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THE GREAT DEPRESSION AND ITS FIFTY-YEAR SHADOW

ion Banks Reopening Under Treasury Dept. Orders

The Bellingham Evening News

REDUCING BANKS TO REOPEN ON MILLION SCRIP FRIDAY

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edited by

Phyllis W. Bultmann

ROOSEVELT VICTOR

Home Anxiously Awaits Mattern, Several Hours Overdue

The Bellingham Evening News

HATCOM COUNTY TO SHARE IN STATE RELIEF FUND

Occasional Paper # 18
Center for Pacific Northwest Studies

REPEAL

INCOME TAX IS SUPPORTED IN

THE GREAT DEPRESSION AND ITS FIFTY-YEAR SHADOW

Proceedings of a Conference held at
Western Washington University, November 1981

edited by

Phyllis W. Bultmann

Occasional Paper # 18

CENTER FOR PACIFIC NORTHWEST STUDIES
WESTERN WASHINGTON UNIVERSITY
BELLINGHAM WA 98225

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Western Washington University
Bellingham, WA 98225

October 1982

PREFACE

For a sixth time we are delighted to be able to make available the proceedings of a conference of regional concern and interest. Five of the six conferences have had the support of matching grants from the Washington Commission for the Humanities, without which it is doubtful that they could have been held or, if held, that they could have been mounted on the scale made possible by the generous support of the Commission.

All the previous conferences addressed issues of immediate current concern: Transportation in the Puget Sound Region; Man, Government and the Sea: Northern Puget Sound and the Strait of Georgia; Fisheries in Puget Sound: Public Good and Private Interest; Of Man, Time, and a River: The Skagit River, How Should It Be Used?; and Oil in Washington Waters: Boon or Bane? The conference held in 1981 was planned, at any rate in its initial conception, as a purely historical one, one that would survey after an interval of fifty years the regional as well as the national problems of the Great Depression and the solutions that were offered and implemented. It would draw upon the memories and experiences of those who had lived through the period, as well as provide expert appraisals by professional historians, economists and other scholars. When the organizing committee held its first meeting at the home of Phyllis and Bill Bultmann none of us had any idea that we might be approaching a new period of economic anxiety and acute recession, if not actually depression.

In brief, the conference, with its many talks, panel discussions, personal statements, and its displays of archival materials, political posters of the 1930s and contemporary newspaper headlines and accounts, was far from being an academic exercise. It was, indeed, a vibrant and emotional experience both for those who lived through the depression and for those born long afterwards.

It is with great pleasure, therefore, that the Center for Pacific Northwest Studies includes this volume in its Occasional Papers series.

James W. Scott
Director
Center for Pacific Northwest Studies

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ACKNOWLEDGMENTS

I wish to thank all those who participated in the conference THE GREAT DEPRESSION AND ITS FIFTY-YEAR SHADOW. Humanities scholars, members of the public, media personnel and specialized technicians worked together to produce a varied and eventful interpretation of an historical phenomenon that has borne directly upon all our lives throughout the past five decades.

It is impossible to mention everyone who helped, but I am especially grateful to:

— Jane Clark, Geri Walker, Kari Scheving and the staff of the Bureau for Faculty Research, Western Washington University, who supported this project from the beginning, shepherding it through from first proposal to final publication;

— James Scott, Director of The Center for Pacific Northwest Studies, who served actively on the steering committee, led one of the Town Meetings, coordinated the archives exhibits, and published this book;

— Ruth Eklund, Director of the Retired Seniors Volunteer Program, who aroused the interests and enthusiasm of those best qualified to report in person upon the initial impact of the Depression;

— the History Department and the English Department of Western Washington University, for their continuous support and encouragement, and their participation in the various programs of this project;

— William Oliver and Carola Norton of the Washington Commission for the Humanities, whose enthusiasm and support made this project and this publication possible;

— Ted Brandt, who designed the cover of this book, and supplied photographs for the Center for Pacific Northwest Studies' Depression exhibits;

— Arlene Donato and Brenda Brown, who transcribed sixteen reels of cassette tape and made sense of them;

— my family, who cheered me on.

The following pages—necessarily cut and trimmed to fit the approved format—reflect as accurately as possible the Town Meetings and the Public Forum that constituted the heart of the project. But there were many other avenues through which Depression experiences and interpretations flowed. In this connection, I want to thank:

— Alfred Smith, producer, Daniel Lerner, narrator, Dorothy Koert, Bill Nelson and Traverse Skallman, participants, for the television program, The Great Depression (The Crash);

— Nancy Field, producer, Tom Haveman, host, and Galen Biery, participant, for It's About People (Depression: Good and Bad), a KVOS Television special feature;

- John Munroe of KGMI Radio, who featured the Depression project as a news item; and Haines Fay, host, Thomas Glenn and Arvin Olsen, participants, for a discussion of the Depression waterfront and KGMI's popular Impact program;
- Major Richard C. Fitton of The Salvation Army, who made the arrangements for a nourishing Depression-style meal for participants;
- Voris Richter, who presented—out of his vast collection—recorded popular music of the 1930s;
- Claudia McCain and Margaret Ziegler of the Bellingham Public Library who supplied physical facilities for meetings, exhibits, films, music tapes and bibliographies, as needed by the project;
- Sidney G. McAlpin (State Archivist) and David Hastings of the Washington State Archives, and James Moore, Regional State Archivist, who supplied superb photographic exhibits on the Depression;
- the many members of RSVP who gave generously both time and memories, to enrich The Great Depression and Its Fifty-Year Shadow.

Phyllis W. Bultmann

FOREWORD

In the fall of 1981 in Bellingham, Washington, citizens and scholars of the Northwest took part in a series of programs devoted to "The Great Depression and Its Fifty-Year Shadow." Some of these programs were roundtable discussions, some were town meetings, some were media events, some were individual interviews. The programs (funded in part by the Washington Commission for the Humanities and sponsored by Western Washington University) all sought to explore and understand the nature of the Depression, not as fiscal history or as a record of the intricate, vulnerable and fragile relationships between buying and selling in world markets, but as an occurrence that altered the lives and values of people, that determined interrelationships--intricate, vulnerable and fragile--of families and friends, and left a lasting imprint on social legislation, drama, the arts, politics--the entire subsequent history of the American people.

PART I: PLANNING SESSION

The first public gathering to address this subject took place on September 16, 1981. Present were fifteen members of the Retired Senior Volunteer Program of Bellingham, which was one of the Supporting Agencies for this project. Also present were RSVP Program Director Ruth Eklund, and the Director of the Depression project, Phyllis Bultmann. Discussion was general at first. Then of the group, six volunteered to record their first-person evidence, their recollections of life in the 30s under the impact of the Depression economy.

Each speaker addressed a separate aspect of the Depression: changes in employment that were forced upon men who had been trained for a kind of work that no longer existed; the experience of buying a home; the experience of losing a home; new employment generated by the Depression; clothing problems created by the Depression; and painful expedients made necessary by the Depression.

Excerpts from these accounts are offered here. A few of the many questions raised and answered in these discussions are also included. They begin the construction of a bridge across five decades of our common human experience.

SIX SENIOR CITIZENS REMINISCE

(1) ON CHANGES IN EMPLOYMENT

Alton Parker

In August of 1929 I was discharged from the Air Corps and went up to Long Island, New York, and went immediately to work for Curtis Wright Airplane Company. It was not unusual to work twelve hours a night. We had to have six airplanes on the line by six o'clock in the morning. These were student airplanes, used by a flying school that had a long list of students, and I'm telling you they'd come in sometimes and they'd think the ground was fifty feet in the air. The planes they'd get were smashed up. It was terrible. And we had a crew of around twelve people to get these six airplanes out on the ground at six o'clock each morning, ready to fly.

As I say, this was in August of '29 and things were booming; you could get a job anywhere. All of a sudden Black Friday hit, in November I think it was, and kerboom!—just like that, everything shut down. There were people jumping out of high story buildings all over the city. They lost everything that they'd put in and of course money was painful to lose. When they lost that money they...well, they lost their life. Our employment went from 12 or 14 hours a night down to 8 hours a night. Then it gradually went down from 8 hours a night to between 5 and 8 hours a day, and then we were made to take an extra day off per week as an unpaid vacation. Well, it went along this way all that winter of '29 and '30, and personal reasons forced me to go back to Chicago, my original home. And I'm telling you, you could not get work there at all. However, the landlord in the house that my parents were living in was the manager for several big buildings down near the loop area in Chicago and he gave me a job firing.

He said, "Have you ever fired?"

"Oh," I said, "I was born with a scoop trowel in my hand." I had never seen a boiler before, but I was willing to do anything for a job. And I would shovel on the average of five ton of coal a night in that building. It was 12 hours a night, seven nights a week, \$125 a month; you never had a day off. And you can believe this or not but it's the absolute truth. There was a little restaurant over on Holson Street that I found. It used to serve the best baked apple popover for a nickel. And my mother'd put up just a pork chop and some bread, and I'd have my main meal there in the boiler room. For dessert I'd walk over to this little restaurant. To get there I had to go through the elevated station and you had to step over bodies the whole length of that station, people in there to get out of the cold, just laying on that hardwood floor, just any place to get out of that weather.

Well, later that summer Boeing Airplane, which used to fly from Seattle to Chicago, and NAT (National Air Transport), which flew from Chicago to New York and from Chicago to Texas, combined. Today you people all know that is United Airlines. At that time, of course, after being in the service, I had an aviation license and a parachute diver's license. That's how I'd got the work back in 1929, for Curtis. And the airlines put me on right away in Chicago. Every night, every night, every night was a motor change in one of those big port trimotors. Well, this went on until they got all of their change-over accomplished and one night they called about 50 of us in. "You're all done." That was the notice we got. But they said Boeings are going great guns out in Seattle. So another guy and I packed up our tools and headed for Seattle. It was just about this time of year, in September of 1931. We got to Seattle all right and you couldn't buy a job. I tried to re-enlist, I tried the army, the navy, the marines and the coast guard, and they wouldn't have any part of me. I'd been out too long. They were enlisting people that had been off less than 90 days or very, very few choice high school graduates. So, in order to eat, we thought we'd stow away aboard ship—get out to sea and they got to feed us even though they do put us to work. But they were wise to that. They searched every ship and would boot you onto the dock. They wouldn't even put you in jail. If they put you in jail, they had to feed you.

I knew I had a cousin up at Ferndale. I got a tank full of gasoline and a dollar, and headed north on Armistice Day, 1931. I got to down below Chuckanut near Bow and my old car gave up the ghost, it quit. And I hitchhiked into Bellingham and got a bus. By the time we got to Ferndale it was sleeting and snowing and raining and freezing and cold. Well, I found these people and I put an ad in the paper and got work on a chicken ranch, believe it or not. Coming off the streets of Chicago and wound up on a chicken ranch.

I was one of the fortunate ones. I got \$30 a month and my board and room and a smoke in the back. I was spending that much per month for cigarettes back East, but I found out there were many, many men around the country working on farms just for their board—anything to have a place to eat and sleep. And that shows what changes in employment and disruption in lives took place in 1931.

(2) ON BUYING A HOME

Dorothy Koert

The year was 1930, and I became engaged to be married. My future husband was employed as office manager at the Lincoln Washington Co-op. We wanted a home, and one day he took me about a mile out of the town of Lincoln to look at a tract of land. He said, "I could get this five acres for \$1,000." He had money saved, one of the fortunate ones, and had a steady job, so he could borrow some money. He called for bids for our home, and he was appalled to learn the size house he could get for the money he had. I think there were six local carpenters who were bidding, and naturally they were trying to out-bid one another. The carpenter, who got the contract, had figured too low and it left him in a bad spot. The house was a large colonial, all hardwood floors, full basement, a sun room, a large living room with fireplace. We eventually landscaped it, and it became a little estate. But we furnished that house--all new furniture--for \$1,000. The house cost \$2,000. That's the way young people could start out if they had the funds.

At one time, a woman came in to do the washing. I paid her 25 cents an hour; that was the wage. We were among the fortunate ones, the few in 1931 who did have employment and cash, but there were many who didn't.

(3) ON LOSING A HOME

May Nelson

My husband and I were married in 1928 and in 1930 we bought a little home out on Talm Street. We had saved about \$100 for a down payment and our payments were around \$20 a month, which was all that we could swing at that time out of my husband's wages. Then when the Depression came along, the wages went down some and part of the time he was out of work a little bit. Then they decided to put the sewer out that way and the assessment on the sewer would have been more than we could pay. We just had to let it go back and consider the time and money we had put into it as rent. Then we rented a house for \$12 a month, which we could swing.

Question: When was it the sewer assessment crisis came along? 1932?

Answer: 1932.

(4) ON NEW EMPLOYMENT PROMPTED BY THE DEPRESSION

Bill Nelson

I was unemployed in 1931 because they shut down one of the mills in town and I couldn't find work. I looked all over. In fact I even stood in line at the city hall a good many times trying to get a job digging ditches. There were too many men ahead of me who had families, and they'd choose them first, of course. They needed it worse than I did, I guess.

So out of desperation, I finally took the Model-T pick-up and went into the county where I could buy wood for \$1 a rick, on the roadside. I'd pick that up and come to town and go from house to house till I could sell it for \$1.50 a rick. I did that for quite a little while. Then later I thought I might be doing a little bit better so I canvassed some of the grocery stores, drug stores and the flower shops about delivery for them. I did get some business there. The grocery stores would collect 10 for me when the people bought their groceries and give it to me when I picked up the groceries. At times I could make three, four, five deliveries in one direction. Sometimes the drug stores paid whether they collected or not from the buyer. The flower shops always paid for delivery, and of course, they supplied the flowers for funerals. Later on, after I developed a little more business and could buy a better delivery truck, I used to deliver the flowers out to the cemetery and I got a little bit more for that.

There was another delivery service in town, and after working up a little more business I finally got enough money together to buy out the A-1 Delivery Service. I developed that business into a fleet of five trucks and, having that many trucks, I bid on and got the mail contract from the post office delivering to the railroad and back again. A little later in the thirties I finally was hauling freight from Seattle to meet with a trucking company from Vancouver. We hauled to the line, and they'd pick it up at the line and take it the rest of the way. Then about 1937 I sold the business to the present owner and, as you know, around here you can still see the A-1 Messenger Transfer in business. I sold the equipment to A-1 but the Tuscon Freight Lines wanted the certificate from the state so I sold that to them with the idea that they'd put me to work. And I went to work driving a truck for them and worked for them for some 37 years. Started out as a truck driver and wound up the last twelve years as manager of the company. That's just about the size of it. You've got some questions?

Question: I wondered what kind of work you were doing before the Depression.

Mr. Nelson: Well, I was doing a good many things before the Depression. I worked in the mill for a while. Then I went to work as a salesman for the

Metropolitan Life Insurance Company and the mill itself went down. They couldn't sell insurance because the people who were working in the mill couldn't pay their premiums, so I had to get out of that. I still thought I was a salesman so I took up Fuller Brush sales, which didn't last very long. So that's when I went over to City Hall and tried to get on at ditch digging.

Question: Did you have to get a job ditch digging as part of the WPA program?

Mr. Nelson: No, we were digging ditches in the city. I remember one on B Street, and one up on G or F street, one of those. It was a city project, it wasn't WPA. That would have been around '30, late '30, early '31.

Question: What were your impressions of the WPA program?

Mr. Nelson: I don't remember too much about the WPA really. I know the CCC. The only thing I heard about that was from drivers of mine. I was never involved in either one.

A speaker: Oh, I can tell you a good deal on this WPA. They cleared the Roosevelt playing field down here and they had quite heavy crews work down in that area. Then they also improved the Samish Highway when they were building that, and one of the heartaches of a good many people was that they would be given a shovel and a rub-hoe to dig out a stump and they'd say, this is pure idiocy because one stick of dynamite would take this stump out. But they weren't trying to get the stump out half as hard as they were trying to make people work. The Water Department started a project whereby they would pay even a pretty fair wage in comparison to WPA but it was because so many people couldn't pay their water bills.

(5) ON CLOTHING PROBLEMS IN THE DEPRESSION

Vivien Elsethagen

My situation was probably different than a lot of people in here because we probably had more during the Depression than we had prior to the Depression. My folks had been in Eastern Washington for about three years before we moved out to Bellingham. In 1926 they were living on Meridian St. We didn't have enough money to cover electricity so we were still using kerosene lamps even at

that time. So my Dad had a chance to buy thirteen acres out on Mt. Baker Highway about five miles from Bellingham. He signed a note for \$250 for down payment, to be paid off at \$10 a month. He had worked for a few months on the Leopold Hotel Building when they built that and also on the Bellingham Hotel. So we did have a little bit to keep us going. When we moved out in the county on this little acreage there was a cow, 12 chickens--I think that was all that came with it. About that time, my Dad also got a job as a fireman firing the boilers for Locy Mill, a big shingle mill, one the largest shingle mills in the world.

Now we can talk about clothing. My mother was a seamstress. We had two pieces of furniture I remember specifically. One was a sewing machine and I still have it. She could look at a dress or anything and go home and make it. She never used a pattern. She fit it right to you. She'd take a piece of paper and cut it out to fit anything you wanted to wear. And I can remember particularly when I started in high school in 1931. We had some friends who gave us two coats. One was camel colored and the other was black. My mother made me two jumpers. I remember her tearing all this apart and cleaning it and in those days you couldn't fit everything in the washing machine, it wasn't a washing machine anyway--we just had a tub--but she made me two real nice looking jumpers and that was all I wore all through high school. She would go downtown and buy a piece of material, a remnant for maybe 15 cents that would make blouses, and I was probably one of the best dressed girls in school. She kept them clean, but people'd say, "Well, don't you have anything else to wear?" In those days you didn't wear different clothes everyday anyway. You'd wear one dress one week and the next week wear another one, and then you could start all over again.

I did not feel that we didn't have any money, because we had a cow and we would have a calf and my mother canned meat; then Dad fished so we canned fish. We always had meat and we had a garden.

Question: You said that the years immediately after the Depression were better for you than before. Did you move to this acreage because of the Depression?

Mrs. Elsethagen: No, we moved out in the county in 1926. And that was actually before the Depression, but to us that was very lucrative living. The Depression affected my attitudes, and still does. I just do not want to give away anything out of my closet if I can tear it apart and make something out of it.

Man in background: I have that same attitude and it has created havoc in our house between her junk and my treasures. (laughter)

(6) PAINFUL EXPEDIENTS MADE NECESSARY BY THE DEPRESSION

Grace Heslin

I came to Bellingham in 1944 to go to college. After finishing college I got married to a young man working at the PAF (Pacific American Fisheries). He worked in the can factory where they made the tin cans for the PAF, but in 1932, because of the Depression, the can factory was sold out to Japan for \$2 a ton. One of the things that impressed me was the food situation in Bellingham at the time. You could buy bread for 5 cents a loaf. You could buy milk for 5 cents a quart and at one time there was a market on Holly Street about where Griggs is, where meat got down to 5 cents a pound. But they did arrest the owner of this market because he was selling illegal veal. He was killing and selling to young a stock. But he had a powerful trade in this veal because people couldn't get meat. That would be around '29 or '30. The American Red Cross were furnishing milk to children in the schools and they later developed a program where they delivered milk to the front porch for families who had children who couldn't get milk. There was a little catch to that because when they were destitute, men couldn't get cigarettes so they'd take the bottle after it was emptied, go to the grocery store and cash it in for a nickel for a bag of Bull Durham.

There was a good deal of stealing: of gasoline, of tires, of batteries, and all kinds of equipment from automobiles. At one time here, a public official named Scott Ryan opened an office in the basement of the old courthouse on Girard Street where they issued a food certificate that you could take to the grocery store and buy food for families. At 4 o'clock in the morning the sidewalk outside the courthouse could be lined clear out to the street or down the street with people who needed food and needed it desperately. You weren't allowed to buy cigarettes, you weren't allowed to buy matches, and of course no liquid beverages or anything of that kind. It was strictly for foods. It was a project of the county.

Many people had their water turned off. It got to be a threat. The Water Department later developed a work program to help those people but you couldn't live under sanitary conditions without water. So when their water was turned off, the first thing they'd do was to get a rake and go out and turn their water back on again. And many people had their lights turned off. There was a funny little story that made the rounds of town at the time about a family that had their electricity turned off. They couldn't use their washing machine. The lady just bundled up all her baby clothes and took them down to the City Hall and dumped them on the superintendent's desk and told him to wash them.

Anybody who was in the know a little bit could jump a light meter. We had one jumped long enough to do the ironing one day and we lost our jumper, but I got my ironing done.

There were a lot of people who lost their life savings. The stocks in the Puget Sound Power and Light Company went down. And there were quite a few families who had considerable holdings in the Puget Sound Power and Light Company who lost a lot to that. The men went out and cut wood for heating. They went down on the waterfront along the bays where water washed down from the Bellingham Coal Mines. You'd go down there and get driftwood and sift coal. A very easy way to get your fuel. Well, I don't think that the men thought it was so easy either.

Many women who had children gave birth at home. If you went to the welfare offices, they would tell you to have your baby at home. Well, what about the doctor bills? Don't pay 'em. The doctors are not going to starve to death. I had one of my children at St. Luke's Hospital; my doctor bill was \$35, my hospital bill was \$35, and we stayed ten days. You couldn't get out of bed until the tenth day according to the rituals of that day. And there were many women who had abortions. They just couldn't afford to have children and this could be the worst tragedy of the times. There were a couple of doctors here in town who would perform these abortions illegally, and in those cases the women were safe. But there were literally hundreds of abortions performed by unqualified people and there were deaths in this town of young mothers who had these abortions. But they had very little choice; these were the kinds of things that they had to face. There were cases of doctors, there were cases of nurses who went up on murder charges as a result of these kinds of things.

People would work for almost any wages. There was very little union activity at that time because nobody was going to hire a union worker when he couldn't pay union wages. The unions just more or less hibernated until the Depression was over. But there was a lot of violence, union riots and so on, on the streets.

PART II BRIDGES INTO THE COMMUNITY

Two Roundtable Discussions and two Town Meetings took place in locations convenient to many segments of the community that find it difficult to attend gatherings on a university campus. The Bellingham Public Library made its large meeting room available for the first of these. The Catherine May Apartments, a residence for older people, hosted the second. The Pacific First Federal Savings and Loan Association, located in the center of downtown Bellingham, gave the use of its large community meeting room for the two Town Meetings.

Rural and urban, old and middle-aged and young, those people who attended offered their memories and interpretations of the Depression in an effort to see from a five-decade perspective the impact of that era upon American society, then and ever since. Scholars in the humanities led the conversations. These were important and rewarding meetings. It is unfortunate that constricted space in this document limits them to the briefest of excerpts.

ROUNDTABLE No. I "How We Paid Our Bills"

November 10, 1981

Claudia McCain, Director of the Bellingham Public Library, introduced the Roundtable leaders: Dr. James Scott, Director of the Center for Pacific Northwest Studies, and Professor of Geography at Western Washington University; Dr. Manfred Vernon, Professor Emeritus of Political Science, Western Washington University.

Dr. James Scott: There is a certain topicality to our subject today. When we started putting this program together, 15 or 16 months ago, we had no idea that there were going to be, today, the number of parallels that have since emerged. If you look at the headlines in the newspapers of the 1929-1933 era, you see how close some of the parallels between then and now seem to be.

I'll begin by reading three brief extracts from three books. They capture in two or three paragraphs most of the main points we're going to be touching on in the next 12 days.

Dexter Perkins, in his New Age of Franklin Roosevelt, has this to say:

The year 1932 was one of the gloomiest in the history of the republic. Millions of industrial workers, out of a job, tramped the streets of our cities. Bread lines were forming in the poorer districts. Whole families of people evicted from their homes were sleeping in rudely constructed shacks. Farmers were blocking highways and stopping milk trucks, protesting against the fall in the price of their produce....Brokers and bankers trembled at what the future might bring and a tired president struggled desperately to redress the balance of a distressed country. Men talked of revolution and intelligent people endorsed a Communist candidate for president of the United States.

William Leuchtenburg, in his Franklin Roosevelt in the New Deal, 1932-42 says:

By 1932 the unemployed numbered around 13 million. Many lived in the primitive conditions of a pre-industrial society stricken by famine. In the coal fields of West Virginia and Kentucky evicted families shivered in tents in mid-winter. Children went barefoot in Los Angeles. People whose gas and electricity had been turned off were reduced to cooking over wood fires in back lots. At least a million, perhaps as many as two million, were wandering this country in a fruitless quest for work or adventure or just a sense of movement.

And finally, in Middletown, the Lynds say:

The great knife of the Depression had cut down impartially through the entire population, cleaving open lives and hopes of rich as well as poor. The experience has been more nearly universal than any prolonged recent emotional experience in Middletown's history. It has approached in its elemental shock the primary experiences of birth and death.

Dr. Manfred Vernon: This is where all of us who had this unique experience, particularly as it is going on to tape, might perhaps let others know in 2033, or whenever the next Depression after what we are having right now might occur, that that's the way their great grandpas or great grandmas told this story.

To some extent when I reached this country I felt the Depression in the United States was hard, but it was still a glory to be here instead of in the Depression of Europe, particularly Germany. In Germany the Depression expressed itself in unemployment worse than here, in hunger, in political upheaval, in street fights, in the arrival of Hitler and a new approach to dealing with an economic depression.

Barbara Smith: I have lived here in Bellingham, but I grew up in Winnipeg, Manitoba, Canada. I remember very little of 1928-1929-1930, because I was in high school and quite protected from the serious repercussions of the Depression. My father worked for the City and he had a check coming in every month, and so my thoughts in high school were about the fun things to do and just being in school. I was in the graduating class of 1933 and, thinking back now, I realize that none of us thought about work when we graduated from high school. We just didn't expect to have a job. You just knew that your folks, if one of them had work, would support you somehow, and maybe babysat and picked up a few pennies but jobs were not available and there was sort of an ethic, I guess, that in that neighborhood if one person was working the others didn't try to get work. Jobs had to be divided up among families. So, with my father working, my brother and I went to college. I think many of my friends were in college as a way the parents could get us out of the house in the daytime.

Keith Murray: I grew up in Wenatchee and lived through the Depression mostly in Spokane. Like you, Mrs. Smith, I was in college and for the very same reason. I could get out from under the folks and get my feet out from under their table except for vacations. What we did to pay our bills, we bartered. We didn't have any money. When Mr. Roosevelt closed the bank I recall that, although we had some money in the bank, there was \$1.62 in the house. We had no idea how long this was going to have to last. As a matter of fact, it was about two weeks, as I remember, that there was no way of getting money at all...Mother said, "I'll furnish you the jars. You can the peaches," which I did, and I took them to the dormitory at the college I was going to and they allowed

me, I think, 50 cents a quart for this on my tuition. I washed an awful lot of dishes. I had the cleanest hands in Spokane.

Mrs. Smith: I notice on the bulletin board here the Washington State Archives exhibit that there were marches to Olympia. I don't recall that there were really many expressions of rage in Canada about the situation. I think there was this optimistic feeling that it would be better in the spring, or it would be better next year. I have a feeling that people in those days were very accepting of the situation. I'm not so sure that nowadays we could go through this experience and not have far more revolutionary action or talk.

Phyllis Bultmann, Project Director: I've heard from most of you people the same comment, "We had problems to work with. We had difficulties to overcome. But we didn't know we were poor." Knowing that we were poor is something we got later when we looked back on what we were doing then. I can remember the shoe leather on one of my shoes that flapped all the way to school because it needed to be sewn back on and I don't know why it wasn't sewn back, but I can guess.

Emma Lapalla: I'm from Michigan. In 1929 and 1930 I was a freshman in high school, and we had always been very hard-up. I don't think we realized that we were any worse off than we had ever been. In fact, it was really better because all the prices were down. But the one thing that sticks in my mind is that we had very little money coming in. My father wasn't well and I had one brother who worked in the mine. He was only working a few days a week, and he was supporting the whole family, a large one. Anyway, my mother had been charging the groceries at the store and I don't know how they allowed it. That bill went up really high. I didn't find out until later that there were a lot of other people who were doing the same thing. And of course that store eventually went under. Those bills were later discounted so you just paid a part of the bill. I know that was one of the ways that we got by.

Woman speaker: We could pay rent. You could rent a house for \$7. I even knew of houses that rented for \$3 and they couldn't pay their rent for a year at a time. It sounds as if that were impossible. My husband would be given a chance to come out to this man's ranch and help him cut wood and so on, so he could pay the rent. But there were difficulties connected with that. He'd never worked out on a ranch. He'd never had to cut wood. He had no clothing for outdoor wear. He didn't know too much about swinging an axe. It was a fizzle because it rained all the time he was there. If there was one tragedy that could befall a young married woman, it was to find yourself pregnant. Believe me, there was

no help. I was in this position and I went to the welfare. They told me to go select a doctor. I said, "How will I pay." "Don't pay." What about the hospital? "Have your baby at home." Doctor E.K. Stimpson spent one night in the back room waiting while I had a child. I thought that that would be unheard of as far as doctors' care nowadays.

Evelyn Darrow: I just wondered about the freight trains. I wondered if there are any gentlemen here who have ridden a train?

Man: I remember one time, I believe it was in Utah, headed down there in the old Salt Lake and Los Angeles road, there was a car and it would stop where the train would pick up water. There would be all these hobos waiting for the train to stop for the water. When it would stop, everybody would get into one of the cars. There would be straw on the floor and they had their gunny sacks and knapsacks and would sleep in the car, and it was very cold at night and you would just cuddle up to somebody for warmth, somebody you would probably never know or see again. The yard detectives were very lenient because they were outnumbered so horrendously that there was no problem with the law, although there were some yard fights. There was a yard dick down at Yuma called Yuma Red and he was a real tough one that would bat your fingers as you came up the ladder to get on top of the car. But he didn't last long. They found his body one day.

