

# “The Business of America is Business”

~ President Coolidge

The Consumer Economy of the 1920's

# Postwar Prosperity



- The "Second Industrial Revolution" : WWI stimulated development and investment in new technology that contributed to the business boom.
- As electricity became widespread and industrial production more efficient, mass produced consumer goods became available to the public at attainable prices (low).
- Consumers were reading many materials and purchasing the same goods.
- Communication innovations in radio, advertising, and film contributed to the homogenization of ideas that led to the advent of national popular culture.

# Postwar Prosperity



- The cycle that created the business boom in the 1920's:
  - standardized mass production led to
  - more efficient machines, which led to
  - higher production and wages, which led to
  - increased demand for consumer goods,
  - which perpetuated more standardized mass production.

# Postwar Prosperity

## ■ Industry

- \*Percentage Increase, 1922-28
- Industrial Production: 70%
- Gross National Product: 40%
- Per Capita Income: 30%
- Output per factory man hour: 75%
- Corporate Profits: 62% (1923-1929)

## ■ Electric Power

- \*Percentage Increase, 1899-1929: 331%
- Percentage of American Industries powered by electricity, 1929: 50%

## ■ Workers

- \*Percentage Increase, 1923-29
- Worker's incomes: 11%
- Real Earnings (for employed wage earners) 22%
- Average Work Week: -4%

In what general ways did the economy change in the 1920's?

What changes in the average worker's wage, output, and work day length do you notice?

# Scientific Management and the Reorganization of Work

**Speed Up Production**  
**The Factory at Your Fingers' Tips**

IT'S difficult these days to make good promised deliveries with present shortage of man power and shipping congestion—but you can stimulate production by keeping records efficiently. You can master many conditions peculiar to today if your records tell instantly the condition of any order at any time.



**RAND**  
**Visible Record Equipment**

does this. Occupies little space—visualizes your factory orders, and flashes before your eye the condition of every order—each operation, time of arrival and departure from each department. You know which machines are active—which idle. You can plan, route and dispatch advantageously—you can follow these from your desk. You can keep an efficient perpetual inventory; a stock record; a list of parts showing location in stock rooms; employees' records; take off shortage reports in minimum time; prevent over-buying of material. These things RAND Equipment is doing today in hundreds of businesses, and just as easily it can accomplish such results for you.

Here's a RAND Card Record Machine carrying a R A N D S. O. S. Panel—the vital data on each card, in plain view: missing card signalled by "Card Out." Transparent signals in seven distinctly different colors may be used for classifying your records, thus greatly increasing their efficiency. Record information or refer to your records without

handling or removing card. Simply lift card and the information is before you.

**RAND**  
**Visible Record Equipment**  
**is Indispensable, too, In**  
**Credit, Sales, Purchasing and Accounting**  
**Departments.**

RAND users now represent every line—and all continue buying more and more equipment. If you want to hasten production and insure future orders by making good now on promised deliveries, you need a RAND—need it badly. Write on your business letterhead for interesting information on production records now handled with RAND Equipment.

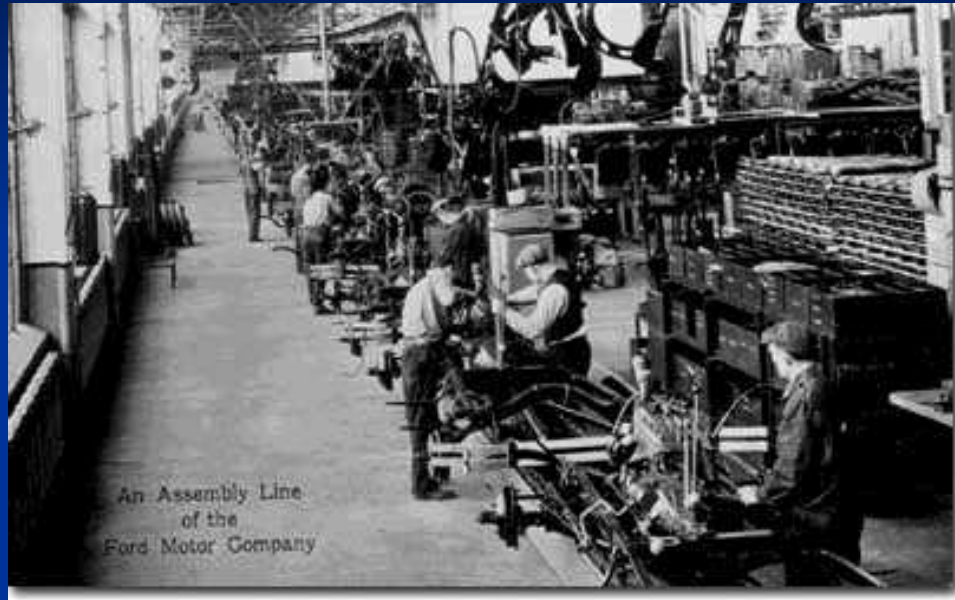
*This is how the Burroughs Adding Machine Co. handles its employees' records.*

