

Making a New Deal

*Industrial Workers in Chicago,
1919–1939*



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Adrift in the Great Depression



Plate 23. Eviction scenes like this one were common on Chicago streets during the Great Depression. Not only did people often lose their homes, but they also found themselves bereft of many of the institutional supports, once provided by ethnic and racial communities and welfare capitalists, that they had depended on during the 1920s.

Looking back at the Great Depression from the vantage point of half a century later, it can be difficult to grasp how extensively working people's lives were disrupted. Historians' tendency to reduce the crisis of the thirties to a series of impersonal events – the stock market crash, unemployment, mortgage foreclosures, bank failures – obscures the reality of these disasters as people experienced them. The following portraits recapture some of the ways that the early depression materially and emotionally devastated Chicago workers and their families, as it undermined the survival strategies that they had developed during the 1920s.

For John Norris, a structural iron worker, the Great Depression meant the ruin of his carefully laid plans for retirement, to say nothing of his family's present livelihood. In 1927, Norris had invested his life savings in a two-apartment building costing \$17,500. He put every penny that he had saved into the down payment and planned to pay off the rest over the next ten years from his earnings, his wife's boarders, and the rent from the second apartment. But by the later 1920s, Norris began to face more frequent layoffs from work. In no time, he lost his job entirely. The boarders were in no better shape and finally left, owing \$300. With Norris unable to meet his payments, the mortgage was foreclosed in October 1930, depriving this fifty-year-old worker of all his equity of \$8,100. His family remained in the house for eighteen months before they were "put out" to wander from friend to friend, stopping wherever someone had a room to give them in return for work.¹

In August 1932, Mr. Goich and his two sons were barely subsisting with the help of at least three different charity organizations. In their small flat in Southeast Chicago near Wisconsin Steel, where Mr. Goich had worked until he lost his job three years earlier, this Yugoslav family did its best to manage despite Mr. Goich's current illness and the recent death of Mrs. Goich. Although Mrs. Goich had left an insurance policy worth a thousand dollars, the costs of her doctors and funeral quickly depleted that money. Mr. Goich was dependent on outside help for some time and became increasingly bitter about the way that social workers from the various charities were interfering in his life. "They're always snooping around," he complained. "They make me do everything their way. They tell me what time I should make the kids come in.

I think George and Dannie should be home at nine, but they say it's all right for them to be out till ten. What can I do about it? They tell me what I can and dassn't eat. They said I should give up smoking, and won't give me any money for tobacco. . . . They tell me how I oughta cook stuff. I can't even peel potatoes my own way. They meddle around with my clothes. . . . No, I wouldn't dare tell 'em to mind their own business. I ain't had two nickels to rub together in my pocket now for over two years. If I wuz to sass 'em, they might stop giving me stuff, the things the kids and me need. Christ, I couldn't even get up the \$17 a month for the rent, let alone the food and coal. They got me by the balls. I gotta do what they tell me. But if I ever get to work again, I'll tell 'em all to go to hell quick enough."²

By the early 1930s, the Great Depression had already had a discernible impact on the life of eleven-year-old Dempsey Travis and his Chicago Black Belt family. His favorite Uncle Otis was laid off his job on December 22, 1929, only to be hit even harder seven months later when Illinois bank examiners closed the doors of the Binga State Bank, the financial rock of the black community. "Thrifty Uncle Otis became destitute with the turn of the examiner's key in the front door of the bank. Otis Travis died in 1933, broke and broken-hearted, without having recovered one penny of his savings," Dempsey recalled. Dempsey's father and his Uncle Joe, both packinghouse workers, had been cut from six ten-hour days a week to three eight-hour days. And even Dempsey lost his job as a *Chicago Defender* newspaper boy after "Black Thursday," October 24, 1929, the day the stock market crashed. His school career was also affected a few years later when the Willard Elementary School went on a double shift that cut school days almost in half. Other relatives took to the freight trains as "Hoover Hobos," moving from city to city, town to town, "looking for the prosperity their President had promised was just around the corner."³

Mrs. Rose Majewski, age 39, was born in Poland. Although she had lived in the United States for many years, she had neither taken out citizenship papers nor learned to speak English. When her husband deserted her and their five children in 1925, Mrs. Majewski kept her family going by scrubbing floors at the First Trust and Savings Bank for \$21.50 a week until she was laid off in 1929. For another year she was able to find work, though at steadily declining wages, scrubbing in the

Merchandise Mart Building at \$18 a week and cleaning chickens at a packinghouse for \$10–12 a week. After June 1930, Mrs. Majewski could find no more work, so her sixteen-year-old daughter began doing housework in a private home for \$4 a week and food. The Majewski family's \$50 in savings was quickly depleted, and debts with the landlord and the grocer began to mount until further credit was refused. Payments on the family's fourteen insurance policies, for which they normally paid \$2.70 a week, lapsed, as did those on the radio that they were buying on installment. Finally, they were forced into cheaper living quarters, four rooms on the top floor of what had formerly been a barn, for \$14 a month. Mrs. Majewski felt she had no choice but to turn for help to local charities. Soon, the family was trying to make do on cash payments of \$5 a week from a private welfare organization and a monthly box of food staples from the Cook County Bureau of Public Welfare.⁴

Steelworker George Patterson and his wife were unprepared for how hard the depression would hit them. Despite the October stock market crash, "We in the steel mills didn't feel that we were going to be too badly affected. The average worker didn't and I especially, being a prima donna roll turner you know, said that the roll shop was one of the last places that would feel the pinch. My wife and I got married in 1931 and I had said, 'Don't worry about it. We'll always do all right.'" But by 1932, Patterson was working at U.S. Steel's South Works plant only one day a month. To get more work than that was a game of "who you knew," whether or not you could win the foreman's favor. By the time his son was born later that year, Patterson and his wife had moved in with her parents, and he "couldn't buy a bottle of milk." To make things worse for steelworkers like Patterson, the U.S. Steel stock they had scrimped to purchase as an investment in the future under the company's employee stock ownership plan, worth \$259 a share in October 1929, had tumbled fifty dollars within six months and continued to fall steadily until a share was worth less than \$20. The job and stock that had offered Patterson security just a short time earlier now appeared worthless.⁵