Manfred Vernon: What we are talking about is really a culmination of human experiences showing that we tried to live on our wits, and our capacity to survive paying our bills with bartering services of the most manifold kind, but also perhaps being forced to pay our bills by not paying them, hoping for better times.

James Scott: This hasn't been just a tale of woe. We've heard a few optimistic things and I think they are going to be explored in the next few days in other parts of the conference. Out of this period of Depression came some really great accomplishments in art, literature, music, and we are going to experience some of these in the next week.

ROUNDTABLE No. II

"The Mutual Support of Neighbors"

November 12, 1981

Led by Dr. William Bultmann, Professor of History, Western Washington University

Dr. William Bultmann

At the first Roundtable we talked about the problem of paying bills, and it turned out that a lot of us remembered that we just didn't pay bills because there were no jobs around, and no money. We had quite a lively conversation about that element of the Depression. Today we turn to another story about the mutual support of neighbors. We remember of course that in the early years of the Depression, neighbors were really about all one had to rely upon. The welfare agencies that we're familiar with today didn't exist in any kind of nationwide, organized form. One had to rely upon neighbors.

Dorothy Koert, Speaking of William Waples of the Lynden Department Store

He came in one morning and stood by my husband's desk, and said "I didn't sleep all night." And he was worrying over foreclosing on one of his farms to a family, a large family. And he paced back and forth. "I'm not going to do it!" "I'm not going to do it!" And he was going to lose money, but that was the kind of man he was.

Phyllis Bultmann: I remember small things that seemed quite insignificant but which indicate a kind of friendship, and a sense of monetary support for neighbors. A man lived next door to us who owned a men's clothing store. He was, as everybody in the neighborhood realized, the only person who could be called well-off at that time. His way of helping neighbors, besides carrying lots and lots of credit accounts long past the time they should have been paid, was to keep a pocket full of dimes. Whenever he saw a child in the neighborhood, he would hand that child a dime.

Report of an Interview by Project Director Phyllis Bultmann

My informant asked not to have her name used. She was in the thick of much of the Depression relief effort in Bellingham, in the center of town. I respect her desire not to have her name used, because she feels very, very strongly about this period, and has had people from time to time say, "Oh, it wasn't as bad as you make it out." "Oh, nothing of that sort happened—I was

here, and I don't remember it." As a result, she would rather not openly comment. What follows are excerpts from her remarks.

It was first the children who were noticed--that they were coming to school without adequate clothing and without shoes or with shoes in very bad condition. So it began as an extremely unformed or unformulated kind of helping. People who had extra clothing would bring them to a single place and then they were distributed to people who didn't. And, very thoughtfully it seems to me, these clothes were taken to another part of town so they wouldn't be recognized as having been worn by one child when they appeared on another child.

A group of fraternal organizations--Kiwanis, Rotary, Eagles, and other service organizations--got together and formed a volunteer relief organization before any kind of government provision was made. They were given the use of a double storefront down on Holly Street which is now in the area that is near the Whatcom Creek--the low place of the road. And they had two things going there. One was a sewing shop and the other was a shoemaker's--a shoe repair shop. Over sixty individuals gave their time regularly for two years and just kept this thing going.

Keith Murray: Farmers could grow food but they couldn't sell it. They used the city parks and canned food, pooling their resources, getting a tank full of gas for an old truck and going over to Yakima or Wenatchee valleys and bringing fruits back to Seattle and canning them. Nearly everybody had quart jars in those days. They're now antiques, I guess.

This same guy came everyday to our office at 10 o'clock in the morning, and it was habitual. He would go to everybody's desk and everybody would pump up a nickel. And he would sell a box of apples, because we had a fairly large office. He'd sell a box of apples in a single trip. Other guys were using other places. And this was our contribution to relief. Whether we were neighbors or not, I don't know. But it was just an obligation. If anybody said, I don't want an apple today, why, he'd a been a skunk.

Sigfrid Ohrt: My husband did finally get a job driving a school bus. Every dad in the district was after that job. And they distributed it from year to year so he had one year at \$40 a month, and we felt pretty secure with those \$40 every month together with our cow and our chicken and our garden.

Woman: The experience I had would be city--in Minnesota. I was in college. I worked for board and room, and walked to work. There were many soup lines, and here were these people--ragged, cold--standing there in that bitter wind. And a soup line seems to move very slowly. We'd see that every morning on our

way to work. There was no care for these people the way there is now. No medicare, housing, no high rises for older people to live. They just found themselves a room and, just died—a lot of them. On the farms, you see, there's a closer contact with people....When WPA was started, we were not far from the city hospital, and that's where they had physical examinations. And, the one thing I remember out of it was mobs—you couldn't get inside, you know. There was no standing room in there, but following that, there was an analysis of those reports, and one thing that they found was the frequency of diabetes in the general population.

P. Bultmann: Keith, you said you earned \$105 a month?

Dr. Murray: Well, yeh! But I got canned when the Depression got going well. So then I dug a lot of ditches; washed a lot of dishes, and towards the end of my career—I'm not such a hot singer, but I worked at it—I used to sing for meals. You do anything.

Dr. W. Bultmann: I grew up in a small town of California which is located on highway 66 which was the great westward route for Arkys and Okies escaping from the dust bowl conditions—not only in those states but in Missouri and Western Kansas and a large area. So our town was flooded with people who needed housing in the most desperate way. And, I think this is where the churches in that community came through as well as the American Legion and various other kinds of groups. The basements of all the churches in town became temporary dormitories. The army and the national guard came through and furnished cots. And then the townspeople rallied around to try to find food for these new arrivals. I remember my father, who luckily had a job during the Depression, bargaining with Japanese farmers in the area for leftover vegetables and garden crops which they couldn't sell, so that he could take them to the places where the Okies and Arkies were trying to scrounge together housing and a living. He would go to fishermen and buy fish which they couldn't sell, couldn't get any money for. He would go to the citrus people who had culls of oranges. And he was just one of the many people in the town where I lived who were doing this kind of thing. These Okies and Arkies were not neighbors, but they were people—they were fellow Americans—they were in trouble. A whole displaced population. They had to be taken care of, so this was a kind of a community effort in that one little town of about 9,000-10,000 people.

Louise Johnson: I live in Whatcom County on a farm. In 1930, during the Depression, my father was ill. The neighbors came. They brought horses, plows, and discs and other equipment. There were three teams of horses and two

tractors. They put in our crops, and they put in the garden. No one charged anything for doing that. And the neighbors would come to help us with the milking if we needed it...In the middle of the Depression, I decided to go up to the Normal School—hoping to get a job, although my grandfather said you'll never get a job anyway. A lawyer here in town lent me \$30 so I could pay for my books and tuition for the first quarter, and his daughter let me live with her and she gave me \$10 a month room and board helping her—she was a teacher. And, she wouldn't pay me, though, until three months were up so that I have another \$30 so I could go for another quarter. I was able to go out to teach when I was 19. And the only job I could get was on Waldron Island and I got \$40 a month, and they also gave me a little cabin to live in on the school grounds, and they brought me milk and butter and eggs. When someone butchered, I'd get a piece of meat. If they caught a fish, I might get a piece of fish. This was in 1933-34.

TOWN MEETING No. I

"The Challenge to the Business Community, 1929-1938"

November 17, 1981

Led by Dr. Keith Murray, Distinguished Professor Emeritus of History,
Western Washington University

Keith Murray: How did the business community of Bellingham react to the Depression? In the first place, they ignored it. At the first meeting after what became known as "Black Thursday" they had candidates for public office as the program. Not one of them mentioned the crash the week before—not one. They talked about other things: the future of Bellingham, what they would do if elected, and so on. Then in January, 1930, a representative of the U.S. Chamber of Commerce came to Bellingham, and he also did not mention the crash....However, in that same January, the businessmen were invited to a free show of the first talking pictures in town, newsreels and cartoons. They went in a body to the Avalon Theatre one afternoon, and this time some advice was given. Cecil Morse said, "Businesses must reduce their fixed costs." Welch, of one of the canneries, said, "We must get jobs for everyone." Neither suggested how to do it. But this was the first time they admitted there was a Depression. And, by November of 1930, with all of the relief agencies busted—Red Cross, the Mission, the County itself—then the business community began putting up money for direct relief. They put up \$25 a month which eventually turned out to be about \$1000 a year to buy little packages of milk for the kids in school. That was the only lunch they had—a lot of them....There were some interesting and weird solutions to the Depression made by the business community, mostly showing their naivete. But Mathes, who wired the Avalon Theatre for sound in the middle of the Depression, survived.

John Ward: My father was a florist. Dad ran the greenhouses; my mother ran the downtown store. And you would think that a flower business would be one of the first to go when times got bad, but I've come to the realization that my parents were pretty terrific business people because they managed to keep going. I made enough money working in a roadhouse to keep me going at the University of Montana for one year.

Dr. Murray: This came out at the very first meeting that quite a few people went to college simply to get out of the house, because they were a burden on their parents.

Voris Richter: My father was one of the first ones affected by the Depression because he lost his job the ninth of January, 1929. He was a paper maker. So I quit school in the spring of 1931 and went to work in a little bit of a furniture factory in Tacoma where I was raised. I got \$1 a day for an eight-hour day, and I worked six days a week. On Sunday, I went out to the Tacoma Country Club and caddied for a dollar a round. Then in late September of 1931, the mill closed down. We were making end tables, and they were trying to sell them to the furniture stores for 50 cents a piece, and couldn't sell them, so they closed the factory. There were no jobs to be found in Tacoma. I always felt that Tacoma was the hardest hit town on the coast as far as finding work. My uncle and grandmother lived in Michigan, and I rode the freights back to Michigan in the summer of 1933 and I stayed till the winter snows came when I took the freights back home. After that, I signed up and served three hitches in the Civilian Conservation Corps. But by 1938 I got a phone call to come to Bellingham where my dad worked and go to work in the pulp mill that night. So, I borrowed some money from my sister, took a bus, and came up here and I went to work in July of 1938. That's why I'm in Bellingham.

Phyllis Bultmann: There were sixty businesses in Bellingham where the owner contributed \$10 a month for several years, and some of them contributed more, but that was the minimum they agreed to. The sum was used to buy sheets for people who were ill; they had to be convalescing in order to qualify for the sheets. And shoes for children, and some yard goods for a little shop on Holly Street where volunteers were making clothing. This sum of money was contributed without fail from 1932 on, for several years. Nobody ever defaulted on it.

Ben Hodges: I was a railroad calligrapher for the Lake Erie Railroad in 1927. They permitted us to buy common stock by payroll deduction, and, I bought two shares of stock that cost me about \$44 a piece. A fellow employee said, "hold on to it, Ben, it's going to about \$1000 a share. It had already reached \$250. And I believed him. I thought his judgment was really correct, that it was going to \$1000 a share, but I wanted a car. So I sold my stock and bought a Ford. Then the stock market crashed.

TOWN MEETING No. II

"The Danger of False Parallels"

November 19, 1981

Led by Dr. Don Eklund, Past President and Recording Secretary of the Whatcom Labor Council and Chairman, Department of History, Western Washington University.

Dr. Don Eklund: My father was a printer so he was consistently employed. He made \$37 a week and that was enough money in those days for the family to have its first new car in 1936 which was the Lafayette, a grand machine that went over 200,000 miles and introduced me to some of the poverty of the Depression as we wound our way back to South Carolina from New Mexico in 1936. I would see people living in the corners of an abandoned structure, or I'd see everywhere the fundamentalism or revivalism in the south. You would come around a corner and there would be these big white signs with flaming red letters saying, "You are going to hell!" Who? Me? They would be advertising a revival to be held down the road. My father had a store up on highway 66 in a canyon that was the first pass people would hit if they were coming from Arkansas, West Texas, Texas proper, Oklahoma, points southwest by south. So I saw the jalopies coming through that mountain pass. A lot of these old cars would simply give up and die at my father's store. My most vivid memory is of sitting in that store, when a man came in with a smoking Model T outside--grandma, grandpa, aunts, uncles, children. He entered the store and stood before the counter and held up a dime and said, "Mister, what is the most food I can buy for this coin?"

I think that in our discussion we might ask, are there really parallels between what happened in the '30s and today, or are they myths, or are they false parallels, as in the title of this session? Or are there real similarities as to what beset the economy then and what besets it now?...I think in much of the thirties there was the hope that science and technology or "progress" would lead us out of the doldrums. Do we have that with us now?

The discussion that followed was quick moving and no one identified himself. There were some silent auditors, but about fifteen speakers, mostly men, threw ideas back and forth, asking and answering questions.

Speaker: I don't feel that America in the thirties was exactly an affluent society.

Leader: In the 1930s?

_____: No.

Leader: Any response to that?

Second speaker: It certainly wasn't. The guy with the dime is all too accurate.

Third speaker: In the twenties or early thirties 24,000 Americans made over \$100,000. And those 24,000 people in an aggregate made more than any other 5.8 million who worked. So, since they were making profits, and they had their money invested in manufacturing, it ended up that those 5.8 million had no money to buy their products.

Other: There's lots of supply for the businessman but not much demand.... There was an immediate depression in Germany towards the end of the war and after, and I think you have to think in terms of what might be the recession now, again, in international terms. Is Germany in the condition she was in? What about West Germany which I understand has a very vibrant economy? What about the economy of France? Great Britain we know is down. Again, is the depression--or the recession--worldwide now, or as worldwide as it was then?

Other: This was another thing that the people in this country do not reckon: through the twenties, they'd become very isolationist and scarcely read the newspapers about European affairs....The question was, is our attitude towards tariff the same now as it was then. It certainly was not.... Since Eisenhower, maybe longer ago than that, the free trade idea was a dirty word.

Other: What about the similar parallel in respect to volunteerism? Will volunteerism work--as far as business or industry picking up some of the social and welfare programs of the federal government? Do we see corporations or businessmen coming out to do this?

Other: There was plenty of volunteerism in the Depression, was there not? I understand there was, but it didn't do the trick. It didn't take care of the social and economic problems of the age.

Other: Hoover appealed to the churches to do some of this. And I don't know what the economics were over the churches then. I don't see them as being exceptionally wealthy.

Other: I recall the churches in the Depression—not so much trying to serve as a general social agency in the community as kind of a security, an anchor against the storm for the people who were the members of the churches. Would the churches today do the same sort of thing or perform the same role? I don't know....It seems to me that there were these parallels between the 1929 situation and today. First of all, there is a decline of purchasing power in this country. This is the under-consumption argument that you mentioned. Haven't we got the same thing today? Unemployment is growing. It's not 25 percent, but it's pushing 9. You have a decline of productivity now. There was a decline of productivity in summer 1929 in construction and automobiles—two danger signs in the new era in the 1920 period. The government followed a policy of hands off, volunteerism. The same today. Those are all parallels, then and now. However, there are contrasts. The big contrast between then and now is defense spending. We weren't spending much money on defense in the 1920s—virtually nothing. Today, it is a large item and has been since the Cold War started in World War II. There are agencies today that are supposed to be regulatory agencies supposed to keep their hand on the pulse of the economy, such as the Security Exchange Commission. And we just didn't have these in 1929. I don't think you'd say that Wall Street is in a state of overspeculating fear today, the way they were in 1929. We've got a greatly inflated government bureaucracy that didn't exist in 1929. So my question is, what additional factors are there that would suggest that a depression isn't around the corner in the next year?

Other: I think there's one thing that we have now that we didn't have in 1929 and that is the kind of general expectation by the public that if things, the crunch, gets hard, the government will intervene. We've had welfare agencies on all levels since 1933. We have a history of government intervention in economic problems which I don't think can be overlooked.

Other: ...he said the reason he didn't believe the unemployment figures was that he said the government is not counting underground jobs. And I don't know what he really meant by this except those that might work and not claim their income if they're working a second job or moonlighting. I don't know how you would ever get figures—I just don't have the idea that everybody is doing that. But then to come back to your question, I think we've been avoiding it. How many foresee a similarity in the fact that we might have a real depression?

Other: His question was, what do we see now that would forestall a depression? I'm trying to think of something. I can't think of anything.

PART III. THE PUBLIC FORUM

A two-day Public Forum held November 20, and 21, 1982, concluded the events of the Depression project. It offered addresses, panel discussions, open discussions, a program of Depression-era folk music, and the film Golddiggers of 1933. Speakers were scholars in the humanities, elected officials, leaders of community institutions, journalists and financiers. A superb luncheon—(hot stew accompanied by a nourishing lentil soup; in Depression days, the "only meal of the day")—was supplied to participants by the Salvation Army.

Complete, unedited tapes of the Forum sessions are on file in the Center for Pacific Northwest Studies, Western Washington University, Bellingham, Washington. They are accessible at any time for public use. Another set of tapes is housed in the Washington State Archives in Olympia; they are also available to the public. A full, typed transcription (edited here into Parts I, II and III) is filed, together with the original tapes of Planning Session, Roundtables, Town Meetings and Public Forum, at the Center for Pacific Northwest Studies.

The addresses, panels and commentaries of the Public Forum—edited and occasionally excerpted to control the length of this document—follow. They complete the bridge across the years, supporting it on a substructure of evidence, interpretation and observation.

Opening Address: "AN OVERVIEW OF THE DEPRESSION DECADE"

Dr. James Hitchman, Professor of History, Western Washington University

It is good to be here in November. We made it through October with some Flaky Fridays and Wobbly Wednesdays, but not Dark Tuesdays or Black Thursdays like they had back in 1929.

We meet in the midst of a nation brought to the verge of material and moral crisis through fifteen years of mismanagement and self-indulgence. If this paraphrase of Ignatius Donnelly's preamble to the Populist Party Platform of 1892 seems too strong, perhaps we can maintain that we meet in a season when the Reagan Administration seems to have a mandate to at least remedy the governmental excesses of recent years and at most to turn the clock back fifty years.

Most of the government activity that we cuss or discuss today can be traced to the legislative fountain of the New Deal as guided by Franklin D. Roosevelt. Most but not all, for we shall see that some notions of government intervention appeared before 1932 and many others occurred after the Depression ended.

My purpose here is not to bury the New Deal but to praise it, as a pragmatic alternative to some pretty gruesome remedies prancing around at home and abroad in the 1930's. There are few lessons in history, but one of them is that one generation's solution may become another generation's problem. In trying to provide for you an overview of the Depression years, we shall look at the actions of the New Deal, the scholarly interpretations of the New Deal and some of the shadows cast by that program.

The Crash

While you are going to hear about the Hoover years from Professor Burke, we begin with a summary of the reasons for the Crash and the Depression. Experts generally fall into three schools of thought regarding the Crash and the Depression: Cyclical, Monetary, and Real Factor. The Cyclical School traces fifty-year ups and downs but is imprecise on immediate reasons for shifts. The Monetary School adherents disagree with each other, some saying there was too much currency, others saying there was not enough—but currency tinkering is insufficient to explain or remedy such a disaster. The Real Factor School contends that the Crash came because of a crisis in confidence, when speculators panicked, and the Crash turned into a depression because the economy was fundamentally unsound, due to four main reasons.

First, is the maldistribution of wealth. This is the underconsumption argument. Too few people controlled too much of the wealth. Too many people didn't have enough purchasing power. When they couldn't purchase, production was bound to decline. The second and third reasons are closely allied: the poor state of corporate practice due to overspeculation and the poor state of banking practice due to overspeculation. When you had central banks in New York City that were indulging in unseemly practices, then the country's banking system was bound to be in trouble. The fourth cause is that ever since World War I the international balance of trade was out of kilter. When the Crash came in the United States, loans abroad stopped, causing banking houses and economies in the Orient as well as in Europe to collapse.

The Hoover Administration did not sit still and merely advise Americans to deflate and to bite the bullet. The Hoover Administration tried several remedies, but the Depression worsened until 1932, a year revealing about 25 percent unemployment, most banks closed, 20 percent malnutrition among school children, prowling para-military organizations, predictions of revolt in hearings before the Congress, battles between farmers and sheriff's deputies over mortgages, and industry production cut in half. Fear continued to spread because no one understood the problem, no one knew who would be the next victim, and no one knew what to do.

On a dark inauguration day in 1933, F.D.R. gave the greatest speech of his life. We all know that he urged Americans to banish fear, that their only problem was fear. We also know that his wife, Eleanor, believed Roosevelt could have asked the American people to do anything on that cold inaugural day and they probably would have done it. We tend to forget that a solid portion of his speech used biblical phrases about throwing the money lenders out of the temple because they had betrayed the trust of the people. This speech worked, confidence returned.

The New Deal did not commit the administration to any single course. It was no blueprint from the brain trust. It is best perceived as a continuing experimental response to various pressures, with the great orchestrator in the middle who believed in experimentation. Roosevelt could have socialized the country had he wanted to. He could have nationalized the banks and industry, he preferred not to. He chose to prop up and preserve the capitalist system as it existed.

Now followed the famous 100 days of New Deal legislation.

Relief, recovery, and reform

Under the heading of relief we can consider these examples: The first step Congress took was to declare a bank holiday, and then they passed the

Emergency Banking Relief Act. The Emergency Banking Relief Act was a technical affair. Generally speaking it put the power of the Federal Reserve Board, the Treasury, and the RFC more closely into connection with banking transactions, and once the credit of the government was put under the banking system the people began to deposit rather than withdraw. It shows you how fast Congress can move when it wants to. They wrote, introduced, passed and signed that bill in less than 22 hours.

The next example is the Reforestation Relief Act which showed that the new dealers were conservationists. Today they could be called ecologists, but then they were called conservationists. This Act established the Civilian Conservation Corps, the CCC, with an initial grant of \$300 million. Hundreds of thousands of young men of various colors and persuasions were given work in the countryside and in the forests. Many of their works exist at the present time.

The FERA was passed with an initial grant of \$500 million. The Federal Emergency Relief Administration provided federal funds for relief to the states. A local example of FERA work is the breakwater at the Squalicum boat harbor, a combination port, city, and state project in which the FERA participated by paying the costs of labor. Along with the FERA came the HOLC, the Home Owners Loan Corporation, which provided money to help people save the mortgages on their homes.

Recovery measures showed an inconsistency in the New Deal. They used two principles to try to induce recovery in the first years of the administration: 1) they tried to restrict output in order to increase prices; and 2) they tried to inflate the currency to make the dollar cheaper. They actually cut federal spending in the first months of the New Deal. They also put through Secretary of State Cordell Hull's favorite project, the Trade Agreements Act—reciprocity agreements to try to stimulate trade with other nations. However, the main examples of restriction would be the NIRA and the AAA. The National Industrial Recovery Act was designed to help business and industry, not to cripple or socialize it. It had three parts—voluntary industrial codes for wages, production, employment and prices; the right of labor to unionize; PWA for employment on public works. The Agricultural Adjustment Act provided for subsidies to farmers who reduced production and taxes on middlemen. The final measure that we can cite under recovery was Roosevelt's breezily taking the country off the gold standard. Up until this time most politicians had defended the idea of staying on the gold standard. Roosevelt couldn't have cared if we'd been on the pomegranate standard after he took the country off gold and the dollar drifted down to roughly half of its former pegged value.

Reform of the system may be seen in the Perora investigation of Wall Street and the resulting Securities & Exchange Commission. Then the government got into the business of insuring deposits with the FDIC, Federal Deposit

Insurance Corporation. If you go downtown today and look in a savings and loan window, you'll see a seal there. The initials are different from FDIC but the idea is the same. The government encourages deposits by insuring them for individual citizens.

The most spectacular effort of the entire phase of reform was TVA, the Tennessee Valley Authority. Here this gigantic dream held by Senator Norris of Nebraska and President Roosevelt was brought to fruition. The idea of the TVA was cheap hydropower, cheap fertilizer, erosion control, better inland waterways, and better forms for recreation, and it worked well over the years.

These efforts induced, however, only qualified success. Production and prices jumped, the rates slowed, farmers and businessmen and radicals began to howl. From the American Liberty League to Huey Long, complaints arose because the New Dealers had not ended the Depression.

The Second New Deal

In response, FDR launched his second New Deal in 1934-1936. It was more radical than the first but it was not aimed at a fundamental change in the system. Here are some examples of the Second New Deal. You've heard of the WPA under Harry Hopkins with all the make-work projects, and the epithet of the "boon doggie." Harry Hopkins was once criticized for giving jobs to painters, playwrights and professors, and Hopkins' retort was, "Well, they are people, too, and they've got to eat, haven't they?" Over \$11 billion were dispensed through the WPA before it was ended during World War II. The government also established the NYA, National Youth Administration. Funds were provided to college students, who worked in libraries, labored on grounds crews, helped professors to grade tests. The records show that they could not have gone to college otherwise in the middle and late years of the Depression.

Roosevelt showed his more radical nature during the Second New Deal with the Revenue Act which was a deliberate tax upon wealthy interests in the country. He also hit them with a Holding Company Act which was a device to shackle some of the excesses of the holding companies like Insull and others that had built up such pyramids in the 1920s.

The most far-reaching step of the Second New Deal was Social Security, passed in 1935. The federal government now entered the welfare business, for old age, unemployment compensation. Social Security was to be made up by a payroll deduction and a tax on employers, and it wouldn't begin to pay off until 1942. If I recall correctly, the payments were to be all of about \$27 a month. It's expanded slightly since then.

The Third New Deal

Roosevelt was re-elected in 1936, in a landslide over Alf Landon. Two states went for Landon, Vermont and Maine. The rest went for Roosevelt. But he also at this time ran into deep trouble.

The Supreme Court invalidated the NIRA and the AAA in the famous Schechter and Butler cases. The Depression turned downward once again and Roosevelt tried to pack the Supreme Court but failed. So he airily had his lieutenants redraw the AAA so it would be legal. They let the NIRA lapse because it was unpopular with those whom it was designed to help, but they strengthened NLRB, the National Labor Relations Board. Then the Jones and Laughlin steel case of 1937 indicated that the Supreme Court was taking a more liberal view of the federal exercise of power.

To cope with the downturn, FDR began the Third New Deal with deliberate deficit spending for relief, public works, and public housing, though he was still not a converted Keynesian. Antitrust suits were intensified under Thurman Arnold. The Fair Labor Standards Act was passed. The minimum wage was set at 25 cents an hour. Child labor was prohibited. They also established the Farm Security Administration and the National Housing Act. Then the 1938 congressional by-election put into office a group of southern Democrats and conservative Republicans who effectively stopped the New Deal dead in its tracks.

Roosevelt shrugged it off. He had seen war coming for a long time. Roosevelt was no isolationist, he was no neutralist, he was an old Wilsonian; he just waited through the 1930s until events from abroad, the movement of the Japanese, the movement of the Italians, the movement of the Germans began to push American public opinion over to his side. He knew the United States would have to intervene. He knew the United States could not stay out of that war, and he simply waited until public opinion came to his side sometime in late 1940.

From that point onward Roosevelt took the position of a world leader. He held together a grand coalition of the Soviets, British and the myriad of nations, to win that war. He lived long enough to propel the United States onto the world's stage as a world leader. So Roosevelt's great contribution is not merely the New Deal, it's taking the United States into the world arena of international responsibility.

Historians' Interpretations

There are about five historians' views of the New Deal. Now it seems to me we've got to define these "isms" that we're talking about in the 1930s, and if we look to that great oracle, The New York Times, we can get these definitions.

Communism: If you own two cows, you give one to your neighbor. Socialism: you give both cows to the government, which gives you back some milk. Fascism: keep the cows, give the milk to the government, and they sell some of it to you in return. The New Deal: shoot one cow, milk the other and then pour the milk down the drain.

Roosevelt jokes abounded and he relished most of them. One told about the time when Roosevelt, Hitler, and Mussolini gathered to divide up the world and Mussolini claimed, "The good lord said that I can have 75 percent." Roosevelt interjected, "Mussolini, I never said any such thing." The best joke about FDR is the one about where to put his statue. The committee came back, threw up their hands, and said, "We don't know where to put this statue in Washington, D.C. We thought we'd put it next to Washington's monument but we couldn't put it there because Washington had the reputation of never telling a lie. We couldn't set it next to Franklin's monument because if Franklin had his head in the clouds looking around for electricity, he at least had his feet on the ground with his Poor Richard maxims. So we decided to put it next to Columbus' monument. They had the most in common. Why? Well, first of all when Columbus started out he didn't know where he was going. When he got there he didn't know where he was. When he got back he didn't know where he'd been, and he did it all with other people's money."

The conservative interpretation was best propounded by Edgar Eugene Robinson at Stanford. A Hooverite, he claimed that the New Deal was too powerful, too dictatorial; it weakened the moral fiber of America with all its welfare-ism.

Eric Goldman saw the New Deal as part of the U.S. reform tradition. Goldman said the first New Deal is a parallel of Teddy Roosevelt's old New Nationalism. The New Nationalism accepted bigness but determined to regulate it. The second New Deal paralleled Wilson's New Freedom. Wilson and Brandeis believed in breaking up big business. Most Americans, according to Goldman, never gave up the belief that America was the land of opportunity. In the 1930s, Americans supplemented this credo of opportunity with belief in a need for security supplied by the federal government.

Richard Hofstadter disagreed. Hofstadter argued that the New Deal departed from the American reform tradition in several ways, the most important of which were the government's increased welfare and fiscal roles. And if there's anything that's central about the significance of the New Deal, it's got to be its fiscal and security welfare roles.

