

## The Great Gatsby

### Historical Context: The Roaring Twenties

#### Technology and Consumer Spending

- Americans enjoyed the highest standard of living any people had ever known
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#### The Booming Construction Industry

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- Road construction made the suburbs possible

#### The Automobile

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- By 1929, 1 out of 5 people had an automobile. 1 for every 43 in Britain and 1 for every 7,000 in Russia
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#### The Consumer Culture

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- Prosperity hinged more and more on consumption
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#### A "New Woman"

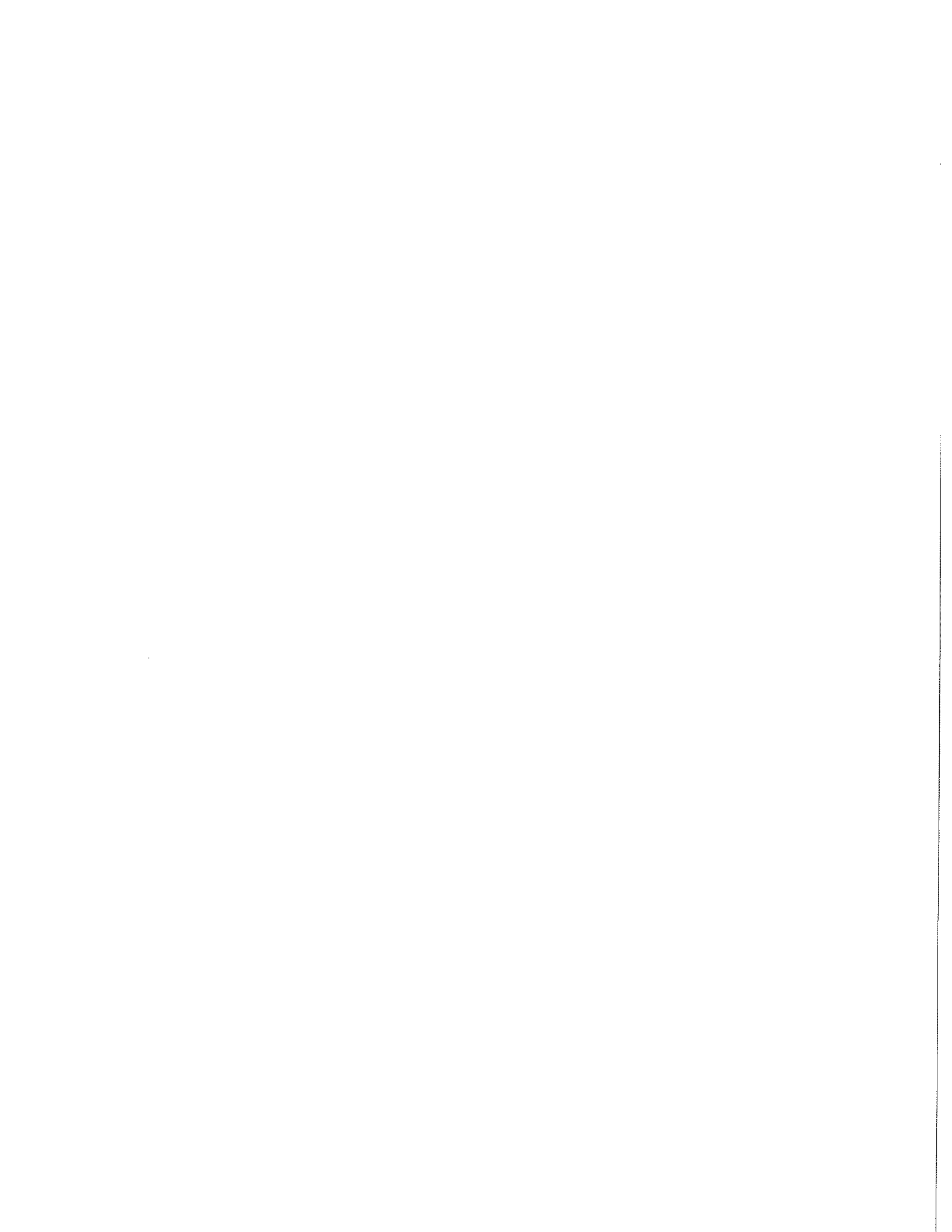
- Flappers: \_\_\_\_\_
- \_\_\_\_\_
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#### "Ain't We Got Fun?"