Mr. Severino, twenty-eight years old in 1931, had come to the United States from Italy eleven years before. He first worked at Swift & Company slicing bacon and then found a better job as a millwright's

apprentice at Western Electric, where he remained until he was laid off. When he tried to get his old job back at Swift, he discovered it was impossible without a recent "lay off card." Severino was able to find some short-term jobs – building the Chicago stadium, working as a laborer for a construction company, even returning to Western Electric for a few months – but the family survived mostly on the wages Mrs. Severino earned at the Union Bag Company. When she too was laid off, the family fell into debt. They lived directly over a grocery store, the proprietress of which was an old friend of Mrs. Severino's parents. By the end of 1931, the Severinos owed her nine months' rent and \$250 for groceries. Although Mrs. Severino was ashamed to ask for more credit, knowing she could not pay, she saw no alternative. As it was, the family ate mostly bread and macaroni. Mr. Severino had tried a job with the National Advertising Corporation selling calendars on commission to small shopkeepers. In three days, however, he took only one order for fifty calendars. The sale ended up costing him a dollar since he charged the storekeeper seven dollars and the company charged him eight dollars for the minimum order of a hundred. He discovered the hard way that shopkeepers had no interest in buying calendars "when business is dead."⁶

These six family tragedies typify the troubles that thousands of Chicago workers encountered in the early years of the depression. Of course, industrial workers had faced economic downturns before. Many remembered vividly the hard times that followed World War I and the periodic unemployment that became almost a way of life during the 1920s. The Great Depression, however, took place on an unprecedented scale. Hardly a working family escaped its grasp. Workers routinely found their working hours and their pay cut when they were lucky and lost their jobs when they were not. Only half the people employed in Chicago manufacturing industries in 1927 were still working in 1933, whereas company payrolls had shrunk to an astounding one-quarter of what they had been five years before. Outside of work, families like the Norrises, the Goiches, the Trivises, the Severinos found themselves unable to meet bills, insurance payments, rents, and mortgages. With a cataclysm of such magnitude overtaking Chicago, the nation, and even the world, people began to doubt that their lives would ever return to normal.

But to understand the impact of the Great Depression on working-

class families in Chicago, it is important to do more than measure the magnitude of their hardships. It is necessary to ask how the very structure of people's lives, particularly their relationship to basic institutions and authority figures in their ethnic communities, workplaces, and families, was transformed during the crisis. Earlier chapters established that during the twenties, workers in Chicago manufacturing looked to their ethnic communities for security. They accepted as well whatever assistance they could get from their welfare capitalist employers, though it was frequently less reliable. This chapter will investigate how well the strategies that workers depended on in the 1920s weathered the storms of the 1930s.

THE ETHNIC COMMUNITY IN CRISIS

Understandably, people first tried to handle the new crises that were engulfing their lives in familiar ways. When chief breadwinners lost their jobs early in the depression, other family members went looking for work, much as they had done in the 1920s. If the immediate family could not cope on its own, it turned to established networks of relatives and friends within the ethnic community.

But the magnitude of the city's economic crisis severely limited the help that family and friends could give intimates who were in trouble. These informal networks had worked before because people suffered their ups and downs at different times. In the 1920s, if a man was laid off during a slack season in one industry, chances were his wife or daughter or brother could find employment in an industry at more peak operation. When one family faced an emergency like illness or death, neighbors and other close associates could usually afford to help. But the effects of the Great Depression were so pervasive that people could no longer count on much assistance from these old networks. In the 1930s, spouses and children had a much harder time finding work when chief breadwinners lost their jobs. When Mr. Severino was laid off from Western Electric, his wife managed to find temporary work at the Union Bag Company; but when that job ended, she could find nothing more. Workers' relatives and friends helped when they could, but more often than not they were already pushed to the limit coping with their own problems. A study of one hundred applicants for relief in the winter of 1933 documented that relatives and friends had been willing to assist many of the needy at first, in some cases to avoid the "dis-

grace" of having the family on charity. But as the circle of unemployment widened, intimates became less able to help, engrossed as they were in their own difficulties. The Pulitzer family, for example, got aid from relatives on both sides of the family when Mr. Pulitzer first lost his job and home. But by February 1933, an investigator found that all the relatives, with only one exception, were themselves unemployed or working part time with incomes far lower than two years earlier. They were no longer able to assist the Pulitzers.⁷ As time went on, Chicago's industrial workers could hardly manage their own problems. Despite their concern for those outside their immediate families, they could offer little material help.

As their troubles increased and they exhausted the informal networks available to them, Chicago workers looked, as was their habit, to the ethnic- and religious-affiliated community institutions that had long supported them in good and bad times. When the Great Depression made it harder for workers to hold jobs, to pay bills, rents, and mortgages, and to cope emotionally, they looked for salvation to their old protectors.

As workers reeled from one bewildering crisis, such as losing a job or a home, to another, the welfare agencies that had served their ethnic group or religious faith in the past seemed the obvious place to seek help. Even those who had managed without much assistance in the 1920s now turned to these organizations to cope with their troubles. "We had a number of people come to us, for assistance and advice, who for years have not identified themselves with the Polish-American group," acknowledged Mary Midura, a staff member of the Polish Welfare Association. "When they found themselves in financial distress, they sought contact with people of the nationality group from which they themselves emanated."⁸ In search of money, jobs, food, and clothing, needy workers and their families called upon the Slovenian Relief Organization, the Polish National Alliance Benevolent Association, the Bohemian Charitable Association, the Jewish Charities, the Catholic Charities, and other sectarian welfare organizations.⁹ Local churches were particularly swamped by appeals for charity. The parish priest of a Catholic Church in Back of the Yards found himself bombarded night and day with calls from the needy of his congregation, including many of his thriftiest families. They came, he said, "often bathed in tears - and [they] pleaded inability to help themselves any longer."¹⁰

Ethnic and religious welfare institutions were committed to deliver-



Plate 24. In the early years of the depression, private welfare agencies such as churches and ethnic organizations tried to cope with the massive need. But serving meals to the unemployed in church basements like the Immanuel Baptist Church pictured here or distributing occasional checks to people who had regular rents and bills to pay proved grossly inadequate. Even these services, moreover, quickly exhausted the limited financial resources of ethnic and religious welfare institutions.

ing the services that their constituents expected. Just as they had aimed to keep “their own kind” from being a public burden during the twenties, so they struggled to care for them now, even in the midst of a severe depression. “Let’s have pride enough *not* to sponge upon public support when Catholic charity is still able to care for its own interests,” one priest urged his flock.¹¹ The depression in fact impelled the Chicago Archdiocese to establish a comprehensive relief structure that rivaled the widely acclaimed Jewish Charities of Chicago. The Catholic Charities’ Central Charity Bureau coordinated a decentralized operation that at its peak in the 1930s oversaw six thousand volunteers working in 325 St. Vincent de Paul Conferences organized on the parish level. Catholics were proud of their volunteer-staffed relief organization for minimizing overhead costs and blessing the souls of the saviors while sustaining the needy.