The New Left became popular in the 1960s due to Vietnam. Imagining evil lurking everywhere in the past, because of Vietnam, the New Left concluded that the New Deal failed to go far enough to socialize the country, help the sharecroppers, the blacks and others below the poverty line.

The current favorite is the organizational school of Ellis Hawley and others who contend that the main theme in public life from the 1890's onward is the search for order in society. The Progressives and New Dealers brought more government regulation to society and to the economy. Leaders in the private sector in the 1920s tried to bring about more voluntary associational activity which would achieve more order. The corollaries to all this are that the New Deal was merely "Hooverism in high gear" and that the New Deal began the broker state and the techno-structure. The broker state and the techno-structure are terms used by men like John Kenneth Galbraith who talk about how difficult it is for the government to play as a broker between big labor, big management, and the military industrial complex at the present time.

These various interpretations are combinations of temperament and evidence, and they can be resolved. The conservative has no real answer to the necessities of a depression other than more suffering and potential violence. The New Left demand for perfection on earth in the form of Marxism is merely advocacy which ignores the shambles of examples overseas in other countries. The organizational state proponents are weak on the spirit and the intent of the New Deal. Let's face it, Hoover did not believe in government regulation. The progressives and the New Dealers did. Goldman is closest to the reform intent of the New Deal but admitted with Hofstadter that the shift to security was a departure in means that could become an end in itself over time. When we realize that the New Deal left 10 million unemployed and that only World War II ended the Depression, we've got to admit that the New Deal provided only partial recovery. FDR did not have any long-range solution to the country's problems, but he had a lot of six-month answers. If you consider what was going on in the 1930s, you have to realize that there was timidity in England, paralysis in France, revolution in Latin America, civil war in Spain, communism in Russia, facsim in Italy, Nazism in Germany.

Compared to these ideological solutions, the New Deal was a real bargain.

This specter of security and opportunity loomed over the following decades. The New Deal cast a long shadow, as seen in Roosevelt's January, 1944, speech that called for a list of social, educational, and job guarantees. You can see the New Deal's shadow in Harry Truman's Fair Deal, in JFK's New Frontier, in LBJ's Great Society. Some of Jimmy Carter's attempts were in the American reform tradition and followed the New Deal. Even Eisenhower embraced the liberal republicanism which extended social security and civil rights while trying to avoid budget deficits. Truman's plans for civil rights, full employment, and funds for education, Kennedy's economic program, peace corps, and lower tariffs, Johnson's medicare, voting rights law and war on poverty--all stand in the reform tradition of Jefferson, Jackson, Wilson, and the two Roosevelts. It is this tradition that the Reagan Administration seeks to redress due to economic

strife in the 1970s, strife traceable to the Nixon and Johnson Administrations, Vietnam, stagflation and OPEC. Republicans usually get elected to redress inflationary problems. This happened in 1952, it happened in 1980, but the economic situation in the 1950s was basically healthy, and in the 1980s it certainly could not be called healthy.

Arthur Schlesinger Jr. has shown us a pendulum that swings every generation in American public life. One generation it will swing to a liberal side, another generation it will swing to a conservative side. Americans have been debating the laissez-faire versus the general-welfare state question since the days of Lester Ward and William Graham Sumner in the late 19th century. The regulatory state began with Theodore Roosevelt, Woodrow Wilson, and World War I. The New Dealers did not begin it and there's no sense in trying to blame them for it. The New Deal was a pragmatic response to a Depression.

Later administrations responded to conditions as much as to the siren call of the old New Deal. Planning, spending, and regulation have assumed gigantic proportions in the past two decades, dwarfing anything done by the New Deal. For example, in 1929 the federal debt was \$16 billion, in 1939 the federal debt was \$43 billion, today it's pushing a trillion. Here are some examples of planning, centralization, and regulation in the Johnson and Nixon years. PPBS, MacNamara's planning, programming, budgeting system was designed to bypass the bureaucrats, and the Congress. National policies on population, manpower, and income appeared under LBJ and Nixon. Nixon's New Federalism was countered by the Family Assistance Plan, Urban Affairs Council, National Goals Research Staff, Domestic Council, Balanced National Growth and Development Act, Land Use Planning Act, plus another \$100 billion in national debt. Deregulation of the transport industry in the 1970s was a counter move against centralization. Of course Nixon activated few of these as the Republicans began to focus on ways to win the election of 1972, plunging executive power into the Watergate Scandal.

Now whether the imperial presidency developed due to external pressures or presidential personalities is a fascinating question, but for our purposes here, the 1960s provide a turning point in American history. In that fateful decade, the country seemed to come apart at the seams with a generational conflict that raged from Selma to campuses to Vietnam and the ghettos. Since then we have become a divided and heterogeneous society without much sense of purpose, beleaguered by energy and pollution crises. The liberal conventional wisdom of fifty years seemed bankrupt: Throwing dollars at social problems and containing communism were rejected by voters in 1968. The conservative conventional wisdom from Nixon to Reagan claimed that government can't be all things to all people and David Stockman has no shame when he admits that supply side economics is a facade for the old Coolidge-Hoover trickle down theory that

failed in 1929. The liberals degenerated into wars abroad and handouts to squeaky minorities at home; the conservatives promise nothing more than a return to the 1920s.

The missing ingredient in this bleak portrait is the New Deal's most important shadow. We can easily perceive the optional colors of communism, socialism, fascism, capitalism, but they provide little illumination. Due to a national collapse, the New Deal brought us the mixed economy with its open-ended pragmatism, comprehensive stress on productivity, fair play, conservation and welfare. Rather than posturing about supply side economics or deficit spending, an answer to inflation as well as depression can be found in the New Deal devotion to the public good, rather than the "looter's mentality" we have seen in the last decade.

The champ said it best in his acceptance speech of 1936. "Governments can err, presidents can make mistakes, but the immortal Dante tells us that divine justice weighs the sins of the cold-blooded and the sins of the the warm-hearted in different scales. Better the occasional faults of a government that lives in a spirit of charity than the consistent omissions of a government frozen in the ice of its own indifference. There's a mysterious cycle in human events. To some generations much is given. Of other generations, much is expected. This generation of Americans has a rendezvous with destiny."

Ladies and gentlemen, that's the message of the New Deal. The present generation and the current administration fail to understand this fact of American life. The New Dealers believed that all, not some, all Americans had a rendezvous with a better tomorrow.

Question: I'd like to know how the Roosevelt Administration was able to give out all that money?

Dr. Hitchman: The question is, how did they pay for it, and the answer is, they didn't. They did it in two ways that I know of. One way was simply that money was cheaper because they went off the gold standard. Another way was just to print more money and use the government credit and go into debt for it.

Question: Was deficit spending what got us into this problem?

Dr. Hitchman: My point is that it got us into this problem after 1968 and not before. The original idea was that you should deficit spend in spurts on a temporary basis, not permanently. I think the error that the politicians and the others got into was carrying it on too long. But the country's economy was in excellent shape as late as 1968.

PANEL DISCUSSION

"The Crash and Its Immediate Impact on Banking, Business, Investment, and the Flow of Money"

Dr. Keith Murray, historian, (panel chairman and participant)
Mr. Miner Baker, economist and columnist;
Mr. Ron Auer, investment counsellor.

Dr. Keith Murray on "The Local Business Community's Response"

Professor Hitchman just indicated that the New Deal and subsequent events had their roots in a good deal of experience going back at least to Theodore Roosevelt and to the depression of 1893. In that particular depression here in Bellingham, as in a lot of places, there were simply too many banks. There were ten banks and the community had less than 8,000 people. Nine of those banks collapsed inside of a year. Only one survived. There was no federal deposit insurance or anything of the kind, only the dreary prospect of long runs which became longer and longer as people saw them taking money out of the bank. Then the banks would lock the doors keeping the rest out. This happened all over the country.

There was inaugurated at that particular time in 1893, right here in Bellingham, a device which I suspect was used in a good many other places. A man by the name of Charles Cissna organized for his own store, a series of certificates or trade notes. He assumed apparently that the Depression would be over in a few months because the certificates were to be redeemed six months later, but they would be used for trade at his store in place of money. These were used in Bellingham as general currency. People would just simply take them from each other. I don't know how they made the change because the notes were usually made in dollar units. But these particular kinds of things, called simply script, became local currency. His idea was that they would pay his store 50 percent cash and 50 percent from these little coupons.

In 1907 there was another very brief national panic, and here there was developed what were called "clearinghouse certificates." These were used in Bellingham also, though this time not just by one man. There was deposited in a central association, the Bellingham Clearinghouse Association, enough securities to back the same kind of thing that Cissna had done several years before. They were signed this time by Malcolm LaCush of the Bellingham National Bank, A. M. Muir of the First National Bank which is now one of the Sea-First branches, C. K. McMillan of what was then called the Northwest Commercial Bank, now part of the Rainier system, and Charles F. Larrabee of the Bellingham Bay Improvement Company.

At the Depression time we're talking about, they prepared these same kinds of things, clearinghouse certificates, because it was obvious the banks were in a state of total collapse. On the second of March, 1933, Governor Martin declared a bank holiday to last over the weekend. However, on the fifth of March Congress passed the National Bank Holiday Act, and this was before any kind of federal regulations had been established other than the holiday.

The Federal Reserve and the state bank examiners were given two weeks (at least here they were, and I presume this was nationwide) to certify banks as being solvent or not. Some apparently were opened within a day or the very same day. Others remained closed for two weeks and if you had your money in one of the banks that was in bad shape you were concerned because you didn't know when you'd get it or how much you would get. There were a lot of pragmatic solutions to problems of this kind, too. I recall rather vividly that if you had deposits in a bank you had to have a passbook. If you had a passbook that showed you had made deposits and there was a balance, you were entitled to spend a certain percentage of that amount—if the merchant would give you credit for that percentage. But you didn't know how long it was going to have to last. Most of the banks, however, were open again by the first of April and many a good deal earlier than that.

I was in Spokane at that particular time and I recall with some cynical amusement that there had been a savings program in which school children were learning the capitalist system by giving their teacher—serving as bank cashier—a nickel or a dime a week for savings, and he would make the passbook entries and then at the end of the day they would take them down to the bank. There was a bank which handled these school funds for the whole city of Spokane. The little kids would have 58 cents or \$1.20 in their account. When the bank was closed the children said, "What happened to our money?" And it was decided in the city that they would pay the children 100 percent on the dollar and on demand, because they weren't going to destroy their faith in the system.

As far as the business community, not the banking community, was concerned, the example that I'll use here is Bloedel-Donovan Mills which was the biggest business in town. They had been involved in the mop-up salvage operations of the big blow-down in 1921 in the Olympic Forest. Several billions of board feet were blown down in a tremendous hurricane that year. By 1932 they still only had about half of it cleaned up. They owned much of it so they were trying to save it. The salvage work required a great deal of capital and suddenly the Depression was on. They were able to borrow \$750,000 from the Reconstruction Finance Corporation, which was a federally-backed but semi-private operation. That got them started; then they were able to sell on the basis of the loan and the fact that the government had shown confidence in Bloedel Donovan. They sold \$2 million worth of stock certificates even in the

middle of the Depression, which enlarged their capital considerably. They were able for a while to carry their employees and the operations even when they couldn't sell their goods. Before long, however, they were able to sell their product although the prices dropped drastically. Lumber which had been selling in 1929 for \$25 a thousand, dropped to \$15 by 1933. Their sales plummeted from \$9 million a year to \$1.8 million the same year. They continued to keep on most of their employees, although if people quit they didn't replace them. They were paying an average wage of 85 cents an hour in '29 and 46 cents in '33, but that was pretty good. As Dean Davis suggested, 25 cents an hour was very, very common and sometimes less than that until the minimum wage law.

Miner Baker on "Banking: In Panic and in Depression"

I was not a banker fifty years ago and actually although I've subsequently spent 31 years working in a bank, I never did become a banker. My only contact with the banking crisis was a personal one.

I queued up along with several hundred other people outside the University National Bank in Seattle. I was in the queue to withdraw my money, which amounted to \$200. My \$200 represented two-and-a-half-months' work the previous summer, and it was more than enough to carry me through the balance of the university term. I felt sheepish in that line, as did most of the other people who were lined up to get their money, because we knew as everybody knew that the one way to be sure the bank would close would be to create a run on its funds. But none of us was willing to take a chance. We wanted our money and we got it.

Now everybody knows of the bank holiday. One of the first things Roosevelt did was to close the banks to stop the sort of panic run in which I along with thousands of others had participated. Many recalling these events would say that the banks played a central role in the Depression. Even that bank failures caused the Depression. The sequence of events, however, suggests that probably just the opposite is true.

The Depression was not something that came on overnight. The stock market Crash occurred in October of 1929. When the dust cleared, however, the Dow Jones Industrial Average had dropped only from an average of 311 in 1929 to 236 in 1930. I say "only" because by 1932 it had plummeted to 65, and even seven years after that it was back only to 132. So we had first something like a panic followed by some stabilizing, then a further recession, and then finally everything seemed to go to hell in a handbasket all at the same time.

It took the better part of four years for the whole drama to unfold and, of course, it took another six years to get back statistically in terms of gross

national product to where we had been before the thing started. Now it is true that banking was not exactly a tower of strength during the 1920s. From 1921 to 1928, which were the golden years of Coolidge prosperity, there were an average of 632 bank failures a year, nationally. This figure represented a bit over 2 percent of the total number of banks and about half of 1 percent of the deposits. Now that doesn't sound too bad, but the 632 failures a year compared with only 95 a year in the decade before that. In 1929 bank failures were up just a bit over that average, but in 1930 the number doubled as did the average size of the banks failing, and things held at that rather unsatisfactory level for a couple of years. Finally, in 1933 we lost more than 4,000 banks with deposits totalling \$3.6 billion. \$3.6 billion was a lot of money in those days. That loss was more than one bank in four in the United States and the deposits approached 10 percent of the total.

Now why does a bank fail?

As everybody knows, when you deposit your money in a bank, it doesn't just sit there. It goes to work making loans to somebody else, personal loans, business loans, mortgage loans in normal times, and whatever. The first bankers were merely safe keepers who put your money or your gold away someplace where it was safe and where you could get it when you needed it. This was true of the origin of banking historically, it was true of the origin of banking in the state of Washington. Dexter Horton was a storekeeper. As a convenience to his customers, he put their pokes away in his safe, that is the safe which tradition says didn't have a back on it. It was just pushed against the wall. He observed, however, that those who stored their wealth didn't withdraw it very often, and that they never all withdraw it at once. So he started in the banking business lending other peoples' money, which is the banking business.

Now you can't lend out all the money, obviously. You've got to have some on hand to satisfy those who come and want to withdraw it. Experience has shown that something on the order of 5 percent of the total is quite adequate to keep in cash. Prudence suggests, however, that in addition to the cash you also invest in some securities which can be liquidated very rapidly. But don't forget you're in the business to make money. If the demand for loans is not such that all of the rest of the money is used, you should invest in some longer term securities, government notes and bonds that may not pay off for months or years. Now I said earlier that 31 years in a bank did not make a banker out of me. There were a few people who tried, not the least of whom was Tom Gleed, President of Sea-First at the time I went to work there in 1947. He used to tell me that banking was a very simple business. You took deposits, you made loans, you made investments; it was all common sense. Tom may have been right, but I was increasingly impressed with the complexity of banking, because a good banker has to know not only his own business but a good deal about the business of everybody to whom he's lending money.

If you figure on lending money at 5 or 6 percent, which was the level of the '20s, and you figured the cost of doing business and the cost of paying interest to those who have deposited the money, it is clear you can't afford to have too many loans go bad. So what happened to banking before the Depression? During the prosperous '20s not all the business was prosperous. An unusually large number of loans went sour. Not an alarming number but enough to cause the somewhat higher rate of bank failures that I have indicated in the '20s as opposed to the years before that. The stock market Crash then put a special strain on the banks because there were a lot of loans that were secured by stocks, and went into default. As the economy slowly progressed in the next three years, business failures multiplied and when businesses failed in sufficient numbers they pulled their banks down with them.

The bank failures then, up until 1933, were a reflection of conditions in the business community generally. And one other thing--banks at that time were permitted to invest in selected industrial securities as well as in government securities, which is all that they can invest in today. One of the principal investments was in railroad bonds, and about that time the railroads were going broke. Railroad bonds were going bad. Then events in Europe impinged on the situation. Britain was forced off the gold standard in 1931, and was followed by more than 40 other nations. This put in jeopardy some \$2 million of American loans in Europe and other foreign countries, and hit at the bond market here.

During these initial years of the Depression there were some runs on banks, but they were isolated instances where either fact or rumor suggested a particular bank was in trouble. Remember that no bank anywhere anytime can withstand a run on its deposits for any substantial length of time. This doesn't mean that the bank isn't sound. In time the various loans and investments can be liquidated. But you can't pay it all out in a short period of time. In most of the runs that did take place prior to 1933 the depositors got all or most of their money back eventually. It was 1933, however, when the panic struck and the entire banking system was hit.

Now what happened in this state? The legislature, acting very rapidly for once, enacted a Bank Stabilization Act on March 1 which authorized the postponement of cash withdrawals by any bank in distress which made application to the supervisor of banking. The following day the rush was on at every bank in the state. Lower Second Avenue in Seattle was filled with cars and people. Bank employees worked feverishly and generally speaking in Seattle and most other places every check was cashed. But Governor Martin, to protect the banks and the public, declared a bank holiday which was to last over the weekend of March 6. One bank in the state which ignored the bank holiday was the proud Spokane and Eastern Trust Company in Spokane. On March 2 it paid out \$1,235,000 from deposits which had totalled \$8,412,000. It stayed open until 6:00

p.m. to take care of everybody who was in line. On March 3 it opened again, paid out \$431,000 by noon and the run was broken. It was reluctantly that this bank acceded on March 4 to the national bank holiday declared by President Roosevelt.

Now how did that bank, or how does any bank, find the cash to survive a run? Naturally, they had made themselves as liquid as possible by selling securities. They'd also tighten up on loans, which did not help the general business situation a bit. Some banks borrowed from the Reconstruction Finance Corporation. Mostly, however, they relied on the Federal Reserve Bank.... Early on as this crisis was developing, the Federal Reserve had reacted in exactly the opposite manner to what the situation called for. It virtually closed the discount window so that it would not find itself holding paper which was of questionable value. By the time of the 1933 run on the banks, however, the Fed. was shovelling out cash as rapidly as the transactions could be completed.

One of my friends at Sea-First tells of being sent up the street to the Federal Reserve branch in Seattle with a marketbasketful of notes and securities. Then returning with the same marketbasket filled with more than a million dollars in cash. Why the marketbasket? Because a suitcase would have been suspect. He travelled via the alley between Second and Third Avenues to avoid the milling throng in the street.

I can tell you in cold figures the net result of this whole thing. From 1929 to 1933 the number of banks in the United States decreased 42 percent, the number of banks in Washington decreased 47 percent. Deposits were off 29 percent nationally, 41 percent in Washington. Yes, Washington was hit hard, and it was the smaller communities that got the brunt of it. Seattle banking deposits were down 19 percent in that four years, the rest of the state 60 percent.

One of the first bills rushed through the New Deal was the act which insured bank deposits and put further limitations on the ability of banks to make investments. During the balance of that decade—still Depression, mind you—the number of bank failures was little more than one-tenth the number in the single year in 1933....

One result of all this, in the state of Washington and a number of other states, was the development of branch banking. It was clear from the record that the risks in banking were greatest in communities which relied on a single product or industry, apples in Wenatchee, the Navy Yard in Bremerton, lumber in a dozen places. A number of communities in the state never did have an independent bank which succeeded.

Accordingly, under state legislation enacted in 1933, the major banks were not only permitted but were encouraged to pick up the pieces where country banks had failed or were struggling. Branch banking is not unlimited in

this state, and in most other states it is even more limited, more restricted, than it is here. Nationally, however, there are more branches today than there are headquarters banks. Even so, the total number of banking offices, headquarters and branches, did not exceed the 1921 peak until the year 1970. It seems a fair guess that the nation was over-banked in 1921. There were too many small banks.

I would suggest, however, that banking really wasn't all that weak. Certainly it collapsed under the hammering of losses in industry, but it was more a victim of Depression than a cause. Collapse could happen again, but certainly not in the same way and probably not at all. Still the circumstances of inflation which we were not suffering in the '20s and '30's, and sophisticated money transfer which has just come on in recent years, are such that not too many lessons can be drawn from the experience of fifty years ago.

Ron Auer on "Investments: Shattered Confidence in the '30s"

A specialist friend of mine on the New York Exchange once gave me a piece of advice that I took to heart. He said, "If you ever find yourself with a system that works, change that system as fast as you can." And in the early '20s there was a system that made lots of money for people: margin yourself to the hilt and buy stock. My topic should probably be titled "Shattered Egos" rather than "Shattered Confidence."

The 1920s was a period of genuine advance in the economy. The housing boom peaked well before 1929. People were encouraged by a false sense of prosperity that became self-propagating. When one person believes something, another person is more likely to believe it and soon the whole room full of people are convinced. If everyone believes a speculation is going to be successful, it becomes successful. And that was really the problem. Stockbrokers took a lot of orders from people who panicked and sold stocks.

Animal spirits were raised greatly, prior to the Crash. The same thing that we saw recently in gold. In the recent run-up in gold from \$300 to \$850 an ounce, I had more phone calls at \$800-\$850 an ounce (from people who wanted to buy) than ever before or since. I often ask people, why do you want to buy at an all time high? And they say, "It's going up." When will you sell it? "I don't know; I have no idea of how high it will go."

Sure enough, the people who had had most of the gold were unloading it then, including French widows taking to the bank and cashing in napoleons that they'd been holding for years. French widows had more common sense than most American citizens who were caught up in the gold panic. The same sort of thing happened in the '20s.

Stock price changes and investor behavior before and after the great Crash really represent no discontinuity. In reference to the the Fifty-Year Shadow, nothing has changed too much in terms of investment attitudes. In terms of the psychology of the market, all major market movements have been accompanied by the same sense of panic and greed. Stock prices declined to one-sixth their value between 1929 and 1933. Obviously, that was a brutal decline that bankrupted many people. But the great Crash is really no exception to the kind of psychological elements that continued to exist in the marketplace. Cost of money: when stock prices are high, the cost of equity financing is very low. Genentec, if anybody noticed what happened with Genentec, opened on a new issue. They had not had one cent of business; they hadn't sold one item and they had no income. They opened it about 89 times projected proformeries, which have failed to materialize. So the same kind of confident panic still exists, and I think that's really what happened in the '20s.

Attitude changes: stock market multiples reduced to about one-third of what they had been in the late '20s by 1937. But we still haven't seen the kinds of multiples that we saw in the '20s.

Risk aversion encouraged bonds. That I think was the real disaster. People had become afraid of risk. Equities represented risk, so business people found it very difficult to sell equity in their business. As we've seen, an inflationary economy can continue to exist and expand on that basis. Bonds have been critically damaged by inflation and the income that they produce has been reduced in purchasing power each year. One of the tragic elements of the Crash was that an equity became the popular risk aversion. Became debt vehicles rather than equity. Subsequently, we've seen a heavier erosion of the purchasing power of the dollar. Most of the public have bought stocks high and are selling low. Everyone has an uncle who has lost money in the market. Everyone had a janitor who lost money in 1929 in the market.

The Fifty-Year Shadow is very critical in terms of what happened and what we're seeing in the economy now. Henry Wallich of the Federal Reserve Board stated that a deflated view of the future in an inflationary environment is kind of a ridiculous assumption. I tend to agree. So everyone went scrambling into bonds secure in the fact that government bonds, corporate bonds, municipal bonds were actually risk aversion, and in fact they haven't turned out to be that way....

I don't care if a company makes rubber bands or space microwidges, I watch the volatility and the volume of the stock. People start looking for take-over candidates. They want to buy issues in anticipation of Merrill Lynch putting out a buy recommendation on a stock. This is the same sort of lunacy that in my mind help cause the market Crash. The FCC act of 1934, I think, was not even terribly necessary to prevent abuse, fraud. The memory of 1929 made the act of

'34 unnecessary until the '60s; people by 1934 wouldn't have touched stocks with a great stick anyway. Forty years later the memory of the Crash had faded enough to allow a resurgence of the same kind of events that occurred in Wall Street, and this is where I suppose I will accept some responsibility. For instance, Bernard Cornfeld, the same sort of character who ran rampant through investors' pockets in the late '20s, in the '60s started up again.

I think that, in terms of the investment community, the major impact of the 1929 Crash was to steer the vast majority of the population into the wrong investment areas. They became lenders rather than owners. While inflation continued to expand through the economy with some period of deflation in between, people stuck adamantly, institutions stuck adamantly to the concept of loaning their money rather than owning something. And that is what, in my opinion, the major element of the Fifty-Year Shadow has been. The ramifications are critical. Now we're seeing the resurgence of the popularity of money market funds; people are not concerned with FDIC insurance when they can get 15.5 percent backed by Bank America with \$2 billion in net assets. They're not concerned with 5.5 percent municipal bonds that came out ten years ago and are worth 50 cents on the dollar now....

Panel Chairman Murray then called for questions from the floor. The Project Director and staff were gratified when Mr. Ed Donohoe of the Washington Teamsters and a Commissioner of the Washington Commission for the Humanities took the microphone and posed a series of questions. Excerpts from the discussion that followed are included here.

Mr. Donohoe: Miner, do you believe that these reforms SEC, 1934 came about because the banks did fail in 1929?

Mr. Baker: Well, the particular reforms they're referring to there, of course, had to do with the stock market rather than with banks, but sure, sure, the reforms came about, not because banks failed in 1929, Ed, but because by 1933 you had this massive failure of banks, massive run on banks. And there's no question but what the last act of the legislation corrected, let's say, weaknesses in the banking structure.

Richard L. Johnson: My name is Dick Johnson and I've been to several of these meetings, and at some of the previous meetings these questions came up regarding the present banking situation. I address my questions to Mr. Baker. What is the effect of Third World lending on the banking situation in America?

Mr. Baker: Essentially, the New York banks have these tremendous loans to Third World countries. We're now finding that the regional banks like Rainier and Sea-First and so on are refusing to pick up their portion of any new loans. So it's even more appalling for the Chase and National City. I can't recall what figures I've seen, something like \$350 billion, on loan to Third World countries that have very little prospect of repayment. It is critical. I think we assume that somehow the United States government is going to stand in back of the debt, but that would be a new mechanism and would have further problems of its own in an inflationary period.

"The Hoover Administration, Victim of the Depression, 1929-1932"

Dr. Robert E. Burke, Professor of History, University of Washington

The problem of interpreting Herbert Hoover and his Administration is a difficult one. Partly because Hoover scholarship, in spite of the 50-year gap, is really in its infancy. This might strike you as very odd because there have been books about Hoover. Even three volumes of memoirs from Hoover himself, but until recent times the papers have not been available for research. They are now available, most of them at the Presidential Library in Iowa, at his birthplace which is about ten miles from the University of Iowa. A very good location for scholarship on Hoover, and we are now beginning to get some serious balanced studies of Hoover. We're still a long way from having the understanding of his problems that I wish we did have....I don't know whether any of you has had the unfortunate task of reading the Hoover Memoirs, all three volumes of them. Only hardy souls, I believe, do this in line of duty. The prose is pretty murky, the arguments are pretty tedious, occasionally the Memoirs are lit up by what I can call a Coolidgeism. Calvin Coolidge was a master, as you know, of over-simplification. Things like, "When more and more people are thrown out of work, unemployment results." But I found one in the Memoirs of Herbert Hoover that almost matches that one. It's uncharacteristic. Don't think this is typical of the memoirs: "Many persons left their jobs for the more profitable one of selling apples." This is from Herbert Hoover's memoirs explaining business activity, so you get some idea that you may or may not be helped by the Memoirs if you study them.

Interpreting the Hoover Administration is also complicated by the political aspect. Democrats ran against Hoover until 1952 when Adlai Stevenson decided it was undignified way to conduct a campaign and of course promptly lost, as you know. Democrats haven't made that mistake since. They've resumed the fight against Hoover and the Depression, with or without success. And so we're left now with the beginnings, the infancy of Hoover scholarship. We're getting some preliminary books. The best of them is David Burner's book, Herbert Hoover, A Public Life, published two years ago. This is the one I recommend to you as a good place to begin work on Hoover. Revisionism, reinterpretation of him has taken several forms. He has found some curious supporters and detractors.

The foremost detractor is Arthur Schlesinger, Jr., whose first volume of a book on the Age of the Great Depression is a retrospective view of the twenties, looking, seeking, and finding evidence of Republican responsibility for everything that happened afterwards. That, then, is a kind of liberal line about Hoover. You are all familiar with that.

There's another line which begins with Walter Lippmann, the man I like to think of as the great oversimplifier of journalism and politics. You have to watch Walter Lippmann very closely. But he pronounced in 1935 that the New Deal had begun under Hoover. I never knew what Mr. Hoover thought about this, but I can suspect what he thought about it. One thing I'm sure he didn't want to claim parentage for was the New Deal. But Lippmann's argument was that Hoover had done more about the business side than any previous president and that the real New Deal had begun thus under Hoover. Now this is '35, before the passage of the great reform, Social Security, the Wagner Act, those major things we think of as the principal parts of the New Deal. So it's a premature judgment, to put it mildly. Some historians have carried on the same view in later times.

Then there's another line of the New Left, led by William Appleman Williams, who founded Hoover as their hero. You have to read Williams' stuff to believe it, to believe that anyone would write it. Whether you'll believe it after you read it is another matter. But his view is that Hoover was basically a libertarian. The best thing he has to say about Hoover is that he wasn't Franklin Roosevelt, who was the imperial president par excellence, and so on....

