

# CHAPTER

20



The "Roaring Twenties" was a period of national frivolity.  
Missouri History Museum, St. Louis

## The Twenties (1920-1929)

- I. Normalcy and Shortsightedness
- II. Culture Wars
- III. From Roar to Ruin

*"The business of America is business."*

*President Calvin Coolidge, January 17, 1925,  
to the Society of American Newspaper Editors*



It was the age of flappers, foxtrots, Freud, and all that jazz. If the country was growing up, then the 1920s was America's adolescence. "Over There" was strangely out of date; America was singing "Ain't We Got Fun?" The generation coming of age in the 1920s enjoyed postwar prosperity and passive politicians. Moral crusades were out, replaced with a sometimes mindless pursuit of frolic and frivolity. The new heroes were on the silver screen, the athletic field, and the radio waves. The roar of the Twenties seemed to drown out problems both at home and abroad, but by the decade's end the lines at America's movie palaces had turned into bread lines at soup kitchens. The party was over.

## I. Normalcy and Shortsightedness

On the campaign trail in 1920, Warren G. Harding preached the political philosophy that carried the United States into the new decade: "America's present need is not heroics but healing; not nostrums but normalcy; not revolution but restoration; . . . not surgery but serenity." *Normalcy* was a new word, and whatever else it was, it became the goal of a people wishing to distance themselves from wartime pressures and problems.

### Postwar Problems

In 1920, America was readjusting to the challenges of peacetime. The nation's industries and manpower were no longer demanded by the war effort. The people's energies and emotions were no longer focused on defeating a foreign enemy. The mundane activities of a workaday world replaced the drama of wartime, and the resulting changes in American life brought some unpleasant side effects.

When the war ended and the doughboys returned and the parades down main street were over, the soldiers often found that America held few opportunities for them. War industries closed, but peacetime industries did not resume activities quickly because they had to retool to make consumer goods. With more than two million men returning from the American Expeditionary Force to a dismal job market, unemployment climbed to a staggering 11.9 percent in 1921. Not until after this problematic peak would business activity boom and factory jobs begin to absorb the excess workers.

If a soldier returning from the Great War decided to farm instead of seeking his fortune in the city, his prospects were no less bleak. Agriculture had been a profitable business during the war; American farms were not only feeding the nation and its soldiers but also exporting farm products to war-torn regions. With the war over, however, the agricultural market faced an upheaval.

The bountiful harvest of 1920 brought farmers calamity instead of profit. Exports of farm products declined as Europeans began to farm their own lands again, and the tremendous wartime demand for foodstuffs vanished. All that farmers could do was to sell their abundant produce for the ordinary peacetime needs of the nation. In keeping with the law of supply and demand, the huge surpluses caused food prices to plunge by the end of 1920. The meager returns for their labors devastated farmers, especially since many farmers were heavily in debt for land and equipment purchased during the years of high demand. Continued overproduction and low prices kept the agricultural market depressed, not just for a year or two



### Reaction Against Organized Labor

Americans feared the threat of labor violence during the Red Scare. One labor organization, The Industrial Workers of the World—or “Wobblies,” as they were commonly known—tried to organize workers to achieve their socialistic goals. But in the wake of the Bolshevik Revolution, Americans did not receive them well. Because Americans were already suspicious of dangerous radicals, organized labor did not prosper during the twenties.

The home of Attorney General A. Mitchell Palmer was bombed by anarchists.



### Internationalism Amid Isolationism

Although isolation was the general theme, it was by no means total. The counter theme of internationalism was clearly evident. Examples include several efforts to secure peace among nations through arms limitations and even to outlaw war. A worldwide economic depression also forced nations to work more closely together than they might otherwise have done.

but for the entire decade. The farm problem remained a major domestic issue throughout the 1920s.

Another change Americans had to face once the war ended was the discarding of emotions raised by newspapers, war posters, rallies, and songs. The kaiser had been defeated, but some Americans feared that other enemies were still at large. They especially feared Communists and anarchists (people who seek to destroy governmental authority), who had talked of overthrowing the U.S. government ever since the Bolshevik Revolution had engulfed Russia in 1917. The violent activities of a few leftists stirred this fear and created a panic called the **Red Scare**.

The scare began in 1919 when a few anarchists mailed small packages containing bombs to various government officials and businessmen who had opposed their actions by breaking strikes and prosecuting suspected leftists. One of the bombs blew up in the hands of a senator’s maid, injuring her and the senator’s wife. Although the other mail bombs were discovered before they exploded, the violence set off a wave of leftist bombings that resulted in death and great property destruction. Even the house of Wilson’s attorney general, A. Mitchell Palmer, was bombed. The terrorism led to

an intense government effort to track down foreigners with objectionable political views and either prosecute them for crimes or simply deport them. When a predicted “Red revolution” did not break out on May Day (a Communist holiday) in 1920, the scare subsided, but Americans’ widespread suspicions of foreign leftists occasionally resurfaced in following years.

### World Relations

The general theme of American foreign policy in the 1920s was **isolationism**. The taste of war had left many Americans disillusioned with idealistic efforts to change the world. Wilson’s failure to persuade the United States to join the League of Nations punctuated the prevailing preference to

focus on things at home rather than dabble in foreign matters. Nonetheless, America had proved itself to be a world leader, and in that role it could not avoid affecting the history of the 1920s.

The United States faced two basic foreign policy tasks in the twenties: to maintain world peace and to stabilize the world economy. Americans undertook both of those tasks with special attention to how any action would affect the peace and prosperity of the United States. Americans did not want foreign conflicts to draw their sons into battle again, and they did not want foreign economic problems and policies to endanger American business and prosperity.

### Pursuit of Peace

Although America sent “unofficial observers” to meetings of the League of Nations, major American activities in pursuit of world peace were independent of that organization. The first such activity was the **Washington Naval Conference** of 1921. The buildup of sea power sparked by the war did not halt abruptly at the Armistice. Japan and Britain continued strengthening their navies to acquire military advantages over potential enemies. France and



Italy also were determined to enhance their naval strength. To keep these powers in check, the United States had to continue the expansion of its own navy, thereby participating in a necessary (and expensive) armament. The Washington Naval Conference brought foreign diplomats to the nation's capital to negotiate an agreement limiting the growth of naval power. The result was a plan that called for Japan, Britain, and the United States to scrap some of their vessels, curtail battleship construction, and establish a ratio for naval forces of 5 : 5 : 3 : 1.75 : 1.75. For every 5 tons of naval vessels that the United States had, Britain would maintain 5 tons; Japan, 3; and France and Italy, 1.75 each.

Idealists hailed the noble treaties devised at the Washington Naval Conference. But the agreements had some notable flaws that later led to a war in the Pacific. Although they limited the buildup of battleships, they did not restrict the buildup of cruisers, destroyers, or submarines—the vessels that would prove more valuable in future naval warfare. Also, Japan left the conference unsatisfied. Japan resented being given an inferior standing to Britain and the United States, and its militaristic goals necessitated naval expansion. For these reasons, Japan would later abandon any appearance of adhering to the treaties. Other conferences in 1927 and 1930 revived the principles established at the first conference, but cooperation among the nations soon deteriorated.

The second major peace initiative of the 1920s was set forth by President Coolidge's secretary of state, Frank B. Kellogg, and the French foreign minister, Aristide Briand. They proposed an international agreement that would outlaw war by international law. On August 27, 1928, fourteen nations signed the **Kellogg-Briand Pact** in Paris, and most other nations assented later. The pact won great praise, but it had a severe flaw that, in effect, rendered it worthless—it had absolutely no means of enforcement. This feature, however, allowed America to maintain its isolationist stance rather than entangle itself in the web of international politics.

In addition to making these efforts to maintain peace, the United States also modified its relationship with Latin American nations to promote peace with these near neighbors. President Wilson had maintained a forceful protection of American interests in the region. Presidents Harding and Coolidge continued that policy so that in 1925 the United States had marines stationed in several of those lands and controlled the financial policies of half of the twenty countries in the region. Naturally, such interventionism created resentment toward the United States by its Latin neighbors. Eventually, many Americans began to question the wisdom of such dealings with fellow independent nations.

Coolidge's secretary of state, Charles Evans Hughes, began softening the policies of the Roosevelt Corollary to the Monroe Doctrine, which had asserted the police power of the United States in the Western Hemisphere. Hughes also urged the withdrawal of troops from Latin American countries.

### **Economic Entrapment**

World War I had wreaked havoc on the economy of Europe. Not only were its farms and factories devastated by warfare, but also its surviving governments were saddled with an incredible burden of debt. Although the war had depleted the economic resources of Europe, the United States had escaped relatively unscathed with its finances in order and its factories intact. The

### **Limited Agreement**

Although the Washington Naval Conference limited construction of battleships and aircraft carriers, it said nothing about smaller vessels. An arms race continued between the powers as they built up cruisers, destroyers, and submarines. In 1934, Japan withdrew from the treaty. Time revealed that they had been developing the largest fleet in the Pacific realm and had especially focused on building aircraft carriers.

### **The Failure of Peace and the Cause of War**

While the supporters of arms control and peace efforts of the 1920s had laudable goals, their idealism caused them to underestimate the human sinfulness that leads to wars in the first place. Though speaking of interpersonal conflicts, the book of James reveals the source of all conflict: the lusts and desires that people have but cannot fulfill (James 4:1). While Christians should try to avert war whenever possible, they should realize that the sinful urges that lead to war will exist until Christ returns and renovates the world.