- \_\_\_\_\_
- Baseball: \_\_\_\_\_
- Jazz: \_\_\_\_\_

#### The "Noble Experiment"

- The Eighteenth Amendment: \_\_\_\_\_
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## The Roaring Economy

In the 1920s, the United States was in the midst of a revolution in production.

Not only did the amount of goods manufactured increase sharply—by 64 percent over the decade—but workers became more efficient in manufacturing them. Output per worker—productivity—increased by 40 percent. The sale of electricity doubled; the consumption of fuel oil more than doubled. Between 1922 and 1927 the economy grew by 7 percent a year—the largest peacetime rate ever. If anything roared in the “Roaring Twenties,” it was the economy.

### Technology and Consumer Spending

Technology was partly responsible. Steam turbines and shovels, electric motors, belt and bucket conveyors, and countless other new machines became common at work sites. Machines replaced 200,000 workers each year, and a new phrase—“technological unemployment”—entered the vocabulary. Even so, rising demand, especially for new consumer goods, kept the labor force growing at a faster rate than the population. And pay improved. Between 1919 and 1927, average income climbed nearly \$150 for each industrial worker.

As the industrial economy matured, more consumer goods appeared on store shelves—cigarette lighters, wristwatches, radios, panchromatic film. Under their impact, American customs changed, sometimes with unintended results. Electric washing machines and vacuum cleaners lightened the load of a “Blue Monday” spent washing clothes by hand and reduced the drudgery of cleaning house. At the

same time these innovations boosted standards of household cleanliness and meant hours more of work for homemakers. Commercial laundries disappeared, and the long-term trend toward fewer domestic servants intensified.

As production of consumer goods grew, improvements in productivity helped keep prices down. The cost of a tire and an inner tube, for example, dropped by half between 1914 and 1929. Meanwhile, real wages (wages valued in purchasing power) jumped by 20 percent. Americans enjoyed the highest standard of living any people had ever known.

Yet for all the prosperity, a dangerous imbalance was developing in the economy. Most Americans saved little in the mistaken belief that prosperity was here to stay. Falling prices made many items seem like good buys, and the rapid expansion of credit (see page 792) allowed consumers to put off paying for what they purchased. As a result, personal debt was rising two and a half times faster than personal income, an unhealthy sign of consumers scrambling to spend.

### The Booming Construction Industry

Along with technology and consumer spending, new "boom industries" promoted economic growth. In a rebound after the war years, construction boomed. Even cities the size of Beaumont, Texas; Memphis, Tennessee; and Syracuse, New York, were erecting buildings of 20 stories or more. New York got a new skyline of tall towers, topped in 1931 when the Empire State Building rose to the world-record height of 86 stories.

Residential construction doubled as people moved from cities to suburbs. Suburban Grosse Point, near Detroit, grew by 700 percent, and Beverly Hills, on the outskirts of Los Angeles, by 2500 percent. Road construction made suburban life possible and pumped millions of dollars into the economy. In 1919 Oregon, New Mexico, and Colorado hit on a novel idea for financing roads—a tax on gasoline. Within a decade every state had one.

Construction stimulated other businesses: steel, concrete, lumber, home mortgages, and insurance. It even helped change the nation's eating habits. The limited storage space of small "kitchenettes" in new apartments boosted supermarket chains and the canning industry. As shipments of fresh fruits and vegetables sped across new roads, interest in nutrition grew. Vitamins, publicized with new zeal, appeared on breakfast tables.

