CHAPTER 6

Chicago in the Depression

Opening Years

The higher the purchasing power of the masses is in relation to total production, the greater are capital's difficulties in overcoming its depression and in maintaining its society. Precisely for this reason we suggest the continuous struggle for better living conditions.¹

No one foresaw the swiftness with which social and economic conditions would deteriorate at the onset of the Great Depression. Three months after the precipitous fall of stock market prices in October 1929, unemployment nationwide increased eightfold. In Chicago unemployment grew steadily throughout 1930, until it engulfed 28 percent of the workforce early in the next year.²

Mattick was relatively immune to these developments, at least initially. His hours and pay check were both cut, but he held on to his job. Besides, he had a family to support, and as a rule, married women and single people without dependents were dismissed first. Western Electric's monopolistic position within the telecommunications industry meant that there were few direct competitors and less cut-throat competition and excessive price-cutting than in other areas. But with the general decline of business throughout the economy, the company's fortunes nonetheless deteriorated. Although employment at its Hawthorne Works had hovered around 43,000 when Mattick was hired, by the time he lost his job in early 1931 only 16,000 remained.³ During this short interval, Mattick's world once again altered irrevocably.

The chaos in Chicago was intense. Assured by business leaders and academics alike that the crisis would be of short duration, the city's public authorities did little to counteract the negative effects of the economic downturn. Neither new agencies nor new programmes were forthcoming. Municipal borrowing

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¹ Mattick, ‘Unemployment and the Labor Market’, Industrial Worker, 6 May 1939.
² Bernstein 1966 remains the primary source for the Great Depression. Also indispensable: Lasswell and Blumenstock 1939. Many aspects of the depression are chronicled in: Mattick, Arbeitslosigkeit und Arbeitslosenbewegung in den USA, written in 1936. Piven and Cloward 1979, provides a useful summary; Brecher 1997, ch. 5, is a popular account.
³ A year later, the workforce at Western Electric was cut to 8,000. Cohen 1992, pp. 243–4.
was necessary even to continue existing operations, and the additional debt further stressed the tax base.

Chicago’s relief system depended on private donations channelled through community groups, religious organisations, and neighbourhood churches. Food allowances, if available, were restricted to women and children, the aged, and the disabled, and were frequently distributed according to strict guidelines based on race, ethnicity, and religion. Single men, on the other hand, were funneled past soup kitchens and herded into huge homeless shelters—when these existed at all. Rent subsidies were uncommon, and other forms of relief, like emergency health care, barely existed for the employed, let alone the destitute. No two welfare organisations followed the same procedures, and each established its own, often arbitrary, sets of qualifications for grantees. The unemployed were endlessly referred elsewhere, a major irritant in and of itself. The forfeiture of property—homes, automobiles, and other fixed possessions—in order to receive benefits meant that people were required to further impoverish themselves in order to receive support. It was an open secret that relief efforts could reach only one-third of the unemployed. Everyone else was on their own.

The working class largely retreated into itself—its reaction, which Mattick recognised immediately, was slow and sullen. Savings were depleted, incomes shared across generations, and ethnic ties strengthened, all in an effort to outlast the crisis. A deep pessimism replaced the belief in progress and justice that pervaded the late 1920s—a significant change from the enthusiastic attitudes about steady employment, higher wages, and upward mobility that preceded the crisis.

What dominated, though, were ideologies of self-sufficiency and self-help, fuelled by masculine images of the rugged individual on the frontier, and by anti-monopoly, anti-government, and nationalistic sentiments. Self-help groups fostered the mutual transfer of skills and services among their members; in some places, the participation of farmers meant that basic foodstuffs were part of a barter economy. Producers of all sorts—of agricultural goods and handicraft items—exchanged goods directly and without interference by monopolies or profit-seeking entrepreneurs. Here and there, groups began to print their own forms of money. This was, nonetheless, a make-shift affair, a return to a lower level of economic functioning that posed little threat—except for small shop owners—to the prevailing capitalist norms.

Throughout 1930 there was a protest somewhere in the city nearly every day. Hunger marches, spontaneous demonstrations at relief stations, and

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