Department of Economics
University of California
Berkeley

Spring 2015
Economics 113
Professor Olney

Handout for March 12, 2015

Table 1. Unemployment Rate

1920	5.2	1931	16.3
1921	11.7	1932	24.1
1922	6.7	1933	25.2
1923	2.4	1934	22.0
1924	5.0	1935	20.3
1925	3.2	1936	17.0
1926	1.8	1937	14.3
1927	3.3	1938	19.1
1928	4.2	1939	17.2
1929	3.2	1940	14.6
1930	8.9	1941	9.9

Source: *Historical Statistics*, Series D8.

Table 2. Capacity Utilization Rate

1920	94	1930	66
1921	65	1931	53
1922	80	1932	42
1923	94	1933	52
1924	84	1934	58
1925	91	1935	68
1926	89	1936	80
1927	83	1937	83
1928	82	1938	60
1929	83	1939	72

Source: Paul Baran & Paul Sweezy, *Monopoly Capital*. Tables 11 & 12, pp. 237, 242.

Table 3. Banks Closed

	Bank Closings		total banks in operation
	state banks	national banks	
1920	160	7	30,291
1921	453	52	30,456
1922	317	49	30,120
1923	556	90	29,829
1924	653	122	28,988
1925	500	118	28,442
1926	853	123	27,742
1927	578	91	26,650
1928	441	57	25,798
1929	595	64	24,970
1930	1,189	161	23,679
1931	1,884	409	21,654
1932	1,177	276	18,734
1933	2,899	1,101	14,207

Source: *Historical Statistics*, Series X742-X743, X588.

Table 4. New Housing Starts (urban, thousands)

1920	196	1927	643
1921	359	1928	594
1922	574	1929	400
1923	698	1930	236
1924	716	1931	174
1925	752	1932	64
1926	681	1933	45

Source: *Historical Statistics*, Series N162.

Table 5. Stock Market, 1921-1940

	Shares sold on NYSE (million shares per year)	Standard & Poor's Common Stock index (1941-43=100)
1921	173	69
1922	259	84
1923	236	86
1924	282	90
1925	454	111
1926	451	126
1927	577	153
1928	920	199
1929	1,125	260
1930	810	210
1931	577	137
1932	425	69
1933	655	90
1934	324	98
1935	382	106
1936	496	155
1937	409	154
1938	297	115
1939	262	121
1940	208	110

Note: Standard & Poor's index does not return to its 1929 level until 1951. Source: *Historical Statistics*, Series X531, X495.

Table 6. Foreclosures

	Nonfarm (thousands of foreclosures)	Farm (rate per 1,000 farms)
1926	68	17.4
1927	91	18.2
1928	116	17.6
1929	135	14.7
1930	150	15.7
1931	194	18.7
1932	249	28.4
1933	252	38.8
1934	230	28.0
1935	229	21.0
1936	185	20.3
1937	151	18.1
1938	118	14.3
1939	100	13.5
1940	76	12.6

Source: Nonfarm: *Historical Statistics*, Series N301. Farm: Table 1 of Lee Alston, "Farm Foreclosures in the United States During the Interwar Period," *Journal of Economic History* 43 (December 1983): 885-903.

Table 7. Nominal Interest Rates and Yields

	FRB-NY Discount Rate	Banks' Business Loan Rate	Prime Commercial Paper Rate	Yield on Federal Government Bonds	Yield on Corporate Aaa Bonds
1928	3.5-5.0	5.2	4.8	3.3	4.6
1929	4.5-6.0	5.8	5.8	3.6	4.7
1930	2.0-4.5	4.9	3.6	3.3	4.6
1931	1.5-3.5	4.3	2.6	3.3	4.6
1932	2.5-3.5	4.7	2.7	3.7	5.0
1933	2.0-3.5	4.3	1.7	3.3	4.5

Source: *Historical Statistics*, Series X454, X455, X466, X445, X474, X477.

Table 8. Sources of Drop in Real GNP

	% Δ Real GNP	Share of Drop in GNP Due to: Consump-tion	Inventory Investment	Fixed Investment	Net Exports	Government Purchases
1921	-2.4	-195	256	51	43	-56
1930	-9.3	46	24	38	2	-10
1931	-6.2	38	3	62	6	-9
1932	-15.8	50	20	26	1	4
1933	-3.0	66	4	19	9	3
1938	-5.5	22	94	38	-26	-28

Source: Romer, "The Nation in Depression," *JEP* (Spring 1993): Table 2.

