

## Unit VI

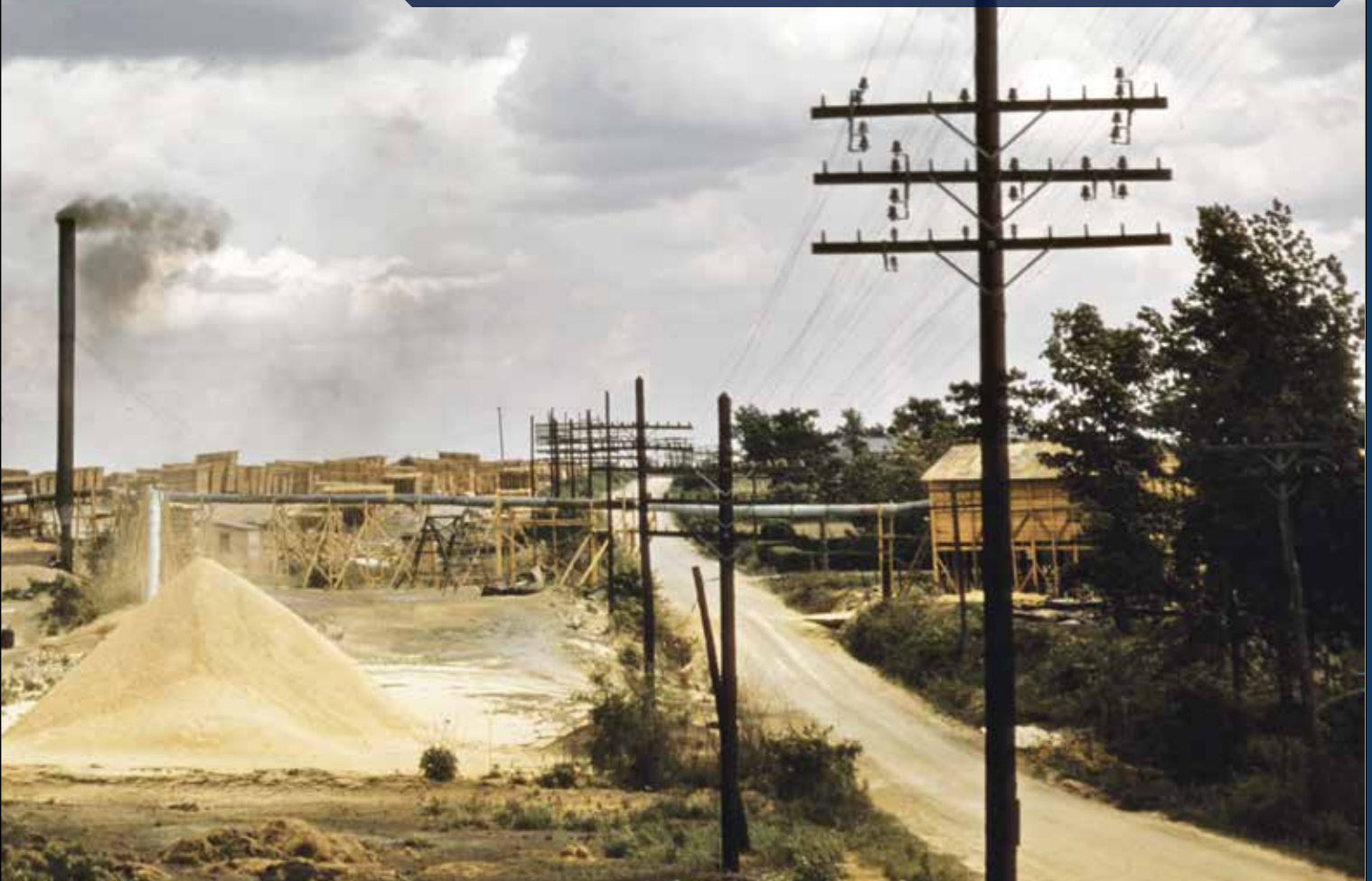
# Georgia from the Roaring Twenties through World War II



This rare early color photograph of the Greensboro Lumber Company was taken by WPA photographer Jack Delano in 1941, when the country was on the cusp of the Great Depression and World War II. Businesses like this would get a huge boost from war production, when raw materials like wood were at a premium.

**T**he twenty-seven years between the end of World War I and the end of World War II were eventful and difficult for Georgia. Many of these years were marked by a slowing economy that, in Georgia, began in the early and mid-1920s as farms and cotton textile factories went through the disaster caused by the boll weevil. As the entire country sank into depression in the 1930s, Georgians continued to suffer through hard times. With the election of Franklin D. Roosevelt as president of the United States, policies known as the New Deal began to address some of these problems. In the process, Georgia began the transformation into a more modern state. Agriculture became more mechanized and diverse, towns and cities grew, and modern conveniences such as electricity were no longer limited to just the cities.

Equally important to Georgia's transformation was the state's role in World War II. Thousands of Georgians served in the military on faraway battlefields. In addition, Georgians on the home front worked in shipyards, defense plants, and military bases to provide the labor that kept the troops trained, transported, and supplied. By the end of the second World War, most Georgians were living quite differently from the way they had only a generation earlier. This unit examines how and why these important changes came about, the effect of national and international events on the state, and the role of Georgia in the nation during these important decades.



# Focus on Reading Skills

## Distinguishing Fact from Opinion

### Defining the Skill

Not everything you read in a textbook is fact. Sometimes authors weave facts, inferences, and opinions into their writing to make it more interesting. This writing style, however, makes it more difficult to separate facts from opinions.

A *fact* is something that can be proved or verified. Facts may be verified by observation or by research. "Eighteen-year-olds have the right to vote" is a statement of fact.

An *opinion*, on the other hand, is something a person thinks, believes, or feels is true. Opinions are open to debate and cannot be verified. Opinion statements often include words like *bad, good, probably, believe, feel, think, greatest, worst, best, most, least, always, never, all, none, and may*. For example, "A person should not be allowed to vote until he or she is twenty-one years of age" is a statement of opinion.

### Practicing the Skill

Read the following statements. Write the statements below on a separate sheet of paper or on a

form like that below. Then, identify each statement as a fact or an opinion and give a reason for your choice.

1. Before the spread of air conditioning, southern families used electric fans during the Georgia summers.
2. No town in Georgia grew more than Atlanta.
3. Riding in an automobile was quite an adventure.
4. Many people believed that flappers were not proper.
5. WSB was Georgia's first radio station.
6. Members of the Ku Klux Klan felt that white Protestants represented "true" American values.
7. Cotton prices fell during the 1920s.
8. The clubhouse at the Augusta National Golf Club is the most famous in the world.
9. In 1928, people believed that the value of stocks would only go up.
10. The unemployment rate was 25 percent in 1932.

STATEMENT	FACT	OPINION	WHY?

# Signs of the Times



## POPULATION

Georgia's population in 1920 was 2,895,832. In 1930, it was 2,908,506.

## MUSIC

The music of the 1920s featured jazz, the blues, and sentimental ballads. Popular songs of the period were "Sweet Georgia Brown," "I'm Sitting on Top of the World," "Someone To Watch Over Me," and "The Best Things in Life Are Free."

