

## TO WHAT EXTENT DID THE AMERICAN ECONOMY BOOM IN THE 1920s?

### The richest country in the world!

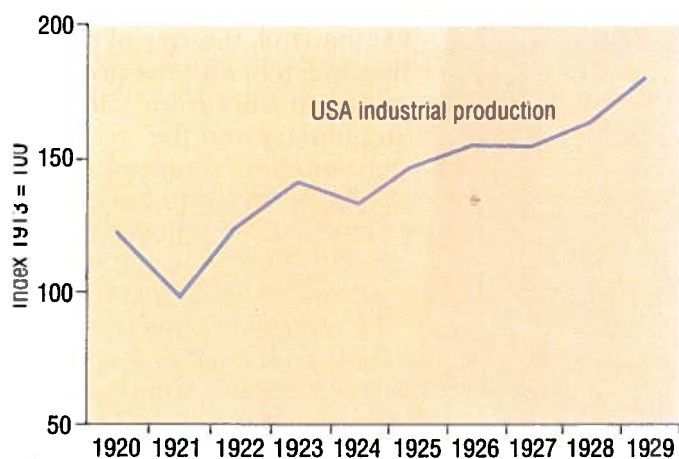
**A**FTER A SHORT POST-WAR depression the American economy grew rapidly in the early 1920s. In 1926 the government announced that the standard of living in the USA was the highest it had ever been in the country's history. Americans were officially the richest people in the world!

This 'feel-good' factor made people confident about American success. It seemed that businessmen could do nothing wrong. Americans talked about prosperity with a capital 'P' as if it was a religion – everyone had a right to be prosperous. If you worked hard then you could be successful.

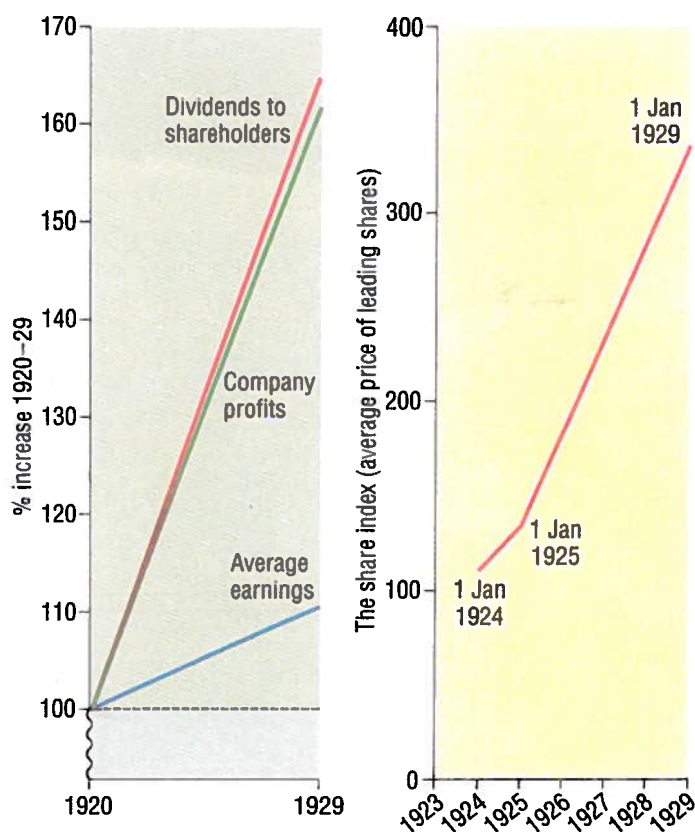
But what did this boom amount to? Did every part of the economy boom? Did all Americans benefit from it?

**SOURCE 1** Andre Siegfried, a French writer, in *America comes of Age*, 1927

*“European luxuries are often necessities in America. One could feed a whole country in the Old World on what America wastes. American ideas of extravagance, comfort and frugality are entirely different from European. In America the daily life of the majority is on a scale that is reserved for the privileged classes anywhere else. To the American, Europe is a land of paupers, and Asia a continent of starving wretches.”*