### **Waning Goodwill in Latin America**

Attempts to court Latin American goodwill soured in 1927 when the United States sent troops into Nicaragua, but Herbert Hoover revived the effort to improve Latin American relations during his administration. This approach came to be known as the Good Neighbor Policy under President Franklin Roosevelt.

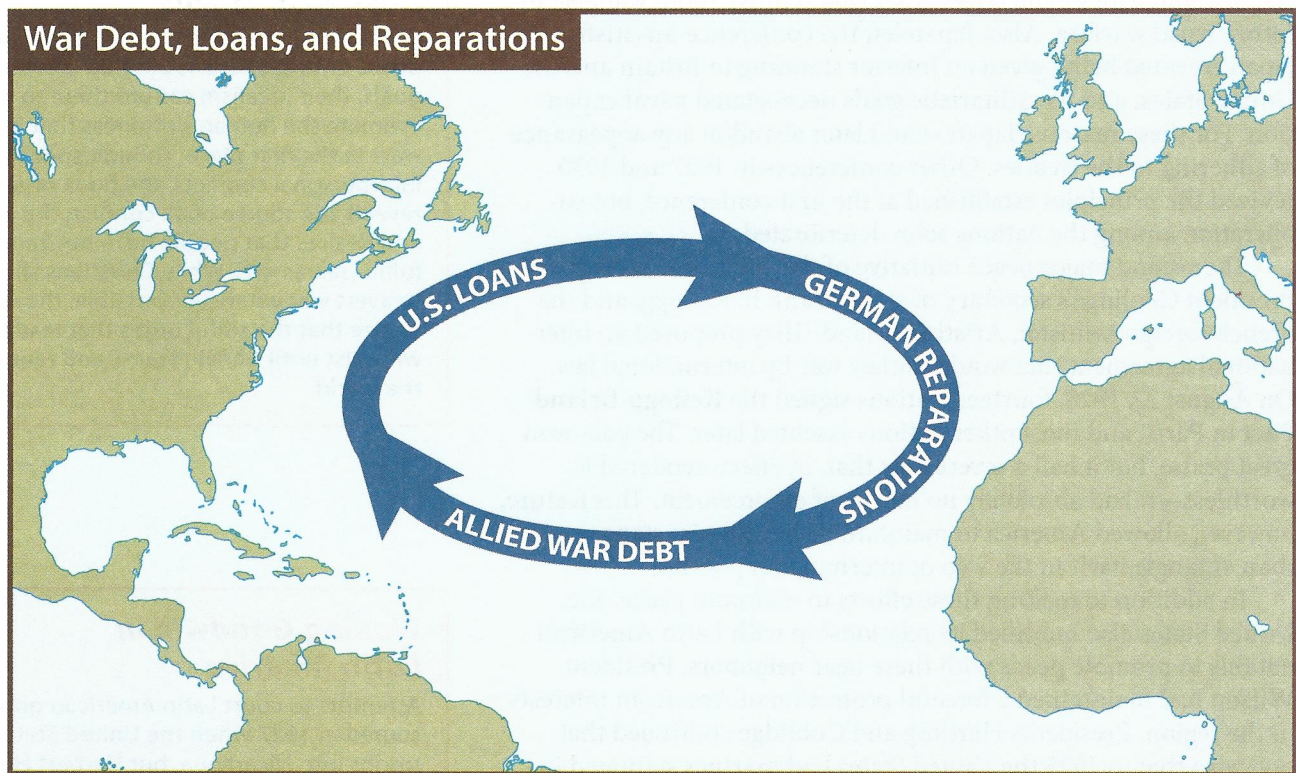
### **Economic Burdens of the Treaty of Versailles**

The Treaty of Versailles demanded that Germany pay \$30 billion in reparations to the Allies. Also, in the wake of the war, the United States demanded that the Allies repay \$22 billion in war loans—with interest.



Allies were appalled that America would insist on repayment, and the Germans were angered that reparations would be forcefully extracted from their nation. Nevertheless, these conditions dictated the international economic activity of the 1920s.

The Allied debt had been received in the form of war matériel and foodstuffs, yet America required that it be repaid in cash (gold). The war had depleted the Allied coffers, so the logical means for them to acquire the needed sums was by trading European goods for the needed gold. But the United States blocked that method entirely. Intent on protecting America's own reviving industries, Congress passed the **Fordney-McCumber Tariff** in 1922. This high tariff (supplanted by an even higher tariff in 1930) established a nearly insurmountable wall restricting European trade with the United States. Despite its many disagreeable consequences, protectionism remained entrenched in American policy.



Trade with America being blocked, the Allies had only one other source for the money to pay their debt—the German reparations payments. Those payments, the Allies believed, would cover the Allied debts with extra left over for rebuilding their lands. Germany, however, was in ruins, and its economy was in shambles. The defeated foe had little with which to rebuild its industry, much less to make the colossal reparations payments. Germany had only one means of obtaining the needed cash, and that was through loans. Even so, what country in the postwar era could possibly have money to invest in loans to Germany? The answer was the United States. Thus began a dangerous circular flow of money: money lent by American financial institutions to Germany was passed on by Germany to the other Allies in reparations, which were, in turn, used to repay the United States for war debts. Money repaid to America provided investment capital to spare for more loans to Germany. In the process, Germany fell heavily into debt to the United States without having funds to



improve its own economy. As the debts mounted, Germany could not meet its obligations. The Allies, deprived of reparations payments, could not make their loan payments, and American investors were alarmed by unpaid foreign loans.

In 1924, an American banker, Charles Dawes, led a panel of economic experts from the involved countries to resolve the impending crisis. The result was the **Dawes Plan**, which reduced German reparations payments significantly and encouraged private American institutions to continue lending money to help Germany rebuild. The American government also reduced the interest charged on the Allied war debts and offered more generous terms for repayment. Despite these efforts, the financial demands in the absence of free trade continued to sustain the ominous cycle of debt.

## Presidents

In an era when Americans generally wanted to mind their own business, have a good time, and make a fortune, they chose political leaders who were in tune with their desires. After Versailles, Wilson's ill health and bitterness over the rejection of his peace plans left America and the Democratic Party without a leader. Republicans easily won the White House in not only 1920 but also 1924 and 1928 as their party received credit for the apparent peace and prosperity of the decade. Those years were politically the most conservative years of the twentieth century. Government regulation and activism were minimal, and laissez-faire capitalism was thriving.

### Harding

**Warren G. Harding**, the first of the Republican presidents of the 1920s, had been a newspaper editor in Marion, Ohio, until a state politician named Harry Daugherty took him under his wing. Daugherty thought Harding *looked* like a president, and as the leader of a group of state politicians called the Ohio Gang, he assisted the unassuming editor up the political ladder. Harding was elected to the Senate in 1914, but he was not particularly well known at the time of the 1920 Republican convention. His old friend Daugherty wanted to change that. Several weeks before the convention, Daugherty predicted a deadlocked convention that would be overcome when, in the middle of the night, "fifteen men in a smoke-filled room" would agree to make Senator Harding the Republican candidate. His prediction came true, and Harding entered a race against the Democratic candidate, Governor James M. Cox of Ohio, and his running mate, Franklin D. Roosevelt of New York. Harding's theme of a **return to "normalcy"** pleased the nation, and he won decisively.

The American public generally liked Harding and approved of his policies, but some scandals in his administration brought his name into disrepute soon after his death in 1923. Most historians agree that Harding was personally honest, but he rewarded his friends in the Ohio Gang with high offices and imprudent favors. The improprieties of those friends soon put the president under extreme strain, and this, in addition to a weak heart, possibly hastened his death.

Following his death, the most infamous of the scandals became public knowledge. This incident involved his secretary of the interior, Albert B. Fall. Fall had won Harding's approval to take control of the navy's oil reserves at two locations, Teapot Dome in

### Fruit of the Cycle of Debt

The tensions resulting from the postwar cycle of debt plagued international relations throughout the twenties. Eventually, the Great Depression brought down the entire system of repayment as the world economy collapsed.

### Ranking the Presidents

Whenever historians rank the best presidents, few of them include on their lists the presidents in this chapter. That is because of the liberal (broad constructionist) assumption that only activist presidents are great whereas passive, "do-nothing" presidents (strict constructionists) are bad. Many historians rank Harding and Coolidge low because they both had a "hands-off" philosophy of government that gave the greatest possible freedom to individuals and the market economy. They rank Hoover low because they blame him for causing the Depression. But they are wrong on all counts.



Harding was a dapper dresser but made poor choices of character when it came to his appointees.

### Harding on His Scandalous Friends

"I have no trouble with my enemies. I can take care of my enemies in a fight. But my friends, . . . they're the ones who keep me walking the floor at nights!"



Calvin Coolidge was a man of few words, but he believed strongly in the free market economic system.



### **The Quotable Coolidge**

"I've never been hurt by anything I didn't say."

"Don't expect to build up the weak by pulling down the strong."

"Prosperity is only an instrument to be used, not a deity to be worshipped."

"Nothing in the world can take the place of persistence. Talent will not; nothing is more common than unsuccessful men with talent. Genius will not; unrewarded genius is almost a proverb. Education will not; the world is full of educated derelicts."

### **Coolidge, Fiscal Conservative**

Under Coolidge, although the nation was experiencing unprecedented prosperity, federal spending never was more than \$3.3 billion.

