

Boom Times

What You Will Learn...

Main Ideas

1. President Harding promised a return to peace and prosperity.
2. Calvin Coolidge supported a probusiness agenda.
3. American business boomed in the 1920s.
4. In 1928, Americans elected Herbert Hoover, hoping he would help good financial times continue.

The Big Idea

American industries boomed in the 1920s, changing many Americans' way of life.

Key Terms and People

Warren G. Harding, *p. 752*
 Calvin Coolidge, *p. 752*
 Teapot Dome scandal, *p. 753*
 Kellogg-Briand Pact, *p. 754*
 Model T, *p. 755*
 moving assembly line, *p. 755*
 Herbert Hoover, *p. 757*

TAKING NOTES

As you read, take notes on the presidents of the 1920s. Record your notes in a chart like this one.

| President | Year Elected | Political Party |
|-----------|--------------|-----------------|
| | | |
| | | |
| | | |

If YOU were there...

You have been working in a car factory for years, and now you have finally bought a car of your own—a shiny new 1920 Ford Model T. As you set out on your first drive, the car rattles and bounces over unpaved roads that were designed for horse-and-buggy travel. But you don't mind the rough ride. You now have the freedom to drive anywhere you want to go!

How will owning a car change your life?

BUILDING BACKGROUND The American economy boomed during World War I, as industries raced to produce weapons and supplies for the Allied armies. With more than 4 million men serving in the armed forces, there was a shortage of workers in American factories, and many people found jobs. When the war ended, however, conditions changed quickly, and the economy faced a difficult adjustment.

Return to Peace and Prosperity

The end of World War I had an immediate impact on the American economy. Because the government no longer needed war supplies, it canceled billions of dollars' worth of contracts with American factories. This meant that factories cut back on production at the very moment that millions of soldiers left the military and began looking for jobs. The result was a sharp rise in unemployment. Meanwhile, many people who did have jobs rushed to buy products they could not buy during the war. This caused prices to soar. Wages could not keep up with the rising prices, and thus workers could no longer afford to buy the goods they needed and wanted. Many went on strike for higher wages—more than 4 million in 1919 alone.

As the 1920 presidential election approached, the economic difficulties were bad news for the party in power, Woodrow Wilson's Democratic Party. Many voters blamed the Democrats for the hard times. Sensing the public's anger, the Republicans looked for a candidate who would offer new hope for American voters. They chose **Warren G. Harding**, a senator from Ohio. Harding picked Governor **Calvin Coolidge** of Massachusetts as his running mate.

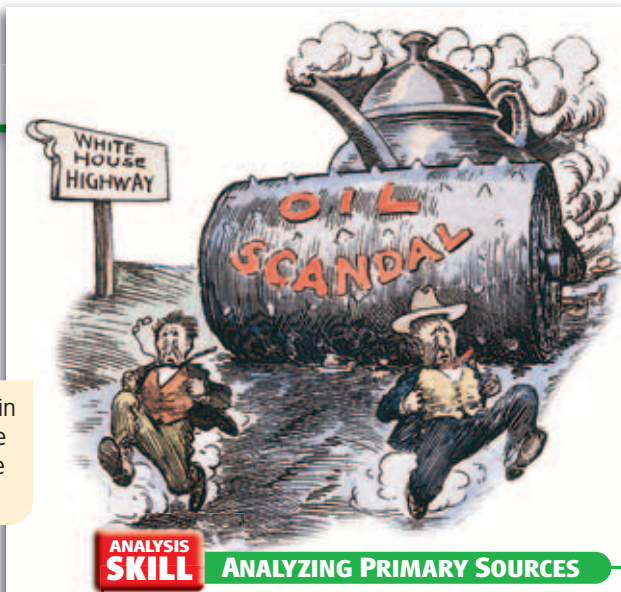
Primary Source

POLITICAL CARTOON

Teapot Dome

During the Teapot Dome scandal, people began to question the judgment and honesty of government leaders. This cartoon, called “Juggernaut,” was published in 1924 to show how harmful the scandal had been. A juggernaut is an indestructible force that crushes everything in its path.

How do the images in the cartoon illustrate the destructive force of the scandal?



ANALYSIS
SKILL

ANALYZING PRIMARY SOURCES

Why do you think the artist called this cartoon “Juggernaut”?

