

Notes - Roaring Twenties & Economic Collapse

I. Election of 1920

- A. Republicans - Warren G. Harding/Calvin Coolidge
 - * platform: opposed League of Nations, promised low taxes, increased tariffs, immigration restriction, aid to farmers
- B. Democrats - James Cox (gov. of Ohio)/Franklin D. Roosevelt (asst. secretary of Navy)
 - * platform: endorsed League but left room for reservations
- * Neither candidate was very impressive
- C. Campaign: Harding called for “**return to normalcy**”
- D. Election: Harding won with 61% of popular vote (Debs, still in prison, won 1 million votes for the Socialist Party)

II. Economic Advances of the 1920s - economy recessed in 1920-21, improved in 1922, and continued to be strong till 1929

- A. Increased Productivity
 - improved machinery - electric power instead of steam, **assembly line (introduced by Henry Ford)**, scientific management (studies by Frederick W. Taylor)
- B. Automobile
 - 1. auto industry principal driving force of economy of the 1920s (8.1 million autos in 1920, 26.7 million in 1929)
 - 2. price of **Model T** affordable to most workers (\$290 - less than 3 months pay)
 - 3. supporting industries (steel, rubber, glass, gasoline refining, highway construction)
 - 4. **Federal Highway Act (1916)** - started federal highway system and gave matching funds to states for construction
 - 5. estimated that auto industry employed 3.7 million people in 1929
- C. Electricity
 - 1. powered industrial machinery as well as household appliances (radio, stove, vacuum cleaner, refrigerator, toaster)
 - 2. ***2/3 of American homes had electricity by 1929 (rural areas without it)***
- D. New and Expanding Industries
 - 1. chemicals
 - 2. printing
 - 3. movie industry (expanded rapidly after introduction of “talking” movies)
 - 4. radio (new)
 - 5. commercial aviation (new)

- E. Consumer credit and Advertising
****Prosperity of 1920s depended heavily on sale of consumer products**
1. "Big Ticket" items (cars, refrigerators, furniture) made possible by extension of credit more widely available in 1920s
 2. Advertising - increased to promote purchase of these items (by 1929, advertising expenditures reached \$3.4 billion - more than spent on education at all levels)
- F. Big Business
1. trend toward corporate consolidation
 2. by 1929, 200 largest corporations held 49% of corporate wealth
 3. in most industries, an oligopoly of 2-4 firms dominated (ie: automobiles - Ford, General Motors, Chrysler produced 83% of vehicles in 1929)
 4. Trade Associations formed for each field claimed to stabilize each industry
 5. Govt. regulatory agencies (FTC, ICC) controlled by persons from business world
 6. Businessmen viewed with respect by general public
The Man Nobody Knows by Bruce Barton (1925) - described Jesus as founder of modern business and his apostles as his business management team
- G. Banking and Finance
1. trend toward bank consolidation
 2. commercial banks put funds into real estate loans, loans to brokers against stocks and bonds, and in stocks and bonds themselves (set themselves up for economic disaster when depression began in 1929)
- H. Labor
1. National Association of Manufacturers began a drive in 1920 to restore "open shop" or non-union workplace.
 2. Pushed for "welfare capitalism" - where the firm would provide job satisfaction so workers would not want a union (company-sponsored pension plans, insurance plans, stock purchase plans, efforts to ensure worker safety and comfort, social and sporting events, etc.
 3. union membership (so prosperous during WWI) dropped 20% during 1920s
 4. labor confrontations - in mining and southern textile industries
 - a. United Mine Workers - led by John L. Lewis - involved in strikes in PA, WV, KY, IL
 - b. lost most of its power by 1929
- I. Farmers - ***did not share in prosperity of 1920s***
1. prices increased during WWI because of government price fixing and European demand
 2. after war, European demand dropped and prices set by the free market - as a result, farm income dropped
 3. farm expenses increased (cost of machinery, chemical fertilizers)