Wyoming and Elk Hills in California. In turn, Fall leased the oil rights on those properties to two friends, who were later found to have returned the favor to Fall in the form of sizable "loans." The **Teapot Dome scandal** also implicated various other members of the administration, but it was not the only scandal of that era. For example, Charles Forbes, head of the Veterans' Bureau, defrauded that agency of more than \$200 million. And Harding's old pal, Attorney General Harry Daugherty, was brought to trial after being implicated in bribery schemes. Daugherty managed to have the case dismissed although investigations later revealed that he had burned the records of his account in his brother's bank. Daugherty refused to give his reason for destroying the records but cannily implied that the revelation would further harm the memory of the late President Harding.

Harding was a weak president, but not because he involved the federal government in few intrusive activities. He was weak because his character was weak, and he did not appoint strong officials or deal with officials' misdeeds as soon as they occurred. He was, however, responsible for allowing the free market to adjust without interference and pull America out of the postwar economic downturn.

### **Coolidge**

When **Calvin Coolidge**, Harding's vice president, became president upon Harding's sudden death from a heart attack in 1923, the Harding scandals were just beginning to unfold. Coolidge immediately made clear that thorough investigations into the underhanded dealings would be conducted and that the guilty would be punished. As a result, this man of few words from rural Vermont distanced himself from the corruption and won both the praise of the American people and their votes in 1924. Coolidge had first gained national fame in 1919 as governor of Massachusetts by quelling a Boston police strike. When Samuel Gompers of the American Federation of Labor asked Coolidge to acknowledge the right of the police to express their grievances, the governor declared, "There can be no right to strike against the public safety by anybody, anywhere, anytime." That strong statement elicited the applause of the nation, which was immersed in the Red Scare at that time, and soon brought him the vice presidency.

As president, Coolidge took a hands-off approach to administration. He was content to let the market have free rein, saying, "The business of America is business." His philosophy of hard work, frugality, and simple living struck a chord with many Americans. That was what they had been taught, and Coolidge expressed their inner spirit because that was what they wanted. They did not want an intrusive, activist government.

Encouraged by the president's approval, investors watched the prices on the stock market climb and prosperity in the country boom. In 1924, Coolidge was elected president in his own right. In light of his popularity, Coolidge surprised the nation when he announced in 1927, "I do not choose to run for president in 1928."

### **Hoover**

That announcement opened the door for Coolidge's secretary of commerce, **Herbert Hoover**, to seek the presidential nomination. After gaining a fortune as an engineer, Hoover had headed the Food Administration under Wilson, organized American food



## "Silent Cal" Coolidge

Calvin Coolidge's views on economic policies and social conversation could be summarized in one word: *economy* (i.e., frugality). He was nicknamed "Silent Cal."

One Sunday Mrs. Coolidge was unable to attend church with him. When he returned, she asked him what the minister's sermon was about.

"Sin," Coolidge replied bluntly.

"Well, what did he have to say about sin?" Grace pressed.

"He's agin it," he deadpanned.

Coolidge could give a public speech that equaled that of any other politician, but when he was elected to his fourth term in the Massachusetts senate, he gave the shortest speech in that body's history:

"My sincere thanks, I offer you. Conserve the firm foundations of our institutions. Do your work with the spirit of a soldier in the public service. Be loyal to the Commonwealth and to yourselves. And be brief, above all things, be brief."

Perhaps to remind himself not to be loquacious, he had the following embroidered quotation over his mantelpiece:

*A wise old owl sat on an oak;*

*The more he saw, the less he spoke;*

*The less he spoke, the more he heard.*

*Why can't we be like that old bird?*

Even when Coolidge made a joke (and he did have an immense sense of humor, albeit abbreviated), he did so with a straight face. He was infamous for pulling practical jokes on the White House staff. For example, he would push all the buttons on his desk simultaneously and then watch happily as the people came rushing from everywhere in the building to see what he wanted. He sometimes pushed the elevator button and then ran before the doors opened, leaving a baffled operator scratching his head.

He often had groups of congressmen eat breakfast with him. During one such event, the congressmen, none of whom had eaten with the president before, were on their best behavior, observing the president and following his lead to avoid any mistake in etiquette. When coffee was served, the president quietly poured cream into his saucer before sipping his coffee. The congressmen were perplexed, but they did not want to offend the president, so they did the same. Then they watched in embarrassment as Coolidge calmly placed his saucer of cream on the floor for his cat.

Coolidge's silence was often a political asset. He never spoke hastily or acted rashly, preferring to give time a chance to work out ticklish issues—which it usually did, making him look all the wiser.

He believed that political office should seek the man, so he made no effort to promote himself. But he was politically astute, leading Walter Lippman to call Cal's practice "active inactivity." In his campaign speeches, he spoke of honesty and integrity, economy and industry, work and savings, patriotism and love of country. How could opponents contradict those "issues"?

Coolidge was immensely popular in all regions of the country, and he was considered a shoo-in for reelection in 1928. On August 2, 1927, he announced that he would hold a press conference. As the newsmen filed into the room, he handed each a two-by-nine-inch slip of paper that read, "I do not choose to run for president in nineteen twenty-eight." No explanation. No questions. Later, when pressed, Coolidge confided, "It is a pretty good idea to get out when they still want you."

(Adapted from "Silent Cal' Coolidge" by Dennis L. Peterson, *The Elks Magazine*, Feb. 1999.)

relief for Belgium during World War I, and served with distinction as secretary of commerce in the cabinets of both Harding and Coolidge. After winning the Republican nomination, Hoover faced New York governor **Al Smith** in the 1928 election. There were two reasons that many Americans opposed Smith—he was Roman Catholic and he opposed Prohibition. At that time, Americans were not ready to accept either a Catholic or a "wet" as their chief executive, so Hoover won handily. In the early twentieth century, the mainstream of American culture was Protestant. Catholicism appeared to many Americans to be foreign and contrary to the democratic spirit. In addition, Prohibition became a moral crusade that united all Protestants, conservative and liberal alike.

However, Hoover's reign over American prosperity was brief. Within a year of his inauguration, the stock market crashed, and America began to fall into the most severe economic depression in its history. Hoover is commonly blamed for the depression as an advocate of the free market who did too little too late. However, he



In stark contrast to Harding and Coolidge, Herbert Hoover wanted the federal government to intervene in the nation's economy.



### Hoover's Interventionism

Hoover pushed for farm subsidies when he was secretary of commerce. He urged farmers to cut production when foreign countries were increasing theirs. He supported going off the gold standard. He expanded credit the week in which the crash occurred, ensuring that the market was falsely stimulated. He pushed for higher wages, which ensured greater unemployment. His views on public relief were exactly the opposite of Harding and Coolidge's emphasis on individual initiative and local charitable relief. His administration increased the corporate income tax, the personal income tax, the estate tax, and postal rates, all of which suppressed economic growth. He revived wartime excise taxes; imposed sales taxes on gasoline, tires, automobiles, electricity, furs, jewelry, and other consumer items; and increased the gift tax. Hoover was an advocate of higher tariff rates and signed the Smoot-Hawley Tariff, the largest tariff in American history.

These interventionist, socialist measures show that Hoover was no free-market advocate. In fact, many of Roosevelt's New Deal programs had their antecedents in the Hoover presidency.

When presidents follow a free-market philosophy—expanded opportunities for private business initiative and limited government interference—the result has always been the greatest freedom and prosperity of any nation in the world.

was just as much an economic interventionist president as his successor, Franklin Roosevelt. Hoover's increasingly intrusive government interventions in the free market had consequences, including the Republican Party's loss of power for the next twenty years and the worst depression in American history.

### Section Quiz

1. What temporary panic concerning fears of a leftist revolution beset America in 1919?
  2. What two major efforts to maintain world peace did the United States endorse in the 1920s?
  3. Describe the circular flow of money between the United States and Europe that developed following World War I.
  4. What proposal for resolving the foreign debt crisis was introduced by an American banker?
  5. Who were the three Republican presidents that took office in the 1920s?
- ★ How should a Christian view attempts to ensure peace between nations?

## II. Culture Wars

The twenties was the first decade of what is considered modern America and one of the most glamorous periods in the nation's history. "The greatest, gaudiest spree in history," novelist F. Scott Fitzgerald labeled it. Behind the glitter, however, new philosophies ravaged the moral character of a generation—a society that poet T. S. Eliot characterized as a "waste land."

### New Ideas

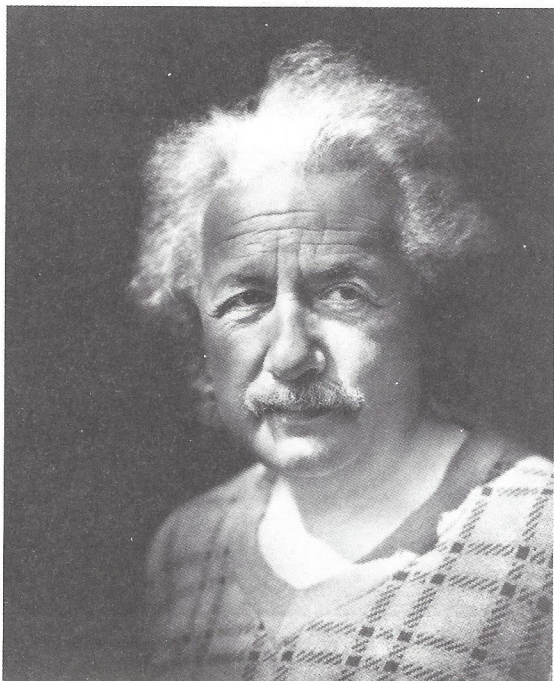
#### Darwinism and Marxism

Modern ideas brought about many of the changes in American society that were evident in the 1920s. Although the writings of Charles Darwin (evolution) and Karl Marx (communism) had appeared in the nineteenth century, their full impact did not become apparent until after World War I. Darwin's theory contradicted the scriptural account of Creation, and Marx's economic philosophy denied the depravity of man. Although these ideas had been too radical for most nineteenth-century Americans, evolution and socialism found widespread interest and acceptance in the 1920s. A growing disregard of scriptural truth naturally presaged the acceptance of these views. But many people also opposed them. Americans were especially suspicious of communism, which they had seen take over Russia in 1917. They worried that it could take over America too.

