

The Farm

News Briefs from Southern Miss

3-May-2012

The 'Worst Economic Situation in a Century'?

As Mary Margaret Halford [reports in](#) her 1-May-2012 article for *The Student Printz*, outgoing USM president Martha Saunders listed a number of accomplishments that her administration achieved during her 2007-2012 tenure, including (1) record enrollment, (2) record fundraising, and (3) more academically talented students. Halford also reports that Saunders claimed, during her 27-Apr-2012 resignation press conference, to have “. . . even turned the [USM] budget in the worst economic situation in a century.” Sources tell USMNEWS.net, however, that Saunders often goes a self-congratulatory accolade (or two) too far, as she did in recounting how her administration characterizes the national economy over the past few years.

The insert below from David Goldman of [CNNMoney](#) compares the national economy during what is being called the “Great Recession” to what the United States experienced during the “Great Depression” about 80 years ago (well within the last 100 years).



The image shows a screenshot of a CNNMoney article. The article title is "Great Depression vs. 'Great Recession'". Below the title is a sub-headline: "Comparisons between this economic recession and the Great Depression are common, but the granddaddy of all downturns was far worse." The author is listed as "By David Goldman, CNNMoney.com staff writer". The article compares four economic indicators between the Great Depression and the Great Recession. The indicators are: Bank failures, Unemployment rate, Economic decline, and Biggest decline in Dow Jones industrial average. The data is presented in a table format with two columns: Great Depression and 'Great Recession'.

	Great Depression	'Great Recession'
Bank failures	9,096 – 50% of banks (Jan. 1930 – March 1933)	57 – 0.6% of banks (Dec. 2007 – May 2009)
Unemployment rate	25%	8.5%
Economic decline ¹	-26.5% (1929 - 1933)	-3.3% (\$Second quarter 2008 - first quarter 2009)
Biggest decline in Dow Jones industrial average	-89.2% (Sept. 3, 1929 – July 8, 1932)	-53.8% (Oct. 9, 2007 - March 9, 2009)

The economic situation that Saunders has had to deal with over the past few years included 57 bank failures nationwide (0.6% of all banks), a 3.3% decline in economic activity, an unemployment rate of 8.5%, and, at the worst, a 53.8% drop in the Dow Jones. During the Great Depression, on the other hand, almost 9,100 banks failed (50% of all banks), and the USM president from those days had to deal with a 26.5% decline in economic activity, a 25% unemployment rate, and, at the worst, an 89.2% drop in the Dow Jones. Clearly, Saunders almost

trivializes the difficulties that former USM president Claude Bennett (1928-1933) had to face when guiding what was then known as State Teachers College through some seriously rough economic waters – the worst since the dawn of the 20th Century.



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The Board of Trustees selected Supervisor of Rural Schools, Claude Bennett, to succeed Cook as president. Many of the faculty and staff remained loyal to the former president, and viewed Bennett with suspicion. Nevertheless, it was during the Bennett administration that the school was approved for membership in SACS, in 1929. Moreover, enrollment continued to increase; extension courses were offered in twenty-five Mississippi counties; and a strong music program was set in motion. Unfortunately, Gov. Bilbo continued to meddle in the internal affairs of STC, and in 1930, SACS revoked the school's accreditation. In 1932, due to the Great Depression, the state was unable to pay faculty salaries. Fortunately, Hattiesburg banks arranged signature loans for hard pressed faculty members, and grocery stores extended credit to those with good payment records. Mr. Bennett oversaw construction of the administration building (now Lucas Administration Building), the main auditorium (now Bennett Auditorium), a new dining hall (now The Hub), and a home sciences building (now Fritzsche-Gibbs Hall). The school's first athletic field (Faulkner Field) was also constructed during the Bennett years. In 1932, a single board of trustees was created to oversee all of Mississippi's institutions of higher learning. This body replaced the separate boards of trustees under which the institutions had previously operated. Uppermost on the new Board's agenda was removing political appointees of Gov. Bilbo, so in 1933 President Bennett was fired.

Claude Bennett anecdote: During the Depression, President Bennett extended credit to students who would otherwise have been forced to withdraw from school.

A portion of Bennett's [biography archived](#) by USM is inserted above. Taken at face value, Bennett's accomplishments and goodwill are something for the ages. Sources suggest that, given the bio above, those who are lauding Saunders at the moment should perhaps turn their attention, and praise, to Bennett instead.

Six Candles

With all of the big news developing around the USM campus in April of 2012, culminating in the 27-Apr-2012 resignation of USM president Martha Saunders, USMNEWS.net *forgot* to celebrate its sixth birthday.



Readers may have noticed that the website is approaching 7,000,000 hits. It will likely eclipse this mark sooner rather than later with all of the traffic relating to the campus scandals and Saunders' latest action. Happy Birthday USMNEWS.net.