How did Labor Unions Rise through the Great Depression?

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Unions in the 1940s and 50s are widely considered to be the peak of Union Participation in U.S. History. With the peak of Union membership being 35.7% of all workers being represented by Unions in 1953.[1] The Great Depression is known to be the worst economic crisis in U.S. history. Two decades earlier it felt like the stock market would not stop growing "The Dow Jones Industrial Average increased six-fold from sixty-three in August 1921 to 381 in September 1929".[2] However, when the stock market crashed on Black Tuesday, the working and owner classes were in shambles. Many people lost everything as this was the first time the stock market had crashed like this in American History with most people being unprepared for the consequences. Thus, the time of the Great Depression brought with it extreme economic hardship, requiring the working class to adapt to survive. Neither were happy with the current predicament. This paper analyzes the decline of labor in the 1920s, how it suffered from the Great Depression, and how it recovered using data from the Department of Labor and historical narratives that analyze labor. Thus, the Great Depression forced organized Labor to become more aggressive and a stronger advocate for their rights. The labor strategies they developed led them to successful advocacy later on in the 1940s and 50s.

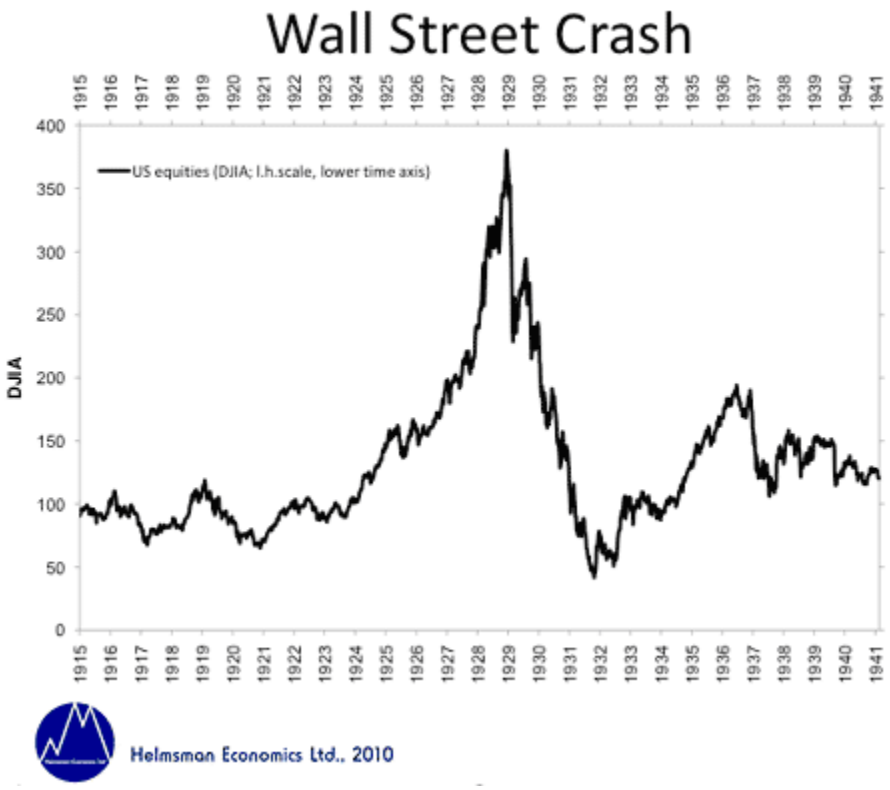

Figure 1: Stock Market During the 1920s including the crash. From Athena and Kim. "Stock Market Crash." Athena and Kim, accessed November 1, 2023.

The 1920s the decade preceding the Great Depression were not what most would expect. It was a time of what seemed like endless growth. During this time the rapid increase in wealth caused wages to increase rapidly over the decade. Due to this Unions were not really seen as necessary as most workers were fairly well

[1] Public Purpose, "Labor Market Reporter: US Trade Union Membership," last modified February 2015
[2] Federal Reserve History, "Stock Market Crash of 1929," last modified October 29, 2013