#### Theory of Relativity

As the 1920s dawned, **Albert Einstein**, a German scientist, set forth a scientific theory that many writers and philosophers used to cast additional doubt upon the scriptural and moral standards of Americans. Since the days of Sir Isaac Newton, scientists and philosophers had believed in an orderly world ruled by natural laws discovered by the scientific method. Using reason and common sense, man could comprehend the universe, which was certain and

Albert Einstein





machinelike. This comfortable view was shattered by Einstein's **theory of relativity**—that space, time, and matter are not absolute dimensions but are relative to the location and motion of the observer. By 1929, a Harvard mathematician confessed, "The physicist thus finds himself in a world from which the bottom has dropped clean out." Seemingly, the absolutes of science were no longer absolute.

### Freud

The ideas of **Sigmund Freud** became popular in the twenties. This Austrian psychologist believed that sexual disturbances in childhood could explain the development of emotional problems later in life. Sex is pervasive in man's unconscious motivation, Freud believed, and he contributed to the popular sentiment that one has to reject inhibitions to have a healthy emotional life. Thereafter, many Americans argued that self-restraint ("repression") led to emotional disorders and that psychoanalysis was the cure. For some people who had lost their moral bearings, the psychiatrist replaced the minister as counselor.

### Literature and Art

Modern literature and art in the early twentieth century revealed the influence of the new ideas. In literature, as in art and music, traditional standards yielded to modern ones. Painting was abstract and depicted inner feelings rather than real images, and atonal music moved beyond normal harmony. Poetry written in free verse and novels in stream-of-consciousness form represented the modern break from the conventions of literature in the nineteenth century.

Both the themes and the techniques used in the literature of the twenties echoed the modern era. T. S. Eliot's poetry spoke of despair and disillusionment and criticized the emptiness of modern society. Novelist William Faulkner—with his awkward syntax, departure from traditional narrative, and emphasis on man's evil—created a meaningless world from which the old values had been removed.

### Prohibition

One seeming victory for the forces of civic righteousness was the passage and ratification of the Eighteenth Amendment, or Prohibition. The amendment passed the Senate and the House of Representatives in 1917, and the necessary thirty-five states ratified it by 1919. (Eventually, forty-five states ratified the amendment. Rhode Island was the only state to reject it. Illinois and Indiana did not vote since it was already law.) The amendment prohibited the manufacture, sale, or transportation of intoxicating liquors. Unfortunately, the law resulted in an increase in illegal activity. Illegal liquor created a large and lucrative black market, and violent crime increased as gangsters competed for control of illegal alcohol trade in their territories.

Congress had passed the Volstead Act (over Wilson's veto) in October 1919 to provide for the enforcement of Prohibition; it defined illegal beverages as those that contained more than half

### Einstein Explains Relativity

"Gravitation cannot be held responsible for people falling in love. How on earth can you explain in terms of chemistry and physics so important a biological phenomenon as first love? Put your hand on a stove for a minute and it seems like an hour. Sit with that special girl for an hour and it seems like a minute. That's relativity."

### American Writers of the Twenties

The disillusionment of American writers in the twenties was evident from the number of prominent authors who chose to live and write in Europe (particularly Paris) rather than in the United States. Among them were Ernest Hemingway and F. Scott Fitzgerald.

### What the Prohibition Amendment Did NOT Do

Contrary to popular belief, Prohibition did not outlaw the consumption of alcoholic beverages. It merely made obtaining them very difficult.

Revenue agents pose with the largest still confiscated in Washington, D.C., during Prohibition.





### **Flappers and “Flaming Youth”**

The young people caught up in the moral vacuum of the twenties were known as “flaming youth,” and they captured attention by their rebellious behavior. Before World War I, police arrested women in towns and cities for smoking or for dressing immodestly, but during the twenties some young women in the cities flaunted their newfound freedom by drinking and smoking openly and by shortening their hemlines. Bobbed hair and the boyish look were fashionable for these “flappers.” Immorality became glamorous, and virtue was too old-fashioned for many of the pleasure-seeking young people of the era. And the dance known as the “Charleston” was all the rage.

of 1 percent alcohol by volume. When enforcement of Prohibition proved to be a problem, President Hoover appointed the Wickersham Commission to investigate the lax enforcement. The commission found that Prohibition was impossible to enforce because a large part of the nation was willing to violate the law. The commission did not recommend repeal, but vocal opposition to Prohibition grew, especially among Democrats. When Franklin Roosevelt, who favored repeal, was elected in 1932, Prohibition’s days were numbered. The end of the “noble experiment,” as Hoover once called it, came in December 1933 with the ratification of the Twenty-first Amendment.

### **The Roaring Twenties**

The modern ideas that gained acceptance in the 1920s led to a social revolution in America. So obvious was the new disregard for moral standards that the decade has often been called the Jazz Age, the ballyhoo years, the age of excess, or more commonly, the “Roaring Twenties.”

The breakdown in morality naturally weakened the family. From the 1870s to the 1920s, the U.S. population increased 300 percent, but divorce increased 2,000 percent. Several factors contributed to this rapid rise in divorce. Women were freed from some household chores by new inventions and new services from local businesses. Also, families were generally smaller than in previous generations. The result was that wives often had time for work and social activities outside the home, and sometimes those interests interfered with family relationships. Also, the newspapers and the silent screen were ablaze with stories of immorality, and that emphasis naturally changed attitudes about purity and fidelity.

In addition to these evidences of moral and family breakdown, the 1920s witnessed the incredible popularity of the frivolous and the sensational. Young Americans rushed to follow the latest fads, such as wearing raccoon coats, working crossword puzzles, playing a game called mahjong, marathon dancing, and flagpole sitting. Tabloids and radio informed a nation craving the details of scandalous love affairs, murders, and dramatic true-life stories. In a world where standards had been broken down, people tended to seek thrills and adventure to fill the void in their lives.

### **Heroes and Villains**

The twenties was certainly a colorful time in American history. The spread of daily newspapers, the advent of radio, and the shift from vaudeville to movies allowed people in every corner of the nation to keep tabs on not only rising stars in sports, entertainment, and politics but also notorious criminals. Movies became the biggest source of entertainment for the working class. Movies were big moneymakers and in many ways reflected the changing values of the culture. They also changed the way the world viewed America.

#### **American Idols**

Organized sports became major entertainment in the twenties. In 1921, fans overflowed a sixty-thousand-seat stadium near Jersey City to watch boxer Jack Dempsey knock out the French boxer Georges Carpentier. It was the first “million-dollar gate” for sports in the United States and the first major sports event to be broadcast by radio. Babe Ruth, “the Sultan of Swat,” thrilled huge crowds at baseball games in Yankee Stadium, and in the 1927 season he hit

Babe Ruth, “the Sultan of Swat”





sixty home runs. Fans filled college football stadiums to thrill in the exploits of athletes such as Red Grange of Illinois and the Four Horsemen of Notre Dame, coached by the legendary Knute Rockne.

By the end of the 1920s, about a hundred million Americans, almost the entire population, were going to the movies weekly to see famous comedians such as Charlie Chaplin and Laurel and Hardy or sensual stars such as Rudolph Valentino, Clara Bow, and Gloria Swanson. Popular “talkies” replaced silent films in 1927, and the more than twenty thousand movie palaces in the nation rivaled churches as the most important downtown buildings. By the twenties, many middle-class Americans had become addicted to Hollywood, not only to the world of luxury and immorality portrayed on the screen but also to the promiscuity and glamour of the stars’ offscreen lives, as reported by the nation’s tabloids. Concerned about the public image of Hollywood, moviemakers hired Will Hays, Harding’s postmaster general and a Presbyterian lay leader, to censor the films.

### Other Sports Heroes

Other sports heroes gained wealth, fame, and admiration during the 1920s while popularizing their sports for the enjoyment of millions of Americans. Bobby Jones became the king of the golf links, and William Tilden aspired to the heights of the tennis world. Golf courses and tennis courts multiplied across the land.

### America’s Air Ambassador

At 7:52 a.m. on May 20, 1927, one man in a small silver airplane named *Spirit of St. Louis* took off from Roosevelt Field on Long Island. The single-engine craft rose into the morning haze and carried its pilot into the headlines and history books.

That man was twenty-five-year-old **Charles A. Lindbergh**. He was trying to become the first person to fly solo nonstop across the Atlantic Ocean, from New York to Paris.

