

**DEPARTMENT OF ECONOMIC AND SOCIAL HISTORY****Good Times, Hard Times: America in the 1920s and 1930s****Aims and objectives**

This module will analyse two distinct phases in the economic and social history of the United States. The prosperity of the twenties attracted the envy of most of the world. The Great Depression, however, had extensive economic and social repercussions throughout the 1930s.

**Intended Learning Outcomes:**

- the development of students' analytical, critical, communication and presentation skills to a level appropriate to the module
- the development of students' skills in independent information retrieval and undergraduate research, according to a level appropriate to the module
- the development of students' interpersonal and enterprise skills

**Module Description and Outline**

The 1920s and 1930s mark a period of distinct contrasts in America. The 1920s was a period of relative prosperity for most Americans, while the 1930s marked the greatest economic depression America has experienced to date. This module aims to provide students with an informed understanding of how and why the good times occurred, why they were followed by a depression and how different groups dealt with the Depression. Key issues surrounding labour, business, consumerism and government action and responsibility will be examined. Particular attention will be paid to the responses of different groups of American people to social and economic change, as well as their impetus to change. The module incorporates study of a wide range of historical sources, including primary documents and statistics. The practical skills incorporated in the course include the independent evaluation of sources, such as analysis of historical materials on the web, as well as primary sources, and offer extended written and oral critical commentaries on particular themes and issues.

**Skills Development**

Subject specific skills	method of development	assessment by
to analyse historical texts and data critically and contextually	in preparing and participating in tutorials, and in preparing and presenting essays	essays exam
to develop an appreciation of the range of approaches to the understanding and interpretation of the past	in preparing and participating in tutorials, and in preparing and presenting essays	essays exam
to develop an understanding of the varying ways in which historical evidence is stored and retrieved	in preparing and participating in tutorials, in preparing and presenting seminar papers, and in preparing and presenting essays	essays exam
to develop a capacity for using evidence both to sustain and to challenge historical argument	in preparing and participating in tutorials, in preparing and presenting seminar papers, and in preparing and presenting essays	essays exam

The module further develops and assesses the following key skills from the University's learning and teaching strategy (LTS) in the following ways:

Skill	How developed	How assessed
IT	Essays	Essays
Numeracy	Tutorial work	Observation and essays
Written communication	Essays	Essays and exam
Oral communication	Tutorials	
Team Working	Tutorials	

### Main texts

The Library has an excellent collection of books covering the 1920s and 1930s. Most of these can be found in the Economic and Social History section with which you should become familiar (D73). Other volumes are located in History, Sociology or Economics. The books in greatest demand will be available on short loan.

Amongst the most valuable texts are:

- \*Badger, A. J., *The New Deal. The Depression Years 1933-1940*
- \*Eisner, M. A., *The State in the American political economy*
- \*Fearon, P., *War, Prosperity and Depression. The US Economy 1917-45*
- \*Freeman, J. et al., *Who Built America?* (vol.2)
- \*Furner, M. O. & B. Supple (eds), *The State and Economic Knowledge. The American and British Experiences*
- \*Parrish, Michael E., *Anxious Decades. America in Prosperity and Depression, 1920-1941*
- \*Smiley, G., *The American Economy in the Twentieth Century*
- \*Thompson, G., *The US in the Twentieth Century*
- Bordo, M. et al (eds), *The Defining Moment. The Great Depression and the American economy in the twentieth century*
- Boulding, K. E., *The Structure of a Modern Economy. The United States 1929-89*
- Chandler, L. V., *America's Greatest Depression 1929-41*
- Himmelberg, R. F., *The Great Depression and The New Deal*
- Leuchtenberg, W. E., *Franklin Roosevelt and the New Deal 1932-1940*
- Leuchtenberg, W. E., *Perils of Prosperity 1914-32*
- McGovern, J. R., *And A Time for Hope. Americans in the Great Depression*
- Norton, M. B. et al., *A People and a Nation. A History of the United States*
- Walton, G. (ed), *Regulatory Change in an Atmosphere of Crisis. Current implications for the Roosevelt years*
- Whaples, R. & D. Betts, *Historical Perspectives on the American Economy*

\* These books have extensive bibliographies which you should be prepared to use when preparing for essays or tutorials.

### REFERENCE WORKS

- Historical Statistics of the United States from Colonial Times to 1970* (2 vols) (Official Publications 317.3UNI)
- Engerman, S. L. & R. E. Gallman (eds), *The Cambridge Economic History of the United States, Vol.III, The Twentieth Century*
- Olson, J. S., *Historical Dictionary of the Great Depression*
- Parish, P., *Reader's Guide to American History* (973 REA)
- Porter, G. R., *Encyclopedia of American Economic History* (330.973 ENC)

Two contemporary volumes provide interesting material:

Report of the Presidents Research Committee on Social Trends, *Recent Social Trends in the United States* (973.005 UNI)

Report of the Committee on Recent Economic Changes, *Recent Economic Changes in the United States* (D73 UNI)

