From Business Culture to Great Depression, 1920-1932

Chapter 20
Unit 5: 1920-1945

Roaring 20s

• **Age of excess** as the economy boomed

• **Jazz Age** was a protest against traditional values and culture

• Women’s liberation brought about a “modern” women known as the **flapper**
Mass Culture

- Advertising convinced Americans to **buy the newest products on credit**

- Radios and movies created a common American culture

- Cult of celebrity developed **around movie stars and American heroes**
  - Charles Lindberg became a household name after he flew across the Atlantic solo

Harlem Renaissance

- **Black cultural community supported by white intellectuals** and publishers

- Poets, writers, and actors created a culture based on black experiences and which **protested racism**

- Langston Hughes
Conservatism

- **Republican presidents** William G. Harding and Calvin Coolidge were pro-business
  - Many progressive initiatives and agencies were weakened or repealed
- **Corruption was rampant**, including the **Teapot Dome scandal**
  - Interior secretary leased government oil fields to private businesses

Age of Paranoia

- **Sacco and Vanzetti trial** was the culmination of a post WWI fear of Communism
- **Immigration Act of 1924** placed quotas on each nationality entering the U.S. and barred all Asian immigration
Fundamentalism

- Fundamentalist Christians were encouraged by the success of prohibition and conservative govt.
- In 1925, Tennessee teacher John Scopes was put on trial for teaching evolution
- Ku Klux Klan reemerged against immigrants, Catholics, Jews, and African-Americans

Limiting Free Speech

- *Schenck v. U.S. (1919)* allowed for the 1st amendment to be restricted when there was “a clear and present danger”
- American Civil Liberties Union formed to protect individual rights
- Hays Code censored Hollywood Films
Prosperity

• The middle and upper-class built up massive amounts of debt when purchasing goods on credit

• Investors speculated by purchasing goods and stock with plans to sell later for a profit

• Rural areas were already experiencing a depression, as farm prices dropped after WWI

The Decline begins

• By 1926, production was declining and unemployment rose

• Based on speculation, the stock market rose to its highest point in August 1929

• On October 18, 1929 stock prices started to fall
Black Tuesday

- Investors panicked and started trading huge amounts of stock
- On October 29, 1929 the market crashed
  - $10 billion dollars in value lost in 5 hours
- Great depression affected markets and nations around the world

Economic Effects

- In 1932, stocks were worth 20% of their 1929 value
- 26,000 businesses failed, and others cut jobs
  - By 1933, 30% of the population was unemployed
- Banks failed as account holders withdrew funds
  - Families lost all of their savings when the banks closed
Social Effects

- Families who couldn’t pay mortgages lost their homes
  - Hoovervilles (shantytowns) and bread lines became common place
- People left cities to try and provide for themselves on farms

The President Reacts

- Herbert Hoover opposed federal aid but encouraged local relief efforts
- President and his advisors made attempts to improve the economy through tariff and tax increases
- In 1932, created agencies to provide loans to banks, business, and homeowners
  - Still refused aid to the unemployed