC** or Federal Deposit Insurance Corporation
- The FDIC's job is to guarantee that people's money is safe in banks by insuring deposits
- In 1934 the limit insured per account was \$2,500
- Today the FDIC insures accounts up to \$250,000

Securities Exchange Act

- Created the **SEC** or **Securities and Exchange Commission**
- It is a Government body which made sure trading on the stock exchange was safe and prevented people from cheating or selling stocks they knew would fail

Social Security Act 1935

- **Social Security** provides financial support from the government to the elderly and unemployed

Where does the money come from?

Do you see any problems with this system?

Public Works



- FDR's New Deal created the **Civilian Conservation Corps** or **CCC**
 - a public work program which aimed to help out of work young men make a living.
 - The government funded thousands of construction projects under the CCC
- It also created the **Tennessee Valley Authority** or **TVA**
 - a government owned corporation that worked to build roads, flood control ditches, and provide electric power to the Tennessee Valley



WPA

- FDR's most controversial piece of legislation was the creation of the **WPA** or **Works Progress Administration**
- This organization put millions of unskilled and unemployed people across the country to work on projects for the government

Many Republicans argued that the WPA was just like paying people to vote for FDR.

Do you agree or Disagree and Why

The New Deal Vs. Constitution

- Controversy over many of the New Deal plans eventually landed the laws in the Supreme Court
- The mostly republican supreme court ruled much of FDR's New Deal Plan unconstitutional

Court Packing

- FDR proposed a plan to add more supreme court justices in order to get the favorable rulings he need
- This court packing scheme failed to work and became the darkest part of FDR's long tenure



Results of the Great Depression in America

- The end of the Gold Standard in America
- Social Security for all Americans
- Federally Insured Banks
- Re-structured Stock Market
- The End of Prohibition
- Large Scale Government Intervention in
the Economy

The End

- The Great Depression persisted until the U.S. entered into WWII
- Drafting millions of unemployed workers into the army, along with the demand for food, weapons, and supplies for the war finally revived the American Economy