## LECTURE LIST

### Lectures 1-5 - The 1920s

#### **1. Introduction: The legacy of World War 1; the structure of industry, agriculture and society**

Fearon, P., 'Manufacturing Industry in the United States during the First World War' in C. Wrigley (ed), *The First World War and the International Economy*  
 Fearon, P., *War, Prosperity and Depression*  
 Greenwald, M. W., *Women, War and Work*  
 Hawley, E. W., *The Great War and the search for a Modern Order*  
 Higham, J., *Strangers in the Land: patterns of American nativism*  
 Kennedy, D. M., *Over Here. The First World War and American Society*  
 Schaffer, R., *America in the Great War. The rise of the War Welfare State*  
 Wiebe, R. H., *The search for order, 1877-1920*

#### **2. The New Era: Hopes and expectations**

Barber, W. J., *From New Era to New Deal. Herbert Hoover, the economists and American economic policy 1921-1933*  
 Barkan, E. R., *And Still They Come. Immigrants and American society 1920-1990s*  
 Bernstein, I., *The Lean Years. A history of the American worker*  
 Freeman, J. et al., *op.cit.*  
 Furner & Supple, *op.cit.*  
 Hounshell, D. A., *From the American System to Mass Production 1800-1932*  
 Kanigel, R., *The One Best Way. Frederick Winslow Taylor and the enigma of efficiency*  
 Leuchtenberg, W. E., *Perils of Prosperity*  
 Nelson, D., *Managers and Workers. Origins of the Twentieth Century Factory System in the United States 1880-1920*  
 Parrish, M. E., *op.cit.*  
 Potter, J., *The American economy between the world wars*  
 Scranton, P., *Endless Novelty. Speciality production and American industrialization 1865-1925*  
 Zunz, O., *Making America Corporate, 1870-1920*

#### **3. Rural America in the 1920s**

Benedict, M. K., *Farm policies of the United States*  
 Fearon, P., *Op.cit.*  
 Guither, H. D., *Heritage of Plenty*  
 Kirby, J. T., *Rural Worlds Lost. The American South 1920-1960*  
 Shideler, J. H., *Farm Crisis 1919-23*  
 Wright, G., *Old South, New South*

#### **4. The Consumer Society: the triumph of the automobile**

Aron, C. S., *Working at Play. A history of vacations in the United States*  
 Calder, L., *Financing the American Dream: A cultural history of consumer credit*  
 Fearon, P., *Op.cit.*  
 Flink, J. J., *The automobile age*  
 Hounshell, D. A., *Op.cit.*  
 Leuchtenberg, W. E., *Perils of Prosperity*

Lynd, R. S. & H. M., *Middletown*  
 Olney, M. C., *Buy now, pay later*  
 Parrish, M. E., Op.cit.  
 Peterson, P. S., *American Automobile Workers 1900-1933*  
 Walsh, M., Ch.2 in Thompson, G. (ed), Op.cit.  
 Wik, R. M., *Henry Ford and grass roots America*  
 Zunz, O., op.cit.

## 5. Workers, wages, productivity and trades unions

Bernstein, I., *The lean years*  
 Braeman, J., Bremmer R. H. & Brody, D. (eds), *Change and Continuity in Twentieth Century America: the 1920s*  
 Brandes, D., *American welfare capitalism 1880-1940*  
 Chafe, W. H., *The American Woman: her changing social, economic and political roles 1920-1970*  
 Fearon, P., op.cit.  
 Freeman, J. et al., op.cit.  
 Goldin, C., *Understanding the gender gap*  
 Hounshell, D. A., op.cit.  
 Jacoby, S. M., *Employing Bureaucracy. Managers, unions and the transformation of work in American industry 1900-1945*  
 Kessler-Harris, A., *Out to Work: A history of wage-earning women in the United States*  
 Kwolek-Folland, *Incorporating Women. A history of women and business in the United States*  
 Mandell, N., *The Corporation as Family. The gendering of corporate welfare 1890-1930*  
 McCraw, T. K., *American Business 1920-2000. How it worked*  
 Meyer, S., *Five Dollar Day*  
 Montgomery, D., *The Fall of the House of Labor. The workplace, the state and the American labor activism 1865-1925*  
 Nelson, D., op.cit.  
 Williams, K. & Haslam, C., Ch.3 in Thompson, G. op.cit.  
 Williamson, J. & Lindert, P., *American Inequality: a macroeconomic history*  
 Wright, G., op.cit.

## Lectures 6-8 - The Depression: 1929-33

### 6. The Depression begins

Chandler, L. V., *American Monetary Policy 1920-41*  
 Chandler, L. V., *Benjamin Strong, Central Banker*  
 Chandler, L. V., op.cit.  
 Eichengreen, B., *Golden Fetters. The gold standard and the Great Depression*  
 Fearon, P., Ch.4 in Thompson, G. (ed), op.cit.  
 Fearon, P., op.cit.  
 Friedman, M. & A. J. Schwartz, *A Monetary History of the United States*  
 Galbraith, J. K., *The Great Crash*  
 Kindleberger, C. P., *The World in Depression 1929-39*  
 McElvaine, R., *The Great Depression*  
 Smiley, G., op.cit.  
 Temin, P., *Did Monetary Forces cause the Great Depression?*  
 White, E. N., 'The Stock Market boom and crash of 1929 revisited', *Journal of Economic Perspectives* 4 (Spring 1990) 67-83.  
 Wicker, E. R., *Federal Reserve Monetary Policy 1917-33*

Wigmore, B. A., *The Crash and its Aftermath: A history of securities markets in the United States 1929-33*

## 7. The Crisis of Capitalism

Barber, W. J., *From New Era to New Deal*

Chandler, L. V., *America's Geatest Depression*

Eichengreen, B., *Golden Fetters*, op.cit.