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off. Many workers were being bought off by business leaders such as Henry Ford providing strong benefits that normally a Union would provide.[3] This tactic was common among industrialists creating the public perception that Unions were largely a thing of the past. Workers enjoyed a high standard of living compared to the decades before, many simply did not see a purpose to joining a Union. Employers took advantage of this with the creation of company Unions that give workers benefits, but their true loyalty is to the corporation, thus they and other nonunion entities offered benefits to workers while working to undermine their work long term. As stated by Robert H. Zieger a respected Labor Historian “These systems of nonunion representation, although thought by some usually keen observers to be plausible paths to industrial democracy, almost invariably became coercive or manipulative devices, whereby employers sought to capture workers' loyalty while eliminating trade unionism”.[4] This came alongside government pressures that originated from a decade run by three conservative administrations who generally were pro-business and thus anti-union. These administrations would shift the economic goals of the country towards Laisazz faire economics with policies being often hostile to Unions and would favor businesses in Labor disputes. Supreme court decisions weakened the rights of Unions and legislation affecting their ability to picket, overturning minimum wage laws, and would regularly have strikes broken up. This went alongside widespread anti-union sentiment at the time due to the Red Scare, the widespread fear of communism, which Unions were being associated with by the public. Many Business leaders would take advantage of this tying Communism to Unions, Ford in many ways was a leader in this aspect of Anti-Union sentiment “Ford, then, was widely known as an exponent of an aggressive set of ideologies that increasingly used fears of communism to justify hostility to both unions and Jews”. This lastly went alongside a lack of clear Union leadership with leaders being divided over how to address many of the issues they were facing at the time.

The Great Depression negatively impacted the labor movement. Prior Union membership was dropping due to many factors such as anti-union sentiment from the red scare[5], employers buying off workers with certain benefits, and general economic well-being. During the Great Depression, most people in society were suffering from rich to poor, the prices of goods went up and many people completely lost their savings. This initially led to a decline in union membership and a rise in unemployment, poverty, and social unrest. Looking at the data every area of the economy was taking a significant hit with most down at least 20% from where they once were. Leading to the business-owning class engaging in mass layoffs to maintain profitability during the crisis. All of this led to the worst years of the Great Depression being at the start, as there was very little labor advocacy during this time. Due to the lack of power of Unions before the Depression, and the market crash and layoffs Unions were weakened further.

Despite the Great Depression’s negative impact on Unions, workers would not continue letting things get worse. As years passed by many workers now jobless in the early days of the Great Depression began to see the benefits of Unions and looked to labor leaders such as William Green the president of the American Federation of Labor (AFL) and John L. Lewis the president of the Congress of Industrial Unions (CIO). Unions began to have a comeback as their need became more obvious to the average worker who suffered most during the Depression. To bring back jobs Unions began to engage in collective actions to force the hands of businesses, who themselves were not doing very well. The CIO specifically in 1935 would organize millions of workers in mass-production industries such as steel, auto, and rubber. These workers would participate in militant labor actions such as sit-down strikes and mass picketing.[6] To bring back jobs in many of these key industries after job cuts were made. Alongside this Labor leaders such as William Green advocating for the passage of section 7 of the National Recovery Act in 1935 as it recognized the right of workers to organize and

[3] “The Life of Henry Ford,” American Experience, PBS, accessed September 7, 2023
[4] Robert H. Zieger, “Labor, Progressivism, and Herbert Hoover in the 1920’s,” The Wisconsin Magazine of History 58, no. 3 (1975): 196–208
[5] Alex Goodall, “The Battle of Detroit and Anti-Communism in the Depression Era,” The Historical Journal 51, no. 2 (2008): 457–80
[6] Library of Congress, “Labor Unions During the Great Depression and New Deal,” Classroom Materials at the Library of Congress, accessed September 6, 2023

collectively bargain through representatives they choose. This legislation would later be struck down by the Supreme Court but despite this, the initial passage of it would encourage workers to join Unions leading to a sharp spike in Union membership. Following these strikes were those from the United Automobile Workers (UAW) in 1936 and 1937 alongside the Teamsters which led to them playing a significant role in organizing workers, negotiating contracts, and supporting social causes.[7] They would stage a series of sit-down strikes in 1936 and 1937 to force negotiations. They would end up winning, gaining higher wages, and shorter hours, alongside health and safety benefits.[8]

