

1920's

Major Themes:

Economic Boom
Inventions/Technology
Racism
Prohibition
Reckless Economic Habits
Conservative/Liberal?
Stock Market Crash

Presidencies:

Warren G. Harding (R) – 1921 – 1924
Calvin Coolidge (R) – 1924 – 1929
Herbert Hoover (R) – 1929 – 1933

Overview:

The 1920's were "roaring", right? Or were they? Most people get this impression because the economy of the time was the best it had ever been up to that point. The stock market, newly full of companies that had spun off of the Merchants of Death and were now making civilian products, went on a nine year almost uninterrupted climb. It seemed that anyone who had a little money to invest could do well. It seemed like all of the previous boom and bust cycles of past decades were finally over. It was the bets of times...

Take jobs for example. To get a factory job in the 1920's meant that you were likely working for decent wages, and that employers actually had a hard time finding enough workers for their factories at any given time. You could make a good \$5 a day at Henry Ford's plant, what we would call back then a middle class wage. Of course, Henry Ford wanted to pay his employees well because he wanted them to stay in the job – they became "specialized labor on the assembly line" in his plant, and production of cars went up at the same time as his labor costs went down. This meant that cars were cheaper for people to buy, and ordinary middle class Americans, for the first time, could own one. This, in turn, led to increased auto sales, more factories, and even more middle class jobs. His assembly line was used to make other products too, including washing machines, refrigerators, record players, and of course, radios.

Sales were also helped by the fact that people of the time relied heavily on credit in order to purchase such luxuries, or as they called it in those days "installments". Life was definitely good, but completely dependent on the fact that you would always have that middle class job to make your payments. If anything happened to your income, then you lost everything. Presidents of the time, all Republican, all laissez-faire in their business

policies, had decided to let the economy do whatever it felt like. Since growth had been so good, why mess with it? This turned out to be a mistake, especially since Americans were buying stock on margin in large numbers, creating a stock market that was nervous, and overvalued. A crash was inevitable.

Even though jobs were plentiful in the decade, America was very anti-immigrant, anti-foreigner during this time. Xenophobia, a fear of foreigner, coupled with “nativism”, a White America-first attitude dominated society at the time. There was a wave of new membership in the Ku Klux Klan as they expanded their umbrella of hate to include immigrants, Jews and Catholics as well as blacks. This, in part, led to the passage of immigration restrictions in the form of the National Origins Act, and the Emergency Quota Act which put severe limits on who could immigrate to the United States, and it slammed the door shut on any immigrants coming from Asia.

One could also see the racism at the time against recent “New Immigrants” from Southern and Eastern Europe. The Sacco-Vanzetti case was a good example of this, as two probably innocent Italian immigrants were convicted of murder and executed.

So were the 1920’s liberal or conservative? Socially revolutionary or reactionary? There are arguments for both. One could say that based on the racism prevalent at the time, the immigration restrictions and the laissez-faire business policies of the 20’s were quite conservative, as was the backlash against Margaret Sanger support for legal birth control. The Scopes Monkey Trial also indicated that Americans were not exactly open to the new science of evolution, instead of traditional religious creationism. And finally, we can simply point to an entire decade of prohibition to show that much of America was trying to change the morality of our society to something that agreed with Christian principles.

But there were flappers, to be sure, and the existence of reformers like Sanger showed that rebellion against traditional society did exist at the time, and no one could argue that Prohibition was a success. Even in conservative, dry counties, one could easily find speakeasies or bootleggers. (No one ever called Al Capone conservative either) And with the increased ownership of cars, young Americans had more privacy, and the 20’s then witnessed a sexual revolution of sorts, as many people did not follow the traditional Christian values you could see everywhere else in society. The Harlem Renaissance was certainly liberal – black Americans finally, and for the first time, developing their own culture amidst the jazz music, art and poetry of New York in the mid-1920’s.

Nothing could provide a more stunning end to all that the 20’s were, socially and economically, than the stock market crash, and the beginnings of the Great Depression. Stocks that were priced way above the actual value of the companies, a large percentage of the market bought and sold on margin, “sick” industries that were losing money and dragging down healthy businesses’ profit margins, and the overall lack of economic regulation led us to the greatest economic collapse we have ever witnessed.