Eichengreen, B., 'The origins and nature of the Great Slump revisited', *Economic History Review* (May 1992), Xerox copy in Library

Ellis, E. R., *A Nation in Torment*

Fearon, P., op.cit.

Garraty, J. A., *The Great Depression*

Smiley, G., op.cit.

Temin, P., *Lessons from the Great Depression*

Wallis, J., 'The Great Depression: Can it happen again?', in D. McCloskey (ed), *Second Thoughts. Myths and Morals of US economic history*

Wicker, E., *The Banking Panics of the Great Depression*

## 8. The Response of Government and the People to Hard Times

Bernstein, I., *The Lean Years*

Eichengreen, B., *Golden Fetters: The Gold Standard and the Great Depression 1919-1939*

Fausold, M. L., *The Presidency of Herbert C. Hoover*

Fearon, P., 'Hoover, Roosevelt and American economic policy during the 1930s' in Garside, W. R. (ed), *Capitalism in Crisis*

Fearon, P., op.cit.

Garraty, J. A., *Unemployment in History*

Hamilton, D. E., *From New Day to New Deal. American farm policy from Hoover to Roosevelt*

McElvaine, R. S., op.cit.

McElvaine, R. S., *Down and Out in the Great Depression*

Romasco, A. U., *The Poverty of Abundance: Hoover, the nation, the depression*

Romer, C., 'The nation in depression', *Journal of Economic Perspectives* (Spring 1993) 19-39

Sternsher, B., *Hitting Home. The Great Depression in town and country*

Terkel, S., *Hard Times. An oral history of the Great Depression*

Zinn, H., *A People's History of the United States*

## Lectures 9-16 - The New Deal

### 9. The New Deal: The Questions

Badger, A. J., op.cit.

Bordo, M., C. Goldin & E. N. White, *The Defining Moment. The Great Depression and the American Economy in the Twentieth Century*

Braeman et al. (ed), *The New Deal: The national level*

Eisner, M. C., *The State in the American Political Economy*

Finegold, K. & Skocpol, T., *State and Party in America's New Deal*

Leuchtenberg, W. E., *Franklin D. Roosevelt and the New Deal 1932-1940*

Parrish, M. E., *Anxious Decades*

Romasco, A. U., *The Politics of Recovery: Roosevelt's New Deal*

Rosen, E. A., *Hoover, Roosevelt and the Brains Trust: from Depression to New Deal*

**10. Farm Policy: Who gained, who lost?**

Badger, A. J., op.cit.  
 Benedict, M., op.cit.  
 Fearon, P., op.cit.  
 Finegold, K. & Skocpol, T., op.cit.  
 Fite, G. C., *Cotton Fields No More: Southern agriculture 1868-1980*  
 Kirby, J. T., *Rural Worlds Lost*  
 Kirkendall, R. S., 'New Deal and Agriculture' in J. Braeman et al, *The New Deal: the national level*  
 Libecap, G. D., 'The Great Depression and the regulating state: Federal government regulation of agriculture, 1884-1970', in Bordo M. op.cit.  
 Lowitt, R., *The New Deal and the West*  
 Mertz, P. E., *The New Deal and Southern Rural Poverty*  
 Romasco, A. U., op.cit.

**11. Agricultural Distress: The Dust Bowl**

Fearon, P., 'Mechanization and Risk: Kansas wheat growers 1915-1930' (X.18167)  
 Hurt, R. D., *The Dust Bowl*  
 Lowitt, R., *The New Deal and the West*  
 Riney-Kehrberg, P., *Rooted in Dust. Surviving drought and depression in south-western Kansas*  
 Stein, W. J., *California and the Dust Bowl Migration*  
 Worster, D., *Dust Bowl. The Southern Plains in the 1930s*

**12. The Struggle for Industrial Recovery and Bank Stability**

Barber, W. J., *Designs within Disorder. Franklin D. Roosevelt, the Economists and the Shaping of American Economic Policy 1933-1945*  
 Bernstein, M. A., *The Great Depression. Delayed recovery and economic change in America 1929-39*  
 Calomiris, C. W. & E. N. White, 'The origins of federal deposit insurance' in Goldin, C. & G. Libecap (eds), *The Regulated Economy: a historical approach to political economy*  
 Chandler, L. V., *America's Greatest Depression*  
 Collins, R., *The Business Response to Keynes 1929-64*  
 Eisner, M. A., op.cit.  
 Fearon, P., op.cit.  
 Finegold & Skocpol, op.cit.  
 Hawley, E. W., *The New Deal and the Problem of Monopoly*  
 Romasco, A. U., *The Politics of Recovery*  
 Tindall, G. B., *The Emergence of the New South 1913-1945*  
 White, E. N., 'The legacy of deposit insurance' in Bordo, op.cit.  
 Wright, G., *Old South, New South*

