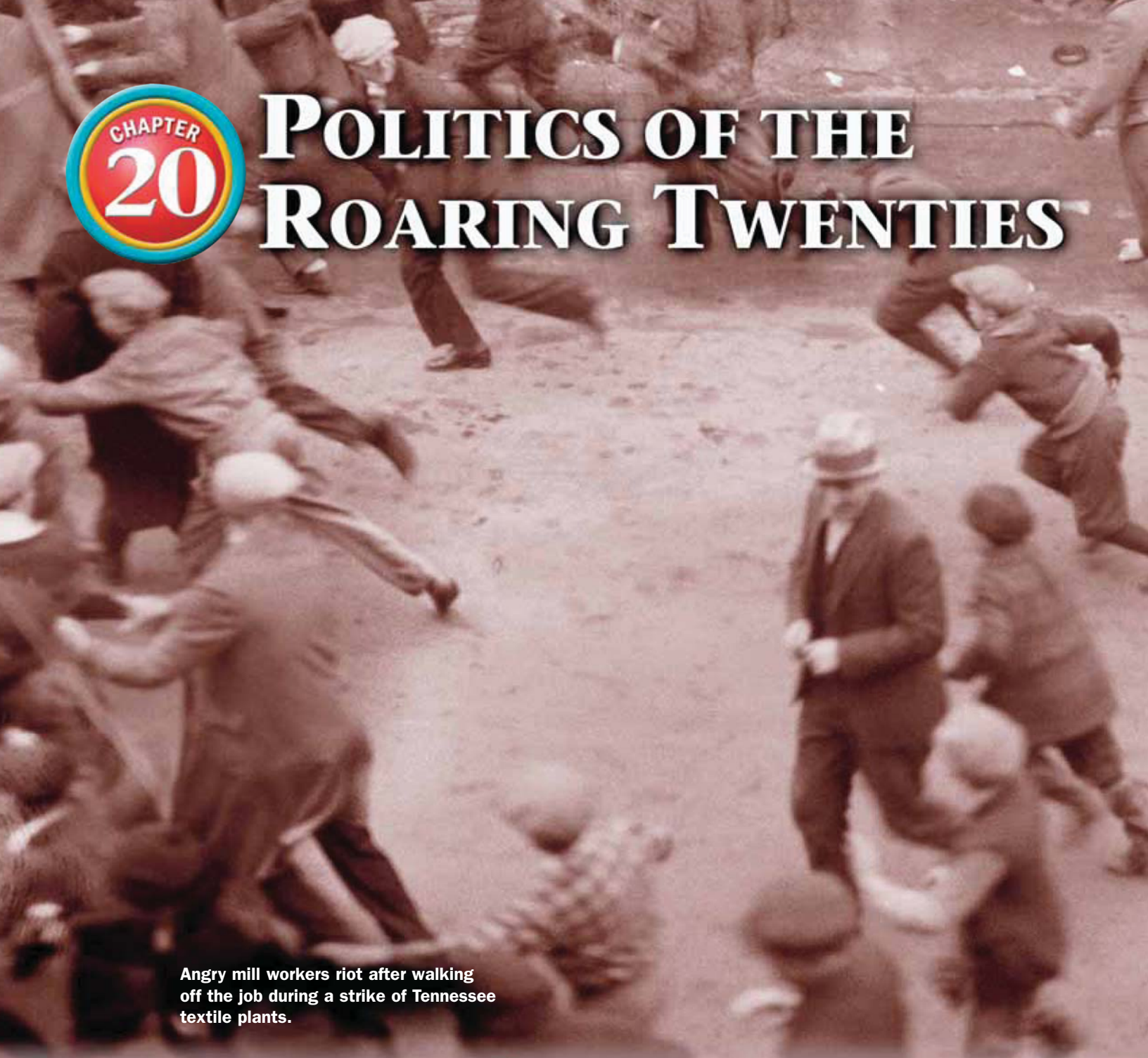


CHAPTER  
**20**

# POLITICS OF THE ROARING TWENTIES



Angry mill workers riot after walking off the job during a strike of Tennessee textile plants.



1919-1920  
Palmer Raids

1920  
Warren G. Harding is elected president.

1921 Sacco and Vanzetti are convicted.

1921 Federal-Aid Road Act funds a national highway system.

1923  
President Harding dies and Calvin Coolidge becomes president.

USA  
WORLD

1919

1921

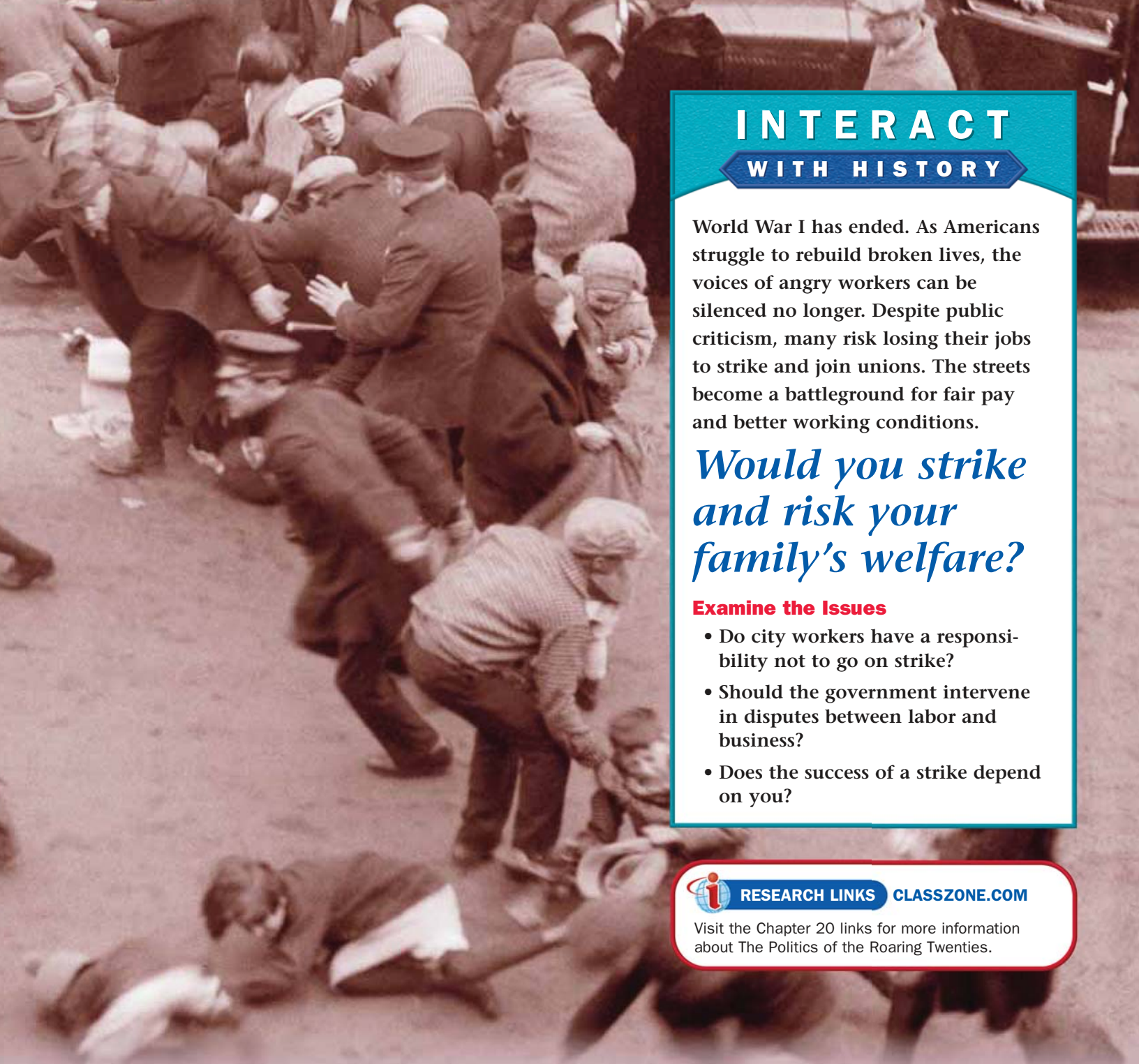
1923



1921  
Chinese Communist Party is founded in Shanghai.

1922  
Benito Mussolini is appointed prime minister of Italy.

1923  
German economic crisis.



# INTERACT WITH HISTORY

World War I has ended. As Americans struggle to rebuild broken lives, the voices of angry workers can be silenced no longer. Despite public criticism, many risk losing their jobs to strike and join unions. The streets become a battleground for fair pay and better working conditions.

*Would you strike and risk your family's welfare?*

### Examine the Issues

- Do city workers have a responsibility not to go on strike?
- Should the government intervene in disputes between labor and business?
- Does the success of a strike depend on you?



