

71-12,595

MAY, Jr., Irvin Marion, 1939-
THE PARADOX OF AGRICULTURAL ABUNDANCE AND
POVERTY: THE FEDERAL SURPLUS RELIEF
CORPORATION, 1933-1935.

The University of Oklahoma, Ph.D., 1970
History, modern

University Microfilms, A XEROX Company, Ann Arbor, Michigan

© 1971

IRVIN MARION MAY, Jr.

ALL RIGHTS RESERVED

THE UNIVERSITY OF OKLAHOMA

GRADUATE COLLEGE

THE PARADOX OF AGRICULTURAL ABUNDANCE AND POVERTY:

THE FEDERAL SURPLUS RELIEF CORPORATION, 1933-1935

A DISSERTATION

SUBMITTED TO THE GRADUATE FACULTY

in partial fulfillment of the requirements for the

degree of

DOCTOR OF PHILOSOPHY

BY

IRVIN MARION MAY, JR.

Norman, Oklahoma

1970

THE PARADOX OF AGRICULTURAL ABUNDANCE AND POVERTY:

THE FEDERAL SURPLUS RELIEF CORPORATION, 1933-1935

APPROVED BY

Robert C. Tate
Donald J. Berthrong
Amelia J.
Norman L. Gockett
Rufus G. Hall

DISSERTATION COMMITTEE

For my parents and my wife

TABLE OF CONTENTS

	Page
PREFACE	v
LIST OF TABLES	ix
 Chapter	
I. ABUNDANCE AND POVERTY DURING THE GREAT DEPRESSION	1
II. THE ORIGIN OF THE FEDERAL SURPLUS RELIEF CORPORATION	44
III. ADMINISTRATION, POLICY DETERMINATION AND GOVERNMENTAL RELATIONSHIPS OF THE FSRC .	73
IV. PROCUREMENT OF SWINE AND LIVESTOCK PRODUCTS	103
V. PROCUREMENT OF DAIRY PRODUCTS, EGGS, AND FISH	140
VI. PROCUREMENT OF GRAINS, FRUITS, VEGETABLES AND FUEL	166
VII. THE FSRC AND DIRECT RELIEF	203
VIII. THE TERMINATION OF THE FSRC	241
IX. A NEW DEPARTURE	267
BIBLIOGRAPHY	278

PREFACE

The American of 1933 witnessed the paradox of poverty in a land of plenty. American farmers produced abundant surpluses of crops and livestock; yet, during the Great Depression after 1929, many Americans experienced unemployment, poverty and hunger. By 1932, many Americans had concluded that the federal government should undertake a program of direct aid to the destitute. How the United States government responded to the twin problems of agricultural surpluses and human hunger constitute the history of the Federal Surplus Relief Corporation, 1933-1935.

Headed by Harry Hopkins, the FSRC operated as a subsidiary of the Federal Emergency Relief Administration. It procured agricultural surpluses and transported them to the state emergency relief administration which in turn distributed the goods to the needy. In this manner, some of the food surpluses of America reached the destitute. The FSRC also participated in work relief programs in conjunction with the FERA. These dealt mainly with the canning of beef and the manufacture of mattresses. These activities resulted in criticism from private business and

resulted in the FSRC abandoning additional work relief projects. In 1935, the FSRC was permitted to die, but agricultural officials and the FSRC administrators arranged to continue the program of food distribution by establishing the Federal Surplus Commodities Corporation under the Department of Agriculture.

The FSRC provided a practical program to meet the conditions created by the Great Depression. The agency manifested New Deal humanitarianism and concern for the forgotten man. Moreover, FSRC served as a good early example of cooperative federalism in an emergency war on poverty. Yet, it did not win the war. Besides the actual benefits which it brought to people the agency's main importance was that it established a pattern of federal food distribution which was later greatly expanded. It represented another important step toward the welfare state.

I undertook this study at the suggestion of Dr. Gilbert C. Fite, George Lynn Cross Research Professor at the University of Oklahoma. It attracted me because of my interest in the New Deal and its welfare programs. I am deeply grateful to those who have aided me in the preparation of this dissertation. My special thanks to Dr. Fite for valuable suggestions and prompt assistance with my problems. Others who have read the entire manuscript and made helpful suggestions include Professors

Donald J. Berthrong, Arrell M. Gibson, Rufus G. Hall, Jr., and Norman Crockett.

Among the archivists and librarians who have been extremely helpful are Helen Finneran, Charles Neale and Robert Kvasnicka of the National Archives. I also appreciate the assistance of Vivian Wiser and Wayne Rasmussen of the United States Department of Agriculture. Special thanks are extended to Dr. William Nielander, former FSRC Director of Distribution and now Professor of Marketing at Arizona State University who answered numerous questions, and to Mrs. Jerome N. Frank who consented to a valuable interview on a sultry day in New Haven, Connecticut. Personnel at the Library of Congress, Franklin D. Roosevelt Library, University of Oklahoma and the University of Missouri gave aid as did the librarians of Texas A&M University. My special thanks go to Mrs. Robert Rucker of Texas A&M Library, and my colleague in the Department of History, Haskell M. Monroe, Jr.

I am thankful for my parents, Mr. and Mrs. I. M. May, Sr., who gave me moral support and financial assistance, to my wife Suzanne, who gave her encouragement throughout the entire doctoral program, and to my daughters, Emily Diane and Mary Elizabeth. I am grateful for Mr. and Mrs. J. L. Eaton whose interest in agriculture has stimulated mine. Also I wish to express my appreciation to Mrs. Hortense

Spangler for typing the manuscript.

Irvin M. May, Jr.

College Station, Texas

LIST OF TABLES

	Page
I. FEDERAL SURPLUS RELIEF CORPORATION ORGANIZATION CHART	80
II. QUANTITY OF COMMODITIES DISTRIBUTED THROUGH FSRC	188- 189
III. COMMODITIES AVAILABLE FOR DISTRIBUTION OCTOBER 31, 1935	258
IV. BALANCE SHEET, OCTOBER 31, 1935	259
V. ADMINISTRATIVE EXPENSE BY DEPARTMENTS AND OFFICES, OCTOBER 31, 1935	260
VI. STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS	262
VII. ACCOUNTS WITH STATES AS OF OCTOBER 31, 1935	264- 265

THE PARADOX OF AGRICULTURAL ABUNDANCE AND POVERTY:
THE FEDERAL SURPLUS RELIEF CORPORATION, 1933-1935

CHAPTER I

ABUNDANCE AND POVERTY DURING THE GREAT DEPRESSION

The conscience of the American people has long been shocked by the paradox of farmers impoverished by abundance while at the same time millions of consumers were hungry for food which was rotting because the price for it would not pay the cost of harvesting and transportation.¹

Henry A. Wallace

The American of 1933 witnessed a distressing paradox. Although farmers produced large supplies of food, during the Great Depression following 1929, many Americans experienced unemployment, poverty, hunger and even starvation. How the United States government began to solve the twin problems of agricultural surpluses and human hunger constitute the story of the Federal Surplus Relief Corporation.

Following World War I, the American farmer did not participate equally in the nation's growing prosperity.

¹Henry A. Wallace, Remarks Before a Meeting of the Food and Grocery Conference Committee in Washington, D.C., March 13, 1939, mss. Files. United States Department of Agriculture Library, Washington, D.C.

Farm depression during the 1920's resulted from a number of factors both within agriculture itself and in the over-all economy. These factors included heavy production in the face of declining and changing demands which tended to reduce export markets; revitalization of agriculture in other countries which created more intense competition for American products; increased efficiency as a result of greater mechanization and the use of fertilizers which added to greater output; changes in diet from starch to protein; the development of competitive synthetic fibers; overcapitalization of farm lands during prosperous times, and the failure of farmers to pay their accumulated debts. The heart of the problem was that farmers produced price-depressing surpluses. The supply of food exceeded consumer demand for agricultural products.²

During World War I, the American farmer had been the dominant food producer for the United States and its Allies. But with the return to peace, agriculture faced a dilemma. As one governmental report explained the situation: "It could not reduce its output as rapidly as the demand

²U.S. Department of Agriculture, Agricultural Adjustment Administration, Achieving a Balanced Agriculture (Washington: Government Printing Office, 1934), pp. 10-13; Rexford Tugwell, The Democratic Roosevelt: A Biography of Franklin D. Roosevelt (Garden City, New York: Doubleday and Co., 1957), pp. 158-159. A sound study of these problems is discussed in James H. Shideler, Farm Crisis, 1919-1923 (Berkeley & Los Angeles: University of California Press, 1957).

declined and there was no way to increase the demand."³ There were neither enough markets abroad nor at home to consume American farm production at prices profitable to farmers. Therefore an agricultural depression settled over the nation. Although conditions improved after 1923, the depression had not been remedied by the time Herbert Hoover became president in 1929. Agrarian discontent and agitation for farm relief resulted from the sufferings of farm families.

Confronted by problems over which he had no control, the farmer appealed to the United States Congress for relief. Farm spokesman asked for legislation which would assure farmers decent prices, but Congress refused to go beyond general measures of farm relief which were firmly entrenched in the American tradition. This policy involved mainly helping farmers to help themselves. In 1921, Congress responded with the Emergency Tariff which placed high temporary duties on most agricultural products. The next year the rates were made permanent in the Fordney-McCumber Tariff. Designed to protect the American farmer's home market, the tariff's framers failed to foresee the rise of economic nationalism by other nations which tended to reduce exports. The same year, 1922, Congress passed the Capper-Volstead Cooperative Marketing Act which exempted cooperative marketing

³U.S. Department of Agriculture, Report of the Secretary of Agriculture: 1933 (Washington: Government Printing Office, 1933), p. 1.

associations from antitrust legislation. Other measures enacted during the next two years included the regulation of speculation in grain exchanges and governmental loans of over \$1 million for the purpose of seed grains in drought-stricken areas. The Intermediate Credits Act of 1923 established twelve new credit institutions to lend funds to farm associations. Yet, Gilbert C. Fite in George N. Peek and the Fight for Farm Parity, observed that "these laws did not meet the basic problems as farmers saw them."⁴

Farmers were interested in higher prices for their produce. None of these farm measures had any effect on raising prices or decreasing the agricultural surplus which was the core of the agricultural problem. Through efficient agricultural methods, farmers had over-produced food and lower prices had resulted. As a result of discussions on the farm problems, three basic approaches evolved. The McNary-Haugen proposals of the 1920's stressed the development of a marketing mechanism which, it was believed, would raise prices. A second approach was to encourage farmer-dominated cooperative marketing associations, a plan strongly pushed by Herbert Hoover. The third scheme stressed production control and was incorporated in the domestic allotment plan after 1929.

⁴Gilbert C. Fite, George N. Peek and the Fight for Farm Parity (Norman, Oklahoma: University of Oklahoma Press, 1954), p. 54.

The McNary-Haugen bill of 1924 exemplified a new approach to improving agricultural prices. The heart of this plan advocated selling surplus farm commodities abroad through the aid of a government export corporation. An equalization fee charged against all crops would make the venture self-sustaining. Coolidge's vetoes of the McNary-Haugen Act in 1927 and 1928 caused the bill to be dropped from future congressional consideration. Nonetheless, some supporters of the proposal continued to advocate its principles.⁵ The McNary-Haugen proposal represented a view of the agricultural problem which held that some marketing mechanism could improve farm prices and income.

A somewhat different attack on the agricultural surplus problem began with the election of Herbert Hoover. Hoover pledged during the campaign of 1928 that a special session of Congress would be called to consider farm relief measures. Accordingly, on April 15, 1929, Congress met to deal with the agricultural questions. Signed by Hoover on June 15, the Agricultural Marketing Act represented an almost perfect example of Hoover's agricultural ideas. The act intended to

⁵"What Congress Has Done About Farm Relief Since 1921," Congressional Digest, XII (December, 1934), 291-292; Lauren Soth, Farm Trouble (Princeton, N.J.: Princeton University Press, 1957), pp. 111-116; Murray N. Rothbard, America's Great Depression (Princeton, N.J.: D. Van Nostrand Company, Inc., 1963), pp. 194-201; Bernard Sternsher, Rexford Tugwell and the New Deal (New Brunswick, N.J.: Rutgers University Press, 1964), pp. 170-182.

improve the marketing of farm products so that agriculture would be placed on a basis of economic equality with other industries. Alice Christensen observed that the "passage of the Agricultural Marketing Act inaugurated the first major experiment based on the principle that the agricultural surplus constituted a national problem which should be recognized as such by the Federal Government."⁶

To achieve its purposes, Congress created a Federal Farm Board. The Board received a revolving fund of \$500 million from the Treasury to make loans to cooperatives. The Hoover administration hoped that the Board would minimize speculation, prevent wasteful methods of distribution, encourage effective marketing cooperatives and prevent and control surpluses through orderly production and distribution methods.

Primarily Hoover wanted to preserve the American farm as a way of life. The President believed that farmers could be helped by the creation of farmer-owned, farmer-controlled, nationwide cooperatives which would bring better order to the marketing of American agricultural produce. In accord with his agricultural philosophy, Hoover believed that no fee or tax should be imposed upon the farmer, and that governmental agency should buy, sell or engage in price fixing of farm

⁶Alice Christensen, "Agricultural Pressure and Governmental Response, 1919-1929," Agricultural History, XI (January, 1937), 41.

commodities. The President believed that production should not be increased. Indeed, he recognized the surplus problem as being central, and urged farmers to cut their output voluntarily. Thus, he rejected both the ideas of an equalization fee and the export debenture plan which amounted to an export bounty proposal. To administer the new law, Alexander Legge, President of the International Harvester Company, became the first chairman of the Federal Farm Board; in 1931, James C. Stone, former vice-president and founder of the Burley Tobacco Growers' Cooperative Association succeeded Legge as chairman.⁷

The Federal Farm Board had hardly been organized when the stock market crashed, heralding a nationwide depression and much lower farm prices. Through agencies like the Farmers' National Grain Corporation and the Grain Stabilization Corporation, the Hoover administration sought to stabilize prices by urging farmers to cut their acreage and to reduce surpluses through wheat purchases. In June, 1930, the Cotton Stabilization Corporation began operations. This corporation bought three million bales of cotton from the farmers in an attempt to bolster prices. At the end of its

⁷Albert U. Romasco, The Poverty of Abundance: Hoover, the Nation, the Depression (New York: Oxford University Press, 1965), pp. 23, 97-124; Gladys L. Baker, Wayne D. Rasmussen, Vivian Wiser and Jane M. Porter, Century of Service: The First 100 Years of the United States Department of Agriculture (Washington: Government Printing Office, 1963), pp. 136-138.

first fiscal year, the Federal Farm Board had loaned \$69,816,480 for grain stabilization and \$78,799,713 for loans to cooperatives. These loans to cooperatives were distributed on the following commodities:⁸

Beans	\$ 130,125
Cotton	48,319,854
Dairy Products	3,606,600
Fruits and vegetables	9,726,004
Grain	8,675,728
Honey	25,583
Livestock	1,370,018
Poultry and eggs	10,000
Rice	409,200
Tobacco	199,625
Wool and mohair	6,326,972

The Federal Farm Board was vitally aware of the surplus problem. The first annual report commented that "the obvious and economic remedy for the over-production of wheat, to which our own wheat growers are contributing, is curtailment of production with a view to reducing and possibly eliminating our export supplies so that the tariff might become effective on American prices."⁹ Alexander Legge observed that domestic inventories of wheat had nearly trebled in the last five years, whereas per capita consumption of wheat declined in the period 1926 to 1930. The Chairman of the Federal Farm Board gloomily reported that he could not "see any hope for an outlet through the various

⁸ Federal Farm Board, First Annual Report of the Federal Farm Board for the Year Ending June 30, 1930 (Washington: Government Printing Office, 1930), p. 73.

⁹ Ibid., 35.

plans for the distribution of surplus abroad at prices lower than the commodity sells for in this country."¹⁰ American exports and domestic consumption failed to solve the surplus problem. Government purchases of wheat continued. By June, 1931, the Grain Stabilization Corporation owned 257,000,000 bushels of wheat. Despite these efforts, cotton and wheat prices continued to decline because of the increasing surpluses from heavy crops.

Besides the efforts of the Grain and Cotton Stabilization Corporations, price stabilization attempts were made by the National Wool Marketing Corporation, the National Pecan Marketing Association, the National Livestock Marketing Association and the National Bean Marketing Association. These programs proved insufficient to arrest the declining prices of agricultural products. Rather they added to the world-wide accumulation of surpluses. The Federal Farm Board pleaded with Kansas wheat growers to restrict acreage and with Southern cotton farmers to voluntarily plow under one-third of their cotton crop. But these recommendations were rejected. Farmers would not risk procedures which could only succeed through organized efforts by all producers.¹¹ Agricultural prices steadily declined and by

¹⁰Alexander Legge, "The Federal Farm Board's First Year," Current History, XXXII (September, 1930), 1136.

¹¹Rothbard, America's Great Depression, 204-211; Fite, George N. Peek and the Fight for Farm Parity, 226.

1932 farm prices had dropped 65 per cent in three years.¹²

The Republican policy of economic nationalism, climaxed by the passage of the Hawley-Smoot Tariff, added to the surplus problem. In reviewing the policies of the Hoover Administration in 1933, Secretary of Agriculture Henry Wallace explained how the policy of economic nationalism had resulted in declining trade. Since 1929 the exports averaged less than 7 per cent of the farm production, Wallace wrote:¹³

There has been no corresponding incline in agricultural output, which on the contrary has increased. Here in a nutshell is much of the explanation for the agricultural depression. Declining exports with mounting production naturally mean mounting surpluses. When export surpluses cannot be profitably sold, domestic sales show a loss too; blocked export outlets force supplies back into the home market and swamp it.

The American farmer was simply producing more food and fiber than he could sell profitably. He experienced poverty in a land of plenty.

Depression conditions were not restricted to the crop farmer. The rancher also suffered from declining prices

¹²U.S. Department of Agriculture, Agricultural Adjustment Administration, Industry's Production and the Farmer (Washington: Government Printing Office, 1935), p. 1; C. Roger Lambert, "New Deal Experiments in Production Control: The Livestock Program, 1933-1935," (Unpublished Ph.D. dissertation. University of Oklahoma, 1962), p. 13.

¹³U.S. Department of Agriculture, Report of the Secretary of Agriculture: 1933, 2-3.

and surpluses. In the fall of 1929, a widespread drought occurred and continued intermittently until by the spring of 1933 the livestock industry on the Great Plains faced a serious problem. Since 1928 the cattle population had increased, and according to Harry Petrie, of the Agricultural Adjustment Administration, "the market showed a gradual decline until it had reached a point far below the cost of production." Prices dropped so low that "in many cases cattle shipped to market would barely pay the freight charges and in some instances would not." The Federal Farm Board failed to raise farm prices while production exceeded consumption in the United States and foreign countries.¹⁴

Agricultural leaders searched frantically for solutions to the agricultural crisis. Senator Arthur Capper of Kansas, a leading Republican spokesman, considered six essentials for a farm relief program. These were a protected home market through high protective tariffs on agricultural products, "protection equivalent to tariff protection on major farm products on an export basis, where it is plainly impossible to reduce acreage without bringing an over-production in minor crops that would ruin the growers;" a

¹⁴Harry Petrie, "Cattle Purchases by Agricultural Adjustment Administration from Drought Areas, June, 1934 to February, 1935," A Report to G. B. Thorne, Director. Division of Livestock and Feed Grains, p. 1, National Archives, Record Group 145; Mordecai Ezekiel, "Henry A. Wallace, Agricultural Economist," Journal of Farm Economics, XLVIII (November, 1966), 793.

decrease in the spread between producer and consumer through cooperative marketing; reduction in speculation on the agricultural market; lowering the transportation costs, and reduction of land taxes. Capper believed that "revisions upward of the tariff on farm products is an essential part of any practical farm relief plan."¹⁵ L. J. Taber, Master of the National Grange, concurred that "the real surplus that is distressing American agriculture is imported into the United States from countries with lower standards of living and lower costs than exist here."¹⁶ In short, there was widespread support for highly protective policies.

Other farm leaders and agricultural economists disagreed with this position. The domestic allotment plan, first presented by Harry N. Owen in Farm Stock and Home, was based upon the ideas of William J. Spillman of the United States Department of Agriculture's Bureau of Agricultural Economics. Spillman expressed his views in a book, Balancing the Farm Output (1927).¹⁷ Two years later

¹⁵Arthur Capper, "Some Essentials of a Farm Relief Plan," The Annals of the American Academy of Political and Social Science, CXLII (March, 1929), 318-321.

¹⁶L. J. Taber, "The Attitude of the National Grange Toward the Tariff," The Annals of the American Academy of Political and Social Science, CXLII (March, 1929), 329-333.

¹⁷Fite, George N. Peek and the Fight for Farm Parity, 229-230; John D. Black, Agricultural Reform in the United States (New York: McGraw Hill Book Company, Inc., 1929), pp. 271-272. See also William J. Spillman, Balancing the Farm Output: A Statement of the Present Deplorable Conditions of Farming, Its Causes and Suggested Remedies (New York: Orange-Judd Publishing Company, 1927).

John D. Black's Agricultural Reform in the United States presented the domestic allotment plan in a detailed and refined manner. Black noted that the primary principle of the domestic allotment plan was, "paying producers a free-trade price plus the tariff duty for the part of their crop which is consumed in the United States and this price without the tariff duty for the part of it that is exported, this to be arranged by a system of allotment to individual producers of rights to sell the domestic part of the crop in the domestic market." Supporters of this plan included Professor Milburn L. Wilson of Montana State College and Henry A. Wallace, editor of Wallace's Farmer and others who were looking for a new approach to farm problems. The basic outlines for emergency crop restriction and the Agricultural Adjustment Act resulted from discussions of ideas incorporated in the domestic allotment plan in 1932 and accompanying criticisms of the Federal Farm Board.¹⁸

The Federal Farm Board had attempted to sell American surplus food on the world market, but without much success.

¹⁸Black, Agricultural Reform in the United States, 271-301; in addition see also: Ezekiel, "Henry A. Wallace, Agricultural Economist," 789-802; John D. Black, "Plans for Raising Prices on Farm Products by Governmental Action," The Annals of the American Academy of Political and Social Science, CXLII (March, 1929), 380-390; Fite, George N. Peek and the Fight for Farm Parity, 229-233; U.S. Senate. Committee on Agriculture and Forestry. Farm Relief. Hearings. 72d Congress, 1st Session, 1932; M. L. Wilson, Farm Relief and the Domestic Allotment Plan (Minneapolis: The Day and Hour Series of the University of Minnesota, 1933), p. 59.

Additionally, the Department of Agriculture had encouraged Americans to eat more food. Little emphasis, if any, was given to the idea that the federal government should purchase surplus food and distribute it to the needy. Instead the emphasis was on restricting the output of agricultural crops so that production would be in line with domestic market demand and export needs.

By 1930, some congressmen and their supporters began to urge the Federal Farm Board to release its surplus cotton and wheat to the needy. William G. McAdoo emerged as a leader in this appeal to Congress and the Hoover Administration. McAdoo urged Senator Charles L. McNary to recommend that Congress authorize distributing 60,000,000 bushels of Federal Farm Board wheat to the unemployed needy. McAdoo, former Secretary of the Treasury, believed that the Farm Board wheat and cotton already belonged "to the people and should be devoted to the relief of those who are needy and suffering." McNary, Chairman of the Senate Committee on Agriculture and Forestry, however, rejected McAdoo's proposal. McAdoo also wrote Senator Arthur Capper urging the senator's support of this idea, and J. R. McClesky, Executive Director of the Economic Conservation Committee of America, urged Colonel Arthur H.

Woods to recommend use of surplus wheat for the needy.¹⁹

Throughout the Hoover administration support for a program of direct federal assistance to the needy increased. Neither private agencies nor local governments could meet the growing needs of a depression-ridden people. Yet the American public accepted slowly the principle of direct federal aid and distribution of food to the needy. Despite America's agricultural abundance, most Americans did not believe that the federal government should provide food for hungry citizens. Most people held that direct relief should be provided by local and private agencies without assistance from the federal government. To turn to the national government as a source of relief, whether it was surplus food or money, was a sharp break in the American tradition.

Prior to 1932, the nation's relief system had been designed to solve relief problems of a young, quickly-expanding and predominantly agrarian nation. The relief system had been transmitted from England to the American Colonies and remained virtually unchanged in principle from the time of

¹⁹ Harry L. Hopkins, Spending to Save: The Complete Story of Relief (New York: W. W. Norton and Company, Inc., 1936), pp. 28-29, 33-36. Secretary of Agriculture Arthur M. Hyde strongly opposed federal appropriations for farmers in drought areas. An appropriation of \$25 million for the American Red Cross use in drought and unemployment relief met defeat in the House in January, 1931. Two months later the states appropriated \$10 million. The money was obtained by urging state employees to give one day's pay a month to the fund.

Queen Elizabeth. The relief programs had not been designed to handle mass unemployment or relief problems of the magnitude of those produced by the Great Depression. As private relief agencies predominated throughout the country, local public relief agencies tended to be understaffed and located in poor facilities, often in the dingiest part of the courthouse.²⁰ Aubrey Williams, National Youth Administration director during the New Deal, observed that during the twenties, "public relief offices were down in the basements of county courthouses, manned by pretty rough sort of individuals who thought of their work as being mainly that of separating the crooks and the poachers from the deserving." This picture greatly differed from private charitable agencies who benefitted from public esteem and "were staffed with trained and professional people."²¹ Williams described relief to the needy before 1930 as being limited to "institutional care for poor persons who were mentally or (in some States) physically ill; outdoor relief in some states for persons with State, but not local, legal settlement; pensions for the aged and blind poor, needy veterans of former wars, and mothers unable to support their

²⁰U.S. House, Security, Work and Relief Policies, 78th Congress, 1st Session, House Document No. 128, Part 3. (Washington: Government Printing Office, 1943), p. 28.

²¹Aubrey Williams, "The New Deal: A Dead Battery," unpublished mss. Aubrey Williams Papers. Franklin D. Roosevelt Library. Hyde Park, New York.

dependent children; services in the field of child welfare."²²

The primary state relief offered was that provided under the State poor laws which operated in all the states. By 1929 veterans' relief legislation had been enacted in 44 states and the blind received state aid in 22 states. Forty-three states provided aid to dependent children. Assistance to the elderly existed in 10 states.²³

Prior to the New Deal, the Federal Government had not taken an active role in relief to the nation's unfortunate citizens. In 1929, 76 per cent of all relief in the United States came from private rather than public sources. Relief agencies existed in urban areas but federal officials estimated that "probably not more than 400 of the large municipalities in the country had private relief agencies of any importance."²⁴ The most important relief agency was the American Red Cross. This national, non-governmental relief agency gave aid primarily during war times and mitigated sufferings caused by great national disasters.

At the start of the Great Depression of 1929, the American Red Cross assumed that economic depressions fell

²²U.S. House, Security, Work and Relief Policies, 28.

²³Arthur E. Burns and Edward A. Williams, Federal Work, Security and Relief Programs. Research monograph XXIV, Works Progress Division, Division of Social Research (Washington: Government Printing Office, 1941), p. 14.

²⁴U.S. House, Security, Work and Relief Policies, 26.

outside the category of national calamities calling for emergency relief. Besides, in 1929, the Red Cross experienced declining revenues and membership. The depression's severity, however, forced the Red Cross to modify its national policy. By the winter of 1930-31, the organization acted as a national relief agency to assist needy people. During this season, Herbert Hoover requested that the organization accept the responsibility of providing for the victims of the drought of 1930. The Red Cross accepted the task of distributing food and feed for livestock as a "temporary emergency." Over 2,500,000 individuals in twenty-three states received Red Cross aid.

The Red Cross had become involved in the relationship of private philanthropy, local government and the national government during the Hoover administration. However, the Central Committee of the organization opposed the suggestion that the national government grant \$125 million to the Red Cross for any relief program. The refusal of any government assistance upheld the principle of private philanthropy.²⁵

President Hoover opposed the idea of federal aid for the unemployed. In reflecting his countrymen's basic beliefs concerning welfare, he believed that direct relief

²⁵Foster Rhea Dulles, The American Red Cross: A History (New York: Harper and Brothers, 1950), pp. 276-286.

by the federal government would weaken the national character, destroy America's moral fiber, weaken private initiative and undermine local responsibility. Hoover favored direct help to the needy through local governments or through private agencies.²⁶ Hoover even claimed that the reports of widespread undernourishment were greatly exaggerated. Surgeon General Hugh S. Cumming optimistically reported that the nation had never been in better health than in 1931. However, as Harris Warren observed, "people who are not starving do not rummage through garbage cans and line up to wait for the latest batch to be piled on a city garbage dump."²⁷ Unfortunately these circumstances occurred all too frequently.

Public opinion concerning relief and the responsibility for poverty changed drastically under Hoover. At the beginning of the Great Depression, the "public mind," held that, "if poverty was not a misdemeanor, it was at least a very reprehensible situation." Americans conceded that unforeseen disaster resulted in "worthy" persons asking for public aid, "but a stigma was attached to the receipt of all relief." Those not blessed with material well-being were

²⁶ Ibid., 278; Josephine C. Brown, Public Relief, 1929-1939 (New York: Henry Holt and Company, 1940), pp. 110-118.

²⁷ Harrison Gaylord Warren, Herbert Hoover and the Great Depression (New York: Oxford University Press, 1959), pp. 198-199.

simply not considered among God's chosen people. Relief measures were designed to be temporary and so disagreeable that the relief recipient would be forced or persuaded to remove himself quickly from the relief rolls.²⁸ These sentiments and policies coincided with Hoover's concept of relief and how it ought to be administered. Hoover rejected the demand for a massive attack on hunger and nakedness.

Nevertheless, unemployment greatly increased after the beginning of the Great Depression and the relief problem was brought into sharp national focus. In January, 1930, the National Industrial Conference Board estimated that there were almost four million unemployed Americans, and by December, the number reached seven million. The existing relief agencies were simply incapable of adequately caring for the growing number of needy. The rapid decline of real estate values reduced local and state taxes, depriving governmental agencies of funds necessary to deal with the relief burdens created by the Great Depression. Moreover, with shrinking personal and corporate incomes, private relief groups found their source of funds drying up.

States responded slowly to the growing crisis; the first state relief organization was established by New York in November, 1931. By the end of 1933, however, state relief organizations existed in all states. As expected, relief

²⁸U.S. House, Security, Work and Relief Policies, 26.

organizations and their effectiveness varied from state to state.²⁹

The first major effort by the Federal Government to deal with the problem of relief conformed to the tradition of local responsibility. On October 21, 1930, President Hoover appointed the Emergency Committee for Employment. Colonel Arthur H. Woods of the Rockefeller Foundation and the General Education Board, served as chairman. The Woods Committee intended to advise on developing job opportunities, to arouse the nation's interest in the unemployment problem and to encourage the raising of private funds for direct relief when needed. The Woods Committee, in short, hoped to give encouragement and advice to local, state and private organizations on how to solve unemployment and relief problems. The committee's primary function included gathering information concerning unemployment and acting as a clearing house concerning procurement and distribution procedures used by the various relief agencies. Woods suggested that Hoover ask Congress for \$840 million for a large scale federal construction program, but Hoover refused. At the end of April, 1931, Woods resigned and Fred Croxton became chairman. Meanwhile the unemployment

²⁹ Burns and Williams, Federal Work, Security and Relief Policies, 15-16.

figures continued to climb.³⁰

On August 19, 1931, Hoover changed the committee's name to the President's Organization on Unemployment Relief. Walter S. Gifford, President of American Telephone and Telegraph Company, became chairman. The President's Organization on Unemployment Relief continued the operations of the Woods Committee.³¹ Harris Warren, in Herbert Hoover and the Great Depression, noted that Gifford failed to realize that the federal government could alleviate the sufferings of the unemployed. "Mr. Gifford," he wrote, "was abysmally ignorant about the entire program."³² By the end of 1931, the number of unemployed had reached 10.5 million. The Organization on Unemployment Relief had obviously not proved effective. According to Warren, it "nagged state officials, insisted that unemployment was a local problem, urged industrialists to spread the work, strove manfully to back up the President's philosophy, and minimized facts as to actual

³⁰Excellent discussions of the federal government's role in relief efforts prior to the New Deal is found in Edward Ainsworth Williams, Federal Aid for Relief (New York: Columbia University Press, 1939), pp. 7-57; Josephine Chapin Brown, Public Relief, 1929-1939 (New York: Henry Holt and Company, 1940), pp. 3-142.

³¹Warren, Herbert Hoover and the Great Depression, 188-197; Hopkins, Spending to Save, 13-42.

³²Warren, Herbert Hoover and the Great Depression, 197.

distress."³³ Clearly, the Organization on Unemployment Relief was not equal to the task at hand.

Meanwhile, considerable support had developed in Congress to provide federal relief to the unemployed. Senators Robert M. LaFollette, Jr., of Wisconsin, Edward P. Costigan of Colorado and Robert F. Wagner of New York spearheaded the movement. Introduced during December, 1931, the LaFollette-Costigan bill asked the federal government to appropriate \$375 million to supplement state relief appropriations. The bill designated a Federal Emergency Relief Board to allocate the funds, and the act was to be administered by the Chief of the Children's Bureau. In support of his bill, Robert LaFollette denied the contention that relief measures were the sole responsibility of local government. The Wisconsin senator observed that, "if any government entity is solely responsible for the economic disaster which has swept over this country . . . then clearly the responsibility is that of the Federal Government and not of local governments or of the counties or the States."³⁴

The LaFollette-Costigan bill caused the Senate Committee on Manufacturers and the House Committee on Labor

³³Ibid.

³⁴U.S. Congressional Record, 72d Cong., 1 Sess., 1932, LXXV, Part 3, 3070.

finally to conduct hearings as to the nature of unemployment conditions. During the winter of 1931-1932 congressmen began getting the grim facts about the need for relief if they were not already aware of them.

In testimony before the Senate Committee on Manufacturers, William Hobson, Executive Director of the Welfare Council of New York City, observed that in April of 1930 only 66 per cent of the people of that city were gainfully employed. He estimated at that time "there are not less than 250,000 families and unattached persons who are either in need or are receiving some kind of assistance from public or private relief agencies. He concluded that "the situation which has now arisen is that the spector of starvation faces millions of people who never before have known what it was to be out of a job for any considerable period of time and who certainly have never known what it was to be absolutely up against it."³⁵

Another witness testified that the problems of the unemployed were not restricted to New York City. Samuel A. Goldsmith, Executive Director of the Jewish Charities of Chicago, informed the senators that in April, 1930, 168,000 people were unemployed in Chicago. By October, 1931, the number had reached 624,000. Goldsmith observed

³⁵U.S. Senate, Committee on Manufacturers, Unemployment Relief, Hearings, 72d Congress, 1st Session (Washington: Government Printing Office, 1932), 12-14.

that "forty per cent of all people who may work, are able to work, and willing to work have no work in Chicago." As for the state of Illinois in 1932, about one-third of the labor force was unemployed.³⁶

Dorothy Kahn, Executive Director of the Jewish Welfare Society of Philadelphia, observed that in Philadelphia an organized representation of taxpayers had successfully opposed a tax increase. This opposition occurred because the voters suffered from tremendous burdens of debt, particularly because of delinquent rent payments. Crowded conditions resulted from inability to pay rent. A family of ten members moved in with a family of five in a three-room apartment. Scarcities of furniture and goods prevailed; privacy seemed non-existent. Miss Kahn noted that the Federal Bureau of Home Economics attempted to provide literature on how to live on a low income budget. She estimated that the minimum needs for an average family of five members cost \$21.80 a week, of which food at \$9.25 constituted the largest item. This total weekly amount, Kahn testified, was "about four times as much as our public bureau finds it possible to give at the present time."³⁷

Edward F. McGrady, Legislative Representative of the

³⁶Ibid., 99.

³⁷Ibid., 74-77. See also: Clark L. Brody, In the Service of the Farmer: My Life in the Michigan Farm Bureau (Lansing: Michigan State University Press, 1959), pp. 81-83.

American Federation of Labor, noted that more than 200,000 miners were unemployed in Indiana, Illinois, Tennessee, Pennsylvania, Kentucky and Ohio. McGrady charged that "a great many of these industrialists if left to themselves will not seriously attempt to solve the [unemployment] problem honestly and adequately." He recommended that if the employer failed to pay decent wages "a large share of their profits should be taken away from them by taxation and given to the impoverished workers through proper relief agencies."³⁸

The problem of malnutrition and starvation constituted a daily problem for many unemployed workers and their families. McGrady shows that relief payments in the first half of 1931 in 88 cities were greater than relief paid by 100 cities for the full year of 1930, and nearly four times the amount spent for family relief in 1929."³⁹ Dr. Theodore B. Appel, Pennsylvania's Secretary of Health, informed Surgeon General Cumming that "the first nine months of 1931 showed a low record of mortality and morbidity rates in Pennsylvania." The fall months revealed a definite increase in occurrence of nutritional diseases. Appel testified that "fairly complete data of fall school inspection among children indicate a State-wide increase

³⁸U.S. Senate, Committee on Manufacturers, Unemployment Relief, 146-149.

³⁹Ibid.

in malnutrition of an average of 10 to 15 per cent over last year, an increase varying according to economic conditions from 5 to 75 per cent."⁴⁰ Incorporated into Governor Gifford Pinchot's testimony were letters from unemployed Pennsylvanians. One individual informed the governor that he had six little children in his family. Unemployed for thirteen months and his wife in the hospital, he pleaded, "if you can help me please for God's sake and for the children's sake and lives please do what you can and send me some help. . . . I am willing to take any kind of work if I could get it now." Another letter informed the governor that \$12 a month from the county relief agency was insufficient to sustain life; starvation seemed to be a possibility.⁴¹

John L. Lewis, President of the United Mine Workers of America, criticized the effectiveness of the American Red Cross and community chest organizations. Lewis noted that those relief agencies spent their funds primarily in urban areas which usually did not include mineworkers. Lewis remarked that, "I do not know that the American Red Cross has put a single silver dollar into the mouths of the hungry miners or his babies in America." This analysis also

⁴⁰Ibid., 215.

⁴¹Ibid.

appealed to the efforts of community chest programs.⁴² Despite Lewis's overstatements, these remarks revealed the ineffectiveness of private charities to solve relief problems, especially in rural areas like Appalachia.

The distress caused by the depression struck every part of America. Oscar Ameringer, editor of the American Guardian testified that women searched for food scraps in the refuse piles of Seattle. The roads of the West and Southwest teemed with hungry hitch-hikers. Ameringer observed that "the camp fires of the homeless are seen along every railroad track."⁴³ When Ameringer visited Oklahoma, Texas, Arkansas, and Louisiana he saw cotton rotting in the fields because cotton pickers could not exist on the 35 cents paid for picking 100 pounds. "As a result of this appalling overproduction on the one side and the staggering underconsumption on the other side, 70 per cent of the farmers of Oklahoma were unable to pay the interest on their mortgages unless suffering was alleviated." County finances in Oklahoma, he said, completely failed to meet the

⁴²Ibid., 228.