Well, what shall we say about Hoover's career until 1920. A few points to make in quick passage: he was of course a farm boy who was orphaned early and who was not penniless. He was left a small legacy and he was taken to Oregon by a friendly uncle. This uncle presided over his early education and sent him to what is now called George Fox College, for preparatory work, and then on to Stanford. He was in the first class at Stanford and he was trained as a mining engineer. This was in the '90s--he was born in '74. He went on from Stanford to a career as a mining engineer and promoter in various parts of the world. He was in Australia, he was in China, he was in Russia; he was all around. His residence he maintained at Stanford, but he was out of the country most of the time. In the first decade of the twentieth century, he was mostly in London, and the Democrats spread nasty rumors in '32 that he'd even become a British citizen. They tried hard to prove it, but there was no way to prove it and no way to prove that he'd even voted in British elections. But he had no American political career; that's the main point I want to make. In 1914 when the war broke out he was in Europe. Of course, in London. And he took charge at first of helping Americans, getting them out of the war zones, getting them home. Then he took over the job of Belgian relief. At the time the war broke out, he was 40 years old. He was a millionaire many times over. How many times over we don't know, because the financial records are not available to us. But he was a man who was bored, in a way, with his business life, looking for something more exciting to do with his career. And he found it in these rescue efforts, and he found it in Belgian relief, which involved him with German generals and with British generals. This was quite a successful enterprise.

He was brought home by Woodrow Wilson and put in charge of the Food Administration of the First World War. It was a massive program to raise food, large amounts of food for the allies, and to conserve food. And the Food Administration and its slogans, its posters--these things I think may be well known to you. It was as a member of the Wilson Administration that he got his first real taste of political life. He wasn't elected to anything, he was an administrator. He did sign an appeal for a Democratic Congress to support Wilson in 1918, something that he had a hard time with later on, asking the voters to elect a Democratic Congress in 1918. He had friends in the Administration and one of them was young Franklin Roosevelt, a close friend. They were thrown together a lot, and Roosevelt began a movement for Hoover in 1920, as the Democratic candidate for president. But Hoover stunned the Democrats by announcing that he had been all along a Republican. And thus in 1920, while he doesn't run for president himself, he's not a candidate for president formally, friends enter him in the California primary to oppose Hiram Johnson. The liberal isolationists and Hoover friends in California then gave Hiram a bad time. Hiram had a bad time all through that primary. He won most of the votes and lost the nomination. Johnson and Hoover became bitter enemies at that time and remained so indefinitely.

Hoover then endorses Harding in 1920. And he endorses him as a supporter of the League of Nations himself, a man who had by this time broken with Wilson personally but still believed in what we now call collective security. Hiram Johnson, the isolationist, also endorsed Harding in 1920. And so you have this landslide victory building up, a 1920 victory. And Hoover a part of it, the isolationist a part of it. The Democrats were the losers, overwhelmingly.

Hoover then had an opportunity to participate in the Harding Administration and he chose, of all things, the Department of Commerce. A new department, it had only been created within the decade, when the departments of labor and commerce were split. The Commerce Department had not amounted to much in the Wilson period. Under Hoover, Secretary from the beginning in 1921 right down until he runs for president, the Commerce Department is the most important new branch of government. It grows. That monstrous building, the commerce building, is built in that time and Hoover is identified with the policies of friendliness to business with which the Harding-Coolidge period is associated. He describes what goes on in the Commerce Department, what he's trying to do:

Now all these services are purely voluntary relationships with business and commerce. There's no regulatory function in the Department of Commerce, minus a few inconsequential matters in connection with the safety of human life.

This was the typical Hoover malapropism I would guess.

And it is my feeling that in order that this Department shall be of the greatest service to Commerce and Industry, it should be maintained on a non-regulatory basis. Its whole relationship should be one of cooperation with our business people.

And so the Commerce Department of the '20s, then, was the handmaiden of business, and Hoover was the very symbol of those Harding-Coolidge policies. And in 1928 his nomination for president--although he had never run for office before--was impossible for the Republican professionals to head off. The old pro's didn't like Herbert Hoover. He had never carried his precinct, he had never pressed the doorbell, he had never done any of the things that political life is supposed to involve. But he was the symbol of prosperity to the American people, to the business community particularly. They were the contributors, and the Republicans in 1928 nominated Hoover as the architect of prosperity.

I have a little artifact of the campaign of 1928. It's a thimble. It says "Hoover" on one side of it and "Happiness" on the other. Hoover Happiness. "Prosperity didn't just happen," was another slogan of the time. "The great engineer," was the way he was billed. His election over Al Smith was not a difficult election for him to win. The Al Smith campaign was basically an urban, Catholic, ethnic campaign without much appeal in Protestant parts of the country. Thus Herbert Hoover, while he was not exactly a hero to American farmers because of his food policies during the war, was more acceptable to them than this very strange man with this awful accent from New York.

And then there's the problem of prohibition. Herbert Hoover was not a prohibitionist nor was he a political wet, particularly. He wanted to avoid the topic of prohibition as much as possible. He had been a connoisseur of wines earlier in his life. His wife was a teetotaler and she got rid of those wines one day in 1919, when the eighteenth amendment had been adopted. But we're told on good authority that in the '20s when he was Secretary of Commerce he very often stopped at the Belgian Embassy, on the way home, for a few martinis. Now the White House after '29 is dry. Lou Henry Hoover saw to that. But I often wonder if some of the problems that Hoover faced after 1929 came from the fact that it wasn't possible for him to stop off at the Belgian Embassy on the way home anymore.

The problems that he faced in the 1928 campaign were prohibition--he had to do something about prohibition. Not necessarily get rid of it, but do something about the way it was clogging up the courts, and he made a pledge of an investigative commission for that. He also had to do something about agriculture, because of the severe agricultural problems of the '20s. These were difficult matters. He thus becomes the dry candidate in 1928. The dry candidate, and Al Smith is the dripping wet. What is called both a political and a personal wet, Al Smith. So these are problems. But when Hoover became

president in March, 1929, the horizon wasn't all that dark, or didn't seem to be. In his famous acceptance speech at Stanford, in August, 1928, he said:

We in America today are nearer to the final triumph over poverty than ever before in the history of any land. The poor house is vanishing from among us. We have not yet reached the goal, but given a chance to go forward with the policies of the last eight years we shall soon with the help of God be in sight of the day when poverty will be banished from this nation.

Thus you see, he runs as the candidate--if you will, as the engineer--of prosperity in 1928. I think the Democrats were going to lose no matter what, but they were not able to respond to this kind of argument, and Hoover's victory over Smith is a substantial one. I'd like to point out that Hoover broke into the South, won some southern states. He also won two northeastern states that are heavily Catholic, Rhode Island and Massachusetts.

Hoover thus was elected president. His life until this time had been, I would say, a total success. He'd had some problems along the way; he was not a very communicative man; he didn't have many close friends; he was shy. My old mentor, John D. Hicks, talks about Hoover's shyness, which the American public mistook for modesty. John Hicks was not an admirer of Herbert Hoover, a shy, shy man. There's an account of Hoover going by ship to South America after the election, before inaugural day, and saying very few words on the whole trip. He fished most of the time; he watched tropical storms. On New Year's Eve the crew and passengers held a costume party, and Mrs. Hoover insisted that her husband wear a paper fireman's hat. Herbert Hoover, a paper fireman's hat--I can imagine it.

When the reporters asked if he had any statement with which to mark the passing of 1928 and the coming of '29 he simply said, "Happy New Year," and sat down. H. L. Mencken perhaps put it best: "God made Dr. Hoover virtuous, but he also made him dull." This is an important point to remember about Hoover. Hoover's inability to communicate. How could he have had this fabulous career up until now and been virtually tongue-tied when it came to oratory? Henry Pringle, historian, has a vivid description of interviewing Hoover and of the way Hoover talked.

One hand is kept in his pocket, usually jangling coins or keys placed there to ease his nerves. He has not a single gesture. He reads--his chin down against his shirt front--rapidly, and quite without expression. He could utter a striking phrase in so prosaic, so uninspired and so mumbling a fashion that it is completely lost on nine out of ten of his auditors.

On personal interviews, Pringle said, he just stopped; he just stopped talking

after a point.

Other men would look up, smile, or round another phrase; Hoover is like a machine that is run down. Another question starts him off again. He stares at his shoes or at the desk in front of him as he speaks and because he looks down so much of the time the casual guest obtains only a hazy impression of his assurance.

...Hoover, then, had some problems in communication at the very outset of his Administration, and they got worse as time went on and as difficulties built up. What was he going to do with the presidency? He was going to reform it. Pretty clearly he had plans—the first term would be a study period, there would be commissions, there would be committees, he was going to alter the nature of the federal government. He was going to provide leadership for a real reorganization of government. And the second term, of course, would be the period in which this would all be implemented. It took Burner, I believe, to persuade most of us that this really was what Hoover was up to, because his committees and commissions were often funded by foundations, with private money, not government money. As studies are going on some of them get published. There's a study of child welfare in 35 volumes. Out of Hoover came a most fantastic source for social workers. There's a research committee on social trends which published a splendid two-volume work called *Recent Social Trends*, which we've been mining ever since—an important work. These things were going on, but they didn't get the headlines; they didn't get the attention. The attention, of course, was on the Great Crash and the Depression policies that followed.

Hoover's policies were to use the presidency as a place for leadership in this crisis, and he wanted to encourage voluntary action on the part of people. But he himself would play a crucial role in providing the leadership, bring people together, get cooperation. This volunteerism is not what we talk about in labor history, but Hoover's version of volunteerism is what he embarked upon.

"The fundamental business in the country, that is, the production and distribution of commodities, is on a sound and prosperous basis," he said right after the first big day of the Crash. The production and distribution of commodities. Nothing here about stock prices. He didn't attempt to prop up the stock market. Hoover at times held conflicting views, ...but he had a very, very short supply of hypocrisy. It was very hard for him to dissemble, and this is, of course, one of the ways persons would say in which he was quite different from Franklin Roosevelt, who had a mastery of dissembling and appearing to be cheerful when he was not.

The Hoover picture that's in your minds I'm sure is that of the unsmiling, grim Hoover in the White House, grappling with the problems of the Depression. Saying sometimes things that were intended to be cheerful, but his real feeling about them, I think, came through in the look on his face.

....Now, the policies, what are the things he embarks upon? There was first of all a farm program which was enacted even before the stock market crashed. He called Congress into special session to enact the program. It set up the Federal Farm Board, with the purpose of encouraging cooperation among farmers, and voluntary cooperation at that, but with loans from the federal government. This is in an attempt to keep prices up, to cause them to rise. The Federal Farm Board was a total fiasco. By 1931 and '32 it was running out of money. Prices wouldn't go up. Why? Because he wouldn't support reduction of crops. He thought that was against nature and believed it firmly. Secondly, because he wouldn't support federal price supports as such. Thus his farm policy is in the long run a fiasco, and no groups are more hostile to Hoover in '32 than the great staple farmers of the Middle West.

....And public works. The most famous of Hoover's public works, Boulder Dam, had already been authorized or signed by Coolidge before him, and it was named by his Secretary of Interior for Mr. Hoover during the administration. Roosevelt took the name off, but it went back on again, later. A lot of money was spent, a lot of deficits were run up, as a result of this program of public works.

Relief (or welfare). At first Hoover felt like a great authority on the subject of relief. He had a long career in it, both in Belgium and then later. He fought against the dole, or money payments, as much as he could. He believed in work relief, he believed first that charity should take care of relief, and then local government and state government, and finally by 1932 he comes around to the point of supporting federal loans to states who've run out of money for relief. But he never goes clear over to the grant side. That's the next step, but he wouldn't take it. He felt that would prolong the Depression and that it would destroy spirit of many people.

The Reconstruction Finance Corporation, RFC, was established by Congress in 1932, and Hoover signed the bill. He was not as enthusiastic about the RFC as some writers have said, but he went along with it. The RFC was limited, at Hoover's insistence, to loans to banks, credit corporations, life insurance companies, railroads, and things like lumber companies. In time he has to agree that the RFC's powers be expanded. The RFC, then, was a part of the Hoover administration which is taken over totally by the New Deal later on.

Hoover tried his very best to bring about a change in international monetary relationships and financial relationships. But at the same time he had to favor a high protective tariff. That was Republican doctrine and he had to sign the bill in '30. The Smoot-Hawley Tariff flies in the face of efforts to restore world trade. It's a contradiction.

Hoover's moratorium on intergovernmental debts was attacked by people who felt that the Europeans should go on paying their war debts, no matter what.

As Coolidge had put it, they hired the money, didn't they? This moratorium of Hoover's which was endorsed by the leaders of Congress was not renewed afterwards and the war debt payments stopped anyway. These, then, are the main points of policy in the Hoover Administration. Some work, some don't work, and they fly in the face of his alleged doctrine of rugged individualism.

Rugged individualism is mostly rhetoric because Herbert Hoover was not one to sit aside and wait for things to change. He thus was not, it seems to me, a rugged individualist. He was one who combined a belief in individualist values with a humanitarian spirit. And thus his term can be seen as one long experiment in coping with a Depression situation. It's an experiment that Hoover didn't want to engage in, I think. He had other plans like reforming the whole of the federal government, and so he was diverted from his purpose, from his task as president.

One of the problems one notices with Hoover is an inability on his part to identify with other people....Conferences were an ordeal for him...Hoover did not enjoy talking to the press in any way.

The Democrats although they had lost in '28 had professionalized their staff in the national committee. They had a press agent, they had able people who made it their business to go after Hoover and to give him a bad time.... Thus, there is a press campaign, a press release campaign against him. His occasional callous remarks are blown up out of proportion. This is how the game is played. But he was thus, curiously enough, more and more isolated in the White House. Even his Administration goes into decay by 1931 and '32.

The Hoover concept of the presidency turns very much on the man himself, on the president himself. The other persons in the cabinet don't have major roles to play. Now was he conservative or was he progressive? I don't think he was either one. It seems to me that we have to get another term for him. He's certainly not a complete conservative. The real conservatives of 1920 did not want Hoover in the White House. Chief Justice Taft, for instance, was horrified for fear that he would appoint "extremists" to the Supreme Court. Taft saw Hoover as a progressive, and he had been progressive in the Wilson period. But I would argue that you really have to twist progressivism around to see Hoover as a progressive when he's president....The progressives of the time, people like Hiram Johnson, people like the La Follettes, did not recognize Hoover as one of them....He was not fond of regulation. He saw a role for government to play, but it was one of leadership and he saw self-regulation as the crucial thing.

He was, then, a believer in a mix of things, and like most of us he had contradictory opinions. He could sign the Smoot Hawley Tariff for expediency purposes, compartmentalize that under local domestic affairs while seeking to restore world trade. Might strike you as a little contradictory. It was. He

sought to retain the gold standard, and he tried to tie Roosevelt to it even after Roosevelt had defeated him. In November, 1932, he tried to get Roosevelt to promise that he wouldn't tamper with the gold standard. Roosevelt wouldn't agree. But Hoover believed in the gold standard while approving necessarily of deficit spending himself, which leaves the Democrats a great opportunity to tackle him as a spender. One of the most famous Roosevelt speeches of '32 was at Pittsburgh at Forbes Field where he charged the Hoover Administration with being spendthrift and promised that if elected president he would reduce federal spending by 25 percent. This was Roosevelt campaigning against Hoover, 1932....

Hoover then is tackled for being a spendthrift at the same time he's trying to maintain the gold standard. He tried to coordinate his policy with the British and the French, although he despised the British and French leaders at the time and if you don't believe this you should look at his book called The Ordeal of Woodrow Wilson by Herbert Hoover....He didn't have confidence in the French and British leaders and yet at the same time he tried to coordinate with them. He tried to limit the federal role in relief. At the same time he didn't believe people should be allowed to starve. He looked upon wets and drys as fanatics but he was stuck with the prohibitionist label. He was saddled with prohibition in 1928, and he made a lot of it. His campaigners used it against the Democrats. And in 1932, of course, when prohibition was unpopular, the Democrats were still wet as they had been in '28. Hoover tried to change and wasn't able to do it. And irony of ironies, the man whose career had been built up on his mastery of press releases now ends up finding it very difficult to speak his mind. Well, now here we come, it seems to me, with the image and try to conclude what had happened. I think historian Richard Hofstadter's on the right track when he says Hoover was not used to bad luck, not used to misfortune, and the world then came tumbling down. He experiments, he tries out a number of things, but it seems to me that his failure as a communicator and his failure to build up a team of people who will support him through thick and thin was a large part of his trouble.

The Democrats on the other hand are, if anything, overprepared for the campaign. They have this professional staff ready, and they're able to make the most of it. Franklin Roosevelt was a master communicator. As governor of New York he developed certain techniques with radio, and he loved campaigning, and he had experience of adversity as well as of success. After all, he had been defeated for vice president in 1920. He had been defeated when he tried to run for senator in 1914, and then, of course, above all he had polio, had been stricken by that, so he'd had a lot of adversity. He had had good luck and bad luck. I believe that in 1929 Herbert Hoover and Franklin Roosevelt were not far apart in their views. However, Roosevelt had four years to observe Herbert Hoover in action and to see things tried out, some of them failing, some of them

succeeding. But Franklin Roosevelt, by '33, was phenomenally lucky. Lucky in his opposition and in being able to run against Hoover. His only hard time was getting nominated in '32.

....Coolidge had luck beyond, almost beyond, belief. He never had one bit of trouble in his whole political career. He left the White House in 1928 at a time when he was considered the symbol of prosperity by large numbers of people. There's no complexity in Coolidge, it seems to me. The main discovery in recent times has been transcripts of his press conferences. They show us that he was more garrulous in private than we had any reason to believe. But he was still very, very taciturn in public. With Coolidge, then, there's no complexity; what you see is what you get, with Calvin Coolidge. Roosevelt is something of a sphinx, a mystery, even now, and Hoover is an enormous enigma. In pondering this matter of good fortune, I come again to H. L. Mencken whom I love to quote on this time. Mencken on Coolidge and on Hoover as well:

No other president slipped into the White House so easily and none ever had a softer time of it while there. When at Rapid City, South Dakota, on August 2, 1927, he loosed the occult words—"I do not choose to run in 1928." Was it prescience or only luck? I am inclined to put it down to luck. Surely there was no foresight in his utterances and maneuvers otherwise. He showed not the slightest sign that he smelled black clouds ahead. On the contrary, he talked and lived only sunshine. Coolidge: there was a volcano boiling under him but he did not know it and was not singed. When it burst forth at last it was Hoover who got this blast and was fried, boiled, roasted and fricasseed. How Dr. Coolidge must have chuckled in his retirement, where he was not without humor of a sad, neurotic kind. He knew Hoover well and could fathom the fullness of the depths of the joke. Coolidge called Hoover, in private, "Wonder Boy." He did not admire Herbert Hoover...In what manner would Coolidge have performed, himself, if the holy angels had shoved the Depression forward a couple of years? This we can only guess. And one man's hazard is as good as another's. My own is that he would have responded to bad times precisely as he had responded to good ones. That is by pulling down the blinds, stretching his legs upon his desk, and snoozing away the lazy afternoon. Here indeed was his one peculiar strength, his one really notable talent. He slept more than any other president, whether by day or by night. Nero fiddled but Coolidge only snored. When the Crash came at last and Hoover began to smoke and bubble, good Cal was safe in Northhampton and still in the hay.

This is how Mencken described it in his obituary of Calvin Coolidge. Coolidge lived to see the defeat of Hoover, which I suspect he enjoyed. He died in January, 1933, before the inaugural of Roosevelt. I found a clipping in the

New York Times which indicates that on that day, the day of Coolidge's funeral, the mayor of Northampton announced that in honor of Coolidge the businesses would stay open. "Every nickel counts," the mayor said, "and Calvin would have wanted it that way." Hoover at that time was in the White House in apparent disgrace with the public, having been miserably defeated, and Franklin Roosevelt, smiling away, was about ready to take over.

The Hoover Administration then is very, very, much a part of the man himself. There's not much to it, even in foreign policy, outside of Hoover himself. The burden of having to carry this was too much for any one person to bear no matter who he was. I see the Hoover period as preparing a way for the New Deal, not because Hoover wanted it that way but because Roosevelt by this time could see what had been tried that hadn't worked. Many illusions that he perhaps had had four years before were now gone. He was free to use his political charm for the future.

PANEL DISCUSSION "First Efforts to Cope, 1930-1932"

Panelists: Dr. William Mullins, Director of Social Studies, Judson Baptist College, Oregon (panel chairman and participant)
Ms. Dorothy Culjat, Director, YWCA
The Rev. William Sotd
Mr. Steve Price, Department of Community Development, city agencies.

Dr. William Mullins on "The Unemployed Citizens' League of Seattle"

In the early years of the Great Depression, Americans were called on mainly to care for themselves and for one another, as they faced economic hardship. At least for a couple of years President Hoover worked within a particular framework of values that included neighborliness and individual service to the community and cooperative self-help, but did not include assistance from the federal government. Such assistance was seen by Hoover and indeed by many Americans as interference which could erode America's individualism. And in the state of Washington, Governor Roland Hill Hartley made it clear that the state government would provide nothing in the way of aid that might sap the self-reliance of Washingtonians. Roland Hill Hartley was a rugged individualist.

Hartley believed that economic assistance for the unemployed and their families would have to come from the county level, the city level or from private citizens. In Seattle a number of citizens met this challenge in an unusual and interesting way. They formed a self-help group which they called the Unemployed Citizens' League.

Judging from public pronouncements, initially the West Coast was doing a good deal better than the East Coast in weathering the economic storms that were caused by the collapse of the New York Stock Exchange in October of 1929. But by 1931 the Depression was a reality in Seattle. Anywhere from 23 percent to 60 percent of Seattlites were out of work by the winter of 1931-1932. The public employment office reported that there were two and one-half times as many men registered in 1931 as had registered with the employment office in 1930, and Hooverville had sprouted along tidal flats of the Puget Sound approximately where the Kingdome stands today. The community fund (the United Way, today) was the main private source of charity and it just barely made its goal in 1931. The city of Seattle in the meantime had responded to the growing prices by setting up its public work program and by forming a fact-finding committee. So there was plenty of room for individual effort in response

to the Depression in Seattle, and on an evening in July 1931 about forty of the unemployed joined together in west Seattle to find a way to help themselves and others cope with the Depression. By the end of that meeting the Unemployed Citizens' League had been formed.

According to its first constitution the league had several goals. The first goal was to find or create employment, mainly through public works. The second goal was self-help. The third was to secure unemployment insurance, which was a fairly radical kind of an idea in 1931. And direct relief was last on the list. I think the fact that welfare was the last alternative on a list that was drawn up by the unemployed was important, because it indicates that in the early years of the Depression, at least, Hoover's concern for the preservation of individualism was held by many people. As it worked out, self-help was the unique and intriguing aspect of the UCL, the Unemployed Citizens' League. With the spontaneity that characterized the formation of the League, the unemployed citizens threw themselves into self-help projects. They began to cut wood on land that was donated to them for that purpose. Various UCL locals extended their activities to picking unpicked fruit in the Yakima Valley and bringing it back to Seattle for the help of their constituency, and there was fishing in Puget Sound, again to help one another.

The League set up commissaries all around Seattle where the wood and the food that they had gathered from all over northwestern Washington could be distributed, and a barter economy was created among the members of the Unemployed Citizens' League. In return for these goods, able-bodied members would chop the wood, repair shoes, do tailoring. It was a vast bartering, a vast trading community in which the unemployed helped one another. With a minimum of contributions UCL members took advantage of available manpower and skills to aid each other in the rough times.

In the meantime the city fathers were bestirring themselves to deal with the growing unemployment. After a brief study of the problems in Seattle, the mayor's Commission on Improved Employment set about providing for relief of the unemployed, and the UCL was incorporated into the city relief effort. There was a good reason for this approach. At its peak the UCL boasted between forty and fifty thousand members and it had already created an organization of commissaries and relief depots which could be used by the city. But there were also good reasons for the city not to adopt the UCL. Its leaders, Hulet Wells, Carl Brannin, Charles Gilbreath, and John Cronin were all associated with organized labor and anathema to many people. Wells and Brannin could be labeled Socialist or perhaps even Marxist. It appears, however, that the Depression had succeeded at least for a time in uniting rather disparate factions of the community. The organization that resulted from this marriage of city and unemployed citizens was the District Relief Organization, the DRO. By the first

weeks of 1932 the organization structure was in place. The head of it was I. F. Dix, who was the general manager for Pacific Telephone and Telegraph in the city. The City Council passed an emergency appropriation of \$1,000,000, which wasn't spent as it turned out. There wasn't a whole million there to be spent. And claiming that the UCL was better organized and could do more than his agency alone, Dix made the Unemployed Citizens' League the basis of the District Relief Organization's operations.

Besides the five district depots that the UCL or DRO had, the District Relief Organization now had three to seven UCL commissaries where food would be distributed. And so, on the surface, all of this seems rather innovative and quite promising. The unemployed gained a stake in society as they administered relief. The administration of relief itself became work relief. The budget called for \$155,000 a month, \$8,000 of which was for overhead. However, the unemployed also checked eligibility, which gave rise rather quickly to accusations of fraud which ultimately damaged the whole program.... The financial basis began to fall apart.

The city began to turn over responsibility to King County, as early as January, 1932, and by May, 1932, the County Commissioners announced that they had given their last contribution to the DRO. Added to these economic problems were some very serious political problems. In the Mayor's race of 1932, John Dore solicited and won the endorsement of the Unemployed Citizens' League and although he ran and won as a liberal, Dore turned his back on his campaign supporters soon after he entered office. Dore called for paid checkers at the relief commissaries to oversee the administration of relief and by the end of September, 1932, several county commissioners had taken up this cry and begun to replace the UCL workers with paid managers. League members, of course, objected strongly. They refused to cooperate, and in numerous cases the new managers were unable to obtain the relief lists from the UCL predecessors. The county had to set up their own kinds of relief dispensaries. Justifying this take-over, County Commissioner John Earley claimed that the UCL had padded the list of relief recipients and had been lax in their recordkeeping.

Internal politics of the League took an ominous turn in 1932....In mid-1932 members of a local branch called the Capital Hill gang, made up predominantly of single men who had been pushing for more militancy, seized control of the Unemployed Citizens' League. But this wasn't the end of the struggle. After the Capital Hill Gang, composed mainly of Wobblies and union men, it was the communists' turn to assert their power.

The communists allied themselves with the more conservative Unemployed Citizens' League members and ousted the IWW men until ultimately William Dobbins, a communist, became chairman of the League. So by the end of 1932, Seattle and King County's unique approach to providing relief was

almost bankrupt, literally and figuratively. The UCL had been effectively ousted from the program, although League member still held some of the relief posts. The original founders had withdrawn from the now radical League and, along with many other ex-UCL members, had formed the Economic Security League which was not as powerful nor as prominent. And the city and the county in their quest for assistance now turned their eyes to Olympia and newly elected Governor Clarence D. Martin, and to Washington, D.C., and Franklin Roosevelt. Self-help and local solutions failed, economic pressures were too great for the city, county, and private citizens, even when the efforts of all three were combined and political pressures and natural suspicions served to weaken the alliance. So by 1932, in Seattle, individualism had been tested severely and found wanting.

Dorothy Culjat: "Response of the YWCA"

The YWCA was formed in the mid-1800s to assist women who were moving to the larger cities from their smaller towns, women who were seeking jobs in larger cities. Many of the YWCAs formed residences, and Bellingham is one. Our association was founded in 1907. The residence was donated by the Larrabee family in 1915. So for at least 14 to 15 years prior to the Depression, this YWCA had been operating a residence....

In the early days of 1929 the YWCA in Bellingham was very concerned about women in industry, and organized a business and professional working women's club that was pretty active right up until the Depression. They (the YWCA) were able to rent out their rooms at what are now considered extremely reasonable rates. When the Depression hit, ironically, the women who could afford to pay to stay at the Y were staying at home or finding homes to live in, so that that portion of our operations which helps us to be as self-sustaining as possible was being ignored, and there was a constant debate in the residence committee of the YWCA as to whether or not to lower room rents. They were finally lowered in 1931....

The main thing the YW did was to be a contact place where women could come and find the jobs, what few there were. They found places in the community for women who would receive free housing in exchange for housework. They even offered classes in household work to the women....

Eventually in 1932 the YWCA attempted to meet the needs of the unemployed by offering 543 free bed nights and breakfasts to women in need. They also developed a clothing relief depot, and attempted to continue with recreational activities, particularly for unemployed women, by offering free swimming sessions several times a week. They had a cafeteria which provided meals at very low cost. But mainly, as nationally, they were attempting to help women locate employment.

Rev. William Sodt on "Response of the Churches"

There's a strange dearth of information about the subject I've been asked to discuss. Here in Bellingham I've not been able to find anything in the libraries about what the churches did. What I have to say is largely based upon my own memories and upon conversations I've had with people here in Bellingham and otherwise. I'm afraid I have to say the churches didn't do much. Not really. Except, perhaps, in some of the large cities.