RESEARCH LINKS [CLASSZONE.COM](http://CLASSZONE.COM)

Visit the Chapter 20 links for more information about The Politics of the Roaring Twenties.

**1924** Calvin Coolidge is elected president.

**1925** A. Philip Randolph organizes the Brotherhood of Sleeping Car Porters.



**1927** Henry Ford introduces the Model A.

**1928** Herbert Hoover is elected president.

**1925**

**1927**

**1929**



**1924** Vladimir Ilich Lenin, founder of the Soviet Union, dies.

**1926** British laborers declare a general strike.

**1926** Hirohito becomes emperor of Japan.

**1928** Joseph Stalin launches the first of his Five-Year-Plans in the USSR.



**1929** National Revolutionary Party is organized in Mexico.

SECTION  
1

# Americans Struggle with Postwar Issues

## MAIN IDEA

A desire for normality after the war and a fear of communism and “foreigners” led to postwar isolationism.

## WHY IT MATTERS NOW

Americans today continue to debate political isolationism and immigration policy.

## Terms & Names

- nativism
- isolationism
- communism
- anarchists
- Sacco and Vanzetti
- quota system
- John L. Lewis

## One American's Story

During the 1920s and 1930s, Irving Fajans, a department store sales clerk in New York City, tried to persuade fellow workers to join the Department Store Employees Union. He described some of the techniques union organizers used.

### A PERSONAL VOICE IRVING FAJANS

“If you were caught distributing . . . union literature around the job you were instantly fired. We thought up ways of passing leaflets without the boss being able to pin anybody down. . . . We . . . swiped the key to the toilet paper dispensers in the washroom, took out the paper and substituted printed slips of just the right size! We got a lot of new members that way—it appealed to their sense of humor.”

—quoted in *The Jewish Americans*



▲ Irving Fajans organized department store workers in their efforts to gain better pay and working conditions during the 1920s.

During the war, workers' rights had been suppressed. In 1919, workers began to cry out for fair pay and better working conditions. Tensions arose between labor and management, and a rash of labor strikes broke out across the country. The public, however, was not supportive of striking workers. Many citizens longed to get back to normal, peaceful living—they felt resentful of anyone who caused unrest.

## Postwar Trends

World War I had left much of the American public exhausted. The debate over the League of Nations had deeply divided America. Further, the Progressive Era had caused numerous wrenching changes in American life. The economy, too, was in a difficult state of adjustment. Returning soldiers faced unemployment or took their old jobs away from women and minorities. Also, the cost of living had doubled. Farmers and factory workers suffered as wartime orders diminished.

Many Americans responded to the stressful conditions by becoming fearful of outsiders. A wave of **nativism**, or prejudice against foreign-born people, swept the nation. So, too, did a belief in **isolationism**, a policy of pulling away from involvement in world affairs.

## Fear of Communism

One perceived threat to American life was the spread of **communism**, an economic and political system based on a single-party government ruled by a dictatorship. In order to equalize wealth and power, Communists would put an end to private property, substituting government ownership of factories, railroads, and other businesses.

**THE RED SCARE** The panic in the United States began in 1919, after revolutionaries in Russia overthrew the czarist regime. Vladimir I. Lenin and his followers, or Bolsheviks (“the majority”), established a new Communist state. Waving their symbolic red flag, Communists, or “Reds,” cried out for a worldwide revolution that would abolish capitalism everywhere.

A Communist Party formed in the United States. Seventy-thousand radicals joined, including some from the Industrial Workers of the World (IWW). When several dozen bombs were mailed to government and business leaders, the public grew fearful that the Communists were taking over. U.S. Attorney General A. Mitchell Palmer took action to combat this “Red Scare.”

### A PERSONAL VOICE A. MITCHELL PALMER

“The blaze of revolution was sweeping over every American institution of law and order . . . eating its way into the homes of the American workman, its sharp tongues of revolutionary heat . . . licking the altars of the churches, leaping into the belfry of the school bell, crawling into the sacred corners of American homes, . . . burning up the foundations of society.”

—“The Case Against the Reds”

**THE PALMER RAIDS** In August 1919, Palmer appointed J. Edgar Hoover as his special assistant. Palmer, Hoover, and their agents hunted down suspected Communists, socialists, and **anarchists**—people who opposed any form of government. They trampled people’s civil rights, invading private homes and offices and jailing suspects without allowing them legal counsel. Hundreds of foreign-born radicals were deported without trials.

But Palmer’s raids failed to turn up evidence of a revolutionary conspiracy—or even explosives. Many thought Palmer was just looking for a campaign issue to gain support for his presidential aspirations. Soon, the public decided that Palmer didn’t know what he was talking about. **A**

**SACCO AND VANZETTI** Although short-lived, the Red Scare fed people’s suspicions of foreigners and immigrants. This nativist attitude led to ruined reputations and wrecked lives. The two most famous victims of this attitude were Nicola Sacco and Bartolomeo Vanzetti, a shoemaker and a fish peddler. Both were Italian immigrants and anarchists; both had evaded the draft during World War I.

In May 1920, **Sacco and Vanzetti** were arrested and charged with the robbery and murder of a factory paymaster and his guard in South Braintree, Massachusetts. Witnesses had said the criminals appeared to be Italians. The accused asserted their innocence and provided alibis; the evidence against them was circumstantial; and the presiding judge made prejudicial remarks. Nevertheless, the jury still found them guilty and sentenced them to death.

## ECONOMIC BACKGROUND

### ROOTS OF COMMUNISM

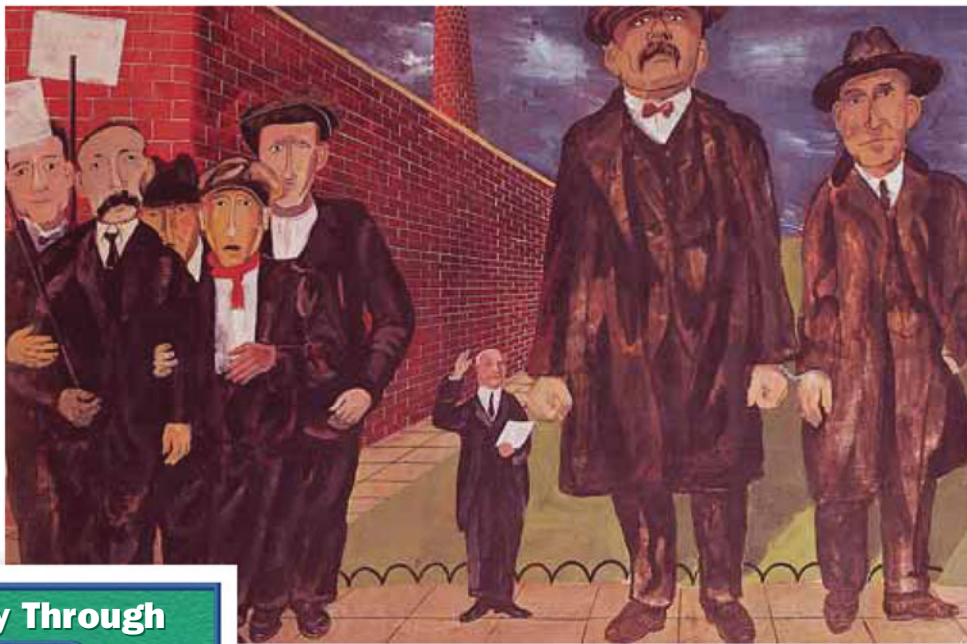
The first Communist government in Russia was based on the teachings of Karl Marx and Friedrich Engels. In 1848, these two had published *The Communist Manifesto*, which outlined a theory of class struggle. It said that a class that had economic power also had social and political power.

It also said that two classes, the “haves” and the “have-nots,” have struggled for control throughout history. During the Industrial Revolution, Communists believed, the struggle was between the capitalists, who owned capital—land, money, and machinery—and workers, who owned only their labor. Marx and Engels urged workers to seize political power and the means of production. Ultimately, they believed, laborers would overthrow capitalism in all industrialized nations.

### MAIN IDEA

#### Analyzing Motives

**A** Why did Attorney General A. Mitchell Palmer launch a series of raids against suspected Communists?



## History Through

### Art

#### SACCO AND VANZETTI (1932)

The painting by Ben Shahn shows (right to left) Nicola Sacco, Bartolomeo Vanzetti, a miniature Governor Fuller, and a group of Sacco and Vanzetti supporters.

**Why do you think Shahn depicts Sacco and Vanzetti as so much larger than Governor Fuller?**

Protests rang out in the United States, Europe, and Latin America. Many people thought Sacco and Vanzetti were mistreated because of their radical beliefs; others asserted it was because they were immigrants. The poet Edna St. Vincent Millay donated proceeds from her poem “Justice Denied in Massachusetts” to their defense. She personally appealed to Governor Fuller of Massachusetts for their lives. However, after reviewing the case and interviewing Vanzetti, the governor decided to let the executions go forward. The two men died in the electric chair on August 23, 1927. Before he was executed, Vanzetti made a statement.