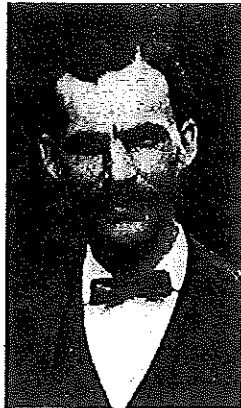
### The Automobile

No industry boomed more than automobile manufacturing. Although cars had first appeared on streets at the turn of the century, for many years they remained little more than expensive toys. By 1920 there were 10 million in America, a sizable number. But by 1929 the total had jumped to 26 million, 1 for every 5 people (compared to 1 for every 43 in Britain and 1 for every 7000 in Russia). Automakers bought one-seventh of the nation's steel and more rubber, plate glass, nickel, and lead than any other industry. By the end of the decade, one American in four somehow earned a living from automobiles.

Henry Ford helped to make the boom possible by pushing standardization and mass production to such ruthless extremes that the automobile became affordable. Trading on his fame as a race-car manufacturer, he founded the Ford Motor Company in 1903 with the dream of building a "motor car for the multitude." "Everybody wants to be somewhere he ain't," Ford observed. The way to succeed was to drive down costs by making all the cars alike, "just like one pin is like another

Henry Ford

Henry Ford at the turn of the century



Doctrine of high wages

pin." In 1908 Ford perfected the Model T. It had a 20-horsepower engine and a body of steel. It was high enough to ride the worst roads, and it came in only one color: black.

Priced at \$845, the Model T was cheap by industry standards but still too costly and too time-consuming to build. Two Ford engineers suggested copying a practice of Chicago meatpacking houses, where beef carcasses were carried on moving chains past meat dressers. In 1914 Ford introduced the moving assembly line. A conveyor belt, positioned waist high to eliminate bending or walking, propelled the chassis at six feet per minute as stationary workers put the cars together. The process cut assembly time in half. In 1925 new Model Ts were rolling off the line every 10 seconds. At \$290, almost anybody could buy one. By 1927 Ford had sold 15 million of his "tin lizzies."

Ford was also a social prophet. Breaking with other manufacturers, he preached a "doctrine of high wages." According to it, workers with extra money in their pockets would buy enough to sustain a booming prosperity. In 1915 Ford's plants in Dearborn established the "Five-Dollar Day," twice the wage rate in Detroit. He reduced working hours from 48 to 40 a week and cut the workweek to five days. By 1926 he also employed 10,000 African Americans, many of whom had advanced far enough to hire and fire their white subordinates.

Yet Ford workers were not happy. Ford admitted that the repetitive operations on his assembly line made it scarcely possible "that any man would care to continue long at the same job." The Five-Dollar Day was designed, in part, to reduce the turnover rate of 300 percent a year at Ford plants. And Ford recouped his profits by speeding up the assembly line and enforcing ruthless efficiencies. Ford workers could not talk, whistle, smoke, or sit on the job. They wore frozen expressions called "Fordization of the face" and communicated in the "Ford whisper" without moving their lips. A Sociological Department spied on workers in their homes, and the Education Department taught plant procedures but also Americanization classes where immigrant workers learned English, proper dress, and even etiquette.

General Motors copied Ford's production techniques but not his business strategies. While Ford tried to sell everyone the same car, GM created "a car for every purse and purpose." There were Cadillacs for the wealthy, Chevrolets for the modest. GM cars were painted in a rainbow of colors, and every year the style changed. In a standardized society, such details made automobiles symbols of distinction as well as prestige.

A car culture

By making automobiles available to nearly everyone, the industry changed the face of America. The spreading web of paved roads fueled urban sprawl, real estate booms in California and Florida, and a new roadside culture of restaurants, service stations, and motels. Thousands of "auto-camps" opened to provide tourists with tents and crude toilets. "Auto clubs" such as the Tin Can Tourists Association (named for the tin can tied to the radiator cap of a member's car) sprang up to aid travelers. Automobile travel broke down the isolation and provincialism of Americans and helped to standardize dialects and manners.