Notes – American Society in the 1920s

I. Population - increased by 16.1%

- A. By 1930, 122.8 million people
- B. 88% of American population was white
- C. 51% lived in an urban place with a population of at least 2500 (*1st time a majority of Americans lived in urban settings*)
- D. Farm residents dropped to 21% of total population by 1930
- E. Tremendous growth of suburbs and satellite cities
 - streetcars, commuter railroads, automobiles, availability of financing for home construction opened these areas up to middle-class

II. Standard of Living - increased due to improved technology and urbanization

- A. increase in indoor plumbing, hot water, central heat
- B. conveniences such as vacuum cleaners, electric stove, washing machines, toasters, iron
- C. improved diet (increased consumption of fresh fruit and vegetables; decreased consumption of wheat, corn, potatoes)
- D. Entertainment: **automobiles, radio**, phonograph
- E. Income: bottom 93% of population had average increase in real income of only 6%
 - *In 1929, 43% had an annual income under \$1500 (poverty line); 72% had incomes under \$2500 (decent standard of living with reasonable comforts)

III. Sexual Revolution - 1st time the traditional American moral standards regarding premarital sex and marital fidelity were questioned

- A. sexually explicit movies, novels, magazine stories
- B. “flaming youth” of Jazz Age emphasized sexual promiscuity and drinking as well as new forms of dance considered “erotic” by older generation
- C. Birth control - promoted by **Margaret Sanger** - though illegal, gaining acceptance
- D. Relatively conservative when compared with 1960s

IV. Women

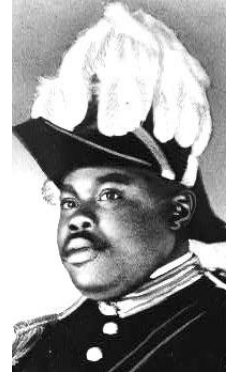
- A. Passage of **19th Amendment** (1920) provided women’s suffrage
- B. Fashion - short skirts and bare arms (brought on by sexual revolution)
- C. Broken norms
 - 1. women could smoke and socialize with men in public
 - 2. Birth control more acceptable
 - 3. liberalized divorce laws (1920 - 1 divorce for every 7.5 marriages; 1929 - 1:6)
 - 4. number of employed women rose in proportion to population increase (mainly domestic service)



V. African-Americans

- A. “**Great Migration**” continued - 1.5 million moving during 1920s (By 1930, 20% of American black population lived in the North - NY, Chicago, Philadelphia)
- B. held lower-paying jobs and lived in segregated areas of cities

- C. Harlem, NY - largest black urban community
 - * center of “**Harlem Renaissance**” - black writers, musicians, intellectuals who celebrated black life.
- D. Developed jazz and blues as legitimate music genres
- E. **W.E.B. DuBois** - continued to call for integration and attack segregation
- F. **NAACP** - more conservative voice for civil rights
- G. National Urban League - concentrated on employment and economic advancement
- H. **Marcus Garvey** and UNIA (United Negro Improvement Association) - 1914
 1. native of Jamaica, Garvey moved to NY in 1916
 2. advocated black racial pride and separatism rather than integration, and a return of blacks to Africa
 3. developed a large following among Southern blacks
 4. advocated black economic self-sufficiency (buy only from blacks, etc.)
 5. 1921 - proclaimed himself provisional president of an African empire
 6. 1923 - convicted and imprisoned for mail fraud - deported
 7. *legacy: emphasis on black pride and self-respect*



VI. Mexicans and Puerto Ricans

- A. Mexicans settled in Southwestern cities (LA, Denver, San Antonio)
 - held low-paying jobs and lived in poor neighborhoods (“barrios”)
- B. 1920s saw 1st large migration of Puerto Ricans to US
 - they settled mainly in NYC (barrios in Brooklyn and Manhattan)

VII. Education

- A. increase in number of elementary schools - reflected growth of population
- B. public high schools doubled to 4.4 million in 1930
- C. HS education shifted from strictly college prep to include vocational ed. (**Smith Hughes Act** (1917) - gave federal funds for agricultural and technical studies)
- D. substantial growth in higher ed.

