

Unemployment Relief, by Alan Rumrill

Between mid-March and mid-April of this year more than 11 percent of Cheshire County's labor force filed for unemployment benefits. In Keene more than 1650 people filed claims, or 13.9 percent of the workforce. The national unemployment rate was more than 15 percent as a direct result of the Covid-19 pandemic, as non-essential businesses closed for the safety of their customers, employees and the general public.

There have been numerous reports comparing the current unemployment situation with the huge numbers of people unemployed during the Great Depression of the 1930s. The Depression was caused by very different factors than the crisis of 2020. That downturn was the culmination of economic factors that had been building through the 1920s, while the current unemployment was the result of the sudden onset of the pandemic.

The American economy grew during the 1920s, but much of the new wealth was held by a small percentage of the population. Wages at the time were low, consumer debt was growing and the agricultural sector was struggling as a consequence of drought and falling food prices. The American economy experienced a mild recession in the middle of 1929 as consumer spending decreased and the backlog of unsold goods began to grow. Factory production declined and unemployment rose, leaving stock prices much higher than their actual value. The end result was the stock market crash of October 1929, initiating an economic depression that would last for almost a decade and eventually spread around the world. There are some records available that help to illustrate the circumstances here in southwest New Hampshire during those years.

The state was suffering economically before the stock market crash of 1929, as was true in many states. New Hampshire's economy declined in the 1920s as both manufacturing jobs and the number of farms in the state decreased. Before the Depression and into the 1930s New Hampshire towns and counties were responsible for relief of the poor. If people applying for assistance refused to work, they could be denied relief.

As the Depression set in and more people were denied a livelihood, it became a great burden for local communities to carry the growing financial responsibility of caring for them. By 1931 wages and employment in the state had dropped by 25 percent and unemployment rose to 26 percent of the workforce. In his report for that year Keene Mayor, John Landers, noted that: "Keene is suffering from the generally prevailing conditions of poor business and unemployment." He reported that the city had given employment to a number of men in clearing land for a new water reservoir. In 1932 the city Overseer of the Poor furnished almost \$45,000 in aid to city residents. This included 3855 "persons given lodgings." This number had more than tripled in three years. The budget of the city's welfare department increased from \$8,000 in 1929 to \$40,000 in 1935.

In 1933 Mayor Nathan Sibley proclaimed that having the unemployed work on necessary city projects was preferable to public assistance because: "Any labor that can be found and reasonably done is better for the morale than help provided by charity." Sibley reported that 35 men had been employed for four months working in Woodland Cemetery and completing repairs to Base Hill Road. Work completed on the state road on Concord Hill had employed another 35 to 40 men for several weeks.

Cheshire County was probably not as severely affected as other areas of the state. Keene enjoyed a diversity of manufacturing firms and was not affected as seriously as towns that relied heavily on textile manufacture elsewhere in the state. Some local factory owners used personal funds to provide loans and wages to their employees during the most trying years of the Depression. Local farm families were able to provide much of their own food. Many individuals that were thrown out of work also returned to the land to support their families. The state saw an increase in farm workers for the first time in decades, but these Depression farms were often subsistence operations that provided a meager living for their owners.



John G. Winant

New Hampshire Governor, John Winant, realized that the state had to assist the cities and towns in providing assistance to poor and unemployed residents. The state organized a system of camps and assembly centers for transients, one of which later became the League of New Hampshire Arts and Crafts. Winant also began the distribution of food to the needy. This all occurred before the federal government became involved in such programs.

President Herbert Hoover succeeded in getting some federal relief legislation approved by Congress, but it was President Franklin D. Roosevelt who formalized and greatly expanded federal relief and recovery efforts through his New Deal initiative. New Deal programs included the Civilian Conservation Corps (CCC), Farm Security Administration (FSA), Works Progress Administration (WPA), Social Security Administration (SSA), and several others.

When federal funding did become available, Winant tapped into the assistance early on to provide relief for the people of New Hampshire, and local towns took advantage. In 1932 Winchester used more than \$5000 of Unemployment Relief funds on the construction of highways in that town. The town of Rindge used \$5565.63 in emergency relief money to put unemployed men to work maintaining roads in 1934.



CCC camp in Stoddard

The purpose of several of these programs was, indeed, to offer work for unemployed men, providing them with food, housing and some income. CCC workers were paid \$30 per month, \$25 of which was sent to their families. The Corps employed 6227 men at 19 camps in New Hampshire. Some local camps were located in Fitzwilliam, Stoddard, Swanzey, and Rindge, where workers from Camp Quinipoxet built roads, cut trails and planted more than 1,000,000 trees in neighboring towns.

The WPA had a substantial impact on New Hampshire beginning in 1935, employing many thousands of the state's residents and completing almost 1,000 public works projects valued at well over \$10 million. Some of the WPA projects undertaken in Keene included clearing brush and improving hiking trails in public parks, improving and extending the ski run on Drummer Hill, improving the swimming pool at Robin Hood Park, and building a new bath house there. A crew of 40 men worked to convert the old water reservoir at Robin Hood into an outdoor amphitheater.

The economy improved as the 1930s progressed and many of these relief programs were reduced



Robin Hood Park amphitheater, built by CCC work crews

or discontinued. One of Roosevelt's New Deal programs, the Social Security Administration, remained in place and had a far-reaching impact on the country. John Winant, who had led New Hampshire's Great Depression recovery efforts, was chosen by President Roosevelt to be the first chairman of the Social Security Board. Although the economy improved, unemployment remained high until the manufacturing and military needs associated with World War II put the entire nation back to work.

As mentioned above, the current unemployment problems are the result of a much different set of factors than those experienced during the Depression. Consequently, financial and economic experts suggest that employment will return to pre-pandemic levels by 2022. That suggestion is little comfort to many who are unemployed across the country and around the world, but it is a more promising situation than during the Great Depression when high unemployment numbers dragged on for more than a decade.