

The 1920s, and the Great Depression.

Barry Karl, *The Uneasy State the United States from 1915 to 1945*, Chicago: University of Chicago Press, 1983.

William Leuchtenburg, *The Perils of Prosperity, 1914-1932* Second Edition, Chicago: University of Chicago Press, 1993.

Both *The Uneasy State* and *The Perils of Prosperity* examined World War I, the 1920s, and the Great Depression. While Leuchtenburg's analysis ended in 1932 with the election of Franklin Roosevelt, Karl's analysis concluded in 1945 with Roosevelt's death. Thus, Leuchtenburg focused on the 1920s, examining the New Deal in general terms; not discussing Roosevelt's approach to the Great Depression or his political skill. He argued that the 1920s were the foundation for nationalism and the New Deal. It was in the 1920s that the institutions that produced the New Deal began. Those institutions also produced a lasting change in attitude toward government. Conversely, Karl argued that Americans accepted increased centralization in times of crisis, but when the crisis had ended individualism and local sovereignty returned. Thus, he viewed the legislation of the First Hundred Days and the first regular session of the New Deal Congress as efforts to respond to emergency circumstances and not based on anything that could be construed as a plan. Thus, both analyses contributed to a fuller understanding of the New Deal and its impact on American society.

Leuchtenburg maintained that World War I "afforded the nation its first glimpse of the twentieth-century state with all its capacity for good and evil."¹ During the war, the Federal government passed the War Revenue Act of 1917, which imposed an excess profits tax as high as 60%, increased both personal and corporate income tax rates, and the estate tax and taxes on luxuries. Additionally, for the first time, the Federal government involved itself in public housing and social insurance. Furthermore, it forced businessmen to negotiate with labor unions, in addition to supporting minimum wages and other benefits for laborers. At the same time, African-Americans found unprecedented job opportunities in the North. However, those

¹ Leuchtenburg, 39.

The 1920s, and the Great Depression.

opportunities were accompanied by humiliating treatment in the armed forces and racial unrest. By the end of the war, it was clear to progressives that the state could control business and it could coerce the citizen.

Although progressives had few accomplishments in the 1920s, Leuchtenburg asserted that they laid the groundwork “for a change in attitude without which the New Deal would not have been possible.”² The legislation of the mid to late 1920s paved the way for New Deal reforms. Reforms such as attempted agricultural subsidies and the Railway Labor Act of 1926 were important forerunners to the New Deal. At the same time, economists like Wesley Mitchell, Waltham Hamilton, Paul Douglas, and Rexford Tugwell were cementing the foundations of the New Deal. Karl argued that while the experience of the 1920s was intense and available for later use during the New Deal, Americans acted out of a sense of emergency rather than any commitment to reform.³

Both Karl and Leuchtenburg argued that the war transformed progressive moral fervor for reform into a reverence for science and technological innovation. There was no problem that could withstand scientific research. All diseases could be cured, poverty could be ended, and everyone could be wealthy. Freudian psychology and Watsonian behaviorism both influenced popular attitudes. Watson called for a strict schedule of infant life; feeding, sleeping, and toilet training were all regimented. Karl argued that Watson’s rejection of heredity as the determining factor in human behavior and his emphasis on conditioning as the primary factor in human behavior provided a liberal contrast to the genetic concepts of behavior that were more characteristic of the period. Additionally, Leuchtenburg asserted that Watson's ideas were accepted by the Department of Labor, which incorporated into its publication on infant and childcare.

² Leuchtenburg, 139

³ Karl, 43

The 1920s, and the Great Depression.

Similarly, Leuchtenburg and Karl maintained that parents increasingly had to face the consequences of turning the training of their children over to experts. Leuchtenburg argued that the family had lost its original functions to the state, the factory, the school, and mass amusements. Thus, Karl maintained community outbursts over the schools' use of particular textbooks were a way of asserting traditional parental influence over the intellectual and social development of their children.

Both Leuchtenburg and Karl demonstrated that the 1920s was a decade marked by the paradoxes of historical transitions. Americans defining themselves as rural or urban, Victorian or modern, internationalists or isolationists, individualist or collectivists, competed for the attention of the uncommitted youth. Similar transitions have occurred in earlier eras of American history; however, Karl argued that the 1920s were unique for the rapid development of communications media, which made Americans conscious that their society was changing. Additionally, profit was the main purpose of the communication industry, thus the ideas being communicated had to appeal to a diverse audience. That wide appeal, Leuchtenburg argued led to material comfort being an end in and of itself. It was a decade of seemingly endless opportunity, but the stock market crash and the ensuing depression brought the promise of the 1920s to an end.

The stock market crash of 1929 began in late October, and by October 29, 29 million shares had changed hands. By mid November, \$30 billion in market value had been wiped out. Karl asserted that despite that fact Herbert Hoover along with most Americans knowledgeable and otherwise, including the Governor of New York Franklin Roosevelt, viewed the activity "as a necessary adjustment provoked by unprecedented speculation."⁴ Whether rampant speculation or foolhardy assumptions that the special interests of business were identical to national interests, Leuchtenburg argued that no one single cause could be assigned to the crash and the depression that followed.⁵ Thus, Karl made clear that the problem of interpreting events remains

⁴ Karl, 87.

