

The Making of the Modern World, Part III, 1890–1945

The third part of *The Making of the Modern World* overlaps but does not duplicate Part II. Part III adds nearly five thousand titles to the collection and extends its chronological reach to 1945. As with the previous parts of *The Making of the Modern World*, these selections focus primarily on economic issues, while including a great deal of material on other aspects of the society and culture of the Atlantic world. Unlike Parts I and II, the third section includes works drawn exclusively from the Senate House Library at the University of London, which is actively adding to its holdings. In combination with the previous parts of this collection, Part III allows for a broader portrait of the late nineteenth and first half of the twentieth centuries. It is thus possible to follow economic and intellectual developments and their impact over an extensive period.

The focus of Part III is the period 1890–1945. These years saw the rise of Europe to effective world dominance, the total breakdown of that system in the Great War of 1914–18, the shaky recovery of the Western nations in the 1920s, and their collapse into worldwide depression and another horrific world war. The era covered by this collection ends with the triumph of the democratic nations in World War II and the creation of a global division between the two new superpowers, the United States and the Union of Soviet Socialist Republics (USSR, also known as the Soviet Union).

Much of long-term significance happened in these years. Science went through a fundamental alteration, moving away from the Newtonian conception of a mechanical universe to a far more complex theoretical system built around Albert Einstein's theory of relativity. Most people had no knowledge of this changing scientific paradigm until August 1945, when the United States dropped a pair of atomic bombs on Japan, ending World War II and shattering previously held understandings of the world. These important scientific, social, and scholarly changes inform a great deal of the literature collected here and are more fully addressed in additional Gale Primary Sources archives including *British Library Newspapers*, *American Fiction*, *Nineteenth Century Collections Online*, *Punch Historical Archive*, *Sabin Americana*, *The Making of Modern Law*, and the (London) *Times Digital Archive*.

The focus here is on the economy and its impact on a rapidly modernizing industrial world. Economic developments are not solely about business and finance but affect every aspect of human existence. People's lives underwent a sweeping number of dramatic changes in the late nineteenth and early twentieth centuries. A large number of innovations altered not just the way people lived, but also their long-term health and well-being. A number of key medical discoveries, such as the detection of viruses and the introduction of insulin and penicillin, are well known and often credited with improving public health, but some less appreciated infrastructure changes proved of greater importance. Indoor plumbing and public sanitation became common in the industrial world, greatly improving public health (John Simon, *English Sanitary Institutions* [1890]; William Corfield, *Disease and Defective House Sanitation* [1896]). Equally important in this context was the contested expansion of government regulation of workplace and food safety (*Les industries insalubres* [1903]; *Proceedings of the . . . Industrial Safety Congress of New York State* [1921]); *Food and the Workers: Social Murder* [1934]). In 1900 average life expectancy in the United States stood at just forty-seven years; by 1940 it was sixty-three—despite the poverty of the Great Depression.

A number of technological improvements transformed daily life, most particularly mechanized appliances—often called “labor-saving devices,” such as washing machines and iceboxes—and the radio, which brought entertainment and news into private residences. Moving pictures, developed in the 1890s, quickly became one of the most popular forms of entertainment in history, with towns of every size boasting theaters where communities gathered to view the latest releases. At the same time, automobiles went from rare luxury items to a common mode of transport, most particularly in the United States, where one in three families owned a car by 1929. The automobile also transformed the American economy, feeding the growth of many other industries such as steel and rubber production. A few powerful manufacturers responded to these changes by concentrating production and sales, creating an oligarchic structure that dominated most industrial production. For instance, though there were scores of small U.S. companies producing cars in 1920, by the end of the decade the Big Three—Ford, General Motors, and Chrysler—produced 83 percent of all cars in the country. The airplane proved even more startling to the people of the early twentieth century, as humans broke free of gravity’s bonds in just a few years. In 1900 many leading scientists rejected the possibility of human flight; in 1927 Charles Lindbergh became one of the most famous men in the world by flying solo across the Atlantic. Though flight remained a remote luxury, World War II demonstrated the dangerous utility of airplanes as they leveled entire cities and made border defenses irrelevant. The war also proved the killing power of motor vehicles as tanks and motorized artillery transformed warfare. These and many other technological developments dramatically affected the many enterprises included in this collection.

