



Written by [Steve Byas](#) on May 18, 2020

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## The Roaring Twenties

Crossword puzzles. Speakeasies. Jazz music. The Charleston. Massive increase in wealth. Babe Ruth. Jack Dempsey. Charles Lindbergh. Flappers.

This was the Roaring Twenties, now 100 years ago, when American life changed dramatically in a very short period of time. It was a decade in which government largely got out of the way, and the economy boomed, leading to innovations we benefit from — and, in some cases, suffer from — yet today.



In analyzing a “decade,” certain events tend to “bookend,” if you will, the beginning and the end of that period of time. For example, the culture of the “Fifties,” another decade known for its rapid lifestyle changes and economic prosperity, largely begins with the end of the Korean War and ends with the assassination of President John F. Kennedy in 1963.

Similarly, we can bookend the 1920s with the depression that President Warren Harding faced upon taking office in 1921 and with the stock market crash in October of 1929, which marked the beginning (although not the cause) of the Great Depression. Before Harding and Calvin Coolidge, two conservative presidents who largely held to a limited government perspective, was the “progressive” President Woodrow Wilson, and after them another Progressive, President Herbert Hoover.

The Progressive Era of American politics was largely rejected by the American electorate in the congressional elections of 1918 and the presidential election of 1920. With the end of the First World War, Americans suffered from a global pandemic — the infamous Spanish Flu — and a raging rise in price levels brought on by the inflationary spending to finance the war.

A dozen eggs, priced at about 34 cents before the war, now cost 62 cents. Prices for milk, steak, butter, and rents (for which most tenants blamed their landlords, not government-caused inflation, which devalued the dollar) had similar price increases. Between 1914 and 1920, prices rose at a compound rate of about 14 percent per year. This inflation was followed by a rather severe economic contraction — in which unemployment reached 12 percent.

Harding opted to let the market make the necessary adjustments, and within a matter of months, the economy took off. Fortunately, because Harding did not intervene, this is often dubbed “the forgotten depression.” Unfortunately, the lesson that could be derived from Harding’s wise inaction was not learned at the end of the decade by President Herbert Hoover, whose actions contributed to turning the contraction of 1929 into the Great Depression.

## The Great Prosperity of the 1920s

Real gross domestic product (GDP) increased almost 50 percent from 1921-1929. By 1926, unemployment had dipped to less than two percent. And there was an explosion in the supply of items



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for consumers, as real wages — what a person's income will actually buy — increased. In May 1919, there were fewer than seven million automobiles in America. By 1929, there were 23 million. Not only was there a quantitative improvement in cars, but a qualitative improvement, as well, as “closed cars” — with a roof and windows — replaced the less practical “open cars” of the early years of the industry. As Frederick Lewis Allen wrote in his famous book on the decade, *Only Yesterday*, the percentage of closed cars was less than 10 in 1919. By 1927, it was nearly 83 percent.

While Americans were spending increasing amounts of time driving, they also enjoyed at home an invention that exploded in popularity in the decade — the radio. There was no radio broadcasting at all in the fall of 1920, but less than two years later, radio sales and accessories had reached \$60 million. By the end of the decade, it was approaching a billion-dollar business. By 1927, there were more than 700 radio stations in the country. From 1913-1927, there was an increase of 465 percent in the number of American homes that had electricity, but even homes without it could still listen to battery-powered radios. By the end of the decade, radios were even being placed in the ever-increasing number of cars.

The radio brought entertainment into even the most modest of homes, with music ranging from classical to jazz and country (then often called “hillbilly”). One person who benefited greatly from this explosion of the number of phonograph record machines and radios was a railroad worker from Meridian, Mississippi, Jimmie Rodgers. Rodgers is considered the father of country music, and was the first professional musician to make most of his income off the sale of phonograph records, which were also played widely on the radio, in place of live appearances.

Rodgers was able to relate to the average American with his music, including his own struggle with tuberculosis, then an incurable disease, by writing a song about it, the “T.B. Blues” in 1931.