Table 9. Real Consumption Spending, 1929-1930

	% change	Contribution to change in total C
Total C	*-6.2 %*	*100.0 %*
Food & tobacco	-2.2	9.6
Clothing & shoes	-9.8	15.1
Personal care	-4.6	1.2
Housing	-1.2	1.7
Household operation	-7.1	15.7
Medical care	-0.9	0.9
Personal business	-15.3	33.0
Transportation	-14.5	23.5
Recreation	-3.9	3.2
Education & research	4.0	-0.9
Religion & welfare	5.9	-1.7

Source: Olney, "Avoiding Default," Table IV.

Table 10. Investment as a share of GNP

	Gross Investment / GNP	Net Investment / GNP
1929	15.7	8.7
1930	11.4	3.1
1931	7.4	-1.7
1932	1.7	-8.8
1933	2.5	-7.7
1934	5.1	-3.8
1935	8.9	0.8
1936	10.3	3.2
1937	13.1	5.9
1938	7.7	-0.1
1939	10.3	3.1

Source: Real GNP: *Historical Statistics*, Series F3; Gross and Net Investment, Atack & Passell, *New Economic View of American History*, Table 21.2.

Table 11. Budget Surplus or Deficit
(billions of $)

	Federal	State & Local	TOTAL
1929	1.2	-0.2	1.0
1930	0.3	-0.6	-0.3
1931	-2.1	-0.8	-2.9
1932	-1.5	-0.3	-1.8
1933	-1.3	-0.1	-1.4
1934	-2.9	0.5	-2.4

Source: *Historical Statistics*, Series F558-F560.

Table 12. Tariff Rates

	Average Rate on all goods	Average Rate on dutiable goods only
1920	6	16
1921	11	29
1922	15	38
1928	13	39
1929	13	40
1930	15	45
1931	18	53
1932	20	59
1933	20	54

Source: *Historical Statistics*, Series U211 and U212. Tariff rates are lowered after World War II.

