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In this essay I will explore whether the growth of the car industry was the most important factor in the economic boom of the 1920s. — Simple clear introduction.

DESCRIPTION

One factor of the economic boom was isolationist policies such as the Fordney-McCumber tariff. After the first world war, America agreed that it would isolate itself from other countries in order to focus on its own development. This led to Fordney-McCumber tax - a tax imposed on foreign goods. This led to economic improvement because people bought more American goods, providing more money for companies producing them. Isolationism also led to Laissez-faire, a policy of leaving businesses alone to find ways to make more money. It also led to tax cuts, giving people more money to spend on consumer goods which increased consumer demand, which led to more production of goods, increasing employment which started the cycle of prosperity. (L3)

EXPLANATION focused on the question

The car industry also fuelled the economic boom, as roads were improved and more were built, providing more jobs for people involved in road surfacing. This meant more raw materials were needed, providing money for people involved in their production, providing more jobs. This meant people had more money to spend on American goods, providing jobs for people producing them and adding to the cycle of prosperity. The car industry also led to the creation of hire purchase, allowing people to afford more luxury goods by paying for them gradually, which helped the cycle of prosperity by fuelling consumer demand. LINK to hire purchase (L4)

Another factor was the growth of cinema and advertising. This provided a new way of life with newer luxury items now affordable due to hire purchase, which people felt they needed. People thought they needed the items they saw in the adverts, which increased consumer demand. EXPLANATION

(L4) LINKING paragraph which links factors together.

The policies of isolationism led to the growth of the car industry as Laissez-faire meant that Ford was free to create new ways of increasing profit, such as supply and demand, helping hire purchase, which helped the cycle of prosperity. Tax cuts meant that people had more money available to spend on luxury items, increasing the market for them and encouraging suppliers to promote their products through advertising and cinema.

Clear judgement

In my opinion, the policies of isolationism led to were the most important factor. This is because the Fordney-McCumber tariff encouraged people to buy more consumer goods, while Laissez-faire and tax cuts provided people with more money to buy them. This started the cycle of prosperity. However, the car industry was important because it provided jobs for people, meaning they had more money, while increasing consumer demand. It also led to the creation of hire purchase, which further increased consumer demand as more items were affordable, though it only aided the cycle of prosperity rather than creating it. The growth of advertising was also important.