⁴³U.S. House, Committee on Labor, Unemployment in the United States. Hearings, 72d Congress, 1st Session (Washington: Government Printing Office, 1932), 98.

demands of the unemployed.⁴⁴

The economic crisis of the winter of 1931-1932 was nationwide. Governor Gifford Pinchot of Pennsylvania perceptively analyzed the nation's problems and opinions concerning direct federal aid to the unemployed during that winter. Pinchot observed:⁴⁵

None of us is in favor of establishing any system which will give the unemployed money or even food when work can be given instead. But that choice is not before us. Industry and business are not giving men the chance to work. Nor are they feeding the unemployed. We must feed them if they are to retain any confidence in the Government under which they live. . . . There is no local crisis, no State crisis, it is nationwide. I can not believe that a national Government will stand by while its citizens freeze and starve without lifting a hand. I do not see how it can refuse to grant that relief which it is in honor, in duty, and its own interest bound to employ.

In February, 1932, Robert LaFollette sent questionnaires concerning unemployment and relief procedures to state and local officials in all states. LaFollette wanted to ascertain the severity of the depression and whether there was grass roots support for a federal aid

⁴⁴Ibid., 99, 103; see also: Hopkins, Spending to Save, 86. As a result of the economic sufferings of the depression a fear of revolution engendered. Some Americans believed that communism might spread throughout the nation. Especially there was a great fear of violence in the coal mining sections of Kentucky.

⁴⁵U.S. Congressional Record, 72d Cong., 1 Sess., 1932, LXXV, Part 2, 1172-1174.

program.⁴⁶ Mayor A. W. Scott of Holdenville, Oklahoma, enthusiastically supported federal aid and predicted that "any other man who has not had the milk of humanity completely eradicated from his bosom does."⁴⁷

Not all local officials who responded to LaFollette's questionnaire or Americans who testified before congressional investigating committees painted a dismal picture of relief efforts and unemployment conditions. Typical of those city officials opposing federal aid was Andrew F. Smyth, Mayor of Uvalde, Texas, who denied the need for direct federal assistance and firmly stated that "if it is necessary Uvalde will take care of their unemployed."⁴⁸ In some cases, there may have been a reluctance on the part of local officials to admit that a crisis existed; yet, some cities were meeting their unemployment problems. These municipal officials rejected the demands for federal aid as did other representatives of the nation. Testifying before the House Committee on Labor, James A. Emery, counsel for the National Association of Manufacturers, noted that the states had not exhausted their resources of taxation or private contributions.⁴⁹ Frank L. Peckham, vice-president

⁴⁶Ibid., LXXV, Part 3, 3099-3260.

⁴⁷Ibid., 3212.

⁴⁸Ibid., 3241.

⁴⁹U.S. House, Committee on Labor, Unemployment in the United States, 131.

of the Sentinels of the Republic, believed that the local and county relief agencies could conquer unemployment relief problems.⁵⁰ Mary G. Kilbreth, of the Women Patriot Corporation, condemned taxation for relief as communistic and ridiculed reports of malnutrition.⁵¹ There were many throughout the nation who did not believe that direct federal aid to the needy was needed or desirable.

The representatives of business in the United States generally supported the Hoover administration's opposition to federal relief measures. Silas H. Strawn, President of the Chamber of Commerce of the United States, informed Representative Bernhard Jacobsen that his organization opposed federal appropriations for relief by a vote of 2,534 to 197. The Chamber of Commerce's view held that unemployment relief could be met through private and local sources. However, the increasing severity of the depression tended to change the position of even some conservative Americans. By June 1932, Strawn recognized the inadequacy of local and private charities, and began supporting federal aid for the unemployed.⁵²

Earlier that year, on February 16, 1932, the Senate defeated the LaFollette-Costigan Bill by a vote of 35 to 48. Harris Warren attributed the defeat of the measure to

⁵⁰Ibid., 150.

⁵¹Ibid., 175.

⁵²Hopkins, Spending to Save, 74-76.

"the combination of regular Republicans and race-conscious Southern Democrats" who used "the pork-barrel, states-rights, self-respect, unbalanced-budget, historical-precedent, morale-weakening, it's-a-dole arguments."⁵³ Nevertheless, Congressional proposals for relief legislation continued. These proposals eventually resulted in the passage of the Emergency Relief and Construction Act of 1932 on July 21, in which the federal government decided to furnish direct relief to the unemployed which will be discussed later.

Meanwhile, on March 7, 1932, Congress authorized the Federal Farm Board to give the American Red Cross 40 million bushels of "surplus" government wheat for distribution to needy Americans. Altogether, during the Hoover administration, 85 million bushels of wheat held by the Grain Stabilization Corporation were provided for relief purposes to the American Red Cross.⁵⁴ Foster Rhea Dulles, a leading

⁵³ Warren, Herbert Hoover and the Great Depression, p. 203. See also: J. Joseph Huthmacher, Senator Robert F. Wagner and the Rise of Urban Liberalism (New York: Atheneum, 1968), pp. 93-94.

⁵⁴ Mordecai Ezekiel, "Government and Agriculture," Synopsis of discussion by Ezekiel before Round Table at Institute of Public Affairs, University of Virginia, July 13, 1934, mss. United States Department of Agriculture Library; Dulles, The American Red Cross, 286-293; Burns and Williams, Federal Work, Security and Relief Programs, pp. 17-18; U.S. House, Security, Work and Relief Policies, 29-30; Leverett S. Lyon and Victor Abramson, Government and Economic Life: Development and Current Issues of American Public Policy (Washington: The Brookings Institution, 1940), 926.

authority on the American Red Cross, observed that "the task of the Red Cross was to take over these immense quantities of wheat and cotton, with an over-all value of \$73,000,000; arrange for their processing into flour, livestock feed, cloth or clothing and then distribute the finished products to people in need throughout the entire country."⁵⁵ Dulles concluded that:⁵⁶

Over 27,000 carloads of wheat, 30,000 of flour and 7,800 of stock feed were shipped the length and breadth of the land. These supplies ultimately reached all but 17 of the 3,098 counties in the United States, and the end result was the distribution of over 10,000,000 barrels of flour to 5,800,000 families. In cotton distribution, 540,000 bales of finished garments, 211,000 of yard goods and 92,000 of blankets and comforters were handled. Approximately the same number of families as were given relief flour were the recipients of over 66,000,000 ready-made garments, 38,000,000 chapter-made garments and 3,000,000 blankets.

Despite congressional action, the federal government had not yet assumed direct responsibility for aiding victims of hunger, and the problems of price stabilization and agricultural surpluses remained unsolved. The Red Cross efforts were not sufficient to meet the crisis of the Great Depression.

During May and June, 1932, Representatives Homer T. Rainey and John Nance Garner, and Senator Robert Wagner

⁵⁵Dulles, The American Red Cross, 291.

⁵⁶Ibid., 292-293.

sponsored legislation which would have allowed the president to use \$100 million for direct relief purposes. The proposal authorized the Reconstruction Finance Corporation to loan money to individuals and finance selling American agricultural surpluses on the world market and to support an elaborate program of public works.⁵⁷

Hoover bitterly opposed the Wagner-Rainey legislation, and Garner's public works provisions. The President was not unsympathetic to the plight of the nation's needy. However, he still maintained that relief was a primary responsibility of private agencies, and local and state governments. Maintaining that "the course of unbalanced budgets is the road to ruin," in May, 1932, Hoover called for a balanced budget, drastic reduction of expenses, passage of adequate revenue legislation and passage of adequate relief legislation. The President wanted the Reconstruction Finance Corporation to loan the states \$300 million for aiding the unemployed and the farmer. He recommended that the corporation purchase bonds from local governments to aid public works projects, make loans to businesses, finance exports of agricultural commodities through loans, and make loans to the Federal Farm Board to enable the extension of farm cooperative activities. Hoover opposed a gigantic public

⁵⁷Warren, Herbert Hoover and the Great Depression, 205; U.S. Congressional Record, 72d Cong., 1 Sess., LXXV, Part 10, 11479, 11990.

works program at federal expense. The President continued to believe that "the maintenance of the sense of individual and personal responsibility of men to their neighbors and the proper separation of the functions of the Federal and local government require the maintenance of the fundamental principle that the obligations of distress rests upon the individuals, upon the communities, and upon the States."⁵⁸ For this reason he vetoed the Wagner-Rainey legislation. The failure of Wagner and Rainey to override Hoover's veto of July, 1932 revealed that the president had some congressional support for his beliefs and proposals.

A modified form of the Wagner-Rainey act met the President's approval on July 21, 1932. The passage of the Emergency Relief and Construction Act signified the entrance of the federal government into the field of direct relief. By this act, Congress authorized the Reconstruction Finance Corporation to use \$300 million for loans to state and local governments for relief purposes. The corporation would distribute the funds to the states and local governments which certified that their own resources could not meet the relief problem. The Reconstruction Finance Corporation could grant loans to private corporations engaged in slum clearance projects and in the construction of low cost

⁵⁸U.S. Congressional Record, 72d Cong., 1 Sess., LXXV, Part 10, 11596-11598.

housing. The bill also provided \$322,224,000 for emergency public works projects.⁵⁹

As a result of the Emergency Relief and Construction Act, the Reconstruction Finance Corporation loaned over \$280 million to 42 states, Hawaii and Puerto Rico. County and municipal governments had received another \$20 million. The seven states of California, Michigan, New York, Pennsylvania, Ohio, Illinois and Wisconsin received 60 per cent of the total funds when the Reconstruction Finance Corporation ended its relief activities on May 29, 1933. On the other hand, Massachusetts, Wyoming, Vermont, Nebraska, Connecticut and Delaware received nothing.⁶⁰

With the passage of the Emergency Relief and Construction Act, the President's Organization on Unemployment Relief went out of existence, but private agencies continued to function. During the winter of 1932-33 all relief expenditures reached a total of \$308 million. As Warren has noted, "thereafter private funds decreased rapidly until in 1935 only 1.5 per cent of the nearly \$841 million spent on relief came from private sources."⁶¹

Throughout Hoover's administration, Americans had

⁵⁹U.S. Statutes at Large, XLVII, Part I, 709-716.

⁶⁰Warren, Herbert Hoover and the Great Depression, 203-204.

⁶¹Ibid., 207.

gradually changed their opinions concerning the responsibility of the federal government in providing relief. The public had become convinced that recovery from the Great Depression would require the extensive use of federal power. Hoover's opponent in the election of 1932, Franklin D. Roosevelt, believed that the economic distress of the nation should be alleviated by federal action. Roosevelt had become convinced that the economic conditions had overwhelmed the agencies of local government and private philanthropy; the federal government's inherent duty was to prevent its citizens from starvation, he said.⁶² Speaking in Boston on October 31, 1932, Roosevelt noted that "this Nation, this national Government, if you like, owes a positive duty that no citizen shall be permitted to starve." According to Roosevelt, "while the immediate responsibility for relief rests. . . ., with local public and private charity, in so far as these are inadequate the States must carry the burden, and whenever the States themselves are unable adequately to do so the Federal Government owes the positive duty of stepping into the breach."⁶³

By 1932, many local and municipal agencies faced

⁶² Ibid., 279.

⁶³ Samuel I. Rosenman (compiler), The Public Papers and Addresses of Franklin D. Roosevelt: The Genesis of the New Deal, 1928-1932 (New York: Random House, 1938), I, p. 851.

bankruptcy. The state governments, which entered the relief picture at a late hour, proved ineffective to provide subsistence relief. Only about one-fourth of the unemployed received relief. Economy drives by the states curtailed or abolished many governmental services; this development also occurred on the local and county levels as governmental officials found it difficult to continue public assistance in the face of declining revenue.⁶⁴

The election of 1932 revealed America's changing mood on relief policies. Roosevelt's insistence that the federal government assume new responsibilities and obligations to help hungry people become increasingly popular. At the same time, Roosevelt called for a massive federal attack on the farm surplus problem. On September 14, 1932, Roosevelt delivered his major agricultural policy address at Topeka, Kansas. In the sunflower state, he emphasized his short-range program of relief for needy farmers. He promised tariff reductions to restore international trade and predicted that "the first result of that flow will be to assist substantially the American farmer in disposing of

⁶⁴Warren, Herbert Hoover and the Great Depression, 208; Washington Post, September 3, 1934, 1; Arthur M. Schlesinger, Jr., The Age of Roosevelt: The Crisis of the Old Order, 1919-1933 (Boston: Houghton-Mifflin, 1957), 249.

his surplus."⁶⁵ Roosevelt correctly concluded that Americans desired increased federal programs whether it was for agricultural aid or for unemployment relief. As Foster Rhea Dulles concluded, "agricultural aid and unemployment relief were forced by the relentless pressure of events. Whatever other aspects of the New Deal program remained open to doubts and criticisms, the revolutionary extension of the functions of the National Government was clearly sanctioned by the public."⁶⁶ Americans had changed their minds about how the relief problem should be approached. They were unwilling to any longer accept hunger in a land of plenty.

On the eve of Franklin D. Roosevelt's inauguration, there was a national crisis in regard to relief needs. Unemployed miners in Appalachia received flour from the Red Cross, used charity seeds to plant gardens and yet depended upon blackberries, roots, violet tops and weeds to supplement their diet. These developments revealed the paradox in America. Many unemployed Americans considered soap a luxury item; others were without funds or food, and hunger marchers had paraded in Chicago and New York. During

⁶⁵ Rosenman, The Public Papers and Addresses of Franklin D. Roosevelt: The Genesis of the New Deal, 1928-1932, pp. 697-698; see Donald R. Fusfield, The Economic Thought of Franklin D. Roosevelt and the Origins of the New Deal (New York: Columbia University Press, 1956), pp. 232-235.

⁶⁶ Dulles, The American Red Cross, 279.

1932 over 17,000 veterans descended on Washington, D.C., demanding payment of their bonuses. In urban areas, people wandered aimlessly in search of food and work. Over 13 million Americans were unemployed, nearly one American worker out of every four. Even those Americans lucky enough to be employed sometimes worked for subsistence wages. By the end of 1932, the weekly wage for iron and steel workers averaged 63 per cent less than in 1929. In July, 1932 women in Tennessee mills worked a 50 hour week and received \$2.39 for their efforts. Bread lines, soup kitchens, the increase in beggars, vagabounds and people fighting for garbage in the alleys outside restaurants indicated America's dilemma.⁶⁷

There was no lack of food or the material for clothing for these starving masses. The Department of Agriculture reported that at the beginning of the 1932-1933 season, the United States had 11,700,000 swine on American farms, and 400 million bushels of wheat and 13 million bales of cotton in storage. Indeed, huge surpluses existed; there was an abundance of food for all Americans. But the starving Americans failed to receive food, while at the same time the

⁶⁷ Broadus Mitchell, Depression Decade: From New Era Through New Deal, 1929-1941 (New York: Holt, Rinehart and Winston, 1962), pp. 104-107; Frederick Lewis Allen, Since Yesterday: The Nineteen Thirties in America, September 3, 1929-September 3, 1939 (New York: Harper and Brothers, 1939), pp. 45-50; Schlesinger, The Age of Roosevelt, The Crisis of the Old Order, 1919-1933, 3, 248-269, 440.

farmer did not enjoy prosperity, because he produced too much food. The Department of Agriculture reported that "the paint was off the barns; there were leaks in the chickenhouse roofs; the fences sagged from want of staples; the fields were bare of fertilizer." The farmer was a very poor man and because "there was so much cotton, so much tobacco, so many pigs and so much corn."⁶⁸ Farmers poured milk on the ground rather than sell it at a loss, and mobs halted farm mortgage sales. In these instances the farmers were supported by the Farmers' Holiday Association, the United Farmers' League and the Communist Party.

As 1932 ended, radical agrarian demands for federal action was revealed in the Farmers' National Relief Conference on December 7-10, 1932. This Washington conference, supported by the Farmers' Holiday Association and the American Communist Party, attracted two hundred and twenty-eight farmers from twenty-six states to hear reports of bad agricultural conditions, and adopt resolutions favoring increased federal aid to agriculture. The delegates proposed that "food products and supplies needed for relief of city unemployed should be purchased by the Federal Government directly from the farmers at a price which will insure the

⁶⁸U.S. Department of Agriculture, Agricultural Adjustment Administration, Achieving a Balanced Agriculture, 5-6.

cost of production plus a decent standard of living."⁶⁹ The conference also demanded that the federal government establish a minimum fund of \$500,000,000 for immediate relief of the farm population and that Congressmen defeat any legislation based on the theory of surplus production of food. The delegates recommended that commodity distribution of all products would be administered by local committees of farmers.⁷⁰

Through this conference the Communist Party hoped to lay the foundation for a permanent relationship with the American farmer. Yet, this effort failed because the Communists did not understand farmer opposition to outside leadership, the strength of rural radicalism, Populism's legacy of inflation and the difficulties of communication. As John Stover observed, the basic difficulty was the dualism of the Communist farm program; "the Communists fared well enough when they met farmers on their own terms and shaped pragmatic programs based upon immediate economic needs, but as soon as they advanced to their second objective; i.e., to lead the property-owning farmers toward a more mature radicalism and push forward the face of the

⁶⁹ John L. Stover, Cornbelt Rebellion: The Farmers' Holiday Association (Urbana: University of Illinois Press, 1965), p. 73.

⁷⁰ Mary A. Vorse, "The Farmers' Relief Conference," New Republic, LXXIII (December 28, 1932), 183-185.

party, they encountered resistance."⁷¹ Thus Van Perkins correctly concluded that the Farmers' National Relief Conference witnessed "a combination of indigenous, non-Communist Party, but in a much more important sense the conference was simply another expression of the discontent the Great Depression had created among the nation's farmers."⁷² These results would have occurred regardless of Communist influence. The farm strikes, violence and Farmers' National Relief Conference were a native American agrarian response to the times.⁷³ These events, occurring on the eve of Roosevelt's inauguration, dramatized the nation's plight and its failure to solve the paradox of poverty in a land of plenty.

⁷¹Stover, Cornbelt Rebellion. . . ., pp. 133-134.

⁷²Van L. Perkins, Crisis in Agriculture: The Agricultural Adjustment Administration and the New Deal, 1933 (Berkeley and Los Angeles: University of California Press, 1969), p. 19.

⁷³Stover, Cornbelt Rebellion, pp. 77-97.

CHAPTER II

THE ORIGIN OF THE FEDERAL SURPLUS RELIEF CORPORATION

Nature still offers her bounty and human efforts have multiplied it. Plenty is at our doorstep, but a generous use of it languishes in the very sight of supply. . . . Restoration calls . . . not for changes in ethics alone. This Nation asks for action, and action now.

Franklin D. Roosevelt¹

Thus spoke Franklin Delano Roosevelt in his first inaugural address. Roosevelt had stated the paradox between plenty and poverty with clarity and precision. The president recognized that his administration faced a dilemma with over 13 million Americans unemployed and hungry, while at the same time agricultural surpluses existed. How would Congress respond to the need to solve this contradiction? How would the nation solve the paradox of poverty in a land of plenty? The answers to these questions were partially answered during the hectic 100 day program which was rushed through Congress at the beginning of the New Deal. Among the significant laws were the Agricultural Adjustment Act and

¹U.S. House, Inaugural Addresses of the Presidents of the United States from George Washington, 1789 to Lyndon Baines Johnson, 1965 (Washington: Government Printing Office, 1965), 236.

the Federal Emergency Relief Act.

The Federal Emergency Relief Act created the Federal Emergency Relief Administration which represented a radical change in the federal relief program. In contrast to the procedure of the past where the federal government had loaned money to the states for relief, the federal government now began to participate directly in the financing and policy making in connection with public aid programs.² Endowed by Congress with a life of two years, the FERA received \$500,000,000 to be spent cooperatively with the states for unemployment relief. The states received half of this amount on a matching basis of one to three; thus, for every federal dollar, the states were expected to contribute three dollars for relief purposes. The remainder of the total amount formed a discretionary fund from which the federal government might make grants to states unable to meet their relief problem under the matching provisions. To administer this program, President Roosevelt appointed Harry L. Hopkins as Administrator of the Federal Emergency Relief Administration.³

²U.S. House, Security, Work and Relief Policies (Washington: Government Printing Office, 1943), 30-32.

³In addition to works cited in this chapter regarding the Federal Emergency Relief Administration's activities, see Doris Carothers, Chronology of the Federal Emergency Relief Administration, May 12, 1933 to December 31, 1935, Research Monograph VI, Works Progress Administration, Division of Social Research (Washington: Government Printing Office,

Harry Hopkins, upon his graduation from Grinnell College, had embarked upon a career in social welfare work. He had served with the Association for Improving Conditions of the Poor, the Board of Child Welfare in New York, the American Red Cross and the New York Tuberculosis Association. In 1931 he became director of the New York State Emergency Relief Administration during the governorship of Franklin Roosevelt.⁴

Hopkins's experiences in public and private welfare qualified him for the challenging role which he now faced. A sincere, sophisticated and cynical analyst, Hopkins had proved to be an honest and capable administrator. Moreover, he had a deep concern for the needy. According to New York Times correspondent Patrick Anderson, Hopkins once summed up his administrative philosophy in four words, "'Hunger is not debatable.'" Hopkins believed that "if people were hungry, government's job was to feed them - fast - and if a few dollars went down the drain in the rush that was too damn

1937); Federal Emergency Relief Administration, Monthly Reports of the Federal Emergency Relief Administration, May 22, 1933-June 30, 1936 (Washington: Government Printing Office, 1933-1936); Joseph Carlyle Ellett, "The Federal Emergency Relief Administration: An Experiment in Financing and Administering Unemployment Relief." Unpublished Ph.D. dissertation, University of Virginia, 1951; Sidney Baldwin, Poverty and Politics: The Rise and Decline of the Farm Security Administration (Chapel Hill: University of North Carolina Press, 1968), 58-68.

⁴For Hopkins's role in the depression see: Searle Charles Minister of Relief: Harry Hopkins and the Depression (Syracuse: Syracuse University Press, 1963).

bad."⁵ The FERA administrator realized that his immediate task was to establish operational procedures which would involve all governmental levels.

The burden of administering the relief to the needy ultimately rested on the local governments. As Hopkins explained it, "the investigation of relief clients, the determination of need, the administration of work relief projects, and innumerable activities connected with the disbursement of funds to the people in need were all conducted by local officials of the local relief administrations."⁶ These approximately 5,000 local relief agencies received state and federal funds from the state relief organizations. The state governments supervised the local operations. In contrast to popular belief, the FERA did not administer relief directly in the local areas. Besides granting appropriations to the states, which distributed relief food and goods to the local relief agencies, the FERA issued broad policy statements to promote minimum relief standards and the proper use of federal funds. The program then was, as Hopkins explained it, "primarily a local relief program, operated by local relief officials,

⁵Patrick Anderson, The President's Men: White House Assistants of Franklin D. Roosevelt, Harry S. Truman, Dwight D. Eisenhower, John F. Kennedy and Lyndon B. Johnson (Garden City, New York: Doubleday & Company, 1968), p. 68.

⁶Harry Hopkins, Spending to Save: The Complete Story of Relief (New York: W. W. Norton and Company, Inc., 1936), p. 99.

but financed largely by Federal funds."⁷

This concept coincided with Franklin Roosevelt's view of relief. Shortly after the creation of the FERA, Roosevelt stated that "the first responsibility of taking care of people out of work who are lacking housing, clothing or food - the first charge is upon the locality; then, if the locality has done everything that it can possibly do, it is the duty of the State to step in and do all the State can possibly do, and when the State can do no more, then it becomes the obligation of the Federal Government."⁸ Thus, the federal government served as a "court of last resort" rather than a "court of immediate jurisdiction" in relief matters. Yet Roosevelt realized in 1933 that a nationwide economic crisis existed that demanded immediate federal action.

A sense of urgency existed as the FERA prepared to assist relief agencies with their problems. The relief program was designed to aid unemployed urban workers, needy rural families and stranded populations where industry had

⁷Ibid., 97-107; Arthur E. Burns and Edward A. Williams, Federal Work, Security and Relief Programs. Research Monograph XXIV, Works Progress Administration, Division of Social Research (Washington: Government Printing Office, 1941), pp. 21-24.

⁸Samuel I. Rosenman (compiler), The Public Papers and Addresses of Franklin D. Roosevelt. Volume Two: The Year of Crisis: 1933 (New York: Random House, 1938), p. 238.

closed down during the depression leaving people unemployed.⁹ To solve these problems, there were two main ways of providing unemployment relief, direct relief and work relief. Hopkins noted that one method was "to give the outright allowance, either cash or a grocery order, to the person who needs it, and the other is to let the person work in return for the relief."¹⁰

Throughout the Roosevelt administration, these two methods of relief operated simultaneously. During the First New Deal from 1933 through 1935 direct relief predominated as exemplified by the activities of the Federal Emergency Relief Administration and the Federal Surplus Relief Corporation. On the other hand, during the First New Deal work relief was provided by the Civil Works Administration which put four million people to work during the winter of 1933-1934. During the Second New Deal work relief predominated. The main work relief agency was the Works Progress Administration; yet, direct relief measures continued through the Federal Surplus Commodities Corporation, a descendent of the

⁹ Harry Hopkins to Franklin D. Roosevelt, Memorandum, "The Genesis, History and Results of the Federal Relief Program," August 23, 1935. National Archives, Record Group 69.

¹⁰ Harry L. Hopkins, "Emergency Relief in the United States." Nationwide radio speech. October 11, 1933. mss. Record Group 69, National Archives. For a good discussion of the concepts note Marie Dresden Lane and Frances Steegmuller, America on Relief (New York: Harcourt Brace and Company, 1938), pp. 12-39.

Federal Surplus Relief Corporation.

From the start of the FERA, budgetary deficiency determined the basis on which relief would be given. As Enid Baird and Hugh Brinton observed, "the relief allowance or work-relief wage was to be sufficient to supply such portion of the estimated weekly or monthly needs as could not be provided from the resources of the individual or family."¹¹ The federal government did not superimpose a standard uniform budget but indicated that budget estimates should contain allowances for food, shelter, fuel, medical care and other necessities. Budget estimates varied greatly from state to state. In the case of food, federal policy ruled that "allowances were to be determined in accordance with standard food schedules set up by nutrition experts."¹² Through its advisory capacity, the federal government evidenced concern about the diet of the needy. Nutritional authorities realized that the nation possessed food surpluses especially pork in the form of low-priced hogs and a great deal of wheat. Thus, the immediate problem of food distribution served as a catalyst to try to do something about the twin

¹¹ Enid Baird and Hugh P. Brinton, Average General Relief Benefits, 1933-1938. Works Progress Administration (Washington: Government Printing Office, 1940), p. 2.

¹² Ibid., see also Mary A. Nicol, "Family Relief Budgets," Monthly Report of the Federal Emergency Relief Administration, June 1 through June 30, 1936. Federal Emergency Relief Administration (Washington: Government Printing Office, 1937), 140-165.

problems of agricultural abundance and hunger.

The initial attack on the paradox of plenty and hunger was aimed not at distributing food to needy people, but to develop an agricultural policy which would help the farmers. The distribution of food came mainly as a subsidiary activity resulting from the accumulation of farm commodities by the federal government under the Agricultural Adjustment Act.

To deal with the agricultural depression, plans and solutions flooded the offices of the President and Secretary of Agriculture. Many citizens found a solution in the Bible and recommended following the policy of Joseph in Egypt. They urged the government to purchase agricultural commodities for distribution during future droughts, plagues, and natural disasters.¹³

Not all solutions to the agricultural surplus problem possessed Biblical roots. John N. Chrisulaky of Washington, Georgia, proposed that the federal government "buy the surplus crop, set fire to it, and tax each bale of cotton left to repay the government."¹⁴ Another solution to the

¹³C. C. Barbour to Franklin D. Roosevelt, April 23, 1933; D. B. Eberhart to Franklin D. Roosevelt, June 3, 1933; see also John N. Steele to Franklin D. Roosevelt, August 13, 1933. National Archives, Record Group 16. As a solution to the agricultural surplus problem, individuals suggested Leviticus 25: 1-22 and Genesis. In Genesis, note especially Genesis 41: 28-37; 41: 48-49; 53-57; 42: 25.

¹⁴John N. Chrisulaky to Henry A. Wallace, August 25, 1933, National Archives, Record Group 16.

farm problem came from William Haglie of Canton, Texas, who believed that the federal government should establish a fixed price on agricultural commodities. This idea had numerous proponents.¹⁵

Another proposal which appealed to a wide audience was the Baker Plan of Agricultural Relief. This scheme, originated in the brain of Norman Baker of Muscatine, Iowa, who advocated a government sponsored farmer's union. The union would control the marketing of farm products and all governmental loans to the farmers. Yearly dues of ten dollars would be assessed members. Baker's plan, endorsed by the United Farm Federation of which he was secretary, was broadcast to Americans over radio station XENT of Nuevo Laredo, at a frequency of 150,000 watts.¹⁶

The Department of Agriculture received many other proposals. S. C. Tetwiler of Folkston, Georgia, anticipated a basic function of the Federal Surplus Relief Corporation when he recommended that the federal government buy and pay for the transportation of products from where a surplus existed to where it was needed.¹⁷ G. H. White of

¹⁵Two strong advocates of this type of plan were Julius Gess of Volt, Montana, and Haglie. Julius Gess to Henry A. Wallace, September 11, 1933; William G. Haglie to Henry A. Wallace, October 2, 1933. National Archives, Record Group 16.

¹⁶Norman Baker to Franklin D. Roosevelt, August 18, 1933, National Archives, Record Group 16.

¹⁷S. C. Tetwiler to Henry A. Wallace, September 2, 1933; Mordecai Ezekiel to S. C. Tetwiler, September 7, 1933,

Malvern, Iowa, also anticipated future governmental policy when he recommended that the government buy up surplus pork for the needy.¹⁸

The sale of surplus products abroad was also advocated by American farmers as a way to reduce surpluses. They anticipated credit and financing for the export of American products to the Soviet Union.¹⁹ Former Senator Smith Brookhart, now an administration specialist in Soviet trade, advocated selling agricultural surpluses to the Russians.²⁰ Jay Taylor, President of the Panhandle Live Stock Association, informed Secretary of Agriculture Henry Wallace, that "we would like very much to suggest to you that all possible machinery of financing and marketing be put into operation

National Archives, Record Group 16; Jacob Baker, "Radio Statement" Radio speech, September 7, 1934, mss., National Archives, Record Group 69. Jacob Baker, Assistant to the President, Federal Surplus Relief Corporation, noted: "The very simple process of taking the surpluses from one place and putting them in another took them from where they distributed the farm markets and put them where the unemployed could eat them. The Federal Surplus Relief Corporation was set up to do this."

¹⁸G. H. White to Henry A. Wallace, September 11, 1933, National Archives, Record Group 16.

¹⁹Smith W. Brookhart to Edward O'Neal, August 6, 1933, Confidential Letter, National Archives, Record Group 145. See also "Report of Conference Between Producers and Processors," July 6, 1933, National Archives, Record Group 145.

²⁰Smith W. Brookhart to George N. Peek, September 12, 1933, National Archives, Record Group 124.

immediately to furnish Russia with these cattle.²¹ These dreams of a new market in the Soviet Union collapsed when Foreign Minister Maxim Litvinov informed the United States that the Soviet Union wished to remain as self-sufficient as possible and did not desire a large export-import trade with the United States.²² Nonetheless, dreams of a lucrative agricultural trade persisted for some time after diplomatic recognition had been extended the Russians.²³

The flood of ideas which reached the Department of Agriculture were either ignored or given polite, non-committal replies. The Roosevelt administration had already decided how it would approach the farm problem. The New Deal would reduce surpluses through production control.

The Agricultural Adjustment Act passed in May, 1933,

²¹Jay Taylor to Henry A. Wallace, November 13, 1933; see also Jay Taylor to Marvin Jones, November 14, 1933; Harry Petrie to Marvin Jones, November 21, 1933, National Archives, Record Group 145.

²²Robert Paul Browder, The Origins of Soviet-American Diplomacy (Princeton, N.J.: Princeton University Press, 1953), pp. 176-177; "Our Prospective Russian Trade," The Producer, XV (February, 1934), 38.

²³Keith Southard, Executive Officer of the FSRC, recommended to Harry Hopkins that the Federal Surplus Relief Corporation "serve as an ideal mechanism for the actual buying and shipping of export products and fabricated goods in which the government credit is involved." This was in the event of trade with Russia, especially, and other countries as well. Keith Southard to Harry Hopkins, Memorandum, "Exports," December 20, 1933; see also Keith Southard to Jacob Baker, "Surplus Export Operations," Memorandum, November 26, 1933, National Archives, Record Group 124.

sought to restore farm purchasing power to the pre-war, 1909-1914 level, by bringing supply and demand into better balance. Under Title I and III of the AAA, the Secretary of Agriculture could license processors, producers' associations and others engaged in handling agricultural commodities, secure voluntary acreage reductions of basic crops through agreements with producers, regulate marketing practices through voluntary agreements, determine the necessity of processing taxes and use funds for the expansion of agricultural markets and the removal of agricultural surpluses. A special surplus disposal program supplemented the Agricultural Adjustment Administration's acreage allotment program. This included the use of processing tax funds to subsidize wheat and flour under marketing agreements effective October 10, 1933. Additionally, the National Corn-Hog Producers' Committee recommended immediate removal from marketing channels approximately four million pigs weighing less than 100 pounds and about one million sows about to farrow.²⁴

While New Dealers relied mainly on production control to raise prices and help farmers, it soon became evident

²⁴Gladys L. Baker, Wayne D. Rasmussen, Vivian Wiser and Jane Porter, Century of Service: The First 100 Years of the United States Department of Agriculture (Washington: Government Printing Office, 1963), pp. 146-147, 150, 152, 156; Earl O. Heady, A Primer on Food, Agriculture and Public Policy (New York: Random House, Inc., 1967), pp. 59-62.

that the Department of Agriculture would acquire surplus farm commodities under some of the department's programs. Indeed, the federal government already held large quantities of wheat and cotton acquired by the Federal Farm Board.

Consequently, in August 1933, Department of Agriculture officials began discussions with FERA representatives concerning possible distribution of surplus agricultural commodities to the needy. Secretary Wallace had already indicated that he favored federal aid to help those in need. Under his leadership, Wallace's Farmer and Iowa Homestead had conducted a relief campaign to aid Arkansas drought victims in 1931. When the American Red Cross did not have funds to distribute the corn and oats, Wallace thought it was tragic that the federal government would not ship the commodities. Rather than let the grain decay, Wallace paid for the shipment to Arkansas.²⁵

In September, the Executive Council of the AAA received a report of the inter-agency discussions, which had been conducted by Harry Hopkins of the FERA and his former Grinnell College classmate Chester Davis who represented the AAA. The Council learned on September 12 that the two discussants had agreed that "in principle everything feasible should be done to coordinate the activities of the AAA and the Federal

²⁵Edward L. Schapsmier and Frederick H. Schapsmier, Henry A. Wallace of Iowa: The Agrarian Years, 1910-1940 (Ames, Iowa: Iowa State University Press, 1968), pp. 134-135.

Emergency Relief Administration." The council sought the advice of regional directors handling relief who had attended this meeting. Their opinions were solicited as to the "adequacy of existing relief measures, and the practicability and desirability of using surplus food and other agricultural supplies for relief purposes." The council agreed that "before arranging for disposal of surplus agricultural products for relief purposes the AAA will require a certification that the result . . . will . . . be to increase consumption . . . and will not result merely in transferring the handling of products from private to public agencies." The AAA opposed distribution of agricultural surpluses which would decrease sales through regular business methods, indicating the Department's basic concern with helping farmers through regular market channels.²⁶ Yet, common sense dictated that some method be developed to utilize the surplus food in an effective and humane way. On September 11, President Roosevelt informed Wallace in a confidential memorandum: "Will you and Peek and Harry Hopkins prepare a plan for purchase of surplus commodities such as butter, cheese, condensed milk, hog products and flour to meet

²⁶Woodbury Willoughby to George N. Peek, Memorandum, "Memorandum to Mr. George N. Peek," September 22, 1933, National Archives, Record Group 145.

relief needs during the course of the winter."²⁷

Following conferences with the administrator of the Agricultural Adjustment Administration George N. Peek, Wallace and Hopkins, Roosevelt announced that the AAA would make future purchases of surplus agricultural commodities for distribution to the needy by the FERA. Already by September 21, 1933, the AAA had purchased 100,000,000 pounds of cured pork and allocated that amount to the FERA for distribution to the various state relief administrations.²⁸ On that day, the President announced that "by using funds of the Agricultural Adjustment Administration, supplemented by those of the Federal Emergency Relief Administration, and the nationwide network of State and local relief administrations for distribution, a real effort to bridge the gap between supplies and consumption will be made." Roosevelt stated that additional products were under consideration for relief distribution which included beef, dairy, poultry, cotton and cotton seed products. This action, the president believed, would promote the two major aims of the recovery program - "feeding and clothing the unemployed more adequately and

²⁷ Franklin D. Roosevelt to Henry A. Wallace, September 11, 1933, Official File. Franklin D. Roosevelt Papers, Franklin D. Roosevelt Library, Hyde Park, New York.

²⁸ Rosenman, The Public Papers and Addresses of Franklin D. Roosevelt. Volume Two: The Year of Crisis: 1933, p. 361.

hastening the agricultural recovery."²⁹ Roosevelt clearly perceived the paradox of starvation in a land of agricultural surpluses. Although the principle had been accepted, the means to solve the paradox had not been established in late September. The President and other federal officials were feeling their way along trying to work out some suitable way to handle food surpluses by using already established agencies.

The Emergency Hog Marketing Program and the plight of the nation's dairy industry served as the catalyst for the creation of the Federal Surplus Relief Corporation, a special agency to deal with the distribution of surplus food. On August 23, 1933, the AAA began the Emergency Hog Marketing Program. By October the Department of Agriculture had accumulated a wide variety of pork products from the slaughtering of 6,188,717 pigs and 222,149 brood sows at a cost of \$30,643,102.³⁰ Simultaneously butter prices had

²⁹ Ibid., 361-362.

³⁰ C. Roger Lambert, "New Deal Experiments in Production Control: The Livestock Program, 1933-1935," Unpublished Ph.D. dissertation, University of Oklahoma, 1962, p. 111. Lambert has presented a scholarly discussion of the Emergency Hog Marketing Program on pages 30 through 118; Van L. Perkins, Crisis in Agriculture: The Agricultural Adjustment Administration and the New Deal, 1933 (Berkeley and Los Angeles: University of California Press, 1969), p. 174, observed that "it is also likely that the entire commodity relief scheme was partly a response to the vast outpourings of protest against the idea of plowing up cotton, slaughtering little pigs, and limiting the planting of wheat while so many people were suffering from lack of food and clothing."

declined during the summer of 1933 because of huge surpluses. To aid the dairy industry, the federal government decided to purchase 60 million pounds of butter for distribution through relief channels. Wallace observed that:³¹

the paradox of want in the midst of plenty was constantly in our minds as we proceeded with schemes like the emergency hog slaughter and the butter purchases. To many of us, the only thing that made the hog slaughter acceptable was the realization that the meat and lard salvaged would go to the unemployed.