Along with delivering relief, the establishment of a citywide network of St. Vincent de Paul Societies had political significance. Many “national” (ethnic) parishes like the Italian Our Lady of Pompeii and the Polish St. Mary Magdalene had resisted archdiocesan efforts throughout the 1920s to encourage the establishment of St. Vincent de Paul Societies, viewing them along with Holy Name Societies as intrusions by the central Church hierarchy. When faced with the depression’s staggering problems, however, they quickly fell in line; they needed financial assistance from the Central Charity Bureau. In parishes all over the city, St. Vincent de Paul Conferences met weekly with their pastors to assist as many in their communities as possible.¹² Local Catholic Churches assisted thousands of their congregants in these early depression years. But no less significant, Cardinal Mundelein’s church used the great need for charity among Catholics to further its drive to bring national parishes under more central control. St. Vincent de Paul Conferences gave the archdiocese the foothold in the ethnic parish that it had sought throughout the 1920s.

For the Catholic Church hierarchy quite blatantly, and for other groups more subtly, the Great Depression presented a challenge to their authority. Legitimacy rested on continuing to meet their constituents’ needs and on protecting their group’s good name in the larger community. Mayor Kelly, addressing the Catholic Slovak Day Fundraiser at Pilsen Park, congratulated the Slovaks for “taking care of their own hungry and destitute,” in other words keeping them off the county rolls.¹³ Less successful groups felt the sting of public condem-

nation. Mexican leaders, for example, urged their community to take more responsibility for the suffering of Mexican immigrants in Chicago: "Due to our own negligence, either willingly or forcibly we are compelled to join the public charities. Therefore, we say that only through a strong organization we can, to a certain extent, overthrow the hostile propaganda voiced in some of the newspapers who accuse us of being a burden to the Relief institutions, a menace to the public health, and a hindrance to the stability and advancement of the life of the native worker."¹⁴

Yet despite the commitment of ethnic- and religious-affiliated agencies to serve their own people, these private charities could not handle the enormous demand for assistance. Church soup kitchens, ethnic fund-raising bazaars, and used clothing drives went only a small way toward meeting the huge demand. Observers repeatedly noted the inadequacy of private relief, claiming that organizations like the St. Vincent de Paul Conferences were less effective in practice than in theory. At St. Adelbert's Church, the St. Vincent de Paul Society met every Friday night from 7 to 8 p.m., "and if people do not go at that time they do not get help." The situation was not much better at nearby St. Casimir's, where "they say they have no money and they possibly give \$3 a week to a family of ten people for a time and then refuse to give any more."¹⁵ The difficulties of the Jewish Charities, long proud of its ability to care for Chicago's needy Jews, demonstrated the severity of the crisis for private agencies. By 1932, the organization was supporting fifty thousand Jewish unemployed, but not without running a huge deficit. Even then, the Jews who came for help received only the minimum in assistance. "Our waiting rooms are full of people. . . . But our pocket books are empty. Relief stations reach a point where they can give only food and coal, and pay rent only when eviction is threatened," agency staff fretted. Executive Director Samuel A. Goldsmith testified to a U.S. Senate Investigating Committee, "We insist that persons who come to our agencies shall have used up all of their resources and come to us empty-handed. We even ask that they borrow on their life insurance policies. These dependents on charity now are people who actually have been reduced to destitution."¹⁶

At the same time that the depression increased the demand for welfare services, it also undermined the financial resources of many religious and ethnic welfare agencies. When the Polish Welfare Association, for example, lost funds in two bank failures early in 1931, its

program and staffing had to be sharply curtailed. Since most of the prominent Poles of Chicago who supported welfare services were in real estate, banking, or the insurance business, all of which were severely affected by the depression, the usual providers of financial support could not be counted on.¹⁷ As the elite of an ethnic group tightened its belt, the effects were felt all the way down the social ladder.

It did not take long for clients, agencies, and civic leaders alike to recognize that the traditional voluntary approach to relief was floundering in an economic crisis of unprecedented magnitude. Still, the depth of popular commitment to a system of private welfare serving particular populations of needy was evident in the emergency measures cities like Chicago embraced. Rather than calling for an alternative system of state-supported relief to bail out beleaguered private charities, business and community leaders followed the advice of President Hoover's Emergency Committee for Employment. Much as they had done on a smaller scale during the depression of 1921–2, they collaborated to raise special funds to replenish the depleted treasuries of existing social agencies. Prominent Chicagoans orchestrated two drives for emergency money. The Cook County arm of Governor Emmerson's Committee on Unemployment and Relief raised \$5 million in 1930, and the Joint Emergency Relief Fund of Cook County came up with more than twice that amount the next year. These dollars went directly into the separate coffers of the United Charities, the Jewish Charities, the Catholic Charities, the Salvation Army (serving mostly Protestants), and the American Red Cross (which helped disabled veterans). Lesser grants were also available to smaller ethnic agencies that the Chicago Association of Commerce had endorsed, like the German Aid Society, which recorded "\$2,273.63 from Governor Emmerson's Commission" in its annual report for 1931.¹⁸

Chicago's private charities hoped that this system of subsidy would help them serve the clients they felt were rightfully theirs without interference by other agencies or the state. No one else, they felt, was better prepared to meet the material and emotional needs of Chicagoans in distress. The only people who repeatedly criticized this approach were professional social workers who argued that review of program quality should accompany funding. Although Cardinal Mundelein applauded the subsidy approach for sparing Catholics "fear of any discrimination" by non-Catholic relief agencies, United Charities' social workers despaired that Catholics were left to their parishes "where we

feel that they will probably not receive the attention they should have.”¹⁹ The territoriality of existing agencies, not the highest standards of social service, drove the welfare system of the early 1930s, critics pointed out. Increasingly, professional social workers advocated a system of relief that had public funding and universal standards.