#### A PERSONAL VOICE BARTOLOMEO VANZETTI

“In all my life I have never stole, never killed, never spilled blood. . . . We were tried during a time . . . when there was hysteria of resentment and hate against the people of our principles, against the foreigner. . . . I am suffering because I am a radical and indeed I am a radical; I have suffered because I was an Italian and indeed I am an Italian. . . . If you could execute me two times, and if I could be reborn two other times, I would live again to do what I have done already.” **B**

—quoted in *The National Experience*

In 1961, new ballistics tests showed that the pistol found on Sacco was in fact the one used to murder the guard. However, there was no proof that Sacco had actually pulled the trigger.

## Limiting Immigration

During the wave of nativist sentiment, “Keep America for Americans” became the prevailing attitude. Anti-immigrant attitudes had been growing in the United States ever since the 1880s, when new immigrants began arriving from southern and eastern Europe. Many of these immigrants were willing to work for low wages in industries such as coal mining, steel production, and textiles. But after World War I, the need for unskilled labor in the United States decreased. Nativists believed that because the United States now had fewer unskilled jobs available, fewer immigrants should be let into the country. Nativist feelings were fueled by

#### MAIN IDEA

#### Analyzing Events

**B** According to Vanzetti, what were the reasons for his imprisonment?

#### Background

On August 23, 1977, exactly 50 years after the executions, Massachusetts governor Michael Dukakis declared that Sacco and Vanzetti had not been given a fair trial.

the fact that some of the people involved in postwar labor disputes were immigrant anarchists and socialists, who many Americans believed were actually Communists. Racist ideas like those expressed by Madison Grant, an anthropologist at the American Museum of Natural History in New York City, fed people's attitudes.

### A PERSONAL VOICE MADISON GRANT

**“The result of unlimited immigration is showing plainly in the rapid decline in the birth rate of native Americans . . . [who] will not bring children into the world to compete in the labor market with the Slovak, the Italian, the Syrian and the Jew. The native American is too proud to mix socially with them.”**

—quoted in *United States History: Ideas in Conflict*

#### Vocabulary

**bigot:** a person who is intolerant of any creed, race, religion, or political belief that differs from his own

**THE KLAN RISES AGAIN** As a result of the Red Scare and anti-immigrant feelings, different groups of bigots used anti-communism as an excuse to harass any group unlike themselves. One such group was the Ku Klux Klan (KKK). The KKK was devoted to “100 percent Americanism.” By 1924, KKK membership reached 4.5 million “white male persons, native-born gentile citizens.” The Klan also believed in keeping blacks “in their place,” destroying saloons, opposing unions, and driving Roman Catholics, Jews, and foreign-born people out of the country. KKK members were paid to recruit new members into their world of secret rituals and racial violence. Though the Klan dominated state politics in many states, by the end of the decade its criminal activity led to a decrease in power. **C**



#### MAIN IDEA

#### Analyzing Issues

**C** What were the main goals of the Ku Klux Klan at this time?

**THE QUOTA SYSTEM** From 1919 to 1921, the number of immigrants had grown almost 600 percent—from 141,000 to 805,000 people. Congress, in response to nativist pressure, decided to limit immigration from certain countries, namely those in southern and eastern Europe.

The Emergency Quota Act of 1921 set up a **quota system**. This system established the maximum number of people who could enter the United States from each foreign country. The goal of the quota system was to cut sharply European immigration to the United States. As the charts on page 622 show, the system achieved that goal.

As amended in 1924, the law limited immigration from each European nation to 2 percent of the number of its nationals living in the United States in 1890. This provision discriminated against people from eastern and southern Europe—mostly Roman Catholics and Jews—who had not started coming to the United States in large numbers until after 1890. Later, the base year was shifted to 1920. In 1927, the law reduced the total number of persons to be admitted in any one year to 150,000.

In addition, the law prohibited Japanese immigration, causing much ill will between the two nations. Japan—which had faithfully kept the Gentlemen's Agreement to limit emigration to the United States, negotiated by Theodore Roosevelt in 1907—expressed anger over the insult.

**▲** In 1925, nearly 60,000 Ku Klux Klan members marched along Pennsylvania Avenue in Washington, D.C.

## U.S. Patterns of Immigration, 1921–1929

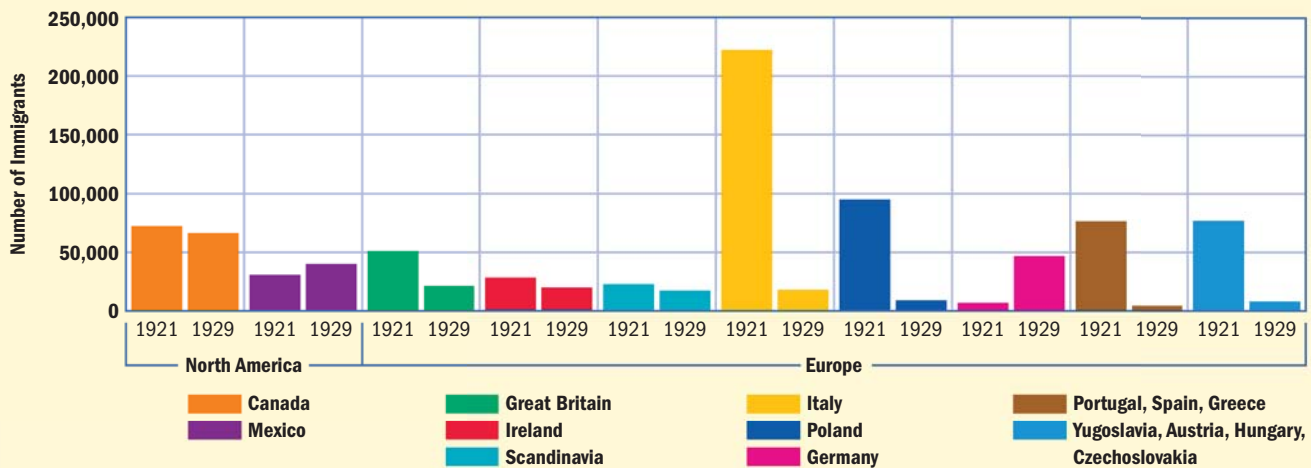
The map and graph below show the change in immigration patterns resulting from the Emergency Quota Act, among other factors. Hundreds of thousands of people were affected. For example, while the number of immigrants from Mexico rose from 30,758 in 1921 to 40,154 in 1929, the number of Italian immigrants dropped drastically from 222,260 in 1921 to 18,008 in 1929.



Ellis Island in Upper New York Harbor was the port of entry for most European immigrants.



Immigration to the United States, 1921 and 1929



Source: *Historical Statistics of the United States, Colonial Times to 1970*

### SKILLBUILDER Interpreting Graphs

- Which geographical areas show the sharpest decline in immigration to the U.S. between 1921 and 1929? What are the only areas to register an increase in immigration to the U.S.?
- How did the quota system affect where immigrants came from?



SEE SKILLBUILDER HANDBOOK, PAGE R28.

**MAIN IDEA****Developing Historical Perspective**

**D** Why did Congress make changes in immigration laws during the 1920s?

The national origins quota system did not apply to immigrants from the Western Hemisphere, however. During the 1920s, about a million Canadians and almost 500,000 Mexicans crossed the nation's borders. **D**

## A Time of Labor Unrest

Another severe postwar conflict formed between labor and management. During the war, the government wouldn't allow workers to strike because nothing could interfere with the war effort. The American Federation of Labor (AFL) pledged to avoid strikes.

However, 1919 saw more than 3,000 strikes during which some 4 million workers walked off the job. Employers didn't want to give raises, nor did they want employees to join unions. Some employers, either out of a sincere belief or because they saw a way to keep wages down, attempted to show that union members were planning a revolution. Employers labeled striking workers as Communists. Newspapers screamed, "Plots to Establish Communism." Three strikes in particular grabbed public attention.

**THE BOSTON POLICE STRIKE** The Boston police had not been given a raise since the beginning of World War I. Among their many grievances was that they had been denied the right to unionize. When representatives asked for a raise and were fired, the remaining policemen decided to strike. Massachusetts governor Calvin Coolidge called out the National Guard. He said, "There is no right to strike against the public safety by anybody, anywhere, any time." The strike ended but members weren't allowed to return to work; new policemen were hired instead. People praised Coolidge for saving Boston, if not the nation, from communism and anarchy. In the 1920 election he became Warren G. Harding's vice-presidential running mate.