Across the country the automobile gave the young unprecedented freedom from parental authority. After hearing 30 cases of "sex crimes" (19 had occurred in cars), an exasperated juvenile court judge declared that the automobile was "a house of prostitution on wheels." It was, of course, much more. The automobile was to the 1920s what the railroad had been to the nineteenth century: the catalyst for economic growth, a transportation revolution, and a cultural symbol.

## The Consumer Culture

During the late nineteenth century the economy had boomed, too, but much of its growth had gone into producer goods: huge steel factories and rail, telephone, and electric networks. By World War I, these industrial networks had penetrated enough of the country to create mass markets for consumer goods such as refrigerators, bicycles, and other products for ordinary Americans. As an increasing percentage of the nation's industries turned out consumer goods, prosperity hinged more and more on consumption. If consumers purchased more goods, production would increase at the same time that costs would decrease. Lower production costs would allow for lower prices, which would lift sales, production, and employment still higher.

Everything in this cycle of prosperity depended on consumption. In the consumer economy, wives ceased to be homemakers and became purchasers of processed food and manufactured goods. Husbands were not merely workers but, equally important, consumers of mortgages and other forms of credit. Even vacationers became consumers—in this case, consumers of leisure time as more employees got two-week (unpaid) vacations. Consumption was the key to prosperity, and increased consumption rested on two innovations: advertising to help people buy, and credit to help them pay.

Around the turn of the century, advertisers began a critical shift from emphasizing *products* to stressing a consumer's *desires*: health, popularity, social status. During the First World War the Committee on Public Information, the federal propaganda agency, demonstrated the power of emotional appeals as an instrument of mass persuasion. Like the war propaganda, advertising copy aimed at emotions and cynically regarded the "average normal American," in the words of one executive, as having the "literate capacity of a 12- or 14-year-old." Behavioral psychologists like John B. Watson, who left Johns Hopkins University for an advertising agency in the 1920s, helped advertisers develop more sophisticated techniques for attracting customers.

Earlier in the century Albert Lasker, the owner of Chicago's largest advertising firm, Lord and Thomas, had created modern advertising in America. His eye-catching ads were hard-hitting, positive, and often preposterous. To expand the sales of Lucky Strike cigarettes, Lord and Thomas advertisements claimed smoking made

Role of advertising

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people slimmer and more courageous. "Luckies" became one of the most popular brands in America. Bogus doctors and dentists endorsed all kinds of products, including toothpaste containing potassium chloride—eight grams of which was lethal. "Halitosis" was plucked from the pages of an obscure medical dictionary and used to sell Listerine mouthwash.

Installment buying as credit

Advertisers encouraged Americans to borrow against tomorrow to purchase what advertising convinced them they wanted today. Installment buying had once been confined to sewing machines and pianos. In the 1920s it grew into the tenth biggest business in the United States. In 1919 Alfred Sloan created millions of new customers by establishing the General Motors Acceptance Corporation, the nation's first consumer credit organization. By 1929 Americans were buying most of their cars, radios, and furniture on the installment plan. Consumer debt jumped to \$7 billion, almost twice the federal budget.

## A "New Woman"

In the tumultuous 1890s, a "New Woman" had appeared, one who was more assertive, athletic, and independent than her Victorian peers. By the 1920s, more modern versions of this New Woman were being charged with nothing less than leading what Frederick Lewis Allen called the "revolution in manners and morals" of the twenties. The most flamboyant of them wore close-fitting felt hats and makeup, long-waisted dresses and few undergarments, strings of beads, and unbuckled galoshes (which earned them the nickname "flappers"). Cocktail in hand, cigarette in mouth, footloose and economically free, the New Woman became a symbol of liberation and sexuality to some. To others she represented the decline of civilization.

World War I had served as a social catalyst, while the decade before it had stimulated changes for women workers. Single and married women poured into the workforce after the turn of the century. From a fifth of the labor force in 1900, women jumped to a quarter by 1930, with the greatest gains coming before the war. But most female workers remained in poor-paying jobs, and few found new freedom after quitting time. The war nonetheless prompted a change in attitudes. Before it, women were arrested for smoking cigarettes openly, using profanity, appearing on public beaches without stockings, and driving automobiles without men beside them. But with women bagging explosives, running locomotives, and drilling with rifles, the old taboos often seemed silly.