## EDUCATION

The concept of junior high schools spread across the nation in the 1920s. The National Spelling Bee began in 1925, sponsored by the *Louisville Courier-Journal*.

## SCIENCE

The bulldozer was invented in 1923, as was the traffic light. Penicillin was discovered in 1928. Bubble gum was also invented in 1928.

## ENTERTAINMENT

The Charleston was introduced in 1923. In 1926, the first motion picture with sound, *Don Juan*, was shown in New York. In 1928, Walt Disney released the first Mickey Mouse cartoon and the first animated film to use sound.

Lillian Gish, seen here in the height of flapper fashion, was one of the first great actresses of the silent film era, starring in "The Birth of a Nation" in 1915. She went on to a long career, making her last film in 1987.

# Chapter 21

## The 1920's and the Coming of the Great Depression

### Chapter Preview

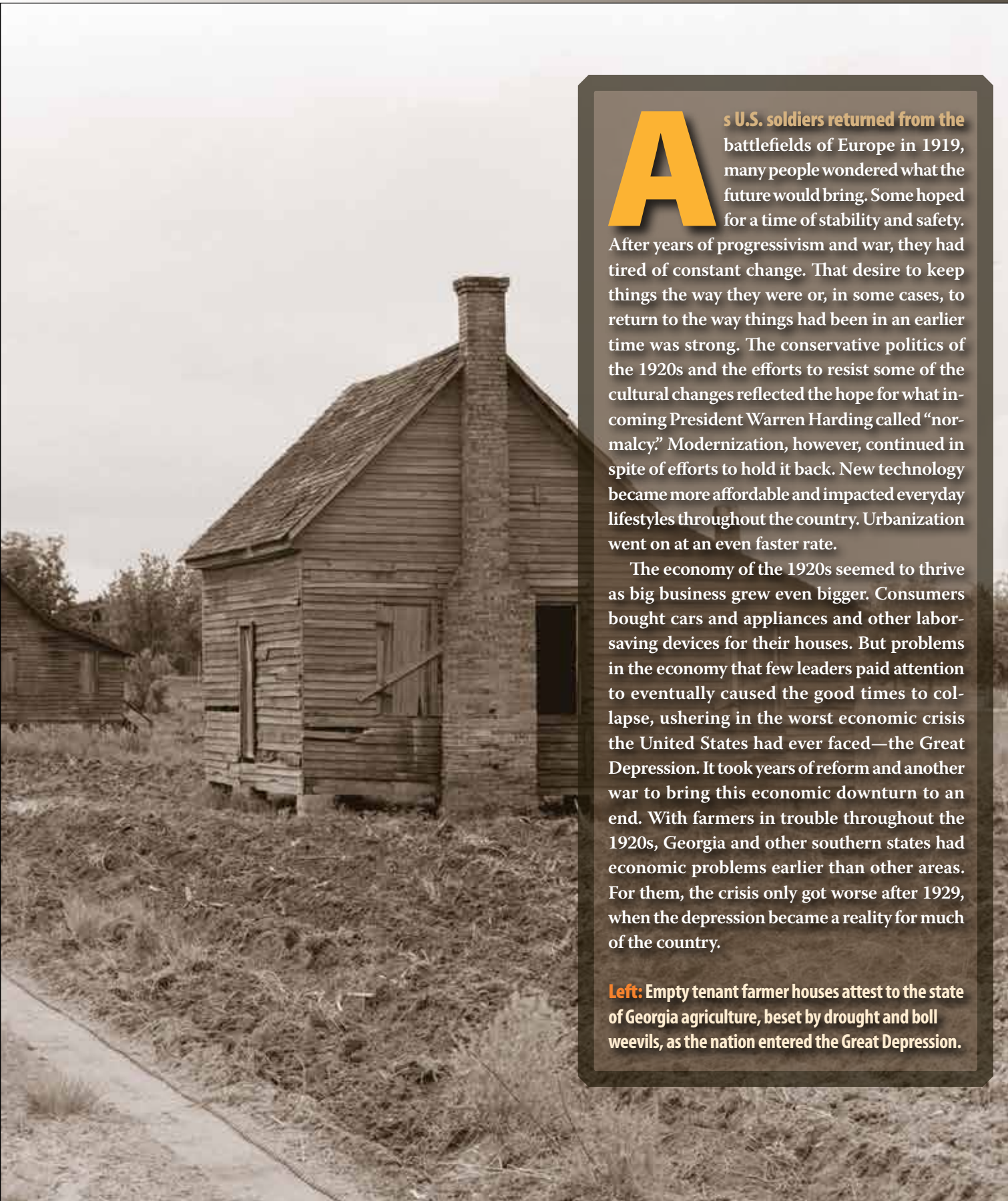
#### TERMS

assembly line, installment plan, boll weevil, stock market, Great Depression, purchasing power, surplus, entrepreneur

#### PEOPLE

Henry Ford, Thomas Hardwick, Ben Epps, William Hartsfield, Marcus Garvey, Oliver Hardy, Gertrude "Ma" Rainey, Clifford Walker, Julian Harris, Richard Russell, Eugene Talmadge, Bobby Jones





**A**s U.S. soldiers returned from the battlefields of Europe in 1919, many people wondered what the future would bring. Some hoped for a time of stability and safety. After years of progressivism and war, they had tired of constant change. That desire to keep things the way they were or, in some cases, to return to the way things had been in an earlier time was strong. The conservative politics of the 1920s and the efforts to resist some of the cultural changes reflected the hope for what incoming President Warren Harding called “normalcy.” Modernization, however, continued in spite of efforts to hold it back. New technology became more affordable and impacted everyday lifestyles throughout the country. Urbanization went on at an even faster rate.

The economy of the 1920s seemed to thrive as big business grew even bigger. Consumers bought cars and appliances and other labor-saving devices for their houses. But problems in the economy that few leaders paid attention to eventually caused the good times to collapse, ushering in the worst economic crisis the United States had ever faced—the Great Depression. It took years of reform and another war to bring this economic downturn to an end. With farmers in trouble throughout the 1920s, Georgia and other southern states had economic problems earlier than other areas. For them, the crisis only got worse after 1929, when the depression became a reality for much of the country.

**Left:** Empty tenant farmer houses attest to the state of Georgia agriculture, beset by drought and boll weevils, as the nation entered the Great Depression.