Unions would go on to do more than simply fight for the rights of their own workers, but to enact social change. Eventually, through grit and determination many of these Unions would succeed in achieving their goals with the United Auto Workers Union being notable in regards to Ford.[9] The action in the city contributed heavily to Union democracy and helped advocate for policies such as social welfare and other progressive policies spanning far beyond the city. This sharp rise in labor advocacy and rising Union membership is argued by Witt Bowden in a document from the Bureau of Labor Statistics, was largely responsible for the major recovery in employment from 1933-1937. This alongside section 7 of the National Recovery Act mentioned earlier.[10] During a Depression with most were doing poorly, it is clear that fundamentally the structure of business is still in place even in bad times. The worsening conditions will lead to more aggressive actions being taken by both sides. In the case of the Great Depression, the workers could bring government legislation to their side with the help of labor leaders advocating on their behalf. Leading to improvements in the overall economy and beginning a recovery that would be completed and then completely usurped by WW2.

U.S. Involvement in World War 2 in 1937 is almost universally agreed upon by Historians to be the end of the Great Depression. This was so revolutionary for Unions and Organized Labor that “The end of the war found the nation with the largest labor force and the greatest number of organized workers in its history.”[11] It brought the economy to focus on Wartime production and a huge employment opportunity for many in terms of the military and the manufacturing industry “With the creation of 17 million new jobs during the war”[12]. This in turn brought a profound impact on the ongoing Labor movement. The War itself stimulated the economy bringing millions of jobs for workers in the war-related industries. During the War, the government established the War Labor Board in 1942. This was made to resolve labor disputes and prevent strikes that could disrupt essential wartime production. This came with the benefit that they would often make sure workers had their needs met as WW2 production was simply too important to be disrupted. Labor Unions as a result of this would agree to a no-strike pledge in exchange for wage increases, benefits, and union recognition. This in itself was a huge victory for the Labor movement as they got many of the benefits that eluded them during the Great Depression. However, it is notable that there were still workers who engaged in protests and strikes regarding the issues of Inflation, Discrimination, and Working Conditions.

As a result of World War 2 Unions gained a lot of political influence in the government. Going alongside a growth in support from the public “Union membership grew from 8.5 million in 1940 to 14.5 million in 1945”.[13] Many union leaders served as advisers to the government and participated in international conferences. This led to most unions supporting the war effort by promoting patriotism, selling war bonds, and even organizing blood drives. This led to the Labor movement contributing to social victories after WW2 such as the civil rights movement, women's movement, and the GI Bill.[14]

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[7] Alex Goodall, “The Battle of Detroit and Anti-Communism in the Depression Era,” The Historical Journal 51, no. 2 (2008): 457–80
[8] One notable example of this was Henry Ford who resisted the demands of the United Auto Workers Unions who demanded better pay and working conditions. In one case his security forces opened fire on unemployed Auto Workers killing four and injuring many more in 1932. - “The Life of Henry Ford,” American Experience, PBS, accessed September 7, 2023
[9] “The Life of Henry Ford,” American Experience, PBS, accessed September 7, 2023
[10] Witt Bowden, “LABOR IN DEPRESSION AND RECOVERY, 1929 TO 1937,” Monthly Labor Review 45, no. 5 (1937): 1045–81
[11] Robert K. Murray, “Government and Labor during World War II,” Current History 37, no. 217 (1959): 146-52
[12] Library of Congress, “World War II,” U.S. History Primary Source Timeline, accessed October 14, 2023
[13] Robert K. Murray, “Government and Labor during World War II,” Current History 37, no. 217 (1959): 146-52
[14] Great Depression and World War II, 1929-1945.” U.S. History Primary Source Timeline. Accessed September 10, 2023

The Great Depression was a complex time for labor and the country as a whole. On one day many people lost everything they had and the nation fell into the worst economic crisis in American history. With unions on a decline through the 1920s due to employer and government practices such as buying off workers through wages, and anti-union presidents. The long-term prospects of Unions were grim. However, the Great Depression brought with it a need for Unions, as workers saw the opportunity to organize, they began to regain some of what they had lost. Eventually, this would lead to great victories in strikes, and in government legislation. Leading to workers gaining benefits, higher wages, and their rights being enshrined into law. With WW2 bringing an end to the Depression Unions would find themselves at their highest peak in U.S. History.

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