VIII. Religion - church/synagogue membership increased more rapidly than population growth

- A. Divisions
 1. *modernists* who accepted evolution and *fundamentalists* who stressed literal Biblical truth (creationism)
 2. Social issues - support of labor
- B. Most protestants (except Lutherans) united on Prohibition
- C. Catholics and Jews (who assimilated large numbers of immigrants prior to 1922) under attack from KKK

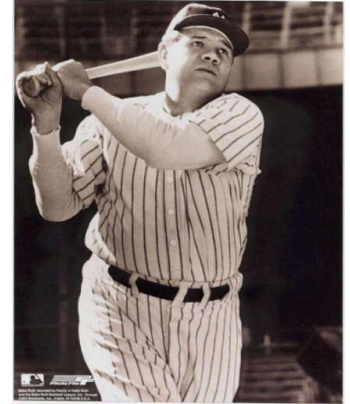
IX. Popular Culture - spending for entertainment was \$4.3 billion in 1929

- A. Movies - attracted most money
 1. *Jazz Singer* - 1st sound movie





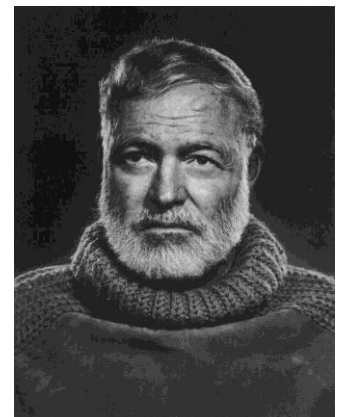
2. Movie Stars
 - a. Douglas Fairbanks
 - b. Gloria Swanson
 - c. **Rudolph Valentino**
 - d. Clara Bow
 - e. **Charlie Chaplin**



- B. Sports - “golden age of baseball” - attendance increase over 50% during 1920s
 1. Baseball - **Babe Ruth**
 2. Boxing - **Jack Dempsey**
 3. College Football
 1. **Knute Rockne** - coach at Notre Dame
 2. Harold “Red” Grange - Univ. of Illinois
- C. Radio - **KDKA** of Pittsburgh first radio station - broadcast election results of 1920
 1. by 1929, over 1/3 of population had radios
 2. National Broadcasting Company (NBC) - organized in 1926 - 1st national network broadcast
 3. Columbia Broadcasting System (CBS) - 1927
 4. Free entertainment - paid for by advertising
- D. Books and Magazines
 1. Tarzan series
 2. Zane Grey’s Westerns

X. Literary Trends

- A. “**Lost Generation**” - writers disgusted with the hypocrisy and materialism of contemporary American society - many moved to Europe
 1. Novelists
 - a. **Ernest Hemingway** - The Sun Also Rises(1926); Farewell to Arms(1929)
 - b. **F. Scott Fitzgerald** - The Great Gatsby (1925); Tender Is the Night (1929)
 2. Poets
 - a. Ezra Pound
 - b. **T.S. Eliot**
- B. Sinclair Lewis - Babbitt (1922); Arrowsmith (1925); Elmer Gantry (1927)
- C. John Dos Passos - Three Soldiers (1921)
- D. Thomas Wolfe - Look Homeward, Angel (1929)
- E. **H.L. Mencken** - journalists who published “American Mercury” magazine (1922)
* ceaselessly attacked the “booboisie” - his term for middle-class America



Hemingway

Social Conflicts

I. Conflict of Values - Protestant Americans saw traditional values threatened

- traditionalists - residents of rural areas and small towns (farm values clashed with industrial urban workers)
- backlash against modern urban industrial society expressed itself primarily through intolerance

