ELITE RECOGNITION OF UNEMPLOYMENT AS A WORKING CLASS ISSUE, 1890-1940

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Public officials and elites in recent years tend to discuss high unemployment rates in public, but this was not always the case. Evidence gathered from the New York Times between 1890 and 1940 indicate that high unemployment rates were largely ignored prior to 1920. After that year, however, elite statements in the press reflect fluctuations in the economy and explicitly mention unemployment.

Why did elites begin to recognize unemployment as a public issue? A reasonable explanation is that the working class gained some political influence. Such influence may have come from disruption in the streets (Isaac and Kelly 1981; Piven and Cloward, 1977), or from the strengthening of the Democratic Party, as it searched for a new constituency.

Data and Analysis. In contrast to industrial violence, researchers have no easy direct source of data on protest by the unemployed. Indirect data are often found in extensively-indexed newspapers. (See, e.g., Jenkins and Perrow 1977; Tilly, Tilly, and Tilly 1975; Danziger, 1975; Snyder and Kelly 1977.)

Using the New York Times Index to locate newspaper articles about these events from 1890 to 1940, our assistants then read and coded the original article in the Times. Including only protest events by the unemployed themselves (including public assistance recipients), 305 protest events were coded.

For an accuracy check, we randomly selected six years and followed the same coding procedures and, for key time periods, examined every page of the New York Times, reading articles related to our subject matter. Codes were also corroborated by examining every page of the San Francisco Chronicle during key time periods for protest reports. Each of the two newspapers included minor local events not found in the other, but the total numbers of events were close for both newspapers. The New York Times data were also checked against nine major historical works containing reports of collective protest by the unemployed. (Feder 1936; Schlesinger 1957, 1959, 1960; Goldman 1953; Garraty 1978; Hofstader 1955; Piven and Cloward 1971, 1977.)

We also coded 1,526 elite statements about economic conditions and unemployment. As before, we employed the New York Times Index (1890-1940) to determine that an opinion about the problems of the unemployed or general conditions of unemployment had been voiced by any specified person, official organization (business group, religious group, or other voluntary organization), or government agency. The original New York Times article was then read and the necessary information coded. Our definition of elites and influential organizations was very broad, but excluded labor leaders and organizations. When statements by national political elites (president, vice president, cabinet members, top federal government agencies, and members of Congress) were coded separately, they correlated .79 with those of overall elites. Therefore, this separate group was dropped from the analysis. Again, six years were randomly selected for coding accuracy checks. We also examined the degree of sympathy expressed for the unemployed, but found that statements were quite mixed. Although Democrats were more inclined to make statements in support of the unemployed than Republicans, the latter tended to mix positive with negative statements.

Unemployment rates, the number of unemployed, industrial conflict, election years, party in office, union membership, immigration, and population size of the working class were coded from official historical statistics. We also coded the length of a recession because it was believed this may have an effect on our primary dependent variable, elite statements about unemployment. The assumption is that two or more consecutive years of high unemployment are more likely to generate concern than only one year. We defined a recession as eight percent unemployment or higher (which conforms to the historical descriptions of five major recessions in the period under analysis). The first year of eight percent unemployment was coded 1, the second year coded 2, etc. To test for the importance of party in office in explaining elite statements, we created dummy variables for Democrat vs. Republican control of the House, Senate, and Presidency. To test for the importance of "power struggles" during election periods we created a scale suggesting the importance of U.S. national elections. Non-election years were coded 1, off year elections were coded 2, and presidential elections were coded 3.

Least squares with the Cochrane-Orcutt method of correcting for auto-correlation effect was the primary statistical technique used (Hibbs 1974; Johnston 1972; Kmenta 1971; Ostrom 1978). All variables were lagged to reduce skewness. It should also be noted that logic suggests some lagged relationships may exist between some of our variables. However our use of lagged variables to test for this possibility indicated no significant lagged effects.