# Section 1

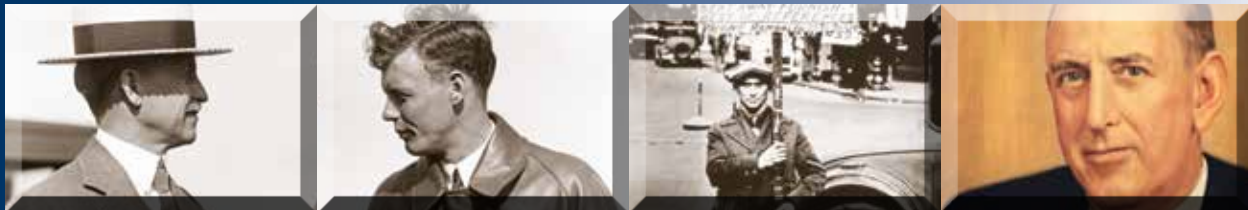
## Modernization and Change

**As you read, look for**

- changes in transportation,
- cultural changes,
- resistance to change,
- terms: **assembly line, installment plan.**

**The 1920s was a period of continuous change**, even though many did not want more change. In the growing towns and cities, the impact of new technology was felt by more and more people as new goods and devices that had once been bought by only the wealthy became more affordable and available to the middle class. People's homes had electricity and indoor water supplies. Electricity brought more conveniences to urban households. Middle-class

### Figure 42 Timeline: 1905 to 1935



homes had washing machines and electric irons, saving women hours a week in doing laundry. Water heaters brought hot water straight from the faucet. For southern families, electric fans were welcome during the hot and humid summers in this period before the spread of air conditioning. Telephones kept families and friends in touch with each other, even though many households shared telephone lines with their neighbors. Automobiles made it easier to visit in person, to get to work, and to travel for fun. Life was becoming more convenient and opening up time and opportunities for leisure and recreation.

In the countryside, farm people still pumped their water up from wells or hauled it from nearby springs or creeks. They had out-houses rather than indoor bathrooms and cleaned their clothes on scrubbing boards. Electricity had not come to most farm homes, so bedtime was shortly after dark to save on the cost of lighting with kerosene lamps. With no radio, poor farmers had little access to information. They continued to live much as their ancestors had for generations.

Not everyone welcomed change. In fact, many Georgians thought it was coming too fast. Some worried about the morals of young people exposed to jazz, new dances, and silent movies. New theories and discoveries in science seemed to question long-held beliefs. As people left the countryside for the city, change seemed to be threatening the rural way of life most southerners had so long cherished. Those who wanted to maintain the traditional ways often resisted the new ways and ideas. While most resistance was in writing and words, some went to greater extremes.

## Urbanization

Throughout Georgia, more people were living in cities and towns. Atlanta's city leaders had a clear vision of Atlanta becoming the major city of the South. In 1925, the Atlanta Chamber of Commerce established a campaign to promote and advertise the city in business and other magazines throughout the country. That fall, Atlanta businesses contributed money for the advertising, and *Forward Atlanta* was launched. In February 1926, the first ad appeared in the *Saturday Evening Post*. The group wanted to convince businesses throughout the country to use Atlanta as the center for



**Above:** As Atlanta's population grew, civic leaders adopted an aggressive strategy to attract business. The *Forward Atlanta* campaign succeeded in bringing more than 700 companies—and thousands of jobs—to the city.

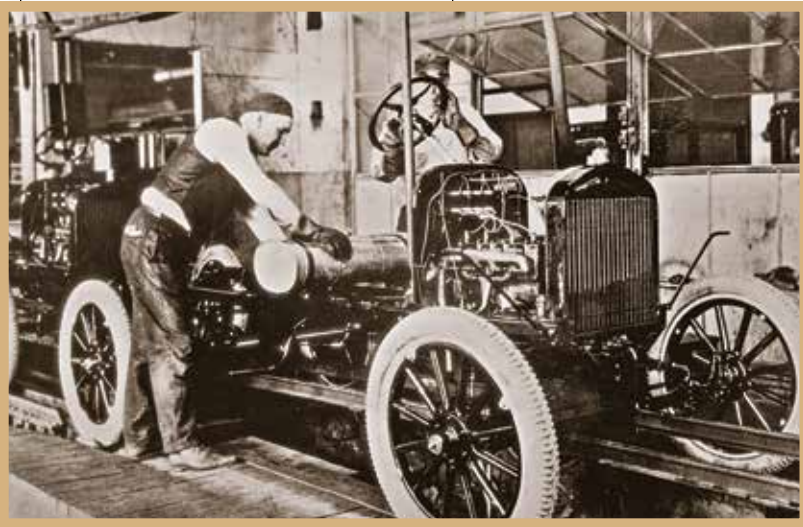


## Something Extra!

The first official road map of the state was published in 1920 by the Georgia Highway Department.

their goods in the South. Forward Atlanta promoted Atlanta as a center of transportation with railroads and trucking. From Atlanta, goods could be shipped to other parts of the South. They also stressed the nonunion work force, low taxes, and a good climate. In the first year, the campaign was so successful that they decided to extend it through 1929. By the end, over seven hundred companies providing thousands of jobs had moved to Atlanta. They included factories such as General Motors and regional headquarters such as Sears & Roebuck.

Some of the inhabitants of Atlanta and other Georgia urban areas were groups who had been immigrating into America since the late 1800s and early 1900s. Most had settled in the North. However, the milder climate of the South had appealed to many families, who found opportunities for family businesses. By the 1910s and 20s, Americans of Italian, Greek, and eastern European heritage had small businesses such as restaurants, grocery stores, hardware stores, and other retail establishments. They represented different religious faiths including Catholicism, Greek Orthodox, and Judaism. They also introduced new foods and customs with them. They brought diversity to Georgia cities.



**Above: Henry Ford's pioneering use of assembly lines produced cars more quickly and less expensively, making them affordable for a much larger percentage of the population.**

## Transportation

Railroads still carried people and goods in Georgia. However, more and more families began to purchase automobiles. By World War I, Henry Ford was able to make cars cheaper by mass producing automobiles on a moving assembly line. (An **assembly line** is a series of stations of workers, machines, and equipment at which people and machines add to, or assemble, the parts of a product.) General Motors and Ford made it easier to buy their automobiles by offering **installment plans** for their purchase. These plans allowed consumers

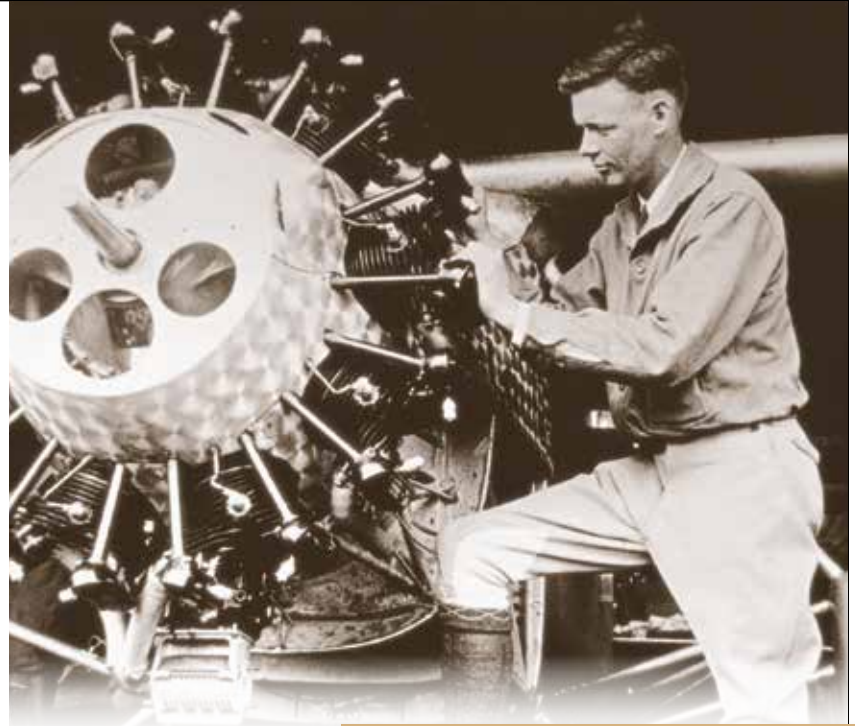
to make regular payments for the cars over a period of time.