The world’s political structure also changed dramatically in the World War I years, as several traditional empires collapsed; the Russian Revolution led to the rise of the first communist state, the Soviet Union; and the war ended with the outbreak of the deadliest influenza pandemic in human history, which caused at least 50 million deaths worldwide. The only nations to emerge more powerful from World War I were Japan and the United States, the former inspired to pursue even greater imperial expansion and the latter withdrawing into isolation to enjoy its prosperity and prohibition of alcohol. At first it seemed that Europe might recover from its near suicide in World War I, as each nation struggled to attain stability. The first hint that this goal might prove elusive came with Benito Mussolini’s seizure of power in Italy in 1922, establishing a Fascist government. Many leaders of the liberal democracies admired Mussolini for bringing order to Italy, appearing to fulfill his promise to make “the trains run on time” (Benito Mussolini, *The Political and Social Doctrine of Fascism* [1933]; James Drennan, *B.U.F. Oswald Mosley and British Fascism* [1934]). But these admirers tended to overlook fascism’s assault on human rights and its expansionist impulses. Any hopes for peace and stability disappeared with the stock market crash in the United States in October 1929, which triggered a worldwide depression.

One of the most important lessons of the stock market crash proved to be the interconnectedness of the world economy. The fall of the New York Stock Exchange effectively pulled down the financial structures of every major nation, and the efforts of most countries to retreat behind high protective tariffs, such as the notorious Smoot-Hawley Act in the United States, only made things worse. Even more destructive was Joseph Stalin’s imposition of famine on the Ukraine in 1932, which led to some six million deaths. The liberal democracies proved largely ineffective before the international crises of the Great Depression and Fascist aggression. Britain stagnated, France fell into disarray as one government replaced another, and the United States treaded water until the 1933 inauguration of Franklin D. Roosevelt, whose myriad New Deal programs brought a degree of confidence to the country and slowly restored the economy. Japan hoped to solve its economic problems through

expansion, invading Manchuria in 1931, starting an Asian war that would last until 1945, claiming millions of lives. Italy followed suit by invading Ethiopia in 1935, while Germany under Adolf Hitler began a process of rapid militarization, conquest, and extermination. On September 1, 1939, Germany invaded Poland and began the most destructive war in human history. Gale Primary Sources provide a rich resource of information on the war and its impact.

The third part of *The Making of the Modern World* focuses on the centrality of economics in transforming the world in the years from 1890 to 1945. On the macro level, it provides valuable documentation on the creation of a truly interdependent international economy and the rise of the United States and Germany as economic superpowers prior to World War I, while micro studies provide insight to the mechanisms of that economy. The collection validates President Calvin Coolidge's famous maxim, "The business of America is business." Every aspect of what was called the "business civilization" of the first half of the twentieth century is explored, and is by no means limited to the United States. Specific enterprises are open to study, from traditional pursuits such as agriculture (George J. S. Broomhall, *Review of the World's Grain Trade* [1904]; *Cotton Facts: A Compilation from Official and Reliable Sources* [1910]) and fishing (*Report on Statistics of Fisheries in the United States* [1894]; John Atkins, *The Distribution of Fish* [1941]) to modern industries like steel (*Some Modern Conditions and Recent Developments in Iron and Steel Production in America* [1906]; *What Is Wrong with the British Iron and Steel Industry?* [1931]) and electronics (*The Training of Electrical Engineers* [1893]; William E. Langdon, *The Application of Electricity to Railway Working* [1897]). Journalists and scholars studied and explained industrial organization, often in a laudatory fashion (Cecil B. Phipson, *The Science of Civilisation* [1900]; Julius Landmann, *Moderne Organisationsformen der öffentlichen Unternehmung* [1931]), occasionally with biting criticism of the exploitative nature of the enterprise (J. A. Hobson, *The Industrial System: An Inquiry into Earned and Unearned Income* [1909]; Fabian Society, *Fuel and Power: A Study in Industrial Organization and Control* [1945]). Many texts expound on the basic techniques of business, such as accounting (Victor V. Branford, *On the Correlation of Economics and Accountancy* [1901]; Richard Brown et al., *A History of Accounting and Accountants* [1905]) and managing (William Openshaw, *Store Management* [1894]; Austen Albu, *Management in Transition* [1942]). Publishers released guidebooks of all kinds (Frederick Rockell, *Drapery Departments and Their Management* [1890]; Edward Carroll, *Principles and Practice of Finance: A Practical Guide for Bankers, Merchants and Lawyers* [1902]; W. H. Simonds, *The Practical Grocer* [1905]). With the entrance of more women into the workplace came compendiums of available jobs (A. Amy Bulley and Margaret Whitley, *Women's Work* [1894]; Adelaide M. Anderson, *Women in the Factory* [1922]).