**13. Organised Labour, Wages and Recovery**

Bernstein, M. A., op.cit.  
 Brody, D., *Workers in Industrial America*  
 Cohen, L., *Making a New Deal. Industrial workers in Chicago 1919-39*  
 Edwards, P. K., *Strikes in the United States 1881-1974*  
 Fearon, P., op.cit.  
 Fraser, S. & Gerstle, G. (eds), *The Rise and Fall of the New Deal Order 1930-80*

Freeman, J. et al., op.cit.  
 Gordon, C., *New Deals. Business, labor and politics in America 1920-1935*  
 Hawley, E. W., 'The New Deal and Business' in Braeman et al, op.cit.  
 Jones, J., *American Work*  
 Jacoby, S., *Employing Bureaucracy*  
 Kessler-Harris, A., *Out of Work: A history of wage earning women in the United States*  
 Leff, M. H., *The Limits of Symbolic Reform: The New Deal and Taxation 1933-39*  
 McElvaine, R. S., *The Great Depression*  
 Montgomery, D., *Workers Control in America*  
 Stein, H., *The Fiscal Revolution in America*  
 Temin, P., *Lessons from the Great Depression*  
 Weir, M. et al (eds), *The Politics of Social Policy in the United States*, ch.4

#### **14 & 15. Relief and Welfare**

Berkowitz, E. & McQuaid, K., *Creating the Welfare State: The political economy of twentieth century reform*  
 Brock, W. R., *Welfare Democracy and the New Deal*  
 Fearon, P., 'Kansas poor relief. The influence of the Great Depression' (X.18233)  
 Freeman, J. et al, op.cit.  
 Katz, M. B., *In the Shadow of the Poorhouse. A social history of welfare in America*  
 Lowitt, R. & Beasley, M., *One Third of a Nation: Lorena Hickock Reports on the Great Depression*  
 Lynd, R. S. & H. M., *Middletown in transition*  
 Patterson, J. T., *America's struggle against poverty 1900-1980*  
 Schwartz, B. F., *The Civil Works Administration 1933-34*  
 Sitkoff, H., *A New Deal for Blacks: The emergence of civil rights as a national issue*  
 Weiss, N. J., *Farewell to the Party of Lincoln: Black Politics in the Age of FDR*  
 Wolters, R., *Negroes and the Great Depression*

#### **16. The New Deal: An Assessment**

Badger, A. J., op.cit.  
 Bordo, Goldin & White, op.cit.  
 Fraser, S. & Gerstle, G. (eds), op.cit.  
 Hughes, J.R.T., *The Governmental Habit: Economic controls from colonial times to the present*  
 Polenberg, R., *One Nation Divisible. Class, race and ethnicity in the United States since 1938*  
 Romasco, A. U., op.cit.  
 Romer, C., 'What ended the Great Depression?', *Journal of Economic History* 52 (December 1992) 757-84  
 Walton, G. M., *Regulatory Change in an Atmosphere of Crisis: Current implications of the Roosevelt years*



**TUTORIAL TOPICS**

1. How was it possible to combine high wages and full employment during the 1920s?
2. Could prompt action by the Federal Government have lessened the severity of the great depression?
3. Did New Deal relief policies work?
4. Why was unemployment so persistent during the New Deal?

## COURSEWORK

### Minor assignment to be undertaken by all students following this module.

This essay is a minor piece of work, and students will be expected to answer one of the following questions. Essays must be word processed, 1.5 or double spaced, and should not exceed 1,500 words.

One of the objects of this exercise is to enable students to acquire a good understanding of the Library. None of the questions has a bibliographical guide so using the recommended texts and the Unicorn search facilities you must construct your own bibliography. **Your markers will be looking for concise answers and good bibliographies.**

1. Explain the Parity Ratio. Why was it significant to American farmers?
2. What was the contribution of Henry Ford to the US economy before 1929?
3. Outline and explain fluctuations in the construction industry between 1920 and 1940.
4. Describe and account for rural-urban migration between 1920 and 1930.
5. Assess the political career of Huey Long.
6. Outline the origins and the significance of the 'Brain Trust'.
7. Why was the Tennessee Valley Authority (TVA) controversial?
8. How significant was the creation of the Federal Deposit Insurance Corporation (FDIC)?
9. Describe the National Recovery Administration (NRA). What were its aims and what did it achieve?
10. Analyse the recession of 1937-38.
11. Explain the fluctuations in wholesale prices between 1920 and 1980.
12. Analyse the arguments for and against the Hawley-Smoot tariff.

### MAIN ESSAY TOPICS

**The major essay is to be undertaken by all students following this module. Deadline before midday, Friday, 2 May 2003.**

**Students undertaking this course in its 20 credit form (EH2615) - mainly History, American Studies or Combined Studies students, but please check with the Department Office if you are not certain - should submit a second essay, deadline before midday Friday, 9 May 2003.**

The bibliographical list to each essay question is meant only as a guide. It can be supplemented by consulting

- P. Fearon, War, Prosperity and Depression*  
 A. J. Badger, *The New Deal, The Depression Years*  
 J. Freeman et al, *Who Built America?*  
 M. E. Parrish, *Anxious Decades*

or by using G. R. Porter, *An Encyclopedia of American Economic History* or the Unicorn search facility in the Library, or, of course, the lists attached to each lecture.

- PLEASE NOTE
- (a) that your essay **must not exceed 2,500 words**
  - (b) that it must contain a full bibliography of all the works that you have consulted
  - (c) that essays should conform to the Department format (see reverse side of Module Information Sheet).

