

# America Between the World Wars

Class 3

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# What We Will Cover Today

- Finish up on Prohibition
  - George Remus & Al Capone
  - The Effects of Prohibition
  - Why It Was Repealed
  - The Aftermath of Repeal
- The Automobile and its Impacts
  - The Emergence of the Big Three
  - Trucks, Tractors, & Buses
  - Socio-Economic Effects of the Auto

# Loopholes & George Remus

- George Remus was a drugstore owner who became a pharmacist and a mob lawyer
  - Bought up “whiskey certificates” & got permission to sell whiskey to drug companies licensed to sell medicinal whiskey
  - Used the drug companies (many of them Remus fronts) to sell most of it to bootleggers, nightclub owners, and middlemen

# Chicago & Al Capone - 1

- Before Prohibition, Chicago gangs involved in gambling, 'protection' racketeering, and prostitution had established links with local politicians
- Many of the politicians and gangsters operated saloons and cafés
- 'Big Jim' Colasimo operated the Colasimo Café on South Wabash Ave – the town's hottest nightspot
  - The band by playing both opera medleys and jazz helped popularize jazz in the Chicago area

# Chicago & Al Capone - 2

- After 1920, 'Big Jim' Colasimo, saloon owner and brothel king, got involved with bootlegging
- Colasimo imported his nephew, Johnny Torrio, to manage his illegal enterprises
  - In 1920, Colasimo was probably killed by Johnny Torrio
  - Colasimo had the first of the expensive ostentatious funerals

# Chicago & Al Capone – 3

- Torrio took over Colasimo's empire and:
  - Entered into an alliance with the former legal brewers who were eager to keep their breweries going and capable of producing good beer
  - Organized a temporary peace among the bootleggers and racketeers
  - Brought in Al Capone to act as an enforcer

# Chicago & Al Capone – 4

- The prospect of vast profits, however, caused the peace to break down, resulting in gang wars
  - One consequence was that Torrio decided to retire, leaving the enterprises to Capone
- Capone, building on Torrio's legacy, created a criminal empire
  - Included breweries, distilleries, speakeasies, nightclubs, brothels, gambling houses, and horse & dog racing tracks
  - Took in an estimated \$105 million a year

# Chicago & Al Capone – 5

- The St. Valentine's Day Massacre
  - Part of the long-running gangland feuds that from 1920-1933 killed nearly 800 gangsters in Chicago
  - Brought Capone to the attention of Herbert Hoover who put the Federal Government on Capone's case
    - Eliot Ness and the Untouchables to raid Capone's breweries
    - IRS audits of unpaid Federal income taxes

# The Effects of Prohibition - 1

- Made organized crime a big business
  - Whereas prostitution, racketeering, and gambling had largely been local, rum-running and bootlegging required organization, capital, and links to gangs in other cities and supplies outside the U.S.
  - Provided upward social and economic mobility to members of ethnic minorities excluded from legitimate enterprises by their ethnic background

# The Effects of Prohibition – 2

- Made drinking fashionable among young people of college age
- Made it respectable for women to drink in public
- Changed patterns of public entertainment
- Created café society
- Popularized cocktail drinks

# The Effects of Prohibition – 3

- Notably decreased the amount of drinking overall in America
- Significantly decreased drinking among the working class
- Destroyed the old-time saloons and created a new culture of drinking in public
- Constituted the first of the 'culture wars' that were to beset America in the 20<sup>th</sup> -21<sup>st</sup> Centuries

# Why Prohibition Was Repealed - 1

- Prohibition destroyed the forward-looking optimistic image of Temperance Reform
  - 19<sup>th</sup> Century Prohibitionists had supported women's suffrage and socio-economic reform
  - 1920s Prohibitionists became identified with nativism, anti-Catholicism, the Ku Klux Klan, and puritanism.
  - Both the Anti-Saloon League and the Klan suffered scandals that deeply tarnished their public images

# Why Prohibition Was Repealed - 2

- Movies helped turn the American people against Prohibition
  - Movie depictions of the urban jazz-age flapper and her boyfriend conveyed the impression that drinking was widespread and that violating Prohibition laws was socially respectable
  - Many movies gave celebrity status to gangland figures, magnified by the appearance in the early 1930s of gangster films featuring such stars as James Cagney and Edward G. Robinson as appealing bootlegging entrepreneurs

# Why Prohibition Was Repealed - 3

- The emergence of a new middle-class culture based on secular consumerism
- The emergence of socio-economic elite organizations dedicated to repeal
  - Association Against the Prohibition Amendment
    - Included many prominent former drys who now supported repeal
  - Women's Organization for National Prohibition Reform
- The impact of the Great Depression
  - The Economic Argument
  - The 1932 election