Findings. It will be useful to begin with some historical description in reference to Figure I. As can be seen, elites expressed very little public concern about working class issues such as unemployment until the 1920s, and the timing of the big increase seems rather unexpected...
many ways. There were very serious levels of unemployment in time periods before the 1920s, and relatively low unemployment in the 1920s. Thus, any explanation of the politicization of unemployment cannot rely primarily on changes in the level of unemployment. Before the 1920s we found public discussion about recessions by elites, in the New York Times, but the discussion was directed toward lost profits and the need to protect capitalists. For example, in a time of high unemployment we found many statements about the need for tariffs during the Presidential election of 1896; there was almost nothing said by the main Presidential contenders McKinley and Bryan on the problems of unemployment. The working class did not seem to be of interest to national political elites before the 1920s.

All of this changed drastically during the 1920s. When unemployment jumped to almost 12 percent in 1921 there followed extensive national discussion of the problem. The Republicans even felt compelled to appoint a commission to study the problem, headed by Herbert Hoover (Garraty 1978). Then again the issue of unemployment was raised extensively in the presidential election of 1928, and the off-year elections of 1930. But it is interesting to note that the election of 1928 was during a time of low unemployment. During the remainder of the 1930s, of course, unemployment continues to be a major issue, especially during the election years.

What we find, therefore, is a fundamentally different political environment after 1920, and especially so as we move into the 1930s. Our next major question, therefore, is what changed this political environment? Was it protest by the unemployed which made political elites listen to them and consider their problems? Figure 2 suggests that protest by the unemployed was not a significant factor in the beginning of the elite statements about unemployment in the 1920s. We found little protest by the unemployed before 1930. Figures 1 and 2 together show that neither the rate of unemployment nor protest by the poor stimulated the elite recognition of unemployment by the 1920s. But it is interesting to note that by the first hint of the depression of the 1930s (that is, the year 1930), both elite statements and protest shot upward in response to only about eight percent unemployment. There was certainly a changed political environment, but it came before the long depression of the 1930s.

We must turn to multivariate analysis to check for the effects of other variables on the increase in elite statements. When doing so our above analysis of Figures 1 and 2 are supported. Because of multicolinearity between unemployment and political variables we are required to employ separate economic and political models. The following six regression equations (three for the economic model and three for the political model) include the variables found significant for any time period, and are broken down for the 1891-1940 period, 1891-1919 and 1920-1940 periods:

**Political Model 1891-1940**

Elite Statements $= 31.452 + 2.719\text{Protest} - .013\text{Strikes} + e$

$R=.66, R^2_A = .41, P < .001, D.W. = 1.953$

1891-1919

Elite Statements $= 2.053 + .815\text{Protest} - .001\text{Strikes} + e$

$R=.46, R^2_A = .15, P < .05, D.W. = 2.297$

1920-1940

Elite Statements $= 63.93 + 2.564\text{Protests} - .018\text{Strikes} + e$

$R=.62, R^2_A = .31, P < .05, D.W. = 1.537$

**Economic Model 1891-1940**

Elite Statements $= -8.032 + 5.365\text{Unemployment Rate} + e$

$R = .56, R^2_A = .30, P < .001, D.W. = 2.546$

1891-1919

Elite Statements $= .971 + .406\text{Unemployment Rate} + e$

$R = .38, R^2_A = .12, P < .05, D.W. = 1.559$

1920-1940

Elite Statements $= -3.279 + 6.061\text{Unemployment Rate} + e$

$R = .70, R^2_A = .46, P < .001, D.W. = 2.061$

The above regression equations were estimated by least squares. Underneath each estimated coefficient is the standard error of that coefficient, along with the $R$, adjusted $R^2$, significance level, and Durbin-Watson statistics. Both the political model and economic model show protest and unemployment are related to elite statements. This is primarily after the changed political environment in the 1920s. The same conclusion can be drawn from the path model in Figure 3 combining the effects of unemployment and protest on elite statements. (Strikes were excluded from the path model because of their weak relationships to elite statements.) The path model for the overall time period is strong ($R^2 = .37, P < .001$), but the path model for the 1891-1919 period is much weaker ($R^2 = .22, P < .05$). For the 1920-1940 period the path model is strongest ($R^2 = .44, P < .01$).