The public relief that existed in these early depression years was organized on the county level and offered few alternatives to private agencies. Although the Cook County Bureau of Public Welfare spent millions between 1929 and 1931, the money went not for general relief but to pay for Mothers' Pensions, Blind Pensions, Aid to Ex-Service Men, and commodity orders of food, milk, shoes, and coal intended to supplement the contributions of private agencies. Moreover, an extremely high rate of tax delinquency in Cook County further limited the funds available for relief.²⁰ Out of a total of \$2.7 million spent on public and private relief in Chicago during 1928, before the Great Depression hit, 64 percent was expended by county agencies, 36 percent by private. By the end of 1931, however, when \$12.5 million was being spent due to the emergency fund drives, the balance had completely shifted. Now private agencies accounted for 64 percent of relief expenditures, reflecting a 718 percent increase over 1928, whereas public agencies were only spending 162 percent more than they had in 1928.²¹ Those Chicagoans who did not receive adequate relief from the welfare organizations of their cultural communities were far more likely to go to the private, nonsectarian United Charities than to the county.

To the frustration of Chicago's supporters of local, private welfare, even the emergency fund drives failed to solve the relief crisis. Within months of the completion of both drives, the money was exhausted, causing relief stations to close, monthly allowances to be cut, “no-rent” policies to go into effect, and most crucially, client disillusionment with existing agencies to grow. By trying to keep their claim on their communities amidst the upheavals of severe depression, sectarian social agencies inadvertently invited rejection when they failed to provide adequately for their clients.

The dissatisfaction that Chicago's Catholics displayed with the church's efforts to help them cope with the depression illustrates this development. Many needy church members criticized the way the Catholic Charities handled their applications. For example, Mr. and Mrs. Horbatz were a young, married couple with two small children who lived in a four-room apartment until Mr. Horbatz was laid off in

1930. Soon after, they were forced to move in with Mr. Horbatz's mother and her two unmarried sons. When Horbatz applied to the church's Central Charity Bureau for assistance, however, he was refused on the grounds that the family lived with his mother. Mr. and Mrs. Horbatz told an investigator from the University of Chicago Settlement that they had learned too late that they should never have been truthful with a Catholic charity that bore such an unrealistic attitude toward family responsibility.²²

Some unemployed Catholics mistrusted not only the Central Charity Bureau but also their local St. Vincent de Paul Societies and their parish priests. By early 1932, the pastor at St. Augustine's parish in Back of the Yards felt obligated to defend the reputation of his St. Vincent de Paul Society volunteers from community attack. Acknowledging that cuts in the weekly allowance had been necessary, he added, “The people of St. Augustine's have no reason to complain. In fact our St. Vincent de Paul men are deserving of the highest praise. They are working and slaving incessantly to aid our families. It has been said that some of our men are being paid. This is a mean lie.”²³

Catholics' resentment over the church's inadequate relief soon spread to other aspects of church policy. Parishioners expressed anger that the church still expected them to pay parochial school tuition, and many moved their children to local public schools. People also resented the fees that the church charged for performing ritual acts. In working-class neighborhoods of the city, baptisms, first holy communions, confirmations, church marriages, and burials declined noticeably during the depression.²⁴ One parish in South Chicago became so incensed that in July 1931 it demanded that in the case of “anyone who is poor and cannot afford to pay ritual fees for baptism or funerals, the priest must perform the ritual without any fee.”²⁵ Teenage boys in St. Michael's parish next to U.S. Steel's South Works blasted the church's avarice, echoing their Polish parents' sentiments in bolder fashion. “These fuckers over here at St. Michael's, all they think about is *money*. You should *see* it when the money wagon comes around! They have to wheel it out in wheelbarrows! . . . Anytime you *want* anything, all they think of is, ‘Do they get a fin for it?’ They'd *never* give a Guy a break!”²⁶ Miles away, on the North Side of Chicago, another observer noted a similar attitude among Italian children who voiced publicly the views that their more discreet parents reserved for home: “There is a definite feeling that the church is always after money, money and more

money. Children, ordinarily too young to make such observations, say when passing the Cardinal's house, 'See what a swell place we pay to keep up.'"²⁷ The Catholic Church, by taking responsibility for the worldly needs of its parishioners, could no longer get by with just offering spiritual solace to its suffering. Needy Catholics were increasingly judging it as a social institution.

The Catholic Church was not the only religious institution in Chicago to lose favor through its failure to provide members with adequate relief. Black Protestant churches had long played an important welfare role in black communities. Prior to 1929, for example, St. Marks Methodist Episcopal Church, a large established congregation at Wabash and 50th Street, kept its doors open every day and six nights a week for worship, socializing, and welfare activities. A staff of five social workers assisted parishioners with their problems. By 1934, however, the church's income had dropped 40 percent; the building was closed four days and four nights a week, three of the social workers had left, and the number of active church members had greatly declined. According to the Reverend J. B. Redmond, "As the church became less able to render financial support to its members, they turned more and more to the relief agencies."²⁸ The Reverend W. C. Petty of Mount Messiah Baptist Church several blocks away concurred. He admitted to a drop in attendance of 50 percent, which he attributed largely to the dramatic decline in his church's social service work. He sadly characterized the previous several years as "a turning away rather than toward the church."²⁹