The slaughtering of millions of pigs and sows when many Americans were hungry created a moral dilemma for administration officials. George Peek favored the slaughtering of pigs under the Emergency Hog Marketing Program because he was for nearly anything which would raise farm prices. However, as Jerome Frank, counsel for the AAA noted, such action greatly disturbed the deeply religious Wallace. This "kind of hurt Wallace as it was a pretty disgusting sort of thing to do . . . when people were starving." To help the nation's needy and to lighten criticism of the AAA, Frank suggested giving the surplus pork to the FERA for distribution to the needy. At this point, Frank was more concerned with the consumer than the producer. On the other hand, Peek favored distributing surplus food abroad so that it would not reduce demands in the regular domestic market. The AAA adminis-

³¹Henry A. Wallace, New Frontiers (New York: Reynal and Hitchcock, 1934), pp. 182-183.

trator supported the farmer and opposed Frank's idea because "it would keep Hopkins from buying [meat]" and stimulating regular market demands.³²

Despite Peek's opposition as Administrator of the AAA, Frank prevailed in his ideas to distribute surplus pork to the needy. Discussions with Rexford Tugwell, Assistant Secretary of Agriculture and Harry Hopkins led to the creation of the Federal Surplus Relief Corporation. Frank recalled the birth of the Federal Surplus Relief Corporation.³³

³² Columbia University Oral History Project, Interview with Judge Jerome N. Frank by Mr. Dean Albertson on Tuesday 11, April, 1950, at Judge Frank's chambers. U.S. Court House, New York City, pp. 117-119, mss. in personal possession of Mrs. Jerome N. Frank, 217 Everit, New Haven, Connecticut. Interview with Mrs. Florence Kiper (Jerome N.) Frank, July 16, 1969. For Peek's view note Gilbert C. Fite, George N. Peek and the Fight for Farm Parity (Norman: University of Oklahoma Press, 1954), pp. 248, 262; George N. Peek with Samuel Crowther, Why Quit Our Own (New York: D. Van Nostrand Company, Inc., 1936), pp. 112-123.

³³ Columbia University Oral History Project, Interview with Judge Jerome N. Frank by Mr. Dean Albertson on Tuesday 11, April, 1950, at Judge Frank's chambers. U.S. Court House, New York City, pp. 117-119, mss. in personal possession of Mrs. Jerome N. Frank, 217 Everit, New Haven, Connecticut. Interview with Mrs. Florence Kiper (Jerome N.) Frank, July 16, 1969. See also: Florence Kiper Frank, "Review of the Coming of the New Deal by Arthur M. Schlesinger, Jr." Yale Law Journal, LXVII (July, 1959), 1723-1727; Arthur M. Schlesinger, Jr., The Age of Roosevelt, Volume Two: The Coming of the New Deal (Boston: Houghton Mifflin Company, 1958), p. 278; Walter Edward Volkmer, "The Political Philosophy of Jerome N. Frank," Unpublished Ph.D. dissertation. Rutgers University, 1963. Volkmer concludes that the idea for the FSRC came to Frank as Department of Agriculture officials debated the problem of surplus pork which had accumulated from the Emergency Hog Marketing Program.

Tugwell and Harry Hopkins came over to my house. . . . We talked out ways to accomplish this thing with the knowledge that Peek would do everything to oppose it, . . . Once he'd made up his mind that this was bad for the farmers, to hell with it.

The idea was to have some joint operation between Hopkins and AAA for which AAA would buy the products and Hopkins would pay for processing them because AAA had no money for that purpose. I suggested forming the Federal Surplus Relief Corporation. We suggested who should be on it. We discussed that Wallace would be a director, and Harold Ickes, because they knew he was friendly, and Hopkins. . . .

They went up to Hyde Park and got blessing [from Franklin D. Roosevelt]. I was told to go full steam ahead and it would be done promptly. I was bothered that if we organized this corporation, the controller general would step in and say we had no right to organize, although the corporation itself would really be a conduit. . . . So I did something that maybe was politically immoral. I organized the corporation. It cost about thirty-five dollars to organize it and I paid it out of my own pocket. I never got the money back.

Hopkins received Roosevelt's consent after a three hour conference at Hyde Park. The President then announced on October 1 that he had instructed Hopkins to become chairman of a non-profit corporation which would buy the necessities of life and distribute them to the nation's needy. Roosevelt concurred with Hopkins that an emergency relief corporation would be the most effective instrument in aiding farmers and the unemployed.³⁴ Consequently, on October 4,

³⁴Rosenman, The Public Papers and Addresses of Franklin D. Roosevelt. Volume Two: The Years of Crisis, 1933, 370. New York Times, October 2, 1933, p. 4.

the FSRC was incorporated under the laws of Delaware to achieve these purposes. The objectives of the new agency included:³⁵

(a) to relieve the existing national economic emergency by expansion of markets for, removal of, and increasing and improving the distribution of, agricultural and other commodities and produce.

(b) to purchase, store, handle and process surplus agricultural and other commodities and products . . . and to dispose of the same so as to relieve the hardship and suffering caused by unemployment and/or to adjust the severe disparity between prices of agricultural commodities and other commodities and products,

(c) to perform any and all functions, and exercise any and all powers, that may be duly delegated to it under . . . the following Acts of Congress. . . .

1. The Agricultural Adjustment Act
2. Title II of the National Industrial Recovery Act. . . .
3. The Federal Emergency Relief Act of 1933. . . .

(d) to perform any and all functions, and exercise any and all powers, that may be duly delegated to it under . . . any amendment . . . to said Acts of Congress.

The corporation officials included Harry L. Hopkins, President; Henry A. Wallace, Vice-President; Harold L. Ickes, Treasurer; Oscar L. Chapman, Assistant Secretary of the

³⁵ Certificate of Incorporation of the Federal Surplus Relief Corporation. George N. Peek Papers, Western Historical Manuscripts Collection, University of Missouri, Columbia, Missouri; see also: New York Times, December 21, 1933, 4.

Interior, was appointed Assistant Treasurer. Mrs. Kathryn Godwin, Hopkins's Secretary in the FERA, became secretary of the FSRC. Jerome Frank, General Counsel of the AAA, assumed the additional responsibility of general counsel of the FSRC.³⁶

The FSRC was not intended merely to be a liaison between the AAA and the FERA. Government officials anticipated that the new corporation would provide food, clothing and fuel through the already established distribution systems of the state emergency relief administrations to the nation's needy during the winter of 1933-1934. Purchases of coal for the needy were contemplated from the beginning of the FSRC. This latter development primarily resulted from humanitarian concern for the unfortunate, but secondarily, it was a governmental response to a strike of 100,000 bituminous coal miners in western Pennsylvania who demanded better wages and employment. The FSRC intended to aid the destitute coal miners.³⁷ The FSRC had broad powers to aid the needy. As Jerome Frank observed, "the charter of the Federal Surplus

³⁶Federal Emergency Relief Administration, "Federal Surplus Relief Corporation Gets Under Way," Press Release No. 268, October 5, 1933, National Archives, Record Group 124; Harry Hopkins to Harold Ickes, October 15, 1933, National Archives, Record Group 124. Hopkins revealed that, "I had a long talk with the President about the Federal Surplus Relief Corporation. He is anxious that I act as chief executive officer . . . so that this means that we do not need a full time man to act in that capacity."

³⁷New York Times, October 1, 1933, I, 1.

Relief Corporation was big enough to do anything." Corporation officials perceived the FSRC "as a joint agency to which would be contributed the cost of buying and processing - the money for one coming from one agency and for the other from the other."³⁸ The founders of the FSRC realized that the corporation's funds would be granted from the FERA and the AAA.

At its birth, the FSRC did not receive congressional appropriations. However, about \$330,000,000 still remained unspent from previous congressional appropriations for direct federal relief. These funds were transferred to the FSRC from the FERA. The States were expected to contribute an equal amount from other federal or state appropriated sources. Additionally, government officials anticipated that after November 5, 1933 the AAA would contribute about one-fourth of the money which it received from the processing tax on swine. These funds amounting to an estimated \$40 million, would be used by the FSRC to distribute surplus food.³⁹

Endowed with financial support, the FSRC hoped to accomplish four basic achievements. First, the corporation would succor the needy. Relief activities would provide aid

³⁸ Columbia University Oral History Project, Interview with Judge Jerome N. Frank, 120.

³⁹ New York Times, October 1, 1933, I, 1; New York Times, October 2, 1933, 4; New York Times, October 18, 1933, 38.

to unemployed Americans until they could be absorbed into work relief projects or into American industry. Secondly, the FSRC would assure harmonious cooperation in the federal relief program. According to Harry Hopkins the FSRC "was designed to act and to coordinate the activities of the several departments of the Government which were represented on the Board of Directors of the Corporation."⁴⁰ A third objective was to contribute materially to the economy through federal expenditures for relief, and finally to increase farm income.⁴¹

Aid to agriculture was a paramount consideration from the beginning. Roosevelt "anticipated that in cooperation with Secretary Wallace and George Peek . . . the plan [operations of the FSRC] will be speedily worked out so as to result in an effective and combined attack upon the relief problem and upon surpluses of agricultural and other products which have been holding down farm prices." Thus the FSRC, invested with powers to purchase products directly from the farmers, as well as processors, was seen by governmental officials as an effective agent in carrying out the

⁴⁰ Harry Hopkins to James F. Byrnes, Memorandum, February 20, 1935, National Archives, Record Group 124. This memorandum was prepared by Jerome N. Frank.

⁴¹ New York Times, October 1, 1933, I, 1.

⁴² New York Times, October 2, 1933, 4.

purpose and spirit of the Agricultural Adjustment Act.⁴³

Now, according to Wallace, the nation possessed a "mechanism through which the surplus could reach the hungry."⁴⁴ Henry Wallace observed that "not many people realized how radical it [the FSRC] was, - this idea of having the Government buy from those who had too much, in order to give to those who had too little." The Secretary of Agriculture did not believe that this direct method "of resolving the paradox of want in the midst of plenty" could ever have "gone beyond the discussion stage before 1933."⁴⁵ Wallace hoped that the FSRC would purchase industrial, as well as agricultural surpluses. The Secretary of Agriculture realized that surpluses had occurred partly at least because Americans, particularly the needy, had consumed an adequate amount of food. With the creation of the FSRC, the federal government possessed the means to supply the needy with surplus food and increase over-all consumption. Wallace realized that the FSRC could not absorb all farm surpluses, nor could Americans eat all of the surplus food. However, the corporation gave the Department of Agriculture

⁴³Ibid.

⁴⁴Henry Wallace, New Frontiers, 183. Wallace noted that "the Federal Emergency Relief Administration was in part such a mechanism, but it could not utilize existing surpluses as directly and effectively as the new corporation [the FSRC] could."

⁴⁵Ibid., 183-184.

"new assurances that no one would go hungry or ragged because of any of our adjustment programs."⁴⁶

The creation of the FSRC failed to arouse much public or congressional notice. Americans were used to non-profit governmental corporations for a variety of purposes. These included such corporations as the Emergency Fleet Corporation, the United States Housing Corporation and the Reconstruction Finance Corporation.⁴⁷ These corporations had expedited progress when the government engaged in activities which required the cooperation of businessmen. Businessmen preferred dealing with an independent corporation with a government charter rather than a government agency directly under the control and management of the federal government. Also governmental corporations facilitated work between departments or agencies of the federal government as in the

⁴⁶ Ibid.

⁴⁷ Lee Pressman to Harry Hopkins, "Opinion on the Use of Corporations by the Federal Government." Inter-Office Communication, February 27, 1935. Harry L. Hopkins Papers. Franklin D. Roosevelt Library, Hyde Park, New York. Government chartered corporations were not a new development. The Continental Congress of 1786 had chartered the Bank of North America. Since the start of World War I, major governmental corporations had been chartered. These included the War Finance Corporation (1918), Spruce Production Corporation (1918), United States Sugar Equalization Board, Inc. (1917), United States Grain Corporation (1917), Inland Waterways Corporation (1924), Federal Land Bank (1916), Regional Agricultural Credit Corporation (1932), Textile Foundation, Inc. (1930), and Federal Home Loan Banks (1932).

case of the FSRC's relationship with the AAA and FERA.⁴⁸

By design, the FSRC's birth had purposely been kept quiet, for the new corporation marked a bold expansion of the concept of relief and the role of the federal government in an area previously reserved to the states and local communities. The organizers of the FSRC did not desire publicity, because they feared that public opinion might kill the FSRC during its early months. For this reason, the corporation's certificate of incorporation was not made public until December 20, 1933. By that time, the FSRC had been organized and was operating.⁴⁹ Activities of new governmental agencies, like the Civil Works Administration, combined with other New Deal alphabetical agencies and the holiday spirit, overshadowed news of the FSRC's charter. As silent as a solitary raindrop's splash upon a window pane, the general public hardly noticed the FSRC's revolutionary provisions.

Nevertheless, some observers recognized and commented on the new program. J. Gilbert Evans, of the University of North Carolina, wrote in October that "the recent purchases of food and other supplies and the formation of the new corporation [FSRC] for making such purchases in the future is an excellent move although it will undoubtedly be found

⁴⁸ Ibid.

⁴⁹ New York Times, December 21, 1933, 1, 4.

necessary to expand its operations."⁵⁰ The Literary Digest also commented that the FSRC had been created to take over the major part of the relief burden. The journal noted that, "The Federal Government, . . . has promised that the big bad wolf shall be kept from the door, that there shall always be a stick on the woodpile, a lump of coal in the bin."⁵¹

After the FSRC had made its charter public in December, additional newspaper comment occurred. The New York Times editorialized that despite the FSRC's broad powers, the corporation apparently intended to limit its functions to the purchase of agricultural surpluses for the needy and act as an agent in retiring submarginal farms from cultivation.⁵² This latter function led the St. Joseph (Mo.) News Press to comment that "the suggestion is about the newest approach to the Russian system that has come from an official source."⁵³ The New York Herald Tribune called the FSRC "A New Monster," the newspaper observed that the corporation opened up "limitless possibilities for Federal

⁵⁰ J. Gilbert Evans to Franklin D. Roosevelt, October 4, 1933. National Archives, Record Group 16.

⁵¹ "America's Billion-Dollar Relief Program," The Literary Digest, CXVI (November 18, 1933), 33.

⁵² New York Times, December 22, 1933, p. 20.

⁵³ "The Vast Powers of the FSRC," The Literary Digest, CXVII (January 6, 1934), 8.

interference and regulation."⁵⁴ Yet, basically the FSRC went unnoticed or its functions received only minor attention. The activities of other New Deal agencies received far more publicity. Congress failed to recognize the FSRC until April 7, 1934, when it authorized "the sum of \$50,000,000 to be appropriated to enable the Secretary of Agriculture . . . to make advances to the Federal Surplus Relief Corporation for the purchase of dairy and beef products for distribution for relief purposes."⁵⁵

During the first year of the New Deal, the federal government had recognized the paradox of want in the midst of plenty. The initial efforts had been to provide parity prices for a number of agricultural products, which it was believed would aid financially depressed farmers. The surplus problem had been attacked through acreage reduction agreements. In the process, the federal government removed price-depressing supplies of food from the agricultural market, at the same time accumulating large amounts of food products. This situation had been revealed by the operation of the Emergency Corn-Hog Marketing Program in which the government purchased surplus hogs. The necessity of

⁵⁴Ibid.

⁵⁵Lee Pressman to Harry Hopkins, "Opinion on the Use of Corporations by the Federal Government," Inter-Office Communication, February 27, 1935. Harry L. Hopkins Papers. Franklin D. Roosevelt Library, Hyde Park, New York.

handling the meat from this program and to aid the dairy industry were the immediate causes for organizing the Federal Surplus Relief Corporation. With the creation of the FSRC the nation now possessed the means to solve the paradox of want in the midst of plenty. Now, the federal government could easily procure agricultural surpluses, remove them from the market, benefit the farmer and distribute the food to state and local governmental relief agencies to be used by the poor. In this manner, the nation's destitute could be fed from the bounty of America's farms.

CHAPTER III
ADMINISTRATION, POLICY DETERMINATION AND
GOVERNMENTAL RELATIONSHIPS OF THE FSRC

Harry Hopkins remarked that "the Federal Government is not going to countenance relief on a standard so low that the needy unemployed are only a calory or two ahead of the Grim Reaper." Faced with the prospects of increased unemployment, starvation and a hard winter, a sense of urgency existed when the FSRC was organized in October, 1933. Hopkins pledged that "we are going to see that relief is given quickly and on a basis of reasonable adequacy."¹ As a procurement and distribution agency of the FERA, the FSRC quickly plunged into its tasks. Keith Southard, Executive Officer for the FSRC, later recalled "we . . . had in front of us the question of getting underway quickly . . . there was no time to be lost." Southard stated that "between the 4th of October and about the middle of November, we actually got the whole machinery started."²

¹Harry L. Hopkins, "Emergency Relief in the United States," Nationwide speech, October 11, 1933, mss. National Archives, Record Group 69.

²Report on Conference on Commodity Distribution, New York City, October 4th and 5th, 1934, mss., p. 2. National

The administration of the Federal Surplus Relief Corporation consisted of the Board of Directors, President, Vice-President, Treasurer, Assistant to the President and the Executive Officer. Harry L. Hopkins, as president, headed the FSRC's administrative organization. The corporation's by-laws provided that the president should be the corporation's chief executive officer and have "general and active management of the business of the corporation." Hopkins's responsibility included executing bonds, mortgages and serving as ex-officio member of all standing committees. Hopkins actively participated in the actual operation of the corporation.³ He exercised the final judgment concerning FSRC policy and administrative matters. However, he was not afraid to delegate responsibility to subordinate officials.

Henry Wallace, vice-president, and Harold Ickes, Treasurer, played smaller roles in the actual operation of the corporation. Wallace, as Secretary of Agriculture, played an important part in making surplus agricultural commodities available for distribution by the FSRC and in

Archives, Record Group 124; New York Times, October 1, 1933, Sec. II, p. 13 reported that the first consignment of surplus pork for the unemployed had been shipped to Butte, Montana. The pork had been donated by the AAA; New York Times, October 12, 1933, p. 5. Butter was the first major product purchased by the FSRC from producers.

³Federal Surplus Relief Corporation, "By-Laws," p. 7. mss. George N. Peek Papers. Western Historical Manuscripts Collection, University of Missouri, Columbia, Missouri.

co-ordinating the activities of the Agriculture Department with the FSRC. In Hopkins's absence, Wallace presided at board meetings and exercised final authority in the FSRC's decision making process. Wallace clearly was the most important director of the corporation besides Hopkins.

Ickes, as Treasurer, kept custody of the corporate funds and securities and full and accurate accounts of receipts and disbursements. Ickes also possessed the power of disbursing the funds of the corporation.⁴ As far as can be determined, Ickes played a minor role in policy making. This was also true of William I. Myers, Governor of the Farm Credit Administration, who became a director on December 8, 1933.

For the post of Assistant to the President, Hopkins chose Jacob Baker, an amiable native of Costilla County, Colorado. Following a youth spent on a Colorado ranch, Baker had received his education in Agricultural Engineering and Education at Colorado Teachers College and the University of California. Baker became an industrial engineer in Mexico during 1918. In 1926 Baker became Managing Director of the Vanguard Press, where he enjoyed a pleasant relationship with the poet Ezra Pound. In 1933 Baker became an assistant administrator in the FERA. As FERA administrator, he headed the work relief program prior to his association

⁴Ibid., 8.

with the FSRC.⁵ As Assistant to Hopkins, Baker exercised administrative and executive functions delegated by Hopkins. In this capacity, he was mainly responsible for coordinating the activities of the FSRC and the FERA.⁶ Next to Hopkins, Baker was the most important individual in the policy-making process of the FSRC.

Harvard-trained Keith Southard completed the FSRC administrative triumph. Southard had served as Vice-President of the John A. Manning Paper Company of Troy, New

⁵Jacob Baker to Ezra Pound, November 15, 1934, National Archives, Record Group 124; Harold Hopkins to Harold Ickes, October 15, 1933, National Archives, Record Group 124; M. D. David, Chief, Civilian Reference Branch, National Personnel Records Center to Irvin May, August 26, 1969. Jacob Baker was born on July 8, 1895 and educated in education and agricultural engineering at Colorado Teachers College and the University of California. Before becoming an industrial engineer in Mexico in 1918, Baker had been employed as a District Director of the War Emergency Activities in California during World War I and had taught high school science and agriculture in Idaho and California. From 1919-1926 Baker was employed as an industrial engineer with five different firms. In February, 1926, he became Managing Director of Vanguard Press - a post he held until becoming Assistant Administrator of the Federal Emergency Relief, Civil Works and Works Progress Administrations from June, 1933 through June, 1937. During that time, he served as Chairman of the Industrial Committee of the National Resources Committee and wrote three books: Cooperative Enterprise (1937), Concerning Government Benefits (1936) and Cooperative Enterprise in Europe (1937).

⁶Keith Southard to Paul Gibbons, "Federal Surplus Relief Corporation: Description of Duties, Functions and Services Represented by Attached Functional Chart," National Archives, Record Group 124; Who's Who in Commerce and Industry, Fifth International Edition. (Chicago: The A. N. Marquis Company, 1947), p. 83.

York and Treasurer and Secretary of Durex Abrasives Corporation of New York City before becoming Executive Officer of the Federal Surplus Relief Corporation in November, 1933.⁷

As Executive Officer, Southard supervised the day-to-day operations of the corporation. He constituted the coordinating link between administration and operations.

Southard was "directly responsible for the proper execution by the operating departments of plans and policies initiated and authorized by the Board of Directors and administrative officers."⁸

The Federal Surplus Relief Corporation was organized on a vertical basis. The FSRC's directors, who as a group did

⁷M. D. Davis to Irvin May, August 26, 1969; Mrs. Dorothy Phillips, Associated Harvard Alumni, to Irvin May, August 19, 1969, Louis Keith Southard was born on June 29, 1882 and died on January 27, 1955. Southard graduated from Harvard University in 1904 cum laude. For his Harvard University 25th Anniversary Class Report, Southard wrote: "Succeeding the lean facts of previous reports: divorce, alimony, re-marriage, turning security into unsuspected insecurity have been illuminating experiences. It set my mind to questioning, and sent me back to school to take up education where it was so characteristically dropped in June, 1904. Recent developments in anthropology, biology, psychology and sociology have provided exciting work available at Columbia University and the New School for Social Research to balance the exactions of business. Extensive travel on both sides of the Atlantic drew me far from Puritan ancestry, Boston, the Republican Party, and all the fearful duties of domesticity. Dancing, the theatre, love making and evasion of prohibition have been among my more satisfying though less serious pursuits." In May, 1935, Southard resigned his position with the FSRC to become Executive Officer of the Resettlement Administration.

⁸"Functions of Executive Officer," National Archives, Record Group 124.

not play a major role in the actual administrative operation of the corporation, believed that this method insured prompt handling of all matters and obtained efficient operation.⁹

The FSRC consisted of two main divisions which operated separately but in conjunction with each other. The Procurement Division issued schedules, received bids and awarded contracts. Headed by Lieutenant Commander A. B. Clark, who was detailed from the Navy Supply Corps, this division followed the United States Navy procedures. The Distributing Division planned and organized channels of distribution to stores and commissaries. William A. Nielander, Director of Commodity Distribution, administered this part of the program, but he was replaced by William L. Nunn in November, 1934.¹⁰ Other important members of the FSRC team

⁹"Federal Surplus Relief Organization Chart." Federal Surplus Relief Corporation, Report of Federal Surplus Relief Corporation for the Period October 4, 1933 to December 31, 1934 (Washington: Government Printing Office, 1934), p. i; "Discussion of Administrative Activities, Divisional Duties Etc., as Outlined in the Organizational Chart," mss., 17 pp., National Archives, Record Group 124.

¹⁰M. D. Davis to Irvin May, August 26, 1969. William Ahlers Nielander was born in Pittsburgh, Pennsylvania in 1901 and graduated from the University of Pittsburgh with a B.S. in Business Administration in 1930. Nielander received his M.S. from Columbia University in 1931. After teaching at the University of Pittsburgh, Nielander became Director of Distribution for the Pennsylvania Emergency Relief Administration. That same year, he resigned to become the first Director of Commodity Distribution for the FSRC. On November 5, 1934, Nielander resigned to become an Associate Agricultural Economist for the AAA.

Nielander was succeeded by William Lee Nunn. Nunn was born on November 14, 1902 and graduated from Oglethorpe

included Lieutenant Commander Joseph Simon, Disbursing Officer,¹¹ and W. E. Linden, Counsel.¹² Other heads of FSRC departments have been noted in the Federal Surplus Relief Corporation Organization Chart.¹³

As a non-stock, non-profit organization, the FSRC was to receive money from the States, Territories and District of Columbia, under stipulation that it be used for relief

University (A.B., 1922) and Columbia University (M.A., 1924). Nunn taught at Oita College, Oita, Japan and returned to become an instructor in Economics at the University of Pittsburgh. In 1929, he became associated with New York University and in 1931, professor of Economics at Dana College, Newark, New Jersey. Nunn joined the FERA in 1934 as Assistant to the Chief Engineer and later that year became Director of Commodity Distribution of the FSRC.

¹¹Joseph Simon, "Memorandum," June 19, 1934, National Archives, Record Group 124. Simon was detailed from the Navy and reported to Harry Hopkins on November 13, 1933 for service as a distributing officer. Simon revealed that "in general, my duties consist of planning to carry out and report upon fiscal investigational, regulatory and specialized audit work, often presenting very difficult and unusual questions of general and specialized fiscal accounting principles, methods and practices and a careful study and application of the special laws, decisions, office methods, rulings and procedures applicable to the work involved. All vouchers for receipt of funds are prepared under my supervision."

¹²M. D. Davis to Irvin May, August 26, 1969. Although Jerome Frank served as General Counsel for the FSRC, the day-to-day legal problems were handled by William Edgar Linden. Linden, born May 27, 1891, graduated from Georgetown University School of Law (1922) and became a State Department Counsel for the Mexican Claims Commission, a post he held until becoming an attorney for the Civil Works Administration and the FSRC in November, 1933. After service with the FSRC, Linden continued his governmental service as a lawyer for the Federal Works Administration.

¹³Federal Surplus Relief Corporation. Report of the

FEDERAL SURPLUS RELIEF CORPORATION

ORGANIZATION CHART

BOARD OF DIRECTORS

Ickes Wallace
Hopkins Myers

PRESIDENT

Harry L. Hopkins

SECRETARY

Kathryn Godwin

ASSISTANT TO
THE PRESIDENT

Jacob Baker

GENERAL
COUNSEL

Jerome N. Frank

EXECUTIVE
OFFICER

Keith Southard

OFFICE
MANAGER

Issac McBride

DIRECTOR OF
DISTRIBUTION

Wm. L. Nunn

FISCAL
OFFICER

W. B. Robertson

DIRECTOR OF
PROCUREMENT

Lt. Comdr.
A. B. Clark

DISBURSING
OFFICER

Lt. Comdr.
Joseph Simon

MANAGER
CHICAGO OFFICE

Capt. Geo. C.
Isbester

COUNSEL

W. E. Linden

PUBLICITY

Oliver Griswold

AUDITOR

P. O. Ostrye

purposes.¹⁴ As has been noted earlier, the corporation received additional funds from the AAA which were obtained through processing taxes and from allocations of the Federal Emergency Relief Act of 1933 and related legislation.

Actually, the FSRC received only federal funds. The money allocated from the states had originally come from the government and had been given to the states for relief purposes.¹⁵

The FSRC used these funds for the purchase of surplus commodities as "an agent for the various states in centralizing the procurement of products and paying for

them."¹⁶ A surplus, consisted of "that part of the total supplies, which, if removed or otherwise handled, would result in remunerative prices and grower income," and "that part of a supply, which, at a given supply place can not be sold."¹⁷

The FSRC obtained agricultural surpluses by three

Federal Surplus Relief Corporation for the Period October 4, 1933 to December 31, 1934, 1.

¹⁴Ibid., 1.

¹⁵Harry Hopkins. Report. p. 2, March 2, 1935, National Archives, Record Group 124.

¹⁶Federal Surplus Relief Corporation, Report on Conference on Commodity Distribution, Washington, D.C., September 19-21, 1935." mss., pp. 47-48. National Archives, Record Group 145.

¹⁷Ray Harvey, Want in the Midst of Plenty: The Genesis of the Food Stamp Plan (Washington: American Council on Public Affairs, 1942), p. 9.

methods. First, the FSRC purchased agricultural products under competitive bidding contracts with its own funds. The corporation used this method "when the relief situation indicated immediate need for certain commodities."¹⁸ The FSRC accepted bids and awarded contracts based on specific price offers. Transportation costs and time of delivery influenced the FSRC's bidding.¹⁹ When this method was used, the FSRC acted in conjunction with the AAA. Hopkins revealed that "it has been the custom . . . to have a committee consisting of representatives from the Triple A together with Mr. Keith Southard, and from time to time others especially interested, prepare a recommendation for me giving the reasons why a particular surplus should be purchased and in what amounts."²⁰ Harry Hopkins made the final decisions.

Administrative officials in the Department of Agriculture, AAA and FSRC recognized that the FSRC was established as a subsidiary and complementary organization

¹⁸Federal Surplus Commodities Corporation, Report of the Federal Surplus Commodities Corporation for the Calendar Year, 1935 (Washington: Government Printing Office, 1936), p. 2; see also "Federal Surplus Relief Organization, Procurement Division Organization." mss., National Archives, Record Group 124.

¹⁹Harry Hopkins. Report. p. 2, National Archives, Record Group 124.

²⁰Harry L. Hopkins to Henry A. Wallace, July 2, 1934, National Archives, Record Group 145.

to the Federal Emergency Relief Administration.²¹ Phillip G. Murphy, Acting Chief of the AAA's Special Commodities Section, observed that the AAA was "charged with the duty of promoting the welfare of the producers of the basic agricultural commodities and the removal of existing surpluses of these commodities." The FERA, according to Murphy, had "the responsibility of relieving the distress of the people who are hungry and unable to purchase the farm products which they need to sustain their families."²² The FSRC assisted the AAA and FERA by providing the means through which agricultural surpluses could reach state relief agencies for distribution to the needy. Harry Hopkins observed that as originally conceived, the basic task of the FSRC was to "transfer basic farm surpluses from the open market to unemployed families on relief."²³ Thus, to accomplish this task, the FSRC served as a procurement and distribution agency for the FERA. Although the FSRC existed as a separate corporation, commodities purchased by the

²¹Phillip G. Murphy, Acting Chief, Special Commodities Section of the AAA to Woodbury Willoughby, Memorandum to Woodbury Willoughby, Secretary of the Executive Council: Relations Between the Agricultural Adjustment Administration, the Federal Emergency Relief Administration, Federal Surplus Relief Corporation and the Activities of the Special Commodities Section of the Agricultural Adjustment Administration. mss., p. 2, January 5, 1934, National Archives, Record Group 124.

²²Ibid., 1.

²³Harry Hopkins to Henry A. Wallace, October 24, 1933, National Archives, Record Group 124.

Secretary of Agriculture with Agricultural Adjustment Administration funds were delivered to the Federal Surplus Relief Corporation for distribution under direction of the Federal Emergency Relief Administration.²⁴

In the second place, the FSRC received commodities from the AAA as a result of that agency's programs for surplus removal. Section 12(b) of the Agricultural Adjustment Act permitted the Secretary of Agriculture to purchase surpluses "and give them or sell them at a low price to the Federal Emergency Relief Administration, provided only that it could be shown that in doing so it did not reduce the purchase of such commodities by that Administration."²⁵ Jerome Frank, counsel for the AAA and FSRC, believed that the same terms applied to the FSRC as an administrative subsidiary of the FERA.²⁶ Thus, the AAA could donate surplus food to the FSRC. Once the FSRC received the AAA's donation of surplus food, the FSRC assumed the costs of processing, storage and trans-

²⁴Phillip G. Murphy to Woodbury Willboughby, Memorandum . . . Relations Between the Agricultural Adjustment Administration, the Federal Emergency Relief Administration, Federal Surplus Relief Corporation and the Activities of the Special Commodities Section of the Agricultural Adjustment Administration, January 5, 1934, mss., p. 3, National Archives, Record Group 124.

²⁵U.S. Statutes At Large, XLVIII, Part 1, p. 31.

²⁶Jerome Frank to Rexford Tugwell, Memorandum to Dr. Tugwell, September 30, 1933, National Archives, Record Group 145.

portation of the agricultural products.²⁷

The Special Commodities Section of the AAA, headed by Major Robert M. Littlejohn, supervised the purchase of agricultural commodities for the FSRC. The Dairy Section of the AAA and the Bureau of Agricultural Economics aided in the formation of policies. However, specifications as to grades, quantities, packing and packaging were decided after consulting the various sections and bureaus which were interested in the commodities. Purchase orders were then issued by Littlejohn.²⁸

The Department of Agriculture conducted inspections of the various commodities. Vouchers were approved by representatives of the Bureau of Animal Industry, Bureau of Agricultural Economics and the Comptroller in the field auditing service. The AAA then donated the agricultural products to the FSRC. A representative of the Special Commodities Section assisted the FSRC Director of Procurement in the distribution process. Distribution of food was conducted through county and state relief channels.²⁹

²⁷Henry Wallace to Harry L. Hopkins, November 10, 1933, National Archives, Record Group 16.

²⁸Phillip G. Murphy to Woodbury Willoughby, Memorandum . . . Relations Between the Agricultural Adjustment Administration, the Federal Emergency Relief Administration, Federal Surplus Relief Corporation and the Activities of the Special Commodities Section of the Agricultural Adjustment Administration, pp. 8-9, mss., January 5, 1934, National Archives, Record Group 124.

²⁹Ibid.

The FSRC received food from various AAA surplus removal programs. As mentioned earlier, during August and September, 1933, the AAA had initiated the emergency hog slaughtering program which resulted in the availability of 97 million pounds of pork for relief distribution.³⁰ Additionally, the government began purchases of butter and cheese. By April, 1934, the AAA had purchased 45,769,000 pounds of butter and 6,348,000 pounds of cheese.³¹ These purchases had been made to support prices and were donated to the FSRC. Keith Southard informed Lewis W. Douglas, Director of the Budget, that "the products so acquired [by the AAA] are donated to the Federal Surplus Relief Corporation for the express purpose of distribution to the needy and destitute unemployed through their respective state or territorial relief administrations."³² By absorbing agricultural surpluses, the FSRC assisted the AAA in sustaining marketing agreements and insured the consumption of food by the unemployed. Congress had allocated funds for these programs to the

³⁰D. A. Fitzgerald, Corn and Hogs Under the Agricultural Adjustment Act: Developments Up to March, 1934 (Washington: The Brookings Institution, 1934), pp. 35-39.

³¹United States Department of Agriculture, Yearbook of Agriculture: 1936 (Washington: Government Printing Office, 1936), p. 71.

³²Keith Southard to Lewis W. Douglas, May 16, 1934, National Archives, Record Group 124.

Department of Agriculture.³³ Thus the roles and relationships of the FSRC, AAA and FERA had been established. The paradox of want in a land of plenty had served to stimulate the creation of administration relationships among the various governmental agencies and the FSRC. This same concept formed the basis for the relationship of the FSRC and the states.

Thirdly, the FSRC obtained surplus food from state emergency relief administrations, and the donations of public spirited citizens and groups of producers, who rather than see food rot gave it to the FSRC for distribution. The FSRC utilized this method only when the AAA discovered that "there existed a highly localized surplus of a particular agricultural commodity which was seriously depressing the price for that commodity and was glutting the local markets to a point where little of the surplus was moving into consumption."³⁴

Purchases by state officials were made with funds granted to the state relief administrations by the FERA. The procurement procedure by the state agencies followed recommendations from the United States Department of Agriculture. These operations coincided with the two-fold purpose of the FSRC which was to remove agricultural surpluses which

³³Federal Surplus Commodities Corporation, Report of the Federal Surplus Commodities Corporation for the Calendar Year 1935, p. 2; "Distribution Report," August 16, 1934, National Archives, Record Group 124.

³⁴Ibid., 3.

depressed market prices and get the agricultural surpluses to the needy of the nation. In conjunction with the states, the FSRC and the state relief administrations sought to remove surpluses from commercial channels and "from the hands of the worst sufferers" and thereby improve prices. In the latter case, "commodities were bought from small farmers who had been forced onto relief through inability to sell their produce."³⁵ The states bought from farmers who were on federal relief first and later from submarginal farmers. The state agencies also attempted to buy from as many farmers as possible; there were maximum limits on the purchase of surpluses which could be bought by the states to achieve this purpose. Thus, Mississippi purchased cane syrup from 4,807 farmers; the average farmer received \$13.75. Work relief projects provided the labor necessary for the loading, packing and record-keeping operations. These agricultural surpluses were bought at distress prices. In a number of cases, the "mere announcement of the issuance by the Federal Surplus Relief Corporation of a purchase authority to a State Relief Administration served to raise the market price of the commodity . . . above the distress levels, so that no actual purchase was necessary." These developments resulted

³⁵William L. Nunn to Jacob Baker, "Report on State Agricultural Surplus Purchase Authorized by the Federal Surplus Relief Corporation," July 10, 1935, pp. 1-2. National Archives, Record Group 124.

from greedy speculators who hoped to corner the market of agricultural surplus products and sell the food to the government for a profit. Food speculation occurred in connection with surplus apples in Arkansas, carrots in New York, and cabbage in Utah. Often a market survey on the eve of anticipated state action eliminated the need for state emergency relief administration purchases.³⁶

After surplus commodities had been accumulated, the FSRC paid for the handling, storage, and shipment of the commodities to the state distribution centers. When possible the states received their surplus goods in a processed form. The FSRC acquired its commodities in the form of raw materials. Agricultural products were then processed by private firms after public bids had been taken, based on regular United States Naval procedure. The FSRC arranged transportation from the goods' initial location to the states. The surplus food remained the property of the FSRC until the shipment reached the state director of distribution. At that point, the surplus food became state property and the FSRC ceased to exercise any direct legal control.³⁷

The FSRC received money for its distribution program

³⁶ Ibid., 2-3.