**THE RAND COMPANY**  
1555 **RAND** Building North Tonawanda, N. Y.  
Originators and Patentees of Visible Indexing

- Industries began to employ automated machinery and "scientific management" to increase efficiency.
- The reorganization of work resulted in more spare time and disposable income for average workers.
- It also led to a decline in the importance of skill in favor of discipline and subordination.
- Businesses financed industrial research and time studies on a grand scale.
- *The Principles of Scientific Management* (1911) by engineer Frederick W. Taylor was widely published and applied - scientific management is also known as "Taylorism."

Industries took a more organized and scientific approach under Taylorism

# Scientific Management and the Reorganization of Work



- Innovative industrialist Henry Ford masterfully applied Taylor's theory of worker efficiency and wage motive.
- Ford began paying an unprecedented \$5 a day- it was more than a pay increase, it was a means for Ford to establish a measure of control over the workforce
- The price of Model-T was cut in half, thereby expanding the customer base.
- This image of a moving assembly line at Ford Motor Company demonstrates both the principles of efficient production and the proliferation of mass produced consumer goods.



# Scientific Management and the Reorganization of Work

## TEN THOUSAND MEN IN RUSH TO SHARE FORD'S PROFIT PLAN

### *Ford Profit-Sharing Plan Described in Brief*

To give employes \$10,000,000 of profits of 1914.  
Payments to be added to semi-monthly pay checks.  
To run factory continuously instead of eighteen hours.  
Hours reduced from nine to eight for each employe.  
Establishment of minimum wage scale of \$5 a day.  
Man about to be discharged will get chance in another  
department.

### *Originators of Idea Explain Their Aim*

"We believe in making 20,000 men prosperous and  
contented, rather than follow the plan of making a

### SQUAD OF POLICE TRYING TO KEEP JOBLESS IN LINE

Crowds of Unemployed Jostle  
and Shove in Efforts to  
Reach Employment Office.

APPLICANTS OUT EARLY

Lowest Wages to Be \$5 a Day,

This article announces the clamor in Michigan after Ford began  
paying \$5 a day

# Scientific Management and the Reorganization of Work



A furniture factory in 1903



A furniture factory in 1925



# The Automobile and American Culture



*for the*  
**YOUNG BUSINESS MAN**

The Ford Runabout is a profitable partner and a happy companion for the boy who is making his mark in business and at school.

It reduces distance from a matter of miles to a matter of minutes. By saving time and effort, it makes larger earnings possible. And costing little to buy and keep going, it quickly pays for itself.

When vacation time rolls round the Runabout enables the young business man to reduce by hours the time between work and play.

Let us tell you how easy it is to buy a Ford on the Weekly Purchase Plan.

**THE RUNABOUT**  
**\$265**  
F. O. B. Detroit.  
Deductible in Bonus and Dealer's % 2024

FORD MOTOR COMPANY, DETROIT, MICHIGAN

- The explosive growth of the automobile industry revolutionized American life.
- Henry Ford's innovative production techniques made cars affordable for average Americans and set new standards for industry.
- By the end of the decade, there were enough cars on the road for every one in five persons.
- Related industries sprang up including service facilities, filling stations, and motels.