Although he was relatively unknown before his historic flight, Lindbergh captured the attention of both the United States and western Europe as they awaited news of his fate. Then, at last, word came that “the Lone Eagle” had reached his destination on the night of May 21. The next day, the *New York Times* proclaimed

in its headline, “LINDBERGH DOES IT! TO PARIS IN 33½ HOURS; FLIES 1,000 MILES THROUGH SNOW AND SLEET; CHEERING FRENCH CARRY HIM OFF FIELD.”

A ticker-tape parade and numerous awards, including the Distinguished Flying Cross from President Calvin Coolidge, awaited Lindbergh in New York City and St. Louis. Lindbergh’s flight received more publicity in American newspapers than did the Armistice of 1918 and sparked a great number of commemorative items, including a postage stamp.

Although he modestly claimed to be only a stunt flyer, Lindbergh riveted the world’s attention on the potential of air power. America showered him with acclaim and fondly remembered “Lucky Lindy’s” heroic flight for years to come.



The Lone Eagle, Charles Lindbergh, poses with his plane, *Spirit of St. Louis*, ten days after his history-making flight.

### Pride and Prejudice

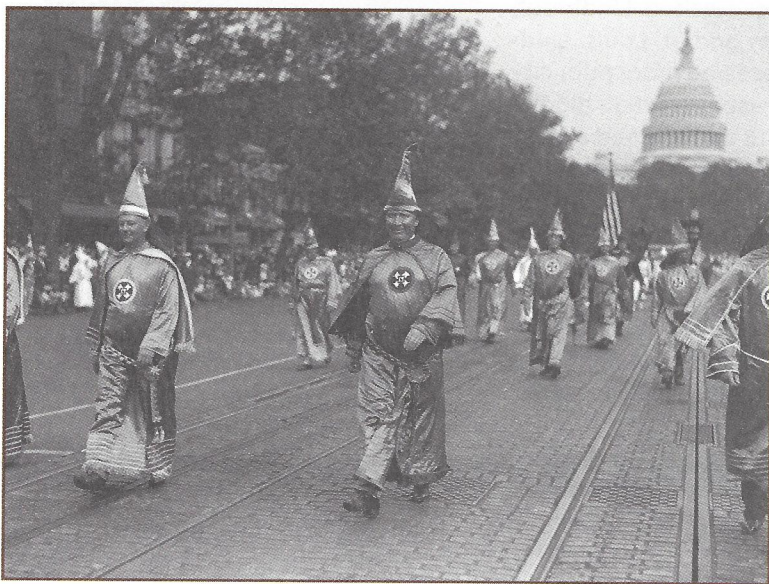
Around the turn of the century, American culture became more diverse with the increased “New Immigration” (discussed in Chapter 16). From 1900 to 1910, almost nine million immigrants entered this country, the highest number for any one decade. Most of them were from southern and eastern Europe. These immigrants kept their languages, religions, and cultures and usually lived in crowded neighborhoods of the same nationality in the nation’s major cities. Middle-class Protestant Americans, who had long been predominant in the population, perceived the large numbers of Catholics and Jews in this wave of immigration as a threat. Many



### **The National Origins Act**

The suspicion of foreigners combined with the surge in immigration after the war resulted in congressional restrictions. The **National Origins Act** (1924) set quotas to restrict immigration. It limited immigration of a nationality to 2 percent of that nationality living in the United States as of the 1890 census. In addition, it totally prohibited Japanese immigration. Clearly the government wanted to preserve America from a threat to its Anglo-Saxon heritage.

In September 1926, the Ku Klux Klan conducted a march in Washington, D.C., against blacks, Catholics, and Jews.



of the foreigners were poor and uneducated, and some had radical political ideas.

The Red Scare of 1919 encouraged the public to associate crime with immigrants, and this association was evident in the famous **Sacco-Vanzetti case**. In 1920, Nicola Sacco and Bartolomeo Vanzetti allegedly murdered two men during a robbery in South Braintree, Massachusetts. After their case received mounting publicity for several years, the two men were convicted and in 1927 were executed. Their defenders argued that they had been convicted because they were Italian-born aliens and anarchists, not because of the evidence, which many people viewed as doubtful.

During World War I and the 1920s, another trend altered American cities as black Americans migrated from the South to the North. With the reduction in immigrants, northern industries needed workers, and the one million blacks who moved to northern cities between 1910 and 1930 helped fill that need. The northern urban setting offered political opportunities for blacks. Oscar DePriest from Chicago became the first black congressman from the North. **Marcus Garvey** of New York City, with his Universal Negro Improvement Association, organized urban blacks into a potent force. Touting racial pride, he enrolled six million members by 1923. Culturally, blacks gained even greater visibility. With the **Harlem Renaissance**, black intellectuals and writers including James Weldon Johnson, Alain Locke, and Langston Hughes achieved prominence. Entertainers such as trumpeter Louis Armstrong and singer Paul Robeson appealed increasingly to white Americans. Several fashionable night spots in the twenties featured black performers playing popular jazz music. But black people remained excluded from the audiences.

The rapid social changes of the 1920s caused some Americans to react with violence. Fear of immigrants and blacks led in 1915 to the revival of the **Ku Klux Klan**, a secretive, ritualistic group patterned after the organization founded during Reconstruction. It promoted “100% Americanism” and limited membership to native-born white Protestants. Through skillful promotion, the Klan expanded nationally from the South through the early 1920s, becoming a strong social and political force in many northern cities, where immigrant and black populations were rising. In 1924, for example, 40 percent of the Klan’s total membership was located in the states of Ohio, Indiana, and Illinois, and a Klan-backed write-in candidate nearly won a three-way race for mayor of Detroit. Feeding on bigotry and racism, the Klan’s organizers resorted to intimidation and violence against blacks, Catholics, and Jews.

While the evils of the Klan’s aims and methods are now clear to see, Klan members in the 1920s would probably have claimed to be on the side of righteousness, fighting the decline in morality and using the symbol of the cross. In addition to blacks, immigrants, and Catholics, Klan targets included bootleggers, wife-beaters, and immoral movies. In some communities, the Klan achieved a degree of respectability as it worked with politicians. The 1924 Democratic National Convention refused, by a narrow



## Scarface

Chicago was headquarters for a man who was probably the most infamous gangster of the twenties—**Al Capone**.

Several gangs entered the bootlegging business in Chicago during the 1920s. Johnny Torrio led one of those gangs with the help of a strong man, barely out of his teens, named Alphonse Capone. Growing up in New York, Capone was slashed in a knife fight, receiving three prominent scars on the left side of his face (hence the nickname “Scarface,” which he hated).

Torrio brought Capone to Chicago in 1920 as a bodyguard, but Capone quickly proved to be clever

and effective in operating the illegal businesses of the gang. After Torrio was wounded in a gangland attack in 1925, he left town and gave Capone command of his crime ring. Capone soon established himself as the king of Chicago’s underworld. People who stood in his way were likely to meet a sudden death. The most famous example of gang violence was probably the “Saint Valentine’s Day Massacre” in 1929, when members of Capone’s gang, disguised as policemen, gunned down members of a rival gang in a garage.

Despite Capone’s opulent lifestyle, which was obviously the result of illegal gain, authorities struggled

to find evidence that would put him behind bars. His subordinates were too well paid, too loyal, or too afraid to testify against him. He was careful to leave no written evidence of his ill-gotten gains. Finally, federal investigators uncovered evidence of about \$1 million in income on which Capone had paid no taxes. Prosecutors brought Capone to trial for income tax evasion in 1931. The court found him guilty and sentenced him to eleven years in prison, part of which was spent in Alcatraz. While Capone was in prison, venereal disease ravaged his brain. At age forty-eight, the kingpin of 1920s Chicago died in 1947 without his fortune.



margin, to condemn it by name. Because of its secretive nature, precise statistics on membership are elusive, but the Klan’s membership reached several million according to some estimates. That number declined after the mid-1920s. The 1924 immigration law reduced the number of immigrants and the fears they generated. Also, the Klan’s use of violence alienated mainstream America, and a sex scandal among the Indiana Klan leaders made a mockery of the Klan’s moral crusade.

## Fighting for the Faith

### *Rise of Fundamentalism*

One religious movement reacted strongly to the modern trends of the 1920s. As was mentioned in Chapter 18, several orthodox movements in the Progressive Era resisted the theological errors of modernism, the social gospel, and the inroads of Darwinian evolution into Christian denominations. Some Christian leaders were willing to make peace with advocates of these ideas in the name



### Role of Premillennialism

Another influence on American Christianity at that time was premillennialism. Premillennialists rejected the liberals' unfounded faith in progress, and they contended that the world was actually growing worse. Most importantly, premillennialists emphasized that Christ could return at any time to establish His millennial kingdom. After World War I, various conservative movements (such as premillennialism) from several denominations joined forces to form what became known as Fundamentalism.

### The Term Fundamentalist Today

Today the term *Fundamentalist* has become a slur with little specific content. In modern usage, a person can be a Muslim fundamentalist or a Hindu fundamentalist. The term is simply used for someone who radically holds to an extreme form of his or her religion, and usually the implication is that fundamentalists are intellectually backward. Christians who self-identify as Fundamentalists, however, stand in the mainstream of the orthodox Christian tradition with all its rich intellectual heritage. They are distinct from other Christian groups by their insistence that the Bible is verbally inspired and that church discipline (separation) be exercised toward non-Christians who insinuate themselves into the church and toward the indifferentists who tolerate them.

of Christian unity. These leaders were indifferent to the compromise that would result. Another group of Christians argued that theological modernism was a different religion from Christianity and that the social gospel was no gospel at all. There can be no Christian unity with those who promote a false gospel, they said. These Christians fought to remove modernists from their denominations or, if that failed, left and founded denominations, churches, and schools that remained faithful to the gospel. These Christians became known as **Fundamentalists**.