### **1. Was intolerance an outstanding characteristic of 1920s America?**

Chalmers, D. M., *Hooded Americanism: The first century of the Ku Klux Klan*  
 Higham, J., *Strangers in the Land. Patterns of American Nativism 1860-1925*  
 Jackson, J. T., *The Ku Klux Klan in the City 1915-1930*  
 Parrish, M. E., *Anxious Decades*  
 Tindall, G. B., *The Emergence of the New South*

### **2. Critically examine the arguments for and against the imposition of controls on immigration during the 1920s.**

Barber, W. J., *From New Era to New Deal*  
 Freeman, J., op.cit.  
 Higham, J., *Strangers in the Land*  
 Jones, M. A., *American Immigration*  
 Le May, N. C., *From Open Door to Dutch Door. An analysis of American immigration policy since 1920*

### **3. Explain the relative success of cotton textile manufacturing in the southern states during the 1930s.**

Bernstein, I., *The Lean Years*  
 Cobb, J. C., *Industrialisation and Southern Society*  
 Cobb, J. C., *The Selling of the South*  
 Daniel, P., *Breaking the Land*  
 Eller, R. D., *Miners, Millhands and Mountaineers*  
 Gilman, G., *Human Relations in the Industrial South East*  
 Hoover, C. B. & Ratchford, B. U., *Economic Resources and Policies of the South*  
 Lahne, H. J., *The Cotton Mill Worker*  
 Marshall, F. R., *Labor in the South*  
 Mitchell, B. & G., *The Industrial Revolution in the South*  
 Mitchell, B., *The Rise of the Cotton Mills in the South*  
 Rhyne, J., *Some Cotton Mill Workers and their Villages*  
 Tippet, T., *When Southern Labor Stirs*  
 Vance, R. B., *All These People*  
 Wright, G., *Old South, New South*

### **4. Why did the banking system collapse between 1930 and 1933?**

Brunner, K. (ed), *The Great Depression Revisited*

Eichengreen, B., 'The Origins and Nature of the Great Slump Revisited', *Economic History Review* (May 1992), [copy in Short Loan Collection]  
 Fearon, P., *War, Prosperity and Depression*  
 Friedman, M. & A. J. Schwartz, *A Monetary History of the United States*  
 Gordon, R. J., *Macroeconomics*  
 Smiley, G., *The American Economy in the Twentieth Century*  
 Temin, P., *Did Monetary Forces cause the Great Depression?*  
 Temin, P., *Lessons from the Great Depression*  
 Wicker, E., *The Banking Panics of the Great Depression*

**5. What were the main features of rural society in the South on the eve of the Great Depression? To what extent had these features changed by 1940?**

Davis, A. et al, *Deep South*  
 Dollard, J., *Caste and Class in a Southern Town*  
 Fite, G., *Cotton Fields no more*  
 Johnson, C. S., *Backgrounds to Patterns of Negro Segregation*  
 Johnson, C. S., *Growing Up in the Black Belt*  
 Johnson, C. S., *The Shadow of the Plantation*  
 Kirkby, J., *Rural Worlds Lost*  
 Marshall, R. F., *Labor in the South*  
 Mertz, P. E., *New Deal Policy and Southern Rural Poverty*  
 Myriad, G., *An American Dilemma*  
 Raper, A. & I. Reid, *Sharecroppers All*  
 Rose, A., *The Negro in America*  
 Sitcoff, H., *A New Deal for Blacks*  
 Sternsher, B. (ed), *The Negro in Depression and War*  
 Vance, R. B., *All These People*  
 Whatley, W. c., 'Labor for the picking: The New Deal in the South', *Journal of Economic History* 43 (December 1983).  
 Wolters, R., *Negroes and the Great Depression*  
 Woodson, C., *The Rural Negro*  
 Wright, G., *Old South, New South*

**6. What logic do you detect in New Deal industrial policies?**

Bernstein, M. A., *The Great Depression. Delayed Recovery and Economic Change in America*  
 Collins, R., *The Business Response to Keynes*  
 Eisner, M. A., *The State in the American Political Economy*  
 Fearon, P., *War, Prosperity and Depression*  
 Finegole, K. & T. Skocpol, *State and Party in America's New Deal*  
 Romasco, A. U., *The Politics of Recovery*

**7. Write a critical analysis of white migration during the 1930s.**

Anderson, N., *Men on the Move*  
 Collins, H. Jr, *America's Own Refugees*  
 Hathway, M., *The Migratory Worker and Family Life*  
 McWilliams, Carey, *Ill Fares the Land*  
*Report of Select Committee to Investigate Migration of Destitute Citizens* (D73.8 UNI),  
 State Relief Admin of Calif, *Migratory Labor in California*  
 Stein, W. J., *California and the Dust Bowl Migration*

Thompson, W. S., *Internal Migration in the Depression*

**8. What role did the federal government play in improving provision for the poor during the 1930s?**

Berkowitz, E. & M. McQuaid, *Creating the Welfare State*

Brock, W. R., *Welfare Democracy and the New Deal*

Ehrenreich, J. H., *The Altruistic Imagination: A history of social work and social policy in the United States*