Harding based his campaign strategy on a promise to return the country to stability and prosperity, what he called “normalcy.” His conservative policies contrasted with the reform-minded policies of the Progressive Era. Harding summed up his ideas in a campaign speech:

“America’s present need is not heroics, but healing; not nostrums [uncertain cures] but normalcy [normal times]; not revolution, but restoration.”

—Warren G. Harding, 1920

Democrats believed there was still support for Wilson’s ideas for reform. They ran Ohio governor James M. Cox for president, and New York’s Franklin D. Roosevelt for vice president. But Harding’s promise of a return to normalcy captured the public’s mood in 1920. Harding won a landslide victory with about 60 percent of the popular vote.

Harding worked quickly to help strengthen the economy. He put together a cabinet of experts who believed in reducing money owed by the government and limiting government involvement in the economy. Secretary of the Treasury Andrew Mellon pushed for tax cuts for wealthy Americans. Mellon believed that this policy would give the wealthy an **incentive** to invest in new businesses and create new jobs for other Americans. Mellon’s opponents called

this idea the trickle-down theory, arguing that money would only “trickle down” in small drops to less-well-off Americans.

While Harding was president, businesses did in fact bounce back from the postwar recession. The economy created new, better-paying jobs, leading to an economic boom that lasted for most of the decade.

Harding faced problems in other areas, however. He had appointed many of his trusted friends to high positions. Some of these men used their positions to gain wealth through illegal means. “I have no trouble with my enemies,” Harding once said. “But my . . . friends . . . keep me walking the floor nights.”

What came to be known as the **Teapot Dome scandal** involved Secretary of the Interior Albert Fall, who accepted large sums of money and valuable gifts from private oil companies. In exchange, Fall allowed the companies to control government oil reserves in Elk Hills, California, and Teapot Dome, Wyoming. The U.S. Senate soon began investigating Fall, who was convicted of accepting bribes. He was the first cabinet member ever to be convicted of a crime for his actions while in office.

READING CHECK Summarizing What did Harding mean when he promised a return to normalcy?

ACADEMIC VOCABULARY

incentive
something that encourages people to behave a certain way

Coolidge's Probusiness Administration

Just before details of the Teapot Dome scandal became public, President Harding died of a heart attack. In August 1923 Vice President Calvin Coolidge took charge. Coolidge had a strong reputation as an honest and trustworthy leader. These qualities helped him restore confidence in the government.

THE IMPACT TODAY

Countries still try to prevent wars with international agreements. More than 180 nations have signed the Treaty on the Non-Proliferation of Nuclear Weapons, an agreement to prevent the spread of nuclear weapons.

Coolidge acted quickly to fire all officials who had been involved in the bribery scandals of Harding's administration. This helped him win the presidential election in 1924. He received nearly twice as many votes as the Democratic candidate, John W. Davis.

Coolidge proved to be even more pro-business than Harding had been. He once declared that "the business of America is business." He expanded the policies started under Harding, such as tax cuts for wealthier citizens. He also supported raising tariffs on foreign goods to decrease competition with domestic products. Despite higher tariffs, trade

with other countries actually increased under Coolidge. This was mainly because many nations depended on trade with the United States to rebuild their economies after World War I. Not everyone profited from Coolidge's efforts, however. Coolidge vetoed congressional attempts to provide aid to farmers through the regulation of prices.

Like the United States, European nations wanted a return to prosperity. Europeans also wanted to avoid another devastating war. In 1928 the United States and 14 other nations signed the Kellogg-Briand Pact, an agreement that outlawed war. Eventually 62 nations accepted the pact. There was no way to enforce the pact, however. One U.S. senator complained that the treaty would be "as effective to keep down war as a carpet would be to smother an earthquake." Still, it was a sign that most countries wanted to prevent another global conflict.

READING CHECK Comparing and Contrasting

How were Harding and Coolidge similar, and how were they different?

The Model T Assembly Line

CONNECT TO SCIENCE AND TECHNOLOGY

Early assembly lines involved workers moving down a line of parts. On a moving assembly line, workers along the line specialize in one or two simple assembly tasks that they perform as parts move past them. The moving assembly line greatly increases the efficiency of mass production.



These workers are attaching the leather seat covers to the carriage and are stuffing them with horsehair.

Business Booms

The 1920s were years of rapid economic growth in the United States. Between 1921 and 1929, U.S. manufacturing nearly doubled. As jobs and wages increased, so did people's ability to buy new products. Some of these products changed the way Americans lived.