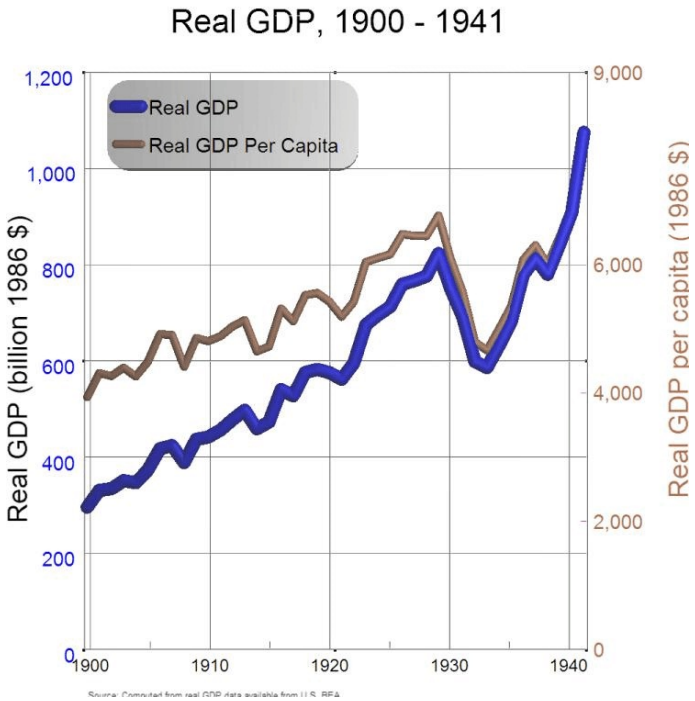


Figure 1

Figure 2

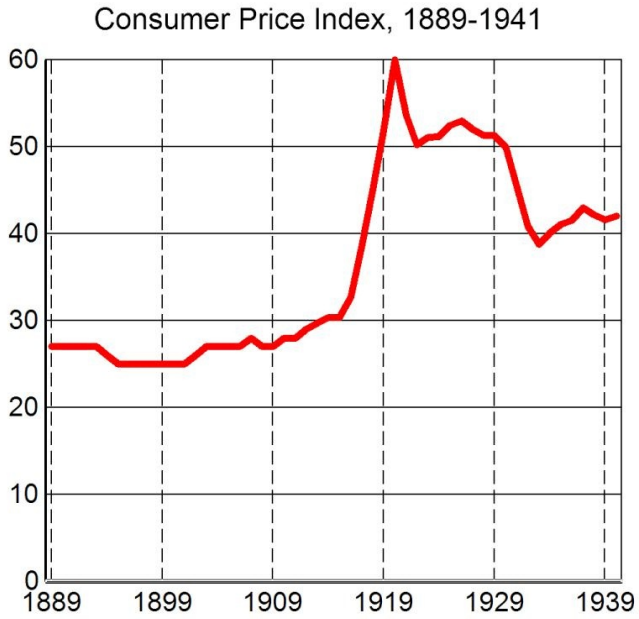


Figure 3

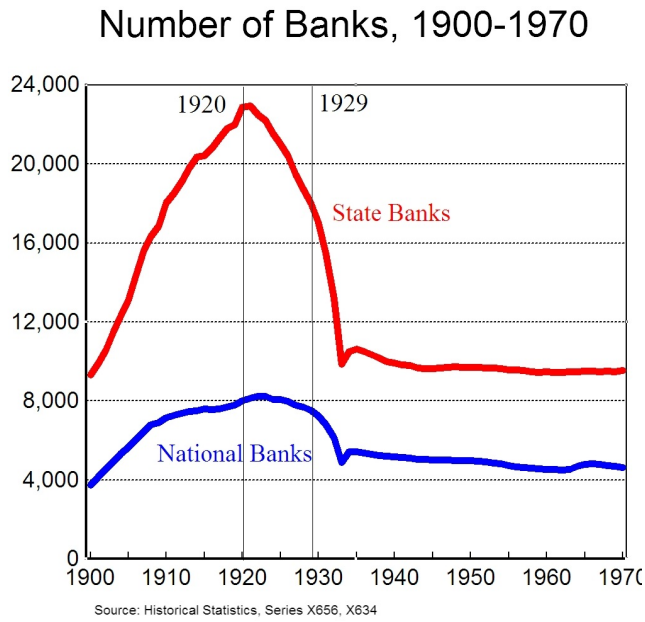


Figure 5

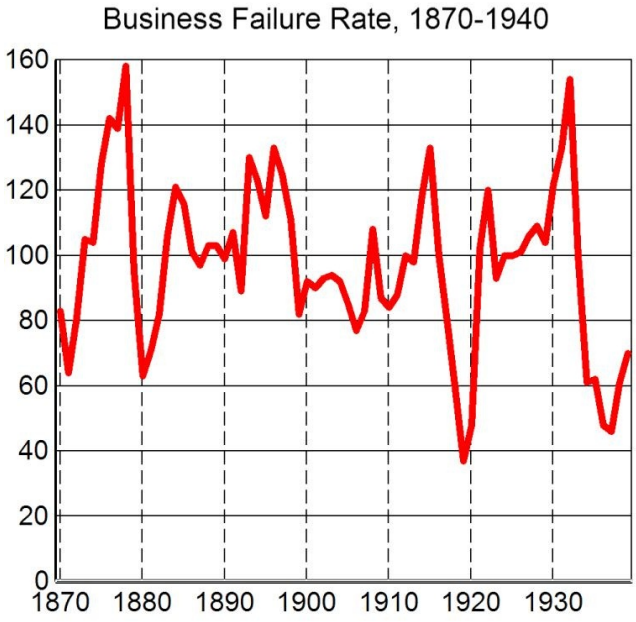
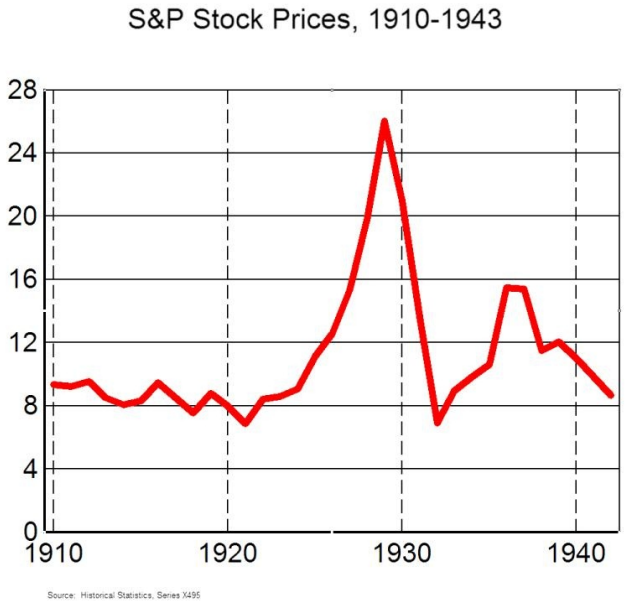