**SOURCE 2** Graph showing the rise in industrial production and Gross National Product 1920–29



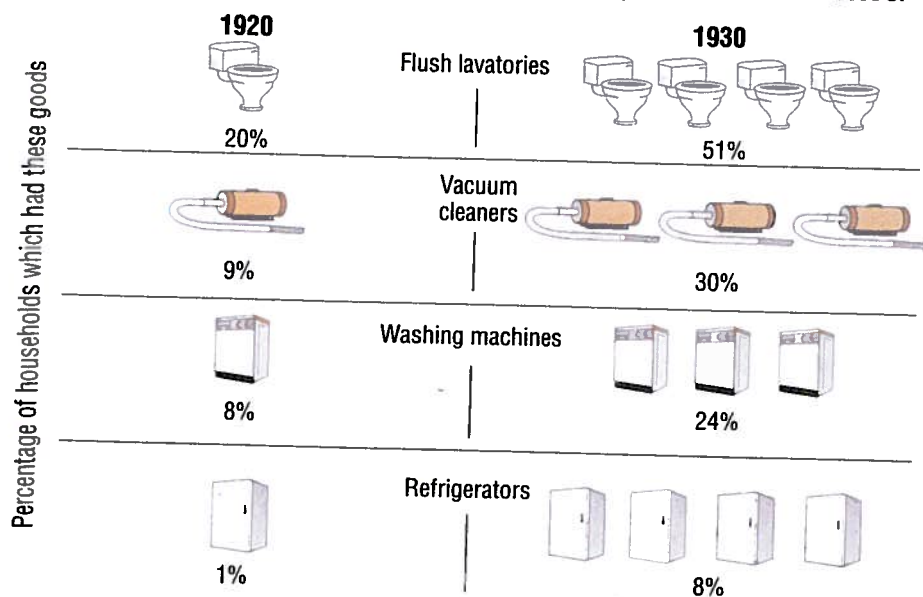
**SOURCE 3** Number of millionaires

1914: 7000  
1928: 35,000

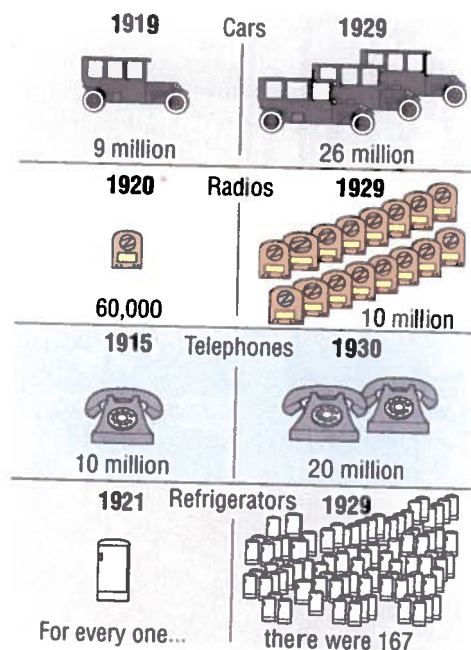
## New industries

The boom was dominated by the so-called 'new' industries: cars, chemicals, electricity and electrical products. Cars led the way. Mass-produced cars were so cheap that most Americans were able to afford them. The enormous increase in the number of cars created a demand for steel, glass and rubber, so these industries also boomed. The American chemical industry led the world in products like fertilisers and dyes, but was also producing new plastics and man-made fibres that had a wide range of uses.

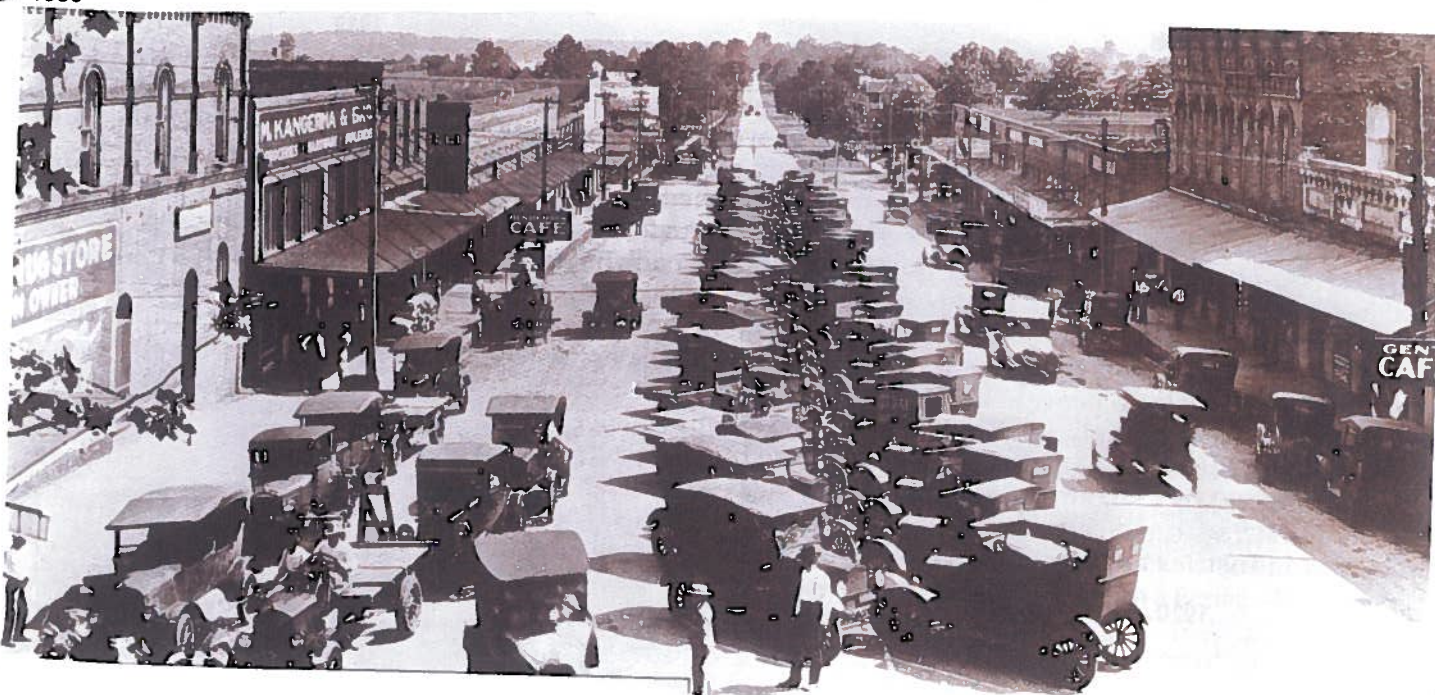
Electricity had developed slowly before the war but in the 1920s the electrical industry really boomed. By 1929 most homes in the cities had electricity and nearly 70 per cent of all Americans had electric lights. Factories were increasingly run by electricity. The amount of electricity consumed doubled in the 1920s. The electrification of America led to the development of a whole range of domestic goods – cookers, refrigerators, vacuum cleaners, washing machines and radios. These were new industries that had not existed on any kind of scale before.