# The Aftermath of Repeal - 1

- Many of the major bootleggers became legitimate businessmen
- Other members of the bootlegging gentry went into new avenues of organized crime
- The development of canned beer and the spread of home refrigeration made home consumption of beer more popular
  - This diminished the role of both the saloon and the restaurants, taverns, and bars that replaced it

# The Aftermath of Repeal – 2

- After repeal, the disease concept of alcoholism began to dominate thinking about drinking
- In contrast to WWI, the brewing trade in WWII was considered a vital war industry
- The issues, problems, and culture conflicts that cropped up during Prohibition would resurface later

# Automobile

# Automobile

- Some Notes about the early auto industry
  - There were 2 ways of making cars with two very different potential markets
    - Craftsman approach – a team of skilled mechanics and carpenters who make one car at a time according to purchaser specifications
      - End product is a luxury auto aimed at people wealthy enough to have their own horse and carriage. E.g. Rolls Royce, Mercedes-Benz
    - Mass Production approach – use of mass production and standardized parts
      - End product is a uniform car for a mass market. E.g. Ford Model T

# Automobile

- Henry Ford was the first manufacturer to mass produce a standardized auto using interchangeable parts
  - He did this by combining the following to produce the moving assembly line
    - Subdivision of labor
    - Interchangeable parts
    - Single-function machines
    - Sequential ordering of machines
    - Moving belt or line

# Automobile

- The Model T, produced from 1908 to 1927, was both simple and sturdy
  - It had a 20-horsepower engine
  - It had a hand-cranked starter
  - Its high axles and road clearance enabled it to travel rough and rutted dirt roads

# Model T Ford



# Model T Ford (1926)



# Automobile

- Henry Ford in many respects followed a very enlightened labor policy
  - In 1914, Ford raised the daily wage to \$5.00 at a time when a Model T cost \$360.00
    - Ford felt that his workers should be able to buy the cars they made
  - He also hired large numbers of immigrants, African-Americans, disabled persons, and ex-convicts
- But he could not abide labor unions and was very much an anti-Semite

# Ford and Living History

- Greenfield Village
  - Became the prototype for “living history” site that is a combination museum, tourist destination, and memorial to a bygone era
  - Paved the way for such ‘living history’ sites as:
    - Colonial Williamsburg
    - Old Sturbridge Village
    - Many other such sites throughout the country

# General Motors - 1

- William C. Durant
  - Speculator and Salesman who was both a genius and a person who tended to overreach
    - Got his start as a manufacturer of horse-drawn vehicles
    - Founded General Motors in 1908
    - Co-founded Chevrolet
    - Brought Buick, Oldsmobile, Oakland (renamed Pontiac) & Cadillac into the GM fold
    - Brought a variety of auto parts manufacturers into the GM fold

# General Motors – 2

- In 1919, GM and DuPont established the General Motors Acceptance Corp (GMAC) to finance time purchases of autos
- In November 1920, Durant lost control of GM to minority stockholders from DuPont
- To bring order out of Durant's chaos, DuPont turned to Alfred P. Sloan, who became President in 1923

# General Motors - 3

- Sloan realized that marketing was as important as production. Thus he:
  - Pioneered the idea of yearly model changes to render a car old-fashioned and out-of-style – i.e. “planned obsolescence”
  - Popularized the closed car with roll-up windows
    - In 1919, only 10% of cars on the road were closed; by 1927, 83% were
  - Launched massive advertising campaigns
  - Continued and perfected Durant’s concept of a range of cars ranging from the economy Chevrolet to the luxury Cadillac

# Impact of Installment Buying

- Buying of autos via installment purchases vis-à-vis cash changed Americans' attitude toward car buying
  - Henry Ford believed in selling basic transportation and opposed model changes on principle
  - General Motors, beginning in 1923, focused on styling and style changes.
- GM was the first company to offer installment financing and trade-up brands

# Impact of Model Changes

- Created a market for used cars
  - To make it easier to buy new cars, customers were allowed to trade in old ones
- Drove up the price of GM's cars
  - GM's cars more expensive than the Model T
- Allowed women to drive cars
- Eventually forced Ford to scrap the Model T, produce the Model A, and in the 1930s adopt yearly model changes

# Chrysler

- Founded in 1924 by Walter E. Chrysler
  - Former chief mechanic of the American Locomotive Company
- Walter E. Chrysler
  - Protégé of Billy Durant
    - Went to work for Durant who put him in charge of Buick
  - Left GM in 1919 to become a troubleshooter for ailing auto companies
  - Took over Maxwell Motors in 1923 & Introduced the Chrysler which featured a high-compression engine

# Chrysler - 2

- Followed the GM strategy of buying out other auto companies and adding their models to the company's product line
  - Bought out the Dodge brothers company
  - Acquired De Soto and Plymouth
- In 1929, Chrysler produced 25% of the cars manufactured in the U.S.

