

Area about 65%, and
productivity, or output



Area One-Politics and Government-The Harding Scandals and the Bonus Bill veto
The presidency of Harding was filled with continuous scandal.

Many compare the Harding to Grant has both being postwar presidents marked by scandals and corruption. Having appointed several excellent officials, Harding also appointed a number of incompetent and dishonest men to fill important positions, including the Secretary of Interior, Albert B. Fall and Attorney General Harry M. Daugherty.

The Secretary of Interior, Albert B. Fall, in 1921, secured the transfer of several naval oil reserves to his jurisdiction. In 1922, Fall secretly leased reserves at Teapot Dome in Wyoming to Harry F. Sinclair of Monmouth Oil and at Elk Hills in California to Edward Doheny of Pan-American Petroleum. A Senate investigation later revealed that Sinclair had given Fall \$305, 000 in cash and bonds and a herd of cattle, while Doheny had given him a \$100, 000 unsecured loans. Sinclair and Doheny were acquitted in 1927 of charges of defrauding the government, but in 1929 Fall was convicted, fined, and imprisoned for bribery. Another scandal involved Charles R. Forbes, appointed by Harding to head the new Veterans Bureau.

He seemed energetic and efficient in operating the new hospitals and services for veterans. It was later estimated that he had stolen or squandered about \$250 million in Bureau funds. Scandal also tainted Attorney General Daugherty who, through his intimate friend Jessie Smith, took bribes from bootleggers, income tax evaders, and others in return for protection from prosecution. When the scandal became to come to light, Smith committed suicide in Daughertys Washington apartment in May 1923.

There was also evidence that Daugherty received money for using his influence in returning the American Metal Company, seized by the government during the war, to its German owners. Area Two-Economics-Prosperity and Innovation Though overall the economy was strong between 1922 and 1929, certain segments of the economy, especially agriculture, did not share in the nation's general prosperity. Improved industrial efficiency, which resulted in lower prices for goods, was primarily responsible.

Manufacturing output increased about 65%, and productivity, or output per hour increased by about 45%. The numbers of industrial workers actually decreased from 9 million to 8.8 million during the decade. The increased productivity resulted from improved machinery, which in turn came about for several reasons. Industry changed from steam to electric power, allowing the design of more intricate machines and replaced the work of human hands. By 1929, 70% of industrial power came from electricity.

The moving assembly line was widely adopted by companies, along with scientific management. Larger firms, for the first time, began to fund major research and development activities to find new and improved products, reduce production costs, and the utilization of by-products. The demand for power for industrial machinery as well as for business and some lighting increased dramatically, and a host of electrical appliances such as stoves, vacuum cleaners, refrigerators, toasters, and radios became available. About two-thirds of American homes had electricity by 1929, leaving only those in rural areas without it. Homes and business construction also experienced a boom from 1922 until 1928. Other large industries, which grew rapidly, were chemicals and printing.

The movie industry expanded rapidly, especially after the introduction of sound films, and employed about 325, 000 people by 1930. New industries that began in the period were radio and commercial aviation. Area Three- Cultural Clashes-KKK/Garveyism The most extreme expression of nativism in the 1920s was the resurgence of the Ku Klux Klan. Unlike the original Klan of the 1860s and 1870s, the new Klan founded in 1915 was as strong in the Midwest as in the South. Northern branches of the KKK directed their hostility not only against the blacks but also against the Catholics, Jews, foreigners, and suspected Communists.

The new Klan used modern advertising techniques to grow to 5 million members by 1925. It drew most of its support from the lower middle class in small cities and towns. The Klan employed various methods for terrorizing and intimidating anyone targeted as un-American. Dressed in white hoods to disguise their identity, Klan members would burn crosses and apply vigilante justice, punishing their victims with whips, tar and feathers, and even the hangmans noose.

In its heyday in the early 1920s, the Klan developed strong