I was 11 years old in 1930, and I lived in Alpena, Michigan. My father was a pastor of a large Lutheran Church, which had just been built. I wasn't aware of the Depression in 1929-1930. My father was able to buy a new 1929 Dodge. He turned in the old 1925 Maxwell, and bought a 1929 Dodge. I was aware of transients—we called them bums then—coming to the back door asking for meals. And the parsonage, of course, was an obvious place for the bums to come around, and they got their handout. That was true. I was aware of some of the farm people bringing butter to sell to my mother. This was butter made on farms in the neighborhood, by members of our parish. I was aware of having holes in my shoes. The lining of my sheepskin jacket, the kind we wore up there in northern Michigan, was kind of ragged and tired, and I didn't get the kind of high boots that I would have liked to have had. But my father's salary as the pastor was paid all the time. Then in 1931 my father became a member of the hierarchy of the Lutheran Church and we moved to Columbus, Ohio, where he assumed the title of Stewardship Secretary of the American Lutheran Church....

The tithe box came in very handy when they closed the banks for two weeks a few years later. You couldn't write a check, so there was this problem. But we belonged to a large parish which was a college university parish, the pastor was well paid, we didn't have any poor people around, and I was not aware of any poverty at all. My mother was very economical in her preparation of food and she didn't spend much, but we always ate and had good meals. We lived in one of the more affluent suburbs of Columbus, in Bexley, Ohio. We lived on the wrong side of the tracks in Bexley, not on the rich side, but nevertheless we had a very comfortable life.

But I think the churches were preoccupied with keeping the institution going. It was hard getting the money in for the collections and particularly for the sort of thing my father was interested in, missionary work....Normally the church establishes a national budget and tries to meet that budget and borrows money or expects to get enough money to meet budgeted needs, but as receipts from the parishes fell and they were not able to make contributions, the salaries and expenditures on the national basis were lowered to whatever came in. The same thing was probably true in many of the local parishes: their current expenses as well as their benevolence expenses were cut down. So one of the things

the church was involved with was keeping itself going, and I think that's an important thing to remember. There were two other functions that the churches performed, primarily on the local level. One is involved with the mutual support of neighbors. Phyllis Bultmann told me of an incident in her own life, in the life of her parents, of an organization which was composed of parents of children in the Methodist Sunday School in a California town. It was called the Two-in-One Club. Begun around 1925 and continued along into much later years, it was for its members a unique kind of mutual support group in that they could have recreation plus also talking and considering their problems and giving each other advice and consolation. A lot of that went on in the churches.

There was not much organized charity but I think that within the churches it was kind of a bad nasty thing to be poor and hungry and so nobody recognized the poverty that was around them, publicly. But there was a lot of passing a loaf of bread or a few hours this way and that way within the parishes. So what charity there was, was of a very low key kind. There was not the kind of organization that we have these days when here in Bellingham we have organized a coalition of churches who are hoping to augment the food bank and makeup for the loss of charitable contributions or charitable support from the government....

Dr. Mullins: I've been doing research in this area and information about churches is extremely hard to come upon, so you definitely had a mountain to climb and we appreciate your efforts.

Steve Price on "Response of City Agencies"

I imagine most of you are from this area and are familiar with the history of Bellingham and the Puget Sound area, but I think it's important to recall that in the early 1930s, late 1920s, Bellingham was a relatively isolated community and it remained that way for a number of years, until the completion of the interstate in the 1960s. It was based on resource economy which depended heavily on logging, lumber, the sawing of lumber, the shipping of lumber, the fishing industry and mining coal. There was a fairly sizeable concrete manufacturing plant at that time in Bellingham. It was very much of a pro-growth community. One publication I came across in researching this subject indicated that Bellingham "has the largest shingle mill, has the largest lumber mill, has the largest salmon cannery in the world, and Bellingham also boasts the safest harbor and the best holding ground in the Pacific Coast." Those are the kinds of boasts that were made about almost any community along the Pacific Coast.

The population of Bellingham in the early 1930s was around 25,000 people. As the 1930 census became known we were in a race with Everett for the most population....

This economy, based on resource exploitation, was really a boom and bust economy long before the Depression came along. It wasn't a normal thing for the logging and the lumber industry to be up for any great period of time before it fell down again. The same was probably true with mining and the fishing industry.

So going into the 1930s the city government in Bellingham really was not very well equipped to deal with a crisis the scale of the Great Depression. It didn't offer many services and people didn't want many services from government. By charter it obviously had to provide an executive and a legislative function to regulate itself and it had the legal ability to interpret state and national law. But the primary service provided by the city was in the engineering department, and that was for the provision of streets, maintenance of streets, providing drinking water for inhabitants and providing for the elimination of waste products, a sewer system. Police protection was important and fire services were equally important, with major fires sprouting up continually. Some health and sanitation functions that have later been taken over by the state and federal government were provided by the city at that time, such as milk and meat inspection. And there was a very limited park function. From time to time, property was donated by wealthy citizens for park purposes. At that time the city did not actively acquire parks, and it developed them at a very slow pace.

The services were limited, but the income sources to the city were even more limited. The primary income to the city's general fund was from licenses and fees that were charged to people like street vendors and peddlers, fees for gasoline stations, theatres and similar activities, and franchises for utilities like Puget Power and the Great Northern Railroad. There were certain taxes that were returned from the state. It's ironic that one of the major sources of revenue for the city was the return of liquor receipts from the state. It made a very sizeable contribution to the general fund. We taxed the water fund which happened to be the most lucrative fund the city owned at that time. To this day the majority of the property owned by the city is owned by the water fund because it was really the only self-generating, income-generating fund that the city operated.

So city government was small. People wanted it that way and expected it to be that way and they certainly didn't expect government to solve very many of their problems beyond the protection of their property. And the staff levels that existed within city government at that time reflected the size of the government. Obviously there weren't very many of them and they weren't very highly skilled. The tasks were relatively simple. The major employment category within the city was labor of some kind, either within the water department or the street department.

It wasn't until midway through the 1930s that the Depression really began to be felt in Bellingham, and again one of the first responses to that declining economic situation was a seminar or workshop that was sponsored by our local police department and the Northwest Check Investigation Association. They put on a seminar dealing with the recent upswing in bad checks, for the benefit of a number of police departments from around the area. A seminar on how you deal with this phenomenon. It was a totally new one at the time. In the middle part of 1930, for the first time, we find the need for the state game department to distribute to needy families over one million spawned-out trout carcasses from the hatchery on Lake Whatcom; obviously, unemployment was reaching Whatcom County and Bellingham by the 1930s. In 1931 they increased that number by about 50 percent to almost a million-and-a-half spawned-out carcasses. If you've ever seen a spawned-out trout carcass you can imagine that there was a pretty severe need for food.

Basically, 1930 closed without too much relief activity (and certainly none from the city) for the growing unemployment problem. It was in 1931 that we really see the first public works project that was initiated by the city. A bond issue was floated for water system improvements that put to work about 140 men (at a total cost of about \$45,000) laying water line at a daily rate of about \$4. But this work was strictly offered to local residents and they had to be registered voters in order to qualify. So we weren't letting just anybody work around here....

But this first public works effort in Bellingham kicked off a controversy that goes well beyond the scope of this discussion, beyond 1932, as to what kind of relief effort the city should be involved in. Traditionally, up to that point the county had had most of the responsibility for relief work. In 1930, for example, the county had budgeted about \$120,000 to provide relief for indigent children and women, to run a TB hospital, and to provide some small public works projects on county roads. But this was viewed mostly as a county function. The conflict was really between government and the local private charities and non-profit groups. The city didn't want to do it. The controversy was over whether or not they should be doing it, because the private organizations certainly took up the slack in following the guidelines that were issued by Hoover's Emergency Employment Committee. Each community in the country was called upon to solve its own relief problems. In Bellingham churches got together. Churches, YMCA, YWCA, groups such as that came together to form a committee to face this relief issue, to get involved with Community Fund, to attempt to raise money in the community to provide this kind of relief, and the city was not seen as having a role at this time. This was 1931, the beginning of 1931, and it will change, as you will see in a minute.

Around this time, an unemployment council was formed in Bellingham that affiliated itself with the Central Labor Council to lobby the city to create a relief program. The city was able to refer this group to the Community Fund people. Again, to hand it back to the local non-profit, private interest to handle the relief effort. In all the material that I've been able to come across, the theme that comes up again and again is that these groups of unemployed individuals wanted to work. They didn't want what they called the dole. They wanted relief. I think that's an interesting differentiation in terms of what today is welfare, but was strictly known as relief in those days. The proper connotation was "temporary assistance" to help them get back on their feet. The allocation of resources was always done on a 60- to 90-day basis, because certainly all this emergency would be over in that period of time and we could get people back on their feet. So they needed work, and they wanted to be paid for the work that they did and no more. Under this pressure the City Council in the fall of 1931 passed a resolution pleading with President Hoover and the Governor, asking them for programs to assist in unemployment relief, laying on the doorstep of the federal government the responsibility to keep people in work, keep people from starving, keep them clothed. Not to look at that as strictly a local responsibility.

The Depression really started getting severe in Bellingham in 1932. Going into the budget year, 1932, the City Council for the first time reduced employee salaries across the board. We'll see this again and again throughout the run of the Depression. To go along with that reduction in salary, through 1932, the cost of living in this part of Washington dropped by almost 30 percent. With that reduction in the cost of living, revenues to the government, to the city, the county and school districts was declining because of decreased evaluations in property. The valuation of the city of Bellingham in 1930 was something like \$18 million and by 1932 it was at \$13 million. So the bottom had dropped out of those traditional revenue sources. Not only were we faced with tremendous relief programs to pick up, but also our revenue sources for ongoing programs were reduced as well....

Also by that time, the delinquencies in the collection of water receipts were really becoming noticeable and the Council authorized the water superintendent to allow accounts to go delinquent up to a six-month period. In a small community like Bellingham where water receipts were such a significant part of the income, there was a lot of discussion in City Council minutes revolving around whether we could allow the citizens to go delinquent on paying their water bills. It was in fact done as the Depression unfolded. Essentially, in a lot of cases it became a free service. The feeling on the part of the City Council seems to have been that the water was in the system, was in the pipes. They might as well deliver it as turn it off and make the citizens suffer. So water receipts began to fall off.

During the spring of 1932, the county--as hard pressed as the city and probably in some respects more so--proposed that all city and county employees donate a day's labor a month for six months, or a day's wages. The money would go for a relief program that would allow unemployed people to get to work on county roads. The City Council thought that was a terrific idea. Unfortunately, city employees almost revolted over the idea of allowing their money to go to the county to fix their roads, so there was a great deal of confusion and probably a lot of wasted effort, as each department within the city attempted to put together its own relief program. The system was finally ironed out and a great deal of that money in fact went to the county mechanism that already existed.

Another attempt on the part of the city to intervene in the unemployment problem was made by the City Council and the mayor and members of the Chamber of Commerce....They formed a delegation and approached contractors to insure that they employed unemployed workers rather than people from outside of Bellingham....

About this time, to close out that period of 1932, the building owners' association and a local taxpayers association was formed to lobby the city to reduce expenditures by at least 25 percent. There had been a reduction, the city budget had gone down by 13 percent from the year before that, but the property owners association and taxpayers association felt that the severe economic times required severe budgetary solutions and so the city council was approached for a 25 percent decrease across the board in expenditures....We see that pressure being applied to the city and the city succumbing to that kind of pressure.

To summarize those two years, 1930 to 1932, from the city's point of view: the city government was small, there wasn't a whole lot that the city was doing, there wasn't a whole lot that the community wanted. As the emergency unfolded, about the only way the city could react was to spend some of the money it had for public works projects, but to organize them, so the city hired unemployed workers rather than farming them out to contractors. In addition to the public works projects, very small ones, about the only other thing that could be done was to reduce the budget and reduce expenditures, attempt to align the budget to the reduced revenues that were coming in, and encourage private non-profit relief efforts.

ADDRESS: "The Role of the State in a Time of Economic Stress"

The Honorable Ralph Munro
Secretary of State
State of Washington

In 1878 when our founding fathers first gathered in Walla Walla to seek the removal of themselves, the people of what's currently known as Washington State, from the Territory, their efforts failed. But in 1889 they gathered again in Olympia and wrote the constitution and succeeded in their efforts. In those years settlers were flocking by the thousands to America and many found their way to Puget Sound. Our fjords and our bays, our sound, our timbered hills, our fertile valleys, reminded them a great deal of the farms of Britain, Ireland, England, Sweden, Norway, the land they came from. Some also came east to this new land from the farms of Japan and China. They were primarily agriculturalists. With a little land, a cow, maybe a pig, some clams on the beach, and a place for a garden, you could survive quite well in Western Washington—and, without the clams, in Eastern Washington. But in 1893 when our state was only four years old a panic swept across the land and in Olympia that year, on January 14th, the legislature had gathered....

At 2:30 in the afternoon Governor McGraw stood before the joint session of the legislature. McGraw was the first Governor in our state to address a panic or a Depression, and he called for the people of the state to meet the panic head on. He suggested some things that are important in determining the role of the state administration today. He suggested ceasing all of the state's capital projects. Dollars should not be spent in these terrific times of need on building buildings. He suggested passage of an inheritance tax to insure that the state had adequate resources. He knew that the property tax was only collected on an annual basis and he suggested that a semi-annual collection of the property tax would help tide over the coffers of the state of Washington. And finally he proposed a stronger liquor tax for the people of the state. He went on to speak out against something that we have heard talked of even in the last few weeks. He spoke of the excessive cost of operating the legislature itself:

The expenditures for legislative sessions [this is in 1893] are all out of proportion to the actual requirements and mask innumerable petty leakages from the treasury. The last assembly carried 107 employees who cost the state \$19,801 for salaries alone. The outlay for mileage was \$7,339 and for incidentals \$710,000.81 and for printing \$13,953. The number of clerks and supernumeraries in the two branches could be reduced at least one-half without incommodating the members or impairing their usefulness to the committees.

Today in Olympia the legislature is debating the size of its staff.

Times were tough [in 1893] but the state was definitely surviving. Much to the dismay of the Governor, capital projects went on and social programs were again questioned. The Governor was very concerned that Western State Hospital for the insane was costing \$160,000 per biennium. "Too damn much for any state to be spending on the insane," he said. Today we continue to debate the necessary expenditures for the mental health of our population.

The Governor went on to get madder and madder, and he pointed out to the public that now they were talking about building a normal school up in Bellingham. The legislature knew that it had to create jobs, had to provide for teachers, and they were determined to build that normal school.

My grandfather was an agriculturalist who came from Scotland. He was also a stone-cutter by trade, and he traveled to Bellingham on the Inter-Urban to seek work. Following the panic, looking for a job was tough on the shore of the Puget Sound. He took a job as a stone carver, building the ground level and the first level of what's now called Old Main. My father pointed out to me this morning that he and the other stone-cutters demanded that they be paid in gold, because the script that was issued by the State of Washington was only good in the saloons in downtown Bellingham and was not acceptable at the bank.

At this time money was virtually non-existent. Fred Martin, whose father settled on the upper Skagit River in '89, tells of his father carving two oxen yokes in front of the fire in the evenings. In the fall of '95, he loaded the two oxen yokes into a canoe and went down on high water to LaConner. He knew that the steamboat captain was probably the only one in the community who would have cash. The captain bought the oxen yokes for the sum of \$1 apiece. The father spent 35 cents in town and made the arduous return journey, paddling upstream to where Rockport is located today. When he came into the house with a \$1.65, that was the only cash money the family saw for two years. So cash was virtually nonexistent in those times.

McGraw, the Governor, was basically, laissez-faire oriented, and was concerned that the state take appropriate action to remain solvent regardless of the panic. For this state, the gold rush settled the issue.

John Rogers, the renowned populist, became Governor, and McGraw went off to follow the gold rush in the Yukon Territory. The gold rush and Washington boomed. The miners mined the gold in Washington State and the Seattle business community mined the miners. Ship builders, packers, shippers, they all brought business to our state. Pope and Talbot and Port Blakely were booming. They hired hundreds of men and jobs were in existence again....

Around 1915 things began to sour in eastern Washington. The government again attempted to stimulate the economy with irrigation projects and reclamation efforts but in 1919-1920 the panic hit state-wide and Governor Hart found

himself in the governor's chair. He reacted by again proposing that we reduce state spending. He was successful in passing the administrative code of 1921 which combined all of the agencies of state government into ten major departments. He called for tax reform, user fees, higher tuition and payment of cash for government assistance. Some of his proposals were adopted and others were rejected by the legislature.

Then came the Roaring Twenties and the '20s were roaring for our state. But along about '27 and '28 things began to not look so good. In '29, of course, the Crash came, but it didn't seem to faze the Governor of the time. In January of 1931 Governor Hartley, like his predecessors, stepped to the microphone to address a joint session of the legislature in Olympia. His speech didn't even mention the Depression, now nearly two years old, or the economic plight of our people or the unemployment across Washington State. The Governor believed in tax reductions and he told the legislature: Unless the people are willing to forego some of the so-called functions of government and unless public officials are willing to practice genuine economy, there can be no tax reductions. Your problem is to provide funds to take care of public expenditures, and at the same time relieve the overburdened taxpayer. Hartley went on to point out that, "When more money is needed to keep up the pace, additional taxes are levied and the new indirect revenue provided or indebtedness incurred by the issuance of bonds and interest bearing warrants. Ultimately, the orgy of public spending will destroy our government." In a very interesting conclusion to his speech, he said:

One sure way to reduce the tax burden is to quit spending public money, and I am more convinced of it today than I ever have been. More and more the government, with its army of snoopers, checkers, inspectors, directors, efficiency experts, and the like, is interfering with private business, destroying self-reliance, and individual independence. Government should be satisfied to manage the affairs for which they were organized: that of maintaining equal opportunity for the citizen, thwarting the hand of special privilege and keeping order. There is ample private capital to carry on legitimate enterprise.

His answer was definitely what we would today call supply-side economics with the trickle-down approach. By 1932 he had succeeded in what he had set out to do, and the state treasury in 1932 had a surplus. To do this, he had drastically cut state institutions, had reduced the expenditures for higher education, had all but eliminated social programs. The unemployed had marched on Olympia, but the Governor wouldn't see them because he was too busy and didn't have time. He had stopped the attempts of the legislature to enact unemployment compensation or any form of relief. Hundreds of people across the state were homeless or were starving, but the state of Washington was solvent.

Then in 1932 the people had their chance to speak. They elected a man to deal with the Depression, Clarence Martin from Cheney. He was a farmer and a wheat miller. He was the builder of the municipal electric system for Cheney, and he had been a long time community leader. He was committed to what he called government for the people, and supported the public schools, institutions, home relief, and old age security. He was willing to support tax increases and the development of the Washington Emergency Relief Administration for relief and public works projects. He teamed up with President Roosevelt and brought the WPA and the ERA to our state. They built parks, drained swamps, constructed bridges and built community buildings.

This morning I asked my 81-year-old father about the Depression. He said, "Clams. We ate lots of clams. We didn't call it the ERA, we called it the ERN. It didn't stand for Economic Recovery Act; it stood for Eat Regular Now."

Governor Martin was accepted by the people as a Governor who responded well to the toughest of times that our state has seen. On a hot August night, in a tough political campaign, Governor Martin went on the radio across the state and said:

Before 1933 the state helped nobody who was in social distress, nobody in need, no matter how deserving they were. Today, just seven years later, our state extends direct help in cooperative services to more than 130,000 men, women and children, aged, crippled, blind, sick, underprivileged, and unemployed. Today I'm proud to tell you Washington stands in the forefront among the states of the union with a balanced and consistent social security program.

The Martin Administration, in short, inspired confidence in government, and in the idea that our state could serve people in need.

We switch to 1972, when the huge Boeing Aircraft Company, sprawled along the Duwamish River from Auburn to its mouth, was laying off 5,000 people every single Friday night. The Governor, Daniel Evans, fresh from a victory at the polls, was again introduced to the joint session of the legislature.... Governor Evans was always, always smart enough to talk to the people. He would say confidently that he wasn't sure if it was best to talk to the legislature or to talk to the people, but there was no doubt when you saw him appear—on television—before the legislature who he was talking to. The state was again faced with very, very tough economic times, but his speech was upbeat and optimistic, designed to inspire public confidence in state government's ability to deal with the crisis.

When you compare Evans' speech and Martin's speech, there is a strong similarity. Both seemed to believe in government spending to stimulate the economy, modest tax increases if not complete tax reform, and efforts to insure

that government was responsive to the true needs of those people who found themselves in the most severe part of the crunch. Evans began by saying, "The state of the state is that the state is alive. It has not, as so many of the national press have written, slipped into the sea. Our fields do not lie fallow, the streets are not empty, the stores are not vacant, and those prophets who are waiting around for the last person to turn off the lights are going to have a long, long wait." His reaction was immediate. Jobs now, jobs today not tomorrow, for 30,000 people in highways, and fisheries, and social service.

A \$2 billion bond program to assure that education and social services, mental health, mental retardation, ecology, natural resources, transportation--the list goes on and on--would have the necessary dollars to build for tomorrow. In many ways, Evans, a New Dealer like Martin, believed in taking the lead, stimulating the economy with public works, inspiring faith in government, insuring health and prosperity, and working to improve the quality of life.

Now we can talk briefly about today, but I don't know if I really need to. A Governor in Olympia who has proposed some sharp measures to the legislature to insure that we do meet the present crisis head on. Overseas trade development, stimulation of jobs, tourist promotion, industrial marketing, new tax structure. A legislature that's questioning the Governor's program and hesitating to act. And finally, four million people who are watching very, very closely.

Mark my words--those people, the people of the State of Washington, will remove from office those who do not respond to the concerns of people in need. They will remove from office those who do not have faith in government's ability to cope. They will remove from office those who do not inspire faith in the government and its institutions and in the people of our state.

In the past throughout the entire history of our state, Governors and Legislators who have not met the need were handily defeated. The tradition will not be broken, not even temporarily. Washington State will remain a state with a government for the people.

ADDRESS: "The Nominating Conventions of 1932"

Dr. James W. Davis

Dean of the College of Arts & Sciences
Western Washington University

First of all I would like to point out the differences between 1981-82 and 1932, in the political arena. In 1932, we had relatively little in the way of presidential primary legislation. Only about 15 states used primaries, and they did not have binding delegates, so in a sense these primaries were largely popularity contests. But in those days, the office was supposed to seek the man or woman, instead of the person seeking the office. Both Franklin Roosevelt and Herbert Hoover conducted front porch campaigns. This was a borrowing from William McKinley's time when delegates were supposed to come and visit the presidential contenders on their front porch, talk over possible deals, talk over possible support, all of these things. But the candidate stayed at home. Franklin Roosevelt did not leave Hyde Park or Albany at any time during the pre-1932 convention. Herbert Hoover, of course, is busy in the White House trying to combat the great Depression. So this is the first major difference, in terms of campaign style. No TV cameras around. No television presidential primary campaign. The first national convention to be covered by national network television was in 1952 when the co-axial cable spanned the entire continent.

Nineteen thirty-two was in the pre-jet age as well. It was impossible to campaign in three or four states in a single day, as candidates do in the present era. It was also before Gallup polls and Harris polls which today have a tremendous influence on the outcome of presidential nominating campaigns.

We lacked national candidate organizations. These are full-fledged campaign organizations with their own posters, their own survey experts, their own schedulers, their own media advisors. They are a full, self-contained unit almost like a division in the military, and all the national leading contenders today have national candidate organizations.

Also, 1932 was a period in which the parties, the state parties, were the dominant factor in this selection process. We had fifty state parties, practically a confederation. Some described national conventions at that time as being like a meeting of sovereign states gathering to pick a leader. National conventions were much smaller then. Coincidentally, in 1932, both the Democratic and Republican conventions had 1,154 delegates. The Democratic convention is over 3,300 now. The Republicans hit over 2,200 in 1976, and then cut it back to slightly under 2,000 in 1980....In some instances, the delegates weren't chosen until after the primary; in other instances they were put up by special interest

groups in the state; and in still other instances the presidential candidate had to approve them in the Democratic party in order for them to be a delegate or to go to the convention. The presidential contender had to signify his assent to serving as a candidate. Incumbent presidents were expected, in 1932, to be renominated without question. This no longer holds true. So these are the differences between 1882 and 1932.

In 1932, both of the national conventions met in June: they did not meet in July or, like the incumbent party now, in August. There were a large number of favorite son candidates in those days. Favorite son candidates represent the state party organization within an individual state, and they are selected originally to be used as bargaining agents with the leading contenders, to try and get concessions, cabinet posts, special projects, federal projects for their states. Rarely did a favorite son candidate win the nomination. The last favorite son to win the nomination was Warren Harding in 1920.

Prior to the 1932 conventions, Herbert Hoover, of course, was deeply immersed in combating the great Depression, but as an incumbent he was not expected to face much serious opposition for renomination. There happened to be one contender, an ex-Senator for Maryland, Joseph France, who ran in a number of the presidential primaries that year and was quite successful. The only primary that he lost was in Ohio where the famed leader of Coxeys Army, Jacob Coxey, was on the ballot. Since that was his home state, the folks of Ohio selected Jacob Coxey over Senator France.

Herbert Hoover didn't bother to leave the White House, didn't deign to campaign in the presidential primaries. When he arrived at the convention, he relied on his cabinet members, his administrative spokesperson, and all of the agreements that they had made in the individual states.

In those days the Republican incumbent could count on the South almost solidly as far as delegates were concerned. They didn't win the election in November, but the party organization always supported the incumbent--after all, they could be collectors of the customs or get to be postmasters. Don't forget that in 1932 postmasters were still selected by the presidential nominee who was successful in November. So there was a lot of patronage, and the southerners automatically supported Herbert Hoover in 1932.

Herbert Hoover had very little trouble at the 1932 GOP convention, although Senator France was nominated. After he had been nominated, France asked for a chance to speak to the delegations convened at the national convention. But since he was not an official delegate some of the Sergeants at Arms arrested him, hauled him out of the convention hall, and he didn't get to talk to the convention. At that point, of course, Hoover's renomination was approved almost unanimously. France picked up a few votes but it was overwhelmingly Herbert Hoover's nomination, his opportunity to run as the GOP standard for the second time around.

It's the Democratic pre-convention campaign that interests us most these days and to look at the beginning of it, you'd probably want to turn back to 1928. This was the year when the democratic contender, Alfred E. Smith, ran a pretty good race against Herbert Hoover, and lost....

Al Smith became rather disenchanted after his defeat in 1928 and said that he didn't plan to run for public office again. That same year the dashing former Assistant Secretary of the Navy, Franklin Delano Roosevelt, was elected Governor of New York. Since Smith was running for president he couldn't run also for governor, so FDR, who had recuperated sufficiently from his polio attack, was available for the governorship and ran successfully. The real victory came in his reelection campaign of 1930, when he won in a landslide. Shortly thereafter Jim Farley made this statement for national consumption. "A smashing victory," he said. "I fully expect that the call will come to Governor Roosevelt when the first presidential primary is held which will be late next year." He actually meant 1932.

"The Democrats in the nation naturally want as their candidate for president the man who has shown himself capable of carrying the most important state in the country by a record-breaking majority."

From November, 1930, until early 1932, James Farley was out beating the bushes across the country seeking delegate support. In 1931 he traveled across the country ostensibly to attend an Elks National Convention, stopping all along the way to visit the key state leaders and lining up support for FDR. We're inclined to think now that FDR had an easy time of it in 1932, but I would like to dispel that thought right from the start. Although he was the leader, he was up against a large number of rivals. But even more important, the Democratic Party still retained the famed two-thirds rule: prior to 1936, the Democratic nominee had to win two-thirds, not just a simple majority, but two-thirds of all of the delegates.

In the past, twice in Democratic history, a contender has actually collected a majority of the votes at a convention and not been nominated....

Who were FDR's opponents? First of all, Alfred E. Smith had a change of heart. He thought, well I really deserve another chance; after all, we ran a pretty good campaign in 1928. And he thought that he should have a chance to vindicate himself, even though he had said earlier that he wouldn't run again and had let Franklin Roosevelt believe that he wasn't going to be a contender. And then we have a number of others. William "Alfalfa Bill" Murray of Oklahoma, a frontier-type candidate—big handlebar mustache. Quite a dashing politician in Oklahoma, but he didn't cut too much of a figure nationally.

For a while we had a senator for Illinois, Jay Hamilton Lewis, who dropped out of the race. The colorful, bewigged, pink-whiskered Senator who was referred to as the aurora borealis of the U.S. Senate because of his flaming

whiskers. We also had another Illinois contender, Melvin Traylor from Chicago, who represented the Illinois state organization. Still others, Governor Albert Ritchie of Maryland, Governor George White of Ohio, former Governor and then-to-be-Senator Harry Byrd of Virginia. There was even a dark horse contender who didn't come to the forefront, Newton D. Baker, Secretary of War during Woodrow Wilson's Administration. Then, of course, the famed speaker of the House of Representatives, from Texas, John "Cactus Jack" Garner....

So these were some of the contenders whom Roosevelt was running against. His manager, Jim Farley, and his private aide, Louis Howell, decided early in the game that they would use the presidential primaries for publicity purpose, even though FDR stayed in Albany and at Hyde Park. They put his name in a number of states, and they started out curiously enough in New Hampshire. New Hampshire, of course, is the bellweather primary nowadays. It wasn't that well known in 1932, but the Smith people thought they had it pretty well wired. But FDR sent his organizers in there, and with a lot of hard campaigning they were able to win the eight delegates from New Hampshire.

It's not the number of delegates you win in New Hampshire that counts. It's the publicity you get from winning that really pays off in the long run.

Then FDR's name was in the North Dakota primary, and on a snowy, cold March day back in 1932 Roosevelt ran up a very substantial majority and attracted a lot of Republican voters in the cross-over open primary that North Dakota had at that time. He also ran in Georgia. It's sometimes forgotten that Roosevelt was almost an adopted son of Georgia. In his recuperation from polio he had gone to Warm Springs, Georgia, and he had built up a lot of political ties there and was regarded almost as Georgia's favorite son.