# The Auto Industry and Corporate America

- Oligopoly characterized many sectors of the American economy in the 1920s
  - In 1929, there were 44 companies making autos but 80% of the cars were made by GM, Ford, and Chrysler
- GM was both a product of and a facilitator of this trend

# Notes on the Effects of the Automobile

- Autos
  - Displaced the horse
  - Created the modern highway
  - Had major economic impacts
  - Created some major problems by their very existence
  - Resulted in new social inventions
  - Reoriented urban and rural space

# Economic Impact of the Auto

- The auto industry largely created the economic boom of the 1920s
  - The auto stimulated growth in the oil, highway construction, auto repair, glass, steel, rubber, machine too, tourism, motel, and restaurant industries
  - In 1920, the auto industry consumed 85% of the rubber (for tires), 75% of the gasoline, 25% of the plate glass (for windshields & windows), 25% of the lead (for batteries & gasoline additives), and 18% of the steel produced
- By the mid-1920s, 1 of 8 U.S. workers was involved in either the production, sales, service, or fueling of automobiles

# Automobile – Replacing the Horse

- It replaced horse carriages, stagecoaches, and the horse-drawn plough as well as the horses that pulled them
  - In 1900, there were 20,400,000 horses in the U.S.
    - 17.0 million used for pulling ploughs
    - 3.4 million used for urban transport in U.S. cities
  - The carrying capacity of these horses was equal to 75% of that of all U.S. railroads

# Automobile – Replacing the Horse

- As the auto and tractor replaced draft animals, more and more agricultural land went to producing food for humans
  - Result: Massive agricultural surpluses and a consequent decline in rural income
- As the auto increased the mobility of farm families, the rural stores and banks they had patronized now faced competition from larger enterprises in larger nearby towns

# Trucks - 1

- Pickup Trucks
  - Grew out of auto manufacturing rather than the heavy truck business
    - Specialty suppliers and wagon makers took auto chassis and whatever cab and cargo hold they wanted
  - Noting how many Model T's were being turned into light trucks, Ford began to offer a fully-assembled pickup truck in 1925 – the Model T Roadster Pick-Up
  - Success of Ford led Chevrolet to enter the business and soon take the sales lead

# Trucks

- Effects of Trucking
  - Trucking opened up a niche for owner-operated trucking businesses
    - Of the 3,500,000 trucks on the road in 1930:
      - 2/3<sup>rd</sup> were owner operated
      - Of those who owned the rest, most owned 5 trucks or fewer
  - Trucks began to take business away from the railroads

# Trucks

- Effects of Trucking
  - Trucks led freight-dependent businesses to change their locations from railroad sidings to highways and from crowded cities to areas where more space was available and rents were cheaper
    - Between 1920-1930, the proportion of factory employment in central cities declined in every city of more than 100,000 population and continued thereafter

# Buses

- Effects of Buses
  - Buses began replacing streetcars in urban areas
  - Buses replaced interurban trolleys
    - Greyhound Bus incorporated in 1929
    - The National Trailways Bus System founded in 1936 as an association of nearly 100 separate bus companies
  - School buses fostered the consolidation of rural one-room schools into consolidated schools, particularly high schools

# Tractors

- 1917 – Ford begins production of the Fordson tractor
  - By 1920, he had built 100,000 of them
- Ford's success prompted International Harvester and John Deere among others to enter the field
  - By 1930, tractor ownership had reached nearly one million
- Int'l Harvester developed tractors that:
  - Could cultivate row crops such as corn and cotton
  - Could power other machinery from the tractor

# Effects of Tractors - 1

- Reduced the number of hours needed to plant and harvest
- Eliminated the need for horses and mules
  - Eliminated the need to set aside acreage to grow feed for the draft animals – roughly a quarter of the farm's acreage
- Increased agricultural production per acre and per man-hour
  - Helped generate farm surpluses that greatly decreased farm income

## Effects of Tractors - 2

- Led farm wives to shift more of their labor to housework and recordkeeping
- Led to the disappearance of the hired farm hand
- Led farmers close to farms and cities to shift to part-time farming and part-time wage work in town

# Autos and Highways - 1

- In 1914, there were only 750 miles of concrete highway in the entire U.S.
- As autos became popular, people became aware that the nation's roads were not equipped to handle motor vehicle traffic
  - Made manifest by Major Dwight Eisenhower's 1919 convoy trip across the U.S.
- Federal Road Aid Act of 1916 provided for matching Federal-state funds for highway construction.
  - This led to the construction of the U.S. routes in the 1920s and 1930s -- the famous US1, US30, US40, and US66