As throughout the nineteenth century, statistics played a significant role in economic analysis, though in a much more systematic and scientific fashion (George H. Wood, *Some Statistics Relating to Working Class Progress since 1860* [1900]; D. E. Wacha, *Commerce and Statistics* [1915]). Some of these works were simply compilations of data (*Statistical Tables: Exhibiting the Commerce of the United States with European Countries from 1790 to 1890* [1893]; *Nomenclatures des maladies (statistique de morbidité, statistique des causes de décès)* [1900]) or taught the methodology (George B. Longstaff, *Studies in Statistics, Social, Political, and Medical* [1891]; Jacques Bertillon, *Cours élémentaire de statistique administrative* [1895]). Others attempted to understand particular economic relations through the use of that information (Richmond Mayo-Smith, *Science of Statistics* [1895]; Rudolf Schwenger, *Die betriebliche Sozialpolitik einzelner Industriezweige* [1934]). Some scholars used statistics to construct sweeping studies of national economies (Paul Vibert, *Les industries nationales* [1895]; Gregory Y. Sokolnikov et al., *Soviet Policy in Public Finance, 1917-1928* [1931]). Others

attempted to understand global relations through statistical analysis (C. F. Bastable, *The Theory of International Trade* [1887]; Ernst von Hallé, *Die Weltwirtschaft* [1906]).

A great number of books sought to explain the basics of economic relations to a wider public. Railroads remained an area of fascination with a wide public following (C. J. Bowen Cook et al., *British Locomotives: Their History, Construction, and Modern Development* [2nd ed., 1894]; R. E. Dickinson, *Electric Trains* [1927]), while other subjects attracted general interest only in the new century, from banking and foreign exchange (Horace White, *Money and Banking: Illustrated by American History* [2nd ed., 1902]; Gustav Cassel, *Money and Foreign Exchange after 1914* [1922]) to stocks and bonds (Charles Duguid, *The Story of the Stock Exchange: Its History and Position* [1901]; William L. Raymond, *American and Foreign Investment Bonds* [1916]). While some criticisms of a world economy dominated by Europe and the United States did appear after World War I (Achille Viallate, *Economic Imperialism and International Relations during the Last Fifty Years* [1923]; Sidney and Beatrice Webb, *The Decay of Capitalist Civilisation* [1923]), on the whole the 1920s celebrated big business to the point that industrialists took on heroic status (Alfred Marshall, *Industry and Trade: A Study of Industrial Technique and Business Organization* [4th ed., 1923]; Felix Pinner, *Deutsche Wirtschaftsführer* [1924]).

This collection tracks the emergence of modern business methods. By the beginning of the twentieth century, accounting and bookkeeping had become significant and essential professions (Carl Johannes Fuchs et al., *On the Correlation of Economics and Accountancy* [1905]; David Murray, *Chapters in the History of Bookkeeping* [1930]), matched by a wide variety of expanding vocations such as engineering (Engineering Employers' Federation, *British Engineering Industry: Realities and Problems* [1931]). Business had to deal with government regulation, which had reached a level where there was an International Association of Factory Inspectors (*Proceedings of the International Association of Officials of Bureaus of Labor, Factory Inspection and Industrial Commissioners* [1913]). Large-scale business operations could no longer limit themselves to a single country, but had to pursue their interests on a global scale (*British and Foreign Trade and Industry* [1903]). As a consequence, it had become necessary to understand the effects of international law on business operations (*Rapports du Jury International* [1902]; F. E. Smith, *International Law* [1923]), as well as the workings of corporations in different countries (Josef Von Körösi, *Die internationale Classificierung der Berufsarten* [1893]; Francis Edgeworth, *The Theory of International Values* [1894]). The public became concerned with many aspects of business, from child labor (Hylton Dale, *Child Labor under Capitalism* [1908]; *Migratory Child Workers and School Attendance* [1928]) to the employment of women in bars (*Women as Barmaids* [1905]). Other issues included the consequences of business practices on public safety (Interstate Commerce Commission, *Decisions Construing Federal Safety Appliance Acts* [1907]; H. Raynar Wilson, *The Safety of British Railways* [1909]) and monopoly power (William Morris, *Monopoly; or, How Labour Is Robbed* [1893]; William S. Stevens, ed., *Industrial Combinations and Trusts* [1913]). In every industrial country, concerns arose that corporations were becoming far too powerful and might prove capable of controlling the political system and even launching nations into war for their own profit (Gustav Rühland and Charles W. Smith, *The Ruin of the World's Agriculture and Trade* [1896]; Union of Democratic Control, *The Secret International: Armament Firms at Work* [1934]). For many critics, the only solution was more stringent government regulation and transparency, while business leaders repeatedly responded with an insistence on their right to pursue their profits free of government and public interference.