³⁷ William A. Nielander, "Commodity Distribution by the Federal Surplus Relief Corporation," Cooperative Self-Help, I (July, 1934), 8-9, National Archives, Record Group 69.

from the state relief agencies which had previously received funds from the FERA. Once the distribution of a particular commodity was planned, the Director of Commodity Distribution determined the costs to each state. This amount was "transferred to the account of the Federal Surplus Relief Corporation and a credit was established upon the books of the Corporation in the amount of the grant." The states paid for the freight, storage and distribution of the commodities from these funds.³⁸ In this manner, the separate accounts of the state and federal governments were maintained, and the states exercised control over the actual distribution of surplus commodities.

The states distributed agricultural surpluses to the needy in accord with the federal "over and above" relief policy. This meant distributing food to the needy "over and above" the relief allowances received from other sources. By this policy, the FSRC proposed to raise the standard of relief and, according to Harry Hopkins, "stop this giving of relief on the basis of half-starvation."³⁹ The "over and

³⁸"Federal Emergency Relief Administration Grants," mss., pp. 64-66, National Archives, Record Group 69. An almost identical report as relating to Federal Surplus Relief Corporation operations is found in Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration December 1 to December 31, 1935 (Washington: Government Printing Office, 1935), pp. 29-31.

³⁹Harry L. Hopkins, "Emergency Relief in the United States," Nationwide speech, October 11, 1933, mss., National Archives, Record Group 69.

above" policy also intended to prevent interference of surplus commodities with the sale of food through normal business channels. Relief recipients would not receive food which they might ordinarily have the funds to purchase as determined by their local relief agents. Nonetheless, the policy caused some criticism from private business, but by October, 1934, the FSRC officials believed that they had succeeded in accomplishing this difficult task with a minimum of dislocation of trade.⁴⁰

Those eligible to receive relief⁴¹ included resident emergency relief cases which received relief under the general relief program of direct or work relief. These people included "those families and single persons who have been approved by the social service division of the local relief administration and are receiving relief on the basis of a budgetary deficiency." Americans receiving relief under the auspices of the Rural Rehabilitation and Emergency Education programs and through private welfare societies, veterans' relief and old age assistance could receive food. Additionally, the FSRC specified that "all

⁴⁰"Report on Conference on Commodity Distribution, New York City, October 4th and 5th, 1934," p. 2, mss., National Archives, Record Group 124.

⁴¹Relief is defined as "aid, given for human consumption, consisting of money, goods, orders for general relief commodities or services," Federal Emergency Relief Administration, Administrative Order A-89, June 27, 1935, National Archives, Record Group 124.

such persons shall be eligible who were selected on the basis of investigations by agencies of proper standards designated by the local relief administration and approved by the State Relief Administrator."⁴²

Self-help and non-profit non-stock cooperatives and institutions received FSRC food as well as nursery schools and hospitals which qualified for surplus food under local standards. FSRC food was also distributed to Indians living on reservations, transient centers, orphanages, penal institutions, public schools for hot lunch programs and eleemosynary institutions.⁴³ College students who participated in college student relief projects received FSRC food provided they lived with other students in some kind of cooperative housing. If a student cooked his own meals or was the head of a family and responsible for his expenses, FSRC food was available for his own use. On the other hand, students in fraternities and dormitories, even though they might participate in college relief projects, were denied surplus food.⁴⁴

⁴²Federal Surplus Relief Corporation, Manual of Policies and Procedures Governing the Distribution of Surplus Commodities, memo., mss., p. 13, University of Illinois Library, Urbana, Illinois.

⁴³Ibid., 14.

⁴⁴Federal Surplus Relief Corporation, Bulletin C-47, September 14, 1934, memo. Harry L. Hopkins Papers, Franklin D. Roosevelt Library, Hyde Park, New York.

Institutions which received surplus food on the behalf of families of dependent persons filed sworn affidavits with receipts for monthly supplies. These institutions declared that the supplies were used "over and above" normal consumption and were not "in substitution for regular purchases of the institution." All plans of commodity distribution intended to insure adequate nutritional value of the recipients, and yet avoid replacing food which might be bought through normal commercial channels.⁴⁵

The most effective and economical means of distributing surplus food to the destitute constituted a major problem for the FSRC. Originally, corporation officials decided to use the regular channels of trade to distribute surplus food to the needy. In the fall of 1933, representatives of the National Association of Retail Grocers, Food & Grocery Chain Stores of America, National Association of Retail Owned Wholesalers, Voluntary Groups Institute and National-American Wholesale Grocers' Association discussed distribution procedures with FSRC officials.⁴⁶ The associations agreed to cooperate with the FSRC in food distribution.⁴⁷ The

⁴⁵"Report of the Federal Surplus Relief Corporation: 1933," mss., p. 3, National Archives, Record Group 124.

⁴⁶Jacob Baker to C. H. Janssen, October 23, 1933, National Archives, Record Group 124.

⁴⁷"Report of the Federal Surplus Relief Corporation: 1933," mss., p. 4, National Archives, Record Group 124.

conference also requested that the State Advisory committees of retailers and wholesalers be created. FSRC officials recommended that commissaries which were in operation be continued but not expanded, "and that distribution through regular channels of trade be gradually introduced." In grocery stores, surplus food was packaged and clearly marked that it was for relief purposes only. This procedure was designed to distinguish surplus food from other commodities within the normal commercial trade. The FSRC also recognized that in some states with scattered populations, direct delivery systems would have to be used.⁴⁸

From the beginning of the FSRC's existence, the corporation gave complete information and instructions to the states concerning the distribution of food. The FSRC advised state relief administrations that the success of the distribution program was a state responsibility. Additionally, the states were to select the most satisfactory, economical and efficient methods of distribution suited for their local conditions. This policy recognized local and regional differences and problems, and permitted the state and local authorities to determine which individuals received surplus food and in what quantities.⁴⁹

⁴⁸Ibid., 4-5.

⁴⁹Ibid.; Federal Surplus Relief Corporation, Manual of Policies and Procedures Governing the Distribution of Surplus Commodities, memo., mss., p. 5, University of Illinois

The FSRC considered the actual distribution of surplus commodities to the needy "not so much our problem as the problem of the states." Director of Commodity Distribution, William L. Nunn estimated that as of October, 1934, 26 different systems of distributing surplus food to the needy existed in the United States. Speaking to the Conference on Commodity Distribution in New York City, Nunn explained that:⁵⁰

In some of the states, commodities move through the regular trade channels. In some states, the commodities go to the wholesaler--the wholesaler effects the distribution to the retailer . . . and the client calls at the retail store for his commodities. . . . There may be even more variations in the way this thing is done. The next thing you get is a delivery of the commodities to the doors of the clients' homes. In some of the states, that is done by the use of Work Division projects with trucks moving out of a central warehouse and making deliveries once a fortnight. In two places in the United States, there are commissaries with delivery systems which are not tied up with Work Division projects. There individuals are employed as delivery boys. Many states have commissary

Library, Urbana, Illinois. In Bulletin CO-2, issued November 6, 1933, the FSRC stated that "from a practical standpoint different methods [of commodity distribution] may have to be used in various sections of a state. Where no commercial distribution system exists and a special Emergency Relief Administration operated method of issue is too expensive, as in the case of sparsely settled areas, commodity distribution should not be attempted. In some rural areas, it may be advisable to distribute only staple nonperishable commodities."

⁵⁰Federal Surplus Relief Corporation, Report of Conference on Commodity Distribution, New York City, October 4th and 5th, 1934, mss., pp. 7-8, National Archives, Record Group 124.

systems with excellent service, others are operated with long lines of people waiting for goods.

However, by 1935 FSRC officials opposed the commissary and retail store systems of distribution. Officials considered them as degrading to the character of the relief recipient. At the Conference of Commodity Distribution in Washington during September 19-21, 1935, state directors of commodity distribution met with FSRC officials headed by William L. Nunn. Harrison Van Duyke, Delaware Director of Commodity Distribution, remarked that any state using the commissary distribution system would be out of luck in FSRC eyes. Nunn replied, "You catch on quickly!"⁵¹

By this date, the FSRC urged state directors of commodity distribution to distribute surplus commodities on a door-to-door basis rather than through commissaries or retail stores. When the directors met in September, 1935, New Hampshire, Virginia, Illinois and Oklahoma had adopted the door-to-door system on a state-wide basis. J. C. Treadwell, Oklahoma Commodity Distribution Director, explained the distribution problems in that state. The state welfare director liked the door-to-door system because it reduced the relief rolls by 3,000 in Oklahoma City. Treadwell explained that "the reason for that was they [Oklahoma

⁵¹Federal Surplus Relief Corporation, "Report on Conference of Commodity Distribution, Washington, D.C., September 19-21, 1935, mss., p. 9, National Archives, Record Group 145.

officials] had that many people on the rolls that were found to be living in cementaries, empty lots, etc., who had given fictitious addresses, and the door-to-door system got rid of the chisellers."⁵² The FSRC continued to advocate what the states believed was the best method of distribution. By September, 1935, the agency had concluded that in a vast majority of states, food could reach the needy better by the door-to-door method.

The FSRC was mainly concerned with distributing surplus food to the state relief administrations. In this operation the FSRC exercised special care to follow the normal commercial channels of distribution for each commodity. For example, Maine surplus potatoes were shipped into states regularly supplied commercially from Maine, without encroaching on states which normally received their potatoes from Idaho or Wisconsin. Efforts were made to avoid shipping surplus commodities into local areas where surplus commodities existed. Unfortunately, this sometimes occurred. William L. Nunn reported that "in the majority of cases distribution of the commodities purchased was accomplished within the states of purchase, and in contiguous territory to avoid unwarranted transportation expense."⁵³

⁵² Ibid., 111-116. See Louis Meriam, Relief and Social Security (Washington: The Brookings Institution, 1946), pp. 338-339 for examples of retail store distribution.

⁵³ William L. Nunn to Jacob Baker, "Report on State Agricultural Surplus Purchases Authorized by the Federal Surplus

Despite the good intentions of well-meaning people, commodity distribution programs were not accomplished without problems. A foremost problem was lack of knowledge about state distribution programs. In 1934, Professor Howard T. Lewis of Harvard University submitted a report on the FSRC's methods of food distribution. Lewis discovered that "there appears to be at the present moment extremely scanty data with reference to the actual methods of distribution now in use." The FSRC had collected information from state emergency relief administrators as to their general method of distribution of surplus food; however, the FSRC possessed little knowledge of specific relief methods within the states. This knowledge was essential in order to effectively coordinate relief policies. Lack of knowledge existed in connection with distribution costs as well as methods of distribution. Lewis cautioned FSRC administrators that state officials "have their own reputations and positions to protect and that it is likely . . . that weaknesses would be glossed over or not mentioned at all." To achieve efficient operation, Lewis recommended that the FSRC employ a small field force to furnish contact between relief agencies and the FSRC. He also believed that the FSRC should insist on regular reports from state

Relief Corporation," July 10, 1935, p. 3, National Archives, Record Group 124.

officials. Lewis also opposed the commissary distribution system except when the retail method did not exist or where grocery store owners indicated a complete lack of interest in the method.⁵⁴ This report contributed to the decision to employ field agents to acquire more accurate and detailed information, and to oppose the commissary system.

From the beginning, State Relief Administrations received information and recommendations from the FSRC concerning commodity distribution. The state relief administrations were headed by the state governor who appointed a state emergency relief administrator. Many administrators had experience in social welfare programs; yet, some like William L. Nunn of the FSRC, lacked experience in commodity distribution programs before joining the FSRC and its food procurement and distribution system. States were urged to appoint a nutrition director to assist in circulating information about food and assist in distributing the surplus food. Both state and federal agencies sought to provide the relief recipient, so far as possible, a nourishing and healthful diet. The FSRC also continually emphasized that the states had full responsibility for distributing surplus food over and above relief purchases.⁵⁵

⁵⁴Howard T. Lewis, "Report for the Federal Surplus Relief Corporation Relative to Methods of Relief Distribution: 1934," mss., pp. 1-3, National Archives, Record Group 124.

⁵⁵Harry Hopkins to Eric H. Biddle, March 1, 1934, National Archives, Record Group 69.

Unlawful distribution of surplus commodities carried a penalty of from \$5,000 to \$10,000 fine and from 5 to 10 years imprisonment.⁵⁶

Occasionally state relief administrators failed to function efficiently. Federal assumption of the state relief administrations was permitted under section 3(b) of the Federal Emergency Relief Act. To insure efficient distribution of surplus food, the FERA administration assumed jurisdiction in Oklahoma, North Dakota, Massachusetts, Ohio, Louisiana, and Georgia.⁵⁷ Observing the federalizing of the relief administrations, the Dallas Morning News noted that "those who have been complaining that State functions are being taken over by the Federal Government should gain satisfaction . . . that unemployment relief must be considered a State responsibility." The newspaper advocated state control and responsibility of relief programs, if efficiently administered, as the best means to solve the

⁵⁶Keith Southard to Charles J. Birt, February 20, 1934, National Archives, Record Group 124.

⁵⁷Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration, March 1 to March 31, 1934 (Washington: Government Printing Office, 1934), p. 17; James T. Patterson, The New Deal and the States; Federalism in Transition (Princeton, N.J.: Princeton University Press, 1969), pp. 50-73; Josephine C. Brown, Public Relief, 1929-1939 (New York: Henry Holt and Company, 1940), p. 209. Brown revealed that politics in the relief program accounted for the federalizing of all states except Massachusetts.

particular problems associated with different localities.⁵⁸

As has been noted, the FSRC's interest did not stop at state lines. The FSRC maintained a general supervision of the administration of State distribution systems. The FSRC required records of the operations of state relief agencies. During the last year of its existence, FSRC field agents reported on local and state relief conditions, often to the irritation of state administrators. Inefficient state employees were prodded into action by the FSRC officials. With rare exceptions, these states improved their distribution programs as state relief administrators feared that federal funds or food might be withheld if inefficient action continued.

The FSRC was determined that the "over and above" policy operate honestly and without political interference. Hopkins was especially sensitive to charges that state relief administrations operated for political purposes. Investigations resulted from charges of this nature, as Hopkins insisted that no dishonest or politically motivated favoritism occur with relief activities. The FSRC administration reflected the desire that America's needy receive agricultural surplus food quickly and efficiently.

The paradox of want in a land of plenty had prompted the establishment of the FSRC. Organized on a vertical basis and headed by competent officials, the corporation endeavored to meet the problems of commodity procurement and

⁵⁸ Dallas Morning News, October 1, 1934, Sec. I, p. 8.

distribution. As has been noted, the FSRC purchased agricultural products with its own funds, received commodities from the AAA and permitted state emergency relief administrations to act as FSRC procurement agents to alleviate local agricultural crises. These products were transferred to the States and distributed in accord with the federal "over and above" policy which raised the relief standard in the states and provided food to the hospitals, destitute people including Indians, school children, convicts, and college students. Uniform distribution procedures for food did not exist as this was a state function. The FSRC's main concern was in distributing surplus food to the state relief administrations. In this manner, separation of State and federal government power remained, and the federal government provided the states the means to take care of their own unfortunates.

CHAPTER IV
PROCUREMENT OF SWINE AND LIVESTOCK PRODUCTS

The procurement and distribution of swine and livestock products constituted the main activity of the Federal Surplus Relief Corporation. Through its buying program, agricultural officials believed that the FSRC could help the hog and cattle industries "without undertaking new AAA emergency purchase programs."¹ FSRC purchase of pork would supplement the Emergency Hog Marketing Program, thereby further strengthening hog prices. Chester Davis anticipated that relief purchases would accomplish two immediate purposes. These were to support the hog market, particularly during November and December, 1933, before the effects of the "little pig program" could influence the market, and "decrease the total tonnage of hogs marketed . . . by buying pork which could only be secured from light weight hogs."²

¹C. Roger Lambert, "New Deal Experiments in Production Control: The Livestock Program, 1933-1935," (Unpublished Ph.D. dissertation, University of Oklahoma, 1962), p. 128.

²C. C. Davis to George N. Peek, Memorandum, "Relief Purchases of Pork," October 25, 1933, National Archives, Record Group 145.

Besides removing hog surpluses, the FSRC would fulfill the important function of distributing meat to state relief agencies.

In accordance with these aims, salt pork became one of the first commodities handled by the FSRC. The AAA donated 100,000,000 pounds of pork to the FSRC for distribution to the needy during the late summer of 1933. The pork had accumulated as a result of the Emergency Hog Marketing Program. The FSRC paid the AAA \$3,000,000 for the cost of processing, storage and transportation of the pork,³ which then went to state relief administrations for distribution to the needy.

Secretary of Agriculture Wallace assured FSRC President Harry Hopkins that the processed pork would be safe for human consumption.⁴ The processing procedures were supervised by the Department of Agriculture and the FSRC established specifications for pork processors. The FSRC required that processors comply with the National Industrial Recovery Act as to minimum wages or maximum hours. Additionally, the pork

³U.S. Senate, Emergency Hog Marketing Program: Letter from the Secretary of Agriculture to Senate Resolution No. 123: A Report on the Emergency Hog Marketing Program Conducted from August 23 to October 7, 1933 as Prepared by the Agricultural Adjustment Administration (Washington: Government Printing Office), p. 4; D. A. Fitzgerald, Corn and Hogs Under the Agricultural Adjustment Act, Developments Up to March, 1934 (Washington: The Brookings Institution, 1934), pp. 37-39; Federal Surplus Relief Corporation: 1933," unpublished mss., p. 7, National Archives, Record Group 124.

⁴Henry A. Wallace to Harry Hopkins, September 16, 1933, National Archives, Record Group 124.

was to be prepared in a plant "which is regularly operated under the supervision of the Bureau of Animal Industry, United States Department of Agriculture and shall be inspected . . . in accordance with regulations governing meat inspection of the United States Department of Agriculture." The FSRC specified that "hogs to be processed are those purchased for the account of the Corporation by the bidder." The animals were to "be of good quality; no skippy, very soft, oily emaciated or otherwise inferior hogs to be included." However, a loophole in the regulations noted that "if in the certain localities soft or oil hogs . . . conforming to these specifications are regularly marketed and comprise the normal receipts in these localities, the bidder will indicate in his bid that such is the case, and he may be instructed to purchase hogs of this description." Of the hogs purchased, each side was to average between thirty and sixty pounds. The meat was to be processed into Wiltshire sides and then salted, smoked or frozen as specified by the Federal Surplus Relief Corporation.⁵

⁵Federal Surplus Relief Corporation. "Schedule 9: Pork" December 18, 1933, mss., p. 6, National Archives, Record Group 124. A Wiltshire side was a commercial cut of pork which met the following standards: (1) Front feet cut off at the knee joint, (2) Hind feet cut off at the hock joint, (3) Tail to be removed according to standard commercial practice, (4) Back and shin bones, tenderloins, leaf and scrap lard to be removed, (5) Jowls to be cut straight across to clear the ear dip and made reasonably square, (6) Prominent teats are to be cut off on level with the belly, and (7) No beveling or further trimming required.

Salt pork was processed with a dry salt cure with additions of sodium nitrite or sodium nitrate as permitted by the Bureau of Animal Industry. The salt pork was then stored in rooms wherein temperatures ranged from 20 degrees to 28 degrees Fahrenheit.⁶ On the other hand, the FSRC required that smoked pork be smoked "in dry smoke from suitable hardwood or hardwood sawdust continuously for at least twenty-four hours at a temperature of not less than 115 degrees Fahrenheit, and shall be cool, dry and firm when packed for delivery."⁷ After February, 1934, FSRC officials discarded the dry salt process and relied on the smoked-cure process and a third method which froze the pork until distribution to the needy. The processors cut the pork into pieces ranging from 3 to 6 pounds, wrapped them in paper and packed them in crates or boxes. Each container held 100 pounds and contained hams, shoulders and middle cuts. State relief administrations distributed the pork in accordance with the national "over-and-above" policy.⁸

⁶ Henry A. Wallace to Harry Hopkins, September 16, 1933, National Archives, Record Group 124; Chicago Daily Drovers Journal, February 5, 1934, p. 4.

⁷ Federal Surplus Relief Corporation, "Schedule 9: Pork." December 18, 1933, mss., p. 3, National Archives, Record Group 124.

⁸ Ibid.; Henry A. Wallace to Harry Hopkins, September 16, 1933, National Archives, Record Group 124; Chicago Daily Drovers Journal, February 5, 1934, p. 4.

By late October, FSRC officials discovered problems in pork distribution. Easterners were not accustomed to eating salt pork and only reluctantly used the meat. For example, Pennsylvania had been allotted 340 railroad cars of salt pork. By October 25, only 13 cars had been shipped. Major Robert Littlejohn doubted whether the state would accept any additional pork.⁹ Also, the processors had oversalted the pork. The FSRC partially solved these problems by distributing recipes with each package of pork.¹⁰ Jewish antipathy toward pork restricted distribution in large cities like New York.

To counteract the excess salt in the pork, William A. Nielander, FSRC Director of Commodity Distribution, recommended to all state emergency relief administrators that the pork should be parboiled before using or soaked overnight in water to remove the salt.¹¹ No figures exist for the amount of loss caused by improper processing; however, reports of

⁹Robert M. Littlejohn to George N. Peek. Memorandum "Distribution of Surplus Agricultural Products by the Federal Emergency Relief Administration and/or Federal Surplus Relief Corporation," October 25, 1933, National Archives, Record Group 145.

¹⁰Ibid.; Jacob Baker to Consignees of Pork Shipments, September 28, 1933, National Archives, Record Group 124; "How to Cook Salt Pork," National Archives, Record Group 124.

¹¹William A. Nielander to All State Emergency Relief Administrators, January 20, 1934, National Archives, Record Group 124.

excessively salty pork sometimes reached FSRC inspectors.¹²

If the urban Easterner experienced difficulty swallowing the salt pork, Americans in other sections, especially the South, eagerly accepted it. The shipments of pork were distributed at a faster rate than anticipated in that area of the country because of general acceptance. This resulted in the decision to purchase additional smoke-cured pork. The FSRC hoped to eliminate its inventory of salt-cured pork as fast as possible. Henry Wallace observed that by January 15, 1934, all but about 1,500,000 pounds of pork had been ordered shipped from processing plants where it had been held in storage.¹³

In addition to pork received from the AAA,¹⁴ the FSRC purchased pork directly from processors. Beginning in November, 1933, and ending in May, 1934, the FSRC purchased 1.4 million head of live hogs and approximately 92 million pounds of pork.¹⁵ This program began to materialize when Jacob Baker informed Henry Wallace that the FSRC intended to

¹²William A. Nielander to Alfred F. Beiter, July 26, 1934, National Archives, Record Group 124.

¹³U.S. Senate, Emergency Hog Marketing Program. . . , 38.

¹⁴Henry A. Wallace to Harry Hopkins, September 16, 1933, National Archives, Record Group 124; Chicago Daily Drovers Journal, February 5, 1934, p. 4.

¹⁵Gladys L. Baker, Wayne D. Rasmussen, Vivian Wiser and Jane M. Porter, Century of Service: The First 100 Years of the United States Department of Agriculture (Washington: Government Printing Office, 1963), p. 152.

purchase 75 million pounds of pork and pork products. Baker noted that "this purchase will be made without commitment as to the exact amount of money that the Federal Emergency Relief Administration will put into the purchase of pork . . . , and particularly without agreement to the suggestion that the Relief Administration match dollar for dollar [with the AAA] in these purchases."¹⁶

The FSRC, however, failed to purchase the 75 million pounds of pork mentioned by Baker. The bids were high and only 45 million pounds of smoked pork were offered for sale. Upon the recommendations of the Department of Agriculture, the FSRC purchased 31 million pounds of pork at a price of 15-1/2 cents to 16 cents per pound. This price was based on a "on the hoof" price varying from about \$5.00 to \$6.40 per hundredweight. Robert Littlejohn informed George Peek that careful investigations of the price situation revealed that "the cause of the high prices was the total amount called for and the fact that the deliveries would extend through several future months."¹⁷ At the time of purchase, FSRC officials

¹⁶ Jacob Baker to Henry Wallace, November 1, 1933, National Archives, Record Group 124; "Intimate History of the Purchase of Pork," unauthored and undated manuscript, National Archives, Record Group 124.

¹⁷ Robert M. Littlejohn to George N. Peek, Memorandum, "Purchase of Hogs and Canned Beef," December 5, 1933, National Archives, Record Group 124.

agreed that the purchase price was excessive.¹⁸ Harry Hopkins explained to Wallace that the FSRC accepted the excessive bids "in the hope that the unusually favorable bids to the processors would support the hog market."¹⁹ However, after November 17, hog prices declined. Actually packers bought hogs at about \$3.50 per hundredweight as a result of the price decline. D. A. Fitzgerald, historian of the Emergency Hog Marketing Program, concluded that the "spread between what the packers could have paid for live hogs on the basis of their bids and what the live hogs actually cost them was some \$2.00 a hundredweight, about \$3.00 a head."²⁰

To avoid repetition of this occurrence, the FSRC officials decided to purchase live animals at daily market prices. During November the FSRC purchased 27,292 hogs in Chicago. This purchase resulted in approximately 3,000,000 pounds of smoked Wiltshire sides at an estimated cost of 13-1/2 cents per pound. During the next month, the FSRC purchased 97,417 hogs at markets in St. Louis, Chicago, Kansas City, Omaha, St. Joseph, St. Paul, Indianapolis and Sioux City. Approximately nine million pounds of Wiltshire

¹⁸Federal Surplus Relief Corporation, "Report on the Federal Surplus Relief Corporation: 1933," pp. 7-8, National Archives, Record Group 124.

¹⁹Harry Hopkins to Henry Wallace, Memorandum, December 1, 1933, National Archives, Record Group 124.

²⁰Fitzgerald, Corn and Hogs. . . . , 52-53.

sides resulted from this action.²¹

A third pork program began in December, 1933. On December 9, representatives of the FSRC and AAA discussed the best methods for purchasing pork. The representatives decided that in the future they would purchase only live hogs.²² Wallace authorized the FSRC not to pay more than \$10,000,000 for the animals.²³ The Department of Agriculture furnished the money for the purchase of the hogs, and the FSRC paid the processing and distributing expenses. During January, bids received were satisfactory and awards were made for the purchase of from 21,000 to 23,000 hogs daily for a period of fifteen market days. The pork and pork products amounted to approximately 25 million pounds and were made available to the nation's needy.²⁴

In January, 1934, Secretary Wallace observed that the meat packers had failed to cooperate with the New Deal in the purchase of surplus meat for relief distribution. On

²¹Federal Surplus Relief Corporation, "Report of the Federal Surplus Relief Corporation: 1933," p. 8, National Archives, Record Group 124.

²²Harry Hopkins to Henry Wallace, December 12, 1933; Henry Wallace to Harry Hopkins, January 6, 1934, National Archives, Record Group 124.

²³Agricultural Adjustment Administration, Special Commodities Section, Inter-Office Memorandum, January 15, 1934, National Archives, Record Group 124.

²⁴Ibid., Federal Surplus Relief Corporation, "Report of the Federal Relief Corporation: 1933," p. 8, National Archives, Record Group 124.

January 29, representatives of the Institute of American Meat Packers conferred with officials of the AAA and FSRC. The next day Wallace accepted four proposals which grew out of the conference. Contracts for the purchase of hogs were extended to February 20. Beginning on February 1, an additional 10,000 head of live hogs would be purchased daily by the FSRC; however, this expansion lasted only seven days. Wallace also agreed to further downward revision of the processing charges, and contracts were let for the purchase of 10 million pounds of lard and 4.5 million pounds of pork.²⁵ On February 20, the federal government discontinued purchases when the hog market began to advance sharply; however, purchases were resumed on March 1 "to relieve the market of the depressing effect of an increase in the processing tax on hogs."²⁶

Problems which arose between the FSRC and the packers prompted agricultural economist Louis H. Bean to remark that the FSRC could save "\$1.00 per hundred pounds by doing its own [processing] or in a rented plant." He estimated that the FSRC would save approximately \$5 million during a year if the FSRC would secure a plant and staff it on a program work relief.²⁷ The FSRC accepted Bean's suggestion for the

²⁵Fitzgerald, Corn and Hogs . . . , 54-55.

²⁶Ibid.; U.S. News, March 5, 1934, p. 6.

²⁷Louis H. Bean to Henry Wallace, March 28, 1934, National Archives, Record Group 145.

canning of meat.

From March until September, 1934, when the program was discontinued, the FSRC purchased pork to stabilize the hog market. However worthy this project may have seemed, it came in for some sharp criticism. In May, columnist Harold Wood of the Chicago Tribune attacked the FSRC. Wood believed that FSRC purchases of pork interfered with the smooth operation of the Chicago market. He charged that "buyers for the FSRC are among the first to bid each day, but, because of their orders and the fear of being harassed by the FSRC auditors for being too liberal, are with few exceptions, consistently lower" than the market prices.²⁸ Wood obviously did not believe that FSRC purchases of pork helped to stabilize pork prices at a fair price.

Referring to these charges, Director of Procurement A. B. Clark informed Captain G. C. Isbestor, Manager of the FSRC's Chicago Office, that as the FSRC employed private buyers for its purchases, "it would be indefensible for this Corporation to encourage payment of a higher price for our own purchases than that paid by the contractor's for his own" pork products. Clark reminded Isbestor that "our support does not consist in paying a premium for hogs, but rather in removing from the market a considerable amount of

²⁸Chicago Tribune, May 10, 1934, National Archives, Record Group 124.

hogs that constitute a surplus beyond the current requirements of the packers." Additionally the FSRC had lowered its quality requirements for purchase when the choice hog market had been established.²⁹

Government purchases of pork had been scheduled to end on June 5, 1934. However, bids were extended to June 15 to support the hog market "through the present period of heavy receipts accentuated by drought."³⁰ After June, purchases of pork declined from 256,749 hogs in June to 750 hogs in September ending the program which had begun the previous March. In August the FERA agreed to dispose of hogs produced in excess of AAA allowances by immediate slaughter for relief purposes, distribution to families for slaughter prior to March 1, 1935, or shipped to another state and distributed to the needy.³¹

Altogether the FSRC distributed 200,396,618 pounds of smoked pork³² and 97,213,400 pounds of dry salt pork. The value of salt pork was placed at \$9,721,344. In addition to the pork, the FSRC received \$545,500 from the sale of inedible grease and \$59,000 from the sale of tankage. These

²⁹A. B. Clark to Captain G. C. Isbestor, May 17, 1934, National Archives, Record Group 124.

³⁰"Relief Pork Buying Extended to June 15," News Digest, I (June 9, 1934), 1.

³¹A. G. Black and C. W. Warburton, Circular Letter to State Directors of Extension, August 9, 1934. Files. United States Department of Agriculture Library, Washington, D.C.

³²Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration,

funds went to cover FSRC's administrative expenses. A total of 7,643,265 surplus hogs had been purchased at a cost of \$42,828,811. The AAA purchased 33,367,773 pounds of surplus pork for relief distribution at a cost of \$2,793,967. The total expenditure for surplus hogs and pork was estimated by the AAA to be \$45,622,778.³³ Of this amount, D. A. Fitzgerald estimated that the AAA contributed \$11 million to the purchase of pork.³⁴ The remainder came from FERA grants to the FSRC.

During the months of November and December, 1933, hog prices actually declined at a time when the FSRC was making heavy purchases of hogs. However, by March, 1934, a slow recovery had begun. By the fall of that year hog prices had reached a little above \$5.00 per hundredweight. A year later, hog prices had reached the level of 1928-1929. The recovery had resulted from a poor corn harvest during the drought of 1934, the small pig crop and the Emergency Hog Marketing Program.³⁵ The additional purchases of pork by

November 1 through November 30, 1935 (Washington: Government Printing Office, 1935), p. 48.

³³Agricultural Adjustment Administration. Press Release, November 18, 1935, National Archives, Record Group 124.

³⁴D. A. Fitzgerald, Livestock Under the AAA (Washington: The Brookings Institution, 1935), pp. 77-78.

³⁵Murray R. Benedict and Oscar C. Stine, The Agricultural Commodity Programs: Two Decades of Experience (New York: The Twentieth Century Fund, 1956), p. 190.

the FSRC reduced supplies entering regular marketing channels and increased the value of hog products being sold.³⁶ Government purchases represented about 7.5 per cent of the total marketings.³⁷ D. A. Fitzgerald observed that the swine purchase program resulted in a net reduction in commercial supplies by one billion pounds, that hog prices would have been lower during the 1933-34 season had not the federal government intervened by emergency purchases, and that the New Deal achieved its secondary objective of obtaining approximately 100 million pounds of salt pork for relief purposes.³⁸

In 1935 Secretary of Agriculture Wallace recalled the events of the slaughter of pigs during September, 1933. Six million pigs had been killed, turned into 100 million pounds of pork and distributed for relief. Wallace noted that the pork went to feed the hungry.³⁹ The Secretary found himself in sympathy with those who opposed the killing of little

³⁶U.S. Department of Agriculture, Agricultural Adjustment Administration, Report for the Administration of the Agricultural Adjustment Act, May, 1933 to February, 1934 (Washington: Government Printing Office, 1934), p. 148.

³⁷Fitzgerald, Corn and Hogs , 49.

³⁸Ibid., 44-47.

³⁹Henry A. Wallace, "Pigs and Pig Iron," Radio Address November 12, 1935, in Henry A. Wallace, Addresses of Henry A. Wallace, VI, memo. Washington: Library of Congress; see also, Henry A. Wallace, "Pigs and Pig Iron," Bureau Farmer, XI (December, 1935), pp. g-h.

pigs, yet the agricultural officials of the New Deal had to consider also the farmers, consumers and a uniform supply of pork for the nation. Wallace desired a balanced economy of abundance.⁴⁰

The FSRC had cooperated with the Department of Agriculture and the AAA in accordance with this belief. The corporation had played a minor role in the procurement of swine and had maintained its intended relationship to the AAA as a procurement and distribution agency. Its activities had operated in harmony with the program's aims.

The Agricultural Adjustment Act of 1933 failed to include cattle as a basic commodity at the request of the cattle producers. Range cattlemen feared that beef consumption would decline as a result of the processing tax and any cattle reduction program. The full impact of the increased supply of cattle did not effect the cattle market until the summer of 1933 after the passage of the act. Rather than asking cattle to be included as a basic commodity under the Act, ranchers had called for a tariff policy to protect the home market, reduction of freight rates, lower interest charges and advertising to increase consumption.⁴¹

⁴⁰Ibid.

⁴¹Dolph Briscoe, "Report of the Committee of Five," The Producer, XV (February, 1934), 17-18; "Government Action Needed," The Cattleman, XX (August, 1933), 9; Fitzgerald, Livestock Under the AAA, 174-175.

Average beef cattle prices fell from \$3.97 per hundred-weight in July to \$3.61 in September, 1933. The price decline had resulted from an increase in lower grades of cattle on the western ranges and by the hesitancy of farmers in the corn states to buy feeder and stocker cattle. The movement of feeder cattle into the corn belt during the summer of 1933 had been the smallest during the past fifteen years. These circumstances dramatized a surplus of cattle, the lack of feeder operations in the corn belt, and the need for government aid to cattlemen.⁴²

In October, Harry Hopkins announced that the FSRC hoped to purchase "fifteen million pounds of domestic beef that will be added to the larder of the nation's destitute unemployed."⁴³ The FSRC, he said, would purchase substantial quantities of cutter and canner cattle.⁴⁴ Hopkins revealed that this program would provide wholesome food for distribution to the needy, and also would "assist in the stabilization of the beef-cattle market through the purchase and utilization of beef in excess of normal requirements of the customary trade channels."⁴⁵ FSRC officials predicted

⁴²FERA, Press Release, October 16, 1933, National Archives, Record Group 124; "To Purchase Beef for the Needy," The Cattleman, XX (November, 1933), 5-6.

⁴³FERA, Press Release, October 25, 1933, National Archives, Record Group 124.

⁴⁴FERA, Press Release, October 16, 1933, National Archives, Record Group 124.

⁴⁵FERA, Press Release, October 25, 1933, National Archives, Record Group 124.

that "heavy purchases largely of she-stock, will tend to reduce the potential breeding capacity of herds of range cattle, thus cutting not only into the current surplus but also helping to forestall continuance into the future of the present market condition."⁴⁶ On October 18, AAA officials recommended the purchase of 500,000 cows "which would produce approximately 150,000,000 pounds of boneless beef . . . for Federal relief."⁴⁷

On October 25, the FSRC announced that bids would be opened for the purchase of beef on November 6. The FSRC specified that the beef must come from cows between the ages of two and five years, that it should be properly cooked, well trimmed and free from excessive fat and liquid. The beef should be packed in substantial commercial cans containing 24 ounces net weight of roast beef. The cans were to be labeled with the name of the packer, the can's contents, net weight, month and year of packing, "U.S. inspected and passed" label, and labeled in legible print. The can labels appeared as follows:⁴⁸

⁴⁶FERA, Press Release, October 16, 1933, National Archives, Record Group 124, "To Purchase Beef for the Needy," The Cattleman, XX (November, 1933), 5-6.

⁴⁷S. W. Lund to Robert W. [sic. A. B.] Clark and Captain Charles E. Parsons, October 18, 1933, National Archives, Record Group 124.

⁴⁸FERA, Press Release, October 25, 1933, National Archives, Record Group 124; "What the Government is Doing," The Producer, XV (November, 1933), p. 19.

NOT TO BE SOLD

Distributed by the Federal
Emergency Relief Administration

NOT TO BE SOLD

On November 10, the FSRC purchased 400,000 pounds of canned beef. Two weeks later new bids were requested minus any age limit on the cows. Although the bids were lower in price and the meat was of better quality, the FSRC declined to accept any bids. Officials believed that the bids were out of line with current cattle prices and the estimated processing costs.⁴⁹

That same month, Hopkins contacted Lawrence Westbrook, Director of the Texas Rehabilitation and Relief Commission, about a state livestock purchase and distribution program.⁵⁰ Robert M. Littlejohn informed Lyndon B. Johnson, Secretary of Representative Richard Kleberg, that Texas relief agencies were willing to buy livestock on the local markets and can the beef for distribution to needy Texans.⁵¹ Hopkins authorized Westbrook to act as an agent for the FERA

⁴⁹Federal Surplus Relief Corporation, "Report of the Federal Surplus Relief Corporation: 1933," p. 9, National Archives, Record Group 124.

⁵⁰Harry Hopkins to Lawrence Westbrook, November 3, 1933, National Archives, Record Group 124.