Figure 4



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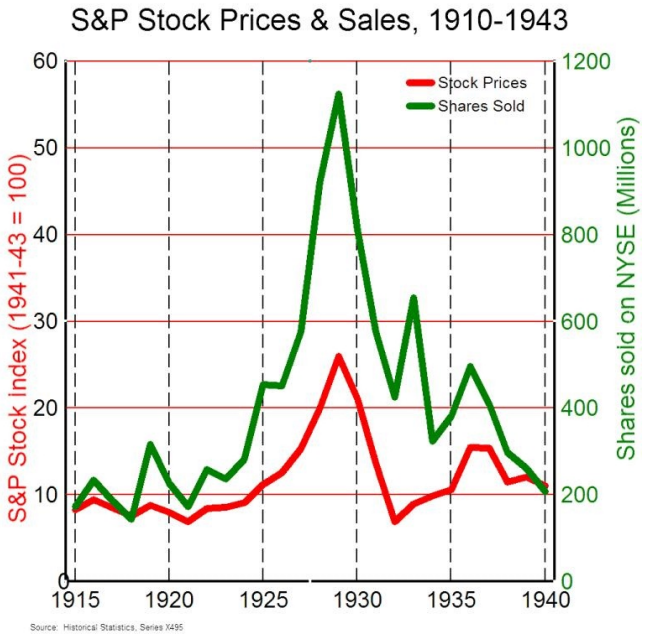

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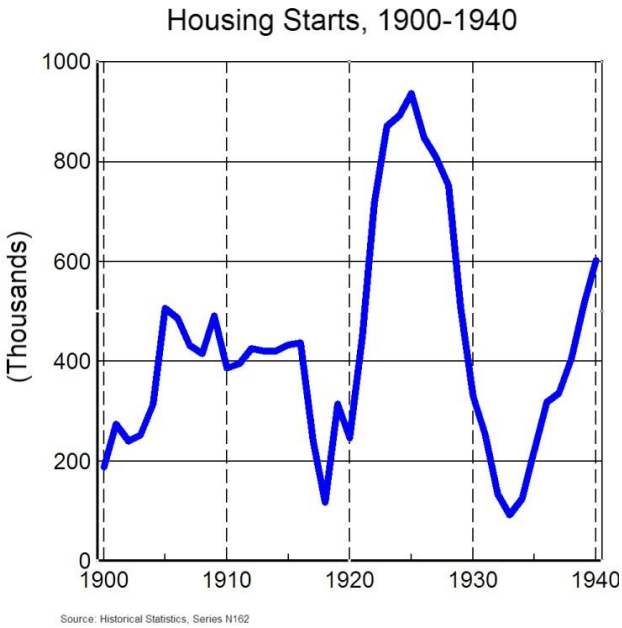