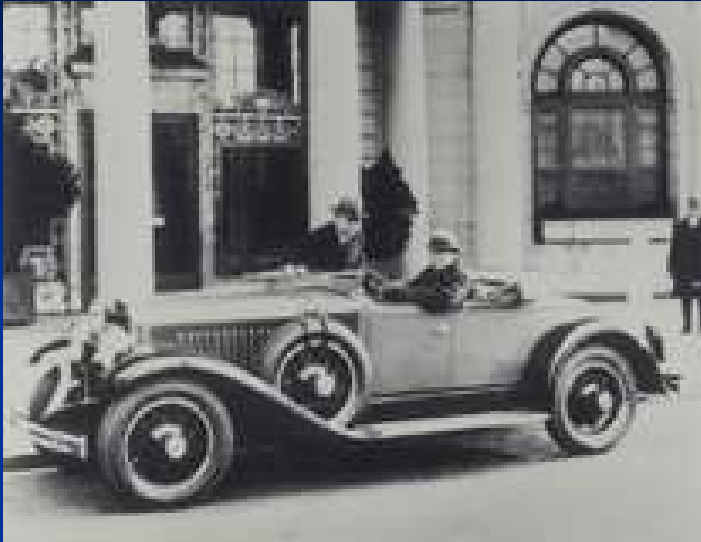
# General Motors Eclipses Ford



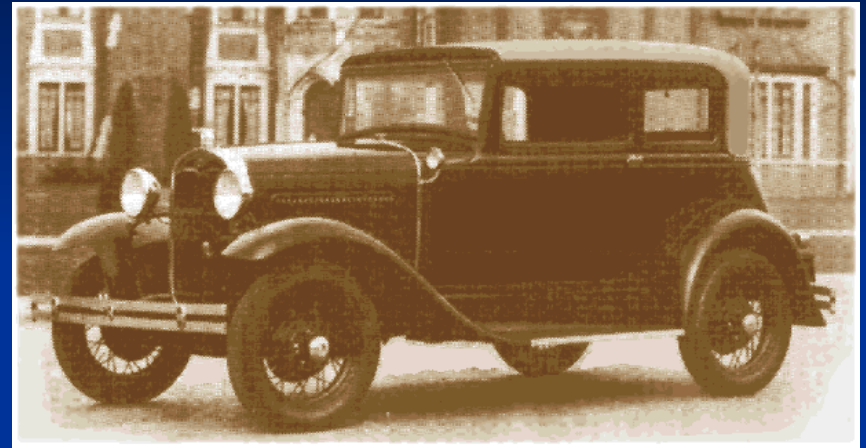
The Model T

- Although Ford developed a system for mass-producing cars and selling them cheaply, Ford Motor Company failed to produce options for consumers.
- The utilitarian Model T was "available in any color, so long as it was black" and changed little in design over the years.
- When Alfred P. Sloan became president General Motors Corporation in 1923, he introduced alternative makes like Chevrolet and Buick that came in a variety of colors for increasingly sophisticated consumers.

# General Motors Eclipses Ford



GM's 1927 Cadillac La Salle- the first car designed by a stylist.



Ford's Model A

- GM tapped into the emerging consumer psychology, annually producing stylist updated models, marketing them aggressively, and promoting installment payment plans.
- Finally, in 1927, Ford Motor Company took a cue from GM's success and introduced the Model A with a blitz of advertising and the offer of **installment plans**. The product was so highly anticipated that many were sold before it was even introduced.

# Warren Harding and the “Return to Normalcy”



- Similar to modern Republicans in that they cut taxes to free up capital for investment and cut federal spending.
- President Warren Harding's campaign slogan, "Return to Normalcy," and his presidency itself were mediocre and uneventful, save for the scandals that came to light after his death in office.
- He took a laissez-faire stance in economics and government, so accordingly, he opposed organized labor and anti-trust measures.

# Warren Harding and the “Return to Normalcy”



The influential Andrew Mellon on a postage stamp.

- Though he was an steadfast conservative, Harding took little initiative as a policymaker and delegated decision-making to a few key cabinet members.
- Secretary of the Treasury Andrew Mellon pushed through tax cuts to wealthy citizens and business, following the "trickle down" theory of economics.
- Secretary of Commerce Herbert Hoover and Secretary of State Charles Evans Hughes worked to secure foreign markets for American interests.