**THE STEEL MILL STRIKE** Workers in the steel mills wanted the right to negotiate for shorter working hours and a living wage. They also wanted union recognition and collective bargaining rights. In September 1919, the U.S. Steel Corporation refused to meet with union representatives. In response, over 300,000 workers walked off their jobs. Steel companies hired strikebreakers—employees who agreed to work during the strike—and used force. Striking workers were beaten by police, federal troops, and state militias. Then the companies instituted a propaganda campaign, linking the strikers to Communists. In October 1919, negotiations between labor and management produced a deadlock. President Woodrow Wilson made a written plea to the combative "negotiators."

### A PERSONAL VOICE WOODROW WILSON

"At a time when the nations of the world are endeavoring to find a way of avoiding international war, are we to confess that there is no method to be found for carrying on industry except . . . the very method of war? . . . Are our industrial leaders and our industrial workers to live together without faith in each other?"

—quoted in *Labor in Crisis*

The steel strike ended in January 1920. In 1923, a report on the harsh working conditions in steel mills shocked the public. The steel companies agreed to an eight-hour day, but the steelworkers remained without a union. **E**




▲ Strikers included working women tailors who fought for improved working conditions.

**MAIN IDEA****Comparing**

**E** Compare the results of the Boston police strike and the steel strike.



**KEY PLAYER**



**JOHN LLEWELLYN LEWIS**  
1880–1969

John L. Lewis was born in the little mining town of Lucas, Iowa. His family had traditionally been concerned with labor rights and benefits.

Lewis grew up with a fierce determination to fight for what he believed companies owed their employees: decent working conditions and a fair salary. As he said years later,

“I have pleaded your case not in the tones of a feeble mendicant [beggar] asking alms but in the thundering voice of the captain of a mighty host, demanding the rights to which free men are entitled.”

**THE COAL MINERS’ STRIKE** Unionism was more successful in America’s coalfields. In 1919, the United Mine Workers of America, organized since 1890, got a new leader—**John L. Lewis**. In protest of low wages and long workdays, Lewis called his union’s members out on strike on November 1, 1919. Attorney General Palmer obtained a court order sending the miners back to work. Lewis then declared it over, but he quietly gave the word for it to continue. In defiance of the court order, the mines stayed closed another month. Then President Wilson appointed an arbitrator, or judge, to put an end to the dispute. The coal miners received a 27 percent wage increase, and John L. Lewis became a national hero. The miners, however, did not achieve a shorter workday and a five-day workweek until the 1930s.

**LABOR MOVEMENT LOSES APPEAL** In spite of limited gains, the 1920s hurt the labor movement badly. Over the decade, union membership dropped from more than 5 million to around 3.5 million. Membership declined for several reasons:

- much of the work force consisted of immigrants willing to work in poor conditions,
- since immigrants spoke a multitude of languages, unions had difficulty organizing them,
- farmers who had migrated to cities to find factory jobs were used to relying on themselves, and
- most unions excluded African Americans.

By 1929, about 82,000 African Americans—or less than 1 percent of their population—held union memberships. By contrast, just over 3 percent of all whites were union members. However, African Americans joined some unions like the mine workers’, longshoremen’s, and railroad porters’

unions. In 1925, A. Philip Randolph founded the Brotherhood of Sleeping Car Porters to help African Americans gain a fair wage.

While America’s attitude toward unions was changing, so, too, was its faith in the presidency.

**SECTION 1 ASSESSMENT**

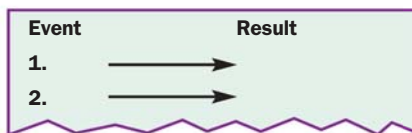
**1. TERMS & NAMES** For each term or name, write a sentence explaining its significance.

- nativism
- communism
- Sacco and Vanzetti
- John L. Lewis
- isolationism
- anarchists
- quota system

**MAIN IDEA**

**2. TAKING NOTES**

In a cause-and-effect chart like the one shown, list examples of the aftereffects of World War I.



What event do you think was the most significant? Explain your choice.

**CRITICAL THINKING**

**3. EVALUATING**

Do you think Americans were justified in their fear of radicals and foreigners in the decade following World War I? Explain your answer.

**Think About:**

- the goals of the leaders of the Russian Revolution
- the challenges facing the United States

**4. ANALYZING ISSUES**

In the various fights between management and union members, what did each side believe?

**5. DRAWING CONCLUSIONS**

What do you think the Sacco and Vanzetti case shows about America in the 1920s?

# The Harding Presidency

## MAIN IDEA

The Harding administration appealed to America's desire for calm and peace after the war, but resulted in scandal.

## WHY IT MATTERS NOW

The government must guard against scandal and corruption to merit public trust.

## Terms & Names

- Warren G. Harding
- Charles Evans Hughes
- Fordney-McCumber Tariff
- Ohio gang
- Teapot Dome scandal
- Albert B. Fall

## One American's Story

**Warren G. Harding** was described as a good-natured man who “looked like a president ought to look.” When the silver-haired Ohio senator assumed the presidency in 1921, the public yearned for what Harding described as “normalcy,” or the simpler days before the Progressive Era and the Great War. His words of peace and calm comforted the healing nation.

### A PERSONAL VOICE WARREN G. HARDING

“America’s present need is not heroics, but healing; not nostrums, but normalcy; not revolution, but restoration; not agitation, but adjustment; not surgery, but serenity; not the dramatic, but the dispassionate; . . . not submergence in internationality, but sustainment in triumphant nationality.”

—quoted in *The Rise of Warren Gamaliel Harding*

Despite Harding’s soothing speeches, his judgment turned out to be poor. The discord among the major world powers and the conduct within his own cabinet would test his politics and his character.



▲ Warren G. Harding, shown here in 1923, looked presidential, but he is considered one of the least successful presidents.

## Harding Struggles for Peace

After World War I, problems surfaced relating to arms control, war debts, and the reconstruction of war-torn countries. In 1921, President Harding invited several major powers to the Washington Naval Conference. Russia was left out because of its Communist government. At the conference, Secretary of State **Charles Evans Hughes** urged that no more warships be built for ten years. He suggested that the five major naval powers—the United States, Great Britain, Japan, France, and Italy—scrap many of their battleships, cruisers, and aircraft carriers.

Conference delegates cheered, wept, and threw their hats into the air. For the first time in history, powerful nations agreed to disarm. Later, in 1928, fifteen



▲ In 1923, a German man papers his walls with money made nearly worthless by high inflation following World War I.

countries signed the Kellogg-Briand Pact, which renounced war as a national policy. However, the pact was futile, as it provided no means of enforcement.

**HIGH TARIFFS AND REPARATIONS** New conflicts arose when it came time for Britain and France to pay back the \$10 billion they had borrowed from America. They could do this in two ways: by selling goods to the United States or by collecting reparations from Germany. However, in 1922, America adopted the **Fordney-McCumber Tariff**, which raised taxes on some U.S. imports to 60 percent—the highest level ever. The tax protected U.S. businesses—especially in the chemical and metals industries—from foreign competition, but made it impossible for Britain and France to sell enough goods in the U.S. to repay debts. **A**

The two countries looked to Germany, which was experiencing terrible inflation. When Germany defaulted on (failed to make) payment, French troops marched in. To avoid another war, American banker Charles G. Dawes was sent to negotiate loans. Through what came to be known as the Dawes Plan, American investors loaned

Germany \$2.5 billion to pay back Britain and France with annual payments on a fixed scale. Those countries then paid the United States. Thus, the United States arranged to be repaid with its own money.

The solution caused resentment all around. Britain and France considered the United States a miser for not paying a fair share of the costs of World War I. Further, the U.S. had benefited from the defeat of Germany, while Europeans had paid for the victory with millions of lives. At the same time, the United States considered Britain and France financially irresponsible.

## Scandal Hits Harding's Administration

On domestic issues, Harding favored a limited role for government in business affairs and in social reform. Still, he did set up the Bureau of the Budget to help run the government more efficiently, and he urged U.S. Steel to abandon the 12-hour day.

**HARDING'S CABINET** Harding appointed Charles Evans Hughes as secretary of state. Hughes later went on to become chief justice of the Supreme Court. The president made Herbert Hoover the secretary of commerce. Hoover had done a masterful job of handling food distribution and refugee problems during World War I. Andrew Mellon, one of the country's wealthiest men, became secretary of the treasury and set about drastically cutting taxes and reducing the national debt. However, the cabinet also included the so-called **Ohio gang**, the president's poker-playing cronies, who would soon cause a great deal of embarrassment. **B**

**SCANDAL PLAGUES HARDING** The president's main problem was that he didn't understand many of the issues. He admitted as much to a secretary.

### A PERSONAL VOICE WARREN G. HARDING

“John, I can't make a . . . thing out of this tax problem. I listen to one side and they seem right, and then . . . I talk to the other side and they seem just as right. . . . I know somewhere there is an economist who knows the truth, but I don't know where to find him and haven't the sense to know him and trust him when I find him. . . . What a job!”