Ford's Model T

Today we think of cars as a major part of American life. In the early 1900s, though, cars were seen as luxury items that only the wealthy could afford. Henry Ford, an inventor and business leader from Detroit, helped to change this. Ford dreamed of building a car that most Americans could afford:

“I will build a motor car for the great multitude [most of the people]. It will be large enough for the family but small enough for the individual to run and care for. It ... will be so low in price that no man making a good salary will be unable to own one.”

—Henry Ford, quoted in *Daily Life in the United States, 1920–1940*, by David E. Kyvig

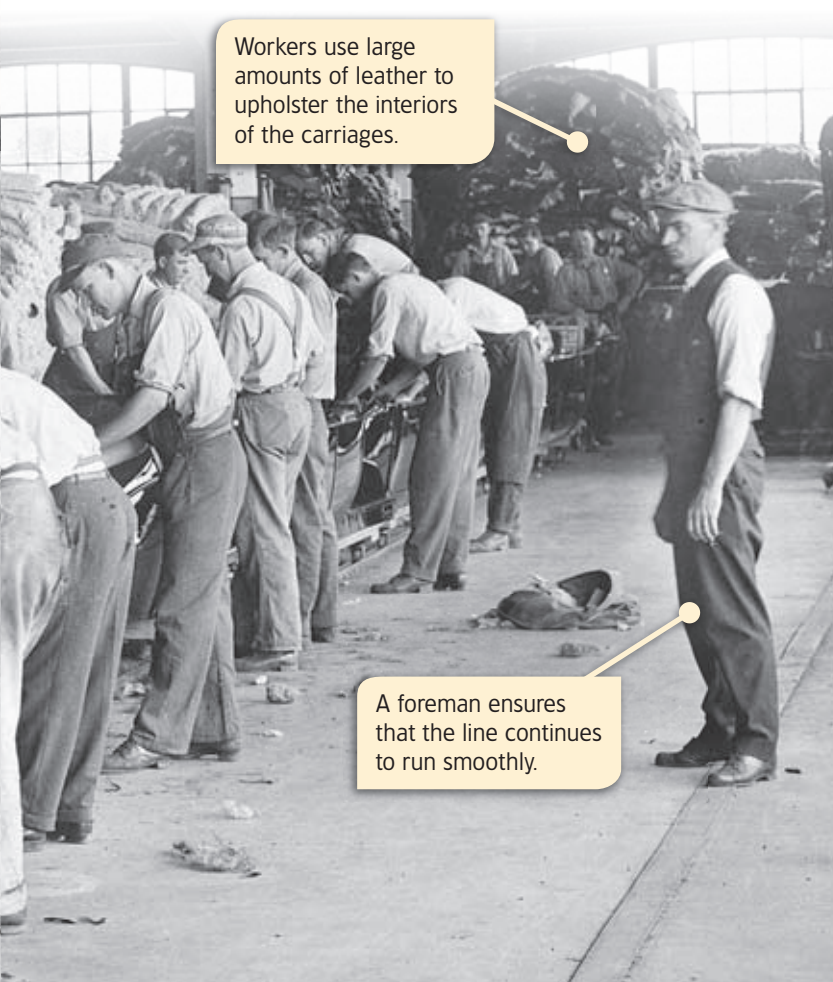
Ford achieved his goal by building a sturdy and reliable car called the **Model T**, nicknamed the **Tin Lizzie**. In 1908 the Model T sold for \$850. By 1925 it cost just \$290. Ford was able to make his car affordable by cutting costs of production. For example, every car looked the same. The Model T came only in black for many years.

To decrease the time it took to make the cars, Ford also began using a **moving assembly line**. This system used conveyor belts to move parts and partly assembled cars from one group of workers to another. The workers stood in one place and did a specialized job.



The chassis, or frame, and the engine are assembled on separate lines. Workers on a third line then attach them.

Workers use large amounts of leather to upholster the interiors of the carriages.



A foreman ensures that the line continues to run smoothly.



The assembled chassis is then connected to the body of the car.

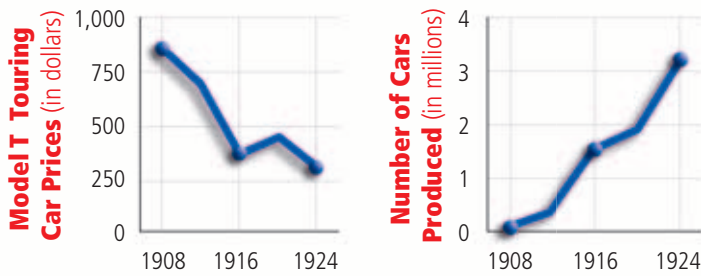
ANALYSIS SKILL

ANALYZING VISUALS

How does the moving assembly line reduce the time it takes to build a car?