⁵¹Robert M. Littlejohn to Lyndon B. Johnson, November 9, 1933, National Archives, Record Group 124.

and FSRC. Westbrook received \$500,000 to purchase cattle and establish canning plants in Texas under the general supervision of the Texas Relief Commission. The minimum purchase price of the cattle was \$1.75 per hundredweight.⁵²

Westbrook immediately took action on this project. He acquired plants at Abilene, Amarillo, Austin, Beaumont, Brownsville, Bryan, Corpus Christi, Dallas, El Paso, Fort Worth, Houston, Lubbock, Paris, Port Arthur, San Angelo, San Antonio, Tyler, Waco and Wichita Falls. By December over 22,000 head of surplus livestock had been slaughtered. The operations had been limited to processing cutter cows and a few grass fed steers. Prior to the program, good cutter cows sold from 75¢ to \$1.15 per hundredweight, but within a month after the program began prices increased to a range of \$1.25 to \$2.15 per hundredweight, or an average gain of 50 cents per cow. Westbrook claimed that steers selling for \$2.50 per hundredweight on December 12 could be sold for \$3.75 on December 21. This analysis was fairly accurate, yet it must be observed that not until December 27 did the Fort Worth market note a high range of \$3.50 to \$3.75 for grass fed steers. The Texas Relief Commission did not deduct freight or handling charges from the price paid. The producer received the full benefit of the

⁵²Harry Hopkins to Lawrence Westbrook, November 13, 1933, National Archives, Record Group 124; "Will Can Texas Beef for Needy," The Cattleman, XX (December, 1933), 5.

program.⁵³

Canning operations began in December and were supervised by the Department of Extension of Texas Agricultural and Mechanical College. Approximately 9,000 persons were involved in the canning operation. In December, 1933, the state requested an additional grant of \$1,000,000 to continue the operation⁵⁴ but funds were not available and the project ended in January, 1934.⁵⁵ The beef canning operations in Texas served as a precedent for future FSRC action. Relying upon its Texas experience, FSRC officials established canning plants later in the year in conjunction with the emergency drought purchase program. This development will be discussed later.

During 1934, the FSRC continued its program of purchasing cattle to sustain the livestock market. From January 5 through March 6, 1934, the FSRC purchased 114,260 head of cattle. The price for the cattle averaged approximately \$2.36 per hundredweight. D. A. Fitzgerald calculated

⁵³Lawrence Westbrook to Harry Hopkins, December 22, 1933, National Archives, Record Group 124; Dallas Morning News, December 5, 1933, II, p. 6; December 12, 1933, II, p. 7; December 22, 1933, II, p. 12; and December 27, 1933, II, p. 4.

⁵⁴Lawrence Westbrook to Harry Hopkins, December 22, 1933, National Archives, Record Group 124.

⁵⁵"Relief Purchases Benefit Farmers," Farm and Ranch, LIII (February 1, 1934), p. 14; Keith Southard to Louis McHenry Howe, March 20, 1934, National Archives, Record Group 124.

that "these purchases represented less than 5 per cent of all the cattle and calves slaughtered under federal inspection during January and February, 1934, though they constituted a larger proportion of all the low-grade cattle marketed during the period."⁵⁶ Buying operations ceased in May, 1934 with the expiration of funds for cattle purchases.⁵⁷ As a result of these purchases, the FSRC had distributed 18,332,975 pounds of beef to the nation's needy by May, 1934.⁵⁸

The cattle purchase program during the spring of 1934, caused the cattleman to undergo a change of heart. Continued low prices prompted cattlemen to appeal to the federal government for aid.⁵⁹ The Jones-Connally Act of 1934 resulted from their desire to have the federal government support cattle prices. Written by Representative Marvin Jones, Chairman of the House Committee on Agriculture and fellow Texan, Senator Tom Connally, the act made cattle

⁵⁶Fitzgerald, Livestock and the AAA, 180; FERA, Press Release, January 5, 1934, National Archives, Record Group 124.

⁵⁷Harry Petrie to Tex Condon, May 31, 1934, National Archives, Record Group 124.

⁵⁸Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration, May 1 through May 31, 1934 (Washington: Government Printing Office, 1934), p. 13.

⁵⁹Dallas Morning News, March 25, 1934, Sec. III, p. 14; Dolph Briscoe, "Report of Committee of Five," The Producer, XV (February, 1934), 17-18.

a basic commodity under the AAA. The Act also authorized the appropriation of \$50,000,000 for the elimination of cattle suffering from tuberculosis or from Bang's disease and for the purchase of dairy and beef products by the FSRC.⁶⁰ The latter provision resulted from proposals by the cattle industry that the number of surplus heifers be reduced by spaying or disposing of cows in non-commercial channels. By appropriating funds for the FSRC's use, Congress recognized the FSRC for the first time. In Jerome Frank's words, the FSRC "stopped being a bastard."⁶¹

Even before it received anything like official congressional recognition, the FSRC had become interested in the drought. Harry Petrie, Chief of the AAA's Cattle and Sheep Section, observed that "the fall of 1929 marked the beginning of the drought and depression in many states which grew with rapidity in the succeeding years."⁶² Calvin Hoover,

⁶⁰U.S. Statutes at Large, Volume XLVIII, Part 1, 528.

⁶¹Columbia University Oral History Project, Interview with Judge Jerome N. Frank by Mr. Dean Albertson on Tuesday 11, April, 1950, at Judge Frank's Chambers, U.S. Court House, New York City, mss., p. 188. Manuscript in the personal possession of Mrs. Jerome N. Frank, 217 Everit, New Haven, Conn.

⁶²Harry Petrie, "Cattle Purchases by the Agricultural Adjustment Administration from Drought Areas, June, 1934 to February, 1935: A Report to G. B. Thorne, Director of Livestock and Feed Grains," p. 1, unpublished manuscript, National Archives, Record Group 145. Hereafter referred to as "Drought Relief Cattle Purchase Program Report," see also United States Department of Agriculture, Agricultural Adjustment in 1934: A Report of the Administration of the Agricultural Adjustment Act, February 15, 1934 (Washington: Government Printing Office, 1935), pp. 17-18.

later Executive Secretary of the President's Drought Relief Committee, reported "black clouds composed of top-soil blown off the land in the Dakotas, Montana and Minnesota had begun to darken the sky even in Washington."⁶³ Time observed that "not only was the Midwest as hot as the hinges of Hell, it was also tinder dry." In June, rain had not fallen for five long months.⁶⁴ Consequently, animals starved. By August, "the Press carried practically no reports of drought conditions in the Dakotas because the Dakotas no longer had any crops to lose."⁶⁵ Meanwhile, in December, 1933, Henry Wallace informed Harry Hopkins that "the current price for cows in the Southwest is about 1-3/4 cents per pound, whereas the cost of production probably averages about 6 cents per pound." In light of this condition, Wallace recommended that the FSRC purchase 12,000 excess cows which grazed on the National Forest of Arizona and New Mexico.⁶⁶ The FSRC responded to this suggestion by undertaking a purchase program which lasted from January through March, 1934.

On April 26, 1934, a group of cattlemen from all sections of the country met with Harry Petrie and other

⁶³ Calvin Hoover, Memoirs of Capitalism, Communism and Nazism (Durham, N.C.: Duke University Press, 1965), pp. 159-60.

⁶⁴ "Raw Red Burn," Time, XXIII (June 11, 1934), 17.

⁶⁵ "Wake of a Wave," Time, XXIV (August 6, 1934), 9-10.

⁶⁶ Henry Wallace to Harry Hopkins, December 20, 1933, National Archives Record Group 124.

Department of Agriculture officials in Chicago. Out of this group Petrie selected a committee of twenty-five ranchers. Thirteen days later, the Committee of Twenty-Five, headed by Dolph Briscoe, President of the Texas and Southwestern Cattle Raisers' Association, met in Washington to work out a program to aid ranchers during droughts. The committee agreed on a cattle reduction program for breeding stock, but the severe drought also prompted the committee to recommend a program of immediate relief through an emergency purchase of cattle from ranchers.⁶⁷

As a result of the action of the Committee of Twenty-Five, President Roosevelt recommended on May 14 that the government purchase beef cattle in the drought areas. Later that month, the President asked Congress for necessary appropriations for this task. Congress responded by voting \$525,000,000 to be allocated to various agencies cooperating in drought relief programs.⁶⁸ Of this amount, the FSRC received \$100,000,000 for the purpose of paying all feeding, handling, transportation and processing costs after receiving cattle purchased by the AAA.⁶⁹ On May 23, the Drought Relief

⁶⁷Agricultural Adjustment Administration, Statistical and Historical Unit, Commodities Purchase Section, "The Drought of 1934-1935: A Record of Programs of Commodities and Related Activities in Drought-Stricken Areas," unpublished manuscript, pp. 47-49, National Archives, Record Group 145.

⁶⁸United States Department of Agriculture, Agricultural Adjustment in 1934, 21, 23.

⁶⁹Phillip G. Murphy to Henry A. Wallace. Memorandum to the Secretary, June 25, 1934, National Archives, Record Group 124.

Service was created as a joint agency of the Department of Agriculture and the AAA to purchase cattle.⁷⁰

On June 1, 1934, the DRS began purchases of cattle in drought areas. Under one method the FSRC received sealed bids and awarded contracts to commercial packers who slaughtered the animals and packaged the products. In this way, the FSRC hoped to encourage packers to buy more cattle from farmers in drought areas. Under a second method, the FSRC shipped animals to State relief administrations for slaughter and canning in commercial plants and in work relief canning projects. In areas where processing facilities failed to handle the cattle, they were shipped to non-drought states, usually east of the Mississippi River, where they were pastured until being processed. A few cattle were pastured in Mexico. The FSRC, acting as agent for the states, supervised the slaughter of the cattle in commercial canning plants; however, in state work relief canning projects the states supervised the slaughtering.⁷¹

⁷⁰United States Department of Agriculture, Agricultural Adjustment in 1934, 21, 23.

⁷¹Ibid., 28; Searle F. Charles, Minister of Relief: Harry Hopkins and the Depression (Syracuse: Syracuse University Press, 1963), pp. 82-83; Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration December 1 through December 31, 1935 (Washington: Government Printing Office, 1935), pp. 29-31; Harry Hopkins, "Drought Relief Purchase Program," National Archives, Record Group 69; Chicago Daily Drivers Journal, June 1, 1934, p. 4.

Not all cattle were transported to pastures within the

These cattle were distributed to the relief recipients by the state emergency relief administrations in accord with the states' distribution methods. The New Mexico Emergency Relief Administration reported that its most successful plan of distribution of fresh beef "was to drive a given number of head of cattle into a rural community. Four names of relief clients were called, a cow was shot, and those four relief clients proceeded to skin out and butcher their animal, deciding among themselves which quarter was their property."⁷²

County agricultural agents, or a person designated by the state emergency relief administration, supervised the local operations. Inspectors from the Bureau of Animal Industry cooperated with local officials. Veterinarians appraised the cattle and field agents of the FSRC, under the general supervision of Murray T. Morgan, took delivery of the animals at the local point and shipped them to processing

United States. On November 4, 1934, Keith Southard authorized the New Mexico Emergency Relief Administration to ship 20,000 young range cattle to pastures in the Republic of Mexico. These cattle were designated for restocking purposes in drought-stricken areas. Transportation costs amounted to approximately \$3.80 per animal and pasturage in Mexico did not exceed \$.40 a head per month. G. A. Tract to W. H. D. Hinchman, January 18, 1935, National Archives, Record Group 124.

⁷² New Mexico Emergency Relief Administration, "Report on Drought Cattle Operations," p. 20, unpublished manuscript, National Archives, Record Group 124.

and distributing centers.⁷³ State directors in charge of cattle purchases gave priority to purchasing animals in the most distressed condition. The object of the program was to remove cattle from areas where insufficient feed existed and utilize beef for relief purposes.⁷⁴ The Dallas Morning News observed that the cattle-buying program seemed to be "a race of the Government to exterminate before the elements do."⁷⁵ In July a Livestock Disposition Committee, headed by Keith Southard, coordinated activities of the FERA, AAA, FSRC and state emergency relief administrations relating to livestock disposition.⁷⁶

Cattle were also distributed among the western Indians. By August, federal officials had determined that the Secretary of Agriculture would allocate \$600,000 for distribution of cattle among the Indians. The FSRC provided \$200,000 for transportation of the livestock. Thus approximately 15,000 registered cattle were purchased and distributed to Indian reservations. The cattle were of beef

⁷³"Government Provides Drought Relief," The Cattleman, XI (July, 1934), 5-6.

⁷⁴Harry Petrie, "Drought Relief Purchase Program Reports," mss., p. 17, National Archives, Record Group 145; "The Cattle Picture Changes," Southern Agriculturalist, LXV (February, 1935), 32-33.

⁷⁵Dallas Morning News, July 18, 1934, Sec. II, p. 2.

⁷⁶Keith Southard to Lawrence Westbrook and Aubrey Williams, Memorandum, "Livestock Disposition Committee," August 1, 1934, National Archives, Record Group 124.

breeds and the federal government hoped to improve the quality of Indian cattle by this means.⁷⁷

By the end of August, the DRS had purchased over 4,500,000 cattle in 21 states from more than 300,000 ranchers and farmers. Approximately 14.5 per cent of the cattle had been condemned as unfit for human consumption and the remainder delivered to the FSRC for disposition.⁷⁸ Keith Southard assured Carl A. Hatch of Clovis, New Mexico, that the DRS supervised the complete buying operations and the FSRC functioned only to receive the cattle from the DRS and did not "influence the purchase of cattle in any particular state or section."⁷⁹

The Emergency Cattle Purchase Program ended on February 1, 1935. A total of 8,280,066 head of drought-stricken cattle had been purchased at a cost of \$111,544,913. Approximately 82 per cent of the cattle had been received by the FSRC. The program resulted in a total of 766,591,060 pounds of meat with an estimated value of \$126,500,223 for relief purposes. Additionally 1,904,068 hides valued at

⁷⁷Phillip G. Murphy to Lawrence Westbrook, August 24, 1934, National Archives, Record Group 124; Phillip G. Murphy to F. Ryan Duffy, October 17, 1934, National Archives, Record Group 124; Fitzgerald, Livestock Under the AAA, 208.

⁷⁸Agricultural Adjustment Administration, "The Drought of 1934-1935. . . ." p. 63, National Archives, Record Group 145.

⁷⁹Keith Southard to Carl A. Hatch, October 6, 1934, National Archives, Record Group 124.

approximately \$7,000,000 remained for disposal. The FSRC had also shipped more than 1,533,500 head of cattle to pasture lands not affected by the drought. The cost amounted to \$6.00 per head and had eased the strained canning facilities, which had resulted from cattle being purchased faster than they could be processed.⁸⁰

The FSRC had been an active participant in the emergency drought program. Murray T. Morgan reported that "between the purchase of the livestock and the distribution of the meat to the needy it was necessary to transport the raw material and manufacture it into forms suitable for distribution and that duty fell on the Federal Surplus Relief Corporation." FSRC activities had been divided into three parts: (1) the transportation of the livestock to the slaughtering plants or to pastures, (2) the processing of the livestock into fresh or canned meat, and (3) the shipment of the meat to locations "convenient for distribution by the Federal Emergency Relief Administration."⁸¹

In carrying out this program, the FSRC encountered a number of problems. In May, 1934, the FSRC operations at

⁸⁰Harry L. Hopkins to Frank H. Cooney, September 18, 1935, National Archives, Record Group 136; AAA, Press Release, November 18, 1935, National Archives, Record Group 124; U.S. Department of Agriculture, Agricultural Adjustment in 1934, 29-31.

⁸¹M. T. Morgan, "Federal Surplus Relief Corporation: Drought Cattle and Sheep Program," unpublished report, National Archives, Record Group 124.

Saint Paul were hastily organized and qualified personnel were not available. A great many FSRC employees were women social workers, without any experience in handling live-stock. These people were entrusted with the responsibility of getting the cattle from the farms to the loading stations, "seeing that they were properly fed and watered, and then loaded into railway cars for transportation to slaughtering centers." In haste, inefficiency of administration occurred and efforts were often duplicated. The tasks overwhelmed the social workers and the FSRC entrusted these details to the railroads.⁸²

The FSRC also encountered a transportation problem as the corporation received cattle from twenty drought states. These animals were shipped via railroad to sixty cities where they were processed into beef. Officials moved as many as three thousand cars per day during the height of the program in the summer of 1934. Because procurement of the cattle exceeded distribution of beef, the FSRC had to transport about one-third of the cattle to the Eastern and Southeastern states to be fattened prior to slaughtering and processing. Murray Morgan observed that this movement, "either from the point of production or to the point of destination, has comprehended every state in the Union except Vermont and Connecticut." FSRC officials hoped that

⁸²Ibid.

the transportation and pasturing operations would result in a better quality of processed beef.⁸³

The transportation program failed. Many cattle died in transit. Jacob Baker revealed to A. F. Cleveland, Vice-President of the Association of American Railroads, that "drought cattle shipped to pasture in the Southeastern States were not appreciably benefitted by grazing and were in no better condition to stand the rigors of transportation [to the processing plants] than they were before." The FSRC's official position noted that "deaths which occurred in shipments of drought cattle from pasturage to slaughtering plants were to the adverse effects of the drought . . . rather than to negligence on the part of the carrier."⁸⁴

Cattle which survived transportation often caused problems. The Chicago Daily Drovers Journal noted that Southern farmers were unhappy with the program. The newspaper observed that:⁸⁵

For one thing they blame the influx of these cows for a scourge of screw worms such as they had never known before . . . Then in order to handle the cows many farmers had to put up fences or repair old ones at considerable expense. They expected to carry the cows at fifty cents a month long enough to let them out, but were left hold-

⁸³Ibid.

⁸⁴Jacob Baker to A. F. Cleveland, July 1, 1935, National Archives, Record Group 124.

⁸⁵Keith Southard to Phillip G. Murphy, April 5, 1935, National Archives, Record Group 124.

ing the sack when the cows started to go to slaughter after being there only a month. And in some sections of the south, farmers reported the cattle "dying like flies." So the experience is not in all respects working out for the best.

Keith Southard suggested to Phillip Murphy that future cattle disposition programs might be improved. Basing his suggestions upon the FSRC's experiences in Oklahoma, Southard recommended that drought quotas should be investigated in advance and confined only to cattle in the most distressed condition. "Moreover," he wrote, "cattle should be immediately shipped after purchase."⁸⁶

The emergency nature of the FSRC operations could not prevent irregularities. In South Carolina, theft of FSRC cattle occurred. The state led the nation in number of missing government cattle. Norbert A. Theodore, Counsel for the South Carolina Emergency Relief Administration, informed Southard that "a large number of these cattle were herded into our swamp sections . . . and these animals have gone wild . . . and it is very difficult to even get in shooting range of them."⁸⁷ A similar situation occurred in North Carolina but not to the extent of South Carolina.

⁸⁶Chicago Daily Drovers Journal, October 16, 1934, p. 4; Oscar L. Bentley, Jr., to Keith Southard, September 16, 1934, National Archives, Record Group 124.

⁸⁷Norbert A. Theodore to Keith Southard, April 13, 1935, National Archives, Record Group 124.

Many farmers and ranchers attempted fraud, theft, and misrepresentation in their dealings with government buyers of cattle. These actions were common in the western states, especially Texas. Adam R. Johnson, Director of the Texas Relief Commission, desired federal jurisdiction in cattle theft cases. Local juries seldom convicted their fellow citizens for cattle rustling. Johnson requested a ruling that all cattle bought under the Drought Relief Program were the federal government's property until they were processed in the state's canning plants.⁸⁸ Theft and misrepresentation occurred at Fort Stockton, Franklin and Navasota, Texas. Unfortunately illegal action was not limited to these towns.⁸⁹

Problems also occurred in distribution and processing. Federal officials claimed that 499,750 pounds of relief meat spoiled in Toledo, Ohio; however, investigations revealed that the meat was edible. Small quantities of meat spoiled in East St. Louis. The St. Louis experience revealed that distribution methods needed revision. C. F. Payne, an inspector, reported that "grocerymen do not receive any remuneration for their services in distributing the meats

⁸⁸Adam R. Johnson to Lawrence Westbrook, January 5, 1935, National Archives, Record Group 124.

⁸⁹L. Burr to M. T. Morgan, January 4, 1935, National Archives, Record Group 124; Corrington Gill to J. Edgar Hoover, Memorandum, February 21, 1935, National Archives, Record Group 124.

and will not hold it under refrigeration and . . . they do not even protect it from rats."⁹⁰ Glen D. Reese, Utah's Director of Commodity Distribution, reported unsatisfactory food which had been processed by the Tovera Packing Company of Pheonix, Arizona. Reese noted that "on opening these cars the stench was terrible and it was found a very high percentage of the cans had been broken open."⁹¹ With the exception of Tovera and East St. Louis, the FSRC functioned adequately and did not experience many serious problems in distribution.

In conjunction with the livestock purchase program, the FSRC also acquired sheep and goats. In the fall of 1933, Secretary of the Interior Harold Ickes requested officials to purchase sheep. During 1933 over 100,000 sheep were purchased by the FSRC from Navajo Indians living in Arizona and New Mexico. These sheep were processed into edible mutton at Denver, Omaha and Kansas City. The DRS also purchased sheep from western ranchers. These animals were processed in commercial plants. The mutton was conveyed by the FSRC to the Indian Service who distributed the meat to distressed Indians in Wyoming during the winter of 1933-34.⁹²

⁹⁰C. F. Payne to John R. Mohler, May 17, 1934, National Archives, Record Group 124.

⁹¹Glen D. Reese to William A. Nielander, July 13, 1934, National Archives, Record Group 124.

⁹²Federal Surplus Relief Corporation, "Report of the Federal Surplus Relief Corporation: 1933," mss., National

The procurement and disposition of sheep and goats followed the same general lines as the cattle-buying program. Only female animals one year old and over were purchased by the FSRC emphasizing the desire to reduce animal numbers. Ranchers received \$2.00 for each sheep and \$1.40 for each Angora goat.⁹³ Secretary of Agriculture Henry Wallace informed Senator Morris Shepard that Texas ranchers received more than 80 per cent of the funds for goat purchases and more than 30 per cent of the outlay for sheep.⁹⁴ During the drought of 1933, the federal government purchased 3,609,659 sheep for \$7,219,318. Of this number 23,767 were given to State relief administrations and Indian agencies received 19,341 sheep. Approximately 1,399,301 sheep were donated to the FSRC and slaughtered and processed. This operation resulted in 20,741,770 pounds of canned mutton for distribution to the needy. The remaining sheep were unfit for human consumption and destroyed. Purchases of goats totaled

Archives, Record Group 124; "The Old Ewe Surplus," The National Wool Grower, XXIII (December, 1933), 6; "Government Purchasing of Drought Sheep," The National Wool Grower, XXIV (September, 1934), 9; "The Government Sheep Purchases," The National Wool Grower, XXIV (October, 1934), 9-11.

⁹³R. C. McChord to Tom Connally, September 22, 1934, National Archives, Record Group 124; "Government Purchasing of Drought Sheep," The National Wool Grower, XXIV (September, 1934), 9.

⁹⁴Henry A. Wallace to Morris Shepard, November 23, 1934, National Archives, Record Group 124.

350,460. Of this number 79,590 were donated to state relief administrations. The FSRC received 194,935 pounds of canned goat meat which was valued at \$38,987. Wool acquired from the goats was stored in commercial plants for distribution to work relief projects manufacturing woolen comforters.⁹⁵ The sheep and goat purchases suffered from the same problem as those encountered in the livestock purchase program.

Despite inexperience, haste, inefficiency and duplication of effort by individuals, positive results occurred from the emergency drought purchase program of livestock. The greatest achievement was the preservation of a large quantity of nutritious food which would have gone to waste had not the FSRC participated in the drought relief program. During the life of the corporation, over 950,000,000 pounds of meat were distributed by the FSRC to the needy on a nation-wide basis. In accord with Wallace's desire for a balanced agricultural economy, the FSRC had cooperated with other governmental agencies to stabilize market prices of swine, cattle, sheep and goats. Meat from these programs had furnished employment to individuals during the depression

⁹⁵Harry Hopkins, "Federal Surplus Relief Corporation Activities," in "The Genesis, History and Results of the Federal Relief Programs," unpublished mss., Harry Hopkins to Franklin D. Roosevelt, Memorandum, August 23, 1935, National Archives, Record Group 69; AAA, Press Release, November 18, 1935, National Archives, Record Group 124; FSRC, "Acquisition and Disposition of Sheep," June 10, 1935, National Archives, Record Group 124.

through work relief projects, as will be noted later, and the FSRC had helped to conserve the morale of farmers and ranchers.⁹⁶ This program constituted the FSRC's most complex, but perhaps one of its most valuable operations.

⁹⁶Agricultural Adjustment Administration, "The Drought of 1934-1935, 117-118, National Archives, Record Group 145.

CHAPTER V

PROCUREMENT OF DAIRY PRODUCTS, EGGS AND FISH

The problem of feeding the poor could not be solved by the mere procurement and distribution of pork and livestock products. The diet of the destitute needed many products from the American farm, not the least of which was protein supplements in the form of dairy products, eggs and fish. Agricultural officials recognized the dietary standards for the destitute should be maintained, and also the need for price supports by the dairy industry. Price supports and the accumulation of supplies without distributing food to the needy was unthinkable. This was recognized even before the inception of the FSRC by representatives of the dairy industry.

Throughout the summer of 1933, the dairy industry faced a crisis. Prices of butter began to decline because of increasing surpluses and declining consumption. By August, 1933, representatives of the American Association of Creamery Butter Manufacturers and the National Co-operative Milk Producers' Federation were urging the federal government to devise plans for increasing consumption and solving the serious situation involving surplus butter.

The industry hoped that surplus butter could be exported abroad and that the federal government would buy large amounts of butter for distribution to relief organizations. Basing their proposals upon the idea that surpluses could be eaten, the industry refused to accept government recommendations for production control. Nonetheless, surpluses mounted and a crisis was evident.¹ W. F. Jensen, Secretary of the American Association of Creamery Butter Manufacturers, believed that by October a surplus of 85 million pounds of butter would exist unless the federal government took action to support the butter market.²

Negotiations between the dairy industry and Department of Agriculture officials occurred during August, 1933. That month, the two parties reached an agreement whereby the government would purchase up to 60 million pounds of 92 score butter, which contained a 92 per cent butterfat and 8 per cent moisture content, for distribution through relief channels. The dairy industry agreed to a production control program financed by a moderate processing tax. The primary purpose of the butter purchases were to improve the pro-

¹"Dairy Leaders Want Action on Butter," American Creamery and Poultry Produce Review, LXXVI (August 23, 1933), p. 542; Henry A. Wallace, New Frontiers (New York: Reynal and Hitchcock, 1934), p. 182.

²"W. F. Jensen Discusses Butter Situation," American Creamery and Poultry Produce Review, LXXVI (September 13, 1933), p. 644.

ducer price and remove surpluses. In this endeavor, the FSRC cooperated with other agencies of the federal government, "to render relief and to combat the agriculture's wasteful means of handling the surplus food problem."³

Accordingly, on August 17, 1933, Secretary of Agriculture Wallace designated Land O'Lakes Creameries, Inc., to act as the government's purchasing agent for surplus butter. From August 17 through October 25 Land O'Lakes Creameries purchased 11,051,048 pounds of butter on the Chicago and New York markets for the Department of Agriculture. This operation was financed by a loan of \$800,000 from the Farm Credit Administration. Increased butter prices resulted from this action. On August 16, butter sold for 18 cents a pound on the New York and Chicago markets; during October butter prices were 23 and 24 cents a pound. Butter acquired from this purchase program was donated to the FSRC for distribution to state emergency relief administrations.⁴

Butter became the first major farm product acquired by

³ Henry A. Wallace to Harry L. Hopkins, October 12, 1933, National Archives, Record Group 124; Henry A. Wallace New Frontiers, p. 183. William A. Nielander to Irvin May, February 27, 1970.

⁴ Fred F. Lininger, Dairy Products Under the Agricultural Adjustment Act (Washington: The Brookings Institution, 1934), pp. 60-65.

the FSRC for the purpose of feeding the needy from abundant surpluses. Using \$10,000,000 of Department of Agriculture funds, the FSRC agreed to purchase 8,000,000 pounds of butter from the Land O'Lakes Creameries. In effecting procurement, the creamery was reimbursed by the FSRC for their actual out-of-pocket outlay during the August 17 to October 14, 1933, period. These funds would compensate the company for the purchase price of the butter, for carrying charges and for overhead expenses attributed to the butter purchases up to a limit of three-fourths of one cent per pound.⁵ An additional \$3,500,000 was allocated to FSRC for administrative expenses. In this manner, the FSRC assumed the role as a purchasing agent of the Department of Agriculture for surplus butter. The FERA also joined with the Department of Agriculture in acquiring surplus butter by advancing the FSRC \$5,000,000 for butter purchases. Additional quantities of butter at a rate of not less than 2,000,000 pounds of butter per week for a period of five months could be purchased as directed by the FERA.⁶ These activities plus the butter donations of the Dairy Marketing

⁵New York Times, October 12, 1933, p. 5; Henry A. Wallace to Harry L. Hopkins, October 16, 1933, National Archives, Record Group 124.

⁶Henry Wallace to Harry Hopkins, October 12, 1933, National Archives, Record Group 124; George N. Peek to Douglas MacArthur, October 20, 1933, National Archives, Record Group 124; Henry A. Wallace to Harry L. Hopkins, December 9, 1933, National Archives, Record Group 124.

Corporation resulted in the Department of Agriculture's decision to cancel its obligations to Land O'Lakes Creameries. Future purchases were contingent upon the rate of distribution of the butter by the FSRC through the use of state emergency relief administration facilities, and relief needs would govern future butter acquisitions.

The FSRC acquired butter through gifts from the Dairy Marketing Corporation. Created on October 19, 1933, the Dairy Marketing Corporation existed as a private agency which served as a government purchasing agent for dairy products. These products were designated by the corporation as food for the unemployed and were donated to the FSRC. The stockholders of the Dairy Marketing Corporation consisted of representatives from the National Cooperative Milk Producers Federation, American Association of Creamery Butter Manufacturers, International Association of Milk Dealers and National Cheese Institute. The corporation bought dairy products on orders from the Department of Agriculture in the New York, Chicago, Seattle, Portland, and San Francisco markets. John Brandt, President of Land O'Lakes Creameries, headed the corporation.⁷ The Dairy Marketing

⁷Henry A. Wallace and John Brandt, Agreement for the Disposal of Surplus Butter, October 19, 1933, National Archives, Record Group 124; John D. Black, The Dairy Industry and the AAA (Washington: The Brookings Institution, 1935), pp. 355-356; "Butter Buying Set-Up Announced," American Creamery and Poultry Produce Review, LXXVI (October 25, 1933), 833, 916.

Corporation received \$11,250,000 from the Treasury Department and upon termination on December 16, 1933, had purchased 32,000,000 pounds of butter for the FSRC.⁸

As of December 31, the Dairy Marketing Corporation and Land O'Lakes Creameries had purchased 43,060,626 pounds of surplus butter. Additionally, the Federal Surplus Relief Corporation was authorized by the Secretary of Agriculture to purchase 3,011,000 pounds of butter in the lesser markets of Kansas City, Omaha, Helena, St. Louis, Denver, Salt Lake City, Minneapolis and Des Moines at a cost of \$588,000. These purchases were to be distributed to needy Americans in or adjacent to these cities.⁹

By January 19, 1934, the FSRC efforts to secure 3,011,000 pounds of butter had ended in failure, and Wallace revised his butter purchase program and extended the time for acquisition. He instructed the FSRC to purchase 3,000,000 pounds of butter at a cost not to exceed \$600,000 during the first three weeks in February.¹⁰

⁸ Phillip G. Murphy to Robert M. Littlejohn, Memorandum to Major Littlejohn, December 14, 1933, National Archives, Record Group 124; Fred F. Lininger estimates that the Dairy Marketing Corporation donated 32,009,578 pounds of butter for FSRC distribution to unemployed Americans. See Lininger, Dairy Products Under the Agricultural Adjustment Act, 62.

⁹ "Accomplish Great Surplus Reduction," The Creamery Journal, XLV (January, 1934), 10.

¹⁰ Henry Wallace to Harry Hopkins, January 19, 1934, National Archives, Record Group 124.

Additional purchases of surplus butter to stabilize the butter market were made throughout 1934.¹¹

On April 1, 1934, the Agricultural Adjustment Administration announced that the program had successfully reduced commercial stocks of surplus butter. Total commercial storage of butter consisted of 14,197,807 pounds which was lower than the five years average for the same date. Government purchases, plus a decline in butter production during January and February, had resulted in better commercial prices.¹²

Prices for butter fluctuated throughout 1934. In October, Dairy Produce reported that "with government purchases of butter becoming prominent, butter prices are again spurting toward new highs for the last three years."¹³ As a result of the drought and government purchases, the Southern Dairy Products Journal observed that "the harassment which beset recovery in the dairy industry at the beginning of 1934 in the form of oversupply of milk,

¹¹Harry Hopkins to Henry Wallace, June 27, 1934, National Archives, Record Group 124; Henry Wallace to Federal Surplus Relief Corporation, September 21, 1934, National Archives, Record Group 124; Henry A. Wallace to Harry Hopkins, December 15, 1934, National Archives, Record Group 124.

¹²"Details of Government Relief," Dairy Produce, XL (April 18, 1934), 28; "Government Buying Continues as a Butter Market Factor," Dairy Produce, XL (February 20, 1934), 26.

¹³"Butter Prices Climb; Relief Orders Bring New Twists to Market," Dairy Produce, XLI (October 7, 1934), 7.

excessive stocks of butter and cheese, and declining demand for all products was eliminated almost completely before the year had been brought to a close."¹⁴

Infrequent purchases of butter continued in 1935. Fearful of a reoccurrence of 1934 drought conditions, bids were opened and purchases were made in June.¹⁵ By September, no major future butter purchases were contemplated by the FSRC. The commercial supply of butter had decreased and market prices had increased. The Creamery Journal reported that "the big relief purchases as carried on last year are not to be repeated since it is contemplated that most of the relief clients will be on a cash pay basis this fall and winter and will be able to make their own purchases." Yet, the butter industry still wanted some governmental support in view of increasing competition from the oleo-margarine industry. In this regard the Journal observed that "intermittent buying is taking place, . . . , but not in sufficient quantity to upset the market and push prices up out of tune with conditions."¹⁶

The butter-purchase program did not escape criticism.

¹⁴"1934 Drought Benefits," Southern Dairy Products Journal, XVII (April, 1935), 32, 34.

¹⁵"A.A.A. to Buy More Butter, Cheese and Dry Skim Milk," National Butter and Cheese Journal, XXVI (June 25, 1935), 10.

¹⁶"Federal Butter Purchases," The Creamery Journal, XLIV (September, 1935), 12.

Initially, the purchasing through sealed bids was criticized by processors as tending to reduce the price of butter.¹⁷

Secretary Wallace responded to these charges when he told a Wisconsin audience that:¹⁸

Some criticism of the typing on bids has been made, and it is charged that this puts a drag on the whole butter market. To this let me reply that three out of four bid openings have been rejected because the asking prices were three to eight cents above current market 92 score Chicago butter. Low competitive bidding has not developed at all, never has there been any injury to current prices thereby. If there is any error on butter market quotations, it lies with the exchanges, which do not always reflect the true volume of supply and demand.

Wallace believed that the butter-purchase program had been a marked asset to the butter industry.

In late January, 1934 and continuing throughout its existence, the main complaint against the program was that government purchases caused abnormal jumps in the market price.¹⁹ Also the Chicago Daily News charged that buyers were delivering to the government relief agencies storage butter at the price of fresh butter and making about a 2 cents a pound profit on the transaction.²⁰

¹⁷Black, The Dairy Industry and the AAA, 361.

¹⁸"The Dairy Dilemma," Address by Henry A. Wallace at Farm and Home Week, Wisconsin College of Agriculture, Madison, Wisconsin, January 31, 1934, in Henry A. Wallace, Addresses of Secretary Wallace, III (Washington: Library of Congress, 1934), pp. 13-15. memo.

¹⁹Black, The Dairy Industry and the AAA, 361.

²⁰The Chicago Daily News, January 29, 1934, National Archives, Record Group 124.

In February, 1934, the Creamery Journal editorialized that "the action of the federal government under the New Deal so far cannot be said to have been of marked benefit to the dairy industry." The editorial concluded that "butter men are pleased because of the butter purchases by the government, but there is plenty of sentiment among them . . . that no price-raising action should have been undertaken without first adopting a plan that would take into account a control of production."²¹

The program was also criticized as being unfair to small producers. FSRC agents preferred to buy in large quantities in order to reduce the number of transactions and speed up procurement. Small butter producers were often ignored because they could not supply large quantities of butter. The American Creamery and Poultry Produce Review noted that the FSRC preferred offers in carload lots and "the larger the number of carloads offered, the better they like it."²²

A final criticism of the FSRC operation was made by the Creamery Journal. The Journal charged that "prices to consumers went too high and that there was a huge loss of

²¹"The Government's Program," The Creamery Journal, XLV (February, 1934), 12.

²²"Butter Bids Rejected," American Creamery and Poultry Produce Review, LXXVII (January 3, 1934), 304; "Protests Minimum Set for Government Bids," The Creamery Journal, XLV (January, 1934), 18.

consumer purchasing which had not yet been regained fully."²³ This result could hardly have been prevented. Acting Secretary of Agriculture Rexford Tugwell explained that "all purchases of butter undoubtedly have a tendency to increase prices somewhat, and this regardless of whether the purchases are made on a bid basis or on organized exchanges."²⁴ Government purchases of 92 score butter were designed to stabilize butter markets, and as far as can be determined the butter purchase programs operated free from inefficiency and graft.

The FSRC received the unprocessed butter in 100 pound blocks called tubs. It was wrapped in a special wax-type paper and stored in warehouses maintaining a circulating flow of air at a temperature of 42 degrees. The government issued contracts for the processing of the butter as the need arose for its distribution to the needy. Initial contracts for processed butter were granted to the Great Atlantic and Pacific Tea Company and the Borden Sales Co., Inc., but government contracts were by no means limited to these firms. Lieutenant Commander L. A. Odlin, assistant director of procurement for the FSRC, supervised the

²³"Federal Butter Purchases," The Creamery Journal, XLIV (September, 1934), 12.

²⁴Rexford Tugwell to Joseph F. Guffy, July 18, 1935, National Archives, Record Group 124.

processing according to FSRC specifications.²⁵ The FSRC conducted competitive bidding for the printing of the butter which was to be processed in distinctively-wrapped solid pound prints in a specially-printed parchment paper, conspicuously marked to show that it was for relief purposes only. Unauthorized use of the relief butter carried a penalty of imprisonment from 5 to 10 years or a fine of \$5,000 to \$10,000.²⁶

Distribution of butter to the state emergency relief administrations began in December, 1933. The Virgin Islands received the first shipment of relief butter, and Wallace reported that "butter is being delivered as rapidly [to the states] . . . as they require it."²⁷

Purchases of cheese and its distribution to needy Americans had been considered in conjunction with the butter-purchase program. The Dairy Marketing Corporation was authorized to purchase cheese and donate it to the

²⁵"Prepare for Government Donations," American Creamery and Poultry Produce Review, LXXVII (November 22, 1933), 104.