—quoted in *Only Yesterday*

### Vocabulary

#### reparations:

payments demanded from a defeated enemy

### MAIN IDEA

#### Summarizing

**A** What were the reasons European countries were not paying their war debts?

### MAIN IDEA

#### Evaluating Leadership

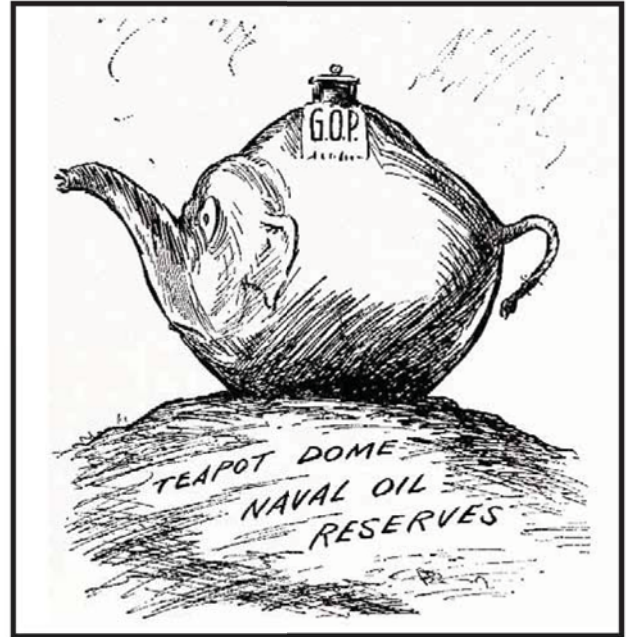
**B** What do Harding's appointments indicate about his judgment?

Harding's administration began to unravel as his corrupt friends used their offices to become wealthy through graft. Charles R. Forbes, the head of the Veterans Bureau, was caught illegally selling government and hospital supplies to private companies. Colonel Thomas W. Miller, the head of the Office of Alien Property, was caught taking a bribe.

**THE TEAPOT DOME SCANDAL** The most spectacular example of corruption was the **Teapot Dome scandal**. The government had set aside oil-rich public lands at Teapot Dome, Wyoming, and Elk Hills, California, for use by the U.S. Navy. Secretary of the Interior **Albert B. Fall**, a close friend of various oil executives, managed to get the oil reserves transferred from the navy to the Interior Department. Then, Fall secretly leased the land to two private oil companies, including Henry Sinclair's Mammoth Oil Company at Teapot Dome. Although Fall claimed that these contracts were in the government's interest, he suddenly received more than \$400,000 in "loans, bonds, and cash." He was later found guilty of bribery and became the first American to be convicted of a felony while holding a cabinet post. **C**

In the summer of 1923, Harding declared, "I have no trouble with my enemies. . . . But my . . . friends, they're the ones that keep me walking the floor nights!" Shortly thereafter, on August 2, 1923, he died suddenly, probably from a heart attack or stroke.

Americans sincerely mourned their good-natured president. The crimes of the Harding administration were coming to light just as Vice-President Calvin Coolidge assumed the presidency. Coolidge, a respected man of integrity, helped to restore people's faith in their government and in the Republican Party. The next year, Coolidge was elected president.



▲ The elephant, shaped like a teapot here, is the symbol of the Republican Party (Grand Old Party). The cartoonist implies that Republicans were responsible for the Teapot Dome scandal.

**MAIN IDEA**

**Making Inferences**

**C** How did the scandals of the Harding administration hurt the country economically?

**SECTION 2**

**ASSESSMENT**

**1. TERMS & NAMES** For each term or name, write a sentence explaining its significance.

- Warren G. Harding
- Fordney-McCumber Tariff
- Teapot Dome scandal
- Charles Evans Hughes
- Ohio gang
- Albert B. Fall

**MAIN IDEA**

**2. TAKING NOTES**

List five significant events from this section and their effects, using a table like the one shown.

Event	Effects
1.	
2.	

Which event benefited the country the most? Why?

**CRITICAL THINKING**

**3. MAKING INFERENCES**

How do you think the Harding administration viewed the role of America in world affairs? Support your response with examples from the text.

**4. EVALUATING**

How successful was Harding in fulfilling his campaign pledge of returning the country to "normalcy"? Support your opinion with specific examples.

**5. ANALYZING EFFECTS**

How do you think the postwar feelings in America influenced the election of 1920? **Think About:**

- the desire for normalcy
- Harding's image
- the issues Americans wanted to focus on

# The Business of America

## MAIN IDEA

Consumer goods fueled the business boom of the 1920s as America's standard of living soared.

## WHY IT MATTERS NOW

Business, technological, and social developments of the 1920s launched the era of modern consumerism.

## Terms & Names

- Calvin Coolidge
- installment plan
- urban sprawl

## One American's Story



▲ The Model A was a more luxurious car than the Model T. It was introduced at \$495. Model T's were selling for \$290.

In 1927, the last Model T Ford—number 15,077,033—rolled off the assembly line. On December 2, some 1 million New Yorkers mobbed show rooms to view the new Model A. One striking difference between the two models was that customers could order the Model A in such colors as “Arabian Sand” and “Niagara Blue”; the old Model T had come only in black. A Ford spokesman explained some additional advantages of the new automobile.

### A PERSONAL VOICE

“Good-looking as that car is, its performance is better than its appearance. We don't brag about it, but it has done seventy-one miles an hour. It will ride along a railroad track without bouncing. . . . It's the smoothest thing you ever rode in.”

—a Ford salesman quoted in *Flappers, Bootleggers, “Typhoid Mary,” and the Bomb*

The automobile became the backbone of the American economy in the 1920s (and remained such until the 1970s). It profoundly altered the American landscape and American society, but it was only one of several factors in the country's business boom of the 1920s.

## American Industries Flourish

The new president, **Calvin Coolidge**, fit into the pro-business spirit of the 1920s very well. It was he who said, “the chief business of the American people is business. . . . The man who builds a factory builds a temple—the man who works there worships there.” Both Coolidge and his Republican successor, Herbert Hoover, favored government policies that would keep taxes down and business profits up, and give businesses more available credit in order to expand. Their goal was to keep government interference in business to a minimum and to allow private enterprise to flourish. For most of the 1920s, this approach seemed to work. Coolidge's administration continued to place high tariffs on foreign imports,

which helped American manufacturers. Reducing income taxes meant that people had more money in their pockets. Wages were rising because of new technology and so was productivity.

**THE IMPACT OF THE AUTOMOBILE** The automobile literally changed the American landscape. Its most visible effect was the construction of paved roads suitable for driving in all weather. One such road was the legendary Route 66, which provided a route for people trekking west from Chicago to California. Many, however, settled in towns along the route. In addition to the changing landscape, architectural styles also changed, as new houses typically came equipped with a garage or carport and a driveway—and a smaller lawn as a result. The automobile also launched the rapid construction of gasoline stations, repair shops, public garages, motels, tourist camps, and shopping centers. The first automatic traffic signals began blinking in Detroit in the early 1920s. The Holland Tunnel, the first underwater tunnel designed specifically for motor vehicles, opened in 1927 to connect New York City and Jersey City, New Jersey. The Woodbridge Cloverleaf, the first cloverleaf intersection, was built in New Jersey in 1929. **A**

Gas for cars was cheap and plentiful. Gas stations sprung up on Route 66 charging 25¢ per gallon.



**MAIN IDEA**

**Analyzing Effects**

**A** What was the impact of the automobile?

The automobile liberated the isolated rural family, who could now travel to the city for shopping and entertainment. It also gave families the opportunity to vacation in new and faraway places. It allowed both women and young people to become more independent through increased mobility. It allowed workers to live



Roadside stands offering food, drink, and other items appeared in increasing numbers.

**Route 66**

**INTERACTIVE**

Commissioned on the cusp of the Depression, Route 66 symbolized the road to opportunity. Also known as “the Mother Road,” it became the subject of countless songs, films, books, and legends.

- 1916** Federal-Aid Road Act sets up highway program with the federal government paying half the cost of states’ highway construction.
- 1921** Highway construction in 11 western states begins under administration of Bureau of Public Roads.
- 1926** U.S. Highway 66, which would run 2,448 miles from Chicago to Los Angeles, California, is established.