The Making of the Modern World also demonstrates the efforts of economists to understand the actual workings of their chosen subject. In these years scholars sought to promote the scientific

nature of their field by establishing a coherent statistical methodology (Francis Y. Edgeworth, *The Representation of Statistics by Mathematical Formulæ* [1900]; Carroll D. Wright, *The Value and Influence of Labor Statistics* [1901]; *Methods of Representing Statistics of Wages and Other Groups* [1902]). However, the most hotly debated economic topic from 1890 to the 1930s, the West's reliance on the gold standard, seemed resistant to statistical analysis. Opponents of the gold standard mostly favored "bimetallism," or the use of both gold and silver to back up the value of money, arguing that making use of the more abundant metal would accelerate productivity (Richard P. Rothwell, *Universal Bimetallism and an International Monetary Clearing House* [1893]; Francis A. Walker, *International Bimetallism* [1896]). The most famous advocate of bimetallism was William H. Harvey, whose *Coin's Financial School* (1894) sold a million copies in its first year of publication and inspired an outpouring of responses (George E. Roberts, *Coin at School in Finance* [1895]; *The Great Debate on the Financial Question between Hon. Roswell G. Horr, of New York, and William H. Harvey, of Illinois* [1895]). Proponents of the gold standard warned that abandoning this one certain measurement of value would lead to collapse and chaos (Edward R. P. Edgcumbe, *Popular Fallacies regarding Bimetallism* [1896]; Hugh H. Hanna et al., *Gold Standard in International Trade* [1904]). Textbooks of the period focus on this debate (Charles Gide, *Principes d'économie politique* [4th ed., 1894]; Irving Fisher, *Elementary Principles of Economics* [3rd ed., 1913]), yet when Britain went off the gold standard in 1931, followed two years later by the United States, civilization did not end, and most economists now deride the relation of currency to precious metals as incidental to the actual workings of the economy.

The essential problem was that economists of this period could not agree on what exactly constituted money and how it worked. Some scholars perceived money as a substitute for gold, taking its value solely from its ability to be exchanged for that precious metal, while others saw it as a more abstract marker of exchange relations (Adolf Soetbeer, *Litteraturnachweis über Geld-und Münzwesen* [1892]; E. Kauffmann, *Banknotes, monnaies et arbitrages* [1908]). After World War I, currency issues moved to the forefront of international monetary issues, especially in light of the heavy reparations imposed on Germany by the Treaty of Versailles (Otto H. Kahn, *Reflections of a Financier* [1921]; Ilse von Arlt et al., *Geldwertung und Stabilisierung in ihren Einflüssen auf die soziale Entwicklung in Österreich* [1925]). Despite several efforts like the Young Plan to resolve the reparations issue, the continued insistence by France and Britain that Germany meet its full treaty obligations regardless of inflationary pressure repeatedly destabilized Germany and international markets, further feeding the economic crises of 1929 and aiding the rise of Hitler (Francis Delaisi, *Political Myths and Economic Realities* [1925]; George Clare and Norman Crump, *The ABC of the Foreign Exchanges* [9th ed., 1931]).

The Great Depression undermined faith in an unregulated economy, as laissez-faire economics apparently produced the crisis and offered no path to recovery. Fascist and communist propaganda promoted the virtues of a planned economy (Benito Mussolini, *The Corporate State* [1936]; Hans Schneider, *Socialist Strategy on the Economic Front* [1938]), while liberal economists like John Maynard Keynes attempted to salvage capitalism through government regulation and deficit spending (Keynes, *A Tract on Monetary Reform* [1923] and *The End of Laissez-Faire* [1927]). Economists in the 1930s debated the relative utility of a planned economy in the same way they had once debated bimetallism (Edwin Cannan, *Modern Currency and the Regulation of Its Value* [1931]; P. Harvey Middleton, *Railways of Thirty Nations: Government versus Private Ownership* [1937]), but the onset of World War II appeared to make all these arguments moot, as every participant government took over the operation of their economy (Fabian Society, *Government and Industry: A Framework for the*

Future [1944]; Ernst Schumacher, *Export Policy and Full Employment* [1943]). With the war's end, the focus of economics shifted again, as scholars struggled to make sense of the many contradictory lessons of the previous fifty years. What *The Making of the Modern World* makes abundantly clear is the political and social centrality of economic practices and the need for a more objective understanding of the workings of international financial structures.

Suggested Readings

No period has attracted more historical attention than the first half of the twentieth century. The following books address some of the most significant aspects of these years.

Applebaum, Anne. *Red Famine: Stalin's War on Ukraine*. New York: Doubleday, 2017.

Chambers, John Whiteclay, II. *The Tyranny of Change: America in the Progressive Era, 1890–1920*. 3rd ed. New Brunswick, NJ: Rutgers University Press, 2000.

Evans, Richard J. *The Third Reich Trilogy*. 3 vols. London: Penguin, 2003–2008.

Figes, Orlando. *A People's Tragedy: The Russian Revolution 1891–1924*. New York: Penguin Books, 1998.

Gould, Stephen Jay. *The Mismeasure of Man*. Rev. ed. New York: Norton, 1996.

Kennedy, David M. *Freedom from Fear: The American People in Depression and War, 1929–1945*. New York: Oxford University Press, 1999.

Meyer, G. J. *A World Undone: The Story of the Great War, 1914 to 1918*. New York: Bantam, 2007.