The origin of the term *Fundamentalism* lies in the belief of some Bible-believing Christians that certain "fundamental" doctrines exist that no one can deny and still be a Christian—doctrines such as the authority of Scripture, Christ's deity and vicarious atonement, the Resurrection, and the Second Coming. In 1910, two Christian businessmen sponsored the publication of a series of essays by some of the leading Christian scholars of the day to defend key doctrines. They sent these essays, called *The Fundamentals*, at no cost, to pastors, professors, and laymen all over the country. In 1920, a Christian editor wrote, "We suggest that those who still cling to the great fundamentals and who mean to do battle royal for the fundamentals be called 'Fundamentalists.'"

### The Fundamentalist-Modernist Controversy

In the North, Fundamentalism developed into a theological battle with modernists. This battle, called the **Fundamentalist-Modernist controversy**, raged over doctrine and the control of the major denominations' schools, mission boards, and institutions. Such men as William Bell Riley fought for the Faith in the Northern Baptist Convention. J. Gresham Machen and others battled the liberals for the historic Christian Faith in the northern Presbyterian church. Machen's book *Christianity and Liberalism*, written in 1923, forcefully pointed out that modernism was not Christianity but another religion.

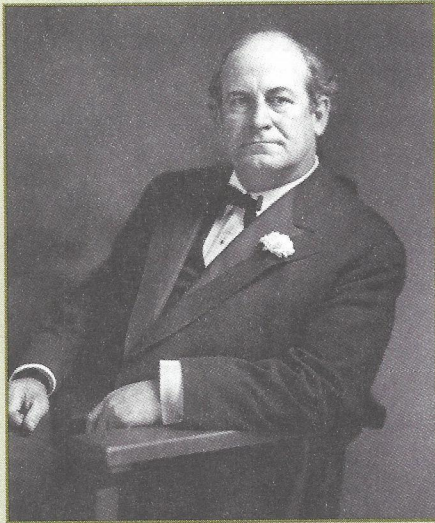
Orthodox Christians remained the majority in the denominations. However, those who remained indifferent to the compromise were unwilling to expel modernists from their denominations if such action risked a major split. By siding with the modernists, compromising Christians prevented the Fundamentalists from removing false teachers from key leadership positions within the denominations. The militant Fundamentalists, therefore, began to leave the major denominations and form their own associations. Fundamentalists in the Northern Baptist Convention left to form the General Association of Regular Baptist Churches (GARBC) in 1932. Machen led a group of Presbyterian Fundamentalists to form the Orthodox Presbyterian Church in 1936.

### Anti-evolution Crusade

In the South—where the major Baptist, Methodist, and Presbyterian denominations were generally sound in the twenties—one of the Fundamentalist efforts focused on removing the teaching of evolution from the public schools. As these Christians pointed out, evolution was not only irreconcilable with the biblical account of Creation but also directly assaulted the authority of Scripture. With leaders such as former secretary of state and presidential candidate William Jennings Bryan, they pushed for laws banning the teaching of evolution but succeeded in doing so in only a few Southern states, one of them being Tennessee. Wanting to put their town on



## Bryan: "He Kept the Faith"



William Jennings Bryan was one of the dominant figures of his era. He was a three-time candidate for president, secretary of state under Wilson,

and a political crusader and reformer. Bryan also had a clear Christian testimony. He recalled, "At the age of fourteen, I reached one of the turning points in my life. I attended a revival that was being conducted in a Presbyterian church and was converted." That event, Bryan said, "has had more influence in my life for good than any other experience."

Bryan's reputation as a political progressive sometimes confuses those who associate conservative religious beliefs with conservative political beliefs. Some Christians of Bryan's day supported progressive political reforms as a means of allowing the government to be "the minister of God . . . for good" (Rom. 13:4). Some Christians continue to embrace this use of political reforms.

Bryan devoted himself to Christian causes, especially in the last ten years of his life. The defense of Christianity took him to the Scopes trial in Dayton, Tennessee. He told the court, "I want the Christian world to know that any atheist, agnostic, unbeliever, can question me any time as to my belief in God, and I will answer him." Bryan, therefore, faced "foolish and unlearned questions" (2 Tim. 2:23) from the cynical, scoffing Darrow, questions that Bryan frankly was neither scientist nor theologian enough to answer adequately. But his courage was beyond doubt.

Following his death only days after the Scopes trial, Bryan was buried in Arlington National Cemetery. On his tomb is a simple and powerful epitaph: "He Kept the Faith."

the map, some town leaders of Dayton, Tennessee, coaxed a high school teacher, **John T. Scopes**, to challenge the law.

The result was a media event as national attention focused on the town for the summer of 1925. The American Civil Liberties Union hired Clarence Darrow, a famous expert trial lawyer and an agnostic, to defend Scopes. Bryan, who helped the prosecution, also was a witness, called by the defense as an expert on the Bible. Although Bryan showed commendable courage in his defense of the Faith, he was no Bible scholar and did not make the best case for the cause. Scopes was ultimately convicted, but Bryan and the anti-evolutionists lost the publicity battle.

### **Fundamentalist Successes**

In a larger sense, Fundamentalists in the twenties were battling the modern culture that aggressively assaulted the old-time religion. Philosophers, writers, and even liberal ministers dogmatically trusted science as the source of true knowledge and extolled the virtues of Freud and Darwin. American society had become increasingly secular, as revealed in movies, magazines, radio, literature, jazz, and urban lifestyles. Fundamentalists fought the increasingly irreligious mood in America. The failure of World War I to bring peace and the corruption in government and society gave credibility to their message.

Despite the Scopes trial debacle, Fundamentalism flourished in the twenties. By 1930, more than fifty Bible colleges and seminaries offered training for those who could no longer trust their denominational colleges and seminaries. Fundamentalists also took to the airwaves. In 1932, *Sunday School Times* listed more than four hundred evangelical programs on eighty different radio stations in the country.

### **Premature Obituary for Fundamentalism**

Bryan died only a few days after the Scopes trial. For many wishful critics, Fundamentalism died with Bryan in Tennessee. But the movement was still very much alive, as it demonstrated in 1928 when it assisted in defeating the antiprohibition, Roman Catholic, Democratic candidate Al Smith in the presidential election. Ironically, while the mainline denominations that resisted Fundamentalism declined, Fundamentalist institutions prospered.



Section Quiz

1. Name four men whose philosophical and scientific theories helped to reshape the moral attitudes of the 1920s in ways detrimental to Christianity.
  2. What term describes the young people of the 1920s who lacked moral values?
  3. In what two occupational groups did Americans of the 1920s find many of their heroes?
  4. What were two major evidences of American resentment toward immigrants and blacks in the 1920s?
  5. What two groups were involved in a major religious controversy during the 1920s?
- ★ Does the failure of Prohibition demonstrate that it is impossible to legislate morality?

Hoover's Ill-Fated Prediction

"One of the oldest and perhaps the noblest of human aspirations has been the abolition of poverty. . . . We in America today are nearer to the final triumph over poverty than ever before in the history of any land. The poorhouse is vanishing from among us. We have not yet reached the goal, but, given a chance to go forward with the policies of the last eight years, we shall soon, with the help of God, be in sight of the day when poverty will be banished from this nation."

Mail-order catalogs sold all sorts of merchandise, including several models of Sears, Roebuck and Company homes.

III. From Roar to Ruin

As the 1920s progressed, Americans grew accustomed to the economic prosperity of the era. It was the most prosperous decade in American history to that point. Businesses thrived and living standards improved, making life more comfortable for most Americans. The widespread prosperity created a growing middle class and improved the lives of even the lower class through new jobs, new inventions, and expanding opportunities. A new service industry developed as well as a new classification of workers—the managerial class.

The economy was improving so much that when Herbert Hoover accepted the Republican nomination in 1928, he even predicted a total eradication of poverty in the land. Hoover's rosy prediction must have seemed legitimate at the time, but events would soon prove that material prosperity is fleeting.

We've Got the Goods

If America was on the road to ruin, it was certainly driving there in style. America was fast becoming a consumer society that was spending without counting the cost. In 1920, there had been only about nine million automobiles in the United States. During the decade, that number nearly tripled. Henry Ford had made his black Model T affordable and commonplace, but it was dull and drab in contrast to the sleek styles and colors introduced by other automakers in the twenties. Chevrolet and other competitors attracted buyers who wanted something different, forcing Ford to introduce the Model A in 1927. Chevy and Ford also set up credit corporations—the General Motors Acceptance Corporation and Ford's Universal Credit Corporation—to help consumers who did not have the money for a car to buy one on credit. With advertising to make the product known and **installment plans** (making small monthly payments until the item is paid for) available to finance the price, Americans eagerly stepped into the driver's seat and sped away in debt.

The automobile had social as well as economic influence. Good roads improved transportation and gave rise to the suburbs, as workers no longer had to live within walking distance of their jobs. Rural families could visit the cities often rather than just a few

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**Second Floor** On the second floor are located three medium size bedrooms with closets.

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times a year, and tourism boomed as the average family could travel for vacations. Also, with cars, young couples had opportunities for unchaperoned dates.