Whether performed on the radio or in person, music entertained Americans blessed with increased leisure time, which came from the rising prosperity of the decade. Jazz music, which came from the improvisations of both black and white bands centered in New Orleans and Memphis, produced stars such as trumpeter Louis Armstrong. George Gershwin even adapted jazz music to the symphony.

When not driving or listening to the radio, more and more Americans could talk to friends and family without leaving home, via the telephone. The number of households owning a phone increased by 35 percent in the 1920s. The decade saw other consumer items making their way into American homes, such as electric washing machines, vacuum sweepers, and the electric iron.

Although some newspapers had featured crossword puzzles (originally known as word-cross puzzles) a few years earlier, it was in 1924 that an entire book was published, featuring nothing but these puzzles. Soon, practically every newspaper in America found that they were an important feature that had to be included to sell papers. They proved so popular that one man was jailed for refusing to leave a restaurant — he had been struggling for four hours to complete a puzzle.

Those who were more inclined to physical activity became enthralled with a new dance, the Charleston, which was unlike the tamer ballroom and square dancing of previous eras. Even members of Congress got caught up in the new dance.

## **The Impact of Willis Carrier's Air Conditioning**

Perhaps the most underrated invention that became widespread in the decade was air conditioning, developed by Willis Carrier. Before Carrier, even with radios, crossword puzzles, and telephones,



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---

remaining inside a house in the summertime, suffering from the heat and humidity, was often intolerable, particularly in the Southern states. His invention, however, made much of modern life possible, including shopping malls, transatlantic flight, computers, and servers that power the Internet. Eventually, air conditioning would transform Southern housing architecture, with its large porches that had often encircled the house (so its inhabitants could move with the shade and the breeze). Today, porches are less and less of a feature in Southern homes.

Before the 1920s, the Southern economy had lagged behind the North for several decades after the Civil War. Over time, as air conditioning tamed the excessive heat and humidity associated with the Deep South, more and more industry saw the region as a place to locate.

Along with many other factors, air-conditioning no doubt contributed to increasing the life expectancy of Americans (53.6 years for men and 54.6 for women in 1920). It certainly can be credited with improving the quality of life.

Carrier Corporation was formed in 1915, but its greatest impact was in the following decade, in the cooling of commercial buildings, not private homes. It was first developed to cool printing presses, which experienced much trouble with humidity. Another industry that benefited greatly in the decade from air conditioning was the growing motion picture-theater industry. Americans already loved the movies, which were silent movies for most of the decade, but in the summertime Americans flocked to the theaters to beat the heat, as air-conditioned theaters were a huge draw.

Movie stars such as Rudolph Valentino, Tom Mix, and Will Rogers became “heroes” to many Americans, as politicians and industrialists became less interesting. The first full-length “talkie” movie was *The Jazz Singer*, with Al Jolson, near the end of the decade. Before that, actors emphasized body motion and facial expressions, with words appearing on the screen periodically. The “sound” was usually provided by an in-house piano or some other musical instruments, using musical compositions provided by the movie studios.

Valentino was one of those actors who was unable to make the transition from silent movies to talking pictures. Known as a screen “heartthrob,” his high-pitched voice damaged this romantic image in talkies. Like some other actors, he had trouble learning his lines, so important in the talkies.

Other Americans enjoyed marathon dancing sessions, while some gained notoriety for breaking records for time spent sitting on flagpoles.

College students often created their own “entertainment.” Parties sometimes featured necking (hugging and kissing, brought about by the increase in the number of young women on the campus), the eating of goldfish, and seeing how many individuals could cram inside a phone booth or an automobile. Even with Prohibition, one would suspect that there might be some alcohol involved.

Much has been written about the bootleggers and the violent crime associated with national prohibition of alcohol in the decade, which spawned gangs such as that led by Chicago’s Al Capone. It is estimated that Capone pulled in an astounding \$60 million per year (between \$850 and \$900 million in today’s inflated dollars) during his reign as the premier mob boss in the Windy City. While overall liquor consumption did decline with Prohibition (more in the early years than in the later), it still continued in illegal establishments, known as speakeasies, where women joined men in drinking spirits.