Riding in an automobile was quite an adventure. In many areas of Georgia, the decade began with few paved roads, so a ride could be bumpy and dangerous. In the early 1920s, Governor Thomas Hardwick supported a small tax on gasoline that the state could use to pay for paving roads. Cities began to pave some of the major streets within their borders. Many roads, however, were still dirt when the 1930s began. For Georgia, the lack of good roads on which to transport their crops and goods made it harder to make economic changes when the Great Depression began.

Another symbol of the new age was the airplane. Airplanes had been around for almost two decades and had been used in World War I. Georgia had experience with airplanes even earlier. In 1907, Ben Epps, at the age of nineteen, had flown the first plane in Georgia in Athens. In 1911, the Wright

brothers had established a flight school on the old field of Camp Mackenzie in Augusta. Aviation developed quickly during World War I. In the 1920s, air transportation of people and goods came more into commercial use. William Hartsfield, an alderman (an elected city councilman) in Atlanta, helped to establish an airfield in Atlanta and worked to make Atlanta an aviation center in the South.

In 1927, a young pilot who made his living flying airmail stunned the world when he flew alone without stopping from the United States to France—the first solo flight across the Atlantic Ocean. Charles Lindbergh had actually made his first solo flight in Georgia. In 1923, he had been learning to fly, and he came to Souther Field near Americus to buy a surplus World War I Curtiss biplane. While there, he went up alone for the first time. Georgia got to honor the hero pilot when he returned to Georgia at William Hartsfield's invitation. He landed at Candler Field in Hapeville, which became an airport used by the U.S. Postal Service for airmail.



## Women and African Americans

The 1920s was a time when women continued to move into new roles. Georgia women could and did vote, as did women in other parts of the country. As education and nursing had grown, more and more women had gone into those fields. Many town and city libraries also had female librarians. Some even went into fields that were usually for men. In 1921, the Medical College of Georgia admitted its first woman, Loree Florence from Athens.

Able to support themselves, some young women moved to cities and lived on their own for a while before marrying. These independent young women got the nickname “flappers.” They often cut their hair in a short style called a “bob.” This was a big change from the previously acceptable fashion of long hair pulled up or back in a bun. Dresses no longer came to the floor, but were hemmed at the knee. Some dresses also had no sleeves, showing bare arms for the first time. While these styles were popular, some Georgians believed they were not proper. That did not stop some young Georgia women from adopting the flapper style.

During the 1920s, African Americans in Georgia continued to leave the state. African Americans had taken part in the country's efforts in World War I and hoped that their sacrifices might bring more equality. Thousands



**Top:** Transatlantic aviator Charles Lindbergh made his first solo flight while on a visit to Georgia to buy a plane. **Above:** A pair of flappers demonstrate the Charleston, the dance most closely identified with the Roaring Twenties, in front of the U.S. Capitol.



**Above:** Georgia-born Oliver Hardy, (left) and English-born Stan Laurel (right) became one of the great comedy duos as Laurel and Hardy. In a career that lasted from the silent era until 1950, Laurel and Hardy made almost 100 short and feature-length films that are still enjoyed today.

## Something Extra!

The call letters for radio station WSB in Atlanta reportedly stood for "Welcome South, Brother."

had left for factory jobs in the North right before and during the war. Discouraged by continued segregation and the activities of the KKK after the war, African Americans left Georgia and the other southern states. They went North looking for better access to jobs, better pay and educational opportunities, and the chance for more civil rights.

Some African Americans in both the North and the South were attracted to the ideas of Marcus Garvey. The Jamaican-born Garvey had founded the United Negro Improvement Association, which was headquartered in New York. Garvey's ideas included economic progress, pride in being black, and separation from whites. Those ideas had a following among black Georgians, especially tenant farmers and sharecroppers in the southwestern areas of the state. Georgia had over thirty divisions, or chapters, of the UNIA organization in the 1920s.

## Cultural Changes

Another life-changing device for Americans was the radio. Families wanted to have this "talking furniture" in their homes. The first national

radio network was the National Broadcasting Company (NBC), which began in 1926, followed a year later by Columbia Broadcasting System (CBS). WSB in Atlanta was Georgia's first radio station, coming on the air in March 1922. It was also the first radio station in the South. It was quickly followed by other Atlanta stations and stations in other Georgia towns and cities. For the first time, Georgians with access to electricity could hear the news. Advertising became the major way that radio supported itself, and manufacturers tried to convince radio listeners to buy everything from soap to soft drinks. Americans heard about the same products and became more alike by buying them. Sports games were broadcast over the radio, making it possible for fans to follow their teams even if they could not go to the stadium or ball field.

Movies also became a popular pastime, even though they did not have sound until the late 1920s. Georgians enjoyed one of their own native sons on the big screen, Oliver Hardy. Born in Harlem and raised in several towns including Milledgeville, Hardy went to California where he made dozens of silent films. His first comedy film made with fellow comedian Stanley Laurel came out in 1927. Laurel and Hardy became one of the most famous and respected comedy teams in film history. They still have fan clubs around the world.

Other aspects of lifestyles changed for men and women. For those who lived in towns and cities and could afford to have a family automobile, dating without chaperones became common among young men and women. In music, the blues of the African American community gained a national following in the 1920s. Gertrude "Ma" Rainey of Columbus was a popular

blues singer who began recording in the 1920s. Many also liked the new music of the period—jazz. In the towns, daredevils often got into the mood of the “Roaring Twenties” by performing stunts. For example, in 1927, a young pilot named Sig Smith flew over Broad Street in Augusta with young Agnes Holliman hanging from the wheels by silk stockings. Fortunately, the stunt came off without any accidents.

So the twenties brought modernization to Georgia’s cities, and they helped usher in new lifestyles. From flappers to dating, jazz to dancing, the culture was changing. In Georgia and the South, this change came more slowly than it did in other parts of the country, but it did come.

## Political Change

The 1920s was a period of political conservatism, not only in Georgia but nationally. After years of reform during the Progressive Era and the change brought on by World War I, Americans were ready for a period of stability. Republican presidential candidate Warren G. Harding was able to capture that feeling in one word: *normalcy*. In fact, many wanted to undo some of the reforms of the prewar Progressive Era, including regulation of big business.

Politically, the 1920s saw the beginnings of a generational change in Georgia politics. Tom Watson died in 1922, and Hoke Smith retired from politics. New political leaders were emerging who would be influential in Georgia politics for many years. One of the most important was Richard Russell of Winder. His father was already well known in the state, serving as the chief justice of the Georgia Supreme Court. In 1920, at only twenty-three years of age, Richard Russell was elected to the Georgia House of Representatives. By 1927, he had become Speaker of the Georgia House, serving there until his election as governor. The young Russell won the governor’s race of 1930 on a platform of saving money by reorganizing the state government. The next year, the Reorganization Act did just that. Almost one hundred departments were combined to create just nineteen. One area of reorganization was in higher education. All the public colleges and universities in the state came under the governance of a central Board of Regents, who appointed a chancellor to oversee and manage them.

