

The Great Depression in Tennessee

When the stock market crashed on October 29, 1929, Tennesseans felt the brunt of the blow. When Caldwell and Company, the major national bank in Tennessee, collapsed in 1930, it set off a chain reaction of bank failures throughout the South. Eventually, 120 banks folded, causing much financial hardship to most Tennesseans. When thousands attempted to withdraw their deposits from other local banks, it triggered further bank failures. The state of Tennessee lost an estimated \$7 million. While the collapse of Caldwell and Company was not the cause of the Great Depression in the South, it certainly brought the hard times home to average Southerners who had invested their earnings in Caldwell's and other Tennessee banks.

In all cities and towns throughout Tennessee, businesses were forced to lay off workers, reduce wages, or close their doors. Charitable organizations fed the hungry with "bread lines" and "soup kitchens" on Knoxville's Gay Street. Beggars began appearing on Nashville's downtown streets, and homeless families built shanty towns on the river's banks. Cash had all but disappeared. Memphis was hit less severely than other large southern cities. Memphis's diversified local economy and its status as a trading center for the region protected it from the worst effects of the Great Depression, but the city still lost approximately one-third of its industrial jobs.

As white Tennesseans were forced to accept blue collar and service jobs such as cooking and cleaning, previously considered "colored" jobs, blacks could find no work at all. Private charities could not afford to supply enough food for the thousands of unemployed Tennesseans, and by the winter of 1932, social workers in Tennessee cities reported that people were malnourished and some were on the brink of starvation.

Tennessee farmers were among the worst affected by the Great Depression. Farm prices had already fallen significantly after the end of WWI and had remained low throughout the 1920s, before falling even lower in the 1930s. Large landowners suffered when the market for cotton and tobacco fell, and as a result tenant farmers lost what little chance they had to make a profit. But many Tennesseans who owned their farm land were able to survive the Great Depression using traditional "small farmer" methods: they grew all their own food for consumption, kept their purchases to an absolute minimum, and "made do" with what they could produce on their own. Ironically, the Depression led to a reversal of the migration from farm to city that had been characteristic of the 1920s. Now sons and daughters, laid off from city jobs, came home, often bringing their families with them to eke out a living on the old home farm.

Knoxville

This reversed urban-to-rural trend was particularly pronounced in the mountain city of Knoxville in East Tennessee. The New South city's population increase during the 1930s was only 5.5 percent, reflecting the tendency of Knoxvilleans to either seek employment in other cities or make their way back to the country. Employment in low-grade manufacturing and

mechanical industries dropped significantly and factory closings meant less jobs for much of Knoxville's working population. As a result, the standard of living in Knoxville dropped and wages fell to a mere 30 cents per hour for common laborers. Once-stable, middle-class workers in Knoxville became transients in search of work. For blacks in Knoxville, the Depression was detrimental. By the mid 1930s, industries in Knoxville that had once been made up largely of black workers had become totally white.