Women were employed outside the home in larger numbers during the decade, partly because their



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increased employment during World War I simply continued, and partly because, to many women, it indicated their increased independence. It was the “Flapper Era,” a time when women cut their hair short and wore shorter dresses, even exposing their knees. Some dresses were even sleeveless.

Before the 1920s, smoking was largely a man’s pastime, and usually involved cigar and pipe smoking. But during the war, American soldiers were given cigarettes in their rations. By the end of the war, many were hooked on cigarette smoking, and the habit quickly supplanted other forms of tobacco consumption in popularity, with cigarette sales more than doubling. Women increasingly joined men in the practice. As art follows life, then life follows art, the motion pictures, which featured almost incessant smoking by actors — and actresses — no doubt added to the consumption of cigarettes by both sexes.

In 1920, before this wider use of cigarettes, there were fewer than a thousand lung cancer deaths in the United States.

## **The Rise of Spectator Sports**

In addition to driving cars, smoking cigarettes, and listening to the radio, many Americans, with rising incomes and more leisure time, turned their attention to sports. Although professional football had been played as early as 1892, it was in 1920 that the American Professional Football Association (later renamed the National Football League) was formed. But pro football’s years of glory were still in the future in the 1920s, as the college game was more prominent at the time. It was in the 1920s that Knute Rockne made Notre Dame a national power in college football.

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However, Red Grange, nicknamed “the galloping ghost,” opted to leave the University of Illinois in 1925, without getting his degree, to play for the Chicago Bears. In one game — played less than a week after leaving college — Grange made an astounding \$12,000 (about \$177,000 in today’s dollars).

Once considered such a brutal sport that it was often banned, boxing took in its first million-dollar gate in the decade, on the strength of the appeal of heavyweight champion Jack Dempsey. Dempsey dominated the sport thoroughly for most of the decade, but finally, Father Time and Gene Tunney scored a decision over Dempsey in 1926. At the end of the bout, Dempsey’s wife was said to have been distraught at Dempsey’s face, compared by some to the look of uncooked hamburger meat, to which Dempsey replied, “Honey, I forgot to duck.” The return match the next year had a gate of \$2.6 million (or \$38.5 million in today’s dollars).

It was also the age of Bill Tilden in tennis and Bobby Jones in golf. But the dominant sport of the decade was baseball, and its dominant player was George Herman “Babe” Ruth, whose ability to hit home runs (one of every 12 times at bat) brought thousands of fans to the ball park. A new stadium — Yankee Stadium — was built to accommodate the adoring fans, and it was nicknamed “The House that Ruth Built.” In 1927, Ruth hit 60 home runs, a record that would stand until Roger Maris, another Yankee, would hit 61 in 1961. Before Ruth, home runs were relatively rare in major-league baseball.

Despite the movie stars and the sports icons of the twenties, no man captured the national imagination like Charles A. Lindbergh, the first man to fly solo across the Atlantic Ocean, in 1927. The son of a U.S.



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congressman — who had fought against the establishment of the Federal Reserve System over a decade earlier — Lindbergh was the darling of the nation. Aviator caps soon became a very popular present for children.

Aviation's place as an industry in the early years was more in air shows and mail delivery than in passenger travel. There were those who foresaw its military and passenger value, but in the 1920s, not so much. Billy Mitchell, a famous "ace" from the first World War, would even be drummed out of the Army for his insistence that his superiors were underestimating its importance in any future wars. His prediction in 1926 that the Japanese would be able to bomb Pearl Harbor was ridiculed at the time as technologically impossible.

### **The Role of Warren Harding in the 1920s**

Perhaps the judgment call that made so much of the prosperity of the 1920s even possible was when President Warren Harding opted to not intervene in the depression of 1920-21. He rightly understood the limited role that government had to play in society when he specifically rejected the premise of the Progressive Era, saying in 1920, "The world needs to be reminded that all human ills are not curable by legislation, and that quantity of statutory enactment and excess of government offer no substitute for quality of citizenship."