Another politician who made his appearance in state government in the 1920s was Eugene Talmadge. He was living in Telfair County when he was elected state commissioner of agriculture in 1926 and reelected in 1928. He used that office to make a name for himself among Georgia farmers. Nicknamed the “Wild Man from Sugar Creek,” Talmadge became a force in Georgia politics for two decades, having his greatest influence in the 1930s and early 1940s.

In general, the 1920s is a period when not much new happened in state government. This is not surprising in a time when the general feeling among most voters and the politicians was that further change was not welcome. The time was coming, however, when growing economic problems could no longer be largely ignored.



**Top:** The son of a chief justice of the Georgia Supreme Court, Richard B. Russell, Jr. was speaker of the Georgia House of Representatives by the time he was 30, and governor by the time he was 33. He went on to a 40-year career as a U.S. senator for Georgia.

## Something Extra!

At the time of the Reorganization Act, the University System of Georgia consisted of twenty-six colleges and universities.



**Above:** The Ku Klux Klan reached the peak of its membership in the mid-1920s, displaying its national influence with this huge 1926 parade in Washington, D.C. The Klan's numbers dropped rapidly the next few years.

## Resistance to Change

One of the most conservative organizations of the period in Georgia was the Ku Klux Klan. As we saw in the last chapter, the KKK had been refounded in 1915 at Stone Mountain. But its growth had been slow until the war was over. A fear of modernization and the rapid change it brought, plus the new groups with different cultures, made those who believed in the old ways want to control their society. Those targeted by this new KKK were not only African Americans, but also whites who were Catholic or Jewish and whites who violated the KKK's ideas of what was moral. Through intimidation and violence, the Klan tried to keep everyone in their "proper" place in society. From burning crosses to burning Catholic churches, from threats to outright violence, the KKK terrorized people.

In the 1920s, the KKK expanded beyond the South. By 1922, the Klan had branches in all forty-eight states, wherever native-born Protestant whites felt threatened by the Catholic and Jewish immigrants who had come to the United States from southern and eastern European countries. By the middle 1920s, several million people had joined the KKK nationally, and Georgia had over 150,000 members. In 1922, Clifford Walker, a politician with ties to the Klan, was elected governor of Georgia.

That was the group's peak at both the national and state level. By 1930, membership was down to less than 1,500 in Georgia. One of the most outspoken opponents of the KKK who helped bring about their decline was Julian Harris, the editor of the *Columbus Inquirer*. His stories recounted the Klan's violence and named public officials who were members. His courageous campaign against the organization won him the Pulitzer Prize, the first for a Georgian.

### Reviewing the Section

1. Define: assembly line, installment plan.
2. Who were flappers?
3. What was Georgia's first radio station?

# Georgia Portraits

## Gertrude Pridgett Rainey: “Mother of the Blues”

In 1900, Gertrude Pridgett first sang for an audience at a talent contest at the Springer Opera House in her hometown of Columbus. She was only fourteen, but her distinctive, powerful voice showed her early talent.

In her career, she helped establish “the blues” as a popular music form. Blues music was developed by African American musicians. Its influences included gospel and work songs. The use of “blue,” or sad, notes gives the music its special sound. The subjects of blues songs included the problems of poverty, lost love, and living in the South.

By 1902, Gertrude Pridgett had begun singing the blues in touring shows. She was certainly one of the earliest females, if not the first, to do so, earning her the title “Mother of the Blues.” She continued to tour for over thirty years, taking the blues throughout the South, to the Midwest, and even to Mexico. She met her husband, William Rainey, in one of these touring companies. His nickname was “Pa” Rainey, and after their marriage she became “Ma” Rainey. For a while, the Raineys had their own touring company called “Ma and Pa Rainey and the Assassins of the Blues.” When she and her husband later split up, she continued to tour on her own.



On stage, Ma Rainey was a commanding presence, with her flashy clothes and jewelry. But it was the powerful, soulful voice that made her so popular. In 1923, she began recording for Paramount. In five years with them, she recorded over one hundred songs. She wrote most of her songs herself. The 1920s are reflected in her early recordings, such as “Bo-Weavil Blues” and “Moonshine Blues.” Songs of heartache included “Gone Daddy Blues.” In 1928, she made her last recording with Paramount. Unfortunately, the quality of the recordings

has deteriorated over the years, but the power of her voice still comes through. She continued to tour, but the depression meant fewer people could afford to come to her shows. She eventually retired from touring and returned to Columbus.


Gertrude Rainey had been a good businesswoman while she was earning money. She had bought two theaters, which she was able to operate and manage after she left singing. She was only fifty-three when heart disease took its toll, and she died of a heart attack in 1939. Her music, however, lived on. When blues made a revival, her contributions were recognized. She is now in the Blues Hall of Fame, the Rock and Roll Hall of Fame, and the Georgia Music Hall of Fame.

## Section 2

# The 1920s Economy and the Causes of the Great Depression

### As you read, look for

- causes of the Great Depression,
- terms: boll weevil, stock market, Great Depression, purchasing power, surplus, entrepreneur.



**Georgia's economy had prospered** during the Great War, but that soon came to an end. Cotton remained king, but both production of the crop and demand for it went down. Georgia's major industry—textiles—suffered when cotton suffered. With many farmers and workers already struggling to make ends meet, these developments were devastating.

The problems of farmers in the South and West and the problems of workers throughout the country did not receive the attention they deserved from policymakers in the 1920s. But in 1929, the entire country plunged into the worst economic downturn in its history. The problems Georgia and other parts of the South were already experiencing were felt by the entire nation.

**Above:** The agricultural landscape changed rapidly after the flush times of World War I, with a reduced demand for cotton, and the damage to the crop caused by the boll weevil.

### Agriculture

In 1919, cotton had sold for 35 cents a pound. Within a year, the price had dropped to around 17 cents per pound. That meant a farmer's income was half what it had been only a year before. Corn prices did not fall quite as far, but they were down as well. Those who were barely getting by, including many sharecroppers, were hard hit. Farmers at the time did not know that they were about to face twenty years of low prices for their products.

Low prices were not the only problem. In the mid-1910s, a little beetle called the **boll weevil** arrived in Georgia. It had first appeared in Texas in the 1890s and had gradually migrated east through Louisiana, Mississippi, and Alabama into Georgia. The one-fourth-inch-long bug lived by eating the buds (or *bolls*) of cotton where the fibers are formed. In the winter, boll

weevils lived in the ground of the fields, ready to come back when farmers tried to plant in the spring. By 1919-1920, the boll weevil had begun to inflict serious damage on Georgia's cotton crop. And it kept getting worse. By 1923, Georgia was producing less than 600,000 bales a year, when earlier it had produced over 1,750,000 bales.

In the 1920s, strong insecticides to kill pests like the boll weevil had not yet been developed. All attempts to come up with a formula for a poison that would get rid of the weevil without destroying the cotton failed. Farmers even tried burning their cotton fields at the end of the year, but that did not kill the bugs either. Eventually, the boll weevil forced farmers in Georgia and other parts of the South to plant other crops.