Fearon, P., 'Kansas Poor Relief: The influence of the Great Depression', *Mid-America* 78 (Summer 1996) [copy in Short Loan Collection]

Fearon, P., *War, Prosperity and Depression*

Katz, M. B., *In the Shadow of the Poor House*

Patterson, J. T., *America's Struggle against Poverty*

**9. Were Roosevelt's economic policies a radical departure from those of Hoover?**

Badger, A. J., *The New Deal, The Depression Years*

Barber, W. J., *From new Era to New Deal*

Bernstein, I., *The Lean Years*

Chandler, L. V., *America's Greatest Depression*

Eisener, M. A., *The State in the American Political Economy*

Fearon, P., 'Hoover, Roosevelt and the American economic policy during the 1930s' in W. R. Garside (ed), *Capitalism in Crisis*

Leuchtenberg, W. E., *Franklin D. Roosevelt and The New Deal*

McElvaine, R., *The Great Depression*

Romasco, A. U., *The Politics of Recovery*

Terkel, R. S., *Hard Times*

**10. Why did trades union membership increase during the 1930s? Did the increasing power of trades unions have an adverse effect on economic recovery?**

Brody, D., *Workers in Industrialising America*

Chandler, L. V., op.cit.

Fearon, P., op.cit.

Jacoby, S., *Employing Bureaucracy*

Romasco, A. U., *The Politics of Recovery*

## **Lecture 1** **World War I**

The United States was neutral until April 1917, but by then it was a major supplier of materials and food

Effect of war on foreign trade was: exports were up and imports were down and there was a balance of payments surplus

Allies finance the United States purchases by:

1. Gold
2. Sale of U.S. assets
3. Borrowing from U.S. citizens
4. April 1917 - borrowed from U.S. government

There was a manufacturing boom. Output and labour force up as were profits, wages and inflation. In agriculture output stagnant, prices up as was the parity ratio and farm debt

New government agencies created

War financed by taxes, liberty loans - note the effect on inflation to 1920

The blacks migrated from the South as did Mexicans; moves from rural to urban areas

The United States became the world's major creditor nation

War led to social strains, nationalism and paranoia

## **Lecture 2** **The New Era**

1920-21: savage deflation and high unemployment

Presidents Harding and Coolidge non-interventionist

Andrew Mellon (Treasury): Herbert Hoover (Commerce)

Hooverites wanted to:

1. Stabilise the economy
2. Gather data and encourage trade associations

### **Philosophy of high wages**

1. Less class conflict
2. Encourage better use of workers
3. Emphasis on education
4. Make unions less attractive

Henry Ford: Highland Park; River Rouge; Fordism

Prohibition: The noble experiment. An aid to efficiency.

### **Defence of High Wages**

1. Immigration control
2. Tariffs
3. Minimum wage

Monetarism : Irving Fisher

Agriculture : McNary - Haugenism

### **Lecture 3** **Rural America in the 1920s**

1896-1920: Farm prosperity with very high farm prices in 1915-1920. This led to high land values and high mortgage debt

1920-21: Massive fall in prices of 40% leading to low land values and a serious farm debt burden

### **Migration**

Highly mobile population. There were 19m moving from rural areas to urban areas and 13m moves from urban to rural - 32m moves for a 6m urban increase

### **Farmers**

Farm income went up with spread of machinery. There was a problem of small uneconomic farms and farmers were the victims of pre-1920 optimism. Also rural America was hit by changes in trading due to the automobile

### **Lecture 4** **The Consumer Society**

In the 1920s there was a consumer durable revolution dominated by the automobile. The automobile was expensive but people were willing to go into debt for it. By 1929 auto manufacturing was ranked first by value of output

The U.S. had a large unified market - high income and a scattered population. The rural people were the most avid auto purchasers

Henry Ford - mass production and Fordism. 1908-1927 the model T Ford. Ford had a line production system - a moving assembly line - continuous assembly system with high levels of productivity

De-skilling - rise of semi-skilled workers and time and motion study

Edsel Ford - family owned and family managed

General Motors - Alfred P. Sloan - Chrysler

Oligopoly - high profits

The automobile was linked to road building, leisure industries, petroleum, sales and repairs of autos

Was the industry saturated by 1929 and did it play a role in the 1929 collapse?

## **Lecture 5** **Workers, Wages, Productivity and Trades Unions**

The 1920s decade was an age of great productivity growth with better equipment and plant layout

### **Productivity Gains**

1. Consumers and price stability
2. Wages rose and hours of work reduced
3. Profits went to the shareholders - unequal distribution of income

The 1920s was a dismal decade for organised labour. The New Era brought industrial peace and co-operation in the workplace, in sharp contrast to labour relations in Europe

### **American Federation of Labour (AFL)**

1914	2.75m members
1918	5.1m members
1929	3.6m members

Samuel Gompers

The effect of the 1920-21 Depression - 'Iron Clad Oath' and 'Yellow Dog Contract'

Welfare capitalism and company unions

The failure of the AFL to organise the unskilled or blacks. There was a decline of traditional union jobs and an employment growth in non-union occupations

## **Lecture 6** **The Depression Begins**

The 1920s was a Republican era. Andrew Mellon, balanced budgets, reduced taxes - trickle down.