Figure 8

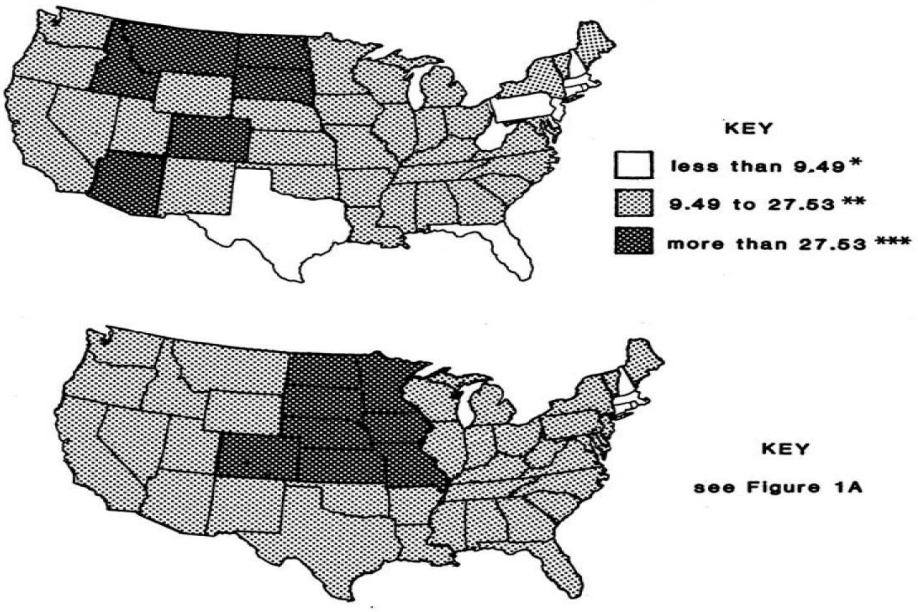


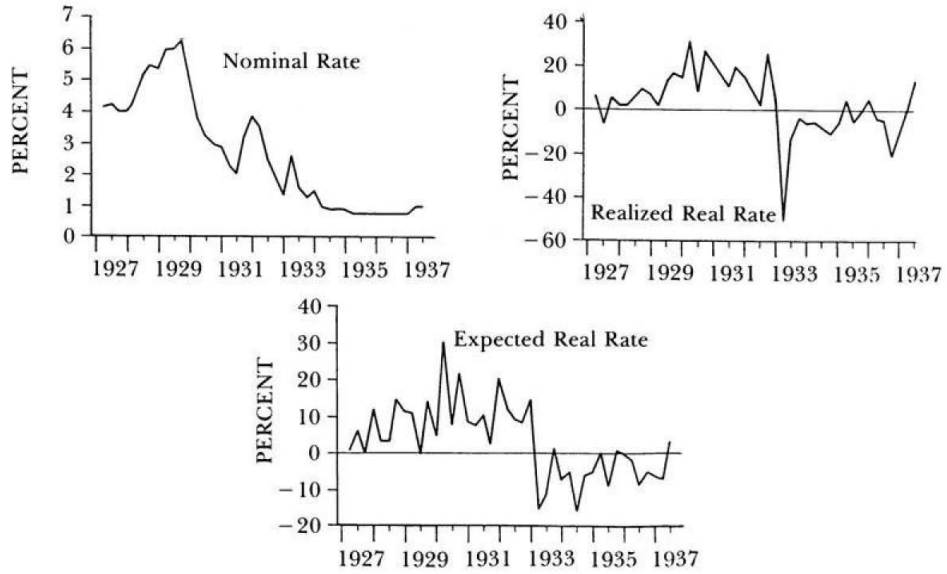
FIGURE 1
AVERAGE NUMBER OF FARM FORECLOSURES PER THOUSAND FARMS
(A. 1926–1930 AND B. 1931–1940)

Notes: * one standard deviation below mean
** within one standard deviation of mean
*** one standard deviation above mean
For descriptive statistics and sources, see Table 2.