II. Ku Klux Klan - founded near Atlanta in 1915 by William J. Simmons (modeled after KKK of 1860s & 1870s)

- A. Purpose: to intimidate blacks who were experiencing apparent rise in status due to WWI
- B. Remained small until 1920 when advertising experts, Edward Y. Clark and Elizabeth Tyler, used modern advertising to recruit members
 - 1. charged \$10 initiation fee (Clark and Tyler received \$2.50)
 - 2. sold regalia and emblems
- C. By 1923, Klan had approx. 5 million members throughout nation (largest concentration in South, Southwest, Midwest, California, and Oregon)
- D. Klan stood for “100 percent pure Americanism” to preserve “native, white, Protestant supremacy”
 - 1. opposed blacks, Catholics, Jews, Mexicans, Asians, foreigners
 - 2. also attacked bootleggers, drunkards, gamblers, and adulterers for violating moral standards
- E. Methods of repression
 - 1. lynchings
 - 2. cross burnings
 - 3. tar and featherings
 - 4. kidnappings
 - 5. burnings
- F. Not a political party, but endorsed and opposed candidates - exerted control over elections and politicians in at least nine states
- G. Began to decline after 1925 when hit with scandals (murder conviction of Indiana Grand Dragon David Stephenson)
 - * faced staunch opposition of editors, politicians, and other public figures
- H. Viewed by some historians as the American expression of Fascism becoming popular in Italy, Germany and other European nations in the ‘20s.



III. Immigration Restriction

- A. Labor leaders believed that immigrants depressed wages and impeded unionization
- B. June, 1917 - Literacy Test imposed by Congress (over Wilson’s veto) - excluded many Asian immigrants
- C. During WWI and Red Scare, almost all immigrants were considered radicals and communists (Between 1919 and 1921, 1.3 million immigrants came from S & E Europe (Jews and Catholics) - result of bad European economy)
- D. **Emergency Quota Act (1921)** - limited immigration by nation to 3% of the total

- number of foreign-born persons from that nation in 1910. (Focused on restricting Italians, Greeks, Poles, and eastern-European Jews)
- E. **National Origins Act (1924)** - set the quotas at 2% of the number of foreign-born persons of that nationality in the US in 1890; excluded all Asians, and imposed an annual maximum of 164,000. Immigration from Western Hemisphere (Canada and Mexico) was not limited
 - F. 1927 - immigration maximum reduced to 150,000
 - G. ***Purpose of law was not restriction of all immigration, rather certain nationalities and religious groups who might be considered “undesirable”***

IV. Prohibition - 18th Amendment (1919) prohibited the manufacture, sale, or transportation of intoxicating liquors

- A. implemented by the **Volstead Act** - defined intoxicating beverages as containing 1/2% alcohol
- B. Enforcement was reasonably effective in some rural Southern and Midwestern states (formerly dry)
- C. Non-effective in urban areas where both native and foreign-born citizens felt their liberties had been infringed upon
- D. **Speakeasies**, secret bars operated by **bootleggers**, replaced saloons
- E. Smuggled liquor flowed across boundaries and coastlines of nation, and manufacture of “bathtub gin” was undertaken by thousands
- F. Organized crime, previously mainly involved in prostitution and gambling, grew to meet Demand

Lucky Luciano - New York gangster



Al Capone - Chicago –
most famous bootlegging gangster

V. Red Scare

- A. Americans feared the spread of the Russian Communist Revolution to the United States
- B. Many interpreted the widespread strikes of 1919 as communist-inspired
- C. Bombs were sent through the mail to prominent government and business leader - further confirmed fears of a potential revolution (2 Communist parties in US founded in 1919 had membership of less than 100,000)
- D. Anti-German hysteria of war years transformed into the anti-Communist and anti-foreign events of 1919/1920

VI. Palmer Raids

- A. **Atty. General Mitchell Palmer** target of anonymous mail bombs; also potential presidential candidate in 1920 and recognizing American fears of Communism, decided to head a department to collect information on potential radicals
- B. Named **J. Edgar Hoover** to head Intelligence Division in Dept. of Justice
- C. November 1919, Palmer's agents arrested almost 700 persons, mostly anarchists, and deported 43 of them as undesirable aliens.
- D. January, 1920, Justice Dept. agents et. al. arrested about 4000 people accused of being communists.
- E. Eventually 556 were shown to be communists and aliens, and deported