President Hoover - individualism but not *laissez-faire*

The economy had weaknesses

Was the market saturated with automobiles? Note link to maldistribution of income and link to productivity gains going mainly to profit holders

House building peaked in 1927 and then fell

### **How did the Depression start?**

Monetary policy - federal reserve system

Friedman & Schwartz - did monetary policy work in 1924 and 1927?

What role did the Wall Street crash of October 1929 play? The effects of the crash were panic, lack of confidence and loss of capital



## **Lecture 7**

### **The Crisis of Capitalism**

Hoover's Policies: A balanced budget with taxes rising in 1931/33. Spending was also rising - limiting the expansionary effects of deficits. The fiscal policy was weak and taxes rose in order to stop dollar speculation

Tariffs rose - Hawley-Smoot in 1930 led to retaliation. Attempted to raise farm prices - cotton and wheat programmes

The Hoover moratorium of 1931 believed the roots of the depression in Europe. Reconstruction Finance Corporation in 1932

### **The Crises of The Depression**

There was a massive decline in the stock of money and waves of bank failures appeared in 1930/31 and 1932/33

The Federal Reserve defended the dollar against speculation and hit the banking system by raising interest rates and having a tight money policy

There was a fall in construction and consumer durables and the falling prices hit consumer and business confidence

Investment was at a very low level and unemployment high so the demand for goods and services was low, the financial system was in chaos and there was a crisis in the farming community with a 'prices falling' problem for those in debt.

## **Lecture 8**

### **Problems in 1932/33**

There was a total collapse of the financial system. There were banks, savings and loan failures and dramatic stock market falls

Unemployment was at 25% of the labour force and there were many business failures and bankruptcies and a fall in profits

There were big price falls since 1929 and deflation was seen as a major problem. There were many inflationists and reflationists. Note problem of negative equity

In 1929-33 consumer prices were down 25%. Instability was increased by price falls and competition

Business was fearful of what politicians might do and there were disagreements amongst economists as to what should be done

Identification of depression with war - in World War I the federal government acted positively but what could it do now? The war problem was a control of inflation and encouraging maximum output

In the depths of the depression the public felt the output was too high and surpluses needed reducing

Farmers were also in deep distress. There was a major collapse in farm prices. Farmers were in debt and mortgages were foreclosed

The American democracy was not under threat as in Germany, but the President and Congress had to act constitutionally. However, Roosevelt wanted political power and he wanted to win again in 1936. He needed to listen to those who voted - the pressure groups

The FDR had no grasp of economics. He promised bold, persistent experimentation, but was conservative. There was a big gap between words and actions and strong feelings were aroused for and against

## **Lecture 9** **FDR and The New Deal**

### Hoover:

He was an active President but he had a hopeless task. The balanced budget led to deflationary fiscal policy. There was a rise in tariffs, a reconstruction of the finance corporation which led to cautious loans and no dole

### Hawley Smoot

### Roosevelt:

Had charisma. Made effective speeches and had very orthodox financial ideas. He was not distinguished intellectually and was not an economist, but he was an effective politician

### New Deal:

'First 100 days' - dynamism. It was not a planned economic strategy. Banking legislation led to stability

Agricultural Adjustment Act (AAA 1933)

National Industrial Recovery Act (NIRA)

Federal Emergency Relief Administration (FERA) - grants to states

15 major bills on the first 100 days

Reform

Recovery

Relief

The New Deal is an exercise in politics, not Keynesian economics

## **Lecture 10** **The Background to The New Deal farm policies**

McNary Haugen Bill: - In the 1920s farm interests in Congress passed a Bill which if it became law would have artificially raised farm prices. This was vetoed by Coolidge and opposed by Hoover

In 1929-33 there was an attempt to support prices by cotton and grain stabilization boards

There was a gradual realisation that support for farm prices increase without some control over the output was doomed to failure

There was a Domestic Allotment Plan in which planners, not the farmers, would decide how much food/fibre should be produced and there would be a control of surplus

Inflationists believed farm prices could be raised by general inflation, e.g. by increasing the quantity of money and by raising the price of gold

By 1934 The Domestic Allotment group had won although many farmers still favoured McNary Haugenism - the inflationists had not given up

### **Agriculture and The New Deal**

There were serious problems in 1933. Prices fall and debts were a great burden. Bank failures hit rural borrowers. The farm sector was large - 20% of the working population and many farms were marginal

New Dealers saw agriculture as the core of the recovery programme:

1. Agricultural Adjustment Act (AAA 1933) attempted to reduce output by the acreage allotment voluntary scheme. The aim was 100% parity
2. Benefits: Direct benefit was payment for acreage reduction. Price support was given by the Commodity Credit Corporation (CCC)  
Indirect benefit was a reduction in crop and a price rise or CCC non recourse loans. Guaranteed minimum price
3. Soil Conservation and Domestic Allotment Act (SCDAA 1936). Voluntary reaction to drought. Tenants were eligible for payment. There was shift cultivation to soil conserving crops
4. Agricultural Adjustment Act (AAA 1938) An 'ever normal granary' helped to manage surpluses. The CCC was important

### **Lecture 11**

#### **Agricultural Distress: The Dust Bowl**

In the 1920s farmers ploughed up grass lands to grow wheat. Production was cheap using tractors and combines

'Sidewalk Farmer' - 'Suitcase Farmer'