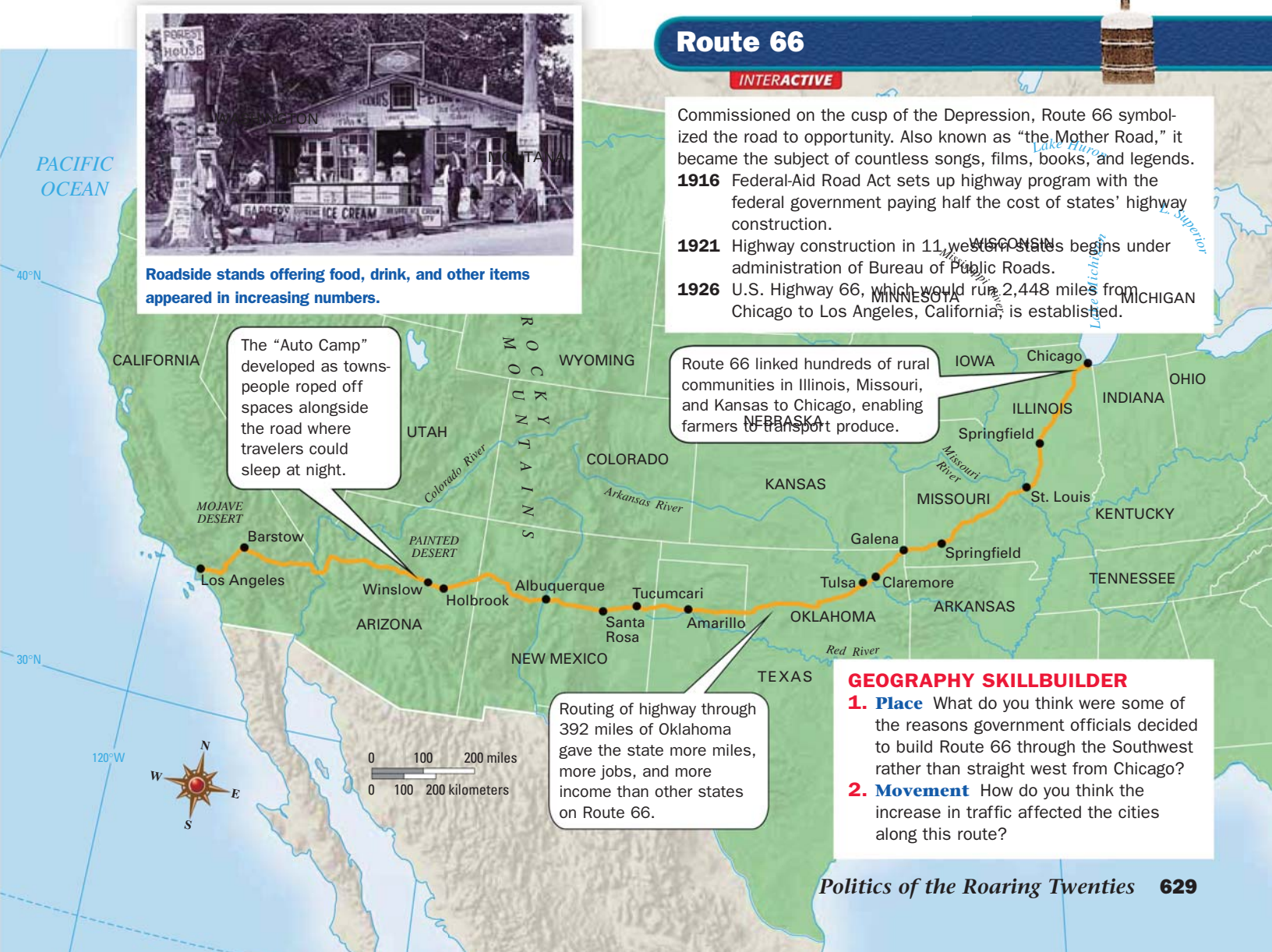
The “Auto Camp” developed as townspeople roped off spaces alongside the road where travelers could sleep at night.

Route 66 linked hundreds of rural communities in Illinois, Missouri, and Kansas to Chicago, enabling farmers to transport produce.

Routing of highway through 392 miles of Oklahoma gave the state more miles, more jobs, and more income than other states on Route 66.

**GEOGRAPHY SKILLBUILDER**

- 1. Place** What do you think were some of the reasons government officials decided to build Route 66 through the Southwest rather than straight west from Chicago?
- 2. Movement** How do you think the increase in traffic affected the cities along this route?



## KEY PLAYER



**CALVIN COOLIDGE**  
1872–1933

Stepping into office in 1923, the tightlipped Vermonter was respected for his solemnity and wisdom. Coolidge supported American business and favored what he called “a constructive economy.”

Known for his strength of character, Coolidge forced the resignation of Attorney General Daugherty and other high officials who had created scandal in office.

Shortly after Coolidge was elected, his son died of blood poisoning. Coolidge later wrote, “The power and the glory of the presidency went with him.” When he decided not to seek reelection in 1928, Coolidge stumped the nation. Keeping in character, he said, “Goodby, I have had a very enjoyable time in Washington.”

miles from their jobs, resulting in **urban sprawl** as cities spread in all directions. The automobile industry also provided an economic base for such cities as Akron in Ohio, and Detroit, Dearborn, Flint, and Pontiac in Michigan. The industry drew people to such oil-producing states as California and Texas. The automobile even became a status symbol—both for individual families and to the rest of the world. In their work *Middletown*, the social scientists Robert and Helen Lynd noted one woman’s comment: “I’ll go without food before I’ll see us give up the car.”

The auto industry symbolized the success of the free enterprise system and the Coolidge era. Nowhere else in the world could people with little money own their own automobile. By the late 1920s, around 80 percent of all registered motor vehicles in the world were in the United States—about one automobile for every five people. The humorist Will Rogers remarked to Henry Ford, “It will take a hundred years to tell whether you helped us or hurt us, but you certainly didn’t leave us where you found us.” **B**

**THE YOUNG AIRPLANE INDUSTRY** Automobiles weren’t the only form of transportation taking off. The airplane industry began as a mail carrying service for the U.S. Post Office. Although the first flight in 1918 was a disaster, a number of successful flights soon established the airplane as a peacetime means of transportation. With the development of weather forecasting, planes began carrying radios and navigational instruments. Henry Ford made a trimotor airplane in 1926. Transatlantic flights by Charles Lindbergh and Amelia Earhart helped to promote cargo and commercial airlines. In 1927, the Lockheed Company produced a single-engine plane, the Vega. It was one of the most popular transport airplanes of the late 1920s. Founded in 1927, Pan American Airways inaugurated the first transatlantic passenger flights.

### Vocabulary

**status symbol:** a possession believed to enhance the owner’s social standing

### MAIN IDEA

#### Analyzing Effects

**B** How did the widespread use of the automobile affect the environment and the lives of Americans?

Flight attendants train for an early United Airlines flight. When commercial airline flights began, all flight attendants were female and white. ►



## America's Standard of Living Soars

The years from 1920 to 1929 were prosperous ones for the United States. Americans owned around 40 percent of the world's wealth, and that wealth changed the way most Americans lived. The average annual income rose more than 35 percent during the period—from \$522 to \$705. People found it easy to spend all that extra income and then some.

**ELECTRICAL CONVENIENCES** Gasoline powered much of the economic boom of the 1920s, but the use of electricity also transformed the nation. American factories used electricity to run their machines. Also, the development of an alternating electrical current made it possible to distribute electric power efficiently over longer distances. Now electricity was no longer restricted to central cities but could be transmitted to suburbs. The number of electrified households grew, although most farms still lacked power.

By the end of the 1920s, more and more homes had electric irons, while well-to-do families used electric refrigerators, cooking ranges, and toasters. Eunice Fuller Barnard listed prices for electrical appliances in a 1928 magazine article:



Goods and Prices, 1900 and 1928			
1900		1928	
wringer and washboard	\$ 5	washing machine	\$150
brushes and brooms	\$ 5	vacuum cleaner	\$ 50
sewing machine (mechanical)	\$25	sewing machine (electric)	\$ 60

▲ American consumers in the 1920s could purchase the latest household electrical appliances, such as a refrigerator, for as little as a dollar down and a dollar a week.

### MAIN IDEA

#### Forming Generalizations

Ⓒ How did the use of electricity affect Americans' lifestyle?

These electrical appliances made the lives of housewives easier, freed them for other community and leisure activities, and coincided with a growing trend of women working outside the home. Ⓒ

**THE DAWN OF MODERN ADVERTISING** With new goods flooding the market, advertising agencies no longer just informed the public about products and prices. Now they hired psychologists to study how to appeal to people's desire for youthfulness, beauty, health, and wealth. Results were impressive. The slogan "Say it with flowers" doubled florists' business between 1912 and 1924. "Reach for a Lucky instead of a sweet" lured weight-conscious Americans to cigarettes and away from candy. Brand names became familiar from coast to coast, and luxury items now seemed like necessities.

One of those "necessities" was mouthwash. A 1923 Listerine advertisement aimed to convince readers that without Listerine a person ran the risk of having halitosis—bad breath—and that the results could be a disaster.