St. Clair Drake and Horace Cayton, in their investigation of the "black metropolis" during the depression, documented more broadly the observations of these two ministers. They found that throughout the Black Belt people were accusing the old-line churches of being "rackets," constantly demanding money without delivering much in return.³⁰ In contrast, the churches that flourished in black neighborhoods during the depression were Holiness and Spiritualist storefront congregations, which offered worshippers an intense, emotional experience and took little responsibility for anything but their souls. The Reverend Mary Evans, pastor of the revivalist Cosmopolitan Community Church, for instance, reported an increase in attendance of 40 percent from 1929 to 1934. Observers noted that by the mid-1930s there was hardly a block of the Black Belt without a Holiness or Spiritualist church.³¹ For relief help, blacks increasingly turned to the United Charities, the county, and

whatever other agencies on which they could prevail. Chicago relief statistics always reported the highest number of recipients in black neighborhoods. Here, of course, unemployment was unusually high, but no less important, the overwhelming poverty in the community meant that indigent welfare institutions, particularly the established churches, had an even harder time than their white counterparts relieving community distress.³²

By the time desperation drove Chicago's Joint Emergency Relief Service to demand help from the Illinois state legislature in the winter of 1932 and the State of Illinois in turn to request federal assistance the following July, there was much less opposition in the city to the notion of public-supported relief. The failure of private welfare agencies to meet Chicago's needs ensured that. Even Edward Ryerson, the steel industrialist and important Chicago philanthropist who had long defended private welfare, finally recognized that a new era had arrived. In February, he went to Springfield and demanded \$12 million to help the needy. When that ran out, he called on Hoover himself. "I got for the State of Illinois, the first federal money for relief ever granted," he reported. "It was a curious thing for me to do. I was bitterly opposed to federal funds at that time. But I realized the problem was beyond the scope of local government."³³ Times were changing for elites like the Ryersons as well as for working people like the Norrises, the Goiches, the Traverses, the Majewskis, the Pattersons, and the Severinos.

Private welfare was not the only pillar of ethnic life to collapse under the pressure of the depression. Other institutions that ethnic workers had depended on during the 1920s failed them as well, most importantly ethnic benefit societies, ethnic banks and building and loan associations, and ethnic neighborhood stores. The fraternal insurance policies, bank accounts, mortgages, and credit arrangements that had once symbolized security or even success had less and less to offer workers.

The mutual benefit and fraternal insurance societies that had served as anchors of ethnic community life through the 1920s encountered rough seas during the Great Depression. Begun as self-help organizations by immigrants from the same region of the Old World or a common corner of America, these societies had assured members a proper burial. During the 1920s, small local societies had consolidated into national ones and new state regulations had mandated more stringent and less cooperative-style operations. But even as their societies changed, ethnic Chicagoans remained loyal, retaining memberships de-

spite their group policies at work or supplementary industrial-type insurance purchased from commercial companies. Those other policies might come and go with a job or fortune, but fraternal insurance could always be counted on. Under the pressure of the depression, however, many workers began to have trouble keeping up insurance payments, which in no time threatened the stability of fraternal associations. For instance, when many members of the *Unione Veneziana* found themselves unemployed and thus no longer able to make monthly payments, the organization could not keep up its mortgage payments and lost its hall. Shortly after, the *Unione* itself disbanded.³⁴

Even societies that survived the depression had hard times. According to the history of the Slovene National Benefit Society,

the economic crisis had come on, bringing hardships to the members. It had a direct influence upon the sick benefit fund and the fund for special benefits. Members continuously lost their positions, and turned to the benefit funds for aid. Conditions became worse in 1931. Members increasingly reported on the passive list. The sick benefit department was depleted of funds and a general referendum was necessary to decrease benefits and separate the various funds. The situation produced much disturbance and dissatisfaction among the members.

Membership that had peaked in 1930 at 63,945 decreased to 53,252 by early 1932, with the passive list reaching 5,000 members. By spring 1933, when the tenth annual convention met in Chicago, the membership had fallen to 48,295, with 8,000 members on the passive list. The convention was forced to adopt many far-reaching reforms to save the society. It discontinued the practice of lending money to members on their property, which had amounted to almost \$1 million over the previous four years. It decided that all future investments, up to a total of 20 percent, should be placed in government bonds. It drastically reduced benefits for sickness, injuries, and operations.³⁵ Fraternal associations like the Slovene National Benefit Society that made it through the depression did not offer members the same kinds of benefits afterward that they had before.

To make matters worse, many fraternal associations had invested a large percentage of their assets in real estate, either by lending money directly to members or by purchasing mortgages from banks and building associations. For example, the Polish Women's Alliance in 1927 had tied up \$1,350,000 of its total assets of \$1,540,000 in mortgages. In the same year, the Polish National Alliance had \$14,207,000 in assets, with

\$12,545,000 invested in mortgages, the bulk of which were properties in the Chicago area. When the housing market collapsed with the Great Depression, the fundamental weakness in the investment policy of the fraternal was revealed. Many societies were left holding foreclosed property, now reduced in value and yielding little return.³⁶

The crisis among fraternal associations had severe implications. Losing assets and members could jeopardize an ethnic society and, some even felt, an ethnic community itself. As one of the largest ethnic fraternal, the Polish National Alliance, argued in its weekly newspaper in January 1931, "the insurance scheme has been introduced into our Polish organizations as a necessary cement with which to sustain the unity and coherence of the first thousands, and then the tens of thousands of the members and groups of these organizations. Experience and practice have proved that without such cement, without such financial constraint to pay, there could not exist and prosper among the Polish immigrants any organization." As that cement weakened, many began to wonder what would happen to the strength of the ethnic community it had once bonded together.³⁷

Most people went to great lengths to keep their policies active. They made other sacrifices before they were forced to borrow on their insurance, to take the cash surrender value if there was any, or in the worst cases, to just let the policy expire because there was no monetary compensation. One woman in South Chicago viewed keeping up insurance on her mentally ill and hospitalized husband as a top priority after paying rent and buying minimal food despite the fact that she earned only \$7.50 weekly as a hotel maid. Once, when it looked like she could not make a monthly payment, "I thought she'd go crazy," her son recounted. "If she hadn't got it from my uncle, I was gonna go out and thief it somehow!"³⁸ Mr. and Mrs. Hindelwicz kept up payment on four policies with a Polish insurance society despite Mr. Hindelwicz's layoff from Morris & Company Meatpackers in 1930, a \$100 grocery bill, seven children to clothe and feed, and a large loan from a cousin to pay off.³⁹

But even with scrimping and saving and letting other debts accumulate, it was often impossible to keep up insurance payments. Every study of unemployed families in Chicago during the early years of the depression recorded that large percentages, usually around 75 percent, had been forced to let some or all insurance policies lapse.⁴⁰ Not only was insurance a burdensome expense, but also many welfare agencies

would not give relief to clients who still held insurance.⁴¹ People in need often had no choice but to give up their long-cherished protection for tomorrow in order to survive today.

