

# Chapter 7 Study Guide

## Section 1: A Booming Economy

During the 1920s, revolutionary **mass-production** techniques enabled American workers to produce more goods in less time. Because of this, the economy boomed. The automobile industry played a major role in the boom. Carmaker **Henry Ford** introduced new methods and ideas that changed the way manufactured goods

were made. Ford also hired **scientific management** experts to improve his **assembly-line** mass production of automobiles. In two years, the time it took to build an automobile dropped from more than 12 hours to just 90 minutes. This made the **Model T** affordable for most Americans, and automobile ownership skyrocketed.

Ford also used innovation in managing his employees. In 1914, he raised wages from \$2.35 to \$5 a day. He cut the workday from 9 hours to 8 hours and gave workers Saturday and Sunday off.

Automobile production stimulated many other industries, such as steel, glass, rubber, asphalt, wood, gasoline, insurance, and road construction. The growth of these industries led to new, better-paying jobs. This also helped spur national prosperity. A flood of new, affordable goods became available to the public, creating a **consumer revolution**. At the same time, a new kind of credit called **installment buying** enabled consumers to buy goods they otherwise could not have afforded. Buyers made a small down payment on a product and paid the rest in monthly installments.

Americans were also buying stock on credit. As stock prices soared in a **bull market**, people began **buying on margin**, paying as little as 10 percent of the stock price upfront to a broker. If the price of the stock rose, the buyer could pay off the broker and still made a profit. If the price fell, the buyer still owed the broker the full price of the stock.

The economic boom was felt more in cities, where jobs were plentiful, than in rural areas. As cities grew, people moved out to suburbs and drove their new automobiles into the city to work. However, America's wealth was unevenly distributed. Farmers, in particular, suffered under growing debt, while at the same time crop prices were falling. For farmers, and many others, it was not a decade of prosperity.

## Section 2: The Business of Government

In 1920, fun-loving Warren G. Harding was elected President. Favoring big business, he named banker **Andrew Mellon** as Secretary of the Treasury. Harding raised protective tariff rates, which made it easier for U.S. producers to sell goods at home. In response, Europeans also raised tariffs, weakening the world economy. Harding did not like laws designed to protect workers and reform business. Instead, his Secretary of Commerce, **Herbert Hoover**, asked businesses to make voluntary changes.

Harding was a friendly man but not very intelligent. He named his poker-playing friends to important government positions. One friend, Charles Forbes, wasted millions of dollars while running the Veterans' Bureau. Another, Secretary of the Interior Albert Fall, took bribes to transfer control of oil reserves from

the United States Navy to private oilmen. The incident became known as the **Teapot Dome scandal**. Fall was later sentenced to a year in jail. Harding died in 1923, before the full extent of the scandal came to light.

The new President, **Calvin Coolidge**, was quiet and honest. He appointed trustworthy men to jobs in the government. Like Harding, he mistrusted laws that restricted businesses. He reduced the national debt and lowered taxes to give incentives to businesses. Still, he ignored the country's other problems, such as low farm prices, racial discrimination, and low wages for workers.

In foreign policy, Coolidge pushed European governments to repay war debts. The 1924 **Dawes Plan** made it easier for Germany, Britain, and France to repay those loans. In 1928, 62 nations signed the **Kellogg-Briand Pact**. This treaty outlawed war, but it was quickly forgotten because it could not be enforced.

## Section 3: Social and Cultural Tensions

As the 1920s began, striking differences arose between urban and rural America. Urban Americans enjoyed a rising standard of living and embraced a modern view of the world. City dwellers tended to value education and to be advocates of science and social change.

By contrast, in rural America times were hard. Formal education was considered less important than keeping the farm going. People tended to be conservative about political and social issues, preferring to keep things the way they were. Many rural Americans believed that the Bible was literally true. This belief was called **fundamentalism**. It opposed modernism, which stressed science.

The two beliefs clashed head-on in the 1925 **Scopes Trial**. That year, Tennessee passed a law making it illegal to teach the theory of evolution in the state's public schools. The most celebrated defense attorney in the country, **Clarence Darrow**, defended John Scopes for teaching this scientific theory to his high school class. Scopes was found guilty of breaking the law and fined \$100.