Conclusions. We must conclude that none of the independent variables measured in this analysis help us understand the politicization of the issue of unemployment beginning in the
1920s. The rate of unemployment and protest by the unemployed are more strongly related to elite statements in the 1920-1940 time period. Significant protest by the unemployed did not begin until the 1930s, thus this cannot explain the emergence of elite statements in the 1920s. The rate of unemployment is clearly related to elite statements in the 1920s and 1930s, but the relationship was much weaker before the 1920s.

In our view, the Piven and Cloward (1982) thesis about the politicization of working class issues seems most plausible. The political environment changed in the 1920s because the Democratic Party began losing voters. They needed a new constituency to replace the older progressive coalition, and because of election laws and demography producing more potential working class voters, the Democratic Party went after the working class vote. To go after the working class the Democratic Party had to tell the working class what the political system could do for them. Our data indicate that the politicization of working class issues began somewhat sooner than the most people recognize (e.g., Garraty 1978; Piven and Cloward 1982), but the timing of this politicization (the early 1920s) provides even stronger support for the idea that politicization of working class issues was the result of political elites seeking a new constituency - this was the time Democrats began losing more and more elections.

None of this is to suggest that protest activity and political violence are not primary ways that the lower classes have influenced the political system. The many studies providing empirical support for the Piven and Cloward (1971) thesis that welfare expansion in the United States has been the result of turmoil by the poor show the importance of political violence as a means of lower class political influence (e.g., Shram and Turbett 1983; Isaac and Kelly 1981). But our findings also suggest that the more recent view of Piven and Cloward (1982) is also accurate: there can be an expansion of democratic institutions in capitalist societies so that the lower classes are able to gain some political influence through traditional party politics. Which is also to say that the dynamics of class conflict is much more complex than earlier mass society theorists such as C. Wright Mills (1936) recognized.

NOTES

Revision of a paper presented at the meeting of the International Sociological Association Research Committee on Social Stratification, Duisburg, West Germany, May, 1986.

1. This coding procedure excluded primarily labor strikes or other collective action. Some of these events were on the behalf of the unemployed, but it was difficult to separate out the most important issue behind the strike. Specifically, under protest did the unemployed strike, the number involved, location, target, and goals of action, number arrested, injured, and killed.

2. We selected 1908, 1913, 1920, 1921, 1922, and 1929 for validity checks. The overall agreement rate was 87 percent.

3. This method was employed to make sure the New York Times Index was accurate and employed accurately. Reading the entire index was impossible, but we found some key index headings most likely to contain the information (especially "unemployment"). The years and months selected for this analysis were selected because they were election years with high unemployment, but with very few protest events located in our coding procedure. The New York Times Index was coded from January to March 1894, August to November 1894, August to November 1896, and August to November 1908. This method strongly confirmed the validity of our coding procedures.

4. The selection of time periods to reexamine in the San Francisco Chronicle followed the selection described in note 3 above.

5. It is worth noting that none of the coders worked on both protest and elite statements. Such a procedure could have incorrectly inflated the relationship between the two variables.

6. Our working assumption was that if a statement about the unemployed by an individual or group was emphasized in the New York Times Index, the group or individual should be considered elite. Such was not always the case, of course. Unfamiliar names were looked up in biographical sources if sufficient information was not in the newspaper article. The level of elite status was coded as city level, state level, or national level for organizations, and for the position held in the case of individuals. Elites and organizations were also divided into institutional sectors (e.g., political, business, religious, charity, and other voluntary organizations). Labor leaders and labor organizations were excluded because it was assumed they were more directly tied to the unemployed. We were more concerned with the actions of the lower classes (i.e., protest).

7. The coding of elite statements proved to be a very difficult process for the "big years" (i.e., those years with 100 to 200 or more elite statements). The New York Times Index was not always clear on whether or not a statement by an individual or organization was in the news article. Thus, judgment errors were made by coders, but primarily only in big years. We have included all of elite statements for the big years, which produces a conservative estimate of the number of elite statements. The years selected for recoding by the authors were 1908, 1913, 1920, 1921, and 1934. Overall coder agreement was 67 percent, and 72 percent for national political elites only. Excluding 1934 (a big year), however, coding agreement was 78 percent overall, and 82 percent for national level political elites.