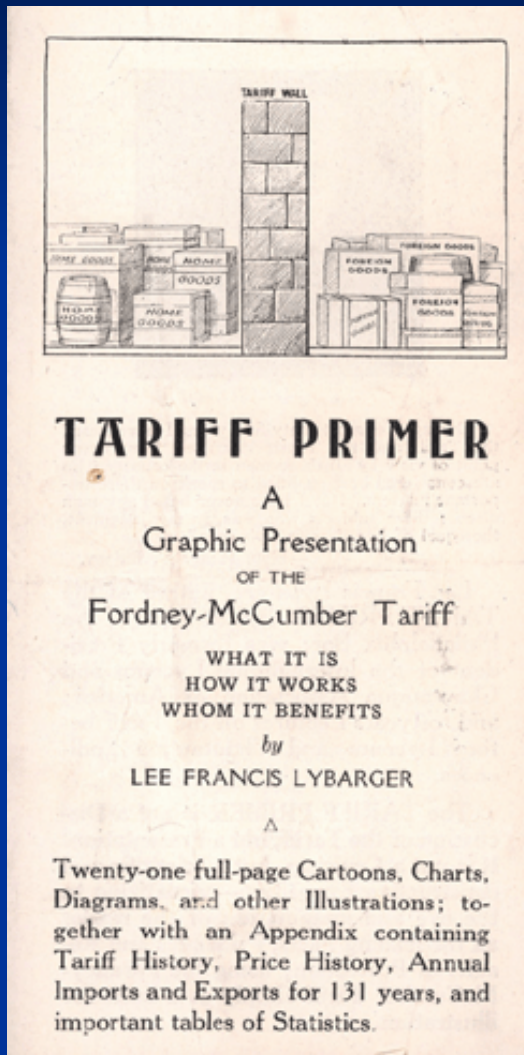


# Inaugural Address of Warren Harding (1921)

- “The forward course of the business cycle is unmistakable. ...

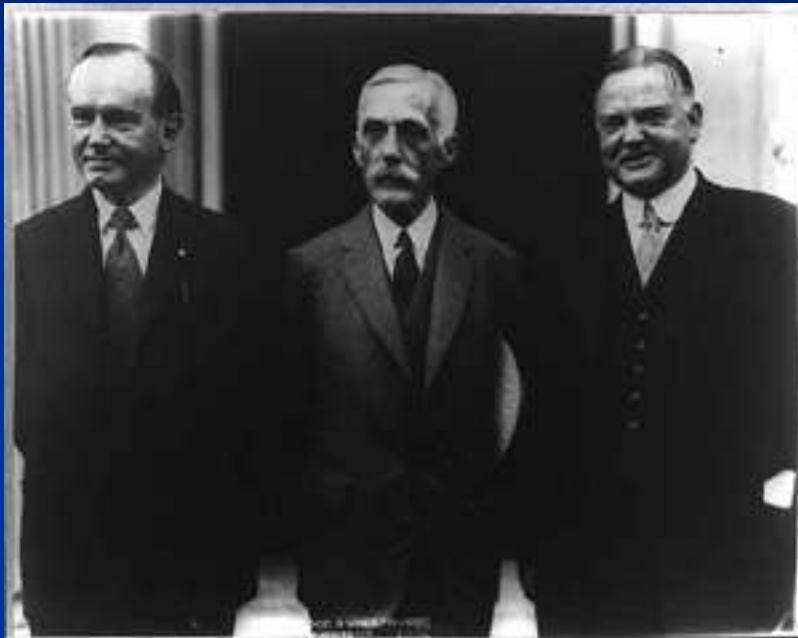
I speak for administrative efficiency, for lightened tax burdens, for sound commercial practices, for adequate credit facilities, ... for the omission of unnecessary interference of Government with business, for an end to Government's experiment in business, and for more efficient business in Government administration. ...”

# Protective Tariffs



- A *protective tariff* is a tax on imported goods to make them less competitive with American-made goods.
- The Emergency Tariff Act of 1921 and the Fordney McCumber Act of 1922 imposed the highest tariff rates in history at the time.
- Lawmakers wanted to protect American interests as Europe began to recover and export its goods.
- The tariffs made it difficult for Europe to pay war debts and eventually slowed international trade by provoking other countries to enact high tariffs on U.S. exports.