**SOURCE 2** A chart showing how consumer industries boomed between 1920 and 1930



**SOURCE 1** A chart showing sales of consumer goods 1914–30. Consumer goods were a major growth area in the 1920s. In the years before 1914 average annual sales were just above \$4 billion; in the 1920s, they were above \$7 billion



**SOURCE 5** A street lined with cars (mostly Model Ts) in a town in Texas, c. 1920. Thousands of ordinary Americans had cars in the 1920s when they were still a privilege of the rich in Europe

## Transport

During the 1920s the American transport system saw massive improvements. By 1930 the miles of paved road had doubled. It was not only the increasing number of cars that used these roads. The number of trucks had tripled to 3.5 million by 1929. The number of buses also increased, taking away passengers from the railways. Aircraft for civil flights made their first appearance in the 1920s, making 162,000 flights by 1929.



*For 1927* the most complete line of 4 and 6-cylinder Speed Trucks

**SOURCE 5** The illustration from an advertisement for an international truck company, 1927



**SOURCE 6** Passengers boarding a Boeing 40B-4, belonging to Pacific Air Transport, c. 1927



**SOURCE 7** Cherokee Indians working on the construction of the Empire State Building. Announced in 1929, it was to be the tallest building in the world

## Construction

The American construction industry was busier in the 1920s than it had ever been before. Industrial growth created a demand for new factories. There was a boom in office building as the number of banks, insurance and advertising companies, and showrooms for cars and new electrical products, grew rapidly. Even more people were employed in building roads to serve the ever-increasing number of cars.

This was the age of the skyscraper. As confidence in America soared, the big companies sought to demonstrate their power and prestige by creating ever taller and grander buildings. The great growth in wealth also saw the construction of hospitals, schools and other public buildings.

## Advertising

A whole advertising industry grew up to promote the vast range of consumer goods on offer. It used increasingly sophisticated techniques: adverts were more colourful than before and catch-phrases were introduced. Magazine advertising increased greatly and radio advertising began as a completely new venture.

## Shopping

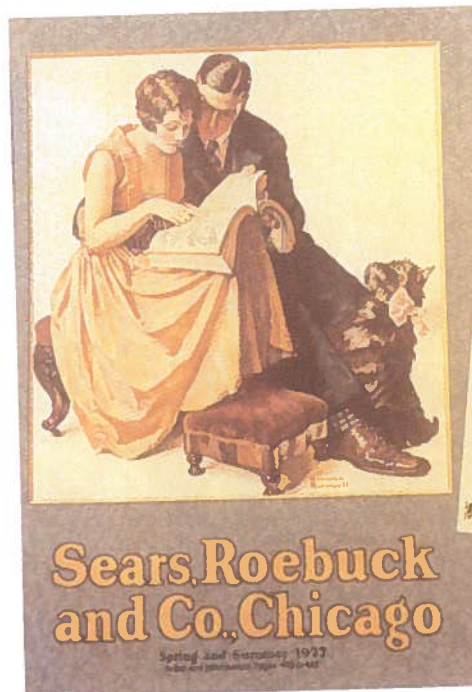


**SOURCE 9** The inside of Bloomingdales, a large chain store in New York

In the cities, chain-stores opened to stock the new range of goods now available. It was at this time that clothing for women started to be mass-produced.