To make matters worse, from 1924 to 1927, Georgia suffered through a drought, which resulted in a poor harvest. Georgia crops withered and died in the fields from thirst. Today, irrigation systems pump water from underground and sprinkle it over growing crops. Farmers of the 1920s did not yet have such sophisticated ways of bringing water to crops. With all these problems, many Georgia farmers were in a depression long before the stock market crashed in 1929.

Farmers reacted to their worsening economic situation in several ways. Some farmers who owned their own land sold off part of it to pay their debts. Over time, many sold all their land. They then had to become sharecroppers. Sharecroppers did not have the option of selling land to pay debt because they owned no land. When the land did not produce, some landowners forced sharecroppers off the land. Eventually, thousands of Georgians moved away from farms. Many rural counties lost population and did not regain it. As farms declined, cities and towns gained population.

## Something Extra!

The town of Enterprise, Alabama, built a monument to the boll weevil for freeing them from cotton!

**Below:** Sharecroppers felt the effects of the agricultural depression most harshly. With cotton prices low, there was less land in cultivation to farm, and thousands of them gave up and moved to the towns and cities.





**Below: The Sibley Mill was built in 1880, next to the Augusta Canal, on the site of the old Confederate Powder Works. The mill was in continuous operation under several different owners until finally closing in 2006. It is located within the Augusta Canal National Heritage Area, and it is listed as a National Historic Landmark.**



Some farmers began to grow other crops, including garden vegetables like beans, peas, sweet potatoes, and squash. Pecan production was up in the 1920s. Others tried to raise more animals, especially hogs. Milk and eggs became more important farm products. The boll weevil had done what Henry Grady and others had tried to do—convince southern, including Georgian, farmers to produce less cotton and experiment with other crops and products.

## Industry

White farmers who moved to towns and cities often tried to get work in the factories, especially the textile mills. Textiles continued to be the most important industry in Georgia. Mill work remained segregated. Whites performed the work on machinery. Blacks worked at janitorial tasks, so the number of jobs for African Americans was limited. Moving into mill villages and neighborhoods in towns like Columbus, Macon, and Augusta, former farmers adjusted to working inside and on a time schedule. They lived in factory-owned housing for which they paid rent from the wages they earned. They usually bought goods they needed from the factory-owned store. Coming from a rural background, most were suspicious of outsiders, so union

organizers did not have much success in the South. The fact that southern workers were paid less and had few unions even attracted companies from the North to come south.

That might have helped the economy more if the demand for cotton had not gone down. Getting work in mills became increasingly difficult. Machinery improved and required fewer human hands to operate it. Changing fashions required less cloth. Then, a fabric called rayon was invented in Europe. In the mid-1920s, rayon went into large-scale production in the United States. Cotton had a new competitor. All of these circumstances hurt the cotton farmers and mill workers.

Other industries fared better. The naval stores industry continued to produce tar and turpentine. In fact, Georgia led the nation in those products. Marble and granite also were extracted from the Georgia earth for sale. Cottonseed oil and food processing also did well. By the end of the decade, industry employed about 15 percent of Georgians. But most industry, like agriculture, did not prosper as it had during the war.

One industry that did prosper in the 1920s was the beverage industry, and in particular Coca-Cola. Rising sugar prices had caused

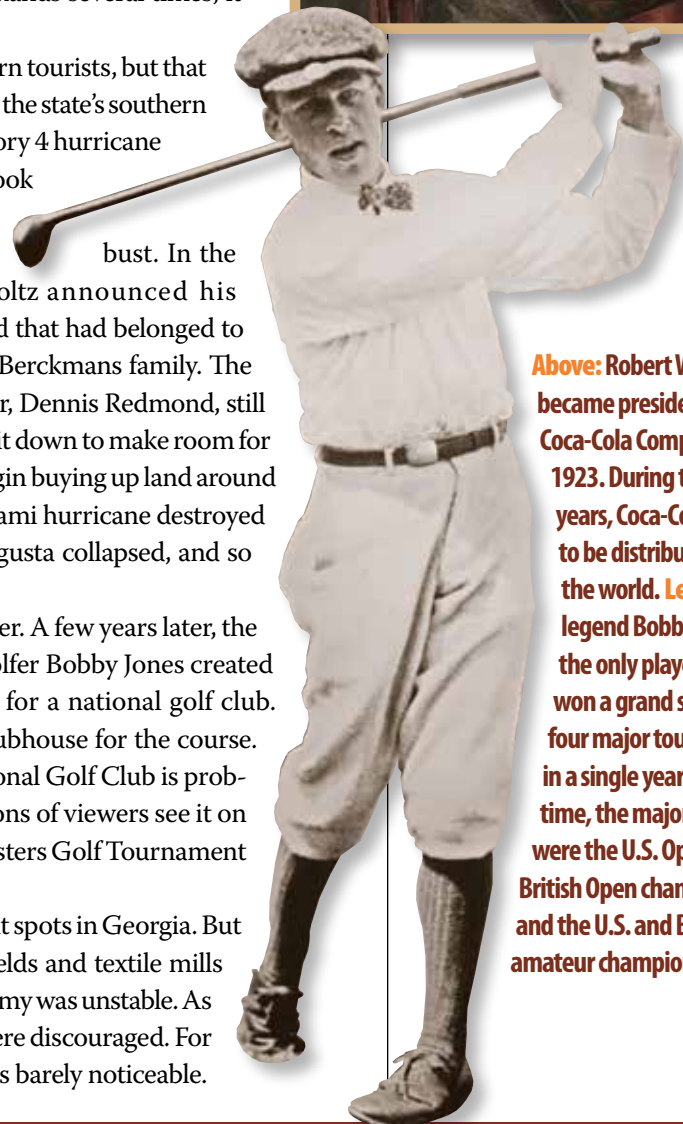
problems for the business during the war. In 1919, the Candler family sold the company to a group of investors that included businessman Ernest Woodruff. In 1923, his young son Robert became president of the company. Robert Woodruff led the company in an expansion of sales throughout the twenties. The six-bottle carton was introduced to make buying several easy. Advertising began to stress Coke as “the pause that refreshes” and associated the drink in ads with living a good life. In the 1920s and 1930s Coca-Cola bottling plants opened in Europe, Central America, and other areas of the world. In the 1920s, another soft drink company, Cher-Cola, began to produce Nehi fruit-flavored soft drinks in Columbus.

Columbus was also the home of the Tom Huston Peanut Company. In 1925, Tom Huston began selling packages of roasted peanuts throughout the country. He had invented a machine to shell the nuts and another to toast them. His business grew quickly, but Tom lost the business in the depression, and the bank took it over. Today, after changing hands several times, it is owned by Lance, Inc.

Georgia also continued to draw northern tourists, but that industry now had major competition from the state’s southern neighbor, Florida. However, after a Category 4 hurricane hit Miami in 1926, real estate in Florida took a major economic downturn. Augusta had a direct connection with the Florida bust. In the early 1920s, Miami developer Henry Stoltz announced his plans to build a giant luxury hotel on land that had belonged to the old Fruitland Nursery owned by the Berckmans family. The original plantation house of its first owner, Dennis Redmond, still sat on the property. Stoltz planned to tear it down to make room for his hotel. Augustans had been quick to begin buying up land around the proposed development. The 1926 Miami hurricane destroyed Stoltz’s Miami property. His plans in Augusta collapsed, and so did the Augusta land boom.

