

## **Appendix A: A Snapshot Look Economic Conditions: 1900 –1935**

By 1900, capitalists were well on the way to structuring an economy shaped like a pyramid, with a few very wealthy multimillionaires at the top. In 1904, 1000+ railroad lines consolidated into six great corporate combinations – it was an era of the growth of monopolies. “American industrial power was becoming as great as that of all the industrial nations combined.”<sup>1</sup>

A constant flow of immigrants from Europe, Asia, and Latin America helped to make all of this fortune-building possible. The rise of capitalism was creating a new enslavement for working men, women, and children

Farmers were 42 percent of the workforce. The United States manufactured 1/3 of the world’s goods, and were first in the world in total productivity, as well as iron and steel production

1907: The economic boom ended in October, with the Panic of 1907

Working conditions at many factories remained uncivilized- 1/3-1/2 of all employees were still required to work 12 hour days, 7 days a week, and many workers and their families had no choice, other than to live in factory town shanties

1909-1913: Reform movements included organized strikes, which rocked the nation: 6,000 workers in Pennsylvania, 20,000 in New York City, and 7000 Japanese in Hawaii in 1909. 10,000 mill workers went on strike in Massachusetts in 1912 – all of which helped to bring about the nation’s first minimum wage law.

1913: “....the United States, which had emerged as the world’s most prosperous nation. ....its manufacturing output exceeded that of France, Britain, and Germany combined.”<sup>2</sup>

1913-1914 Henry Ford introduced mass-production methods and began to give all 26,000 employees a living wage and better hours. He was seeking to improve productivity by increasing efficiency through a more rested, committed labor force – and avoid labor trouble.

1915 – AT&T began a transcontinental hook-up of phone lines

1916 – Standard Oil controlled 85 percent of domestic oil production in US and Rockefeller became our first billionaire

1920 – The wealth of the country had become available to people in a broader sense through the expansion of the stock market and prosperity seemed possible in a broad social context, even while unions and bosses occasionally battled in disruptive ways.

“Rarely in history has the passage of one 10 year period to the next so neatly defined two distinct moments in time, as it did when the panting, hysterical twenties gave over to the pathetic, hopeless years that followed immediately after them.”<sup>3</sup>

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<sup>1</sup> Gilbert, Martin. A History of the Twentieth Century. New York: Perennial, 2002. p. 7

<sup>2</sup> Ibid. p. 68

<sup>3</sup> Jennings, Peter and Todd Brewster. *The Century*. New York: Doubleday, 1998. 149

The 20's were a time of prosperity and painful contradictions – millions of people doing well-enough to shut out the reality of workers not making enough to support their families; not realizing that the economy, especially banking and international trade, were extremely fragile. Corporations opened up investment opportunities to a new market of investors.

- Modern mass-production techniques were perfected: the automobile industry dominated the economy even as it institutionalized demoralizing assembly work. Millions who manned the assembly lines surged into an emerging middle-class.
- The highest 5% of the population received about 1/3 of all personal income.
- “In the 1920's ours was a nation split by very deep cleavages.”<sup>4</sup>

1926: Profits and productivity of every branch of the economy reached record levels

1929: The stock market collapsed on Black Tuesday, October 29

“It will take over a decade for the economy to recover and it will require major changes in the functions of the federal government and a changeover to a wartime economy to boot it back to health.”<sup>5</sup>

In the 1930's we were in the middle of the Depression decade. The American economy was in bad shape throughout the decade. Industrial production fell by 50%. Warehouses were full of clothes no one could afford; houses stayed empty as people were evicted and moved into “Hoovervilles,” built on garbage dumps. The Great Depression transformed basic social structures, wrecking havoc in family life; migrants roamed the country.<sup>6</sup>

Black Americans, Latinos, and Asian Americans all suffered during the Depression. “...most blacks were ignored by the New Deal programs.....they didn't qualify for unemployment insurance, minimum wage, social security, or farm subsidies.”<sup>7</sup>

1931: Destitution was widespread throughout the country: 7 million were unemployed, bank failures wiped out the savings of millions of people, drill halls turned into dormitories for the homeless, including whole families, crime accelerated within the cities. Bread lines in New York City were the catalyst for the song, “Brother Can You Spare a Dime.” from the show *Americana*, portraying the anger of the WWI veteran, now without work, unable to feed his family.<sup>8</sup>

1932: Unemployment reached it highest level: 11 million out of a total workforce of 58 million.<sup>9</sup> Southern and Midwestern U.S. was hit by an unprecedented drought that devastated family farms.

1934: 1 1/2 million workers in different industries went on strike.

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<sup>4</sup> Lamb, Brian. *Booknotes: Stories from American History*. New York: Penguin Books, 2002. 208

<sup>5</sup> Blank, Carla. *Rediscovering America: The Making of Multicultural America, 1900-2000*. New York: Three Rivers Press, 2003. 131

<sup>6</sup> Zinn, Howard. *The Twentieth Century*. New York: Perennial, 2003. 112

<sup>7</sup> Ibid 133

<sup>8</sup> Ibid 116

<sup>9</sup> Gilbert, Martin. *A History of the Twentieth Century*. New York: Perennial, 2002. 211