So he did very well in Georgia and did well in Pennsylvania. But he encountered some serious head winds in Massachusetts. This is a strongly pro-Catholic, Democratic state. Alfred Smith had carried it in the 1928 election, and the state Senator and organization there were supportive of Smith. But James M. Curley, the mayor of Boston, the only man to be re-elected mayor of a city in America while serving a term in a federal penitentiary, was a Roosevelt supporter, and he urged FDR to get into the Massachusetts primary. Roosevelt really got massacred in the Massachusetts primary, and it slowed down his band wagon. Here we had this winning image, but he got into a big industrial state, and he was really massacred by the Smith people.

Then his name was in the California primary. And here we had a three-way split between the Hearst people who were backing John Garner, the Smith people led by Senator Phelan, and the Roosevelt people. Hearst was more successful than the others and was able to carry the day for John Garner in California. So Roosevelt had lost two pretty important states. Coming into the convention he was going to have to depend upon the western states, the Rocky

Mountain states, the southern states. Roosevelt did not even control the New York delegation. Al Smith controlled two-thirds of the New York delegation, the biggest delegation at the national convention, so Roosevelt did not have the nomination locked up by any means.

So this is the picture as we go into the national convention of 1932. First to be settled were a couple of credentials fights. One was in Louisiana where Huey "Kingfish" Long was carrying the day for Roosevelt; the other was a big dispute over the Minnesota delegation which ended with the Roosevelt delegation being approved by just about the number of votes that FDR got on the first ballot.

The next dispute came over the permanent chairperson, chairman in those days. This is a decisive office at a national convention because the chair can recognize people or not recognize them. Sam Rayburn of Texas could look right at a person and not recognize him at all but recognize somebody else just as readily as not.

Roosevelt had indicated earlier that he would commend for the permanent chairmanship a man named Shells from Kansas, but when it came right down to it, he recommended Senator Thomas Walsh from Montana who had been the chairman during the marathon 103 ballots in 1924. A very distinguished senator, very judicious and even-handed, Thomas Walsh won the office of the permanent chairman.

The next preliminary to be taken care of was the two-thirds rule. Now this rule, as I indicated earlier, had been used ever since the 1830s; it was a century-old rule. It was favored by the southerners because it always gave the South a veto over any nominees suggested, and they could in effect blockade anyone they didn't want.

The Roosevelt people made a serious miscalculation and talked about repealing the two-thirds vote. They knew they had just about a majority of the votes, but they thought that two-thirds vote might be too much, so they urged that it be repealed. Word got around to the southerners and they indicated that they might not vote for Roosevelt if he and his supporters didn't back off from that two-thirds rule, so they wisely chose to do so....

Then they went into the next phase, a consideration of the party platform. In those days there was not too much difference between the Democratic and Republican platforms. Not too much difference between Franklin Roosevelt and Herbert Hoover in their overall views. It's hard to believe that today, but the Democrats favored reduction of spending and cutting out needless government waste and all of the standard cliches of the day. The only difference between the parties was in regard to the prohibition amendment. Prohibition was in effect at this time. The Republicans had equivocated on this issue and indicated that it would be better if the states made the choice on it. The

Democrats had two choices: repeal of the 18th amendment or an equivocating approach that would let each state handle it. Roosevelt was supportive of abolition of prohibition. So was Al Smith, and prohibition as a platform plank was repealed. The so-called noble experiment was demonstrably a failure and, therefore, said the Democrats, we should get rid of the 18th amendment.

"The two platforms," observed one commentator, "were mere re-hashes of old proposals, political croquettes concocted from the leftovers of former years and dressed up with a little fresh verbal parsley."

Well, they got the platform out of the way. Then it was time for the nominations and nominating that whole string of candidates took until roughly 3 a.m. on what must have been about the fifth day of the convention. The Smith people thought this would be a good time to recess for the night and come back the next day. The Roosevelt supporters were opposed and insisted on a vote. It was 4:30 in the morning when they first started their balloting, and they spent about an hour on that roll call, the roll call for the first round. Roosevelt came up with 666 votes, which was about 100 shy of the needed two-thirds majority of 769. They took another vote, in which he made very little progress. Some of his managers were getting nervous, but there's that two-thirds vote staring them in the eye. They recessed for the night and came back the next morning and started the third ballot. Still there was no movement toward Roosevelt. The Smith people were holding firm. The Ritchies and the Whites and others were all hanging in there, very tough. It was at this point that Roosevelt's manager, Jim Farley, got together with Garner's manager, Sam Rayburn (later speaker of the House of Representatives) and they finally agreed that Garner would trade his Texas delegation and his California delegation and move over into the Roosevelt column. On the fourth ballot the real breakthrough came. California was announced, and William Gibbs McAdoo, former Secretary of the Treasury's son-in-law, Woodrow Wilson, and a defeated contender in the famed 16-day 103 ballots of 1924, moved to the forefront and announced that California was shifting its 44 votes to Roosevelt. The Texas delegates joined in, and Roosevelt went over the top on the fourth ballot with more than the adequate two-thirds majority required.

In those days, the candidate did not give an acceptance speech at the convention itself. Instead, the delegates selected a committee who were to go and notify the candidate—several days later—that he'd been nominated. They would go to his home town and have a ceremony and a speech or two and he would accept the nomination. The Republicans continued this practice until 1940 when they went to Ellwood, Indiana, to notify Wendell L. Willkie that he had been selected as the nominee.

But Roosevelt broke the tradition. There he was listening to his radio in Hyde Park. Instead of waiting to be notified, he decided to show up at the

convention. So he hopped in an airplane (that had to make a couple of stops along the way to refuel because of head winds) and flew to the national convention in Chicago. He pointed out very early in his acceptance speech that "I have broken traditions. Let it be from now on the task of our party to break foolish traditions. We will break foolish traditions and leave it to the Republican leaders, a leadership far more skilled in that art, to break promises." That's why he'd arrived at the convention instead of waiting to be notified. This speech has sometimes been regarded as his best: better than the inaugural speech, better than the second nomination acceptance speech. This is the way FDR greeted the delegates, in that confident, jaunty manner of his.

Never before in modern history have the essential differences between the two major parties stood out in such striking contrast as they do today.

Republican leaders not only have failed in material things, they have failed in national vision, because in disaster they have held out no hope. They have pointed out no path for the people below to climb back to the places of security and of safety in our American life. Throughout the nation, men and women forgotten in the political philosophy of the government of the last years, look to us here for guidance and for more equitable opportunity to share in the distribution of national wealth.

On the farms, in the large metropolitan areas, in the smaller cities, and in the villages of America, millions of our citizens cherish the hope that their old standards of living and of thought have not gone forever. Those millions cannot and shall not hope in vain. I pledge you, I pledge myself to a New Deal for the American people. Let us all here assembled constitute ourselves prophets of a new order of competence and of courage. This is more than a political campaign, it is a call to arms. Give me your help, not to win votes alone, but to win in this crusade to restore America to its own people.

And that's the story of the 1932 national conventions.

ADDRESS: "How the Depression Redirected Lives:
A Personal Memoir of Depression Days in Minnesota"

The Honorable H. A. "Barney" Goltz,
Senator, 42nd District, State of Washington

I was born on a southwestern Minnesota farm in 1924. My father's father had been one of the homesteaders in Minnesota under the Abraham Lincoln Act which made land available on the condition that recipients would come to that land, break the sod, build buildings, plant trees, in fact make that land productive. My grandparents on my mother's side had also come to that same part of southwestern Minnesota. The town is called Balaton. Many of you, maybe no one of you has ever heard of it. It's near Marshall, Minnesota. Marshall was the county seat of Lyon County, and it was in that small southwestern Minnesota farm that my first memories occurred.

My first political memory was of the election of 1932 when I sat in the kitchen of our farmhouse and listened to the radio, to the election returns announcing that Franklin Delano Roosevelt had defeated Herbert Hoover. Now my parents were nominally Republicans. They were as I said the product of the Lincoln Homestead Program. They believed in that, they believed in emancipation. They believed in a lot of things that were Republican philosophy and platform of the time. But in 1932 they had voted for the Democratic ticket, and they did that because they were in near despair over the Depression. I remember going to church on that Sunday morning, a German Lutheran Church, and the minister gave a prayer of thanks that this new leader had come to this country to lead us out of that great Depression. I was very inspired by that prayer.

I found out later it was sort of a standard prayer for election days, and four years later they knew the devil had sent FDR, but at that particular time it appeared that he was a great gift of God to this country.

Times did not improve very much immediately and our home life was relatively simple. We always had enough to eat, and we always had shelter, and we always had fuel for our stoves because we could cut wood from part of our farm. Most of what we had we could raise ourselves. We raised turkeys and chickens, so we had eggs. We raised hogs. We raised a few sheep and we raised some grain.

We had a farm of about 160 acres. It was actually a little larger than that because it included some bottom land that used to be called a lake. The drought had dried it up so it was now pretty much a dry slough—but a productive little piece of ground because my father found it a good place to trap muskrats and hunt. The land also produced pheasants and rabbits. We would use those various resources to supplement our diet.

We also learned to make home brew. I suspect it was illegal at the time....Entertainment was very simple. We would occasionally be given 10 cents to go to a movie. We became addicted as children to the serials which were playing, and every Saturday we expected to have a dime to go to that theatre to see the serial and whatever other feature was playing. But our parents spent much of their entertainment time in home entertainment--going to the neighbors or the neighbors coming to our house to play cards. I remember the game called 500 that they enjoyed playing. It went on often late into the night and we used to listen through the register in the floor of our bedroom upstairs to catch the stories and the laughter and the things that were occurring in the kitchen.

For family gatherings we would have picnics. These were usually in public parks or at somebody's home. For transportation we had an Overland automobile. In fact, we probably had one of the better automobiles in that particular area. Medical care was dispensed through a general practitioner in Balaton.... The county fair was a great social event in our time. We would go at least once if not twice to Marshall. We'd always have to interrupt our day in Marshall to drive 17 miles back to our farm at Balaton to do the evening chores, and that always struck me as one of the bad things about being a farmer. You always had to interrupt what you were doing during the day to come back and do those chores.

Our Christmas was a very important part of the year. It probably was the most important part of the social year for our family. We would have family gatherings, huge family gatherings. It always seemed to me that they were too large, because the kids had to eat in the kitchen while everyone else was enjoying dinner around the great table.

School, our school, was a one-room country schoolhouse, where we had the capacity for all eight grades. Usually, because we had one teacher, it was impossible for the teacher to teach eight grades, so there was a lot of sliding either up one grade or down one grade or sort of putting people on hold for two years in a combined grade. We had about 18 or 20 people in this little one-room schoolhouse. We'd walk about a mile to go to school, and the teacher, particularly during the poorest parts of that Depression, often would not be paid. When that teacher was paid, sometimes the payment was made in produce. All of the children in the school had to do some of the chores: the cleaning of the erasers, the cleaning of the blackboard, the sweeping of the floor, the carrying in of the water, and so on. There was no electricity in that part of the state on the farms in the '30s. In fact, our farm didn't get electricity until 1948, after I'd been out of college for a number of years.

Now I'm going to talk about the years between 1932 and 1936, years that I remember very well because I think they were in some respects the toughest times that we had. We used wood for heating the house quite a bit, but we also

needed something to keep the fire going during the night during those cold winters and coal was the best material that we had for that. But when the price of corn went down to the point where a load of corn sold at the local granary would produce only enough cash to pay for an amount of coal which had less heat in it than the corn had, many of the farmers quit selling corn and buying coal. They simply put their corn into the coal bin and shovelled it into the furnace. And I remember my father taking two ears of corn, putting it into the kitchen stove, watching it burn and saying, "I'll never do that again." It was part of his religion or part of his upbringing that food was meant to be eaten. It was meant to be consumed by humans or animals, and it was wrong to burn it. He never did burn another ear of corn. It made him feel uncomfortable even to be in a home that was heated by burning corn in the furnace.

I remember also that with the drought we were plagued with grasshoppers, and the grasshoppers came in clouds, flying. Huge animals. And they would devour everything in their path. This was the first time that I remember a government program to assist the farmers in combating the grasshopper plague. They offered the farmers, free, what was called grasshopper bait. It was poison in the form of little pellets. We shovelled these pellets into a seeder, something that would spin and throw these pellets along the fence rows. The theory was that the grasshoppers would eat the pellets and die. But the inventor of that theory must have thought that the grasshoppers walked into those fields because they would fly over the pellets, into the fields and devour the crops.

Once, when my father and I were driving to Balaton, we came upon a road block. My father was a Farm Bureau member and the road block was set up by the Farmers Union, a much more militant organization that believed the price of milk was low because we had such a surplus that it was getting to the Twin Cities and could be sold at such a low cost that it no longer paid to produce it. So their belief was that if you were to withhold the milk from the market you would eventually drive the price up and you would make more money from selling less milk than you were now, by selling all the milk you could produce. That was another philosophy that my father didn't share. So we came upon this road block and when they asked us if we had any milk we could say honestly we had no milk in the car. But the next car that came behind us had milk. Now these were all people who knew each other. They were all neighbors, they were friends, in some cases they were relatives. It wouldn't have been unusual to find brothers on opposite sides of that argument. And when the farmer behind us was asked to turn around and take his milk back home, he said he had to have some money so he was taking his milk in to the creamery. The Farmers Union members blocked his path. When he started to drive through, they took his milk cans off the truck and dumped the milk in the ditch. And I guess I'll never forget how white the milk was and how suddenly it disappeared into the earth.

I remember my father's despair when he went home and talked about this event around the dinner table: how it brought us all down to almost the lowest level of feeling about what was happening in our country.

I don't mean to say that all of these things were happening in a short period of time. We also had other kinds of natural disasters. In fact this whole series of events led my father to have a nervous breakdown, and the mental health programs at that time were practically nil. The kinds of treatment that were available were primitive at best and eventually my father committed suicide. One of the major memories of the Depression is that there was no help for people, no help in trying to overcome their personal problems, their personal feelings of despair. And if I ever sit in the state legislature and vote against a mental health program, I hope the voters will turn me out, because the one place in the whole Depression where I feel that the government did not help was in the area of personal support that people needed in those times.

After my father died, my mother who was a strong person, bought a farm some distance away from the farm we were renting, and she bought it for \$30 an acre. I had three brothers, and the four of us and a hired man (I was 12 years old at the time, and my oldest brother was 14) ran that 120-acre farm, pretty much by ourselves except for occasional hired help. My mother liked to raise turkeys. That was really the thing she enjoyed most about the farm. She joined the Minnesota State Turkey Growers Association. Now their plan was to reduce the supply of turkeys voluntarily and, therefore, drive the price of turkeys back up to where it was profitable to raise them. We raised about 1,000 turkeys. It wasn't a big flock, but it was big for us. The Turkey Growers all agreed to cut back their production 15 percent. But farmer after farmer, realizing that they had a good year the year before in raising their poults, knew that they would have a 10 percent loss from the time they had their little poults until they were ready for market. They thought maybe this year things would be worse, diseases might increase, the skunks might get into the turkey house, so they all raised the number of poults a little bit to insure that they would not go below the 15 percent cut. I suspect that there were more turkeys raised in Minnesota under that volunteer cut-back program than ever before. So it didn't work too well. I learned a lesson there I think. If you're going to have such programs, you have to have some way of enforcement.

I was at that time subject to hay fever, so during the harvest season I would find myself sneezing and asthmatic. My mother said that I would be the one of our family who would have to go off the farm and go to college. So in 1941, having just graduated from high school, I went to Macalester College in St. Paul, Minnesota. I hadn't intended to go to Macalester, but I got \$150 scholarship at Macalester and that looked like a lot of money. Every summer I'd work on the farm, and then go back to school in the fall. In 1944 Hubert

Humphrey became the professor of political science at Macalester College. I think that exposure, not only to Hubert Humphrey but to Macalester College, made it possible for me to see something beyond the very narrow parameters of Balaton, Minnesota. Macalester College was about 190 miles away from Balaton and that was the farthest that I had ever been away from home in 17 years.

Macalester had a marvelous president whose name was Charles J. Turk who was a believer in internationalism and he wanted to expose all of his students to the world beyond the United States and the world beyond St. Paul and the world beyond Minnesota. Regarding the Depression, there were many students at Macalester who were working their way through college on National Youth Administration Programs, and when I see now in the state legislature efforts being made to cut financial aid and to reduce the number of students who will be admitted to our colleges, universities, and vocational and technical institutes, it doesn't make any sense to me. At the time people need education we're cutting it back. To work your way out of a Depression you need a trained manpower pool.

When I look at the headlines from the Bellingham paper of the 1930s, when I see and feel what is happening in our state today, I think that we have got to come together on some sort of agenda which will avoid the very worst things that happened in the great Depression. This is a time when we need social invention. We cannot simply let the forces of economics out of our control without imposing upon those forces some governmental restriction and some governmental creativity which will make it possible for us to avoid the worst of Depression.

Dr. Phyllis Bultmann: I've asked Dr. James Scott, Director of the Center for Pacific Northwest Studies, WWU, to make a brief announcement about the displays that are on the speaker's platform today.

Dr. James Scott: The campaign posters of the Roosevelt era were donated to the Center for Pacific Northwest Studies by Vaughan Brown, postmaster of Bellingham in the '30s, and a member of the state house and state senate in the '40s and early '50s, and well-known local attorney. He died a few years ago and his collection—a very, very large collection (he probably was Bellingham's most productive pack rat)—came to us, about 100 cubic feet of materials in all. And among the 100 cubic feet was a wonderful collection of campaign posters. Almost all of them are Democratic posters. The only three Republicans represented are Goldwater, Nixon and Dan Evans.

The photographs of newspaper headlines on display were done by Ted Brandt who is one of our graduate students. The newspapers from which they were taken are in the Center, also. Most from the Bellingham Evening News.

The News was put out by the Herald during the 1930s, and curiously enough, the headlines in it are very much better than those in the Herald. These volumes of newspapers, by the way, are available to anyone on or off campus, to use at any time. We start in the 1880s and go through to the 1940s with bound volumes. In addition, we have lots of loose newspapers, from the 1940s and through to the 1980s.

PANEL "Readjustment and Recovery, 1932-1938"

Panel Chairman: Dr. Erwin Mayer, Professor of Economics, Western Washington University

Mr. Murray Morgan, historian and writer, on Social Protest Movements:

I'm either taking a broad definition of protest movements or succumbing to the historian's weakness for giving background on the subject all the way back to creation before starting in, but I do want to touch on some of the non-violent, non-political reactions to the Depression before getting into the most directly political one, because I think that they explain the passion, the brief power, and perhaps the ultimate collapse of the Washington Commonwealth Federation which was the most effective of the political groups in this state protesting the laissez faire activities. The early response to the onset of the Depression, to being laid off, to loss of customers by businessmen, to the failure of the banks, by many of the people in the state, was to look to the family, to the church, and if the need were desperate and the shame of unemployment and poverty had to be admitted, to try institutions like The Salvation Army, the Y, or other groups that offered food, lodging and clothing, along with some compulsory Christian uplift.

All of these groups did what they could. The churches were institutions that were already in place and their struggle to survive as institutions was in part a struggle to continue aiding their parishioners bodily as well as with their spiritual needs. Such activity naturally attracted less attention than new programs that were brought in, and the same can be said about the traditional charity work of the service clubs. But the point is that rather quickly it came to be seen that the traditional American pattern of helping through church and clubs and service organizations was overwhelmed.

The next phase was a groping toward new organizations for self-help, manifestations such as the Hoovervilles, the shanty towns that sprang up not as were hobo camps for transients along the railroads (these had been present in the '20s as well) but as semi-organized communities of unemployed. The largest of these in Washington was in Seattle. It appeared in 1930 on fill land between Sears Roebuck and the present Kingdome Area. At a maximum count there were 435 shacks in Hooverville. These varied considerably. Some were packing cases, others went all the way up to one which was two stories and even had a bathroom and running water. How it managed that is unclear, but it's listed in the records as having indoor plumbing. There were only a dozen or so women in Hooverville. Only two families with children, and both of these seem to have moved within

months of their appearance. But there was considerable permanence. Some of the residents were there for the whole four or five years that Hooverville existed. Incidentally, there is no definite data for the disappearance of Hooverville. When it faded away simply does not show up on any record that I've been able to locate.

The residents agreed on a mayor, they had unofficial policemen. They maintained order to such a degree that talk of doing something about Hooverville, meaning doing away with it, centered on the threat it posed to community health, but not to property or to community morals. There was no community-wide program of sharing, but groups did team up and share in gathering food, wood, and discards of all kinds which they would distribute within a small circle within Hooverville. Studies of Hooverville indicate that while spokesmen chosen to meet with authorities tended to have high-school educations, none who were chosen to deal with the authorities out of the Seattle Hooverville had been to college. None of the college people there achieved leadership but only 2 percent of the residents of Hooverville ever had attended college at all. Only four were reported to have been college graduates.

The Seattle Hooverville remained in existence for about five years, which means it outlasted groups with more formal names. Some of its residents were members of groups such as the Unemployed Citizens' League which Dr. Mullins discussed yesterday. The League began in West Seattle. It came to have 22 branches and several commissaries and it claimed between 40,000-50,000 members overall. It served the city for a time as the agency for distribution of direct relief funds. But it was torn apart rather quickly by factionalism, by political infighting on the left within the group. Probably its most lastingly effective work came from the cooperative ventures which it helped to sponsor and for which it was an umbrella organization for a time.

The League arranged for the gathering and cutting of wood, some of which was sold to pay for its other activities. They also gathered fruit, canned it, and put it in their commissaries for distribution to members. Some on the basis of contribution to the League's efforts (everybody was supposed to put in some work time) and some on the basis of need. They also fished and shared in the produce, and they barbered, cobbled, and sewed. In all these activities they set a pattern for other cooperative groups, particularly consumer cooperatives.

The Puget Sound Consumer Coop lasted for several years. Union members got together and formed a Rainier Valley Coop. And there was a work-and-eat movement which established community pea patches....

There followed the student cooperatives at the University of Washington in which students got together, rented houses, did their own cooking, and got by on \$25 a month or less....An offshoot was the cooperative funeral movement, still in existence and claiming 50,000 members in the state.

None of these groups solved the problems of unemployment though they did bring help to many individuals. Most of them faded rather quickly. They represented volunteerism and cooperation at their most fervent during the Depression, and by their failures they turned a considerable number of men and women toward political activism, toward a belief that the government must act....

Direct relief had been the function of county government under the constitution of both the territory and the state of Washington. Governor Hartley had rebuffed all calls for a change in this arrangement. Governor Martin in 1933 moved at once to extend the scope of state-level services, to channel federal aid to those in need through the state Emergency Relief Administration. Twenty percent of the state's population, 300,000 persons, were given help in the year 1933. And the following year after the Feds took over, the number rose to 600,000 who received assistance of some sort. But direct relief, though higher than in most states, amounted to only \$1.20 per person per week. Unemployment was still around 20 percent. The problems were ameliorated, not solved. And by 1936 there were dozens of groups demanding more radical change....In 1935 representatives of most of these groups found their umbrella organization which was called the Washington Commonwealth Federation. It worked closely with the Democratic party and sought to take it over.

The Federation shared rhetoric with the American Commonwealth Federation which had been organized in Chicago the same year and with the Cooperative Commonwealth Federation up in British Columbia, but it had no direct connection with them. A number of its leaders were or became communist, but the organization was too inchoate to be in anybody's control. The principal proposal of the Commonwealth Federation was akin to Upton Sinclair's Proposal to End Poverty in California (the Epic Campaign through Production for Use). The argument was that since production for profit had failed, state governments should take on idle land and factories and direct the chain of production and distribution. Life would be as beautiful as in Edward Bellamy's Looking Backward, but as in Bellamy's book there was no blueprint for the way in which the gap between today's reality and tomorrow's dream was to be bridged. No statement of how Production for Use was to be financed and operated. W.C.F. members could argue more brilliantly than they could plan.

When they tried to decide how to accomplish the goals of their often admirable humanitarianism they tended to get mad at each other. After which they went back to railing at the state of things as they were. Their most effective leader was Burt Farkison, the patron saint of the young turks in the legislature. Farkison's group tried to push through the legislature bills to put the state in the gasoline retailing business, to make milk a public utility, to do away with a sales tax and to extend the public welfare system. They failed in all of

them, and in 1936 they failed when they tried to unseat Governor Martin. But they did briefly win control of the 1936 Democratic convention in Aberdeen, and held it long enough to get a Production for Use plank in the state platform. But they could not deny Martin's bid for a second term, and in the next two years the Federation faded away....

In the long haul, both the cooperative movement and the protest movement lacked staying power. They fed off immediate discontent, but they lacked an ideology which continued to draw mass support when quick support was not achieved. The significant changes of the area were brought about by politicians in the progressive mold, and by organized labor when it was seeking broad social goals. Those will be the topics of the next speaker.

Marven Eggert, Union Secretary, and Member, Board of Trustees, Western Washington University, on "Labor Legislation in the '30s: What Has Survived?":

I started in the labor movement about 1935, when I was young. In 1937 I went to work in the Bellingham Coal Mine and that's where I decided that unions were not too bad an idea. We worked contract, we were paid by the ton, by the yardage, by the timber, and we bought our own powder and blasting caps, the cost of which was deducted from our checks. If we happened to have a problem in a room that would not produce coal, well that was our problem. So there was a lot of labor strife that I early became involved in....

Before the '30s there were a number of labor bills enacted, some of which carried on over. Many disappeared. I dug out an 1870 collective bargaining agreement between a furniture company in Salt Lake City and the employees of that company. It gave instructions to employees. It tells about the store opening from 7 a.m. to 8 p.m. except on Saturday when it closed at 9 p.m., year round, but the store would remain closed on the Sabbath. Among the many duties that the employees had—such as sweeping the floors, dusting furniture, shelves, show cases—it says cleanliness is next to godliness. "Trim wicks, fill lamps, clean chimneys, make your pens carefully but you may whittle the quills to suit your own individual taste." This agreement goes into a number of things that you can and cannot do; you can't smoke Spanish cigars or use liquor, you can't get a shave at a barber shop, or frequent pool halls or public dance halls. That would give the employer every right to terminate you because of your lack of integrity, worthy intentions, and all-around honesty. You must contribute 10 percent of your gross annual earnings to the church as tithe, but not less than \$25 a year. After you get through with your 12- and 14- hour-day, 13 hours of labor, it says, in the store, then you should spend some leisure time reading good books, contemplating the glories and building up the kingdom of God. That's the

first contract I found. Talk about compulsory unionism.

Between, say, 1922 and 1929 there was a period of expanded production and economic power, business-oriented, business-dominated, and no particular social reform. In 1926 the Railroad Labor Act was enacted. The first federal legislation, it gave guarantees to workers allowing them to organize and bargain collectively. That Railway Labor Act was challenged through the courts until, in 1937, it was upheld by the U.S. Supreme Court.

In looking back to 1932 when President Roosevelt was elected, I have always given 100 percent credit to President Roosevelt for labor legislation, but I find that I was somewhat incorrect. He was certainly willing to go along with labor legislation and social reform. But in fact, it was the elected representatives who were the prime movers in much of the legislation that was to come into being, supported by President Roosevelt.

Following the election of President Roosevelt the first bill enacted was the Norris-LaGuardia Act in 1932. It prohibited yellow dog contracts whereby an employee agrees not to join a union, and it barred the use of injunctions to restrict any form of peaceful union activity.

A yellow-dog contract was simply a contract that a worker was required to sign with the employer before going to work. Now I happen to have one dated April 14, 1923. It was a contract put out by the Kennecott Copper Company in Alaska. A prospective employee signed that he would not join any union, would not be involved with any union activity. Employees in this company were paid \$5.75 a day, from which \$1.45 was deducted for board, 8 cents a day for hospital dues. They were charged \$23.50 for railroad transportation from Cordova to Kennecott and \$37 for transportation from Seattle to Cordova. Those monies were advanced to the employees and later deducted from their checks, so the first month or so they worked for freebee. This is a yellow-dog contract that was ruled illegal as a result of the Norris LaGuardia Act.

In 1935 the National Labor Relations Act, the Wagner Act, was passed, and we still operate under that law although it has been substantially amended. That act stopped employers' interference with the attempts of unions to organize employees. It identified unfair labor practices for which employers could be held in violation of law. It restricted employer use of armed guards and armed police when used to restrict employee rights to bargain or to picket and to strike.

In 1938 the Fair Labor Standards Act set minimum wages and also it set hours you could work. So many hours a week and then you would be on overtime. Now, in the processing industry, that was quite a balloon. Even locally here, the processing industry was running seven days a week any amount of hours; people were on standby at all times, required to come to work at any time, at the whim of the employer. This act compelled employers to regroup. They had to put more people on the payroll because they did not want to pay the

overtime...Thereby the work crew grew. People on the minimum wage began receiving for their work week what they would have been making for more hours, before the Fair Labor Standards Act.

We still have the Fair Labor Standards Act. It's been amended but it's still there, and we still have the forty-hour-week provision. We have the eight-hour day, and it's still very helpful in many, many industries....

In 1947 the Taft Hartley Act came about, a labor relations management act. Taft-Hartley did a number of things. It outlawed the closed shop. Prior to that time, a union contract could be negotiated in which one was required to belong to the union before one could go to work....

The states were allowed to pass open shop rules, right-to-work rules. Washington State never has adopted a right-to-work policy. We are allowed to have what's called union shop, union security, which requires a person to become and remain a member of the union following 30 days on the payroll....