# Silent Cal and the Business of America



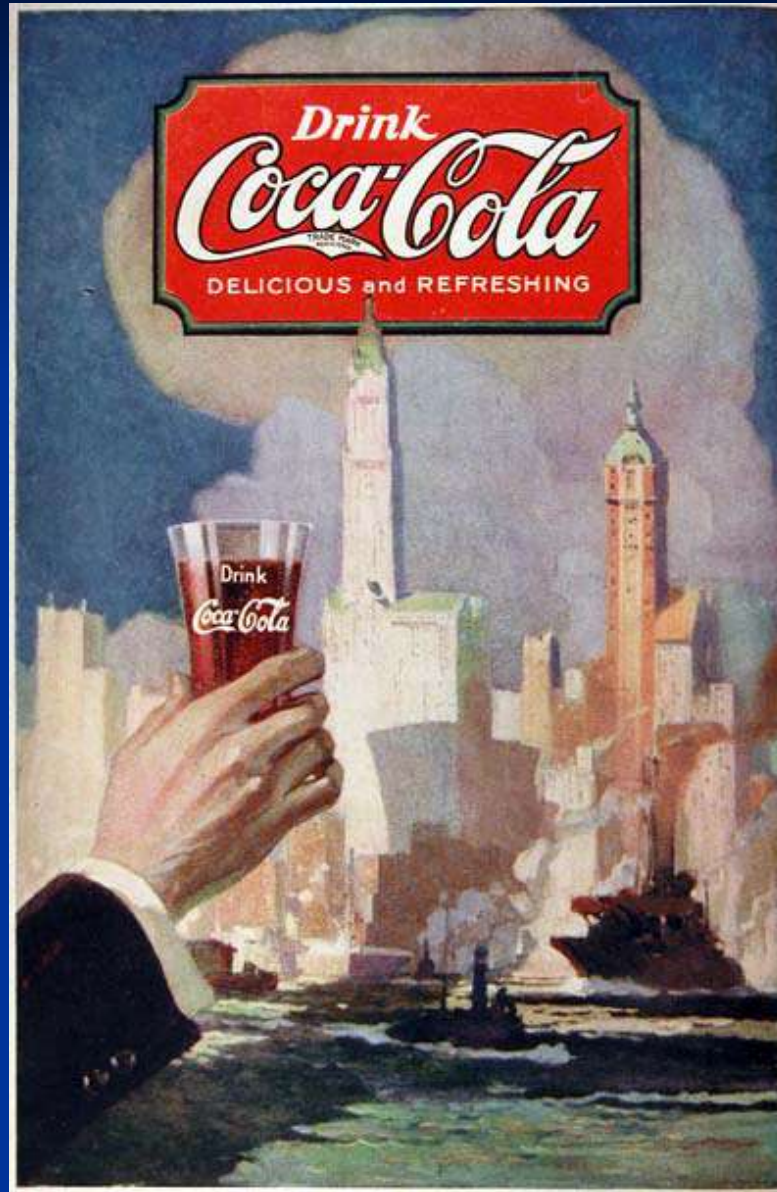
Coolidge, Mellon, and Hoover

- When President Harding died in office in August 1923, the famously laconic Calvin Coolidge assumed the presidency.
- Coolidge's laissez-faire policy - cutting taxes, reducing government spending, and imposing high tariffs on foreign goods.
- He and Mellon were intensely focused on managing the government and its budget in an organized, business-like manner.
- Coolidge's famous remark, "The business of America is business," characterized the pro-business, pro-consumerism mentality of the Jazz Age.

# Inaugural Address of Calvin Coolidge (1925)

- “... unless we wish to hamper the people in their right to earn a living, we must have tax reform. The method of raising revenue ought not to impede the transaction of business; it ought to encourage it. I am opposed to extremely high rates, because they produce little or no revenue, because they are bad for the country, and, finally, because they are wrong. ... This country believes in prosperity. It is absurd to suppose that it is envious of those who are already prosperous.”

# What does it mean to be American?





# Advertising in the Jazz Age



- Advertising techniques refined as the mutually supportive phenomena of mass production and mass media exploded into the American consciousness.
- Modern advertising, using popular culture and celebrities to fuel consumption, began to take shape.
- The array of new appliances and consumer goods available at a lower cost due fueled consumption.
- Businesses conquered the challenge of efficiently producing enough goods; now the focus was creating desire.

This ad uses a celebrity endorsement to glamorize smoking and exploits the image of the “new woman” of the 1920’s

# Advertising in the Jazz Age

... but my brothers and my sweetheart smoke, and it does give me a lot of pleasure.

Women began to smoke, so they tell me, just about the time they began to vote, but that's hardly a reason for women smoking. I guess I just like to smoke, that's all.

It so happens that I smoke CHESTERFIELD. They seem to be milder and they have a very pleasing taste.

