

Objective: To examine some of the negative results of the Roaring 20's. USHC 6.2

Do Now:

What happens to the price of items as the **demand increases**?

What happens to the price if the **demand decreases**?

↑ Demand = ↑ Price

↓ Demand = ↓ Price

The Law of Supply and Demand



+ Only 50 – 60
Honus
Wagner
baseball
cards exist in
the world.

= The card is
valuable
because of its
scarcity. In
2007, a mint
copy was
sold for
\$2.35
million.

↑ Demand + ↓ Supply = ↑ Price

The Law of Supply and Demand



Halo 4

+ Available where games are sold. = Even though there is a large demand, there is a lack of scarcity. Sells for \$60.

↑ Demand + ↑ Supply = ↓ Price

The Law of Supply and Demand



A small pile of dirt.

+ Available almost everywhere. = No scarcity and no demand. Therefore, this pile of dirt is virtually worthless.

↓ Demand + ↑ Supply = ↓ Price

The Law of Supply and Demand

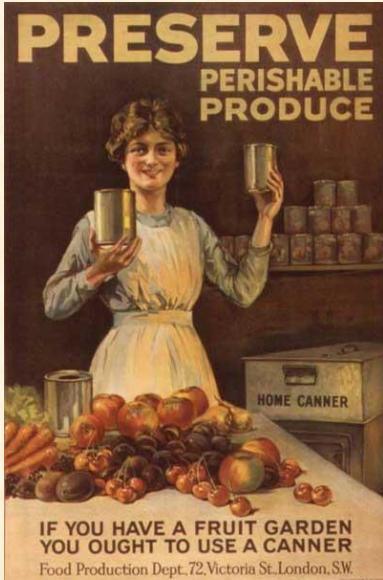


*GI Joe
Action Figure
(1964)*

+ In “good” condition. = A 1964 GI Joe in good condition is relatively scarce. This one is for sale on Ebay for \$350.00

↑ Demand + ↓ Supply = ↑ Price

The Law of Supply and Demand



+

U.S. farmers sold farm products to the European powers in large numbers.

=

Due to an increase in scarcity, the price of U.S. farm goods increased.

British poster during WWI asking people to preserve food.



Demand

+



Supply

=



Price

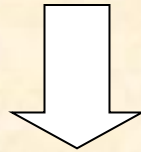
The Other Half: Farmers

During World War I:

Europeans needed food.



They bought U.S. farm products.



U.S. farm prices increased.



U.S. farmers borrowed money to buy more land and supplies.

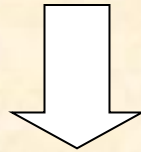
The Other Half: Farmers

After World War I:

Europeans began to produce their own food again.



The demand for U.S. farm products decreased.



U.S. farm prices decreased.



Farmers could not repay their debts.



The Other Half: Laborers

- Workers went on strike when wages did not increase along with prices.



1920 Strike of Public Servants and Teachers
Mass Meeting, Esplanade Gardens.

The Other Half: Laborers

- Management broke union strikes without any government interference.