²⁶C. E. Parsons, Director of Procurement, FSRC, to Mr. Smith of Patterson Parchment Co., October 30, 1933, National Archives, Record Group 124; "Relief Distribution Under Way," American Creamery and Poultry Produce Review, LXXVII (November 15, 1934), 74; "W. F. Jensen's Comment," American Creamery and Poultry Produce Review, LXXVII (November 22, 1933), 118.

²⁷Phillip G. Murphy to Robert M. Littlejohn, Memorandum, December 14, 1933, National Archives, Record Group 124; "Accomplish Great Surplus Reduction," The Creamery Journal, XLV (January, 1934), 10.

FSRC. Initially, Secretary Wallace hoped to purchase between 3 million and 5 million pounds of surplus cheese.²⁸ Because of problems of distribution, the FSRC delayed beginning the cheese purchase program. Jacob Baker informed Wallace that "we have to pack the cheese in one or two pound packages to make it fit into our relief distribution set-up." This made "the expense of processing rather high in proportion to the cost of the product." For that reason, the FSRC preferred to keep the amount of cheese distribution as low as possible, until our distribution machinery is fully geared up."²⁹ This factor explains the reluctance of the FSRC to divert part of its funds toward the purchase of cheese in October and November, 1933.

Relief purchases of cheese began in January, 1934. Cheese purchases were restricted to Wisconsin State Brand or U.S. No. 1 grade. The styles of cheese purchased were Cheddars, Twins, Daises and Longhorns. The Department of Agriculture and the FSRC recognized that since over 60 per cent of the national cheese production originated in Wisconsin, the FSRC would purchase 65 per cent of its needs

²⁸Henry A. Wallace to Harry L. Hopkins, October 24, 1933, National Archives, Record Group 124.

²⁹Jacob Baker to Henry Wallace, October 31, 1933, National Archives, Record Group 124.

in that state.³⁰

In August, 1934, FSRC officials recognized a large surplus of Swiss cheese, when Swiss cheese makers in southern Wisconsin declared a 30-day holiday on production. To bolster the Swiss cheese market, the FSRC awarded contracts for 2,805,000 pounds of Swiss cheese for distribution to the needy.³¹

Manufacturers of other styles of cheese were unsuccessful in their efforts in convincing the FSRC to purchase their product. Washed curd or Colby-type cheese was refused because it did not lend itself to FSRC distribution methods.³² Manufacturers of limburger cheese experienced the same fate. Keith Southard informed Phillip Murphy that, "Limburger cheese is not universally used and we [the FSRC] prefer to distribute commodities which are natural foods for all in very large sections of the population."³³ The Chicago Daily Drovers Journal observed

³⁰William L. Nunn to Major Robert M. Littlejohn, November 1, 1933, National Archives, Record Group 124; Robert M. Littlejohn to Jacob Baker, Memorandum, "Purchase of Cheese," November 15, 1933, National Archives, Record Group 124; Black, The Dairy Industry and the AAA, 369.

³¹Black, The Dairy Industry and the AAA, 370.

³²Keith Southard to Representative Bertrand H. Snell, May 3, 1934, National Archives, Record Group 124.

³³Keith Southard to Phillip Murphy, August 13, 1934, National Archives, Record Group 124.

that "the trouble . . . the government had last year in trying to distribute salt pork to the Jewish unemployed in New York's East side will be mild compared with trying to force limburger cheese on the average American, no matter how hungry."³⁴

Relief cheese was processed according to government specifications. The FSRC specified that the cheese contain not less than 50 per cent milk fat. Natural cheese was produced in one, two, and two and one-half pound loaves. Natural cheese in two pound prints was canned. Processed American cheese conformed to the standards established by the Bureau of Agricultural Economics and was packed in either the Peter's type carton or the self-locking carton in one-half or one-pound packages.³⁵

FSRC's concern for the American dairy industry did not end with purchases of butter and cheese. In 1933, the dairy industry suffered from an oversupply of milk, and the FSRC sought to help this industry. However, the FSRC faced difficult problems concerning the distribution of milk. Dr. Clyde L. King, Chief of the Dairy Section of the AAA, informed Jacob Baker that any plan to distribute milk

³⁴Chicago Daily Drovers Journal, August 17, 1934, 4.

³⁵FERA. Press Release, April 11, 1934, National Archives, Record Group 124; see also "Cheese for Relief to be Canned by New Method," American Creamery and Poultry Produce Review, LXXVII (March 22, 1934), 712-713.

should not expect the farmer to give surplus milk unless he also sold some at the base price for the same purpose. Additionally, King believed that "the removal of surplus milk is less beneficial, at least in immediate effect for improving the farmers' condition, than the removal of any other surplus," and "local distribution by relief labor is impossible because of labor union's objection."³⁶ King also cautioned that "relief milk should not be purchased at the expense of the farmers now supplying milk for relief purposes through established co-operative organization."³⁷ A national policy for the purchase of milk did not evolve during 1933 because of the above considerations. Instead, the FSRC urged state emergency relief administrations to purchase milk locally.³⁸

During 1934, the Department of Agriculture wanted to remove 10 per cent of the total milk production from commercial channels. William Nielander opposed distribution because "from personal interviews and direct investigation

³⁶ Jacob Baker, Memorandum: "Conference with Dr. Clyde King and Members of His Staff." October 6, 1933, National Archives, Record Group 124.

³⁷ Clyde L. King, Memorandum to State Relief Administrations, November 3, 1933, National Archives, Record Group 124.

³⁸ Jacob Baker to All State Emergency Relief Administrations, December 5, 1933, National Archives, Record Group 124.

and observation it is apparent that no means has yet been determined whereby ten billion pounds of fluid milk can be distributed in that form." Nielander and Keith Southard recommended the purchase and distribution of dried, whole milk.³⁹ Throughout 1934, FSRC and Department of Agriculture officials attempted to solve the problems related to milk distribution. Finally by November, 1934, the FSRC had decided to purchase dry skim milk from regular milk processors in 100 pound barrels for approximately 6 cents a pound. Not until January, 1935 did the FSRC first distribute evaporated milk to the nation's needy.⁴⁰ A month later, the corporation began the distribution of dry skim milk.⁴¹

The distribution of dry skim milk to the nation's needy by the FSRC illustrated the desire by governmental officials to buy commodities having a high dietetic value

³⁹ William Nielander and J. E. Brickett to Jacob Baker, Memorandum, May 12, 1934, National Archives, Record Group 124; Keith Southard to Jacob Baker, Inter-Office Communication, May 14, 1934, National Archives, Record Group 124.

⁴⁰ Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration, January 1 through January 31, 1935 (Washington: Government Printing Office, 1935), p. 49. In January the FSRC distributed 2,262,000 pounds of evaporated milk; William L. Nunn to Keith Southard, November 26, 1934, National Archives, Record Group 124.

⁴¹ Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration, February 1 through February 28, 1935 (Washington: Government Printing Office, 1935), p. 41. In February the FSRC distributed 2,040,650 pounds of dried skim milk.

and ordinarily not included in sufficient quantities in a relief budget. Prior to 1935, the price of dry skim milk and the unfamiliarity of its use presented widespread public acceptance. The FSRC attempted to stimulate the use of dry skim milk by distributing 7,000,000 pounds in the drought and Southeastern states for relief purposes. The packing of the milk was undertaken by a work relief project under the auspices of the FERA. An elaborate educational campaign induced relief recipients in these areas to use the dried milk. The milk had beneficial effects in reducing the effects of pellagra and other diseases caused by malnutrition.⁴²

During its existence, the FSRC distributed to needy families 46,087,185 pounds of dried skim milk, 20,806,350 pounds of evaporated milk and 790,000 pounds of condensed milk. American relief recipients also received 18,107,383 pounds of cheese and 75,073,806 pounds of butter. These products possessed an approximate value of \$23,000,000.⁴³

⁴² Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration, July 1 through July 31, 1935 (Washington: Government Printing Office, 1935), p. 26.

⁴³ AAA, Press Release, November 18, 1935, National Archives, Record Group 124; Federal Surplus Commodities Corporation, Report of Federal Surplus Commodities Corporation for the Calendar Year, 1935 (Washington: Government Printing Office, 1936), p. 10.

Purchases and distribution of dairy products was in accord with the "over-and-above" policy of upgrading the diets of relief recipients. While the program was responsible for distributing a great deal of high protein food to hungry Americans, at the same time FSRC activities helped stabilize the market for these particular commodities. For example, in August, 1933 before government butter purchases began by Land O'Lakes Creameries, prices for butter on the New York market varied from 19-1/4 cents to 23 cents a pound. The American Creamery and Poultry Produce Review lamented the very strong surplus of butter caused from overproduction and also from the popularity of butter substitutes as oleomargarine. The Review observed that "decided weakness has featured the [butter] position throughout the week [of August 9] with prices suffering a further decline all along the line." In October, 1935 at the close of the FSRC operation, butter prices varied from 29-1/4 cents to 30-3/4 cents a pound. Butter prices were high and the magazine attributed these favorable results to a combination of factors which included a decrease in butter production, a decline in the butter surpluses, and federal relief-buying program. Through food distribution and price stabilization the FSRC had sought to solve the paradox of poverty in a land of plenty as revealed by the livestock and dairy

purchases.⁴⁴

From 1933 through 1935 the FSRC also procured small quantities of eggs and fish. Significant purchases of eggs to go with relief-distributed ham failed to materialize, although egg producers encouraged government purchases of their product. W. T. Seibels, Secretary of the National Association of Butter and Egg Distributors, expressed the industry's desire for help when he noted that "in view of the fact that the Federal Emergency Relief Administration is buying liberal quantities of butter, cheese and other foodstuffs . . . for distribution among unemployed and needy persons, the question is being raised by egg producers and distributors why no eggs are being purchased for similiar use."⁴⁵

The FSRC responded to the industry's plea by the purchase of approximately 2,500,000 cases of eggs to bolster the egg market during the winter of 1933. State emergency relief administrations served as purchasing and distributing agents for the FSRC.⁴⁶ However, after 1933,

⁴⁴"The Stability of Butter Prices," American Creamery and Poultry Produce Review, LXXVI (July 26, 1933), p. 418; "The Butter Situation," American Creamery and Poultry Produce Review, LXXVI (August 9, 1933), p. 480; "The Butter Situation," American Creamery and Poultry Produce Review, LXXXI (November 6, 1935), p. 31.

⁴⁵"Suggests Relief Egg Buying," American Creamery and Poultry Produce Review, LXXVIII (October 26, 1934), 904.

⁴⁶FERA, Press Release, November 11, 1933, National Archives, Record Group 124; Jacob Baker to All Governors and State Emergency Relief Administrators, December 8, 1933, National Archives, Record Group 124.

economic advisors in the United States Department of Agriculture believed that the egg market did not need price supports, and that surpluses of eggs were not large enough to justify relief purchases. On October 1, 1935, stocks of eggs in storage amounted to 6,300,000 cases as compared with 8,800,000 cases a year earlier and 7,300,000 cases for the five year average, 1930-1934. Thus, the surpluses of eggs were declining, and with the decline came an increase in egg prices. The Bureau of Agricultural Economics reported that as of September 15, 1935, the average farm price for eggs was 26.4 per dozen as compared with 21.9 cents on the date a year before. The 1935 price amounted to 95 per cent of the parity price. W. B. Termablen, Chief, Poultry Section of the Department of Agriculture, concluded that "there is a relatively favorable situation on eggs at the present time and also that further increases in egg prices might stimulate increased production of eggs in the latter part of 1936, we would not recommend egg purchases on any national basis at the present time."⁴⁷ Thus, the FSRC was concerned with distributing surplus good to the needy and with price stabilization, but not with needless subsidizing of any agricultural industry.

Poultry was not distributed to the needy. When this

⁴⁷W. L. Termablen to Dr. Mordecai Ezekiel, Chairman, Food Survey Committee, Memorandum, October 23, 1935.

question was raised, E. L. Warren, Associate Marketing Specialist, explained that "poultry meat has not generally been considered a suitable product to give families on relief rolls because for many years it has been classified as a luxury."⁴⁸ The FSRC was primarily concerned with staple foods for the relief recipients, and did not want to distribute foods classified as luxuries.

This policy was also applied to reindeer meat. The Lomen Reindeer Company and the Nathan Schweitzer Company hoped to persuade the FSRC to buy reindeer meat for distribution to relief clinics. Otto Schuler, Assistant Treasurer of the Nathan Schweitzer Company, informed Harry Hopkins that reindeer meat was not a luxury item and "is now a staple item on the American dinner table." Schuler called Hopkins attention to the low price of reindeer and the nutritious value of the meat. He added that since reindeer were raised and fed in Alaska "like cattle are here in the United States, it is NOT a game item."⁴⁹ Schuler's letter failed to convince Hopkins of the desirability of placing reindeer meat on the relief recipient's table. Despite claims to the contrary, the FSRC would not purchase luxury

⁴⁸ C. L. Warren to Phillip G. Murphy, Memorandum: "The Practicability of Buying Poultry Meat for Relief Purposes," March 16, 1934, National Archives, Record Group 124.

⁴⁹ Otto Schuler to Harry Hopkins, October 9, 1935, National Archives, Record Group 124.

meats and produce. The idea of buying and distributing shrimp and oysters met the same fate.

Purchases of fish by the FSRC were limited to canned salmon. The corporation bought and distributed 768,000 pounds of salmon throughout the nation. Despite some pressure to buy additional fish, purchases were not made.⁵⁰ Keith Southard informed Representative John McCormick of Massachusetts, where fish was an important product, that "the difficulties of distribution through the usual relief channels are almost . . . insoluble in respect to fish, no matter how well packed and frozen."⁵¹ Additionally the Food Survey Committee, which recommended FSRC purchases, observed that the demand for relief fish centered on the seaboards and the consumption of fish was much less popular in the Mid-west. The committee believed that fish should not be distributed on a national basis because fish lacked nation-wide appeal to the American consumer.⁵²

⁵⁰Federal Surplus Commodities Corporation, Report of the Federal Surplus Commodities Corporation. . . ., 10. In January, 1935 the FSRC advertised for bids for dry salted cod for relief distribution in Puerto Rico. Bids were withdrawn because of failure to receive bids. Federal Surplus Relief Corporation, Commodity Distribution Division, Memorandum, January, 1935, United States Department of Agriculture Library Files, Washington, D.C.

⁵¹Keith Southard to John W. McCormick, February 23, 1934, National Archives, Record Group 124.

⁵²Mordecai Ezekiel to William L. Nunn, Memorandum, January 25, 1935, National Archives, Record Group 124.

The real crux of the problem was that fish was not a surplus farm product. William Nunn explained that, while the economic position of fishermen was comparable to that of the farmers, in its legislation Congress had not recognized this fact. Thus the justification for buying fish was that the FSRC could furnish relief clients with a highly nutritious food at low cost.⁵³ Although, no significant national policy was developed for this product, the states were allowed to make fish purchases from their own funds for relief purposes in accord with the Food Survey Committee's recommendations.⁵⁴

The procurement of dairy products, eggs and fish provide further evidence that the FSRC, in conjunction with the Department of Agriculture, was more concerned about stabilization of the agricultural markets than about distribution of food to the needy. Recognizing that the American dairy industry needed price supports, the government moved quickly to support the dairy industry through purchases of

⁵³William L. Nunn to Keith Southard. Memorandum: "Biloxi Oysters and Shrimp," March 6, 1935, National Archives, Record Group 124.

⁵⁴Jacob Baker to Marcus Fagg, February 2, 1934, National Archives, Record Group 124; Mordecai Ezekiel to William L. Nunn, Memorandum, January 25, 1935, National Archives, Record Group 124. The committee suggested that general relief distribution be confined to canned and cured fish. However, where local supplies of fresh fish were available at the source of supply, local relief agencies could purchase fish for relief distribution.

butter and then later of cheese. These two segments of the dairy industry were considered by the Department of Agriculture as most worthy of immediate support. Problems of distribution discouraged the procurement of milk, yet, this segment of the industry was never regarded as vital as the others, when it came to relief purchases. Thus not until 1935 did the FSRC distribute dry skim milk to the needy. In this regard, the FSRC cooperated with the Bureau of Home Economics and the operation emphasized the concern of the FSRC for the dietary needs of relief recipients.

Of less significance were FSRC purchases of fish and eggs. The small purchase of eggs demonstrated that the FSRC did not intend to give needless price supports to an aspect of agriculture which did not need government aid. As much as the FSRC wanted to give price supports, the corporation did not intend to waste its money needlessly. The above factors also applied to the FSRC refusal to purchase reindeer and poultry. In both instances, the FSRC considered these products luxuries. The corporation would not waste its money in providing relief recipients with gourmet food.

The latter reasons coupled with problems of distribution applied to the FSRC refusal to purchase shrimp and oysters on a nation-wide basis. The FSRC dealt mainly with farm produce in its effort to solve the paradox of hunger in a land of plenty. The crux of the matter was that the

FSRC dealt mainly with food products which were in heavy surplus and which could be handled and distributed reasonably well. This permitted the agency to feed the poor by supplying them with staple produce from the nation's farms.

CHAPTER VI

PROCUREMENT OF GRAINS, FRUITS, VEGETABLES AND FUEL

Throughout its existence, the FSRC purchased grains, fruits, and vegetables for distribution to the needy. These purchases were often overshadowed by the FSRC's acquisition of pork, beef and dairy products, but they were nonetheless an important part of the early federal effort to acquire and distribute food. One of the reasons for acquiring additional commodities was that the FSRC wanted relief recipients of surplus food to have a balanced and nutritious diet. To achieve this aim, the corporation found it desirable to obtain a wider variety of agricultural commodities and to distribute the food to the needy in accord with the over-and-above policy. The Food Survey Committee aided the FSRC in this endeavor by investigating market conditions and recommending purchase of food by the AAA.

Headed by Dr. Mordecai Ezekiel, the Food Survey Committee evolved from the drought relief program. The committee commissioned detailed county-by-county surveys to determine the existence of food supplies. The surveys obtained information on locally produced vegetables, fruits and home canned products, as well as products which had

been transported into the area. The committee then reported to the FSRC on the existence and location of agricultural surpluses.¹ The reports also included the quantity, nutritional value and market conditions for the product. These reports were then sent to the FSRC with recommendations from the AAA. The reports then went to Jacob Baker, William Nielander and William Nunn who sent the committee proposal with their recommendations on to Harry Hopkins for his approval. Usually Hopkins consented, and authorized the AAA Commodities Purchase Section to buy the food for FSRC distribution.² Ezekiel noted that "in this way, food supplies which otherwise would have been wasted have been conserved, and through taking the surplus supplies off the market, income to farmers has been increased."³ Ezekiel believed that "in this way the consumption of food has been maintained nearer to a proper dietary standard, and surpluses have been disposed of without in any way interfering with commercial

¹Mordecai Ezekiel to John Bird, Memorandum, November 28, 1934, National Archives, Record Group 145.

²Federal Surplus Relief Corporation, "Conference on Commodity Distribution Report," September 19, 1935, mss., p. 37, National Archives, Record Group 145; Louise Stanley, Acting Chairman, Food Survey Committee to Keith Southard, December 21, 1934, National Archives, Record Group 124; Mordecai Ezekiel to Wall Doxey, January 3, 1935, National Archives, Record Group 124.

³Mordecai Ezekiel to John Bird, Memorandum, November 28, 1934, National Archives, Record Group 145.

markets."⁴

In the fall of 1933 after some increases, the grain market collapsed which caused government price supports. On October 4, December futures of wheat had sold for 91 cents a bushel; a week later prices declined to 84 cents. The trend downward continued, and on October 17, the market reached a low of 67.5 cents - the lowest level since April.⁵ As a result of these disastrous conditions, Henry Morgenthau, Jr., Governor of the Farm Credit Administration, announced the purchase of wheat for distribution to the needy.⁶ That same day, on October 17, 1933, Harry Hopkins accepted Morgenthau's offer to turn to the FSRC "all grain purchased on your orders by the Farmers National Grain Corporation."⁷ Clearly these purchases were initiated for price stabilization of wheat rather than building up stocks for relief purposes. Additionally the Farmers National Grain Corporation agreed to store wheat for the FSRC, under the account of the FERA, at the regular rates for storage.⁸

⁴Ibid.

⁵Joseph Stancliffe Davis, Wheat and the AAA (Washington: The Brookings Institution, 1935), pp. 244-249.

⁶Harold Ickes, The Secret Diary of Harold L. Ickes, Vol. I: The First Thousand Days (New York: Simon and Schuster, 1953), p. 108; New York Times, October 18, 1933, p. 31.

⁷Harry L. Hopkins to Henry Morgenthau, Jr., October 6, 1933, National Archives, Record Group 124.

⁸"Agreement Covering the State of Wheat by Farmers National Grain Corporation for the Account of the Federal Emergency Relief Administration," [1933], National Archives, Record Group 124.

In December, to aid in the removal of surplus wheat and relieve hunger among the destitute, the FSRC entered into negotiations with the Millers National Federation to mill the wheat into flour. Under the terms of the agreement, the Farmers National Grain Corporation transferred the wheat to the mills, which in turn processed the wheat into flour and then released the flour to the FSRC for distribution through the existing state emergency relief administrations. Under the terms of the agreement, the millers were furnished with No. 2 or better hard winter wheat. The wheat was to be converted into flour on the basis of 4.6 bushels per barrel at a conversion charge of 55¢ per barrel, "plus the Millers National Federation differential for flour sacks, less a credit for by-products on the basis of 76 pounds per barrel at the gross bulk market price of such feed, as of the time the wheat was milled, with an allowance of \$1.00 per ton for selling expense." This plan provided an economical and satisfactory method of processing the flour. E. H. Cope and L. J. Morgan supervised the operations from the FSRC's Chicago office.⁹

The Northwestern Miller applauded the FSRC's action. Robert E. Sterling, editor, observed that:¹⁰

⁹Davis, Wheat and the AAA, 258; Federal Surplus Relief Corporation, "Report of the Federal Surplus Relief Corporation: 1933," mss., p. 11, National Archives, Record Group 124; "Relief Wheat Milling Plan Complete," Northwestern Miller, CLXXVI (December 13, 1933), 664.

¹⁰"Fair Relief Flour Program," Northwestern Miller, CLXXVI (December 13, 1933), 659.

The milling industry has ample cause to congratulate both itself and the officers of the Millers' National Federation upon the straight forward and sensible arrangement effected for providing flour for distribution by the Federal Surplus Relief Corporation the plan modeled after the Red Cross arrangement of last year undoubtedly will best serve every interest. . . . This, based on the Red Cross price with five cents, added for NRA expense, is a fair rate from both the government and the milling standpoint, and assuming the same sound direction characterized the Red Cross administration of a similiar activity, should assure clean and orderly operation with no possibility of subsequent criticism or scandal.

During January, wheat prices increased, and the procurement of wheat ceased because price supports were no longer needed by that segment of agriculture. The temporary crisis had ended, and by April, 1934, the Dallas Morning News correctly concluded that "the government acreage program, plus the drought, has effectively solved the burdensome problem of wheat surplus."¹¹ In August, 1934, William A. Nielander observed that probably no surplus flour would be available for the winter of 1934-1935.¹² Despite some erratic fluctuations in the wheat market, the FSRC stopped its wheat purchases as of January, 1934. Nevertheless, these purchases resulted in the distribution

¹¹Dallas Morning News, April 14, 1934, Sec. III, 18.

¹²"Meat Rather than Flour to Feature Relief Work," Northwestern Miller, CLXXIX (August 8, 1934), 371.

of 190,561,904 pounds of flour to the nation's hungry.¹³

Joseph Davis, in Wheat and the AAA, observed that two factors operated against the large-scale distribution of surplus flour to the needy. Federal officials feared arousing opposition from local merchants if large amounts of flour were distributed, and local relief agencies occasionally opposed commodity distribution.¹⁴ As has already been noted earlier in this study, FSRC officials did not want surplus commodities to interfere with the normal channels of trade. The Northwestern Miller observed that most markets had been materially affected by the distribution of surplus flour. Fearful of extensive criticism, the FSRC did not encourage future purchases of wheat for flour-making.¹⁵

Additionally, some local relief agencies opposed the distribution of surplus flour. These agencies reflected public disapproval of the practice. For example, in Dallas, Texas, the Dallas Bakers Club concluded from its investigations that needy families in that city were poorly equipped to bake bread in their homes. The Bakers Club also

¹³Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration, October 1 through October 31, 1935 (Washington: Government Printing Office, 1935), p. 40.

¹⁴Davis, Wheat and the AAA, pp. 254-255.

¹⁵"Dallas Bakers Have Relief Bread Sales," Northwestern Miller, CLXXVI (December 13, 1933), p. 665.

opposed the relief distribution of flour because the practice might curtail some of their business. The bakers concluded an agreement with the Dallas County Relief Committee whereby the committee would issue needy Dallasites coupons which could be exchanged for any brand of one pound bread. Each coupon obtained by the grocer, allowed him 1/2 cents for handling the coupon. The grocer then transferred the coupons to the bakers, who presented them to the Dallas County Relief Committee and were reimbursed with a profit of 6-1/2 cents per loaf. In effect, the Dallas bakers manufactured bread from relief flour at a profit of 6-1/2 cents. Over 900,000 coupons were issued by the Dallas County Relief Committee. This operation permitted the baker and grocer to make a profit; the consumer to get a high quality of bread, and the Dallas County Relief Committee to retard the distribution of free flour.¹⁶

Despite these problems, during 1934, the United States agreed to permit 500,000 quintals of French wheat into the United States in exchange for the export of American apples to France. Although Chester Davis, AAA administrator, opposed the purchase of foreign wheat, William Nunn believed that the FSRC could use 1,000,000 bushels of French wheat to make milkwheato, a cereal composed of wheat and dry skim milk. On July 27, 1934, Hopkins agreed to purchase the

¹⁶ Ibid.

French wheat. The FSRC distributed the milkwheato among Puerto Rico relief recipients.¹⁷ Milkwheato was also made from corn as well as wheat and distributed by the FSRC to America's destitute.

When the severe drought of 1933 caused starvation among livestock on the Great Plains, Hopkins informed all state emergency relief administrators that wheat was available for feed purposes in drought areas. The wheat could be traded by the FSRC or by state administrators for corn, oats or other grains. Hopkins urged that surplus wheat be used for feed before cattle starved to death. He noted that "no farm animals should be allowed to starve." The FSRC president charged that "the responsibility for their starvation rests squarely on the State administrations where it happens." Farm animals, he wrote, should not needlessly starve in a land of plenty.¹⁸ Responding to Hopkins's initiative, the FSRC distributed 12,700,000 bushels of grain for livestock in distressed areas from October, 1933 through March, 1934.¹⁹

¹⁷Phillip G. Murphy to Chester C. Davis, Memorandum, June 28, 1935, National Archives, Record Group 145.

¹⁸Harry L. Hopkins to all State Emergency Relief Administrations, December 21, 1933, National Archives, Record Group 124.

¹⁹Keith Southard to Jacob Baker, Memorandum, "The Conclusion of the Feed Grain Operations," March 14, 1934, National Archives, Record Group 124.

The purchasing of wheat for livestock, while people were still hungry aroused strong protests. O. F. Kelley, Chairman of the Missouri State Chamber of Commerce on Flour Milling, observed that the residents of Cole County, Missouri, had "flour just about 10% of the time and no flour or bread the remaining 90%." Local relief agencies did not possess the funds to supplement the lack of flour in relief budgets. Kelley could not understand "why the wheat that is being bought by the F.S.R.C. should be so greatly diverted to livestock feeding while human beings go hungry."²⁰

The issue raised by Kelley concerned whether the limited money to buy surplus wheat should be used to feed people or animals. However inhumane it may have seemed, officials decided that livestock should get the first priority. Keith Southard wrote in February that:²¹

The situation in respect to grain for livestock is difficult at the moment. We had a substantial quantity of grain. . . ., which was intended for distribution largely in the form of flour. The drought and other distressed conditions in each section became so acute and the necessity for saving livestock through the Winter until the opening of Spring pasturage was of such urgency that we have been obliged to divert every dollar's worth of grain to that purpose.

The FSRC's distribution of feed to livestock did not

²⁰O. F. Kelley to Agricultural Adjustment Administration, February 26, 1934, National Archives, Record Group 124.

²¹Keith Southard to Charles J. Birt, February 17, 1934, National Archives, Record Group 124.

accomplish its aims, and by November, 1934, many cattle were dying for lack of feed. William Nunn informed Keith Southard that "competition for all kinds of feed . . . is so great that prices have skyrocketed, and when the value of the livestock is considered . . . it is better business to lose the stock entirely than to attempt to feed it."²² Nunn believed that "uncertainty as to the Government's policy relative to feed distribution is largely responsible for the fact that feed dealers in many sections of the country have failed to provide stocks for distribution in their normal trade territories."²³ On November 23, 1934, the President's Drought Committee stated that "no further feed supplies would be distributed to relief clients by agencies connected with the Federal Emergency Relief Administration." The committee believed that the grain could be effectively distributed as feed "by selling it in the open market to feed mixers and distributors."²⁴

The drought of 1933-34 had not only necessitated purchases of wheat for livestock feed, but also resulted in the purchases of seeds by the federal government when it became apparent that there would be an acute shortage

²² William Nunn to Keith Southard, Memorandum, November 14, 1934, National Archives, Record Group 124.

²³ Ibid.

²⁴ Henry A. Wallace to Harry L. Hopkins, February 9, 1935, National Archives, Record Group 124.

of varieties of oats, barley, flax and seed wheat for planting the 1935 crops.²⁵ The seed purchase program by the FSRC began in January, 1934, when representatives of the seed industry met with FSRC and Agricultural Department Officials in Keith Southard's office on January 6. There a tentative decision was reached that seed should be supplied to relief recipients.²⁶ On March 15, Jacob Baker informed state relief administrations that because of the cooperation of the FCA and a large surplus of grass seed, state emergency relief administrations could purchase seed for 7¢ a pound. Baker urged the states to purchase seed from the FSRC. The corporation recommended that states undertake work relief projects and plant the seed near highways and airports and reseed parks, municipal golf courses and school playgrounds.²⁷ At the program's conclusion the FSRC had distributed 17,056,456 pounds of Blue Grass, Red Top and Lespedeza seed to the states.²⁸

²⁵ A.A.A. Press Release, November 18, 1935, National Archives, Record Group 124.

²⁶ Memorandum on Seed Meeting, January 6, 1934, National Archives, Record Group 124.

²⁷ Jacob Baker to all State Relief Administrations, March 15, 1934, National Archives, Record Group 124.

²⁸ Keith Southard to Harry Hopkins, May 7, 1934, National Archives, Record Group 124; Federal Surplus Relief Corporation, "Quantity of Commodities Distributed Through FSRC," mss., National Archives, Record Group 124.

In addition to its other programs, the FSRC allocated money to the states for subsistence garden programs. The corporation made garden seeds available to states and municipalities which were distributed to the needy. This program did not last long because of the development of certain problems. Large scale purchases of seeds from the FSRC invited corruption in buying and selling. Arthur Goldschmidt informed Jacob Baker that, "Oklahoma was a flagrant case of this." Also the unemployed could not choose the seed they wanted or needed as FERA officials determined the amount and variety of the seeds. Seeds were also distributed to those not on relief rolls. The FSRC did not possess a practical and feasible solution to these problems.²⁹

During the seed program, the federal government purchased 19,052,882 bushels of seed at a cost of \$16,842,052. Sales were made for cash to farmers who could purchase seed; transfers were made by the AAA to the FERA for seed to be sold to the relief clients of Rural Rehabilitation corporations in several states. Some seed was donated to the government by private companies at a value of \$7,100,000.³⁰ These programs were supervised by the FSRC.

²⁹Arthur Goldschmidt to Jacob Baker, January 4, 1934, National Archives, Record Group 124.

³⁰"Operations of the Special Commodities Section During the Period May 12 to November 30, 1933," mss., p. 8, National Archives, Record Group 124.

During the early fall of 1933, the rice industry hoped that the FSRC would purchase rice. The FSRC declined to purchase rice for distribution to the needy and underfed as such action would cut down consumption of bread and disturb the wheat program. However, the FSRC recognized the failure of the United States to end the rice surplus by selling on the world market. Accordingly the FSRC permitted the state administrations to purchase rice with FSRC money. Most of the rice was distributed to relief clients during the summer and fall of 1934. Substantial purchases were made, but FSRC operations declined as the rice surplus was reduced. Again, in January, 1935, Charles G. Miller, Chief of the AAA's Rice Section, recommended that the FSRC purchase 100 million pounds of rice at 3.5 cents per pound.³¹ Southard recommended FSRC purchases because the price was reasonable, a temporary rice surplus would be removed, and the rice purchases would aid work relief by necessitating a packaging operation.³² Jacob Baker, generally conservative on procurement matters, urged restraint. As early as February, 1935, the commodity relief program's future seemed doubtful. As rice would take months to distribute, Baker recommended further study of the program.³³ Consequently

³¹Charles G. Miller to Keith Southard, January 17, 1935, National Archives, Record Group 124.

³²Keith Southard to Jacob Baker, Memorandum, February 5, 1935, National Archives, Record Group 124.

³³Jacob Baker to Harry Hopkins, Memorandum, February 5, 1935, National Archives, Record Group 124.

additional rice was not distributed to the needy. During its existence, the FSRC had distributed 50,369,986 pounds of rice.³⁴ The FSRC program had provided a nutritious food to the needy and helped stabilize the market of this Southern crop.

Not all surplus crops were purchased by the FSRC for distribution to the needy. In some instances, procurement of a crop was not conducted because its distribution would hinder a more vital segment of the nation's agricultural economy. A prime example concerned peanuts. In 1933, investigations revealed that the peanut surplus was "not as serious as the surplus of butter." Although a peanut surplus existed, the "Federal Emergency Relief Administration felt that the supplying of peanut butter for relief purposes would reduce butter consumption."³⁵ Rather than pursue a policy harmful to the dairy industry, the FSRC abandoned all plans to use peanut butter for relief purposes, and this Southern crop was denied federal support.

Southerners were pleased when the FSRC purchased ribbon cane and sorghum syrups for distribution to destitute

³⁴Federal Surplus Relief Corporation, "Quantity of Commodities Distributed Through FSRC," mss., National Archives, Record Group 124.

³⁵Robert M. Littlejohn, "Operations of the Special Commodities Section During the Period May 12 to November 30, 1933, December 9, 1933, mss., National Archives, Record Group 124.

Americans. Mississippi's Director of Public Welfare, George Power wrote that:³⁶

A twenty-four pound sack of flour made up into real fluffy southern biscuits with about four pounds of surplus butter to the sack and spread with Mississippi Ribbon Cane Syrup is about all the relief that anyone needs in the way of real good eating. . . . have somebody make them some real good biscuit about two inches thick, then punch a hole in one side of the biscuit and pour in some . . . ribbon cane syrup and let it soak into the biscuit and if they have ever tasted any better eating than that I would like to know it.

Many southerners would agree with Power, but he certainly overestimated the importance of ribbon cane syrup. Nonetheless, the pleasure from eating this tasty morsel cannot be disputed. Many school children and farm hands carried biscuits of this nature with them for their lunches. In this manner, some relief families consumed too much sugar. Phillip Murphy observed that "families on relief are already consuming more sugar than is good for health and less of other important foods." This practice "increased the tendency to a deficiency of minerals and vitamins and other essential foods than carbohydrates in the diet." Nutritional experts in the Department of Agriculture sought balanced diets for relief recipients. They recommended that syrup be used as a sugar substitute.³⁷

³⁶ George B. Power to Ellen S. Woodward, January 25, 1934, National Archives, Record Group 124.

³⁷ Phillip G. Murphy to Keith Southard, September 18, 1934, National Archives, Record Group 124.

The FSRC limited purchases of syrup to Louisiana, Georgia, Alabama, Mississippi, Florida and Texas. Relief recipients received 1,143,295 gallons of syrup which was packaged in one gallon cans. The purchase of syrup revealed a major problem. Because of its nature, accurate surpluses of syrup were difficult to determine by agricultural officials. The realization of a guaranteed market caused many Southern farmers to increase their production of ribbon cane. Jacob Baker informed Harry Hopkins that "it looks like the farmers in Mississippi are going into the business of producing surpluses for our use."³⁸ Investigators were sent to determine the precise extent of the surplus and as a result purchases were curtailed. Despite this problem, many rural unemployed in the South and Midwest appreciated the FSRC purchases of ribbon cane and sorghum syrups. In connection with the syrup purchases, the FSRC procured 9,000,000 pounds of sugar from sugar beets and sugar cane for distribution to the needy.

Another nutritious commodity for relief distribution was citrus fruit. Citrus fruits were purchased from growers in California, Texas and Florida. Additionally many growers gave fruit to the corporation rather than see it spoil. Railroads also aided the relief process by contributing

³⁸ Jacob Baker to Harry Hopkins, Memorandum, September 1, 1934, National Archives, Record Group 124.

reduced freight rates for transporting citrus. The FSRC distributed the fruit in 8 pound bags to the needy in areas of production, along the Atlantic seaboard and in eastern mountain regions.³⁹

The first shipments of citrus were begun in February, 1934. Homer W. Borst, head of the Federal surplus division of the New York State Relief Administration, revealed that New York state would receive 10,000,000 oranges from Florida for distribution. About 47 per cent of the shipments would go to the needy unemployed of New York City. Delivery of the fruit had been made possible by the Florida Orange Growers Association and the railroads had granted a 25 per cent reduction on hauling charges.⁴⁰

Later that year in November, the Texas Citrus Control Board offered the FSRC substantial quantities of grapefruit at the cost of handling. C. Z. Crain, Texas Director of Commodity Distribution, recommended that the FSRC subsidize a grapefruit juice and grapefruit heart canning operation as a work project. Crain hoped that the project would solve the problems of spoilage of citrus fruit, provide agricultural market supports to the citrus industry, and provide work relief for needy Texans. William Nunn and Mordecai

³⁹H. P. Answalt, Advisor on Transportation, to P. P. Hastings, General Freight Agent, Santa Fe Railroad, November 2, 1933, National Archives, Record Group 124.

⁴⁰New York Times, February 22, 1934, 42.

Ezekiel endorsed Grain's proposal.⁴¹ Four days later, Baker informed Nunn that "on the basis of advice as to its nutritive value and difficulties involved in retaining the vitamins in the canning process, it appears that the proposal to can grapefruit for distribution is more expensive than the proposed results."⁴² Financial considerations, combined with the lack of adequate canning methods, prevented significant distribution of large quantities of citrus to the needy. Nonetheless, relief recipients enjoyed 194,935 bags of citrus fruit, from FSRC appropriations.

In addition to citrus fruit, apples constituted additional FSRC fruit purchases. During 1933, the Department of Agriculture reported that a severe market situation existed in the Yakima and Wenatchee valleys in Washington. The Farm Credit Administration purchased the first two grades of apples in that region, and the FSRC bought "C" grade apples. By purchasing these low grade apples, the FSRC aided farmers who would have been economically destitute without government aid. But the FSRC bought apples before officials had worked out proper methods

⁴¹William L. Nunn to Jacob Baker, Memorandum, November 24, 1934, National Archives, Record Group 124; William L. Nunn to Jacob Baker and Keith Southard, Memorandum, December 7, 1934, National Archives, Record Group 124.