# Autos and Highways - 2

- By the end of the 1920s, nearly 700,000 miles of U.S. roads (over 20% of all roads) were hard-surfaced
- Road construction accelerated in the 1930s as a means of stimulating economic recovery
  - 1930s saw toll 4- and 6-lane highways (Pennsylvania Turnpike, the Merritt-Wilber Cross Parkway, etc)
  - 1940 saw the opening of the first non-toll high-speed, limited-access highway – the Pasadena Freeway

# Autos and Highways - 3

- 1919 – States begin to enact gasoline taxes to finance road construction
  - By 1929, all states had gasoline taxes
- By 1921, every state had adopted motor vehicle registration laws
- By the 1930s, most states required driver examinations prior to licensing

# Autos and Highways - 4

- As roads improved and traffic moved faster, roadside businesses felt the need to catch the motorist's eye
  - Highway signs with simple symbols and images became commonplace
  - Large billboards also became common

# Highway- and Auto-related Inventions

- Traffic lights
  - Invented by William Potts, a Detroit policeman, in 1920
  - First installed in 1923 in New York City
  - Red, yellow, & green light system was adopted from railroad signals
- Parking meters
  - Invented by Carl C. Magee of Oklahoma City OK in 1935
  - First installed meter was on July 16, 1935 in Oklahoma City

# Autos and Social Life

- Made Sunday pleasure drives an alternative to church attendance
- Replaced courtship in the family parlor or front porch with dating in an automobile
- Made driving vacations popular
- Led to vastly increased attendance at national parks and historic sites

# Autos and Housing

- Modified housing design to conform to the needs of the car
  - Lawns and shrubbery yielded to the driveway and the garage or car port

# Autos and Prohibition

- By making possible the transport of liquor by truck and car, the auto undermined any possibility of effective enforcement of Prohibition
  - If shipments of illicit liquor had to be done by either railroad or horse-drawn wagon, the logistics involved in moving liquor from rumrunning speedboats, the Canadian border, or illicit stills and breweries would have been much more difficult

# Creating the Auto Suburbs

- Autos created the modern auto-dependent suburbs
  - Prior to the auto, the city consisted of a commercial hub surrounded by residences within walking distance followed by development of businesses and residences radiating out from the central hub like spokes from a wheel, with the railroad and the horse-car and then the trolley lines providing the spokes
- The creation of the auto-dependent suburbs began in the 1920s, but really took off after World War II

# Creating the Auto Suburbs - 2

- The auto's ability to move laterally or perpendicularly to fixed trolley track opened up land for settlement that was previously too remote
  - This meant that vacant land between the transportation corridors could be platted and sold for home and business sites
- The auto released potential home buyers and renters from the necessity of living close to a bus or trolley line

# Creating the Auto Suburbs - 3

- The auto transformed the central business district (CBD) from a shopping district to a skyscraper district of government and corporate headquarters
  - The skyrocketing rents, downtown traffic snarls, and inadequate parking forced small retail businesses out and they relocated elsewhere, usually to outlying areas of the city or to the new suburbs

# Creating the Auto Suburbs - 4

- What set the modern suburb off from what existed previously was
  - Dependency on the auto not only for commuting to work but also for shopping
  - Relatively low density and larger average lot size due to cheaper land prices
- With the modern suburb and the auto eventually came the centerless city and commuting from suburb to suburb

# Creating the Auto Suburbs - 5

- In the city before the car, life often took place on the sidewalk, the front porch or front steps, and the adjacent street
  - With the auto, urban residents now began to see the streets primarily as arteries for motor vehicles
- Instead of congregating at a trolley or bus stop to commute to work, people now began to commute individually in their cars
  - Instead of meeting neighbors at nearby stores that one walked to, people did their shopping at stores they drove to

# The Auto and Rural America

- Auto reoriented rural space by:
  - Centralizing institutions and activity
    - Instead of shopping at the crossroads or village general store, farmers now drove to nearby towns
    - School buses permitted consolidation of rural schools, bringing about the demise of the one-room schoolhouse
  - Increased the amount of rural travel
    - Instead of traveling to town once or twice a year, farmers now traveled every week to a nearby town

# Autos and Social Inventions - 1

- By its very existence, the automobile led to the following innovations - 1
  - Installment purchases
  - Auto insurance
  - Used car markets
  - Camping & picnicking
    - Auto campgrounds
    - Private campgrounds

# Autos and Social Inventions - 2

- By its very existence, the automobile led to the following innovations – 2
  - Gasoline stations
  - Drive-in restaurants
    - Fast-food franchise restaurants
  - Motels and Motor Hotels
  - Gasoline credit cards
  - Traffic police & State highway patrols
  - Parking meters

# Autos and Social Inventions - 3

- By its very existence, the automobile led to the following innovations – 3
  - Drive-in movies
  - Shopping centers
  - Malls
  - Parking lots
  - Traffic courts
  - Automobile tags
  - Driver's Licenses