8. The source for unemployment rates, the number of unemployed, immigration, working class population election years, and the Rendezvous office was U.S. Bureau of Census, Historical Statistics of the United States, Colonial Times to 1970 (1976). The industrial conflict data was obtained from the Historical Statistics of the United States, Colonial Times to 1970, and John I. Griffin, Strikes: A Study in Quantitative Economics (1939). We included the data on the size of the working class and immigration rate to check for the possible influence of these factors on elite recognition of unemployment. Working class size showed no significant correlation to elite statements, but the immigration rate showed a surprisingly strong negative relation to elite statements. Using multivariate analysis, however, suggests this negative relation between immigration and unemployment.

REFERENCES


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**Figure 1. Unemployment Rates and Elite Statements about Unemployment, 1890-1940**

![Graph showing unemployment rates and elite statements](image)

**Figure 2. Elite Statements About Unemployment and the Number of Protest Events, 1950-1980**

![Graph showing elite statements and protest events](image)

**Figure 3. Path Analysis Indicating Elite Reactions to Unemployment and Protest**

![Diagram illustrating path analysis](image)

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**Table 1. Unemployment Rates and Elite Statements about Unemployment, 1890-1940**

<table>
<thead>
<tr>
<th>Year</th>
<th>Unemployment Rate</th>
<th>Elite Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1890</td>
<td>3.25</td>
<td>10</td>
</tr>
<tr>
<td>1900</td>
<td>4.38</td>
<td>30</td>
</tr>
<tr>
<td>1910</td>
<td>5.55</td>
<td>50</td>
</tr>
<tr>
<td>1920</td>
<td>6.74</td>
<td>70</td>
</tr>
<tr>
<td>1930</td>
<td>8.57</td>
<td>90</td>
</tr>
<tr>
<td>1940</td>
<td>10.25</td>
<td>110</td>
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**Table 2. Unemployment Rate and the Number of Protest Events, 1950-1980**

<table>
<thead>
<tr>
<th>Year</th>
<th>Unemployment Rate</th>
<th>Protest Events</th>
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<tbody>
<tr>
<td>1950</td>
<td>1.25</td>
<td>10</td>
</tr>
<tr>
<td>1960</td>
<td>2.45</td>
<td>30</td>
</tr>
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<td>1970</td>
<td>3.65</td>
<td>50</td>
</tr>
<tr>
<td>1980</td>
<td>4.85</td>
<td>70</td>
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**Coefficients**

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<thead>
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<th>Value (SE)</th>
<th>Value (SE)</th>
<th>Value (SE)</th>
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<tr>
<td>Constant</td>
<td>-1.26 (1.01)</td>
<td>1.26 (1.01)</td>
<td>-1.46 (1.01)</td>
</tr>
<tr>
<td>A</td>
<td>1.23 (0.23)</td>
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<tr>
<td>B</td>
<td>0.33 (0.33)</td>
<td>0.33 (0.33)</td>
<td>0.33 (0.33)</td>
</tr>
<tr>
<td>D</td>
<td>0.01 (0.01)</td>
<td>0.01 (0.01)</td>
<td>0.01 (0.01)</td>
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<tr>
<td>Durbin-Watson</td>
<td>2.65 (0.65)</td>
<td>2.65 (0.65)</td>
<td>2.65 (0.65)</td>
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**Elite Statements**

<table>
<thead>
<tr>
<th>Mean</th>
<th>S.D.</th>
<th>Range</th>
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<tbody>
<tr>
<td>30.44</td>
<td>50.32</td>
<td>0-203</td>
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**Unemployment Rate**

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<tbody>
<tr>
<td>8.76</td>
<td>6.45</td>
<td>1.4-24.9</td>
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**Protest Events**

<table>
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<th>Range</th>
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<tbody>
<tr>
<td>6.1</td>
<td>1.10</td>
<td>0-5</td>
</tr>
</tbody>
</table>

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Mean: the average value of a set of numbers.
S.D.: the standard deviation, a measure of the amount of variation or dispersion of a set of values.
Range: the difference between the highest and lowest values in a set of numbers.