#### A PERSONAL VOICE

**"She was a beautiful girl and talented too. She had the advantages of education and better clothes than most girls of her set. She possessed that culture and poise that travel brings. Yet in the one pursuit that stands foremost in the mind of every girl and woman—marriage—she was a failure."**

—Listerine Advertisement

Businesspeople applied the power of advertising to other areas of American life. Across the land, they met for lunch with fellow members of such service organizations as Rotary, Kiwanis, and the Lions. As one observer noted, they sang



## ANOTHER PERSPECTIVE

### THE NEEDY

While income rose for many Americans in the 1920s, it did not rise for everyone. Industries such as textile and steel manufacturing made very little profit. Mining and farming actually suffered losses. Farmers were deeply in debt because they had borrowed money to buy land and machinery so that they could produce more crops during World War I. When European agriculture bounced back after the war, the demand for U.S. crops fell, as did prices. Before long there were U.S. farm surpluses.

Many American farmers could not make their loan and mortgage payments. They lost their purchasing power, their equipment, and their farms. As one South Dakota state senator remarked, "There's a saying: 'Depressions are farm led and farm fed.'"

songs, raised money for charities, and boosted the image of the businessman "as a builder, a doer of great things, yes, and a dreamer whose imagination was ever seeking out new ways of serving humanity." Many Americans idolized business during these prosperous times.

## A Superficial Prosperity

During the 1920s, most Americans believed prosperity would go on forever—the average factory worker was producing 50 percent more at the end of the decade than at its start. Hadn't national income grown from \$64 billion in 1921 to \$87 billion in 1929? Weren't most major corporations making fortunes? Wasn't the stock market reaching new heights?

**PRODUCING GREAT QUANTITIES OF GOODS** As productivity increased, businesses expanded. There were numerous mergers of companies that manufactured automobiles, steel, and electrical equipment, as well as mergers of companies that provided public utilities. Chain stores sprouted, selling groceries, drugs, shoes, and clothes. Five-and-dime stores like Woolworth's also spread rapidly. Congress passed a law that allowed national banks to branch within cities of their main office. But as the number of businesses grew, so did the income gap between workers and managers. There were a number of other clouds in the blue sky of prosperity. The iron and railroad industries, among others, weren't very prosperous, and farms nation-

**Background**  
See *productivity* on page R44 in the Economics Handbook.

wide suffered losses—with new machinery, they were producing more food than was needed and this drove down food prices.

**BUYING GOODS ON CREDIT** In addition to advertising, industry provided another solution to the problem of luring consumers to purchase the mountain of goods produced each year: easy credit, or "a dollar down and a dollar forever." The **installment plan**, as it was then called, enabled people to buy goods over

## Analyzing Political Cartoons

### "YES, SIR, HE'S MY BABY"

This cartoon depicts Calvin Coolidge playing a saxophone labeled "Praise" while a woman representing "Big Business" dances up a storm.

#### SKILLBUILDER Analyzing Political Cartoons

1. The dancing woman is a 1920s "flapper"—independent, confident, and assertive. In what ways was big business in the 1920s comparable to the flappers?
2. What do you think the cartoonist suggests about Coolidge's relationship with big business?

 SEE SKILLBUILDER HANDBOOK, PAGE R24.



**MAIN IDEA**

**Analyzing Issues**

**D** What were the main advantage and disadvantage of buying on credit?

an extended period, without having to put down much money at the time of purchase. Banks provided the money at low interest rates. Advertisers pushed the “installment plan” idea with such slogans as “You furnish the girl, we’ll furnish the home” and “Enjoy while you pay.”

Some economists and business owners worried that installment buying might be getting out of hand and that it was really a sign of fundamental weaknesses behind a superficial economic prosperity. One business owner even wrote to President Coolidge and related a conversation he had overheard on a train. **D**

**A PERSONAL VOICE**

“Have you an automobile yet?”  
“No, I talked it over with John and he felt we could not afford one.”  
“Mr. Budge who lives in your town has one and they are not as well off as you are.”  
“Yes, I know. Their second installment came due, and they had no money to pay it.”  
“What did they do? Lose the car?”  
“No, they got the money and paid the installment.”  
“How did they get the money?”  
“They sold the cook-stove.”  
“How could they get along without a cook-stove?”  
“They didn’t. They bought another on the installment plan.”

—a business owner quoted in *In The Time of Silent Cal*

**MAIN IDEA**

**Predicting Effects**

**E** How do you think the changes in spending will affect the economy?

Still, most Americans focused their attention on the present, with little concern for the future. What could possibly go wrong with the nation’s economy? The decade of the 1920s had brought about many technological and economic changes. And yet the Coolidge era was built on paradox—the president stood for economy and a frugal way of life, but he was favored by a public who had thrown all care to the wind. Life definitely seemed easier and more enjoyable for hundreds of thousands of Americans. From the look of things, there was little warning of what was to come. **E**

**SECTION 3**

**ASSESSMENT**

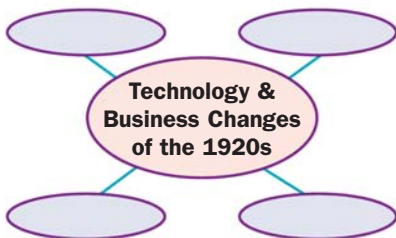
**1. TERMS & NAMES** For each term or name, write a sentence explaining its significance.

- Calvin Coolidge
- urban sprawl
- installment plan

**MAIN IDEA**

**2. TAKING NOTES**

Re-create the web below on your paper and fill it in with events that illustrate the central idea.



Choose one event from the web and explain its significance in the 1920s.

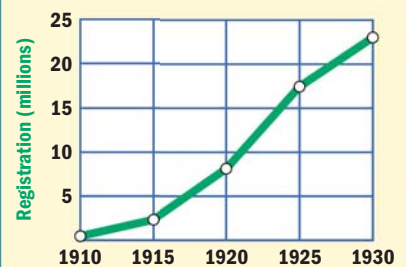
**CRITICAL THINKING**

**3. EVALUATING**

Do you agree with President Coolidge’s statement “The man who builds a factory builds a temple—the man who works there worships there”? Explain your answer. **Think About:**

- the goals of business and of religion
- the American idolization of business
- the difference between workers and management

**Automobile Registration 1910–1930**



Source: *Historical Statistics of the United States*.

**4. INTERPRETING GRAPHS**

What trend does the graph show between 1920 and 1930? What were some of the reasons for this trend?

# Economic Opportunity

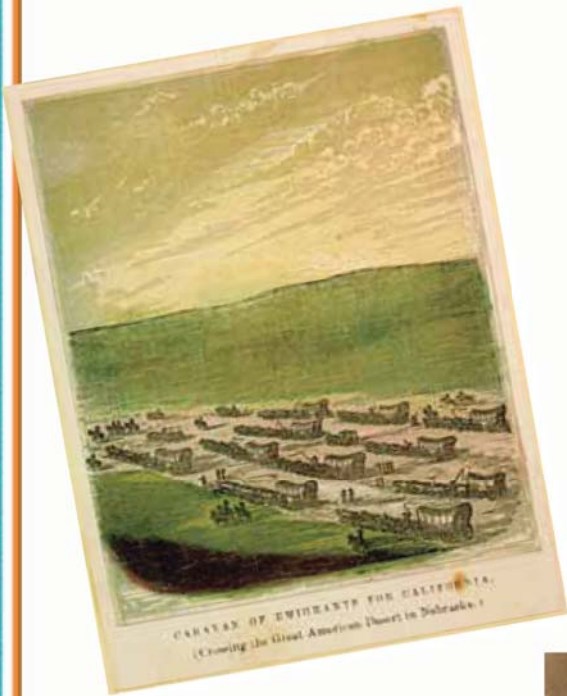
The courage to take risks, the confidence to rely on one's self, the strength to stand in the face of despair, and the resourcefulness to make the most of opportunity—these are all qualities often considered distinctly American. Freedom requires individuals to discover or create opportunities for themselves. However, the government has also played a key role in distributing and creating economic opportunities.

## 1830s–1860s

### ◀ HOMESTEADING

Even before 1763, Americans looked toward the untamed west in search of greater wealth and freedom. In the 1830s, the Mormons went west to escape religious as well as economic persecution. The government helped to expand economic opportunities for whites by first clearing the land of its native inhabitants, relocating them to reservations or killing them.

As the nation claimed ownership of the land, it also gave it away. The Homestead Act of 1862 provided free of charge 160 acres of public land to anyone 21 years of age or older or the head of a family who had inhabited the land for five years and had improved it. This provided Americans a chance to be independent and self-sufficient if they would work hard. From 1862 until 1900, between 400,000 and 600,000 families were provided homesteads.



## 1900s

### IMMIGRATION ▶

While many people have come to the U.S. seeking political and religious freedom, economic opportunity has also been a key reason for immigration. In 1905, for instance, almost half a million people from southern and eastern Europe migrated to the United States in search of economic freedom and opportunity, as well as to escape religious persecution. Many found work at menial jobs for low pay but still were able to save enough money to eventually open their own businesses.



