

The Great Recession

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We are in the midst of a "deep recession" and enough time has passed since the Great Depression of 1929-39 for the generation most affected to have passed on. There are a few of us around who have lived through both recessions, so it is worthwhile to make some comparisons. Franklin Roosevelt was worshipped as a hero among the Finns and Swedes in our community. We grew up during a time when there was no social security system, no unemployment insurance; bank mortgages were uncommon, and worst of all, no jobs. It was accompanied by deflation that drove the price of fresh herring on the North Shore down to 4 cents a pound. Those lucky enough to find day employment were lucky to earn a dollar for 8 hours. It was hard to sell farm produce for any price. Lots of the neighbors were unemployed. Young men would go on the bum to take the burden of their support off their family. The Missabe Railroad didn't hire a soul between 1929 and 1937. Some of the neighbors argued among themselves as to whether we should elect a Socialist government.

Roosevelt was said by his equals to have "betrayed his class" by starting what he called the "New Deal" for working people. He hired a bunch of progressives, some of them Socialist, and headed off a revolution by setting up government employment programs such as the Civilian Conservation Corps (CCC), which was run like a military establishment employing young unemployed men. He set up the Works Progress Administration (WPA) that provided jobs for men from laborers to professionals. The first Social Security Act was passed, providing pensions for the elderly. We saw the beginning of an unemployment compensation program, and relief payments to those who could no longer support themselves. We kids had a hot lunch program at school that came out of surplus food commodities.

In this current recession we saw the creation of a much less muscular dollar bailout that benefited the banks the most, and secondly, limited funding was provided to keep the construction industry solvent. A rising tide of foreclosures threatens home ownership for a growing number of unemployed people. Government financing to create jobs is far less than FDR undertook in the 30's. We still have unemployment compensation for short-term assistance, but nowhere near enough to meet the growing crisis. Government intervention to create jobs is a pale reflection of what FDR did during the Great Depression.

Current unemployment, at 9.5% doesn't come close to the 25% unemployment rate of the Thirties (and remember back then most women weren't in the work force). In our community, the situation was even more desperate. Let us pray the Great Recession doesn't grow into another Great Depression.