The Model T

Motor Vehicle Prices and Production, 1908–1924



ANALYSIS SKILL

ANALYZING VISUALS

Why did sales of the Model T increase?

In 1914 Ford raised the wages for his factory workers to \$5 a day. This was good pay, compared with the \$2 or \$3 per day offered by many other factories. Ford believed the wage increase would keep his employees from quitting. He also lowered the workday to eight hours and employed people that other factories would not hire, such as African Americans and people with disabilities.

Even with the good wages, many workers had a hard time adjusting to the fast-paced and repetitive work on Ford's assembly line. One wife of an autoworker wrote to Ford saying, "My husband has come home and thrown himself down and won't eat his supper—so done out [tired]!... That \$5 a day is a blessing—a bigger one than you know, but oh they earn it."

To help make his cars more affordable, Ford allowed customers to buy cars using an installment plan. Most people were used to saving up for years to buy items. Installment plans let people pay a small amount of the cost every month until the entire car was paid for. Ford's competitors also allowed customers to pay with installment plans. For a slightly higher price than the Model T, companies

such as General Motors offered cars in a variety of colors and with more power.

The automobile changed the way Americans lived. They could now go on long drives or take jobs farther away from where they lived. Cars gave people a sense of freedom and adventure. As *Motor Car* magazine told drivers, "You are your master, the road is ahead . . . your freedom is complete."

Growing Industries

The rise of the automobile affected the entire American economy. Millions of Americans found work making steel for car bodies, rubber for tires, or glass for windows. To improve road safety, the government spent millions of dollars paving highways and building new bridges. People opened roadside businesses to serve travelers, such as gas stations, restaurants, and motels. The rising number of cars also created a demand for car repair shops and car insurance.

Following Ford's example, other manufacturers began using assembly lines and allowing customers to pay on installment plans. Many companies also took advantage of the increasing number of homes with electricity. By 1929 about 85 percent of all Americans living in towns or cities had electricity. Companies responded by building new electrical appliances designed to make household chores easier, such as washing machines, vacuum cleaners, and refrigerators.

As companies competed to sell these new goods, the advertising industry boomed. Companies advertised in magazines and on the radio to convince people that their lives would be improved if they owned a certain product. Many advertisers targeted women, hoping to convince them that they needed the newest labor-saving products. For example, one advertisement for an electric dishwasher called its product "the greatest gift of electricity to the modern housewife."

FOCUS ON READING

How is this paragraph an example of synthesized information?

READING CHECK Identifying Cause and Effect

How did the automobile change society?

Hoover Elected

With the economy booming, public support for the Republican Party remained strong. When President Coolidge decided not to run for reelection in 1928, the party chose his secretary of commerce, **Herbert Hoover**, as its nominee. The Democrats nominated New York governor Alfred E. Smith.

Hoover told voters that he was the right choice to maintain economic prosperity. Hoover boldly claimed that “we in America today are nearer to the final triumph over poverty than ever before in the history of any land.”

Smith’s campaign focused mainly on issues facing city dwellers. This concerned some rural voters. Smith’s religious faith also became an issue. He was the first Catholic to run for president. His opponents stirred up fears that Smith would be controlled by the pope and other church officials. In the end, Hoover won easily, gaining 58 percent of the popular vote.

READING CHECK **Drawing Conclusions** What helped Herbert Hoover win the presidency in 1928?



Republican Herbert Hoover defeated Democrat Alfred E. Smith in the 1928 presidential election.

SUMMARY AND PREVIEW In this section you learned about politics and the economy in the 1920s. In the next section you will learn more about how society changed during the decade.

Section 1 Assessment

Reviewing Ideas, Terms, and People

- a. Describe** What was the result of the 1920 presidential election, and why?

b. Summarize What did the **Teapot Dome scandal** reveal about **Warren G. Harding’s** administration?
- a. Identify** Who succeeded Harding as president, and what were his main policies?

b. Analyze What was the main weakness of the **Kellogg-Briand Pact**?
- a. Recall** Why did American businesses grow during the 1920s?

b. Explain Why were Model T prices low?
- a. Recall** Why was **Herbert Hoover** elected?

b. Elaborate Who would you have voted for in the 1928 election? Explain your answer.