

## Uncle Sam Lends A Hand

Iowa is an agricultural Commonwealth. Though factories, mines, and urban commerce contribute much to the total wealth, the fields are still the most important resource. If the farmers languish their cousins in the city also suffer.

When Iowa revolted against Republican rule in November, 1932, the monthly price index of farm products was 49 compared with 100 for the five-year period between 1910 and 1914. Even in 1931 it had averaged 86. Meanwhile, the cost of goods the farmer needed had not fallen as fast or far, so that the gap between selling and purchasing power was constantly widening. Moreover, land which had been bought for \$400 or \$500 an acre just after the World War could not be sold for a fifth as much. Debts contracted in gold dollars worth one bushel of corn had to be paid in terms of ten bushels per dollar. No wonder indebtedness multiplied. No wonder mortgages were foreclosed. No wonder banks failed.

The woes of agriculture were cumulative. Taxes on farm land consumed two-fifths of the income. Delinquency spread until it covered about one-fourth of all Iowa farm lands and amounted



to more than eleven million dollars. Tax sales were boycotted or, if attended, surly neighbors bid five cents to fulfill legal requirements and yet prevent the loss of property. When insurance companies attempted to take a farm, angry citizens resisted dispossession of the former owner.

Since the prosperity and welfare of the entire State is inextricably bound up with the condition of the farmer, it was natural that industrial and commercial activity was strangled. The decline in freight loadings is a good thermometer to measure the effect of sick agriculture upon dependent industry. Hundreds of miners were thrown out of work in the coal fields. Curtailment in building and road construction stifled lumber, iron, cement, and allied industries.

In the midst of such general prostration, Uncle Sam came to the rescue. Activities of the United States government constituted a prominent feature of the history of Iowa during 1934. One or more members of the alphabet brigade — the AAA, the CCC, the CWA, the FERA, the HOLC, the PWA, the RFC, to mention a few — paraded daily in the press. Everybody was affected, directly or remotely. Roads and rivers, schools and post offices, farms and city dwellings, all benefited by the solicitude of the New Deal.

With thousands of people out of work, with



industry paralyzed, with the price of hogs and corn far below cost of production, poverty became common. In normal times the cost of poor relief outside of county homes is about two and a quarter million dollars, but in 1934 over \$6,820,000 was drawn from county treasuries for this purpose, not including nearly \$460,000 for soldiers' relief. And still the resources were inadequate to prevent people being hungry, cold, and shabby. Meanwhile, the population of the county homes, composed of permanently poor people, had not increased much.

Realizing that the problem of national poverty could not be solved by local communities, the United States government created the Federal Emergency Relief Administration in May, 1933, to aid States and cities. Governor Herring had already organized a State relief agency through which Federal funds could be spent. Local overseers of the poor lost their independence and became the representatives of higher authority. Under this centralized administration the FERA contributed over \$6,358,000 in 1934, which brought the total expenditure last year for outdoor relief in Iowa to \$13,648,674.52.

Direct aid took a variety of forms. Food, clothing, fuel, household necessities, rent, and cash were supplied. In 1933 seventy per cent of the



total expenditure was for food, but in 1934 only thirty-five per cent went for food on relief orders while forty-three per cent was in the form of cash for work on relief projects. In addition to these traditional methods, various schemes of self-help were instituted. For subsistence gardens the government distributed \$23,943.15 worth of garden seed to needy families in Iowa. Other phases of direct relief activity included the canning, seed corn, and surplus pig programs.

A number of departments participated in the mitigation of distress in drought-stricken Iowa. The Farm Credit Administration, coöperating with the Agricultural Extension Service of Iowa State College and the Iowa Emergency Relief Administration, established Emergency Crop and Feed Loan Offices in each of the drought counties in the southern part of the State. The AAA inaugurated a Cattle Buying Program in August, 1934. Approximately 17,000 head of cattle were purchased, about 8000 of which were turned over to the Iowa Emergency Relief Administration for processing. In addition to the cattle bought in Iowa, about 18,000 head were shipped in from other States for slaughtering and processing. Nearly three million cans of roast beef and over one million cans of beef broth, 528,000 pounds of fresh meat, and 71,000 pounds of bologna sausage



were prepared for distribution. The Federal Surplus Relief Corporation supplied feed for livestock in barren areas, and even a Water Program was developed for the benefit of people as well as livestock in some localities.

Two other national agencies contributed mightily toward alleviating distress in Iowa, particularly among the farmers. The Agricultural Adjustment Administration, organized in 1933 to control production and facilitate marketing, formed county associations of farmers who agreed to limit their production of corn and hogs. In return the government promised increased prices and direct benefit payments. Corn-hog benefit checks in 1934 totalled \$73,000,000, and in some instances comprised nearly all the cash a farmer had. The Farm Credit Administration, also created in 1933 to provide a complete and coördinated credit system for agriculture, lent enormous sums on land and crop security.