A wave of immigration inspired nativist politicians to pass laws forcing immigrants to pass a literacy test, and to create a **quota system**. The quota system set limits on the number of new immigrants allowed into the United States. Although many Americans appreciated the nation's growing diversity, many did not. In 1915, the **Ku Klux Klan** was reorganized in Georgia. This violent group, whose leaders had titles such as Grand Dragon and Imperial Wizard, promoted hatred of African Americans, Jews, Catholics, and immigrants.

Another divisive issue of the 1920s was **Prohibition**. In 1919 the states ratified the **Eighteenth Amendment** to the Constitution, which forbade the manufacture, distribution, and sale (but not consumption) of alcohol. Congress then passed the **Volstead Act** to enforce the amendment. Police often turned a blind eye to illegal drinking establishments, which left room for **bootleggers** to not only sell alcohol but also to expand into other illegal activities, such as prostitution, drugs, robbery, and murder. Thus, Prohibition unintentionally led to the growth of organized crime.

## Section 4: A New Mass Culture

As urban Americans' wages rose in the 1920s, workers also enjoyed shorter workweeks. For the first time, a large city-dwelling population had free time and money to spend on entertainment. One of the most popular forms of entertainment was movies, which were attended by 60 to 100 million Americans each week. Actors such as comedian **Charlie Chaplin**, heartthrob Rudolf Valentino, and cow boy William S. Hart became silent film stars. Then in 1927, the movie *The Jazz Singer* startled audiences when Al Jolson said, "You ain't seen nothin' yet." *The Jazz Singer* became the first movie to include sound matched to the action on the screen, and the era of "talkies" was born.

For entertainment at home, Americans bought millions of phonographs and radios. By 1923, almost 600 licensed radio stations broadcast to more than 600,000 radio sets. Americans across the continent listened to the same songs, learned the same dances, and shared a popular culture as never before. People admired the same heroes, such as baseball player **Babe Ruth**, the home-run king, and aviator **Charles Lindbergh**, who was the first to fly solo and non-stop across the Atlantic Ocean.

American women challenged political, economic, social, and educational boundaries. With passage of the Nineteenth Amendment, they won the right to vote. Many ran for political office and more joined the workforce. Some women, known as **flappers**, shocked society by wearing short skirts and bobbed hair. At home, new electric appliances made housework easier. Popular magazines, sociological studies, novels, and movies all featured the "New Woman" of the 1920s prominently.

A spirit of modernism grew, especially in cities. Austrian psychologist **Sigmund Freud** contributed to modernism with his theory that human behavior is driven by unconscious desires rather than by rational thought. Painters rejected artistic norms. Writers, including **F. Scott Fitzgerald** and **Ernest Hemingway**, wrote about the meaning of life and war. Their literary masterpieces examined subconscious desires and the dark side of the American dream.

## Section 5: The Harlem Renaissance

After World War I, millions of African Americans left the South to find a better life in the North. In New York, Chicago, and Detroit, they found good-paying jobs, a middle class of African American professionals, and a growing political voice. About 200,000 migrants from the South and immigrants from the Caribbean settled in New York City's Harlem neighborhood. One of these immigrants was a Jamaican named **Marcus Garvey**. Seeing that blacks were treated poorly everywhere, he created a "Back to Africa" movement and urged black unity and separation of the races.

The 1920s saw the birth of a new musical form, **jazz**. Jazz is a truly indigenous American music. It emerged in the South as a combination of African American and European musical styles. Jazz became famous around the world thanks to the talents of musicians such as trumpet player **Louis Armstrong**. Singer **Bessie Smith** was so popular that she became the highest-paid African American entertainer of the 1920s.

The decade also saw the **Harlem Renaissance**, an outpouring of art and literature that explored the African American experience. Among its most famous writers was **Claude McKay**, whose novels and

poems were militant calls for action. **Langston Hughes** celebrated African American culture. **Zora Neale Hurston** wrote about women's desire for independence.

The Great Depression ended the Harlem Renaissance. However, the pride and unity it created provided a foundation for the future civil rights movement.