Taft-Hartley also established as illegal unfair labor practices by unions. So now the unions as well as the employers are prohibited from using unfair labor practices.

Taft-Hartley reestablished the use of injunctions to restrict certain union activity. It called for auditing of union financial statements annually, which was a good part of the bill. Strikes against the federal government were declared illegal.

Taft-Hartley also set up health and welfare trusts. During those same years unions were negotiating with employers for health and welfare benefits for employees. They started out with medical benefits only. That money was paid in in various ways by employers. It was poorly controlled. Somebody could get his hands in the cookie jar and get into trouble, because there were no restrictions. So the Taft-Hartley Act demanded that trust funds be established whereby the negotiated money would be paid in by the employer to an established trust fund, administered by an equal number of employer and union trustees. Those trustees, covered by federal law, would put out the bid programs to provide benefits for the employees under that collective bargaining agreement, and would control the process of bidding and so forth. We still have those trusts today and they're very good. We've expanded, of course, beyond medical benefits. We have the whole spectrum of health and welfare benefits, but whenever there's a union-employer collective bargaining agreement by which money is paid into a protected trust fund, it's handled in that fashion. I think it's turned out very well.

The part of the Taft-Hartley Act that required annual auditing of unions was expanded in 1959, when the Landrum-Griffin Act was passed. The Landrum-Griffin Act actually hamstrung unions quite substantially in some areas. It was designed to regulate union internal affairs. To get involved in union internal

affairs seems to smack of an attack upon free rights, but in any event, the government is deeply involved in this area. The Act detailed lists of activities that union officers and union employees must do or refrain from doing. Criminal penalty for violation. Provisions for civil action, investigation by the Secretary of Labor.

The Department of Labor has what is referred to as a hit team. They can come into any union or into any trust at any time and literally take over everything, and make their own decisions on whether or not errors have been made in finances. Now it might not sound too bad to have those controls, but The Act is very political, and if the government hit team wants to take off and get you, they have a pretty good chance of tying you up in court for three or four years, at least, before they finally walk away and say, well I guess everything was all right. There have been a few labor leaders, union officials, who have been put into jail. The percentage of officials, fortunately, is very small. This particular bill has brought about at least two other things unions are concerned about. I'm sure other industry thinks they're all right, but unions dislike with a passion 1) secondary boycott and 2) hot cargo.

Secondary boycott means that if we have a problem with an employer, we can't go to another employer and get that employer to refuse to do business with the first employer until they organize. That's out, can't do that.

Hot cargo's where teamsters get into trouble. Years ago when we were on the trucks we could refuse to haul a product that was manufactured by non-union plants. That's not so today. We cannot refuse to haul anything. We must haul non-union products. That's hot cargo and that's where we have a problem of not being able to help out our sister unions from time to time, whether they be culinary workers or retail clerks or mill workers. So we decided that we could negotiate in our contracts what we call protection of rights, picket line language, whereby an employee cannot be discharged or suspended for refusing to cross a picket line.

We were successful in those areas which protect our own members, but it doesn't do very much for the other workers because what happens now, when we drive a truck up to a picket line, is that we're ordered out of the truck. Supervisors can drive the truck in and out; then we have to drive it away again. Those are two areas of law enacted by Landrum Griffin that are killers.

Fair-representation problems are substantial now, as a change since the 1930s. Probably 75 percent of the grievances that are brought forward are deemed after investigation to be inaccurate so they are discarded. The other 25 percent you try to sort out. If a union official refuses to handle a grievance, the aggrieved member can now go and get his own attorney, go to court and file what's called a "fair representation charge" against the union official for refusing to handle the grievance.... Such cases can cost \$10,000 or \$20,000 of

union money, union members dues, in order to allow somebody that's been a bum employee the right to go to court. This is the sort of thing that's happened.

Another situation we dislike is this: we'll settle a dispute with an employer under the various labor bills that have been enacted. Whether or not it's been an organized drive where a majority of the employees voted by secret ballot in a properly conducted election by the National Labor Relations Board, majority is supposed to rule. Large firms, conglomerates and so forth, will take you to court. They will file unfair labor practice charges by the bushel. The National Labor Relations Board will come in and investigate, will throw the charges out as unfounded. The ruling can then be appealed to the next court, and so on. And for three or four years you'll go through the courts before you'll finally get a decision, which can then be appealed to the Supreme Court. We've had them here locally. So whether the bills have been enacted, or are good or bad, is not the problem. You get back to how they're really, mechanically, being handled by firms today. The worker has about the same problems he had before, except now there are a lot more laws to hamstring him.

Dr. Erwin Mayer, on "The Labor Movement":

Mr. Eggert talked about the Norris LaGuardia Act and the Wagner Act. Those two pieces of legislation represented in a very real sense a new deal for the labor movement in the United States. In 1930, union membership in the United States was on the order of 2.5 million. That was a substantial decline from the early '20s. By 1940, union membership was up to about 6.5 million. Those two laws meant that henceforth workers would indeed be free to join unions and bargain collectively without interference from their employers. Not only that, but the employer would be required to bargain with them if the union represented the employees. That promoted a huge organizing drive. From about 1934 on, people were trying to get into unions, and there weren't enough unions to get into. They were streaming into them by the millions.

The American Federation of Labor, the old line labor organization in the United States, had been successful in organizing a segment of workers, but the economy had changed very radically from the 1880s. The bulk of blue collar workers by the 1920s and 1930s were factory workers. And the AF of L's approach to organizations simply could not take account of their needs. The AF of L tried to organize them, but it had too much internal opposition from a number of the old-line union leaders, notably Bill Hutchison of the carpenters and some others. But in 1935 John L. Lewis, the president of the United Mine Workers, and a number of other people who were interested in industrial unionism (that is, in organizing workers from mass production industries) were given a charter to form a committee. It was a Committee for Industrial

Organization, set up to investigate the possibilities for organizing industrial workers. They came back the following year with a recommendation that a number of industrial unions be chartered. There was an acrimonious debate in the AF of L convention, and the convention turned down the report of the committee. The upshot was that the Committee for Industrial Organization -- which had been organizing industrial workers into so-called organizing committees, like steel workers' organizing committee, auto workers' organizing committee, and so forth--walked out and formed a new federation, the CIO. The CIO then proceeded to charter some thirteen industrial unions whose task it became to organize the millions of industrial workers who were looking for a place to go. It was in this fashion that the huge increase in union membership occurred. There were some real problems generated in part by the law, in part by the fact that here there were two sets of unions frequently trying to organize the same group of workers.

Another problem, which became very troublesome later on, was the attempt of the communist party to take over some of these unions. The communists played a big role as organizers. They were effective, they were tremendously effective. But they wanted more. They wanted to take over some of the unions, and it took until the early 1950s to resolve that problem.

The division between the AF of L and the CIO lasted until some of the old bulls were gone. There was no way they could get back together as long as the old generation of union leaders was around. After they were gone--in the early '50s--the two federations were reconciled into one and I rather think that the pressures put on the labor movement by the Taft-Hartley amendments to the Wagner Act might have had something to do with bringing them back together.

One of the main things that came out of the Depression was a new labor movement which was in fact capable of dealing with large numbers of people who had previously not been organized. The AFL-CIO now is faced with a similar problem. The blue-collar work force (the people who are the most natural sort of people to organize in unions) is shrinking in proportion to the total labor force. Hence, labor membership is shrinking, the white-collar work force is expanding, and they are much harder to organize.

Paul A. Kohl, Professor and Director, Graduate Program in Archival and Records Management, Western Washington University on "The Public Utility Districts":

My appearance today needs some explanation--I am not a historian nor am I able to interpret any of the facets of the great depression--I suspect my only qualification is that I survived it.

However, I am a former federal bureaucrat, and as an archivist and the director of an archival program for graduate students, I believe our work may in some small way help future historians cast some light on the era which has been the subject of such intense discussion here.

During the past few years I have been associated with a project that was designed specifically to identify the source records that document the activities of one of the most dynamic mechanisms of the depression and post-depression years. Initiated in the depths of the depression, during the last fifty years it has cast an ambivalent shadow of its own--right now on the front pages of today's daily newspapers. I refer, of course, to the Public Utility District and its companion forces--the Rural Electric Cooperative and the Municipal Utility.

My assigned topic this morning, in the hands of a Roland De Lorme, a Ken Billington, or a Warren Magnuson, might positively bristle with the sparks flying from the remembered clash of opposing forces in the public- vs. private- power encounter waged over the decades of the '20s, '30s, '40s and into the uneasy coalitions forced by today's energy crises. However, in my hands you will have to be content with the remarks of only an observer and a distant one at that.

Briefly, the project, a creature of the agile mind of the former History Department chairman of Western, Larry De Lorme, and subsidized by several grants from the National Historical Publications and Records Commission, had as its main objective a complete inventory of the records of the Pacific Northwest public utility districts from their inception to recent times and the preparation of a guide to the historical records thus identified.

Originally, the survey was planned to include only the public utility districts of Oregon and Washington. They had a sizeable volume of records which were by law in the province of their respective state archivists but still were not under effective control, and they possessed considerable historical significance. However, it became apparent that it was impossible to consider the public utility districts apart from the other publicly-controlled utilities in the Northwest, as all of them had originated from the same general reservoir of reform sentiment. Therefore, the planners created a survey project that involved not only the public utility districts but the region's rural electric cooperatives and municipal utilities as well, expanding to also include those utilities in the state of Idaho.

The concept of the PUD was first articulated in the mid 1920s but its antecedents may be traced back to the 1880s. The drive for the PUD law was led during the late 1920s by the Grant. It developed as a reaction to what was felt to be excessive utility rates, monopolistic practices, opposition of private companies to the proposed Grand Coulee Dam and irrigation plan, and from the conviction that private companies had not done enough to provide electricity for the farmers.

Certainly in those early days it was not anticipated that the foundations were being laid for one of the most effective devices to bring the Pacific Northwest out of the economic doldrums of the 1930s.

On November 4, 1930, voters in the State of Washington approved Initiative No. 1, a measure soon referred to as the "District Power Bill." It subsequently became Chapter 1 of the Laws of Washington and authorized counties to create public utility districts, through referenda, to provide electric and water utility service at "cost." By enabling the people in the different counties to enter the utility business, a privilege previously restricted by law to cities with populations exceeding 5,000, the new law filled a statutory void and created manifold opportunities then and for the future. It gave new hope to the farmers throughout the state who sought to hasten the process of rural electrification.

Of course, the fight between the public power movement and the private utilities did not end with the enactment of the PUD law in 1930. As one writer so aptly put it, "The battle merely changed theatres from the polling place to the courthouse."

During the depression years and through the early forties, voters all across the state approved the formation of districts in their counties. By 1940, thirty districts had been created, in thirty-nine counties, and sixteen were in business. The process of district formation was slowed by the depression and numerous suits instituted by the private power companies seeking to invalidate the basic laws and thereby discourage the districts from forming and becoming "energized." The people, however, had the law and the courts on their side. It should be remembered also that the federal government played an important role in aiding public power development. Construction of the Bonneville and Grand Coulee dams, creation of the Bonneville Power Administration, and enactment of the Utility Holding Company Act of 1935 literally put the power in the PUD punch.

By 1940, PUDs were undeniably "in business." At this time, groups of PUDs joined forces and, at various points during the next thirteen years, attempted to acquire all of the operating properties of the three major private utilities in the state. These efforts were frustrated repeatedly and finally discarded.

By the early 1950s, the focus of the public power movement shifted to development of power generating capabilities to meet long range demands. The economy and population of the Pacific Northwest was growing rapidly. The "cheap power" from the federal dams attracted energy intensive industries, which in turn meant greater demands upon the system. Utility engineers and administrators turned to the Columbia River, as the most economic source of power. The PUD was on the threshold of its most challenging state of development.

Hostilities between public power and the private utilities began to subside during this period. In a spirit of "partnership," the PUDs, the private utilities, and the federal government embarked on a program of hydro-electric development projects along the main stem of the Columbia, with the utility districts of Chelan, Douglas and Grant counties each acting in turn as managing partner.

In retrospect, it was most logical for the PUD to move to the forefront in this period. First, the private utilities were not sufficiently capitalized to undertake projects of the scope and expense of the major dams. Second, federal law reinforced by policies of the Eisenhower Administration supported the "partnership" approach to development of power generation facilities. And third, the PUD could utilize municipal revenue bond financing and therefore had access to "cheap" money. This assured the financing of proposed dams on the most advantageous terms.

The period of rapid development of hydro-electric projects began with the expansion of the Rock Island Dam, undertaken by Chelan PUD No. 1, in 1951. This project demonstrated that the PUDs could enter the power generation business in a big way. It became the prototype for the major projects which followed. By the end of the fifties, four major new dams were under construction or in planning.

On other fronts, PUDs formed the Washington Public Supply System in 1957, which undertook the Packwood Lake hydroelectric development and the Hanford Project, the PUD's first effort in nuclear power. In 1963 utility districts played a leading part in the formation and financing of the Columbia Storage Power Exchange, in cooperation with Canada, and thereby exposed firm power capacities of the American dams downstream.

The story of the PUDs is, in a very real sense, the story of the public power movement in the Pacific Northwest. That story, as this brief synopsis suggests, spans the life of the area, and like the mighty Columbia River, is filled with twists and turns, but gained momentum as it followed its course.

A chronology of events and accomplishments does not, however, tell the full story. The history of the PUDs and the public power movement is, ultimately, a story of a group of individuals possessing vision for the future, filled with ambition and an indefatigable drive to achieve their objectives for the

good of the people. They reached for the ideal inscribed in mosaic on the facade of Seattle Department of Light and Power's Office building:

That man may use it [electric power] freely, as the air he
breathes, the waters of the rivers, the winds of heaven.

Among the original advocates of public power in Washington may be listed J. D. Ross, former Superintendent of Seattle Light; Fred Chamberlain, a member of the State Grange; Homer T. Bone, whose involvement spans a lifetime, from a young attorney to U.S. Senator, from the formation of the Parkland Cooperative to incorporating the "preference clause" into the U.S. Bonneville Power Act; and James O'Sullivan and Rufus Woods, publisher of the Wenatchee Daily World, who spearheaded the struggle for the Grand Coulee Dam and the Big Bend Irrigation Project.

I cannot omit from this brief chronicle some comment on Franklin Roosevelt's influence and impact on the public power movement. During the fall campaign, September 21, 1932, candidate Roosevelt gave a speech in Portland, Oregon, which presaged the New Deal power program. He said:

I have strengthened the belief that I have had for a long time, and that I have constantly set forth in my speeches and papers in my work as Governor of the State of New York, that the question of power, of electrical development and distribution is primarily a national problem....

I therefore lay down the following principle: That where a community, a city, or county or a district, is not satisfied with the service rendered or the rates charged by the private utility, it has the undeniable right as one of its functions of government...to set up...its own governmentally owned and operated service...the very fact that a community can, by vote of the electorate, create a yardstick of its own, will, in most cases, guarantee good service and low rates to the population. I might call the right of the people to own and operate their own utility a "birch rod in the cupboard, to be taken out and used only when the child gets beyond the point where more scolding does any good."

That is the principle that applies to communities. I would apply the same principle to the federal and state government.

State owned or federal owned power sites should be developed by government itself. When so developed private capital should be given the first opportunity to transmit and distribute power on the basis of the best service and the lowest rates to give a reasonable profit only.

The right of the federal government and state governments to go further and to transmit and distribute where reasonable and good service is refused by private capital gives to government the same very essential birch rod in the cupboard.

(Source: New York Times, September 23, 1932.)

Within the first year of the new Roosevelt Administration, construction of the Bonneville and Grand Coulee dams was authorized. These massive projects were approved to meet the manifold objectives of public power, establishing a "yardstick," multipurpose river basin development, and fueling a depressed economy. During the depression, the Pacific Northwest, like California, experienced a sizeable influx of population, mostly mid-western farmers fleeing the dustbowl. The major projects created new employment, stimulated local economies, and provided ultimately for the expansion of productive agricultural land.

The depression induced a dramatic decline in capital formation by the utility companies. Aggregate expenditures, nationwide, for new plants and equipment, dropped precipitously, 80 percent during the first five years of the depression. Financially weakened utility companies contracted their operations. Privately sponsored rural electrification programs were sidetracked altogether. The REA was organized to fill the void, to supply federal monies where private capital could not profitably venture. Creation of the Bonneville Power Administration also filled a void, resulting from the inability of the private companies to finance a transmission network and the inability of public power proponents to secure the necessary enabling legislation in 1936.

And so I must return to my original comments and redirect your attention to the project undertaken by graduate Western history students in the Graduate Program in Archival and Records Management Administration which resulted in the Guide to Historical Records of Pacific Northwest Public Power Utilities. This Guide constitutes the major product of the Pacific Northwest Public Power Records Survey. It consists of three components: a general history of the public power movement which provides a background to the utilities included in this volume, brief histories and factual data regarding the public utilities of Idaho, Oregon, and Washington, and, finally, the guide itself, which provides access to a vast array of important primary source material useful to scholars in many disciplines and to agency officials.

Utility records are of great importance to economists, economic historians, and state utility boards. They have provided the information from which rate schedules are compiled and have given state regulatory agencies the primary information necessary to make specific rate decisions and general policy determinations. They have been critically important in the determination of "fair rates." Such records also have been useful to those who use econometric techniques in the study of consumption patterns. Most important, perhaps, utility records have provided the raw data from which economists can make long-range predictions. Various groups, governmental, public and private, have made estimates of future consumption and therefore of future necessary generating capacity.

Utility records are also invaluable to the political scientist. They have been used in studies to illustrate the relationship and problems in state and federal cooperation, the relationship between the special district and the federal government, and cooperation between state and local governments. Recent studies have emphasized the importance of publicly controlled districts in the construction of theoretical models and as prototypes for larger scale public districts that may have future application.

For the historian such records are a rich source for the study of the region's economic revival development as well as the conservation and reclamation movements. A large part of the history of the Grange movements still lies buried in public utility district and cooperative records. The organization of districts and cooperatives and the election (or choice) of board members is also an important phase in the history of the operations of the New Deal in the Pacific Northwest, though this has, as yet, been little studied. Of particular interest would be the study of the relationship among local, state and national politicians in electrical energy, conservation, flood control and irrigation policy. These records are also invaluable for biographies of New Deal and later political figures in the Northwest, notably Robert Beck, Guy Meyers and James D. Ross.

For the sociologist the records provide a valuable source for the study of attitudes toward public and government participation in the development and control of vital services.

One other matter deserves some attention before I conclude. When this project began, the public power movement and those things connected with it enjoyed immense and justified prestige. They had been responsible since the depression for altering the face of the Pacific Northwest. Cheap energy changed the region's economy from an extractive base to manufacturing and services. In the ensuing years the Northwest, and the rest of the country, entered a period of increasing uncertainty regarding electrical and other forms of energy. Other problems have also intervened, especially those concerning the privileged position of public utility districts in the allocation of federal power. The increasing immediacy of energy questions made the work of the survey more difficult than it might otherwise have been, but the whole project has taken on added significance and the records it inventoried now have a very real meaning.

A considerable portion of the information included here was taken from materials compiled by Paul Kohl and George Mariz for proposals and later products of the "Pacific Northwest Public Power Records Survey" grant project.

Dr. Manfred C. Vernon, Professor Emeritus of Political Science, Western Washington University on "The Contrast Between America and Germany in the '30s":

I am a witness of three Depression scenes, having survived one by moving away to the others. The last one was in the United States, a haven for survivors, which makes me as an observer of Depression experiences somewhat more enthusiastic than some, as far as the memories of my early existence in the United States are concerned.

In 1929, the year of the stock market Crash, I was a citizen of the Germany of Weimar Republic days. I left Germany a few months after the takeover of German government by Hitler and his cohorts in 1933. Thus the first years of devastating Depression were spent in a country that had lost World War I. The years following the end of that war were an era of foreign occupation of the Ruhr where I lived. It suffered the world's worst inflation, leading to the impoverishment of many old and retired people who lost all their savings and would in due time become ardent followers of Hitler. In the early twenties, there were terrorist manifestations, such as assassinations and bombings. There were political upheavals, if not revolutions.

Germany economic recovery relied heavily on foreign loans, which were mostly recalled when the American stock market lured away investment money. The scene for economic upheaval was set, and when the stock market crashed in '29, the economic disaster led in Germany to the immediate appearance of National Socialism.

In 1933, realizing that the arrival of Hitlerism—which entailed the elimination of political dialogue and eradication of the now-despised non-Aryan elements—ended my own existence in this country, I moved to the Netherlands. Little Holland was then willing and ready to accept a limited number of refugees, but it was clearly indicated upon arrival there that asylum did not include the chance to look for a paid job. The densely populated country had its own tremendous economic sufferings, with many unemployed looking in vain for a chance to work.

The daily uncertainty of economic survival forced the refugees to live on their wits, although encouraged by the political generosity of the Dutch. That was perhaps one of the most important things in my life. The German government had taken away my citizenship, and as a stateless young man I was given by the Dutch a stateless passport, one of the most valuable documents that I ever owned. I still have it in my possession as a reminder of nightmarish experiences.

This document was accepted by the United States government, to admit me as an immigrant in 1939. Upon arrival, I could submerge in an uncontrolled

society—no more registration in city population files, no more permits to remain. I could just submerge. The early exposure to the temptations of the draft of 1940 made me a soldier immediately, and I became a U.S. citizen early in 1942.

What does all this mean? In the span of a decade I observed the Depression in three countries, was a witness also to the sufferings of total economic dislocation, political fear, frustration, and reaction to the threatening sounds and actions of fascism....

I learned that the Depression was not just an American experience, it was a tragedy of world-wide proportions. The stock market crash here had been preceded by insolvency of the Austrian Credit Bank and other economic institutions in Europe....

Experiences are relative when it comes to measuring suffering. America had its many truly poor, its bitter World War I veterans, its marches on Washington, its economic failures, bankruptcy, and losses of personal fortunes and property. Politically speaking, the country moved in the direction of increasing social responsibilities and relief. The political fabric of a democracy bent thus far on the creation of an ideal self-sufficiency for the individual changed into a socially obligated society supplying federal relief. The relief did not demoralize the unemployed any more than the receipt of federal loans from the Reconstruction Finance Corporation had demoralized business. Indeed, by 1934 nearly one out of every seven Americans was receiving relief, a relief that did little more than keep the unfortunate families from starvation. In its further development, the original aim of relief changed from humanitarianism to the constructive and useful possibilities of relief expenditure. Soon the great bulk of relief spending was for public works of various sorts, such as schools, roads, parks, hospitals, slum clearance, and art, theatre and writing projects.

The American way of doing things was very different from that of Germany. There the impact of the events in 1929 led to an immediate political reshuffling of a very menacing kind, an uncompromising and brutal confrontation. In the federal elections of 1930, the until then totally insignificant Nazi party suddenly became the second largest political party. Its supporters came from an economically uprooted middleclass, determined to remain middleclass, and fearful of becoming part of the despised proletariat. They were young people who had lost their white-collar jobs, suddenly feeling that there would be no future for them. Also, there were the old who had lost their savings during the inflation. All of them found a human comfort in the nationalistic songs, in the promises of a new Germany that would defy the enemies of World War I. There were promises of law and order, work for all, total government control over a racially-purified nation.

While the bulk of the blue collar and unionized part of the German population belonged to the moderate left Social Democratic party and until the beginning of 1933 voted for it, many of the younger, unemployed blue collar workers moved to the extreme left and joined the communist party which by 1933 grew to about 15 or 20 percent of the total electorate. The radicalization of the extreme parties led to many political challenges, unrest, street fights and killings. There was disillusionment with the state diets which had formed increasingly fragile coalition governments. I remember 1932 as a year of despair, upheavals, ominous marches of uniformed Nazis and communists, and among supporters of the democratic process in Germany there was growing fear for the future and our own chances to survive, mentally if not physically. The final election of March, 1933, followed Hitler's appointment as Vice Chancellor by some weeks (about the same time that Roosevelt became president of the United States) and led to the one-party state in total control, giving work, clothing, food and shelter to the many who had bargained away or gladly thrown away their political and human freedom. Many found security by joining the growing armed forces or the organized labor corp. Undesirable elements of the society were eliminated without due process or compensation, often into jails or concentration camps. Many of the latter came from the ranks of professionalism, physicians and lawyers, then from business, from banking, the arts and sciences....

Germany in the '30s, bent on militarization, on strict rule and thought control, could experiment with all these things by moving to foreign scenes, to the Spanish Civil Wars or to Italian Fascism working its way through the Italo-Ethiopian War; then came the swallowing up of Austria, Czechoslovakia, parts of Poland, and much if not most of Europe. The German use of an economic depression to create political unrest and fear and ultimate ruthless control over Europe is to me--the contemporary, the witness, the victim, the survivor--a manifestation of unparalleled human savagery, one of the lowest possible points of human conduct, never to be forgotten, and let us pray never to be repeated.

The American era of Depression remains in my memory as a scene of human goodwill, a period of which all of us can be proud. While it was an era of economic disaster for most, while it was a period of hopelessness for the many, while there was much poverty and hunger, and certainly not always justice for all, there was a degree of acceptance on the part of the many that makes one feel proud to have been a contemporary of this time. It was a time of fearing, of a little greed, and an awareness that one was not the only one who suffered, that most of us were in the same boat. I wonder until this very day whether we are, as a nation, a happier society than we were then. Those were the better days humanly speaking, since most of us fought together to improve our economic lot, and we are so grateful to be alive.

PANEL "The Arts and the Depression"

Panel Chairman: Dr. R. D. Brown, Professor of English, Western Washington University

Mr. Peter Steffens, Professor of Journalism, Western Washington University on "Literature of Protest":

I'm going to give you something that my father wrote in 1932. Lincoln Steffens was born in April of 1866; he died in 1936, at the age of 70. So born in '66, he wrote the piece that I will give you (in excerpts to keep it short) in 1932, when he was 66. It is satire. His kind of satire mixed teasing the established grown-up world, with his idealism. I think that, in this little piece, he was really saying to adults: move over and let in some new people with some new ideas....

In any case, this piece is called "This World Depression of Ours is Chock Full of Good News," and it was published in the October 1932 Cosmopolitan Hearst paper. Now in 1932 the country was really down on both knees and Lincoln Steffens wrote a friend of his, Joe Davidson, a sculptor, "This depression gets worse and worse over here. The bankers have been boosting stocks for two days now, or bonds, but that only gives us a rally. The tendency in the psychology is bearish. Stocks are down almost to their real value. It is very bad." He says, "My neighbors complain of a cut to one-third of their incomes and they are nice people who don't do a thing."

He was living in Carmel at the time. What was amusing him or interesting him was that the leaders of the country, the experts, were obviously confused from giving conflicting advice to themselves. However, what cheered him up was that the veneer of what he called "public complacency" was going. There was widespread suffering, millions were out of work, and as Steffens saw it there was a new climate for discussion that bore little resemblance to "the hideous smugness" of the twenties when America seemed hostile to the social critic.

So at the age of 66 he was accepting invitations to schools, universities, colleges, high schools, and he was going around talking to the young people who he believed were going to have to move in. This piece starts like this:

A faucet is out of order. It leaks and I cannot close it tight. Good. I call my 7-year old son to look it over and take another lesson in one of the most important courses I have to teach him.

He seizes the faucet, tries to turn it off, can't. He grins.

I ask, "What's the matter, Pete?"

He looks up happily and gives the answer, "grown-ups, Daddy."

Propaganda, of course. I have taught him that we his elders

cannot make a fit faucet, and he may. There's a job for him in his generation in the plumbing business and in every other business. I teach my child and as I get the chance I tell all the other children of all ages that nothing is done finally and right. Nothing is known positively and completely, that the world is theirs, all of it. That it is full of jobs for them, full of all sorts of things for them to find out and do, or do over and do right, and they eat up the good news. It's an inspiration to them when I confess for all grown-ups that we have not now and never have had a good government. That there is not now and never has been a perfectly run railroad, school, newspaper, bank, theatre, power company, steel mill, factory, or grocery store. That no business has been done or financed as it should be and some day will be.

One can go on, he wrote for an hour, laying out the details of the failures of men and women as the opportunities open to boys and girls for a full life. I have done it often and I can report that the effect upon the young is good. It depresses parents and teachers. It sometimes even frightens or enrages teachers and parents, and once or twice grown-ups have forbidden me to tell the children such depressing stuff. But the children are not depressed. Parents object that their children have little enough respect for them already and they fear that confessing the truth about their ignorance and inefficiency would make life uncomfortable for them. It does not work out that way. My son does not despise me for meeting a question with, "I don't know, Pete. Let's go and see," and as he and I look and we think we see how it is, I caution him to be sure only that "it looks that way." One evening I took him to hear me address an audience and afterwards answer questions. On the way home he whispered a question that evidently had been in his mind all evening. "Daddy," he said, "why do people listen to you and ask you questions? Don't they know you don't know anything?" "No," I answered.

When I was a boy, I got somehow a picture of a grown-up world in which there was little left for me to do. There was nothing new or big to do. In the arts and sciences there was a lot to learn from older masters. Scholarship was the aim, not discovery; beauty, not adventure; work, not play; and it was all a lie.

He writes:

The truth is better for the children. I shall never forget the thrill I had when I happened to read several historians on one episode and saw that they differed on the facts of that episode. On all great events they did not all agree. So I saw with elation that there was a job for us boys in history.

Afterwards I saw the corruption of politics, the failures of government and the graft, and then the corruption and the failures of business. So I lost slowly some of the illusions which make up the great lie, which is cultivated by our education and defended by our laws and customs. Then came that same old sense of elation, with the realization that here again were opportunities, millions of

jobs, big jobs and small jobs for all us kids, young kids and old kids. Life became worth living, and it's true, isn't it?

