

Post War Economic Changes

Rural troubles & Changes in
Industry

Today in US History B

I can.....analyze the post war economic changes and examine the impact of the assembly line.

The problem in rural America

- Rural America was crucial to American success in WWI
- During war, rural farmers experienced an economic upswing
 - Demand for products high
 - Little competition from Europe
- Things change after war..
 - Demand slowed
 - Competition returns → large supply, price down
 - U.S. farm prices plunge
 - Farm failures increased
 - Income of farmers down
 - Value of farmland declined

Economic hardship

- Federal gov't tried to help...
 - **1921 Tariff (Fordney McCumber)** enacted to aid American agriculture
 - Tariff (or tax) on imported agriculture → foreign products become more expensive → American products cheaper and more will be bought
 - Did not fully relieve the problem...

While rural America is struggling,
a revolution in industry creates
an overall economic upswing...



The Assembly Line

Groups	Advantages	Disadvantages
Factory Owners		
Factory Workers		
Consumers		

Groups	Advantages	Disadvantages
Factory Owners	Higher production; more profit	High expectations of workers & consumers
Factory Workers	Easier, shorter tasks; higher wages	Boring, repetitive work
Consumers	Products cheaper; readily available	Lack of original products, everything is similar



Impact on Industry

- Prior to 1900s, an automobile cost around \$2,000
- Ford's Model T (created on the assembly line) cost \$500
- By 1929, 22 million cars in American households
- Car business became a popular business
 - Chrysler and General Motors rise as competition to Ford Motor Company
 - Competition helped the entire industry grow

Impact on Industry

- Related industries boomed
 - Steel, glass, rubber, petroleum
- Other industries learned from Ford
 - Produced goods in large quantities, in less time & lower costs
- In 1920s, productivity rose by 60%
 - American workers were producing more in less time
 - What will this do to the cost of consumer goods?

Industry Changes Society

- Automobiles changed American society...changed what people did and where they lived.
- What they did:
 - Tourism → motels, restaurants, gas stations, etc.
- Where they lived:
 - Midwest cities boomed
 - Detroit, Michigan → home of Ford
 - Akron, Ohio → home to rubber and tire industry
 - Suburbs : areas surrounded cities
 - With car, people can live further away from their job in the cities and travel back and forth daily.

Industry Changes Society

- Mass production and assembly line eventually impacts other industries
 - Going to make consumer goods cheaper
 - OR just more popular, everyone wants the new hot item!
- Consumerism- the practice of an ever-expanding consumption of popular goods