Not all the lapsed policies, of course, were fraternal ones. But when they were, the shock to the holder was particularly severe. If a commercial or employer's insurance policy failed them, workers considered it all the more proof that the capitalists had let them down. But when forced to abandon an investment in their own community organization, the betrayal hit closer to home. One investigator noted in the understated, unemotional language of official reporting that nonetheless betrayed the disillusionment of six families who had lost fraternal insurance: "their insurance had failed to provide the present and future security which they had been led to believe it would furnish them in emergency."⁴² Workers who could not keep up their insurance payments often felt as if they had been let down by an old friend.

Chicago's industrial workers did not depend on their ethnic communities only in times of trouble. At more prosperous moments, as when saving money at the bank or buying a home, they looked to ethnic banks and building and loan associations. As described in Chapter 2, ethnic banks popped up all over Chicago during the 1920s, most of them small, state-chartered institutions located in the new, outlying shopping districts that boomed during the twenties. Because Illinois law prohibited branch banking, what in other major cities were outposts of downtown banks were in Chicago small, often ethnically owned financial institutions that somehow had scraped together enough capital to meet the state's minimum requirements. As a result, by 1928 Chicago could claim 231 incorporated banking institutions, more than any other American city, with 106 others spread throughout suburban Cook County. Almost every ethnic community in Chicago had at least one bank where people could transact business in their native language.

These small outlying banks were more numerous than stable, however. Illinois prohibition of branch banking and lax requirements for state banking charters had permitted many minimally capitalized and poorly managed banks to operate. In the bank failures that swept the city from 1929 to 1933 and were particularly intense after June 1931, these outlying banks were the first to collapse. By the time of the national bank holiday in March 1933, 163 of the 199 Chicago banks located outside the Loop had closed their doors. Only 16 percent, or 33 outlying banks, weathered the Great Depression. Far more than deposi-



Plate 25. Here, frantic customers participate in a run on a Chicago bank in the early depression. For many working people, the failure of what was often a local bank owned by a member of their ethnic group meant more than the loss of hard-earned dollars. It also meant loss of faith in the ability of their ethnic communities, particularly their leaders, to support them in times of trouble.

tors' lack of confidence caused these bank failures. Chicago's ethnic banks not only suffered from low capitalization; most of them also invested heavily in local real estate. The collapse of that boom brought a sudden depreciation in the value of banks' assets.⁴³

Within a few years, disbelieving Chicagoans watched the downfall of such prestigious neighborhood landmarks as the Binga State Bank in the Black Belt, the First Italian State Bank, the Slovak Papanek-Kovac State Bank, the Czech Novak and Stieskal State Bank, the Lithuanian Universal State Bank, the Jewish Noel State Bank, and the largest Polish bank, the Northwestern Trust and Savings Bank, known familiarly in the Polish community as "Smulski's Bank." The *Chicago Defender's* description of the scene outside Binga's Bank in the Black Belt captured the community tragedy of a bank closing: "Crowds of depositors gathered in front of the bank. Two uniformed policemen were out on

guard for several days. There were no disorders. Instead, there was a deathlike pall that hung over those who had entrusted their life savings to Binga. . . . It was pride – that pride of seeing their own race behind the cages, that led them to 35th and State Street to do their banking. For years, the Binga Bank was pointed out to visitors as something accomplished by our group.”⁴⁴

When these banks failed, even more than when ethnic welfare agencies and ethnic benefit societies faltered, working-class people felt let down by the elites of their communities. Ethnic bank owners and managers had been local heroes, helping individual customers with mortgages and loans and providing leadership and financial assistance to the community. To ethnic workers, it was a scandal that bankers abandoned those who depended on them in a time of crisis. Stanley Kell’s father, a machinist, organized a committee of depositors of closed Polish banks to try to get some return on their lost dollars. At a public demonstration outside one of these banks in the early 1930s, young Kell carried a sign that revealed how far from grace this previously admired banker had fallen: “I am a boy. You have taken my money. Does money mean as much to you as it does to me in your bank? If you need this money take the keys to this bank, throw ’em in the lake and stay in jail.”⁴⁵

The managers of an Italian bank in another Chicago neighborhood tried to ward off a run on the bank by calling on someone with even more stature in the community, Father Pavero, the local priest, to calm depositors down. The bankers gave Father their word that nothing was wrong and put him on a soap box to assure those who had assembled in the bank lobby that their money was safe, along with the church’s. Most people went home convinced there was no danger. But when the bank closed the next day, Father Pavero found himself “cursed all over the place” along with the once esteemed bankers.⁴⁶ Homeowners felt even more betrayed when they discovered that the failure of their local banks created a loss of confidence and concomitant decline in neighboring property values.⁴⁷ Father Brazinski, Pastor of the Polish St. Marina’s Catholic Church, despaired that the bank collapse had disillusioned Poles in his parish to such an extent that the “celebrated habits of thrift and savings are almost destroyed. . . . All banks around (seven of them) crashed and people lost their life savings and homes. The only attitude is ‘There is no use of saving, spend everything otherwise you will lose it.’ For years to come there will be no banking for the Polish family.”