⁴²Jacob Baker to William L. Nunn, December 11, 1934, National Archives, Record Group 124.

of distribution and many apples spoiled.⁴³ After 1933, the FSRC purchases were not limited to the Pacific Northwest. Over 9 million pounds of apples were distributed to relief recipients by the FSRC.

Another aspect of the FSRC food purchase program involved buying vegetables. Agricultural officials recommended that the FSRC purchase supplies of food "in cases where yields are high and prices to growers likely to be so low as to result in leaving a large proportion unharvested and thus lost as a source of food."⁴⁴ This general policy of purchasing the excessive surpluses before they were lost had been manifested in livestock purchases and other programs by the FSRC and was also applied to the vegetable buying program. The FSRC purchased potatoes, cabbage, and beans, but on the same criteria refused to purchase tomatoes. In the case of tomatoes, the surpluses were grown within specific areas, and the FSRC did not possess the means to quickly distribute tomatoes.

Occasionally the FSRC received letters from public

⁴³Jacob Baker, Memorandum, October 12, 1933; Ira D. Cardiff to Director of Procurement [Captain Charles E. Parsons], November 18, 1933; C. E. Parsons to A. R. Chase, December 1, 1933, National Archives, Record Group 124; "Operations of the Special Commodities Section During the Period May 12 to November 30, 1933," mss., p. 6, National Archives, Record Group 124.

⁴⁴P. R. Taylor, Assistant Chief, General Crop Section, to Dr. Mordecai Ezekiel, Memorandum, September 6, 1934, National Archives, Record Group 124.

officials concerning the purchase and distribution of vegetables. Few individuals were more colorful or outspoken than Oklahoma Governor William H. Murray. Governor Murray opposed the distribution in Oklahoma of polished rice and citrus fruits. On the other hand, Murray informed Hopkins that:⁴⁵

onions is one of the most wholesome foods as it performs not only nutrition, but at the same time, the functions of disinfectant to the alimentary canal, and that is why in camps men must eat onions; and why onions on a hunting trip are so palatable. Men traveling about drinking all kinds of water will have a derangement of the alimentary canal unless they eat a big plate of onions every day. Most of the candidates in Oklahoma politics . . . suffer thereby, because they do not know this fact.

Despite Murray's testimony about the value of onions, the FSRC did not purchase the vegetable for distribution to the nation's needy.

However, the FSRC did purchase large quantities of potatoes, a food which constituted a major item in the American diet. The 1933 potato crop was smaller than usual, and that year only 150,000 pounds of potatoes were obtained for relief distribution. Purchases were concentrated in North Carolina, Kansas, Missouri, California, Idaho, Colorado and Maine although small amounts were acquired in other states. Premium grade potatoes were purchased in all

⁴⁵ William H. Murray to Harry L. Hopkins, October 17, 1933, National Archives, Record Group 124.

the above states except Maine. In the case of Maine, there was not a surplus of first grade potatoes from that state, because of the successful sales campaign and wide sales area of Maine potatoes. Because of the state's lack of surplus first-grade potatoes, the FSRC did not believe that the Maine potatoes needed price supports. Disappointed at this decision, the Maine congressional delegation led by Representative John G. Utterback, encouraged the FSRC to purchase Maine potatoes. A compromise resulted; the FSRC bought only second-grade potatoes from Maine. These purchases of potatoes as a result of political considerations caused the New York Times to report that, "among all the tubers of the world the potatoes of Aroostock County are the most persistently cultivated, watched, defended and represented at Washington."⁴⁶

The FSRC usually shipped commodities to states in accord with the normal supply channels when transportation costs permitted that procedure. Northwestern Texas, for example, was normally a region where Idaho potatoes were marketed. Consequently, efforts were made by the FSRC to supply relief recipients in that area with Idaho potatoes.⁴⁷

⁴⁶New York Times, October 15, 1933, Sec. IV, p. 5.

⁴⁷P. R. Taylor to Mordecai Ezekiel, Memorandum, November 13, 1934, Files, United States Department of Agriculture Library, Washington, D.C.

Exceptions of this policy, however, resulted. Keith Southard explained that, "the purchases made by New York, Pennsylvania, Michigan and Wisconsin were not in proportion to the surpluses existing in those states but it would have been difficult to ship potatoes out of such states without putting them in such states . . . where there was a large supply."⁴⁸ Potato purchases were made regularly throughout the FSRC's existence. In terms of distribution, potato purchases ranked third as noted in Table II.⁴⁹

By procuring and distributing vegetables, meat, fruit and dairy products, the FSRC had helped to provide a more balanced diet for relief recipients. By procuring relief coal, the FSRC aided families who did not have fuel for cooking and warming their homes. Coal was distributed to relief recipients and benefitted the coal industry by providing a market for its products and employment for its workers.⁵⁰

The fuel policies of the FSRC were shaped by L. A. Sneed. Sneed, former Director of Distribution for the Federal Fuel Administration, served as Fuel Advisor for

⁴⁸Keith Southard to Albert J. Engel, April 5, 1935, National Archives, Record Group 124.

⁴⁹Federal Surplus Relief Corporation, "Quantity of Commodities Distributed Through FSRC," mss., National Archives, Record Group 124.

⁵⁰L. A. Sneed to Harry Hopkins, March 29, 1934, National Archives, Record Group 124.

TABLE II

QUANTITY OF COMMODITIES DISTRIBUTED THROUGH FSRC

This chart includes commodities purchased by the FSRC, AAA, local surpluses purchased by State Relief Administrations under FSRC purchase authority and reshipment of commodities turned over to the FSRC by the State Emergency Relief Administrations.

Commodity	Unit	Oct. 4, 1933 through Oct. 31, 1935
Apples, dried	Lbs.	885,350
Apples, fresh	"	9,497,664
Beans	"	6,871,380
Beef, bones	"	19,868,824
Beef, canned	"	290,977,102
Beef, fresh	"	35,149,167
Beef, tongue	"	2,798,104
Butter	"	75,574,726
Cabbage	"	36,860,639
Cereal Food	"	20,296,440
Cheese	"	17,987,384
Cocoa	"	128,000
Flour	"	190,561,904
Fruit, citrus	Bags	194,935
Goat Meat, canned	Lbs.	777,600
Lard	"	23,874,398
Meal, corn	"	790,000
Milk, condensed	"	790,000
Milk, dry skim	"	14,330,500
Milk, evaporated	"	38,117,965
Mutton, canned	"	20,741,550
Pork products	"	297,610,059
Potatoes, white	"	240,477,800
Potatoes, sweet	Bu.	111,735
Prunes, dried	Lbs.	23,815,225
Rice	"	50,369,986
Salmon, canned	"	768,000
Sausage	"	384,000
Sugar	"	9,000,000
Syrup	Gal.	1,143,295
Veal, boned	Lbs.	113,587
Veal, canned	"	20,808,675

TABLE II (CONT'D.)

Commodity	Unit	Oct. 4, 1933
		through Oct. 31, 1935
Veal, fresh	Lbs.	86,760,375
Veal, tongue	"	585,710
Wheat	Bu.	8,156,066
Corn	"	3,726,574
Oats	"	1,228,245
Barley	"	103,750
Milo	"	25,500
Grass Seed	Lbs.	17,056,425
Cotton	"	84,130,956
Wool	"	2,007,358
Blankets	Each	1,023,902
Comforter Covering	Yards	63,309,837
Sheeting	"	20,968,720
Ticking	"	19,196,462
Toweling	"	26,695,512
Hides	Each	39,276
Sheepskins, green	"	576,510
Sheepskins, tanned	"	269,060
Coats	"	323,545
Containers	"	7,644,131
Coal, anthracite	Tons	412,850
Coal, bituminous	"	715,832
Coke	"	5,108
Cattle and Calves*	Head	5,101,980
Hogs	"	1,363,231
Sheep	"	1,364,914

*exclusive of cattle and calves retained by states of purchase.

the FSRC until April 1, 1934, when he returned to private business and to "help the State of Virginia in the direction of its relief program."⁵¹ As Fuel Advisor, Sneed formulated national agreements between the FSRC and the bituminous and anthracite coal producers. He also initiated plans of procurement and distribution.⁵²

Sneed consulted representatives of the Anthracite Institute, National Coal Association, National Retail Coal Association, and Railroad Association. Representatives of these organizations met with Sneed, Hopkins, Baker and Parsons. From their discussions the federal relief fuel policy emerged.

The coal producers agreed to supply coal to the FSRC at reduced prices. Members of the Anthracite Institute consented to a price reduction of 70¢ per ton; bituminous coal producers accepted a reduction of 10 per cent below the NRA code price. The railroads aided the relief distribution process by reducing rates 20 per cent for coal shipments by the FSRC.⁵³

Coal was distributed to relief recipients in "sizes

⁵¹L. A. Sneed to Harry L. Hopkins, March 29, 1934, National Archives, Record Group 124.

⁵²Jacob Baker to L. A. Sneed, Memorandum, November 21, 1933, National Archives, Record Group 124.

⁵³Harry L. Hopkins to all State Relief Administrations, November 27, 1933, National Archives, Record Group 124.

and kind best adapted to the heating equipment" of the needy. Local relief administrators made arrangements with local coal dealers to supply coal to the consumers. State relief administrations were then informed of the details of the arrangement. This information was transmitted to the FSRC offices which instructed the Anthracite Institute or the Code Authorities, in instances of bituminous coal distribution, to replace coal to the dealers. The FSRC paid for the coal.⁵⁴ Sneed reported that, "under the plan, the producers, railroads and retail distributors joined in a common effort for the purpose of relief and not only contributed 75% of their profit, but assisted in handling shipments and distribution through their facilities without cost to the Government."⁵⁵

During the winter of 1933-1934, the FSRC distributed over 1 million tons of coal to needy Americans. Sneed observed that "the supply of fuel for distribution to the needy this winter has been accomplished without codes and without competition, in a manner which reflects credit upon the Administration and represents the contribution of a precedent of value to the Government and to industry."⁵⁶

⁵⁴FERA, Press Release, December 1, 1933, National Archives, Record Group 124.

⁵⁵L. A. Sneed to Harry L. Hopkins, March 29, 1934, National Archives, Record Group 124.

⁵⁶Ibid.

James A. Stader, Sneed's successor as Fuel Advisor, reported that during that winter season, New England experienced many days of temperatures below zero and "in some places the temperature went as far as fifty degrees below" zero. Stader observed that "on inspection trips, where I came in contact with the recipients, it was often remarked that this fuel was a divine blessing."⁵⁷

Stader hoped that the fuel distribution program would be continued during the winter of 1934-1935. However, in New England only two state distribution programs, Vermont and Connecticut, were "free from politics." The Massachusetts relief program had been hampered by political interference. The FSRC relief plan for Maine was slow in getting started, and New Hampshire relief officials complained that "the distribution of food, clothing and coal by the Federal Government was creating an unnecessary number of paupers whom the State of New Hampshire would have to contend with in the future."⁵⁸ Certainly, unfavorable response by state emergency relief officials hindered the coal distribution program.

Undoubtedly the experiences of fuel distribution by the FSRC in New England influenced future action. In

⁵⁷James A. Stader to L. A. Sneed, March 23, 1934, National Archives, Record Group 124.

⁵⁸Ibid.

September, 1934, Harry Hopkins announced that no FERA funds would be made available for fuel purchases. Thus, the FSRC distribution program ceased. It had been a victim of politics in relief programs, and this development would not be tolerated by Harry Hopkins. The FSRC president informed the states that they would administer their own fuel distribution programs in the future. If they desired such a program, he said, money would have to come from the general funds of the state relief administrations.⁵⁹

FSRC distribution of meat, dairy products and vegetables differed from the distribution of fuel. When the FSRC planned the distribution of food, the Director of Commodity Distribution determined the approximate amounts the various states would receive and requested that the state governor submit "an application for funds on F.E.R.A. Application Form 27 in the amount chargeable to the State." By submitting Form 27, the Governor assigned FERA funds to the FSRC.⁶⁰ As the FSRC had no funds appropriated to it, all expenses incurred for purchasing, processing, or transporting commodities were paid by Federal Emergency

⁵⁹ New York Times, September 23, 1934, 19; New York Times, October 18, 1934, 14.

⁶⁰ M. Riggs McCormick, "Federal Emergency Relief Administration Grants," Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration, December 1 through December 31, 1935 (Washington: Government Printing Office, 1935), p. 30.

Relief Administration allotments to the Corporation out of the funds granted to the States.⁶¹ Thus with the governor's approval, the FERA funds were transferred to the FSRC and a credit in the amount of the grant was established for the State upon the books of the corporation. From FERA funds came the cost of freight, storage and distribution of the commodities as determined by FSRC officials.⁶² The FSRC then distributed the commodities to the state emergency relief administrations which distributed the food to the needy of that state.

As a result of the food program, FSRC officials intended to raise the standard of living of relief recipients. Yet, receipt of such commodities would not raise the level of living to that enjoyed by the full-time employed American "at union or other going rates of wages or salaries," nor was this ever the intention. The FSRC believed that the needy's standard of living should not be equal to that of the average employed American. The FSRC sought to provide a subsistence diet that was nutritious

⁶¹Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration, July 1 through July 31, 1935 (Washington: Government Printing Office, 1935), p. 18.

⁶²M. Riggs McCormick, "Federal Emergency Relief Administration Grants," Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration, December 1 through December 30, 1935, pp. 30-31.

yet not one that would encourage Americans to depend upon the government for food.⁶³ Additional commodities must come from the states, local and private relief agencies. The FSRC activities were limited to the purchase and distribution of surplus commodities and fuel and the States retained their own purchasing agents for all other goods they might choose to supply their relief clients.⁶⁴

In its program of procurement and distribution of food, the FSRC was assisted by the Bureau of Home Economics of the Department of Agriculture. The Bureau determined the adequate minimum daily food requirements for Americans, and relief distribution to the states and individuals followed the policy of an "Adequate Diet at Moderate Cost." The relief recipient would receive a supplement to his diet in the form of surplus commodities.⁶⁵ Mary A. Mason coordinated activities of the FSRC with those of the Bureau of Home Economics.

The paradox of poverty in a land of agricultural abundance influenced the FSRC and the Bureau of Home

⁶³Federal Surplus Relief Corporation, "Distribution Report," August 16, 1934, National Archives, Record Group 124.

⁶⁴Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration, July 1 through July 31, 1935, p. 25.

⁶⁵Mary Ann Mason to Jacob Baker, Memorandum, September 27, 1933, National Archives, Record Group 124.

Economics in nutritional matters. The American farmer produced sufficient food to feed all Americans, if families had the money and would select their food wisely. The FSRC believed that when food issuances were those which relief clinics were accustomed to using, there was little need for an educational campaign to accompany their distribution. However, recipes prepared by the Bureau of Home Economics were distributed to homemakers when the FSRC distributed unfamiliar food. As a result New Englanders welcomed recipes for rice; Floridians learned how to cook potatoes.⁶⁶ Even in instances where the needy were accustomed to the food, recipes were occasionally distributed. The FSRC issued recipes with canned beef. A typical recipe called Beef Scallop noted:⁶⁷

Cook 1 cup rice and mix it with 2 to 3 cups canned tomatoes, 1 pint cut-up canned beef, and a sliced onion. Season to taste with salt and pepper. Bake slowly in a shallow pan until the mixture thickens. Or in place of the rice use cooked hominy, hominy grits, macaroni, spaghetti, noodles or cracked or whole wheat.

The educational campaign was directed toward relief and near-relief families. This information was appreciated

⁶⁶ Louise Stanley to Phillip G. Murphy, Memorandum, September 27, 1934, Files, United States Department of Agriculture Library, Washington, D.C.: FERA, Press Release, July 15, 1935, National Archives, Record Group 124.

⁶⁷ "How to Cook Canned Beef," National Archives, Record Group 124.

by homemakers who attempted to add variety to their meals. Harry Hopkins observed that "as a result of the home economists' work, hundreds of families have learned for the first time the importance of a balanced diet, possibilities of improving the family food supply through home garden production, how to make the most of the money available for food, and how to prepare low-cost foods that are relished by the entire family."⁶⁸

Despite the positive achievements of the vegetable, fruit, and fuel purchase programs and the efforts of the FSRC and Bureau of Home Economics, criticisms of the program occurred. Mordecai Ezekiel observed that the FSRC failed to distribute commodities promptly. He believed that the slowness occurred because of the "tremendous volume of administrative detail . . . and the necessity of giving first attention to human relief."⁶⁹

Occasionally, the FSRC shipped excessive quantities of commodities into particular areas. In December, 1934, Massachusetts relief officials received over 1,500,000 cabbages. A three months shipment had arrived, when the state's officials anticipated only one month's supply. The

⁶⁸FERA, Press Release, July 15, 1935, National Archives, Record Group 69.

⁶⁹Mordecai Ezekiel to Henry Wallace, Memorandum, November 1, 1934, Files, United States Department of Agriculture Library, Washington, D.C.

New York Times wryly noted that "the shipment would supply every man, woman and child in the State with a pound of cabbage, with plenty left over for the State's rabbits."⁷⁰ Many cabbages were wasted; and the FSRC error incurred the wrath of Massachusetts relief officials.

On the other hand, fear of criticism helped prohibit the distribution of tobacco. Jacob Baker revealed that the FSRC officials "felt that there would be too much misunderstanding and too little sympathy concerning the use of tobacco for distribution—no matter how small the amount—when the more fundamental requirements of food and clothing are so great."⁷¹

Few critics of vegetables distribution rivaled Oklahoma's colorful and eccentric governor, William, "Alfalfa Bill," Murray. Murray believed that "Nature puts everywhere the things that should be the basic food" of the inhabitants. For this reason he opposed the shipment of grapefruit and polished rice to Oklahoma. Murray also deplored the waste of pot liquor. He informed Hopkins that "the housewife will boil green mustard or turnip tops, and pour the liquid off, which contains minerals and phosphates that make the teeth and bones of the system, and that, in

⁷⁰ New York Times, December 12, 1934, 8.

⁷¹ Jacob Baker to W. A. F. Stevenson, November 10, 1933, National Archives, Record Group 124.

turn, injures those parts of the body, especially in a growing child."⁷² Despite Murray's analysis, the FSRC and Bureau of Home Economics did not follow his suggestions. Basically this program was free from criticism.

A different aspect of FSRC operations was its submarginal land policy. Through the submarginal land policy, the FSRC hoped to reduce agricultural surpluses, improve land use, conserve the land's fertility and raise the social and economic standards of Americans living in depressed rural areas. Harry Hopkins observed that "a tragic waste of two of America's most basic resources - human energy and land - has been proceeding for years in many parts of the United States through efforts to use land for purposes to which it is poorly adapted." He hoped to establish submarginal land acquisition projects where local relief problems were most acute.⁷³

In October, 1933, the Executive Council of the AAA recommended "the withdrawal of lands undesirable for agricultural use as rapidly as more desirable lands are brought in and the transfer of such lands to other operating agencies of the Government for the purpose for which they are most susceptible." J. P. Wenchel, Special Assistant to

⁷²William H. Murray to Harry L. Hopkins, November 17, 1933, National Archives, Record Group 124.

⁷³Federal Surplus Relief Corporation, Press Release, April 10, 1934, National Archives, Record Group 124.

the AAA, recommended that the FSRC perform this function.⁷⁴ On December 28, 1933, the Public Works Administration transferred \$25,000,000 to the FSRC to carry out the land adjustment program. It was decided by government officials that the FSRC would put the land policies into effect and the Departments of Agriculture and Interior would provide technical assistance.⁷⁵ A committee composed of representatives of the FSRC, headed by Jacob Baker, met with officials of the Department of Agriculture, Department of Interior, and the National Planning Board to establish policies.⁷⁶ On February 28, 1934, because of legal technicalities, the \$25,000,000 was reallocated to the FERA, and the FSRC ceased to play a major role in that operation. However, Baker continued to serve as an FSRC representative on the executive committee of the submarginal land program and the administrative machinery continued to be utilized until the establishment of the Resettlement Administration

⁷⁴J. P. Wenchel, Memorandum: "Re Land Purchases to Effectuate Policy to the Administration to Balance Agricultural Production," December 15, 1933, National Archives, Record Group 124.

⁷⁵Henry A. Wallace to Jacob Baker, January 6, 1934, National Archives, Record Group 124.

⁷⁶H. A. Wallace to Harold Ickes, January 11, 1934, National Archives, Record Group 16; H. A. Wallace to W. J. Beck, March 2, 1934, National Archives, Record Group 16.

in 1935.⁷⁷ This program was an uneventful episode in the life of the FSRC. The land scheme was foreign to the procurement and distribution programs of the corporation. The FSRC did not possess the needed manpower and facilities to undertake the land program. The land program simply represented an attempt to utilize the sweeping powers of the corporation's charter. In this instance, theory and reality conflicted because the FSRC had for all practical purposes become a procurement and distribution agency for surplus farm commodities.

The FSRC's distribution of fruits and vegetables added variety and nutrition to the diets of the poor. Through cooperation with the Bureau of Home Economics, the agency worked toward improving the diets of the needy. The distribution of coal provided warmth to many relief recipients and gave jobs for coal miners. At the same time, the FSRC activities helped, at least in a small way, to stabilize agricultural market prices. Yet, the program had not been a perfect one. Politics in the relief program had caused the purchase of second grade potatoes, and had resulted in

⁷⁷ Henry A. Wallace to Representative Joseph F. Monaghan, May 9, 1934, National Archives, Record Group 16; L. C. Gray, "The Social and Economic Implications of the National Land Program," Journal of Farm Economics, XVIII (May, 1936), 257-273; FERA, Monthly Report of the Federal Emergency Relief Administration, April 1 through April 30, 1935 (Washington: Government Printing Office, 1935), pp. 9-13.

the death of the fuel procurement program.

These procurement programs dramatized Harry Hopkins's analysis that, "we are now operating under the mandate that the economic system should be responsible for its needy victims - that as long as industrial unemployment shall persist in tossing human beings out into unemployment, government will pick them up and relieve their destitution."⁷⁸ Thus, the FSRC sought to relieve the destitute by providing to the states surplus food, in hopes of an adequate diet at moderate costs. In the final analysis, the state and local relief agencies assumed the primary role in food distribution, yet the FSRC's procurement policies exemplified the nation's deep concern for unfortunate Americans.

⁷⁸New York Times, August 19, 1934, Sec. VI, 1.

CHAPTER VII

THE FSRC AND WORK RELIEF

Another aspect of FSRC activities was its participation with the FERA in the Emergency Work Relief Program. Lasting from April, 1934 through December, 1935, the Emergency Work Relief Program supplied the FSRC with processed cotton and beef products for distribution to the needy. The FSRC also participated in the work relief program by buying raw cotton with FERA funds and allowing state work relief projects to manufacture mattresses, blankets and sheets. Power to engage in work relief projects was granted in section 3(b) of the FSRC Charter which authorized the agency to "purchase, store, handle and process surplus agricultural and other commodities and products thereof, and to dispose of the same so as to relieve the hardship and suffering caused by unemployment."¹ Through the power granted to the corporation, FSRC officials hoped that the corporation's participation in work relief projects would aid the farmers by utilizing

¹Federal Surplus Relief Corporation, "Certification of Incorporation of Federal Surplus Relief Corporation," mss., George N. Peek Papers, Western Historical Manuscripts Collection, University of Missouri, Columbia, Missouri.

surpluses, assist those in need of food, and provide jobs for some unemployed. To these ends, the FSRC procured agricultural products, especially cotton and beef, transferred these products for processing to state work relief projects supervised by a cooperative state-federal program, and then distributed the finished products to state emergency relief administrations for distribution to the needy.

The idea of buying and processing agricultural surpluses, especially cotton, appealed to farmers because it provided an additional market for their produce. Correspondingly, work relief projects which involved processing surplus farm commodities created employment for the destitute. The most extensive participation by the FSRC in work relief projects occurred in connection with FSRC purchases of cotton. Here again, the FSRC sought to stabilize the agricultural market and to aid the needy.

Cotton farmers faced desperate times at the beginning of the New Deal. By 1930 farm prices of lint cotton and cotton seed were far below parity and continued to decline over the next two years. Henry L. Richards, concluded in Cotton and the AAA that, "these three years of exceedingly low incomes from cotton, the main cash crop of the South, had severely taxed the financial stability of cotton farmers."² A surplus of 12,500,000 bales existed, and

²Henry I. Richards, Cotton and the AAA (Washington: The Brookings Institution, 1936), p. 12.

"during the first four months of 1933, farm prices of cotton stood at around the 6 cent level."³ During the first half of 1933, the American cotton farmers faced a huge surplus of cotton, a large 1933 crop and "little probability of a sufficient increase in demand in 1933-34 to raise farm prices of cotton materially without government assistance."⁴

Demand for cotton products also had declined during the 1930's because the depression had severely curtailed consumer purchasing power. Since cotton goods possessed fairly long durability, consumers postponed new purchases of cotton goods and limited their purchases to minimum replacement buying when the Great Depression occurred. The consumers' action resulted in the continued drop in the use of cotton. During 1929-1930, cotton consumption decreased 14 per cent from the preceding year. However, during the next two years, consumer purchases declined 27 per cent from the 1925 to 1929 average.⁵ This development resulted in the closing down of factories and increasing unemployment. To counter this development several state relief administrations in the South attempted to keep the textile mills open by making purchases of cotton goods directly from the mills.

Aware of these developments, Harry Hopkins sought to

³ Ibid., 14.

⁴ Ibid., 28.

⁵ Ibid., 14-15.

initiate work relief projects for the manufacture of mattresses. The FSRC president recognized that the nation possessed an abundance of surplus cotton, that destitute families needed adequate bedding, and that neither the FERA nor the local relief agencies possessed the funds to purchase large quantities of cotton goods for these unfortunate Americans.⁶ Hopkins also realized that if relief recipients did not have the funds to purchase mattresses, many Southern housewives possessed the skills to manufacture bedding. Mrs. Ola Powell Malcolm of the Department of Agriculture's Extension Service verified this fact in testimony before the Senate Committee on Agriculture and Forestry, and revealed that bedding was greatly needed in the South, especially among Negro relief recipients. Many Southern women were skilled in bedding manufacture because extension agents had conducted training sessions to aid farm families in mattress manufacture. In the fall of 1933, Oklahoma had conducted 16 schools and nearly a thousand farm women attended the sessions. As a result of the efforts of extension agents, mattress making in rural areas had increased. Oklahoma reported that during 1933, 510 cotton mattresses were made in 23 counties. The largest operation was in Texas where farm and ranch women made 2,400 cotton mattresses, 2,392 light-

⁶Searle Charles, Minister of Relief: Harry Hopkins and the Depression (Syracuse, New York: Syracuse University Press, 1963), p. 69.

weight covers, 9,200 mattress and bedding protectors and 45,137 articles of bed linen for Texas farm-home bedrooms during 1933.⁷

In order to supply the needy with good bedding and simultaneously provide work and reduce cotton surpluses, FSRC officials began to consider a cotton procurement policy in November, 1933. Jacob Baker informed Keith Southard that cotton and cotton cloth would be purchased "to the extent necessary for the work rooms in the national relief picture."⁸ The FSRC hoped to develop an economical and efficient purchasing procedure for cotton, clothing, textiles and shoes which would be used by the state emergency relief administrations. By the end of the month, the FSRC had accepted a plan which would allow state emergency relief administrators to place orders directly with producers and wholesalers. The plan, supported by FSRC Director of Procurement C. E. Parsons, aimed to eliminate profiteering by manufacturers, supply the states with cotton from local sources if possible in order to reduce transportation costs, and to provide jobs for unemployed textile workers and farm

⁷U.S. Senate, Committee on Agriculture and Forestry, Free Distribution of Cotton and Cotton Cloth to the Needy, Hearings. 73rd Congress, 2d Session (Washington: Government Printing Office, 1934), pp. 22-29.

⁸Jacob Baker to Keith Southard, Inter-Office Communication, November 22, 1933, National Archives, Record Group 124.

women.⁹

State relief administrators were the key to the FSRC's cotton procurement policies. They determined the actual amount of cotton needed for their work relief projects and saw that specifications for purchases were based upon existing Red Cross standards as to quality and grade of cotton. After the state investigated cotton prices and cotton stocks, dealers and manufacturers would be selected by the FSRC Director of Procurement. Contracts for cotton would be based upon uniform prices and accepted samples furnished by dealers. Orders for cotton products would then be placed directly by the state administrators. Copies of the orders were to be submitted to the FSRC Director of Procurement to insure that the states had complied with the terms of the procurement contracts. Thus, the actual purchase of cotton products was made by the state relief administrations under FSRC supervision and with federal funds. Besides permitting states to purchase cotton from producers and wholesalers, the FSRC purchased cotton from the cotton pool of the AAA and donated it to the states.¹⁰ Thus, in practice, the FSRC exercised very little control over the

⁹ C. E. Parsons to Keith Southard, Memorandum: General Plan for Procurement of Clothing, Textiles and Shoes, November 24, 1933, National Archives, Record Group 124; C. E. Klingaman to Jacob Baker, Memorandum, November 11, 1933, National Archives, Record Group 124.

¹⁰ Ibid.

states. The primary means of control was to withdraw federal funds from the states which did not comply with FSRC procedures. The federal government was reluctant to initiate this action, because without federal aid, state work relief projects could not function and unemployment would increase.

Limited FSRC participation in work relief projects continued throughout the winter of 1933-34. However, with the demise of the Civil Works Administration in March, 1934, the FSRC increased its participation in work relief projects. In April, 1934 the FSRC joined with the FERA in the Emergency Work Relief Program. In conjunction with this program, Jacob Baker called on his top aides, Keith Southard, Percy Fellows and J. M. Carmody, for policy recommendations. Baker noted that the FSRC could dispose of surplus cotton by three means; it could be used in relief workrooms and by cooperative self-help organizations, by trading the cotton to manufacturers for processed cotton goods, and by supplying cotton and work relief labor "to present empty plants receiving in exchange the finished product, the manufacturer undertaking to pay full wage for the labor as and when he sold the residue."¹¹

Baker's advisors quickly responded to his memorandum.

¹¹Jacob Baker to Keith Southard, Percy Fellows and J. M. Carmody, Memorandum, May 12, 1934, National Archives, Record Group 124.

Southard believed that trading cotton to manufacturers for mattresses was the best way to utilize large quantities of cotton, although he was not opposed to work relief projects.¹² All the advisors opposed supplying cotton and work relief labor to current closed plants in exchange for finished cotton goods. This program was similar to the sub-contractor system used by New York State. Alfred Baruch, FSRC economic advisor, reported to Fellows that "nothing equalled this system for viciousness." He reported that "competition is so terrific in this field that the only way the sub-contractor can make any money is by sweating his labor and chiseling on the material."¹³ Baruch disagreed with Southard and argued that trading cotton to manufacturers would undermine the raw cotton markets. The economist advised Fellows that government sponsored work relief projects were the best method of approaching the problem. Carmody concurred in Baruch's analysis and recommendations.¹⁴ As a result of these consultations, Baker and Hopkins decided that they would begin work relief projects under federal-state sponsorship. It was the start of FSRC

¹²Keith Southard to Jacob Baker, Inter-Office Communication, May 14, 1934, National Archives, Record Group 124.

¹³Alfred Baruch to Percy Fellows, Memorandum, May 15, 1934, National Archives, Record Group 124.

¹⁴J. M. Carmody to Jacob Baker, Memorandum, June 1, 1934, National Archives, Record Group 124.

cooperation in the Emergency Work Relief Program.

FSRC participation in the Emergency Work Relief Program began in May, 1934 and lasted until December, 1935. The over-all program sought to benefit professional, technical and clerical workers, and to utilize the talents of unemployed women for sewing projects. In these projects, State and local agencies used federal funds to supplement state and local money; however, work relief projects varied widely from state to state. The Emergency Work Relief Program, under the general supervision of the FERA, managed some 240,000 projects of all types at a cost of \$1,290,000,000. Of this amount, state and local governments contributed 21 per cent of the funds; the remaining costs were contributed by the federal government.¹⁵

The FSRC was involved in only a small part of the total Emergency Work Relief Program. Theodore Whiting estimated that only "10 per cent of the cost of the emergency work relief program was directed toward the production of goods which were distributed to persons in need of relief." These projects were mainly concerned with the canning of beef and the manufacture of mattresses, blankets and comforters from FSRC donated products.¹⁶

¹⁵Theodore Whiting, Final Statistical Reports of the Federal Emergency Relief Administration (Washington: Government Printing Office, 1942), p. 53.

¹⁶Ibid., 55.

On July 10, 1934, Harry Hopkins announced that the FSRC intended to purchase 250,000 bales of raw cotton from holders of warehouse receipts representing American Upland cotton. At the same time, Hopkins called for bids for 3,000,000 yards of ticking. The ticking bid specifications required that successful bidders who used supplies of raw cotton on hand to manufacture the ticking must purchase the same quantity of raw cotton to replace the amount used. FSRC officials hoped that this provision would make an additional reduction in the raw cotton surplus.¹⁷

In conjunction with the FSRC action, Aubrey Williams acting FERA Administrator, announced that Alabama, Missouri, Oklahoma, South Carolina, North Carolina, Kentucky, and the District of Columbia would purchase 2,215 bales of cotton and 205,000 yards of ticking for making mattresses and comforters. This supply of cotton products would supply the state supervised work rooms until August when the FSRC purchases would become available to the states for manufacture into well-made, 50-pound, double mattresses.¹⁸

Throughout July, 1934, the FSRC continued its cotton procurement program. Hopkins announced on July 24 that the corporation had awarded contracts to 26 organizations to

¹⁷ Federal Emergency Relief Administration, Press Release, July 10, 1934, National Archives, Record Group 69.

¹⁸ Ibid.

supply 56,626 bales of American Upland cotton which would be made into mattresses by relief workers in women's work rooms under the state emergency relief administrations.¹⁹ The contracts had been awarded for extra white, white, yellow tinged cotton as follows: middling, 12/16 and 7/8; strict low middling, 13/16 and 7/8 and low middling, 13/16 and 7/8 inches. The white quality also included strict good ordinary 13/16 and 7/8 inches.²⁰ The list of successful bidders included R. L. Dixon and Brothers of Galveston, Texas; E. O. Jewell & Co., of New Orleans; C. L. Andrews Cotton Co., of Memphis and Joseph Walker & Co., of Greensboro, North Carolina.²¹

Ticking for mattresses was also purchased by the FSRC. The ticking was in dark blue and white stripes and each bolt was 32 inches in width and over 35 yards in length. The FSRC specified that the weight of the ticking be seven ounces to a square yard. Awards were granted on July 21 to seven textile mills to supply 826,000 yards of ticking. Successful bidders included Texas Textile Mills, Inc., of Dallas; Erwin Cotton Mills of Augusta, Georgia, and Southeastern Cottons, Inc., of Alexander City, Alabama.²²

¹⁹ Ibid., July 24, 1934.

²⁰ Ibid., July 10, 1934.

²¹ Ibid., July 24, 1934.

²² Ibid., July 21, 1934.

During August, state relief agencies requested 60,040 bales of cotton and 4,983,100 yards of ticking. Additionally, fourteen states which desired to start mattress making in July were authorized by the FERA to make local purchases of cotton and ticking. This decision resulted in additional purchases of 2,609 bales of cotton and 377,400 yards of ticking from local supplies. By August, cotton and ticking purchased by the Federal Surplus Relief Corporation had begun to move to work shops in the various states. All states except Delaware participated in the program. States which most actively involved in the program included California, Illinois, Michigan, New York and Ohio.²³

Until September, 1934, the FSRC purchased cotton from bidders. However, agricultural officials wanted the FSRC to purchase cotton from the 1933 Cotton Producers' Pool, a federal agency.²⁴ In August, Oscar Johnston, Manager of the Cotton Pool, suggested to Henry Wallace that "it would be economical and to the best interests of the Government for these two agencies to agree so that the Pool Manager might, from day to day, sell to FSRC cotton to meet the requirements of the latter." Johnston realized that the Cotton Pool could

²³Ibid., August 17, 1934. The fourteen states were Alabama, Arizona, Indiana, Kentucky, Louisiana, Mississippi, Missouri, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, South Dakota, Washington.

²⁴A good discussion of the Cotton Pool and its activities may be found in Richards, Cotton and the AAA, pp. 200-212.

not meet all the FSRC's needs, and he proposed to solve this problem by exchanging higher grade cotton with owners of low grade cotton. In this way, the Cotton Pool could supply the FSRC's needs.²⁵

The FSRC agreed with Johnston's suggestions and on September 12, 1934, the Cotton Pool and the FSRC agreed that the FSRC would acquire cotton from the Cotton Pool. The FSRC selected the quality of cotton it desired after which the Bureau of Agricultural Economics determined the fair premiums and discounts. The FSRC then paid the Cotton Pool for the cotton at the price quoted at the close of business for that day by the New York Cotton Exchange Clearing House. The contract called for the purchase of 50,000 bales of cotton which would be supplied to the FSRC by December 31, 1934, when the agreement ended.²⁶

September brought an additional demand for help from the FSRC. Ellen S. Woodward, Director of the Women's Work Division of the FERA, informed Harry Hopkins that many school children from unemployed families would be inadequately clothed during the approaching winter. Relief budgets in most of the states were not large enough to

²⁵Oscar Johnston to Henry A. Wallace, August 16, 1934, National Archives, Record Group 145.

²⁶Harry L. Hopkins, Oscar Johnston and Henry A. Wallace, Memorandum Agreement, September 12, 1934, Harry L. Hopkins Papers, Franklin D. Roosevelt Library, Hyde Park, New York.

meet this need for clothing, and state relief authorities had appealed to the FERA for aid. Mrs. Woodward recommended that approximately 50,000,000 yards of cotton material be purchased by the FSRC and that work relief projects make the cloth into garments.²⁷ Because of strong opposition by the bedding and textile manufacturers to the work relief program, these recommendations were not acted on by the FSRC.

On September 21, 1934, Harry Hopkins announced that the mattress-making work projects under the State relief administrations would be closed after approximately 1,000,000 mattresses were distributed to the needy.²⁸ Opposition to the work projects had caused the end of the activities. As Joanna C. Colcord, Director of the Charity Organization Department of the Russell Sage Foundation, observed, "every trial balloon sent up from Washington in relation to government production-for-use has been promptly shot down by manufacturers."²⁹ This was the fate of the FSRC sponsored mattress manufacturing project. An additional factor was that by August cotton prices had increased due to the major crop restriction program of the AAA, and there seemed less

²⁷ Ellen Woodward to Harry Hopkins, Memorandum, September 14, 1934, National Archives, Record Group 124.

²⁸ Federal Emergency Relief Administration, Press Release, September 21, 1934, National Archives, Record Group 69.