**Radio** was another influential item of the 1920s. From the time the first commercial station **KDKA** went on the air in Pittsburgh, Americans began to tune in to the news, music, sports, and other entertainment that it offered. At first, the enthralled listeners built crude crystal sets to receive the radio broadcasts, but during the decade those archaic radios gave way to bigger and better professionally manufactured receivers, many of them in the form of fine pieces of furniture. Rural and urban Americans alike gathered around these prized possessions to listen to the songs of their favorite crooners, to thrill to stories of adventure, to laugh at the jokes of popular comedians, and to hear religious songs and sermons.

In addition to cars and radios, Americans acquired many more new material possessions in the 1920s. With electricity becoming increasingly available in both smaller towns and large cities, electric appliances multiplied. Phonographs, refrigerators, irons,

**Diving into Debt**

Two-thirds of all cars sold in 1927 were sold on the installment plan. By 1929, credit purchases for all sorts of major products, not just cars, made consumer loans the tenth largest industry in the nation.

**Technological "Firsts"**

Station KDKA in Pittsburgh broadcasted the first election returns over radio on November 2, 1920. Harding's was the first inauguration to use a public address system for amplification. And Harding became the first president to make a speech over radio when he dedicated the Francis Scott Key Memorial at Fort McHenry on June 14, 1922.

**The Golden Age of Radio**

The 1920s and 1930s have been called "the golden age of radio." During that time, many "firsts" were accomplished. In the process, many radio personalities—musicians, comedians, advertisers, and news reporters—became household names.

**Some of the "Firsts"**

The first religious broadcast—1921, Calvary Episcopal Church, KDKA, Pittsburgh

The first World Series baseball game—1922 (New York Giants defeated New York Yankees in five games), KDKA

First commercial ad time sold—1922, \$9 for a 30-sec. spot, WEAf, Albany, N.Y.

First business-sponsored program—"The Ever-Ready Hour," a variety show, WEAf, 1923

First network broadcast—1923

First government regulation of radio broadcasting—1925, Federal Radio Commission

**Some Popular Radio Shows**

"National Barn Dance"—1924, WLS, Chicago

"Grand Ole' Opry"—1925, WSM, Nashville

"Amos 'N' Andy"—1928, WMAQ, Chicago

**Some Popular Songs Heard on the Radio in the Twenties**

"Rhapsody in Blue"

"Yes, We Have No Bananas"

"Barney Google"

"Tea for Two"

"I Found a Million-Dollar Baby in a Five-and-Ten-Cent Store"

"Bye, Bye, Blackbird"

"Ol' Man River"

"Blue Skies"

"You're the Cream in My Coffee"

"Button Up Your Overcoat"

"Stardust"

"Tiptoe Through the Tulips"

**Some Popular Crooners of the Twenties**

Billy Jones and Ernie Hare, "The Happiness Boys"

Rudy Vallee

Al Jolson



In the 1920s, radio became the major medium of news and entertainment for the nation, a dominance that radio did not lose until the advent of television after World War II.



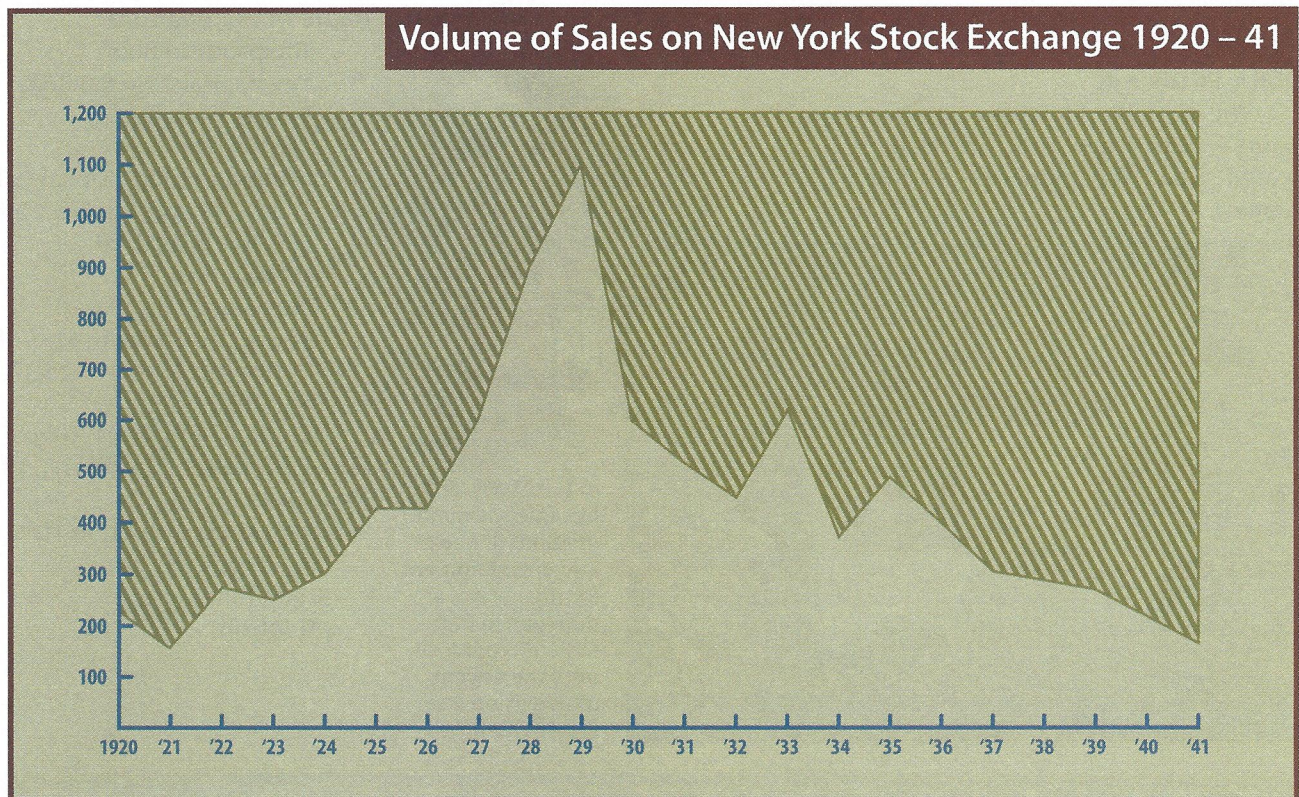
and other devices brought pleasure, comfort, and more leisure time into many homes. Telephone wires spread to many more homes, allowing people to communicate more easily with one another. A seemingly unlimited array of desirable possessions were available to catch the eye of the American consumer and make modern life more enjoyable.

### On a Spending Spree

The materialism of the twenties was widely evident, but other elements were corrupting American society in more subtle ways. Advertising began to coax the public to buy things even if they did not need the products or have the money. Mass production was providing greater and greater numbers of products that needed to be sold. Therefore, mass consumption was also necessary. Through increased newspaper, magazine, and radio advertisements, businesses promoted goods ranging from cigarettes to soap and automobiles to mouthwash. Advertising appeals emphasized youth, sex, happiness, luxury, and keeping up with one's neighbors. Celebrity endorsements, or testimonials, began to add glamour to products. Consumers were tempted to spend, not to save; to enjoy the present, not to think about future needs or emergencies; to pamper themselves, not to practice self-denial. Such materialistic values undercut biblical values as advertisers increasingly persuaded Americans to be better consumers of goods than producers of them. Buying on credit through installment plans made that possible.

Ever in debt for their purchases, Americans searched for ways to acquire the money they needed to maintain their comfortable lifestyles. Some resorted to fraud, bootlegging, and other illegal means; others turned to **speculation**, buying something with the hope of selling it later at a profit. One hot item for speculation in the 1920s was land in Florida, especially around Miami. Billed as a

Volume of Sales on New York Stock Exchange 1920 – 41





tropical paradise, acreage there began to sell, and the more buyers expressed interest, the higher land prices went. Speculators bought large tracts of land and subdivided them for sale. As the land boom progressed, they sold and resold the properties for higher and higher amounts. Much of the land was marshland or otherwise undesirable, but promises of future golf courses, shopping areas, and other developments tempted many people to buy a lot nearby for \$20,000 or more. Then in 1926 a severe hurricane hit the Miami area, killing four hundred people and destroying thousands of houses. The disaster brought a sudden end to the land boom as people awoke to the hazards of their speculation. The credit that had sustained the boom collapsed as land prices plummeted. Many fortunes made in the boom were lost overnight, and thousands of unwary Americans were left with heavy debts and worthless land deeds.

As a great bull market (a stock market characterized by optimism and rising prices) began in 1927, stock became a prime target for American speculation. Wall Street had prospered throughout the decade as public infatuation with business grew and as ordinary people who had gained experience buying war bonds now became aware of the promising securities market.

Easy credit also fueled an interest in owning shares of corporations as investors were allowed to buy stock "on the margin." In this process, investors would purchase stock through a broker but pay only a percentage (30 to 50 percent on average) of the purchase price. The broker would finance the remaining amount for the investor with money he had borrowed from a bank or other sources. As long as the stock's value remained constant or increased, the broker was assured of collateral to cover the loan. However, if the stock price dropped, he would call in the investor's loan and force him to increase his margin or pay for the stock immediately.