Source: Alston, JEH 1983, Figure 1

Figure 9

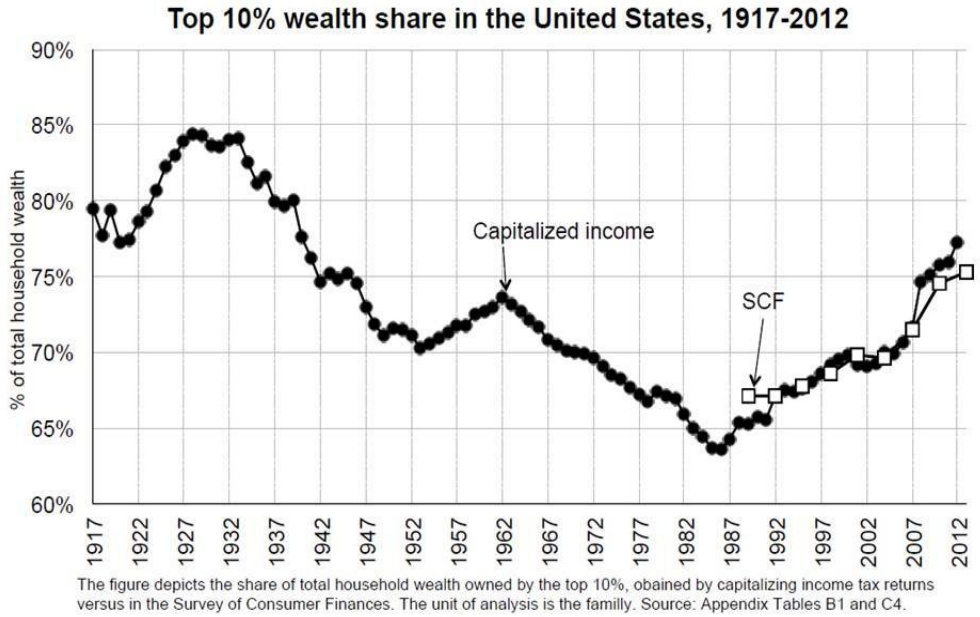
Quarterly Commercial Paper Rates in the United States, 1927–1937



Sources and Notes: The nominal commercial paper rate data are from the U.S. Board of Governors of the Federal Reserve System (1943, pp. 448–451, and 1976, p. 674). The data cover four- to six-month prime commercial paper and are not seasonally adjusted. The realized real interest rate series is calculated by subtracting the change in the producer price index over the following quarter (at an annual rate) from the nominal commercial paper rate. The producer price index is from the Bureau of Labor Statistics (1986). In this calculation neither series has been seasonally adjusted. The expected real commercial paper rate series is from Romer (1992, Figure 4).

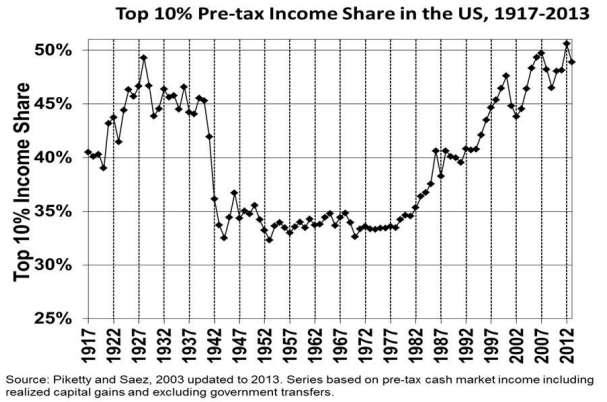
Source: Romer, JEP Spring 1993, Figure 3

Figure 10



Source: http://eml.berkeley.edu/~saez/SaezZucman14slides.pdf, slide 23

Figure 11



Source: Prof. Saez's website, http://eml.berkeley.edu/~saez/#income, specifically http://eml.berkeley.edu/~saez/TabFig2013prel.xls

Figure 12

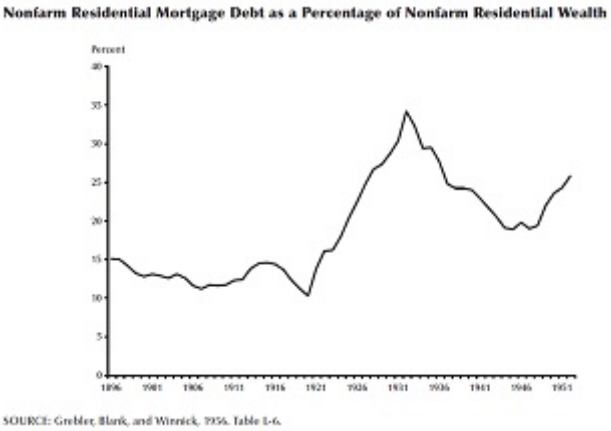


Figure 13

Sources: 1919-1929, Olney *Buy Now Pay Later*, 1991, Table 4.1; 1929-1942, Debt data from Goldsmith, *Study of Saving*, Vol I, Table D-1 and income data from *Historical Statistics* (2006), Series Ca68; 1943-2011, consumer credit outstanding downloaded from FRED, disposable personal income from BEA website.

Figure 14