That is not the end of the story, however. A few years later, the successful and famous young Georgia golfer Bobby Jones created his dream golf course on that property for a national golf club. The old plantation house became the clubhouse for the course. Now that clubhouse at the Augusta National Golf Club is probably the most famous in the world. Millions of viewers see it on their televisions when they watch the Masters Golf Tournament every April.

The economy of the 1920s had its bright spots in Georgia. But the underlying problems in the cotton fields and textile mills affected so many Georgians that the economy was unstable. As conditions worsened, many Georgians were discouraged. For some of the poorest, the final collapse was barely noticeable.



**Above:** Robert Woodruff became president of the Coca-Cola Company in 1923. During the next 20 years, Coca-Cola began to be distributed around the world. **Left:** Golf legend Bobby Jones is the only player to have won a grand slam, the four major tournaments in a single year. At the time, the major events were the U.S. Open and British Open championships, and the U.S. and British amateur championships.



**Above:** Republican president Herbert Hoover assumed leadership of a country with a dynamic, growing economy. Within the year, the bubble had burst, and the country was on the verge of the worst financial collapse in its history.

## Something Extra!

In 1929, less than 1 percent of the American people owned stock. Today, 50 percent of all households own stock.

## The Beginnings of the Great Depression

When Republican Herbert Hoover took the oath as president in March 1929, he believed that America was on the path to continued economic growth and an end to poverty. Only a few months later, on Tuesday, October 29, 1929, the stock market crashed. The **stock market** is the place where shares of ownership (called stock) in corporations are bought and sold. The “crash” meant that the value of the shares of companies that investors owned dropped dramatically. Stock values had gone down the Thursday before, but wealthy J. P. Morgan, Jr. and other investors had begun to buy stocks to try to restore people’s confidence. They did not want everybody trying to sell. Their action was only temporary. By Tuesday, many small investors, nervous that their stocks would not hold their value, began to sell again. When everyone wanted to sell and no one wanted to buy, the value of stocks continued to fall. As people panicked, stock prices dropped even more. By the end of the day, many Americans had lost all they had invested. Those who had borrowed money to buy their stocks could not

pay back the money they owed, causing banks to have problems. Many of the small investors who had put their savings in the market lost everything.

Speculation in the stock market also caused problems. Throughout the 1920s, more and more Americans—not just the wealthy—had decided to buy stocks. The economy seemed to be doing well with people buying all the new consumer goods. In 1928 and early 1929, the value of stocks had risen especially high, so people expected the value of their shares of stock to rise even more. The stock market, however, was unregulated by laws or rules, so a purchaser could not actually know how sound an investment was. Some investments were quite risky, and purchasing them was a gamble. Some investors actually borrowed money to buy stocks, making it even more of a risk.

While the stock market crash was a disaster, it was just one of the factors that led to the economic crisis that came to be known as the **Great Depression**. Even though the 1920s seemed like a period of great prosperity, underlying problems made the economy unstable. The prosperity had not been spread out among the population. Half of the population of the country was barely getting by, and the situation had gotten worse for them during the 1920s. The amount of the national income going to the wealthy, however, had increased.

Two groups in the country that were not doing well were farmers and factory workers. As we have seen, the majority of Georgians fell into these two categories. When farmers and workers did not earn enough money to buy goods that the nation’s factories and farms were producing, they had very little **purchasing power**. The farms and factories, however, continued to produce more than people could buy. This is known as *overproduction*. When a particular industry has a **surplus** of goods (more goods on the

market than consumers are buying) one strategy to sell more is to reduce the price. Another response to overproduction is to produce less until the surplus is gone. When businesses produce less, they need fewer workers, and people lose their jobs. Unemployed people cannot buy as many goods, which meant even greater surpluses. Both of these happened in the 1920s. In some industries, job losses had also been caused when machines were built to do jobs once performed by human beings.

During the 1920s, there were several industries, sometimes referred to as “sick” industries, that were struggling with these problems long before the rest of industry declined. One was Georgia’s major industry—textiles. Georgia’s textile workers already made low wages and had little purchasing power.

Farmers were also not doing well. You have seen that Georgia cotton farmers struggled with the boll weevil, less demand for cotton, and low prices. As a 1928 song said, “Eleven-cent cotton, forty-cent meat, how in the world can a poor man eat?” More and more small farmers lost their land, and sharecroppers were barely surviving. To compete, farmers really needed to buy the new farm machinery, but they often could not afford it. Without the purchasing power of farmers and workers—two large segments of the population—the economy could not keep growing.

The economy was further hurt by problems in other countries, including those who still had debts from World War I. The U.S. policy of high tariffs (taxes on imported goods) had hurt trade from other countries. When Americans cut back on their production, they did not buy as many supplies from other countries, which in turn hurt the economies of those countries. Those countries could thus not buy American goods.

After the stock market crash, the economy began to spiral down. Banks too had invested in stocks. When the market crashed, these banks lost a lot of money. Many Americans could not afford to pay back loans they had taken out from banks. In the South, after the bad harvest of 1930, many rural banks began to fail (close). Throughout the country, ordinary Americans who had money in bank accounts tried to get it out. In those days, there was no insurance for people’s deposits. When people deposit money in a bank, the bank



**Above: Unemployment drove people to desperate measures, as illustrated by this man looking for work in Detroit. By 1932, the unemployment rate had reached 25% nationally.**



uses the money for loans to others. Only a small amount is held in cash “reserves” in the bank. When people were unable to pay back their loans and others were taking their money out of their accounts, some banks lost all their reserves. The more people took their money out of banks, the less money banks had. Some banks had to shut their doors. When banks went bankrupt and closed, those people who had not yet withdrawn their money lost it. In 1929, over 600 banks failed; in

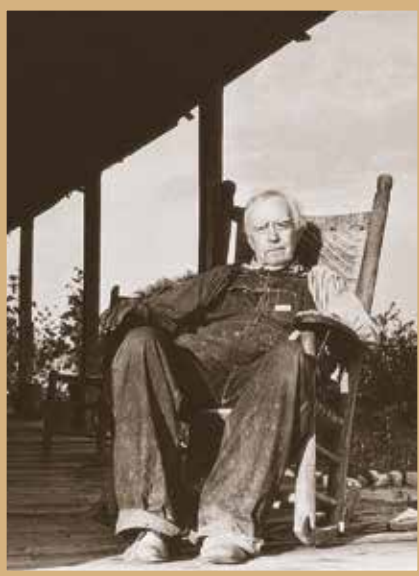
1930, over 1,300 did. Some Americans who lived through the depression never totally trusted banks again.

In 1930, Mother Nature and farming without rotating crops brought another problem to farmers—drought. In the Plains states, such as Kansas and Oklahoma, the lack of rain was so severe that the topsoil dried up and blew away. The entire region became known as the “Dust Bowl.” Many poverty-stricken farmers left their homes to settle in other parts of the country, especially along the West Coast. Georgia suffered the drought from 1930-1935.