*really don't know  
if I should smoke...*

*the Cigarette that's Milder*

*the Cigarette that Tastes Better*

A vintage advertisement for Chesterfield cigarettes. The central figure is a woman with blonde hair, wearing a red beret, a red dress with a large fur collar, and red high-heeled shoes. She is sitting on a modern-style chair, holding a lit cigarette in her right hand. To her right, on the chair's seat, is a pack of Chesterfield cigarettes. The background is a plain, light color. The text is arranged around the woman and the pack. At the top left, there is a testimonial in a mix of serif and cursive fonts. Below it, more text in a serif font explains the social context of women smoking. At the bottom, two slogans are written in cursive: 'the Cigarette that's Milder' and 'the Cigarette that Tastes Better'. The overall aesthetic is that of the 1920s 'Jazz Age'.

Another ad legitimizing desire; it associates the product with glamour and modernity

# Advertising in the Jazz Age

The Ladies HOME JOURNAL September, 1926

## ATWATER KENT RADIO

*Read the headlines of  
the air - and choose whatever  
you like best*

**J**UST AS YOU SCAN newspaper headlines and select what you want to read, so with this ONE DIAL receiver, you sump the radio programs and select what you want to hear.

In a few seconds you can cover all that's on the air within range—and then you can settle down to the program you prefer.

Think of it! No hunting—no juggling—no delay. Merely turn ONE

DIAL with the finger tips of one hand, and listen. Whatever is on the air and within range the ONE DIAL summons instantly—you can't miss!

Quick, sure and reliable in operation, powerful in performance, charming in appearance, compact in size, sensible in price. That's Atwater Kent Radio with ONE DIAL.

Any Atwater Kent dealer will let you try it with an Atwater Kent

Radio Speaker. And you'll be glad you asked him to.

*Every Sunday Evening*

—The Atwater Kent Radio Artists bring you their summer programs at 9:15 Eastern Daylight Time, 8:15 Central Daylight Time, through:

WJAR . . . New York	WCCO . . . 1 Minn.
WJAB . . . Boston	WJZ . . . Chic. Post
WJAT . . . Cincinnati	WJW . . . Chicago
WJAP . . . Washington	WJW . . . Detroit
WJL . . . St. Louis	WJW . . . Detroit

*Write for illustrated booklet telling the complete story of Atwater Kent Radio.*

ATWATER KENT MANUFACTURING COMPANY, A. Atwater Kent, President, 4703 WISSAHICKON AVENUE, PHILADELPHIA, PA.

See this ad, buy the radio, hear more ads, buy more stuff!



# “Kiss Me with your Barbasol Face”



**"Kiss me AGAIN  
WITH YOUR BARBASOL FACE"**

**YOUR FACE** feels smoother and softer, looks cleaner and younger — when Barbasol conquers your beard and wins your skin with those wonderful ingredients that have made it such a favorite around the world. [No wonder pretty little Nellie prefers the man with a silk and satin Barbasol Face.]



**TRY BARBASOL!** Let its amazing efficiency tell you why more men shave this faster, quicker, sweeter, more skin-protective way than with any other brand on earth. Read the directions on the label. No brush, no lather, no rub-in — just wet your beard, spread on Barbasol, and then begin — to get yourself a finer Barbasol Face. Large size 25¢; Giant size 50¢; Family size 75¢. Tubes or Jars.



# Forever Young

## Stay a Girl

*Cultivate Your Beauty and Retain Your Youth*

By Edna Wallace Hopper



**I** MADE myself a famous beauty and the rage. I have lived for 40 years a glorious career. Now I remain at my height—as young and beautiful as ever. The envy of thousands who see me daily on the stage.

All that because I searched the world for aids to youth and beauty. I found the best that science offered. Then all the later, better helps.

Now those supreme helps are at every woman's call.

Learn what these helps do for women. You owe that to yourself.

### My Youth Cream

My Youth Cream is a remarkable creation, combining many factors. It contains products of both lemon and strawberry. Also all the best helps science gave me to foster and protect the skin.

It comes in two types—cold cream and vanishing. I use it as a night cream, also daytimes as a powder base. Never is my skin without it. My velvet complexion shows what that cream can do.

The cost is 60c per jar. Also in 35c tubes.

### My Facial Youth

Is a liquid cleanser which I also owe to France. Great beauty experts the world over now advise this formula, but their price is too high for most women.