The National Urban League concurred that disillusionment from bank failures would have far-reaching ramifications for communities, as the closing of the Binga State Bank was bringing a “tremendous loss of confidence in Negro business enterprise and Negro financial institutions” in its wake.⁴⁸

Ethnic building and loan associations, like banks, had facilitated workers’ economic advances during the 1920s only to preside over their downfall in the 1930s. The same building and loan society in the Back of the Yards neighborhood that had helped the Dennison family buy a small building containing three apartments foreclosed on the mortgage in January 1931. Being allowed to rent the apartment they were already occupying was only small compensation to the Dennisons.⁴⁹ Many societies, like the Italo–American Building and Loan Association, the Lithuanian Dollar Savings, Building and Loan Association, and the Polish Nasza Chata Building and Loan Association, actually collapsed in the depression.⁵⁰ But even when they did not close, like their close cousins the ethnic benefit societies, building and loan associations failed members like the Dennisons who could not keep up payments.⁵¹ No building and loan association enjoyed abandoning its members; many tried to extend deadlines and bend rules for a time.⁵² But before too long, they had to foreclose on unpaid mortgages in order to stay afloat. Even then, damage from the depression remained. As late as 1940, a study by the federal government’s Home Owners’ Loan Corporation found only a fraction of Chicago’s predepression building and loans in business, and very few of these still healthy. According to S. C. Mazankowski, a director of the Polish–American Building and Loan Association League of Illinois, irresponsible directors were most at fault. Selected for their wealth and prestige in the ethnic community rather than their brains and experience, and notorious for their unprofessional banking practices, they deserved, and got, the brunt of the public’s blame.⁵³

Even when owners did not face foreclosure and managed to hold onto their property, owning a home did not offer the kind of security during the depression that it had in the 1920s. Many welfare agencies barred homeowners from receiving relief. At the same time, moreover, homeowners who were landlords had a difficult time collecting rents from their tenants. Mary Rucinski and her husband had unemployed tenants who went for long periods, once as long as eighteen months, without paying any rent. “They cheated me till I could not pay my interest on my mortgage and lost my house,” she recalled bitterly.⁵⁴

Because relief agencies refused to contribute to clients' rent payments until tenants were faced with eviction, small landlords, who were often workers trying to make a little extra money, had to choose between letting renters stay on free or paying the city to initiate eviction. They lost money either way.⁵⁵ The dilemma of the Barczak family of South Chicago was typical. When the Barczaks bought their home in the late 1920s, they thought they would soon be well-off, with three flats to rent, a father working in the steel mills, the eldest son old enough to join him, and the next son not far behind. But things did not work out as planned. By November 1932, only one flat had been rented and the payments on it were erratic; Mr. Barczak was working only two days a week; neither of the sons had a job; and the family could not get help from charity because they owned their own home.⁵⁶ For the Barczaks and thousands like them, all the things that had seemed wise in the twenties, like buying a home, keeping up fraternal insurance, and saving at the neighborhood bank or building and loan association, only caused trouble in the thirties.

Not even the faithful neighborhood merchant whose credit had sustained many an ethnic working-class family through bouts of unemployment during the 1920s could be counted on, to the dismay of customer and shopkeeper alike. Many tradesmen tried to keep up their old patterns of extending credit despite the depression. After all, they knew that credit was one of the main reasons customers patronized their stores over the cheaper chains. But as more customers were unemployed and not paying up, giving too much credit could bankrupt a store. "People would come to the store with little books and they would charge everything," Theresa Giannetti remembered angrily. "We'd keep track of what they would buy and if they had the money at the end of the month, they'd give us some; if they didn't, we just extended the credit. It got to the point where my Dad gave so much credit that he lost everything he had for giving the credit. . . . The people who owed us the money never bothered to pay it."⁵⁷

Ethnic merchants like Mrs. Giannetti's father who had managed to survive the onslaught of the chains during the late 1920s were going broke meeting the traditional expectations of their customers. Some customers ran up more credit than they could possibly pay back. Still, if a storekeeper refused credit to a family with a large bill, he risked losing the entire sum owed. Then, too, merchants had to beware of what was known as "grocery cheating," getting all the credit you could

from nearby grocers and then moving where people did not know you. Worst of all, when customers had money, small shopkeepers often watched them turn to the cash-and-carry chain store where their money-in-hand bought more. Many independent store owners, fearing bankruptcy, resorted to limiting credit, requiring customers to pay off the previous week's account if they wanted credit the following week. But in doing so, they minimized all the more what distinguished the small store from the chain and further drove customers away.⁵⁸

Independent shopkeepers also fell victim to aggressive chain expansion during the depression. After some initial faltering in the early thirties, many chains figured out how they could make the depression work for them, often taking advantage of their size in ways that were not possible for the small store. Chain stores, ranging from A&P to Woolworth's consolidated units, closing inefficient and unprofitable ones and modernizing others since "the comparatively low cost of modernizing stores in times like these offers an advantage too great to be ignored," according to chain executives. In addition, new stores in better locations could be opened more cheaply than before given the low rentals of the post-1929 real estate market. Chain stores also developed new advertising and merchandising strategies and lowered operating costs by introducing self-service and increasing the number of products sold under their own label. Even when the number of chain stores fell during the thirties, chains' share of total sales in a particular market tended to grow (Table 7).⁵⁹

The relief system contributed as well to the difficulty independent stores had competing with chains during the 1930s. Relief agencies run by the private United Charities, Cook County, and eventually, the state of Illinois and the federal government preferred recipients to buy food at chain stores where prices were lower. At first, agencies tried to enforce this by writing grocery orders only for chain stores. When small shopkeepers, ethnic groups, and relief recipients protested, they relented and authorized purchases from "the retail grocer of the client's choice."⁶⁰ As one irate citizen complained to officials in Washington, the National Tea Company, with its almost one thousand retail grocery stores in Metropolitan Chicago, has "in the past three years . . . acquired the bulk of the business of furnishing 150,000 destitute families . . . with the necessities of life, through the medium of contracts awarded to them by the Illinois Emergency Relief Commission." The writer went on to argue that this special treatment of the National Tea

Company hurt independent grocers in more ways than just depriving them of business. "Out of these profits . . . they [National Tea managers] installed 210 meat market units in connection with their grocery units in the Chicago area. Such meat market equipment cost them millions to install, and during this modern period of merchandising methods, which they boast about introducing, has wiped out hundreds of independent Grocers and meat dealers, forcing them into bankruptcy" [*sic*].⁶¹ Not only had grocery chains like National Tea used the relief system to take dollars out of the small grocer's pocket, but they also had then spent the money to modernize and diversify chain operations in ways that hurt independents all the more.