From March 1928 to September 1929, prices of many favored stocks doubled, and nearly every stock rose. The possibilities of profits from stock speculation fueled tremendous activity on Wall Street and created even greater admiration and expectations of American business. President Coolidge disapproved of speculation, but he had certainly encouraged American faith in business, and Hoover's election helped to prompt the amazing stock market flourish that followed for several months. Republicans reveled in the prosperity that seemed to abound.

### Boom Goes Bust

While Wall Street was booming, Americans naturally focused their attention on the excitement and affluence that it afforded. However, the nation's economic condition was dependent on far more than the price of corporate stock. Besides, most Americans were not even involved in the stock market. Several fundamental problems had been developing through the decade, but optimistic Americans brushed aside the possible dangers until October 1929.

In the middle of that month, stock prices began to sag, and investors began to grow wary. On October 24 ("Black Thursday"), fear began to fuel panic selling. Millions of shares were offered for sale, but virtually no one bought. Prices dropped dramatically until New York's leading financiers pooled their resources to buy stock and halt the devastating decline. The attempt to prop up the market worked for that day, but not before stock prices had taken a significant fall. Banks began to pressure brokers, and brokers began to pressure

## The Federal Reserve's Role in Producing an Overheated Stock Market

During the late 1920s, Americans watched stock prices climb dramatically and almost steadily. The Federal Reserve flooded the market with cheap credit that encouraged many people to make unwise investments and to buy on the margin. They hoped to sell at a huge profit, pay off their stockbrokers, and pocket a tidy sum without ever risking a large amount of their own money.

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VOL. XXVII, No. 3 NEW YORK, WEDNESDAY, OCTOBER 30, 1929 88 PAGES

## WALL ST. LAYS AN EGG

### Going Dumb Is Deadly to Hostess

In Her Serious Dance Hall Profound

### Drop in Stocks

ROPES SHOWMEN

### Kidding Kissers in Talkers Burns

Up Fans of Screen's Best Lovers

### Bank on Winch

Many Weep and Call Off Christmas Orders—Legs Show Hit

### Mergers Hailed

THE MOST dramatic event in the financial history of America is the collapse of the New York Stock Exchange. The market, which had been soaring for months, has now fallen to a level not seen since the panic of 1907.

### WOMEN'S SCREENS CAN'T EARN OVER \$25

As lately as last week Broadway and the screen were in a state of jubilation. The women's picture, which had been the mainstay of the industry, was now being hailed as the savior of the picture business.

### Demand for Funds

Speculators 21, 000, 000

### FILTHY SHOW OF SHUBERTS' GOOD FOR SCREEN

Chicago, Oct. 29.—The picture business is in a state of panic. The picture business is in a state of panic. The picture business is in a state of panic.

### Soft Drink Suggesting

Washington, Oct. 29.—The picture business is in a state of panic. The picture business is in a state of panic. The picture business is in a state of panic.

### Filing Contest

Park, Oct. 29.—The picture business is in a state of panic. The picture business is in a state of panic. The picture business is in a state of panic.

### Studio in Church

New York, Oct. 29.—The picture business is in a state of panic. The picture business is in a state of panic. The picture business is in a state of panic.

The show biz newspaper Variety reported the Black Thursday stock market crash in interesting terms. The Granger Collection, New York



investors who had bought stock on the margin to pay up. Because most of these speculators did not have the extra cash, they opted to sell the stock, which resulted in a new wave of selling at the stock exchange and an accompanying drop in prices. On **Black Tuesday**, October 29, the bottom fell out of the market. More than sixteen million shares were dumped on the market, and investors lost \$30 billion in the process. Americans hoped that the **stock market crash** was only a temporary “readjustment” of the inordinately high stock prices caused by speculation. Those hopes eroded, however, as prices on the market continued to decline gradually for three years.

### What Really Caused the Depression?

In reality, the Depression consisted of *four* consecutive depressions that are collectively known as the Great Depression. Many problems caused, contributed to, or aggravated the Depression, leading to business decline, unemployment, and hardship for the people. Economic historians, however, have identified three major factors as causes of the Depression.

First were the cumulative consequences following World War I and the economic problems of European powers. Many of the Allies were heavily in debt from the war—this debt included money owed to the United States. But when Germany could not pay reparations to them, those European countries could not repay the United States. The United States was also in debt, and the Allies’ failure to pay their loans only increased economic difficulties for the United States.

Another cause was the government’s pursuit of reckless monetary policies. In the early 1920s the Federal Reserve System began to expand credit and to pump more money into the economy. This inflation of the monetary supply initiated a new but artificial economic boom. The Fed did this again in 1927, increasing the volume of farm and personal mortgages dramatically. State and local governments also increased their own indebtedness. Consequently, prices of real estate and stocks rose. The Fed finally abandoned its easy-money policy in mid-1929, and the economy began to readjust itself to match the true economic situation. The resulting collapse of credit devastated America’s financial market.

A third cause, which came after the stock market crash but before Hoover’s term ended, was the Smoot-Hawley Tariff of 1932. It was the highest tariff in American history, and it practically closed off all American foreign trade. Supposedly designed to protect American domestic manufacturers and farmers, in reality it hurt everyone because foreign nations retaliated with their own tariffs against American goods. In a very real sense, the tariff sowed the seeds of another world war because, as has been said, “When goods don’t cross borders, armies will.”

Although most histories of the period typically blame unwise stock speculation for the Depression, that was only one of many problems. In fact, most Americans did not even own stock; stock speculation was the opportunity of only a relative few. The cause behind the recklessness on Wall Street was actually the Fed’s easy-money policy. Buying stock on credit had resulted in more than \$8 million in loans from banks to brokers by October 1929. All that credit was based on the presumed value of stocks in a speculative market, and that value was shaky indeed. The inherent worth of many stocks had not increased during the bull market because

#### How the Federal Reserve Helped Bring about the Depression

The Federal Reserve System raised interest rates four times in 1928–29, thereby slowing and discouraging economic growth.

#### Unintended Consequences

The Smoot-Hawley tariff is a good illustration of how an action done with perhaps good intentions can have unintended negative consequences. The tariff was intended to protect selected American industries, but it actually hurt other leading industries. Economic historian Burton Folsom Jr. wrote, “The tariff on tungsten, for example, hurt steel; the tariff on linseed oil damaged the paint industry.” It also “increased the duty on over eight hundred items used in making cars.” Furthermore, foreign manufacturers “slapped retaliatory tariffs on the United States.” As a result, American cars became more expensive, and U.S. car sales “plummeted from over 5.3 million in 1929 to 1.8 million in 1932.”

[Burton Folsom Jr. in *New Deal or Raw Deal? How FDR’s Economic Legacy has Damaged America* (New York: Threshold Editions, 2008), 31–32.]



many American industries became no more prosperous during that era. Neither their profits nor the dividends they paid shareholders had increased significantly. The stock market crash ended the speculative inflation.

Americans, now mired in debt and pessimistic about their future, tightened their belts in an attempt to regain their own economic security. All the causes that have been mentioned were the result of government activism, *not* the free market. Unfortunately, as the Depression deepened, the proposed—and implemented—solutions only made the problem worse, prolonging the Depression and opening the nation to demands for even more government interference in the free market.

### Section Quiz

1. What two inventions in particular had a tremendous effect on American life in the 1920s?
2. Name two practices that encouraged Americans to spend money extravagantly during the 1920s.
3. In what year did the stock market crash?
- ★ What dangers does a consumer culture hold for a Christian?



# 20

## Chapter Review

### People, Places, and Things to Remember

“normalcy”  
 Red Scare  
 isolationism  
 Washington Naval Conference  
 Kellogg-Briand Pact  
 Fordney-McCumber Tariff  
 Dawes Plan  
 Warren G. Harding  
 return to “normalcy”  
 Teapot Dome scandal  
 Calvin Coolidge  
 Herbert Hoover  
 Al Smith  
 Albert Einstein  
 theory of relativity  
 Sigmund Freud  
 Charles A. Lindbergh  
 Sacco-Vanzetti case  
 National Origins Act  
 Marcus Garvey  
 Harlem Renaissance  
 Ku Klux Klan  
 Al Capone  
 Fundamentalism  
 Fundamentalist-Modernist controversy  
 John T. Scopes  
 installment plans  
 radio  
 KDKA  
 speculation  
 bull market  
 “on the margin”  
 Black Tuesday  
 stock market crash (1929)

### Making Connections

1. Why was there a “farm problem” in the years following World War I?
2. Why did President Harding’s reputation become tarnished after his death?
3. What trends in the ethnic and racial make-up of America’s population disturbed many people in the 1920s?
4. What was one of the main focuses of Fundamentalist efforts in the North? in the South?
5. List at least three social effects of the automobile upon American society in the 1920s.

### Developing History Skills

1. How did immigration impact the United States in the 1920s?
2. What techniques did businesses use in the 1920s to change Americans’ spending habits?

### Thinking Critically

1. What are some potential dangers of hero worship? Illustrate your answer with examples from the 1920s and today.
2. What are some biblical principles to guide one’s involvement in installment buying or speculation in economic endeavors?

### Living as a Christian Citizen

1. Imagine that you are a Fundamentalist pastor in the 1930s. Write a brief paragraph arguing for the removal of modernists from your denomination. Use Galatians 1:8–9; 2 Corinthians 6:14–7:1; Romans 16:17–18; and 2 John 7–10.
2. Immigration was a concern for Americans in the early part of the twentieth century, and it is again a concern for Americans in the early part of the twenty-first century. How should Christians view immigration, especially the immigration of those with other religions?