Well, it seems to me that all this bad news to men is good news to the children of men. Take now for instance. This world depression of ours is chock full of good news that the grown-ups think is bad news. Try it on the children, "Just what is the matter?"

The grown-up words for it are over-production, and unemployment. What do they mean, these bad words? Well, when I talk to the next generation about it I say that unemployment spells leisure, mass leisure. The fact that so many workers are out of jobs can easily be read as a sign of more time to play for all, even poor grown-ups, for there is plenty now. That's what the word over-production means, that with a little management there is food, shelter, clothing, and a car and no fear for everybody. Some of our best minds are looking for something like this.

The newspapers recently quoted a captain of industry as saying, when we get out of this mess you will find that youth is in the saddle. That captain had just come from a conference with other captains of industry. It was like a funeral no doubt. Our big businessmen most awfully want to find a way out. That day they probably had said all they could think of to solve our economic problem and they could not solve it. So it was in despair that the big man uttered his cry for youth to come to the rescue.

Why not tell that to all the schools and colleges, and then tell them what this terrible problem is that is at the bottom of this tragic world crisis. Here it is for any child to understand. How can we get the too much to the too many who have too little?

He says:

Isn't it awful, children? Isn't it absurd? Man has always been up against scarcity. He has built his organization of communal living and his ideas of business upon the assumption that there is and will be forever a little too little. He has learned what to do with the too little. He raises prices and makes money, which makes what he calls prosperity, but when there is enough to go around he is lost. The only force he can think of is to wait for or create artificially a shortage. That is why when there is too much coffee the old men of Brazil take it out to sea in shiploads and dump it. Which is what was happening then, to make coffee scarce and dear and profitable. Like the quack doctor who, puzzled by a disease that was new to him, had the bright idea of throwing the sick man into a fit. He said, I can cure fits. It was with this baffling experience in mind I once asked Albert Einstein how he, a philosopher and scientist, had been able to discover anything new. His answer was, he did what he did by challenging an axiom. And that's what some of our boys and girls will have to do. They will have to challenge a lot of axioms and my suggestion to all parents and teachers is to teach the children no axioms. Then maybe they will be free-minded enough to see why we could not distribute plenty and leisure, or make peace in the world.

Mr. Dennis Catrell, Professor of Theater, Western Washington University, on "Drama and the Depression":

When I was born the Depression was just beginning to slide away. I know about it directly, almost exclusively, because it lived in our home anyway, in the thinking and in the ways that my parents and my grandparents and my older brothers and sisters reacted to what they had directly gone through. And so what I have to say about the theatre and its response to the Depression is likewise second hand. But perhaps I could show you what some of that response was by listing a few titles, and the names of people who wrote them, and the dates thereof:

The Time of Your Life, in 1937, by William Saroyan; Idiot's Delight, by Robert Sherwood, in 1936; Of Mice and Men, John Steinbeck, 1937; Awake and Sing, a significant play that we'll talk a little bit about, by Clifford Odets, in 1935; likewise The End of Summer, by S. N. Behrman, 1936; and—whether we've ever seen it, I certainly haven't, nobody ever does it, but we've all heard of—Waiting for Lefty, by Paul Green, 1934; Mourning Becomes Electra, by Eugene O'Neill, in 1931; Maxwell Anderson's Winterset, 1935; Dead End, by Sidney Kingsley, in 1935; surprisingly enough, Our Town, by Thornton Wilder, in 1938.

I present these titles to you, not because they specifically tell us anything about the artists' response to the Depression, but, because you know some of these authors, the titles give you a context.

There were in the theatre two major responses to the Depression. First, there were many, many plays of social protest which were rejected by commercial theatre managers, and new companies emerged to produce them. I think their names probably speak more about what they were trying to do than any of the unknown works that they probably produced. These are some of the names of the new companies: Labor Stage, Theatre of Action, Theatre Union, Social Stage, Workers' Laboratory Theatre, Theatre Collective and Group Theatre. A big hit of the time was a thing called Pins and Needles which was produced by the theatre arm of the Women's Garment Union.

But second, and by far the most important response that the theatre was involved in because of the Depression, was the Federal Theatre Project. Out of the disaster of the great Depression was born a project that was completely unique in the American theatre. The Roosevelt Administration, through the efforts of Harry Hopkins and under the direction of the gifted directoress and organizer Hallie Flanagan who had been in charge of the experimental theatre at Vassar, brought the theatre to life in 1935. It flourished for about four years before congressional ignorance, fear and malice finally killed it. It was a remarkable success and the only instance in the two-plus centuries of American

history when the government has directly supported the theatre. Such support seems anathema in this country, but is common to all other civilized nations.

The Federal Theatre resulted from a mixture of causes. In the late '20s, motion picture and radio had already lured away thousands of play-goers. Growing unemployment and the poverty of the early '30s added to this grim situation. As a result, thousands of theatre people were thrown out of work. Hundreds of theatres closed.

There are no available statistics nationwide, but Actors Equity, which is the professional theatre union, said that in August of 1933 there were five to seven thousand actors out of work in New York City alone, and fifteen to twenty-five thousand unemployed scene designers, directors, costumers, electricians, stage hands, and other support personnel. Considering the number of other people who would not have been associated with the union, ushers, and popcorn sellers and who knows what else, there probably were several additional thousand. So upwards of thirty-five to forty thousand theatre people in that city alone were without work. It was tough in the theatre but it wasn't any different there than anywhere else. And the Federal Theatre Project resulted.

Miss Flanagan—after conferring with theatre people, commercial, non-commercial, academic, anybody that cared, all over the country—finally announced that the Federal Theatre Project would function under these premises:

That the re-employment of theatre people on relief rolls is the primary aim. That this re-employment shall be in a theatre enterprise offering dramatic entertainment either free or at a low cost. That wherever possible regional theatres developing native plays and original methods of production shall be encouraged. That the WPA will pay labor costs of unemployed people enrolled in the projects, at the wage stated by the local WPA Administrator....A small percentage not to exceed 10 percent of the labor costs will go to production costs, depending on the nature of the project. If the sponsoring organization is a public enterprise or a non-profit making corporation or can be incorporated as such, any funds paid by admission can accrue to the project.

In that bare statement there are some very significant things that one can't directly sense. There was a hope here that the connection of theatre and government would result in moving out of New York City to around the country. In other words, the theatre really discovered America, as a result of the Federal Theatre Project, and began to bring into the mainstream regional concerns, interests, ideas, views, and subjects. The suggestions that are made in these rules talk to a long term potential for developing new materials, for supporting the work of new playwrights and new methods, and while there existed all the grimness that the Depression meant to the art of the theatre, here in this result,

this WPA effort to get people back to work, Flanagan was attempting to initiate some serious and significant changes in the way theatre operated in America. In subject matter, the American character would find expression through the theatre. That dream lasted for four years.

For the Federal Theatre Project, the nation was divided into five regions, with a directory and a capital city for each. Each of these capital cities was organized to be a production center, a retraining center for actors, for service, research, and a playwriting center for the region. It was hoped that the centers would lay the foundation for the development of a truly creative theatre in and of the United States. In the first year, the project was expected to employ 12,000 theatre workers at salaries ranging from \$21 to \$103 per month, for a total payroll of \$10,000,000 per year. Harry Hopkins, once again having long term dreams, said that the Federal Theatre would be "kept free of censorship." A promise that was invalidated by Congress, in its wisdom. By the end of 1935 the Federal Theatre was functioning in 31 states, using 12,000 theatre workers, presenting entertainment to hundreds of thousands of people.

New York, for example, which was a region all by itself because of the concentration of theatre life there, was the base for the famous Living Newspaper, which was a dramatization of current events designed to employ the maximum number of performers and using an exciting combination of speech, pantomime, motion pictures, acrobatics, and other kinds of theatrical devices to relate, clarify, and comment on the events of the day. A second unit in New York offered work by new playwrights. A third was dedicated to new works of experimental nature and techniques. A fourth unit was a negro, or black, theatre. The fifth was a try-out theatre which allowed commercial managers to try new and risky works that they wouldn't otherwise try, but which kept people employed. In addition, New York had a Gilbert and Sullivan Company, vaudeville, marionette shows, even a minstrel show and eventually a circus.

Other units around the country reflected regional tastes and subjects but the Living Newspaper was so successful that units of it were placed in all of the regions. Triple A Plowed Under, which examined the farm problem, was one of the most successful editions of the Newspaper, and it played not only in New York but also in Cleveland, Chicago, Los Angeles. One-third of a Nation was a show which resulted from the work of the summer theatre in Poughkeepsie, New York, in 1937. It revealed the hideous slum conditions blighting the cities of the United States at that time. It was later produced in Philadelphia, Hartford, Seattle, San Francisco, New York City. In 1937, Spirochete, the history of syphilis, originated in Chicago, and was later produced in Philadelphia, Portland, Seattle and so on. One can't imagine any commercial ventures that would try such a thing. The connection with the WPA and the federal government made it possible. So while there were a lot of really awful things happening, the theatre

was responding to them in this way. Hallie Flanagan really tried to cause a serious turnaround in some of the theatre practices of the country, using the dire problems of the Depression to do so.

Sinclair Lewis allowed the Federal Theatre to dramatize his novel, It Can't Happen Here. And a phenomenal project that was, too. Twenty-one theatres in thirteen states all rehearsed the play at once. On October 27, 1936, they all opened at once. It Can't Happen Here played under the Federal Theatre for 260 weeks, or the equivalent of five years. Hallie Flanagan said that, in producing the play, "the first government-sponsored theatre of the United States was doing what it could to keep alive the free, inquiring, critical spirit which is the center and core of democracy."

There were other successes. It was out of the Federal Theatre that T. S. Eliot's Murder in the Cathedral happened. It was a Negro production of MacBeth, reset in Haiti. Marlowe's Tragical History of Dr. Faust was produced by two aspiring young fellows, John Housebid and Orson Wells.

Eight hundred and thirty major titles were produced during the four years of the Federal Theatre Projects. They included nine plays by George Bernard Shaw and fourteen by Eugene O'Neill. Both of these playwrights looked so favorably on the work and the potential, not only of putting people back to work but of what it might do for the art of theatre in the United States, that they gave blanket permission to use any of their works at a very small fee. Shaw said, "Any author of serious plays who does not follow my example does not know what's good for him."

The Federal Theatre Project for all of its hopes and dreams was investigated by the Dies Committee in August of 1939. It was then abolished by act of Congress, and thus ends the direct connection between the Depression and theatre. The Federal Theatre Project was its major impact.

Dr. Thomas Schlotterback, Professor of Art, Western Washington University, on
"Art under Stress":

Art between 1930 and 1940 manifested an enormous amount of stress. And that stress came from four major pressure points. The first and probably most important pressure point was the tradition in this country from which it had come. By and large, art had been predicated upon the basis of democracy. All artists were considered to be equal at least to everyone else, and therefore, they had to somehow fend for themselves like everyone else. That meant they had to produce a product that the country would buy, so art in the United States during the 19th and early 20th centuries was a commodity that catered to the public. Landscapes, portraits, and stuff like that. The only government sponsorship of art that took place previous to the Depression years was handled through the Treasury Department, strictly as a series of commissions to decorate government buildings. Basically to decorate Washington, D.C. It was headed by the Treasury Office, and a certain amount of money was set aside each year to do that.

The artists in the 1920s in this country fared very well or relatively well, as a result of their tendency to produce products that people wanted to buy. If one goes back and looks at 1920, the art produced catered specifically to the American taste.

Now that pressure was complicated by the second pressure point which was a burgeoning modern art movement in this country. In 1913, artists found out that there was something else outside of the country, and began to respond to it immediately before World War I. World War I effectively cut off any reaction to that response, but in the 1920s that interest was rekindled and there was an attempt to bring modern art to the country. An immediate and vitriolic reaction against modernism in this country was led by people like Royal Cortissoz. I'm not sure that name rings a bell in your minds, but it rang terror in people's hearts in the 1920s and 1930s. He wrote a piece called "Ellis Island Art," which for all practical purposes indicated that modernism was a sickness brought over by immigrants to this country. The stress that resulted was suffered through by American artists at the time.

The third pressure point was a provincialism in the art produced in this country through the 1920s, up to the time of the Depression, and continuing through the Depression. Added to that, of course, in 1929, was the most important stress point, and that was Depression starvation. Starvation was not new to artists in this country, but it had never occurred with such intensity and ferocity. There was no money for art. We still suffer from the same syndrome. When budgets are cut for any institutions, art immediately gets the cut first.

There was no money for artists except from the very rich, for the things that they liked to buy. The solution to that situation set up another series of subpressure points that put the artists under tremendous stress. That was the creation of federal art patronage.

In March of '33, when Roosevelt became President, there were approximately ten to eleven thousand artists out of work. There were twelve thousand still working, but there were ten to eleven thousand out of work. In November, after Roosevelt had created the Public Works Administration, there was established in that entitlement a hundred professional white collar job classifications including artists. This came about at the urging of Harry Hopkins who said, "Artists are like other people; they have to eat, too." By December of 1933, the public works of art projects had been established under the Treasury Department, prompted by a man named George Biddle who had urged Roosevelt to establish help for artists like that supplied by the Mexican government. Roosevelt at first was apprehensive because, he said, "I don't want a lot of young enthusiasts painting Lenin's head on the Justice Building." But since Henry Morgenthau was in favor of it, together with a number of other people, he finally supported it. After that time, between 1933 and 1939-1940 there grew up in this country a very complex kind of structure to handle all the money that they wanted to give to artists.

In December of '33 the PWAP, the Public Works of Art Project, was established under a man named Edward Bruce. That ended, for all practical purposes, in June of 1934. In October of '34 they established what they called the Treasury Section. It was actually the Treasury Section of Painting and Sculpture, also directed by Bruce. That continued in bits and pieces to 1938, and had a certain impact. In July of 1935 under the direction of Olin Dows and Cecil Jones, both of whom are connected with art, they established a Treasury Relief Art Project or what became known as TRAP, and that continued until 1939. In 1935 they established the Works Progress Administration Federal Art Project or the WPA/FAP; probably the most effective bureaucracy, it also lasted until 1939. The director of WPA/FAP was a man named Holger Cahill who was himself a professional painter, but more of a dilettante than anything else.

In September, 1939, the art program of the Works Progress Administration was also established, directed by Holger Cahill. Then there were several subdivisions established to help artists—the graphic section of the War Services Division, in 1942, the graphic section of the Division of Program Operations, in 1942—all led off by Holger Kahill. Adjunct to all those movements there were some other subsections established. All these agencies accumulated their own bureaucracies and all had the possibility of dispersing money to artists.

The PWAP paid artists a specific wage, \$26.50 up to \$42.50 a week as skilled craftsmen. Essentially the same pay they paid plumbers. The original

employment quota of PWAP was to be 2,500 artists. They actually helped some 3,700 and produced approximately 15,000 works, 15,000 individual works of art that were spread out over the country in various ways. The Treasury Section which had very little money, about \$116,000 actually, was very effective in the way it spent that money. Mostly for murals and sculpture. They developed a system of hiring masters under whom apprentices would work. And a number of the people who were hired or at least approached became masters or names we recognize today: Thomas Hart Benton, John Stewart Curry, Reginald Marsh, Grant Wood and 70 or 80 other people.

The Treasury Relief Art Project was responsible for a great number of works produced, particularly under people like Reginald Marsh, and that adjunct produced about 89 murals, 43 sculptures, 10,000 easel paintings that were then spread out across the country and allocated to government agencies and embassies. Works were done by 446 separate artists.

But by and large the most important federal bureau was the WPA/FAP under the Division of Professional and Service Projects and what became known as Federal Project Number 1. They covered four specific areas: creation of art, art education, art applied to community services, and technical and archeological research. And at the project's peak they employed 5,000 people. All in all, the WPA created 2,500 murals in federal buildings; 18,000 pieces of sculpture, some large, some small, all of them dispersed across the country; fine arts prints—altogether there were over 200,000 fine arts prints. Some of those prints were put together in boxes and sent out to institutions. Western has a collection of those prints sent out from WPA. Easel paintings created by artists—in excess of 108,000—were paid for. All of them were allocated to government and state institutions. Artists worked in their own studios; they selected their own subject matter. They were required to paint one painting every four to eight weeks depending upon their working habits. They received \$23 in cash a week and could do pretty much what they wanted to. The most far-reaching aspects of the WPA were seen in the community art centers in the federal art galleries where they had exhibitions and taught art classes, and in art education, the new art program in local schools.

The most obvious effect of the whole program was seen in the New York Project led off by Julianna Force. It helped all kinds of artists in New York where the greatest concentration was. People like the Soyer Brothers, those names don't bring people's ears up anymore but Raphael, Moses and Isaac Soyer were three of the leading artists of the day. So was William Groper and others.

The requirements for the works of art were two. First, that they deal with the American scene and second, that they be representational. People like Iso Noguchi could never get any money from the government. That's the guy who has his sculpture out in our Red Square. He applied several times. I read the

letters that he wrote. They never gave him any money because his things were not representational and had nothing to do with the American scene.

The WPA in New York commissioned 68 murals, and 18 sculptures directly in New York City. The list of people who came under their payment system includes names that we can find in slide collections even today and I'm going to read some of them to you because I'm going to show you slides by these people: Peppino Mangravite, Arnold Blanch, Peter Blume, Humbert Albrizio and Stuart Edie, Raymond Eastwood, Jon Corbino and John Sloan. There were a number of women also: Elsie G. Driggs, Doris Spiegel, Mary Fife, Erica Volsung and Ann B. McNulty.

At the liquidation point of all of these things, in January of 1943, they totaled up the scores. There were 200 murals produced in all, 12,000 oil paintings, 75,000 prints, 14,000 posters. And two million students had attended classes subsidized by the WPA in New York City. The average artist earned about \$4,000 for the period of time that he worked and the average work period was 3.8 years with the program. That's about \$23.22 a week. Each painter could sell his own works, also, and easel painters received anywhere from \$50 to \$300. Fifty dollars was about the average amount. Three hundred dollars was the highest amount any artist ever receive for a painting. In fact most of them had figured down to a square foot or square inch basis. And Raymond Eastwood, when I worked with him in his studio, gave me a measurement whereby I could charge for my paintings: 25 cents a square inch for an easel painting. That doesn't sound like much but if you figure up an 18 x 20 canvas that's a pretty good price for it in 1939-1940. Murals were paid for at the rate of \$1.80 per square foot.

There were two effects of these programs. One was to continue American art and for all practical purposes to save the American artist from starvation. That was the important thing. The second thing, particularly at the end of this period of time, was to provide a basis for modern art to exist. Because they did not require that artists, particularly easel artists, produce a specific kind of thing and many of them began to experiment in their own studios on the new and developing modern art.

Dr. Schlotterback here presented a substantial selection of slides of paintings, most of which were produced under the federal art programs.

The effect of the Depression on art in this country was to change it and to delay development of modern art, but the positive effect, of course, was to feed the artists themselves. I've often wondered whatever happened to all that art. Most of it was filed away someplace. Immediately after I got to Western I was going through a series of cartons and boxes that were thrown out and came

across a little piece marked "WPA Federal Art Project, artist Paul Cunningham, to the state of Washington." It was loaned to Western Washington College of Education in Bellingham, Washington, and it is labeled: "This is the property of the United States Government and it is loaned subject to regulations of loan and is not to be removed." Someone threw it away. I have a suspicion that that's what happened to a lot of the WPA art projects.

Dr. Manfred Vernon on "A European's Impression of the Arts in America": When I arrived in 1939 in the United States I had left a Europe that in its expressions of art had become an utterly divided continent. I and others like me brought to these shores a very nice schizophrenic kind of impression as to the range of artistic creativity in Europe. But in some parts of Europe, as in Germany, things had to come to an end. Indeed, Germany had turned the clock back, while in Holland or France and other nations modern paintings or design still stood as our political and cultural challenge. At the same time respect was rendered to the eternally significant expressions of the Rembrandts, Vermeers, Botticellis, and Titians as well as the DaVincis and Michelangelos. In the totalitarian nations of Europe, the Soviet Union, or nationalist-socialist Germany, art had become a weapon for the state. Thus art had to further the ends of society, which in the Soviet Union meant art for a communist and classless society in which all were to be producers or artists to help production. A painting depicting cattle was rough and hostile art. A painting of the same cattle with some buildings in the background and described as the cattle of Collective Farm X was praised as the most meaningful of proletarian art. There was no chance to follow the modern expressions of the west. To do so would have been reactionary and against the ideology of pure Marxism. In the Germany of Hitler, modern art which we had considered among the best that post war Germany produced was now attacked and eliminated since it was declared to be counter to the Nordic German culture or was described as totally inferior and completely degenerate. The men and women who had produced modern works in any field of artistic expression had to flee Germany or ended up in concentration camps. Thus the world and largely the United States inherited leading artists, conductors, and many intellectuals who suddenly had been declared to be outcasts.

To come to the United States during the era of the Depression was a unique experience. The United States had displayed a tremendous respect for the artistic and cultural contributions of the Old World in art, particularly that produced by the great masters of past centuries which had become a matter of great interest to the very rich of this nation. Tremendous art collections and museums had been developed in which the best creative contributions of the past had been put together, although quality was sometimes confused with price. J. P. Morgan, described as collector and fancier, when asked if he would look at

an old master priced at \$12,000, replied that he did not purchase cheap pictures. Much changed because of the Depression. It's a feeling among intellectuals that the Depression was a blessing which saved art in the United States from permanent harm. Art importation went down by more than 80 percent. By curtailing art purchases by the wealthy, the Depression did much to smash the snobbishness and artificiality which had characterized American art. While initially the economic crisis brought numbness and despair to the artist, a new force began to provide for a new art and for its reconciliation into society....

I entered the WPA sponsored art school in San Francisco to do some water coloring work. The art instructors taught me techniques but also helped me in my process of Americanization. They had the legal obligation to spend a certain number of hours in order to be entitled to their paycheck, their only source of income. I've never forgotten the amount that those artists were paid, \$94 a month....

The great American privilege was the right and the freedom to express oneself without endangering one's life or ending up in concentration camps. The long-time director of the Whitney Museum, Lloyd Goodrich, considered the WPA Program the greatest single factor in our history for extending the influence of art throughout our people. Senator Javits, speaking in support of a new scheme to aid the arts in the early 1960s, invoked the WPA experiment, saying it made a substantial contribution to the development of the arts in America.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is essential for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent and reliable data collection processes to support informed decision-making.

3. The third part of the document focuses on the role of technology in modern data management. It discusses how advanced software solutions can streamline data collection, storage, and analysis, thereby improving efficiency and accuracy.

4. The fourth part of the document addresses the challenges associated with data security and privacy. It stresses the importance of implementing robust security measures to protect sensitive information from unauthorized access and breaches.

5. The fifth part of the document concludes by summarizing the key findings and recommendations. It reiterates the importance of a data-driven approach and encourages the organization to continue investing in data management capabilities to stay competitive in the market.

THE CONFERENCE REVIEWED

An Evaluation by

Murray Morgan

Planning for this conference began more than two years ago so it was not conceived of as a seminar in how to survive a coming depression. The bad news is that in nearly every talk about how things were in the late 1920s and the 1930s there were references to policies and concepts that sound ominously contemporary. The good news is that the talks by those who survived the experience of the Depression in person or have immersed themselves in the history of the Depression, all seem to reflect a sense of excitement over an experience that though difficult was somehow worthwhile, even briefly ennobling. The reports seem to share the camaraderie of veterans, but from time to time in the last few days there have been the stabbing images of what the Depression meant, as when, in that particular trivialization of the era that we experienced last night in Gold Diggers of 1933, the movie, we saw newsreel footage of a line of weary men shuffling up for a handout of bare bread and a tin cup of coffee.

Our visit to the wasteland began with Jim Hitchman's brilliant summary of the responses of first President Hoover and then more extensively President Roosevelt to the collapse of the economy that began with the panic of '29. We see Hoover elevated at the crest of Coolidge prosperity and trapped by the sudden collapse. Torn between his reputation for institutionalized humanitarianism and his fear of weakening the fabric of individualism by such recourses as direct relief.

Hitchman's quick sketch of the great engineer was fleshed out later by Dr. Burke's not unsympathetic analysis. Burke's Hoover was a man who had never lost before in his life but found himself (for having committed no crime other than becoming president) blamed for the collapse of civilization as he knew it. Even if Hoover could say with no conscious irony or euphemism that many people left their jobs for the more profitable one of selling apples; even if, as Secretary of Commerce, he had assured the National Association of Manufacturers that his department had no regulatory functions aside from a few inconsequential matters with regard to human life, it is hard for one of my generation not to feel that Hoover was at least as unlucky as he was unlikable. As Burke pointed out, he did have a short supply of hypocrisy. And that is an unusual virtue in a president, not repeated since except perhaps in Truman.

But to return, Hitchman reviewed the parade of alphabet agencies, the contradictions of New Deal economics, the shuttlings and fosterings, and he left

the impression of a country changed and strengthened by its thirteen years under a politician who approached crisis without a blueprint. Whose guide was what Dante had said, that the sins of the cold blooded and warm hearted had to be weighed on different scales, and whose administration was a continuing experimental response not founded on dogma.

During the panel discussions yesterday Keith Murray reminded us of the struggle to hold things together locally: of the savings program which, though it collapsed, was bailed out and which, considering the way young people treat money today, might now be a bad one to reinstitute; of the replacement in town of hard money by script and of Bloedel Donovan's efforts to keep cutting and paying its work force. Miner Baker, a long time economist for Seattle First, though not during the Depression years, explained the plight of financial institutions that found conventional business wisdom betrayed by the unconventional circumstances. He concluded that it could happen again but not in the same way and probably not at all. He said there were not too many lessons that can be drawn from fifty years ago, and that sounded so much like a banker's statement in 1928 discussing the panic of '93, that I found it no more reassuring than I did the subsequent remark by the next panelist, the young stockbroker, that after the '30s it took until his generation for people to regain the sense of confidence that the nation had had in the '20s.

I've already touched on Bob Burke's tracing of Hoover's complexities. I must remind you of his note that when Calvin Coolidge died in January of 1933 the banks and the businesses in his home town honored him by staying open on the day of his funeral.

During the afternoon panel yesterday Dr. William Mullins traced the history of the Unemployed Citizens' League which was effective in self-help work, but ineffectual as an administrative agency for relief and was destroyed by internal politics. Dorothy Culjat showed the parallel between YWCA problems then and now, and Steve Price of Community Development here in Bellingham brought out the reaction of local politicians to the Depression which was to try and cure the Depression by cutting taxes and cutting services. That tendency was traced later in state government by Ralph Munro, our Secretary of State, who contrasted the cutback philosophies of Governor McGraw in the panic of '93 and Governor Hartley after the panic of 1929 with the "we-must-help-people" approaches of Governors Martin and Evans. And his conclusion—and I hope he's correct—is that people will remove from office those who do not respond, who do not believe that the government can cope.

Dean Davis traced the convention process that led to the renomination of Hoover in 1932 and to the nomination of FDR—a fascinating excursion that highlighted the differences between what it took to get a Roosevelt then and what it would take to get a reasonable facsimile today.

Our panels today looked at more specific areas. Dr. Mayer traced the history of the labor movement after the enabling legislation passed in the New Deal years and pointed out that people wanted to move into more unions than existed which resulted in the CIO as a counterweight to the AFL. Mr. Eggert showed the limitations which had been placed on union powers, both during the early New Deal and since then; we can see in discussing those regulations and limitations labor joining the list of those complaining about government over-regulation.

Dr. Vernon's personal experiences of the Depression under different regimes on an international scale showed the difference of approach that had been adopted in Germany and here. And his statement was one of those which offered the most hope and the most reassurance.

Pete Steffens has just cheered us with his father's lessons on the uses of adversity, and the eternal joy of learning that our masters up to the president are just county commissioners grown large.

Dennis Catrell reminded us of the real benefit to the arts of the Federal Theatre Project. Tom Schlotterback has just emphasized that the pre-Depression situation was bad enough without the addition of mass poverty, but that Harry Hopkins' dictum that artists had to eat, too, and the government's decision to subsidize art led to development of an art, a realism school, and the holding back to a degree of modernism in art in this country.

Dr. Vernon showed the beneficial effects of the Depression. One of these beneficial effects was the interruption, I can't say the ending, of equating the merit of a work of art with its price, and another beneficial effect, was the growth of personal participation in the production of art.

I saved to the last my comment on Barney Goltz's speech this morning which I found touched on all of the themes of the conference, in a personal way. His mention of his parents on both sides coming out of the tradition of Lincoln republicanism and homesteading, of their being automatic Republicans until the Depression when they voted Democratic. There were touches all through his speech that emphasized the personal quality of the Depression. Ones that moved me particularly told of his father's being aghast when he found that the heat in coal bought with the corn money produced less heat than the corn itself, but that he could not bring himself to burn food. And the milk story of neighbors forcing neighbors to pour out milk as a means of price support. He concluded with a call for an agenda to avoid the worst things that happened during the great Depression in the times we seem to be heading into.

One thing that I missed in our discussion of what was done to cure the evils of the great Depression was this: I don't recall hearing a single reference to a piece of the protective apparatus that was built up then that it would be useful to remove at this stage.



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Hoover Vetoes Philippines Independence
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The Bellingham Evening News
LEGISLATURE QUILTS IN BLAZE OF FUNDS
Fugitive Custer
Employers in Front Line of Depression Drive

THE BELLINGHAM EVENING NEWS
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