VII. Creationism and the Scopes Trial

- A. Fundamentalist Protestants, under the leadership of William Jennings Bryan, began a campaign in 1921 to prohibit the teaching of evolution in schools (thus protecting the belief in the literal account of creation)
- B. 1925, Tennessee passed a law which forbade the teaching of evolution in public schools
- C. Dayton, Tennessee biology teacher **John T. Scopes** willingly broke the law and taught evolution to bring about a test case with the American Civil Liberties Union
 - 1. Prosecution led by **William Jennings Bryan**
 - 2. Defense led by **Clarence Darrow**
- D. Trial attracted national and international publicity - judge refused to allow expert testimony, so the trial became a duel of words.
- E. Scopes convicted and fined \$100

VIII. Sacco and Vanzetti

- A. Tried for the murder of two robbery victims
- B. Both Sacco and Vanzetti were Italian immigrants and admitted anarchists
- C. Judge Webster Thayer clearly favored the prosecution
- D. S&V were convicted and sentenced to death in July 1921 - protests erupted in Europe and the US over the fact that it was an unfair trial
- E. Executed Aug. 23, 1927

Government & Politics in the 1920s

I. Warren G. Harding

A. As President

1. former newspaper publisher
2. pardoned Eugene V. Debs
3. persuaded US Steel to give workers the 8-hour day
4. kept White House stocked with liquor despite Prohibition
5. accused of keeping a mistress (30 years younger)
6. conservative economic philosophy
7. Budget and Accounting Act (1921) - provided for a unified budget

B. Cabinet and Government Appointments

1. Secretary of State - Charles Evan Hughes
2. Secretary of Treasury - Andrew Mellon (supposed richest man in America at the time)
3. Secretary of Commerce - Herbert Hoover
4. Secretary of Interior - Albert Fall
5. Attorney General - Harry M. Daugherty

C. Tax Reduction

1. Mellon believed in low taxes to free rich from “oppressive” taxes and thus encourage investment
2. **Revenue Acts** (1921 & 1924) - cut maximum tax rates to 50%, then 40%; taxes in lower brackets reduced; inheritance and corporate income taxes retained
3. able to reduce federal debt by avg. \$500 million per year

D. Fordney-McCumber Tariff (Sept. 1922) - imposed high rates on farm products and protected fledgling industries. Average tariff rate was 33% (previous tariff 26%)

E. Harding Scandals

** Harding himself was completely honest, but several of his friends whom he appointed to office were involved in major scandals. Most information about the scandals did not become public until after his death.*

1. **Teapot Dome Scandal** - Secretary of Interior Albert Fall secured the transfer of several naval oil reserves to his jurisdiction (1921). In 1922, he secretly leased reserves at Teapot Dome (WY) and at Elk Hills (CA) to private petroleum corporations. A Senate investigation later revealed that Fall had received \$305,000 in cash and bonds and a herd of cattle, and a \$100,000 unsecured loan. Fall was convicted, fined, and imprisoned for bribery
2. **Veteran's Bureau Scandal** - Charles R. Forbes, appointed by Harding to head new Veteran's Bureau, stole or squandered about \$250 million in bureau funds
3. Attorney General Harry M. Daugherty, through his friend Jesse Smith, took bribes from bootleggers, income tax evaders, and others in return for protection from prosecution. Smith committed suicide in Daugherty's apartment (May 1923). Also evidence that Daugherty received money for using his influence in returning the American Metal Company, seized by US government during the war, to its German owners

F. Harding's Death - June, 1923, died suddenly, apparently of a heart attack, in San Francisco. Rumors of foul play or suicide persisted for years