It contains no animal, no vegetable fat. The skin cannot absorb it. So it cleans to the depths, then departs. My Facial Youth will bring you new conceptions of what a clean skin means. The cost is 75c.

### My Face Powders

They are supreme creations. No face powders you have used can compare. Any face powder branded Edna Wallace Hopper is exquisite. They come in two types. One is a heavy, clinging, cold

cream powder, in square box, \$1.00. That is the type I like best. The other is light and fluffy, in round box, 50c.

All toilet counters supply Edna Wallace Hopper's beauty helps. If you send

the coupon I will mail you a sample of any one you choose. Also my Beauty Book. Clip coupon now.

### For Trial Size

63 LHJ

Mail to Edna Wallace Hopper, 536 Lake Shore Drive, Chicago. Enclose 10c postage and packing on each sample wanted.

Youth Cream |  Facial Youth

Name.....

Address.....

In addition to trial size ordered above we will include Free, without postage or packing charges, Free sample of either.

Youth Cream Powder or  Face Powder

White—Flesh—Brunette  
(Check kind and shade desired)



# Americans and their waists...

## WASH AWAY FAT AND YEARS OF AGE

### With La-Mar Reducing Soap



The new discovery. Results quick and amazing—nothing internal to take. Reduce any part of body desired without affecting other parts. No dieting or exercising. Be as slim as you wish. Acts like magic in reducing double chin, abdomen, ungainly ankles, unbecoming wrists, arms and shoulders, large busts, or any superfluous fat on body. Sold direct to you by mail, post paid, on a money-back guarantee. Price 2/- a cake or three cakes for 4/-; one to three cakes usually accomplish the purpose. Send postal or money order to-day. Surprising results. **LA-MAR LABORATORIES, Ltd., 48, Rupert Street (1101), London. W.1.**

## Fat Men!

This new self-massaging belt not only makes you look thinner INSTANTLY—but quickly takes off rolls of excess fat.

DIET is weakening—drugs are dangerous—strenuous reducing exercises are liable to strain your heart. The only safe method of reducing is massage. This method sets up a vigorous circulation that seems to melt away the surplus fat. The Weil Reducing Belt made of special reducing rubber, produces exactly the same results as a skilled masseur, only quicker and cheaper. Every move you make causes the Weil Belt to gently massage your abdomen. Results are rapid because this belt works for you every second.

### Fat Replaced by Normal Tissue

From 4 to 6 inches of flabby fat usually vanish in just a few weeks. Only solid, normal tissue remains. The Weil Reducing Belt is endorsed by physicians because it not only takes off fat, but helps correct stomach disorders, constipation, backache, shortness of breath and puts sagging internal organs back into place.

### Special 10-Day Trial Offer

Send no money. Write for detailed description and testimonials from delighted users. Write at once. Special 10-day trial offer. The Weil Co., 1010 Hill Street, New Haven, Connecticut.

**The Weil Company,**  
1010 Hill Street, New Haven, Conn.

Gentlemen: Please send me complete description of the Weil Scientific Reducing Belt, and also your Special 10-Day Trial Offer.

Name.....

Address.....

City..... State.....



# Mobile Advertising...



# President Coolidge on Advertising (1926)

- “It makes new thoughts, new desires, and new actions. ... It is the most potent influence in adopting and changing the habits and modes of life, affecting what we eat, what we wear, and the work and play of the whole Nation. ...”
- “Mass production is only possible where there is mass demand. Mass demand has been created almost entirely through the development of advertising. ...”
- “Advertising ministers to the spiritual side of trade. ... It is all part of the greater work of regeneration and redemption of mankind.”

And the Best part is, it  
won't cost you  
anything...

# Buy Now Pay Later!

©AlainBriot.com





# Credit and the Consumer

## A BUDGET / ACCOUNT *at* *Wanamakers*

is a *thrift* account because it teaches, not only how to spend wisely, but how to save. It is limited to the purchase of home merchandise because the building of a home (within the house or apartment) is an investment that will bear much interest in joy and comfort with the passing years.

A Budget Account is a savings plan which permits the satisfaction of possession first and accepts payment in convenient sums—as the money is saved.

- As consumerism became a hallmark of Modernism, the stigma of purchasing goods on "installment plans" faded.
- The automobile industry was one of the first to capitalize on the potential of consumer credit, but other industries quickly followed suit.

This ad characterizes credit as a prudent financial decision *and* a way to gain instant gratification.