Wheat does not require attention (unlike cotton). The profits from wheat in the 1920s encouraged mono-culture. But after 1930 there was a big fall in the price of wheat and there were serious droughts in 1934 and 1936

There were dust storms and the wheat output declined

The AAA was very popular with wheat growers, but the New Deal measures did not reduce production - drought did that

Families did not leave the region in large numbers if they owned land

Only three Oklahoma counties were in the dust bowl

Okie migrants were tenants from the cotton region. Note the problems in the South

#### **Why leave the South in the 1930s?**

1. Share cropper income very low - 60% of income not cash
2. As crop reduced there was less work for labourers

3. Croppers did not get a share of AAA benefits but had to reduce their crop. Most benefits went to landlords as planter influence was very strong in policy making

4. If they moved to the North they could get help from a network of friends

In 1930-40, 347,000 blacks left the South. This was 50% less than the 1920s migration. the slow down in migration helped the plantations to survive.

Cotton cultivation was slow to mechanise and the 1920s saw a big shift of cotton growing to Texas and Oklahoma

### Wheat

YEAR	PRODUCTION M. BUSHELS	PRICE PER BUSHEL \$
1929	824	1.04
1932	756	0.38
1934	513	0.86
1936	630	1.02
1938	920	0.56
1940	815	0.68

### Cotton

YEAR	PRODUCTION 1,000 BALES	PRICE PER LB CENTS	STOCKS 1,000 BALES
1929	14,285	16.28	2,312
1932	13,003	6.52	9,678
1934	9,636	12.36	7,744
1936	12,399	12.36	5,409
1938	11,943	8.60	11,533
1940	12,566	9.89	10,564

## Lecture 12

### The Struggle for Industrial Recovery

In 1933-35 there was an emphasis on planning with co-operation between business, unions and consumers

National Industrial Recovery Act (NIRA) set up National Recovery Administration (NRA)

'Fair wages' 'Fair prices' 'Fair competition'

1. Minimum wage
2. Limit on hours of work
3. Minimum prices; curb on competition
4. Child labour abolished
5. Through section 7A the workers were encouraged to unionise

1935 NRA unconstitutional; was a failure

Post-1935 emphasis on competition and attacks on big business. No more co-operation

In a competitive society the weak need protection so:

1. New Welfare State - Social Security Act
2. Wagner Act: helped the formation of unions

### Problems

The Deficit was not used as a tool for recovery. Taxes rose and business became hostile

Political pressure from radical politicians before the 1936 election, e.g. Huey Long

The Depression of 1937/8 caused by fiscal and monetary policy errors. There was mixed reaction from economists.

Failure of investment to rise. Business blamed the instability on the New Deal

Tax increases were caused by overspending and deficits

### **Lecture 13** **Wages and Recovery**

American Federation of Labour (AFL)

Norris - La Guardia Act (1932)

Wagner; La Follette; Frances Perkins

Section 7A - National Industrial Recovery Act

National Labor Relations Act - Wagner Act (1935)

Committee for Industrial Organisation - CIO - John L. Lewis

Sit down strikes

Minimum wage policies - NIRA

Fair Labor Standards Act (1938) had a major effect on the South

There was a link to unemployment and investment

### **Lectures 14 and 15** **Relief and Welfare**

Pre-1933 the emphasis was on local initiatives - opposition to the dole as demoralising

In 1932 Reconstruction Finance Corporation gave loans to states for relief if a case was made

1933 - Federal Emergency Relief Admin (FERA) - grants to states

Civil Works Administration (CWA) federal prog. - winter of 1933/34

Civilian Conservation Corps (CCC)

These agencies helped nearly 20% of the population, most money coming from the federal government

Budgetary deficiency principle

1935 - changed FERA scrapped

- a. General Relief - state/local funding for unemployables
- b. Work Relief - federal funding for unemployed who are able to work

New agency: Works Progress Admin (WPA)

- c. Categorical public assistance - help for the 'deserving poor'
- d. Social Security Act 1935 - unemployment compensation, old age pensions. These were run like private insurance schemes

### 1. General Relief - state/locally funded

States aimed to reduce expenditure  
 Increase in residence requirements for relief  
 Far more unemployables than expected  
 State-local system supported 4 million families 1936-40  
 The system was unfair and underfunded

### 2. Work Relief

WPA was a federal programme. All officers were federal officials

WPA projects were all local, e.g. libraries, hospitals, etc. But only 35% of the total relief spending to WPA. Only 30% of employables were helped in 1935-40

Wages:

Prevailing rate in region  
 Different rates for different skills  
 Maximum hours

By 1940 the work relief was under attack

### 3. Categorical Assistance

For needy persons aged over 65, mothers with dependent children and for the blind

The Deserving Poor

Aid was given in cash - not kind. The federal government promised to match the money spent by states

The largest category was Aid to Dependent Children (ADC)

There was lots of scope for local prejudice

### 4. Social Insurance

Social Security Act (1935)

Payroll tax was paid by employers funded unemployment compensation

Employer and employee payroll taxes funded old age pension

The recipients were not always poor and some groups lost out

Unemployment compensation did not include workers in small firms, domestic servants or agricultural workers

Old age pensions excluded the poorest workers e.g, domestic and farm workers

No contribution came from the federal government

Programmes were very similar to private pension schemes