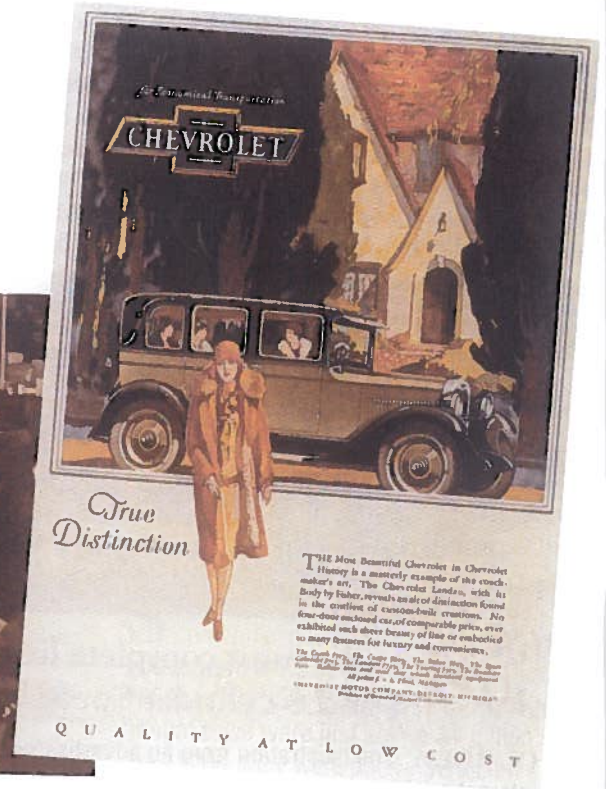
Manufacturers realised that certain dress sizes could be made which would fit most of the women in the country; there was a much wider choice of materials and styles than ever before. Clothing sales went up 427 per cent in the 1920s.

The improving truck industry and road system meant that goods could be delivered more easily by mail order. People living in remote, country areas could buy anything from farm machinery to frying pans and denim jeans. The number of mail-order companies grew enormously. The most famous of these was Sears, Roebuck and Co. of Chicago. In 1928 nearly one-third of Americans bought goods from the company – giving it sales worth \$547 million that year.



**SOURCE 10** The cover of Sears, Roebuck and Co. mail order catalogue, 1927

**SOURCE 8** An advertisement for a Chevrolet Landau, 1927



**SOURCE 11** Advertisement for rayon stockings. Silk stockings were a luxury item. In the 1920s rayon was invented which was a cheaper alternative to silk. In 1930 300 million pairs of rayon stockings were sold

## Entertainment

### Newspapers and magazines

The circulation of newspapers and magazines expanded enormously in the 1920s. In 1919 the first tabloid newspaper, the *Daily News*, had been published. This was followed by many others specialising in crime stories, strip-cartoons and national disasters. There were far fewer serious articles – most space was given to sports, fashion and movie stars. In 1922 ten magazines claimed a circulation of over 2.5 million.

### Sport

Increasing affluence and leisure time saw the growth of spectator sports. In 1924 it was reported that 67,000 people watched the football match between Illinois and Michigan at the Memorial Stadium. In 1926 some 145,000 saw the boxing match between Jack Dempsey and Gene Tunney. But baseball was the most popular game, and its most celebrated star was Babe Ruth. Sport was a profitable business and millions of dollars changed hands.



**SOURCE 12** A baseball game at a stadium in New York

### ■ TASK

Draw a chart showing the main features of the economic boom of the 1920s. Show how many of these were linked.

### ■ DISCUSSION

America was now a 'consumer society'. What do we mean by this?

### Cinema

By the 1920s Hollywood had become the film-making capital of the world and movie-going had become one of the most popular leisure pursuits in America. In 1920 there had been 40 million cinema tickets sold each week. By 1930 it was nearer 100 million. There was a so-called 'picture palace' in almost every town.

Film-making became a MASS-PRODUCTION industry, with three films rolling off the Hollywood production line each week. Comedies were the most popular: they were made quickly and had a standard formula so that viewers knew what to expect. All these early films were silent; 'talkies' arrived at the end of the 1920s.

*The Birth of a Nation* became the first blockbuster movie and made \$60 million dollars profit for the studio. The stars of the 1920s became household names and everybody wanted to read about them in magazines.



**SOURCE 13** Charlie Chaplin in a film called *The Kid*. In 1917 Chaplin, 28 years old, signed Hollywood's first \$1 million contract to star in eight films. He had become popular all over the world