As the economy declined, factories continued to cut back on production and to lay off more people. By 1932, the production of America’s industries was less than half of what it had been before the crash. Millions of people lost their jobs, and the unemployment rate rose steadily, reaching 25 percent by 1932. Even those lucky enough to keep jobs often found their wages cut. Income dropped over 50 percent by 1930. Investment in business also declined because people feared they would lose whatever money they invested.

The agricultural sector of the economy was affected by the high unemployment rate in industry. Because people could not afford to buy, there was less demand. Less demand led to lower prices. As prices for their crops and other products decreased, farmers tried to keep their income at the same level by producing more. As the supply of crops on the market increased, prices went down even further. Some farmers reached the point that they were actually losing money because the cost of growing and shipping their goods cost more than they could get back when they sold them.

By the early 1930s, many Americans were losing hope. They did not see any signs of improvement, and they feared the future. Even those who had jobs felt the uncertainty, afraid that they could lose them at any time. Many wondered what they would do if the downward spiral continued. This atmosphere led many to look for leadership in a new direction. In 1933, that new direction began.



**Top:** The “Dust Bowl” of the western Plains states was caused by a combination of wind, drought, and poor farming practices. The topsoil blew up in spectacular storms that enveloped entire towns. **Above:** This cotton farmer from Greene County was forced to mortgage his family farm in order to pay his debts.

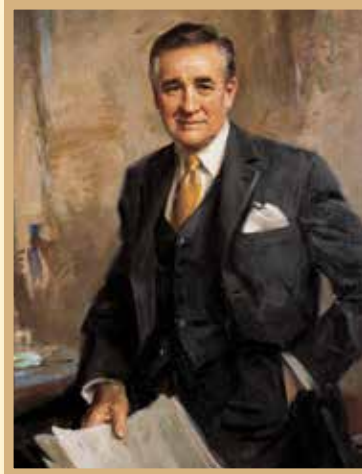
## Reviewing the Section

1. Define: stock market, Great Depression, purchasing power, surplus.
2. What Georgia industries had problems in the 1920s?
3. What happened on October 29, 1929?

# Doing Business in Georgia

## Georgia-Pacific

**The 1920s produced** one of Georgia's leading examples of entrepreneurship in the United States—the company that eventually became Georgia-Pacific. (An **entrepreneur** is a person who starts a business and assumes all of the risks.) In 1927, Owen R. Cheatham was listed in the City Directory of Augusta as a clerk. In his next listing, he was president of the Georgia Hardwood Lumber Company, a wholesale company that he founded that year. Cheatham was a smart businessman and an excellent salesman.



Owen R. Cheatham

According to an article in *Time* magazine, he had learned the lumber business working for several small companies. He began Georgia Hardwood with money he had saved and some that he borrowed. The company was successful from the start.

In spite of the Great Depression, Cheatham was able to expand his company in the 1930s. By 1938, he had bought five lumber yards in the South. The war years were also good to Georgia Hardwood. It became the leading supplier of wood to the U.S. Army, and the company was cited for outstanding service in the war effort.

In 1947, Georgia Pacific expanded to the West Coast, buying a plywood plant in Bellingham, Washington. The following year, Georgia Hardwood Company became Georgia-Pacific Plywood and Lumber Company. By 1949, its stock was sold on the New York Stock Exchange. With the postwar boom in building construction, the wood business was very profitable. Georgia-Pacific was a leader in plywood develop-

ment, including the innovation of using southern pine trees for the product. Wanting to make sure of a steady supply of timber, the company acquired the C. D. Johnson Lumber Corporation with its large forest areas in the Northwest.

In the early 1950s, the company moved its headquarters to the Northwest, settling by 1954 in Portland, Oregon. In 1956, the name changed once more, this time to Georgia-Pacific. Throughout the 1950s and the 1960s, the company continued to diversify

into other forest products, including paper, resins and adhesives, corrugated paper boxes, and gypsum wallboard. Each diversification resulted in the purchase of additional plants and mills. In 1968, the company's sales went over the \$1 billion mark for the first time. In 1986, the company expanded into high-quality bath tissue by launching the Angel Soft brand.

In 1982, the company moved its headquarters back to Georgia, and its building became part of Atlanta's skyline. In 1997, its timber business was spun off as a separate subsidiary and later merged with Plum Creek Timber Company, taking Georgia-Pacific out of the timber business. It remained the number one tissue producer and one of the top companies in the paper industry. In 2005, Koch Industries acquired Georgia-Pacific, and it is now an independent unit of that giant company. Georgia-Pacific is an amazing story of business growth for a company that began on Milledgeville Road in Augusta.

# Chapter Review

## Chapter Summary

### Section 1 Modernization and Change

- People began to buy more automobiles because they were less expensive and people could buy them on the installment plan.
- William Hartsfield helped to establish an airfield in Atlanta and worked to make Atlanta an aviation center in the South.
- During the 1920s, women began to work outside the home more, their clothing and hair styles changed, and they began to vote.
- Americans continued to move North in search of jobs and a less segregated society.
- WSB was Georgia's first radio station in 1922.
- After World War I, the Ku Klux Klan became stronger and spread out of the South into all states. Its targets included Catholics, Jews, immigrants, as well as African Americans.

### Section 2 The 1920s Economy and the Causes of the Great Depression

- Cotton prices fell drastically after World War I, and the boll weevil caused serious damage to Georgia's cotton crop. Georgia had a drought from 1924-27.
- Most of Georgia's industries faced hard times during the 1920s, particularly agriculture and textiles.

- The stock market crashed on October 29, 1929, which marked the beginning of the Great Depression. Many Georgians were already suffering through a depression.
- Causes of the Great Depression included agricultural and industrial overproduction, too much buying on credit, speculation in the stock market, inequity in income distribution, high tariffs, high unemployment, and lack of protection for bank deposits.



### Understanding the Facts

1. What were some of the reasons African Americans moved to the North during this period?
2. Explain the reemergence of the Ku Klux Klan and list some of the groups and issues that the KKK targeted.
3. Summarize the impact of the boll weevil on crops and farmers in Georgia.
4. List and explain at least three causes of the coming economic depression.



### Developing Critical Thinking

Railroads, automobiles, and airplanes are all forms of transportation technology that emerged or improved in this period. Use a modern map of Georgia and consider the growth and impact of these various technologies. How do they contribute to Georgia's success today?



## Writing Across the Curriculum

The introduction of the radio allowed news, weather, and advertisements to be broadcast instantly over a wide area. Imagine you are a script writer for a local radio station in your area. Write a script for an advertisement for a local business or a newscast on a recent local event. Remember, you must clearly describe the events with your words as no pictures will be available.



## Extending Reading Skills

Write ten factual statements found in Section 2. Tell why each of these statements is a fact.



## Exploring Technology

Use a search engine to find the number of miles of highways and interstates in Georgia and other southeastern states. Create a graph or chart that compares several states.



## Practicing Your Skills

Compare and contrast the communications technologies of the 1920s to those that you routinely use today. Explain the improvements in technologies over time, but also consider drawbacks to the wide variety of communications technologies we have today.

**Below:** This photograph taken in 1927 shows a meeting between two of the pioneers of aviation. The man on the left made the first powered flight in an airplane; the man on the right was the first to make a solo flight across the Atlantic Ocean. Who are they?