Today, Harding is regularly placed at or near the bottom of American presidents, but the truth is that Harding accomplished quite a bit. He cut federal spending a whopping 40 percent from Wilson's peacetime level, and he allowed wages to fall to their natural level (which avoided higher levels of unemployment). Yet he was everything Progressives in academia, in politics, and in the media of that day and today hate. He was a small-town businessman who reluctantly entered politics at the urging of his wife. He opposed American entry into the League of Nations. Contrary to the distorted image of him today, Harding did not spend all of his time playing golf and cards, and drinking whiskey all hours of the night. As journalist William Crawford, a Wilsonian Democrat who worked for *McClure's* magazine, wrote after being allowed an entire week to observe the president during his day, Harding put in "an eighty-four-hour week."

Unfortunately, Harding picked Senator Albert Fall of New Mexico to head up the Department of the Interior, tasked with leasing federal lands. Fall leased federal oil reserves under his charge at the Teapot Dome reserve in Wyoming and the Elk Hills reserve in California to oil tycoons Harry Sinclair and Edward Doheny. Fall was later convicted of taking bribes from the two men to do so. When he picked Fall, Harding had no knowledge that the senator was corrupt. But if Harding is to be held accountable for Fall's corruption, then perhaps the entire U.S. Senate that confirmed Fall, in less than one minute with no hearings and without a dissenting vote, should also be held to account.

In his book *The Growth of America*, historian Clarence Carson summarized the impact of the scandals of the Harding Era: "After all this furor, the worst that could be said about President Harding was that he used bad judgment in one or two (among numerous) appointments.... That his reputation should be so badly tarnished by these wayward events does not speak well for historians who have generally downgraded his achievements."

Harding died of an apparent heart attack in the summer of 1923, and faced with running against the Republicans in the midst of a roaring economy and a nation at peace, the Democrats desperately needed an issue. As such, they attacked the Teapot Dome scandal. Despite their onslaught upon a



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defenseless dead man, the Democrats got very little electoral help from their vicious attacks upon Harding. Har-ding's vice president, Calvin Coolidge, who was sworn in as president after Harding died, won a huge victory in the election the next year, almost completely untarnished by all the mud thrown on the memory of Harding.

The Republican Party, determined to win in 1924, is at least partly to blame for the destruction of Harding's reputation. In their effort to deflect attention away from their new president (Coolidge), Harding became a convenient scapegoat on whom to place the blame for all scandals.

Harding had inherited a growing national depression from Progressive President Woodrow Wilson, and a national debt that had grown from \$1 billion to \$24 billion. Wages had fallen by 20 percent, and 100,000 businesses had closed up. When his secretary of commerce, Herbert Hoover, suggested government intervention into the economy, Harding chose to let the free market correct the downturn. "Here at home," Harding said, "we have too much encouragement given to the idea that a government is a something-for-nothing institution."

Not only was federal spending cut nearly in half, but tax-rate cuts contributed greatly to the general prosperity of the decade. Harding explained his course: "There is not a menace in the world today like that of growing public indebtedness and mounting public expenditure. There has seemingly grown up an impression that the public treasuries are inexhaustible things."

Harding's predecessor, Woodrow Wilson, had jailed thousands of dissenters during the World War, including a man who had simply made a movie (*The Spirit of '76*, a historical film version of the American Revolution) that federal prosecutors contended was far too negative toward our war time British allies. Har-ding began the process of pardoning many of these jailed individuals upon settling in at the White House.

"The deconstruction of the real Har-ding and his reconstruction as a crook, a philanderer, and a sleazy no-good was an exemplary exercise in false historiography," wrote historian Paul Johnson in his book *The History of the American People*. Much of it began as the work (which has been swallowed whole by their modern counterparts) of progressive-minded journalists and historians of the day who simply hated Harding's conservative political philosophy.