⁵ Leuchtenburg, 244.

The 1920s, and the Great Depression.

unresolved for historians. Furthermore, he maintained that there is an array of possible explanations, but choosing among them ultimately determines how historical judgments are made about the decade from 1929 to 1939.

Karl argued that focusing on the crash provides a distorted view of a crisis that developed slowly. Leuchtenburg concurrently argued that the market crash played an important but not crucial role in precipitating the Great Depression.⁶ Additionally, Leuchtenburg asserted that the stock market crash exposed the underlying weakness of the economic prosperity of the 1920s. Furthermore, no industrialized nation in the world had as unstable or irresponsible a banking system as the United States. Moreover, nothing did more to turn the stock market crash into a prolonged depression than the collapse of the banks, which eroded business and public confidence.

That erosion of public confidence happened at a slower pace than the New Deal legislation illuminated. Karl argued that Americans had a different idea of what constituted the responsibility of the Federal government before the New Deal. A majority of Americans, even the ones in distress, did not view Washington or the president as either, the cause of their problems or the source of the solution. Additionally, the absence of American consensus on what constituted social justice and equality had always restricted the power of the Federal government to do little more than call attention to problems. The Federal government was further restricted by the popular view of the economy “as a natural system, influenced only by a few specific government policies” such as tariffs and currency regulation. Those specific policies the Federal government was responsible for it managed poorly. Leuchtenburg argued that in the 1920s its tariffs and monetary policies were disasters. Tariff policies complicated international trade making a bad situation even worse. The monetary policies of the Federal government

⁶ Leuchtenburg, 245.

The 1920s, and the Great Depression.

were irresponsible, at “critical junctures the fiscal policy of the Coolidge administration moved precisely in the wrong direction.”⁷

Surprisingly, Leuchtenburg and Karl both viewed Hoover positively. Hoover has been portrayed by critics as a tool of Wall Street and a do nothing president. Leuchtenburg and Karl made clear that Hoover used governmental power in an unprecedented way to check the Great Depression. Additionally, Karl maintained that public confidence in Hoover and the government eroded gradually. While Leuchtenburg characterized Hoover’s response to the Great Depression as conventional because he relied on local governments and private charity to provide relief, Karl argued that Hoover had been elected to manage the old system of government in a new way, not transform it. Furthermore, Karl made clear Hoover’s biggest impediment to success in dealing with the Great Depression, aside from his preoccupation with international economics, was his disdain for politics. Moreover, during Hoover’s administration people’s perception of the depression had changed from a temporary condition affecting few members of society to a permanent condition affecting everyone.

As stated above, Leuchtenburg’s analysis ended in 1932 with the election of Franklin Roosevelt. However, Karl’s analysis continued, and unlike Hoover, Roosevelt loved politics. Karl argued that Roosevelt is best understood as a career politician. Even though Americans viewed career politicians as dishonest, Roosevelt’s wealth and social status afforded his political career the image of an avocation rather than a lifelong occupation. Additionally, Karl asserted that Roosevelt “understood and enjoyed the process of political management.”⁸ Roosevelt viewed both legislative and party politics as aides to action not impediments. Thus, he and the Congress, in the First Hundred Days, were able to respond to the immediate emergency with legislation that became the New Deal. Karl argued that because the legislation came as a response to the problem at hand it was not based on a plan.

⁷ Ibid

⁸ Karl, 126.

The 1920s, and the Great Depression.

Aside from responding to the immediate emergency, Roosevelt's vision of the New Deal lacked structure or detail; he left it to others to implement his vision. Thus, Karl maintained that the plans that were made were neither unified nor comprehensive. Therefore, it was difficult to view the First Hundred Days of the Roosevelt administration and the New Deal as the beginning of a revolution: especially in light of Karl's argument that Roosevelt seemed unwilling to take advantage of the moment of crisis to expand the power of the presidency. Characteristically, Roosevelt "never went as far as his detractors feared or his followers hoped,"⁹ and the fact that Congress asserted its control limiting the powers Roosevelt requested and in the aftermath of the New Deal recovering them all together.

In sum, the New Deal was launched by Roosevelt and sustained by his personality, but it was given form and substance by the American political process in response to an immediate emergency. Thus, it was difficult to accept Leuchtenburg's argument that progressives laid the groundwork for the New Deal. However, Leuchtenburg's argument with which Karl concurred that the 1920s was a period of historical transition in almost every facet of American life was easier to accept not only because Karl agreed, but also because Leuchtenburg presented a clear and convincing argument. Although *The Perils of Prosperity* and *The Uneasy State* analyzed World War I, the 1920s, and the Great Depression from different points of view emphasizing different areas, both analyses contributed to a fuller understanding of the New Deal and its impact on American society.

⁹ Karl, 124.