If Iowa fared well at the hands of Uncle Sam, the reason may be attributed chiefly to the fact that State officials went to Washington with sound, carefully investigated projects that won the approval of Federal authorities. For example, when the Federal corn loan program was adopted, mainly upon the recommendation of Governor Herring and Senator Louis Murphy, the first



loan in the United States was made on November 24, 1933, to W. W. Eral of Pocahontas County. Eral announced that he intended to use the money to pay some bills and buy three cows, machinery, clothing, groceries, furniture, and curtains.

Within ten days Secretary Ray Murray had an active field force of five hundred warehouse board members and six hundred bonded sealers operating in every part of the State. Iowa had utilized \$6,000,000 before any other State had contracted a single loan. Although it was originally estimated that only \$27,000,000 would be borrowed in corn loans, a total of \$61,000,000 was actually borrowed in less than five months. These loans saved the farmers from selling their crop at ten cents a bushel and allowed most of them to dispose of it when the price was over fifty cents a bushel. The threat of farmers' strikes in the corn belt was effectively dispelled. Every dollar was repaid, with four per cent interest, a record seldom equalled in the United States.

It would be impossible to discuss all the projects that were undertaken or completed during 1934. Thus, the work of the PWA in building twenty-six locks and dams for a nine-foot channel in the Mississippi River between Saint Paul and Saint Louis is the most colossal engineering feat ever attempted in this part of the country. Thousands



of men have been employed and millions of dollars expended, the huge roller dam at Davenport alone costing over \$4,000,000. At nine other points along the eastern border of Iowa similar works are being built.

The Civilian Conservation Corps was established in March, 1933, to rehabilitate young men physically and mentally, to relieve a part of the existing distress and unemployment, and to conserve natural resources. The CCC gave young Iowans between the ages of eighteen and twenty-five, who were citizens of the United States, unmarried, and unemployed, an opportunity to work. Iowa's original quota was 6000 men but 7,923 were in the thirty-five CCC camps between April, 1933, and December, 1934. During this same period almost \$2,500,000 of their earnings went to their dependents in Iowa.

More than half of Iowa's CCC men were common laborers. Half of them had been unemployed for six months or more and one-fourth had had no employment for a year or more. Nine out of ten had completed grammar school and seven out of ten had had some work in high school. Three out of every hundred had been to college. The CCC was expected to restore unproductive forest areas, check soil erosion, build roads, and prevent losses from fires and floods. Several



artificial lakes were constructed and valiant service was rendered in fighting chinch bugs.

The work of the Iowa State Planning Board is in some respects the most far-reaching of all, forming part of a "broad national plan for the preservation, restoration and wise use of our resources in an effort to eliminate exploitation, waste, and selfish greed, and to assist in the stabilization of economic and social life". An extensive preliminary report appeared in September, 1934, followed by a second report in April, 1935. No one can study the four major subjects (land, water, people, commerce) considered in these reports without being convinced that Iowa has come of age.

Seven-league strides were taken in the conservation movement during 1934. It was estimated that the twenty-five-year plan of the Conservation Board has been advanced ten years under the direction of the Iowa Emergency Relief Administration coöperating with the United States Biological Survey and the Iowa State Fish and Game Commission. Trees and shrubs were planted to prevent erosion, nearly 6000 winter shelters and wild-life feeding stations were constructed by sportsmen, farmers, and relief workers, 400 tons of food collected, fifty miles of Iowa streams improved, and several artificial lakes created. The



Federal government through the CCC, FERA, and CWA, spent approximately \$12,000,000 on conservation labor projects in the last year and a half. Meanwhile Iowa contributed only \$100,000.

The New Deal, combined with other factors, had a tremendous influence upon conditions in Iowa during 1934. The index of farm products rose to 74, and during the first quarter of 1935 almost reached the price level of things farmers have to buy. Business increased twenty-two per cent over the previous year. Twelve per cent more people were employed. Department stores and life insurance companies benefited by the prosperous trend, but cigarettes and gasoline were almost as popular, while sales of new automobiles gained forty-two per cent.

The morale of the people was decidedly strengthened in 1934. Bank deposits increased. Debts were paid. The worst of the depression seemed to be past. But the ultimate appraisal can not yet be made. The cost has been enormous. Federal indebtedness is more than it has ever been. Tax payers will long be conscious of the Herculean efforts to win the greatest battle against economic adversity this nation has ever fought. The year 1934 may be the crisis of that titanic struggle.

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