## **The Alienation of the Progressive Intellectuals**

In the midst of the prosperity, the public's support for the conservative leadership of Harding and his successor, Calvin Coolidge, left many Progressives seething with anger, wanting a return to what they considered the progressive good old days under Wilson. Some, such as Ernest Hemingway, F. Scott Fitzgerald, and T.S. Eliot, were so alienated from the America of the 1920s that they left the country.

Sinclair Lewis did not leave, but he did write a series of novels stressing the alleged negatives of the country. His book *Main Street* offered his readers his version of small-town life in America as "dreary," places full of prejudiced and vulgar inhabitants. In his novel *Babbitt*, the socialist Lewis pictured the typical businessman as someone who "votes the Republican ticket straight, he hates all labor unionism, he belongs to the Masons and the Presbyterian Church, his favorite author is Zane Grey.... He is a bag of aggressive wind." In his *Arrowsmith*, the target was the medical profession, and in *Elmer Gantry*, he targeted Christian evangelists.

Not surprisingly, these arrogant intellectuals hated the small-town businessman in the White House,



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---

Warren Harding. They also hated the man who took his place, Calvin Coolidge. If anything, Coolidge's limited-government, free market philosophy was even more pronounced than Harding's. He had certainly expressed it more often.

Like Harding, Coolidge saw no point in interfering in the internal affairs of other nations, saying, "America seeks no earthly empire." He saw war as a threat to liberty. "The government of the United States was not established for the continued prosecution, or the perpetual preparation, of all its resources for war."

He did not share the Progressives' view that it is the role of government to change society. "The attempt to regulate, control, and prescribe all manner of conduct and social relations is very old.... There is no justification for public interference with purely private concerns," he said in 1922, while still vice president. In 1926, while president, his views had not changed. "It is too much assumed that because an abuse exists it is the business of the national government to provide a remedy."

He applied this philosophy in 1927 and 1928 when Congress passed the McNary-Haugen bill to help farmers who were having to contend with difficult economic times. The bill proposed that the U.S. government would buy "surplus" agricultural products. Coolidge vetoed the bill both times, with the same explanation. First, it would require a huge bureaucracy to administer. Second, it was not the role of the government to "fix" prices, and by purchasing "surplus" commodities, it would only promote more surpluses.

## **The End of the Roaring Twenties**

Perhaps the most serious fault of Harding and Coolidge, from a limited government/free market point of view, is that neither had much to say about the role the Federal Reserve System was playing in the manipulation of the money supply in the 1920s. Created by an act of Congress in 1913 during the Progressive Era, it was charged with controlling the nation's supply of money and credit.

While there is no question that the vast increase in the nation's wealth during the Roaring Twenties was a direct result of government simply unleashing the free market, the Federal Reserve's increase of the nation's money supply by 62 percent caused a boom that would inevitably lead to a bust, as it did in 1929. Much has been said about the stable level of prices during the decade, but the fact is, without the massive infusion of money, prices would have fallen — thus making goods even more widely available.

Instead, by artificially keeping prices higher than where the free market would have had them, signals were sent to businesses, industry, and financial markets — including the stock market — that there was more demand than there really was. Clarence Carson explained the problem in his *The Growth of America*: "Money, as such, is not really demand, though it appears to serve that function when it is exchanged for goods.... When a credit expansion occurs, an imbalance in trade results. The imbalance is that the goods for which the goods are ultimately to be exchanged have not yet been produced."

The great economist Ludwig von Mises predicted the Great Depression: "There is no means of avoiding the final collapse of a boom brought about by credit expansion."

Herbert Hoover, a man whom Coolidge dismissed in private as "wonder boy" and a man who had given him bad advice for six years, followed Coolidge into the White House. Although Hoover was a Republican like Harding and Coolidge, he was no conservative, but rather a Progressive. The depression predicted by von Mises occurred during his watch. But rather than approaching it as



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Harding did in 1921, Hoover called for massive government intervention. This time, there would be no “forgotten depression.”

Thus, the Roaring Twenties came to an end, to be replaced by the Great Depression of the 1930s.

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