Even after the policy of relief agencies was changed to allow all merchants to compete for the business of relief clients, the independent merchant still felt at a severe disadvantage. Many customers stayed with the chains. "We have lost about twenty-five customers through charity slips on the chain stores. When a customer owes you money, he does not like to come in when he cannot pay you," complained one grocer who after twenty-nine years in business found himself \$3,500 in debt.⁶² Furthermore, although he or she could now legally fill recipients' grocery orders, the small shopkeeper felt burdened by the relief bureaucracy in ways that the chains, with their professional bookkeeping, did not. Anna Blazewicz, who ran a grocery in a Polish neighborhood of Brighton Park, recalled that processing "charity tickets" was difficult: "They got food from the store like credit and every month we had to go and file and the city or county would pay back and it had to be just so because if you were a penny short or a penny over, then they would send the whole thing back to you."⁶³ If that was not hassle enough, the storekeeper had to cope with caseworkers who persisted in favoring chains, like the one who angered relief recipient Mrs. Carl Doyle so much by changing her grocery slip from the independent grocer she had selected to a Consumers' chain store – arguing "we'd get the most for our money" there – that Mrs. Doyle wrote to New Deal administrator Harry Hopkins in Washington to complain. At the other end, storekeepers felt squeezed by customers who threatened to have their grocery orders from the relief agency changed to another store if they did not receive additional credit.⁶⁴

Other New Deal strategies to deal with the crisis of the depression intentionally or not worked to the disadvantage of the independent neighborhood storekeeper. Despite the Roosevelt administration's rhe-

torical commitment to safeguarding the small businessman, the National Recovery Administration (NRA) controlled prices for retailers and minimum wages and hours for their employees in ways that favored the chains. The chain store, able to buy products more cheaply from wholesalers, could sell them for less than the independent competitor. Small dealers who tried to meet the chain's sale price by selling below their own higher cost found themselves cited by the chain or large store for violating the NRA code for the retail food and grocery industry in the Chicago area. To make matters all the worse, the small storekeeper who hired a clerk or two to help in the shop had a hard time meeting the NRA code's strict wage and hour regulations.⁶⁵ It was no wonder that between overextending credit, competing with the chains, and coping with the relief system and the NRA, many small stores were forced to close.⁶⁶

By the mid-1930s, working-class people were finding more chain stores near their homes and patronizing them more frequently. Even when the corner store survived, ethnic workers could less afford to indulge their preference for its familiar food products and comfortable atmosphere. People who may have opposed the chain store in principle found economic realities changing their buying habits. As early as 1931, the major trade journal of chain store executives predicted that "one of the most constructive features of the depression, so far as the chains are concerned, lies in the fact that it operates to make more people chain store conscious, a fact that will undoubtedly work to the advantage of the chains when better conditions return and consumer buying power increases. Thousands of people throughout the country have patronized chain stores this past year who never before felt it necessary to test the economies they claimed to offer."⁶⁷ By the end of the 1930s in Chicago, that prediction had come true. In the winter of 1936, when a DePaul University marketing professor conducted an extensive survey of the attitudes of Chicago housewives toward chain food stores, he found that chain stores had become much more popular in recent years, particularly among factory workers. By 1939, a survey by the A. C. Nielsen Company confirmed that 93 percent of what were labeled "lower middle" and 91 percent of "lower" income buyers now paid by cash, not credit, an indication that they were patronizing chain stores.⁶⁸

As the corner grocer offered less credit than usual or closed down entirely, customers were forced to turn elsewhere. Loyalty to the local storekeeper of one's ethnicity had once been greatly valued, but now

people felt that he or she had let them down, just when they needed help most. One more aspect of the "safety net" that their ethnic group had previously provided had collapsed with the Great Depression.

Workers' feeling that they could no longer depend on their neighborhood merchants or on other ethnic leaders like the mutual benefit society director and banker suggests that the depression threatened the class harmony of ethnic communities. Through the 1920s, when working-class Poles or Bohemians or Italians felt protected by successful businessmen and civic leaders of their own ethnicity, ethnic communities had remained integrated across class. But as the upheavals of the depression undermined ethnic institutions, particularly the credibility of their leaders, class tensions grew within Chicago's ethnic communities. The local businessman who once had supported ethnic welfare agencies or provided mortgage money was now perceived as only watching out for himself. As workers became more aware of class differences within their own ethnic groups, they were on their way to becoming more sensitive to them in the larger world and more likely to recognize their common fate with workers of other ethnicities.

WELFARE CAPITALISM IN DECLINE

When industrial workers looked beyond their ethnic community institutions for support during the 1920s, they turned to their welfare capitalist employers. Chapter 4 demonstrated how Chicago manufacturers developed welfare programs explicitly to encourage employees to depend on the boss. Welfare capitalists believed that they could create loyal, efficient workers by offering them job security and benefits. Workers, it had turned out, took advantage of these company welfare programs and even came to expect benefits along with the job. But they soon recognized that frequent layoffs and employer mismanagement made welfare capitalism un dependable.

The Great Depression replayed this dynamic of employer promises and worker disillusionment in even greater intensity and left workers surer than ever that employers only valued welfare capitalism when it was convenient and cheap. As the depression deepened, many employers felt it was their responsibility to assist their workers, the natural fulfillment of their mission as welfare capitalists. In these hard times, it was important that the private sector, not the state, turn things around.



Plate 26. In giving away sausages to hungry people, many of whom were probably present or former employees, meatpacker Oscar Mayer (third from right) was a typical welfare capitalist in the early depression. Although welfare capitalists were ideologically committed to having business, not government, solve the problems of the depression, they abandoned many of their welfare programs when they decided the cost was too great.

"The industry takes care of its own," the association of iron and steel companies characteristically asserted. Myron Taylor, soon to become president of U.S. Steel, elaborated in 1930: "Let it be said of the steel industry that none of its men was forced to call upon the public for help." Just to make sure, U.S. Steel, along with other companies, forbade employees to apply for relief to any charitable organization so long as they were still officially employed by the firm. To aid the larger community of unemployed, businessmen rallied to raise emergency funds for traditional charities to distribute, while they organized relief operations in their own plants for workers who had been laid off or were forced to work fewer hours at lower pay. Armour and Swift sent boxes of food and supplies of coal to former employees in the early 1930s.