G. Vice President **Calvin Coolidge** became president to complete Harding's term - reputation for honesty, and was able to avoid responsibility for the scandals during Harding's

administration

II. Election of 1924

- A. **Republicans** - Calvin Coolidge/Charles G. Dawes
Platform - business development, low taxed, rigid economy in government
- B. **Democrats** - internal divisions brought forth dark horse candidate, John W. Davis/Charles W. Bryan
Platform - lower tariff, but otherwise similar to Republican platform
- C. **Progressives** - Robert LaFollette - had support from Midwest farm groups, socialists, AFL
Platform - attacked monopolies, called for nationalization of railroads, direct election of the president, and other reforms
- D. Campaign and Election
 - 1. Neither Coolidge nor Dais were active or effective campaigners
 - 2. LaFollette campaigned vigorously, but he lacked money and was dislike for his opposition to US entrance into WW1
 - 3. Coolidge received more electoral votes than his two opponents combined

III. Calvin Coolidge

- A. As President
 - 1. **“the business of America is business”**
 - 2. “the man who builds a factory builds a temple”
 - 3. Philosophy of life: “Four-Fifths of all our troubles in this world would disappear if only we would sit down and keep still.”
 - 4. Intentionally provided no presidential leadership
- B. **McNary Haugen Bill** - plan to raise prices for basic farm products; vetoed twice by Coolidge; forerunner of agricultural programs of 1930s
- C. **Muscle Shoals** plan to lease a dam and nitrate plants on Tennessee River in Muscle Shoals, AL to private business; vetoed by Coolidge; forerunner of Tennessee Valley Authority in 1930s
- D. Veterans’ Bonus - plan to give WW1 veterans a 20-year endowment policy based on length of service; passed over Coolidge’s veto
- E. Revenue Act of 1926 - reduced income tax, abolished gift tax, cut estate tax in half

IV. Election of 1928

- A. **Republicans** - Herbert Hoover/Charles Curtis
Platform - endorsed policies of Harding and Coolidge administrations
- B. **Democrats** - Alfred Smith/Joseph T. Robinson
Platform - differed little from Republicans, except in advocating lower tariffs
- C. Campaign and Election
 - 1. Hoover asserted that Republican policies would end poverty in the country
 - 2. Smith also economically conservative, but attacked prohibition and bigotry
 - 3. Hoover received 444 electoral votes, carrying all of the North except MA and RI, and 7 states in the Solid South

V. Foreign Policy in the 1920s

- A. **Washington Conference** - (1921) - 9 representatives met to discuss naval limitations and Asian affairs.

1. **Five-Power Pact** (1922) - US, Britain, Japan, France, and Italy
 - a. end new construction of capital naval vessels
 - b. scrap some ships
 - c. establish ratio for number of ships
 2. **Nine-Power Pact** - US, Britain, France, Japan, Italy, China, Netherlands, Belgium, Portugal
 - a. upheld Open Door in China by binding nations to respect sovereignty, independence, and integrity of China
 3. **Four Power Pact** - US, Britain, Japan, France
 - a. nations agreed to respect each other's possessions in the Pacific and to confer in the event of disputes or aggression in the area
- B. War Debts and Reparations
1. US insisted on repayment of \$10.25 billion loaned to Allies during WW1
 2. Germany was supposed to pay reparations to the Allies, but by 1923, Germany was bankrupt.
 3. **Dawes Plan** (1924) - contingent on loans from American banks
 - a. American banks loaned Germany \$2.5 billion by 1930
 - b. Germany paid reparations of over \$2 billion to Allies in same time period
 - c. Allies paid \$2.6 billion to US on their war debts
 4. **Kellogg-Briand Pact** (1928) [Sec. of State Kellogg & French foreign Minister Briand]

**renounced war as an instrument of national policy. It outlawed only aggression, not self-defense, and had no enforcement provisions*
- C. Latin America
1. American investment in Latin America doubled - most relations improved
 2. Nicaragua - Coolidge removed Marines in 1925, but after revolution erupted, Marines returned; Revolution eventually put down, and **Anastasio Somoza** assumed leadership. Somoza family ruled in Nicaragua until 1979 when overthrown by Sandinistas