# 1960s–1970s

## EQUALITY OF OPPORTUNITY AND AFFIRMATIVE ACTION ►

In the 1960s and 1970s, groups pressed for changes in the law to remove barriers to economic opportunity. Laws such as the Civil Rights Act of 1964 were passed to prevent discrimination against women and racial and ethnic minorities in order to provide equity in educational and business opportunities.

As well, affirmative action policies were designed to remedy effects of past discrimination. The term affirmative action—first used by Lyndon B. Johnson in 1965—includes efforts to give work and educational opportunities to members of historically disadvantaged groups. Some have labeled affirmative action “reverse discrimination,” while others view it as a means to counterbalance continued discrimination that the law has been unable to prevent.

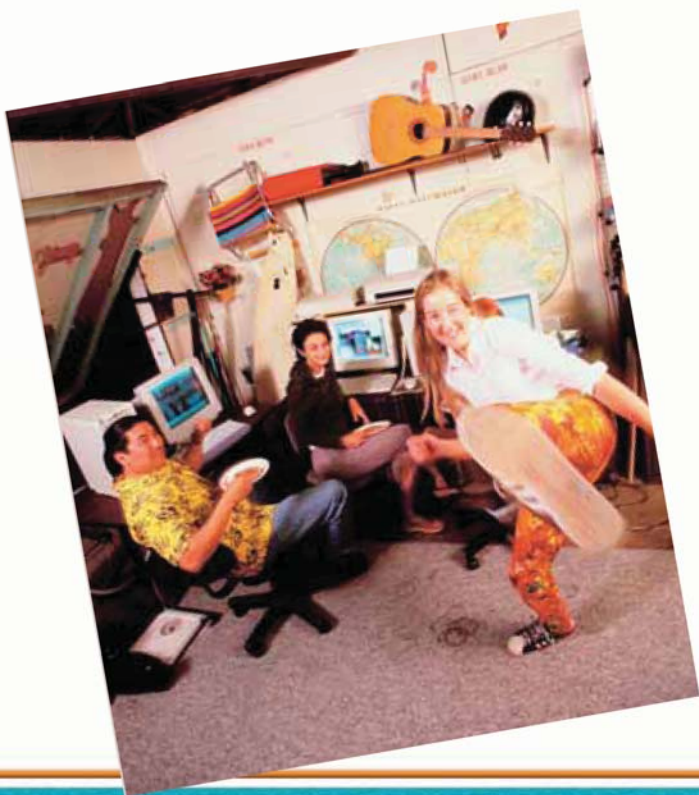


# 2000s

## ▼ COMPUTERS AND INTERNET STARTUPS

In recent years, many of the brightest college students have chosen to study computer science in hopes of landing a high-paying job. Alternatively, independent-minded computer experts might become entrepreneurs—people who start and run their own businesses. For an initial period of several months to several years, an entrepreneur may work upwards of 70 or 80 hours each week, yet the business will have no income.

Since the late 1990s, both groups have increasingly looked to the Internet for opportunities. Entrepreneurs seek money-making opportunities as they develop ways to expand the capabilities of this new technology. In turn, the growth of Internet-based businesses creates jobs for people who have specialized computer skills.



## THINKING CRITICALLY

### CONNECT TO HISTORY

1. **Identifying Problems** What were some obstacles to achieving equal opportunity in each of the cases described on these two pages? Choose one of the time periods discussed and write a paragraph describing how these obstacles were overcome.



SEE SKILLBUILDER HANDBOOK, PAGE R5.

### CONNECT TO TODAY

2. **Evaluating a Business Opportunity** What economic opportunities available to you seem most promising? Discuss with your family and teachers or guidance counselor what jobs and business opportunities they think you might be suited for, then choose one and investigate it. Summarize your research by making a chart listing the pros and cons of the opportunity.



RESEARCH LINKS

CLASSZONE.COM



**TERMS & NAMES**

For each term or name below, write a sentence explaining its connection to the decade following World War I.

- |                            |                        |
|----------------------------|------------------------|
| 1. communism               | 7. isolationism        |
| 2. Sacco and Vanzetti      | 8. quota system        |
| 3. Calvin Coolidge         | 9. Teapot Dome scandal |
| 4. John L. Lewis           | 10. installment plan   |
| 5. Warren G. Harding       |                        |
| 6. Fordney-McCumber Tariff |                        |

**MAIN IDEAS**

Use your notes and the information in the chapter to answer the following questions.

**Americans Struggle with Postwar Issues**

(pages 618–624)

1. Explain how the Red Scare, the Sacco and Vanzetti case, and the rise of the Ku Klux Klan reflected concerns held by many Americans.
2. Describe the primary goal of the immigration quota system established in 1921.

**The Harding Presidency**

(pages 625–627)

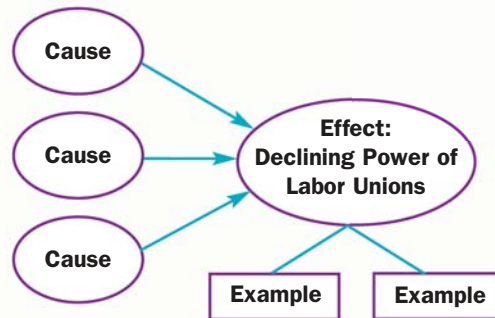
3. What did Harding want to do to return America to “normalcy”?
4. Summarize the Teapot Dome scandal.

**The Business of America** (pages 628–633)

5. How did changes in technology in the 1920s influence American life?
6. What evidence suggests that the prosperity of the 1920s was not on a firm foundation?


**CRITICAL THINKING**

1. **USING YOUR NOTES** Create a cause-and-effect web, similar to the one shown, in which you give several causes for the declining power of labor unions in the 1920s and give examples of the unions’ decline.



2. **HISTORICAL PERSPECTIVE** Calvin Coolidge said, “After all, the chief business of the American people is business.” What events and trends of the 1920s support Coolidge’s statement?
3. **INTERPRETING MAPS** Look at the path of Route 66 in the map on page 629. What factors may have influenced where and why the highway was built? Explain your answer.

**VISUAL SUMMARY POLITICS OF THE ROARING TWENTIES**



**ECONOMIC**

- a superficial prosperity ensued
- increased production of consumer goods
- buying on credit
- increased standard of living and consumer spending

**GOVERNMENTAL**

- election of pro-business presidents Harding and Coolidge
- isolationist philosophy
- immigration quotas
- tariffs on imports to discourage foreign business competition
- corruption in Harding’s administration


**LIFE IN POSTWAR AMERICA**

**SOCIETAL/SOCIAL**

- a perceived threat of communism
- fear and distrust of immigrants
- fear of the labor movement and faith in business
- strikes and worker unrest

**TECHNOLOGY/INDUSTRY**

- growth of automobile industry
- introduction of airlines as transportation
- widespread use of electricity
- advertising gains popularity



## Standardized Test Practice

Use the cartoon and your knowledge of United States history to answer question 1.



- The cartoon criticizes President Coolidge by suggesting that —
  - Coolidge's policies benefited wealthy business owners.
  - Coolidge was known as "Silent Cal" because he had no economic policy.
  - Coolidge provided cash assistance to struggling industries.
  - Coolidge had supported the Immigration Act.
- After World War I ended, workers in many industries went on strike for wage increases and better working conditions. But in the decade that followed, public support of labor unions declined, as did union membership. Which of the following helps to explain this decline in labor union popularity?
  - Wages and working conditions in most industries had already improved before the mid-1920s.
  - Most labor unions actively opposed isolationist policies.
  - Most labor unions had large immigrant memberships.
  - Few labor unions would allow unskilled veterans returning from the war to join.
- Which of the following beliefs did *not* result from America's desire for "normalcy" after World War I?
  - isolationism
  - conservatism
  - nativism
  - anarchism

**ADDITIONAL TEST PRACTICE, pages S1–S33.**

 **TEST PRACTICE** CLASSZONE.COM

## ALTERNATIVE ASSESSMENT

- INTERACT**  
WITH HISTORY

 Recall your discussion of the question on page 617:

### *Would you strike and risk your family's welfare?*

Suppose you are a reporter covering the Boston police strike. Write a column for your newspaper that explains why people acted as they did. Also describe the mood and tension created by the strike. Invent realistic quotations from workers, union members, strikebreakers, and management.

-  **INTERNET ACTIVITY** CLASSZONE.COM

Visit the links for Chapter Assessment to research incomes, prices, employment levels, divorce rates, or other statistics that show how people were affected by the events of the 1920s.

- Decide the main purpose of your graph. What statistics will you show?
- Choose the type of graph that would best show your data. Consider using a pie chart, bar or line graph, or circle graph.
- Clearly label the parts of the graph.
- Share your graph with the class.