Disseminating birth control information by mail had also been a crime before the war. By the armistice there was a birth control clinic in Brooklyn, a National Birth Control League, and later an American Birth Control League led by Margaret Sanger. Sanger's crusade had begun as an attempt to save poor women from the burdens of unwanted



"Street selling was torture for me," Margaret Sanger recalled of her efforts to promote the *Birth Control Review*. Hecklers often taunted Sanger and her colleagues. "Have you never heard God's word to 'be fruitful and multiply and replenish the earth'?" one asked. The reply came back, "They've done that already."

Margaret Sanger

## Spectator sports

### "Ain't We Got Fun?"

"Ev'ry morning, ev'ry evening, ain't we got fun?" ran the 1921 hit song. As the average hours on the job each week decreased from 47.2 in 1920 to 42 by 1930, spending on amusement and recreation tripled. Spectator sports came of age. In 1921, some 60,000 fans paid \$1.8 million to see Jack Dempsey, the "Manassas Mauler," knock out French champion Georges Carpentier. Millions more listened as radio took them ringside for the first time in sports history. Universities constructed huge stadiums for football—a 60,000-seater at Berkeley, a 64,000-seater at Ohio State. By the end of the decade college football games were outdrawing major league baseball.

Baseball remained the national pastime but became a bigger business. An ugly World Series scandal in 1919 led owners to appoint Judge Kenesaw Mountain Landis as "czar" of the sport early in the decade. His strict rule reformed the game. In 1920 the son of immigrants revolutionized it. George Herman "Babe" Ruth hit 54 home runs and made the New York Yankees the first club to attract a million fans in one season. A heroic producer in an era of consumption, Ruth was also baseball's bad boy. He smoked, drank, cursed, and chased every skirt in sight. Under the guidance of the first modern sports agent, Christy Walsh, Ruth became the highest-paid player in the game and made a fortune endorsing everything from clothing to candy bars.

### The "Noble Experiment"

## Eighteenth Amendment

For nearly a hundred years reformers had tried—with sporadic success—to reduce the consumption of alcohol. Their most ambitious campaign climaxed in January 1920 when the Eighteenth Amendment, sanctioning the prohibition of liquor, went

into effect. Prohibition was not total: private citizens could still drink. They simply could not make, sell, transport, or import any "intoxicating beverage" containing 0.5 percent alcohol or more. The aim was to take the profit out of the liquor trade and reduce alcohol consumption without trampling too heavily on the rights of individuals. By some estimates, the consumption of liquor was cut in half.

From the start, however, enforcement was underfunded and understaffed. In large cities "speakeasies"—taverns operating under cover—were plentiful. Rural stills continued to turn out "moonshine." Even so, the consequences of so vast a social experiment were significant and often unexpected. Prohibition reversed the prewar trend toward beer and wine, because hard liquor brought greater profits to bootleggers. Prohibition also advanced women's rights. Whereas saloons had discriminated against "ladies," either barring them or having them enter by a separate door, speakeasies welcomed them. Prohibition helped to line the pockets and boost the fame of gangsters, including "Scarface" Al Capone. Like Capone, thousands of poor immigrants looked to illegal bootlegging to move them out of the slums. As rival gangs fought over territory, cities erupted in violence. To save lives and profits, gangsters organized crime as if they were nineteenth-century business moguls, dividing their operations and territory and imposing a hierarchical structure of management.

For all its unhappy consequences, Prohibition enjoyed wide backing. The best science of the day taught that alcohol was bad for health; the best social science, that it corroded family life and weakened society. Corporate executives and labor leaders supported Prohibition to promote an efficient and healthy workforce. So did many Catholics, who saw the road to pain and perdition lined with liquor bottles. And the liquor industry hurt itself with a terrible record of corrupting legislatures and, worse still, corrupting minors, who were one target of its aggressive campaign to recruit new drinkers in the competitive saloon business.

## Consequences of Prohibition