²⁹ Joanna C. Colcord, "Ohio Produces for Ohioans," The Survey, LXX (December, 1934), p. 371.

need to buy surpluses for work-relief projects.³⁰

At the close of the mattress work relief program, the FSRC in conjunction with the states had made some distinct achievements. The corporation had furnished employment for approximately 60,000 needy Americans in all states except Delaware. The bedding had been manufactured in 689 mattress-making and sewing work rooms.³¹ The FSRC had recommended that the States borrow or rent sewing machines and use unemployed carpenters to construct temporary tables and ironing boards. Work room personnel were urged to be familiar with the Bureau of Home Economics Bulletin "Commodity Sewing in Relief Workrooms," as a guide for operational procedures. The FSRC also furnished requirements concerning the quantity and cost of finished cotton material purchased by the states in conjunction with the mattress-making project. Under no circumstances were the work rooms considered factories producing finished cotton material on a scale. These were small operations using simple equipment for hand labor only.³² The workers received a minimum wage

³⁰U.S. News, October 15, 1934, p. 3.

³¹New York Times, November 11, 1934, Sec. IV, p. 6; Federal Emergency Relief Administration, Press Release, August 17, 1934, National Archives, Record Group 69.

³²Federal Surplus Relief Corporation, "Suggestions and Helpful Information in the Planning of a State Clothing Program," 1934, mss., National Archives, Record Group 124.

of 30 cents an hour. The maximum work day was 8 hours and workers could not exceed 35 hours in any one week.³³ These conditions were hardly conducive to creating a class of professional governmental employees to compete with the bedding industry. As Jacob Baker observed: "We let a man on work relief work only as many hours as are necessary to keep him alive and clothed."³⁴ However meager, these small projects kept some Americans from starving and freezing to death. Additionally the federal-state work relief project resulted in the distribution of 26,695,512 yards of towel-
ing, 20,968,720 yards of sheeting, 63,309,837 yards of comforter covering, 1,023,903 blankets and 1,250,000 mattresses to the needy.³⁵ Jacob Baker estimated that the FSRC operation had effected 1,000,000 needy families.³⁶

From the beginning of FSRC's cotton procurement program, the corporation met hostile opposition from bedding

³³ Harry L. Hopkins to Robert W. Schwab, September 19, 1934, National Archives, Record Group 69; Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration, June 1 through June 30, 1936 (Washington: Government Printing Office, 1936), pp. 22-44.

³⁴ New York Times, November 11, 1934, Sec. IV, p. 6.

³⁵ Federal Emergency Relief Administration, Monthly Report of the Federal Emergency Relief Administration, September 1 through September 30, 1934 (Washington: Government Printing Office, 1935), p. 45; Searle F. Charles, Minister of Relief: Harry Hopkins and the Depression, p. 68.

³⁶ New York Times, November 11, 1934, Sec. IV, p. 6.

manufacturers who opposed the procurement of cotton, its manufacture into finished products in work relief projects sponsored by the FERA, and its distribution to the needy by the FSRC. Leading the assault on the FSRC operation was The National Association of Bedding Manufacturers. G. O. Strohmeyer, secretary of the association, criticized the use of inexperienced labor in mattress manufacturing. Additionally, Strohmeyer noted that "the purchase of such a huge quantity [of cotton] will without question disrupt the buying market on raw materials that have already advanced to such degree that it has interfered with the sale of finished products."³⁷ The National Association of Bedding Manufacturers feared that government purchases would encourage increases in the price of cotton which would raise the costs to commercial manufacturers.

Opposition was not limited to manufacturers. The Ohio Surplus Relief Corporation asked that the federal government exempt its state from the program. The officials questioned the practicality and feasibility of the federal program. Boyd Fisher, Director of Ohio's Industrial Recovery Division, believed that the work project was "somebody's happy idea for providing a great deal of hand labor for unemployed women." Fisher and Major E. C. Braught, Executive Director of the

³⁷G. O. Strohmeyer to Representative Ambrose J. Kennedy, July 13, 1934, National Archives, Record Group 69.

Ohio Emergency Relief Administration, hoped that the FSRC would "cut Ohio out of the picture in any future standardization production plans and let us experiment in our own way." Ohio was attempting to establish its own production-distribution program. The Ohio Emergency Relief Administration leased idle factories, re-employed many skilled textile workers and let the unemployed work full time in producing goods. Ohio's emphasis was on finished products from factories which was not FSRC's intention. Fisher believed that the federal government should have allowed Ohio to formulate its own policies and carry them out with experienced personnel. Fisher bitterly complained that, "there seems to be nothing to do but allow a group of inexperienced women to go rambling about the state setting up 39 mattress factories by Mahatma Ghandi methods" and "I think we may as well regard it as just one of those things" and "make the best of it."³⁸

Throughout July and August, opposition mounted to the work relief projects. C. M. Boutell, of F. J. Boutell Driveway Company, feared that work relief projects would

³⁸ Boyd Fisher to Marc Grossman, July 15, 1935, National Archives, Record Group 69; New York Times, November 11, 1934, Sec. VI, p. 6; see also: David J. Maurer, "Public Relief Programs and Policies in Ohio, 1929-1939," Unpublished Ph.D. dissertation, Ohio State University, 1962, pp. 91-96; "Operation of Idle Factories by Ohio Relief Authorities for Benefit of Unemployed," Monthly Labor Review, XXXIX (December, 1934), pp. 1311-1319.

manufacture 30 per cent of the nation's mattresses. He shared Strohmeier's fears that cotton prices would increase and manufacturers would be forced to lay off workers. Boutell believed that work relief would actually increase unemployment.³⁹ Chris Fluehr, of ReLaxOn Interspring Mattresses, noted that it did not make any difference whether the Federal Government or the States conducted the work relief projects. He believed that the result would be the same - "it takes the work away from regular channels of both manufacturers and retailers in that line of business."⁴⁰ By the end of July, 1934, the National Association of Bedding Manufacturers had conducted a "write-in" campaign against the project. The letters noted that government purchases of cotton would increase the prices of raw materials, unemployment in the private sector would result from the work relief projects, mattress dealers would lose money, and states would suffer losses from reduced taxes.⁴¹ These contentions were reinforced by the Michigan Retail Furniture

³⁹C. M. Boutell to Senator James Couzens, July 27, 1934, National Archives, Record Group 69.

⁴⁰Chris Fluehr to Federal Emergency Relief Administration, August 10, 1934, National Archives, Record Group 69.

⁴¹I. Antell of Standard Spring Bed Company to Harold L. Hopkins, July 24, 1934, National Archives, Record Group 69; W. L. Beaman of Gem Crib and Cradle Company to Harold L. Hopkins, July 13, 1934, National Archives, Record Group 69.

Dealers. L. C. Harris, President, contended that, "the manufacture of furniture, mattresses and such products can be accomplished through the regular channels already set up by private industry and with the same or better results."⁴²

During these months, FSRC and FERA officials attempted to refute the industry's charges with polite letters. Keith Southard assured the bedding industry that the FSRC would not establish factories for manufacturing mattresses and that the mattresses would be given to the needy and destitute families.⁴³ Bruce McClure, Secretary of the FERA, also drafted a form letter assuring critics that the federal government would not operate shops to manufacture mattresses. McClure reassured Senator Harry F. Byrd of Virginia that "the distribution of mattresses will be confined to those destitute persons on relief rolls who lack the minimum essentials of life and who have been rendered incapable of purchasing them."⁴⁴ Harry Hopkins also defended the program. Responding to a letter from Representative James Buchanan of Texas, Hopkins observed that "we bought surplus cotton at a time when such purchases tended to stabilize the

⁴²Grand Rapids (Michigan) Herald, August 14, 1934, 1, National Archives, Record Group 69.

⁴³Keith Southard to The United States Bedding Company, July 17, 1934, National Archives, Record Group 124.

⁴⁴Bruce McClure to Harry F. Byrd, August 3, 1934, National Archives, Record Group 69.

cotton market." The work relief projects, he continued, "gave a chance to many persons to earn their relief rather than to receive it as a dole." Hopkins believed that "the making of these mattresses in no way affects the current business of manufacturing plants." However, he concluded that the cotton industry was benefitting by governmental action. The FSRC president maintained that "purchases of large amounts of cotton and cotton goods in the forms of ticking will result in a flow of business to private industry."⁴⁵ The latter reason explained the lack of opposition from suppliers of cotton ticking who did benefit from the program. Opposition was concentrated among the mattress manufacturers and distributors who continued to charge that the federal government was competing with private industry. In September, R. E. Wantz, President of the Illinois Manufacturers Association, charged that "the type of mattress which the government is having made is a luxury, as few mattresses sold in regular commerce are of staple cotton."⁴⁶

Harry Hopkins viewed the opposition cynically, convinced that it arose from purely selfish motives. In a

⁴⁵ Harry L. Hopkins to James F. Buchanan, September 20, 1934, National Archives, Record Group 69.

⁴⁶ New York Times, September 3, 1934, 3. See also "Unemployment in the U.S.," Fortune, X (October, 1934), 54-60, 146-158, 182.

confidential letter to his friend Clark Howell, Hopkins wrote that:⁴⁷

I think most of these telegrams and others which I have received entirely miss the point; because if we were not making these mattresses in our work rooms, none of them would be manufactured in the mattress factories, so that by no stretch of the imagination can they be said to be losing any business. The plain fact of the matter is that many of these people would prefer that the unemployed have no mattresses The longer I stay here the more I am amazed at the complete lack of interest which a small minority of people have toward the urgent needs of the unemployed.

Hopkins's views were supported by the Retail Ledger. The magazine observed:⁴⁸

Protest has been expressed over the manufacture of mattresses in work rooms by those on relief rolls. . . . There are some 600 work rooms operating in the various states and in many of these, mattresses are being made by women who are paid for their labor. These people otherwise would be on direct relief. Being paid in cash, that cash goes to the retailer almost as soon as it is received.

The mattresses are to be distributed to the needy unemployed - to people who could not under any circumstances purchase mattresses at any time. Giving these people mattresses does not deprive a single retailer of a single sale nor the manufacturer of a single order.

On the other hand, the Federal Surplus Relief Corporation has purchased approximately 116,000 bales of cotton in the open market.

⁴⁷Harry L. Hopkins to Clark Howell, September 22, 1934, National Archives, Record Group 124.

⁴⁸"Government in Business? . . . Bunk!" Retail Ledger (October, 1934), National Archives, Record Group 124.

The cash paid for this cotton went to the grower through the jobber. Labor purchased millions of yards of ticking, comforter covering and sheeting. The orders kept the mills operating and the mill payrolls in turn helped retail sales. So what is all the shouting about?

Manufacturers viewed the matter from an entirely different viewpoint, because they feared that the government-operated mattress producers would not only hurt current but future sales. After the nation had recovered from the depression, they argued, many unemployed Americans would be rehired by industry. These people would be potential mattress customers; however, if they possessed a relief mattress, it might be many years before they needed another mattress. Phrased in terminology like "competition with industry," the mattress industry, chambers of commerce and other business organizations expressed these fears. The foreboding prospects of an uncertain market irritated the mattress industry. Manufacturers thought that the mattresses might be resold despite the severe penalties for those reselling the mattresses. Additionally, the mattress manufacturers desired a government subsidy to their own industry.

As an alternative to the work relief programs of the FERA and FSRC, the New York Times recommended that the FSRC purchase finished products from the manufacturers. The Times editorialized that:⁴⁹

⁴⁹New York Times, October 9, 1934, p. 18.

. . . . if it is desired to create special things to give away to the needy, it might be still more profitable for the relief agencies to turn such business over to going manufacturers who would also be obliged to hire more workers but who could do the business with far less waste. This course would clearly be preferable if two conditions were fulfilled—that wage rates were not excessively high because of artificial restrictions, and that manufacturers could be got to do the work either at cost or, at least after genuinely competitive bidding.

The type of program had already been considered by the FSRC and rejected because it was too expensive and would not confer adequate benefits on the unemployed.

Nevertheless, the strong opposition to the mattress program contributed significantly to the decision to halt the work relief operation by the FERA and FSRC. On September 21, 1934, Hopkins announced that mattress-making work projects under State relief administrations would be closed when approximately 1,000,000 mattresses had been manufactured.⁵⁰ By February, 1935, most of the mattresses had been distributed and the FSRC operations ceased.⁵¹ This closed a chapter on the most controversial of FSRC actions.

⁵⁰ Federal Emergency Relief Administration, Press Release, September 21, 1934, National Archives, Record Group 69.

⁵¹ Jacob Baker to Senator James Byrnes, Digest of a Telephone Conversation, February 18, 1935, National Archives, Record Group 69.

Yet, the FSRC's involvement with work relief was not limited to mattress manufacture. Less controversial was the FSRC's cooperation with beef canning projects. In beef canning operations, the FSRC cooperated with the Drought Relief Service and the Emergency Work Relief Service within the state of purchase, and the slaughtering and processing of cattle were undertaken by both commercial packers and by work relief projects under the guidance of the FSRC. The actual supervision of these work projects was done by the state emergency relief administrations.

In formulating beef canning policy, the FSRC was guided by the Texas canning project undertaken in the winter of 1933. This was a state project financed by a \$500,000 grant from the Federal Surplus Relief Corporation.⁵² During this season, the state had purchased, processed and canned surplus beef "at an approximate cost of 11¢, or less, per pound." These statistics were based on an average price of \$1.85 per hundredweight for beef. Additionally, approximately 9,439 people had been employed in conjunction with the work relief project and nearly 4,000,000 cans of beef had been distributed to the needy.⁵³ A request for

⁵²Texas Relief Commission, "Beef Canning Program Resolution," January 16, 1934, National Archives, Record Group 124.

⁵³J. F. Reed, Acting Director, Texas Relief Commission, to Jacob Baker, February 7, 1934, National Archives, Record Group 124.

continuation of the project in January, 1934, had been denied by FSRC officials because they did not have the funds.

However, on June 18, 1934, the canning plant at Amarillo, Texas, resumed operations as the FSRC began participation in the Emergency Work Relief Program of the FERA. Beef canning operations resumed because FSRC officials sought to distribute beef acquired under the Drought Relief Service to the needy and participate more in the Emergency Work Relief Program. During the first two months of operation in the summer of 1934, the Amarillo plant canned roast beef, stew, hash, fine and coarse hamburger and soup stock. As the drought continued and cattle flooded the market, rapid processing needs caused the plant to restrict its operations to coarse hamburger. The Amarillo operation provided work for approximately 1,000 people for seven months. They were paid from \$9.60 to \$80.00 monthly depending on the number of hours that they worked and the type of job which they held. The Amarillo plant became the "model canning plant" in the FSRC operation. The plant conducted three training schools for out-of-state visitors who were interested in establishing other state-operated, federally-financed canning plants. Representatives from 23 states and the District of Columbia attended these sessions where they received instructions from plant personnel, specialists in canning and meat processing from Texas A&M

College, and State officials from Austin.⁵⁴

The disposition of livestock split into two main operations. First, cattle under the Drought Relief Service program were moved directly to slaughter and processing by private firms in federally inspected plants under contracts let by the FSRC. Secondly, cattle were donated to State relief administrations for slaughter and canning in work-relief projects like the Amarillo operation. This work-relief program was financed by funds from the Federal Emergency Relief Administration. As of December, 1934, the FERA had allocated \$40,000,000 to the States for canning operations which were supervised by FSRC officials. At that time, the FSRC estimated "that about 650,000,000 pounds of meat will be produced" of which "possibly 100,000,000 pounds will be distributed as fresh beef and veal."⁵⁵ These estimates were far too optimistic. At the end of operations in October, 1935, the FSRC had distributed 290,977,102 pounds of canned beef and 35,149,167 pounds of fresh beef.⁵⁶ Additionally, there remained 111,546,408

⁵⁴Dyora Crowder and Troy Eubank, Report on Amarillo Cannery, December 11, 1934, National Archives, Record Group 124.

⁵⁵Federal Surplus Relief Corporation, Report of the Federal Surplus Relief Corporation for the Period October 4, 1933 to December 31, 1934 (Washington: Government Printing Office, 1934), p. 4; New York Times, July 16, 1934, p. 4.

⁵⁶Federal Surplus Relief Corporation, "Quantity of Commodities Distributed through FSRC," mss., National Archives, Record Group 124.

pounds of canned beef at contractor's plants awaiting distribution.⁵⁷

The large quantity of canned beef remaining to be distributed in October, 1935, can be partially attributed to defects in the canning process. William A. Nielander observed that the "succulent juices were largely wasted" in the canning process by inexperienced personnel. As a result, relief recipients received canned beef with the flavor of dry saw dust. Many needy families refused to accept this inferior product. Although the beef was wholesome and nutritious, its poor taste prevented its acceptance by the nation's destitute. Efforts to remedy this situation by distributing fresh beef also failed. Kentucky was the only state to provide adequate refrigeration, and spoilage was high in the other states.⁵⁸ These beef distribution problems remained unsolved by state officials through the life of the FSRC and prevented the widespread acceptance of the beef.

The FSRC beef processing operation produced additional problems. Throughout its operation, the FSRC received reports of careless handling of cattle and spoilage of canned beef. L. J. Stevens, Sheriff of Bibb County, Georgia,

⁵⁷Federal Surplus Relief Corporation, Commodities Available for Distribution, October 31, 1935," National Archives, Record Group 69.

⁵⁸William A. Nielander to Irvin May, March 23, 1970.

reported that cattle arrived in Abbeville, Georgia, for immediate processing under FSRC supervision. Stevens verified a report by L. C. Goodin, a local resident, that:⁵⁹

. . . . Out of the bunch [a total of 35 cattle] five were dead and only six were able to stand up. . . . There was not one of these cattle fit for a human being to eat. Poor and scrubby and sores full of screw worms where they had been branded. Several had these sores on them.

Obviously some cattle could not survive the transportation from the western ranges to the east for pasturage and eventual processing. Occurrences of this nature were not uncommon. Dead cattle were usually disposed of by sale to commercial companies dealing in by-products made from dead animals. The proceeds of these sales were usually remitted to the transportation company for reimbursement to the FSRC.⁶⁰

Another major problem, spoilage from canning, could not be totally prevented. FSRC officials anticipated spoilage of one-fourth of one per cent. When the FSRC Distribution Division reported spoilage, the FSRC requested that the Bureau of Animal Industry investigate the circumstances. The inspector from the BAI reported the findings of the

⁵⁹L. J. Stevens to Franklin D. Roosevelt, October 17, 1934, National Archives, Record Group 124.

⁶⁰Dr. C. J. Miller to Federal Surplus Relief Corporation, October 18, 1934, National Archives, Record Group 124.

of the investigation. Where spoilage had occurred from private concerns, the contractor was required to replace the product. In the cases of state canning projects, state officials were informed to take corrective action. Fortunately, the degree of spoilage was minor. Alfred B. Clark reported to Jacob Baker that "it is interesting to note that, with the exception of Tovrea at Pheonix [Arizona] there has been little evidence of faulty processing in reported cases of unsound meat."⁶¹

During 1934, the FSRC received not only beef but hides as a result of participation in the drought relief program. Under this program, the AAA had purchased cattle for relief purposes and donated the meat to the FSRC. Contracts made by the AAA with commercial processors permitted the processors to retain the hides from drought relief cattle as part of payment for their work. These hides would then be sold on the commercial market. However, the increase of hides from the drought relief program resulted in lower prices. In 1933, the price of hides was 14 cents a pound while by August, 1934, the price had declined to 6 cents. To remedy this situation, the FSRC assumed control of the hides and placed them in cold storage in an effort to

⁶¹A. B. Clark to Jacob Baker, Memorandum, November 23, 1934, National Archives, Record Group 124.

stabilize the hide market.⁶² The carrying and orderly marketing of hides by the FSRC had been made possible by a loan of \$10,000,000 from the Commodity Credit Corporation.⁶³ Thus, on September 5, 1934, the FSRC began acquiring drought relief hides. Initially, FSRC officials thought that the hides could be easily disposed of; however, the program created a problem of disposal and distribution which the FSRC never solved.

FSRC officials hoped that hides acquired from cattle under the drought relief program could be manufactured into shoes in work relief projects. This would provide work relief for unemployed Americans, supply shoes for the needy, and remove the leather surplus. A side result would be an increase in hide prices.

Vigorous protests to this policy came from the National Boot and Shoe Manufacturers and the National Council of Shoe Retailers. These organizations protested against tanners processing the hides on a contract basis and then having

⁶²Chicago Daily Drovers Journal, August 7, 1934, 4; Keith Southard to Albert J. Hanglin, President, Co-operative Industries, Inc., February 5, 1935, National Archives, Record Group 124; Louis J. Robertson, Chairman of the Board of Directors, Tanners Council of America, to Marvin Hunter McIntyre, Secretary to Franklin D. Roosevelt, August 2, 1934, Franklin D. Roosevelt Papers, Franklin D. Roosevelt Library, Hyde Park, New York.

⁶³E. B. Schwulst, Acting Chairman, Commodity Credit Corporation to Federal Surplus Relief Corporation, August 15, 1934, National Archives, Record Group 124; New York Times, August 16, 1934, 2.

the leather made into shoes partly by regular manufacturing plants and partly by idle factories using relief workers under governmental supervision. Ward Melville, President of the Melville Shoe Corporation and head of the National Council of Shoe Retailers, cited three objections to the FSRC's plan. He believed that "government activity in a major industry would lend strong support to the mistaken idea that the government was entering industry in direct competition with individual business men," and that the government hide processing program would demoralize the shoe market, and depress prices below costs of production. Moreover, he argued that "processing of the hides would mean the use of skins which normally would be on the market in future years resulting inevitably in future shortages."⁶⁴ This strong protest resulted in the FSRC abandoning its plan to manufacture shoes through work relief projects.⁶⁵

Although officials decided not to manufacture leather goods in FSRC supervised work relief projects, the problem of how to dispose of the hides continued. In conjunction with this issue, FSRC officials conferred with representatives of the Tanners Council in late September, 1934. The tanners received assurance that the hides would be

⁶⁴New York Times, September 1, 1934, 24; Chicago Daily Drovers Journal, September 15, 1934, 4.

⁶⁵U.S. News, September 10, 1934, 3.

marketed with the advice of their industry, and that no marketing would begin before July 1, 1935, "at less than the basis of 9 cents for light native cows and there after not more than 5 per cent a month below that basis."⁶⁶ These actions were approved also by the American National Livestock Association.⁶⁷

During the autumn of 1934, the FSRC and the Department of State explored the possibilities of exporting hides to the Soviet Union. But Keith Southard believed that the hides must be utilized for relief purposes. The Secretary of Agriculture also stipulated that cow hides and calf skins from the drought relief program must be used only for relief purposes and not be allowed to enter commercial channels. Thus, Southard informed Assistant Secretary of State Francis Sayre that "under this stipulation, we believe that the sale for export is prohibited, as well as for domestic commercial use, so long as such stipulation rests."⁶⁸

⁶⁶New York Times, September 25, 1934, 20.

⁶⁷The American National Livestock Association. Resolutions Adopted to the Thirty-Eight Annual Convention of the American National Livestock Association held at Rapid City, South Dakota, January 9, 10 and 11, 1935 and List of Officers, General Council Standing Committee and Executive Committee (Denver, The American National Livestock Association, 1935), p. 11.

⁶⁸Keith Southard to Francis B. Sayre, November 10, 1934, National Archives, Record Group 124; Lee Pressman to Keith Southard, Memorandum, May 1, 1935, National Archives, Record Group 124.

Throughout the spring of 1935, representatives of the FSRC and interested groups discussed possible procedures for disposing of the hides. In May, 1935, representatives of the FSRC met with Department of Agriculture officials to formulate a permanent policy. A decision was not reached that month. Milton J. Florsheim, President of Florsheim Shoe Company, reported to Franklin D. Roosevelt that speculators on the leather market were boosting the prices of hides and skins. Florsheim feared a decline in the consumer market for shoes if increased prices for leather necessitated increased shoe prices. Florsheim recommended that the government release its hides and skins to the commercial market.⁶⁹

In July, 1935, a joint committee representing the Department of Agriculture and the FSRC again carefully considered the disposal of hides. The committee noted that the government possessed approximately 2,000,000 hides which were in excellent condition. Agriculture officials estimated that hide deterioration would not occur for at least two years. The committee decided that the federal government should hold the hides in storage "until market conditions indicate a greater need for them and when it is

⁶⁹ Franklin D. Roosevelt to Milton S. Florsheim, May 27, 1935; Milton S. Florsheim to Franklin D. Roosevelt, May 18, 1935; Franklin D. Roosevelt Papers, Franklin D. Roosevelt Library, Hyde Park, New York.

apparent that their gradual disposition in commercial channels will not seriously disturb the market."⁷⁰ This policy was followed by the FSRC for the remainder of its existence, and in November, 1935, the hides were transferred to the control of the Federal Surplus Commodities Corporation.

FSRC's involvement in distribution of hides produced several results. The initial reaction to the FSRC acquisition of hides resulted in increased prices for leather.⁷¹ By July, 1935, hide prices had recovered from the low level reached in 1932, but hide prices, even though higher, remained below the pre-depression years from 1924 to 1928. Government officials anticipated that within the next two years stocks would decline and hide prices would increase. These estimates were basic in the FSRC's and the Agricultural Department's decision to withhold hides from the market during the 1935 season.⁷²

Mattress manufacturing and canning operations constituted the FSRC's participation in the Emergency Work Relief Program. Originally, the FSRC had entered this program to cooperate in the cotton and livestock reduction programs;

⁷⁰ Jacob Baker to Chester C. Davis, July 30, 1935, National Archives, Record Group 124.

⁷¹ Chicago Daily Drovers Journal, August 28, 1934, p. 4.

⁷² Franklin D. Roosevelt to Milton S. Florsheim, July 16, 1935, Franklin D. Roosevelt Papers, Franklin D. Roosevelt Library, Hyde Park, New York.

however, this motive soon became only incidental. By July, 1934, Lawrence Westbrook, Assistant FERA Administrator, had announced that the object of the canning operations was to assist States, counties and localities to establish plants for canning meat for relief purposes with the use of relief labor.⁷³

These work relief programs reflected the federal government's concern for the welfare of its citizens. Aubrey Williams, outspoken Assistant FERA Administrator who headed FERA operations during Harry Hopkins's absence in the summer of 1934, believed that work relief measures were part of the American ideal as expressed in the Declaration of Independence. He equated Jefferson's concept of "life" as meaning a "protected home, an opportunity to make a living." The federal government owed a standard of living to its citizens which individuals, the business community and the States had been unable to provide for Americans during the Great Depression. Williams noted that "Federal relief has taken on only the lowest function, which is to save life. It is little more than a net spread around the Nation to keep people from falling off."⁷⁴ FSRC cooperation with the

⁷³New York Times, July 16, 1934, p. 4.

⁷⁴Aubrey Williams, "Standards of Living and Government Responsibility," The Annals of the American Academy of Political and Social Science, CLXXVI (November, 1934), pp. 37-39.

states in the Emergency Work Relief Program reflected this concern as large quantities of bedding and millions of pounds of beef were distributed to the needy.

FSRC work relief projects encountered strong opposition from industry. Mattress and shoe manufacturers feared that governmental action would increase the prices of their raw materials. Cotton and leather prices did increase indicating that their fears were well founded. Businessmen also feared that work relief projects would hurt future markets for goods, especially mattresses. On the other hand, state work relief projects for beef processing received little criticism. The lack of objections may be explained by the emergency nature of the beef canning operation, by the fact that canners participated in the project, and because they were unable themselves to meet all the urgent canning needs of 1934.

Criticism of FSRC-sponsored work relief activities revealed another aspect of American attitudes toward relief. Not all Americans welcomed agricultural aid and unemployment relief. As late as December, 1934, the Chicago Daily Drivers Journal noted that, "the theory that no one shall be permitted to go hungry is idealistically above reproach, but as a matter of cold fact it is creating a class of professional loafers who never again will work unless they feel the pinch of hunger."⁷⁵ Yet, this was not the

⁷⁵Chicago Daily Drivers Journal, December 18, 1934, p. 4.

prevailing attitude throughout the nation. Many unemployed individuals sought work desperately as they felt the "pinch of hunger." FSRC work relief activities helped distribute surplus cotton and beef to those in need. Without governmental assistance, many additional workers and farmers would have suffered even more because they would have been unable to get the necessities of life.

CHAPTER VIII

THE TERMINATION OF THE FSRC

The means for bridging the gap between surplus food and needy people has been developed. A program of utilizing large surpluses has been worked out between the Agricultural Adjustment Administration and the Federal Surplus Relief Corporation. The surpluses are removed from glutted markets, processed into consumable form, and distributed to the needy unemployed through the State and local relief administrations. The corporation's shipments now run into millions upon millions of food-stuffs which supplement the relief allowances and result in the raising of relief to more adequate amounts.

As a break with tradition, this program is as sharp as the Declaration of Independence. As a wise move its merits are attested by the swiftness with which it is enabling the Agricultural Adjustment Administration to remove millions of cattle from the drought areas. Instead of starving on the parched, stricken lands the cattle are being processed into canned beef and veal sides to feed the needy, a good conservation project of unprecedented size. . . . Then there was worked out an arrangement between the Department of Agriculture and the Federal Emergency Relief Administration whereby surplus wheat could be ground into flour for the people, surplus pigs could be made available to those who were going without meat and other surplus foodstuffs to be put to use.¹

¹Aubrey Williams, "The Gigantic Relief Task," mss., National Archives, Record Group 69.

Thus Aubrey Williams, Assistant FERA Administrator, described how the nation had endeavored to solve the paradox of poverty in a land of plenty. In this effort the FSRC had made a most important contribution. By 1935, however, the nation had begun to recover from the depression and move away from direct relief to policies which emphasized work relief. Under these circumstances there was much less need for an agency like the FSRC.

During January, 1935, the New Deal began placing primary emphasis on work relief programs. President Roosevelt requested that Congress get away from direct relief and begin a program which would provide jobs for three and a half million unemployed Americans. The President commented that direct relief was "a narcotic, a subtle destroyer of the human spirit" because "continued dependence upon relief introduces a spiritual and moral disintegration fundamentally destructive to the national fibre." Therefore, Roosevelt proposed to spend \$5 billion to assist work relief projects. By this action, the President recognized that making work was superior to simply giving relief. On April 8, Congress responded to the President's request by passing the Emergency Relief Appropriation Act of 1935. The act appropriated \$4,880,000,000 for work relief projects. This action signaled some withdrawal by the federal government from direct relief projects and resulted in the eventual termination of the Federal Emergency Relief

Administration.²

Recalling the passage of the Emergency Relief Appropriation Act, Harry Hopkins observed that "not one of us in the FERA but thanked God, overjoyed to get out of the depressing business of direct relief." The FERA boss recognized the need for work relief projects because for a relief recipient "a job is necessary to pride, for a workless man has little status at home and less with his friends."³

During the summer of 1935, work relief projects were initiated by various federal agencies including the FERA. New emergency agencies were created which included the Resettlement Administration and the National Youth Administration.⁴ These developments marked additional departures from the earlier direct relief policies.

Concurrent with these developments was a rise in agricultural prices. Throughout the summer of 1934 farm prices

²Federal Surplus Relief Corporation, Report on the Conference of Commodity Distribution, Washington, D.C., September 19-21, 1935, mss., p. 21. National Archives, Record Group 124; Josephine C. Brown, Public Relief, 1929-1939 (New York: Henry Holt and Company, 1940), pp. 165-167.

³Harry L. Hopkins, "They'd Rather Work," Colliers, XCVI (November 16, 1935), p. 7.

⁴U.S. House, Security, Work and Relief Policies; 1942. Report on the Committee on Long Range Work and Relief Policies to the National Resources Planning Board (Washington: Government Printing Office, 1942), p. 12.

increased. From May through September, 1934, the average price of hogs rose from \$3.78 per hundredweight to \$7.18. Not all agricultural prices exhibited this spectacular rise, yet wheat prices increased from 83 cents to \$1.16-1/2 a bushel.⁵

The agricultural markets continued to show improvement during 1935. Roosevelt observed in November, 1935, that since 1932 farm income had increased nearly \$3,000,000,000. The President noted that income had increased "because wheat is selling at better than 90 cents instead of 32 cents; corn, at 50 cents instead of 12 cents; cotton at 12 cents instead of 4-1/2 cents and other crops in proportion."⁶ At the end of 1935, the United States Department of Agriculture reported that farm prices between 1932 and 1935 increased 66 per cent of the pre-World War I level and that "the exchange value per unit of farm products increased from 61 per cent of the pre-war level in 1932 to 86 per cent in 1935." The exchange value revealed the relationship between the price of farm products and the prices which farmers paid for commodities and services used by farmers and in farm production.⁷

⁵Washington Post, September 2, 1934, Sec. I, p. 1.

⁶Washington Post, November 30, 1935, p. 3.

⁷United States Department of Agriculture, Agricultural Adjustment Administration, Agricultural Adjustment 1933 to 1935: A Report of the Administration of the Agricultural Adjustment Act, May 12, 1933 to December 31, 1935 (Washington: Government Printing Office, 1936), p. 9.

The price increases for farm products indicated that surpluses had been reduced through acreage restrictions and improved consumer purchasing power. For example, the Department of Agriculture reported that "in 1935, there was on hand only a little more than a normal carry-over of wheat and no surplus of livestock." Hog numbers had declined from 62,127,000 on January 1, 1933, to 39,004,000 on January 5, 1935.⁸ These developments lessened the need for the government to subsidize agricultural commodities through purchases for relief purposes. The emergency period of the depression had ended.

During the previous two years, the New Deal had engaged in a two-fold program to deal with its food surplus program. The Roosevelt administration had attempted to increase prices by preventing price-depressing surpluses through crop reduction programs, and at the same time, governmental agencies had taken large quantities of surplus agricultural commodities and distributed them to the nation's needy. Almost from the beginning of the New Deal, direct distribution of food paralleled cash relief and work relief.

In March, 1935, agricultural editors from the nations' leading farm journals met in Washington to discuss farm problems. The food distribution policies of the New Deal

⁸Ibid., 11-12.

were not mentioned at this meeting. The editors "sought only to secure prices which will give the farmers the same purchasing power they had in 1909-14," which was the standard goal of Congress and the administration. Besides expressing support for parity prices, these journalists wanted the farmers to receive forty cents of the American food dollar, a decrease in tenancy and an increase in foreign trade. Expressing their support for Henry Wallace and the New Deal, the editors asserted their "firm belief that America's economic and social future rests primarily with Agriculture, and we have full faith that American farmers will continue to uphold and preserve our most treasured national traditions and ideals."⁹ These spokesmen of agriculture perceived American agriculture both as a way of life and as an industry. They favored continued federal aid to agriculture in the form of price supports, but obviously they had not yet accepted the idea that the second way to help farmers was to have the federal government provide food to the needy and eat up the price-depressing products.

If agricultural journal editors did not manifest concern about reducing surpluses by increasing consumption,

⁹Dan A. Wallace and Others, Resolutions Adopted by Agricultural Editors Conference, Washington, D.C., March 21, 22, 23, 1935, National Archives, Record Group 16.

governmental officials were vitally concerned. As of March 26, 1935, the United States Department of Agriculture anticipated that during 1935-1936 American farmers would produce surpluses of beans, peanuts, rice, dairy and poultry products. Surpluses would exist which would depress market prices. The nation needed to continue its program of food distribution to the needy. Agricultural officials observed that, "it therefore seems humanely, as well as politically, desirable to prevent the waste of any food surpluses which might be economically used this next year." Certainly agricultural officials in the AAA reasoned it would be very undesirable to sell food abroad at great discounts or "permit it to be wasted here, at the same time that many Americans were not properly fed." The Department of Agriculture recognized also that "food purchases by persons receiving work relief wages, indicate that without the direct distribution of surplus commodities such individuals cannot obtain a desirable minimum dietary standard." For these reasons, the Department of Agriculture favored purchasing surpluses during the next year and diverting surplus food to the unemployed to maintain minimum dietary standards among the unemployed and Americans on work relief.¹⁰

¹⁰United States Department of Agriculture, "Report of the Department of Agriculture for the National Emergency Council, March 26, 1935: Desirability of Continuing Relief Distribution of Surplus Food Products," March 26, 1935. Files, United States Department of Agriculture Library, Washington, D.C.

With the need to continue food distribution and the foreseeable termination of the FERA, FSRC officials contemplated their corporation's future. Harry Hopkins believed that "whoever might be able to make use of it [the FSRC] should be in control and run it." The Federal Emergency Relief Administration would soon terminate operations, and as a subsidiary agency, the FSRC would also cease functioning. In April, 1935, Keith Southard confided to Rexford Tugwell that "up to this moment the old purpose seems to be pretty well running out." Direct relief measures were being terminated. Southard suggested that the FSRC charter be amended and the corporation be placed under the Direction of the Department of Agriculture.¹¹ With this inevitable development, changes in the FSRC would have to occur especially regarding federal-state relations in the distribution of food.

Harry Hopkins recognized that the states were not giving their full cooperation in the food distribution program. Writing to Henry Wallace, the FSRC president observed that "our statistics showing the number of people on relief rolls has increased is due to the fact that we are giving away food." Believing that people were trying to get on relief in order to get free food, Hopkins

¹¹Keith Southard to Rexford Tugwell, April 5, 1935, National Archives, Record Group 16.

recommended that the federal government withdraw from distributing food and turn this function over to the state governments. He confided to Wallace that, "I have no doubt that many of our [State] Relief Administrators are giving food to families because it is available free to the states and that they would not give it if we were not in the product distribution business." Hopkins implied that if the States had to purchase their food with state appropriated funds, less wasteful distribution of food would occur, and the States would scan their relief rolls more carefully.¹²

Believing that basic changes were about to take place in the food distribution part of the federal relief program, Hopkins warned state governors and state relief administrators that they would be expected to carry a greater share of their own relief expenses. After careful study, Hopkins revealed that the states of Alabama, Arkansas, Florida, Georgia, Mississippi, Nevada, North Carolina, Oklahoma, South Carolina, Tennessee, Virginia, Washington and Wisconsin should provide a larger share of their relief expense. The emergency nature of direct relief programs under FERA sponsorship would soon cease, and Hopkins hoped that the states would assume more responsibility for their own needy

¹²Harry Hopkins to Henry A. Wallace, May 11, 1935, National Archives, Record Group 16.

before a new federal corporation could be created.¹³

Various proposals for future FSRC functions resulted from the discussions between the AAA, Department of Agriculture personnel and FSRC officials throughout the summer of 1935. The FSRC experience revealed that some people of low income levels could not provide themselves adequately with nutritious diets without governmental assistance. Many governmental officials believed that the organization of the FSRC must be maintained for this purpose.¹⁴ As the FSRC was a liaison agency between the Federal Emergency Relief Administration and the Agricultural Adjustment Administration, it was logical that with the demise of the FERA, the Department of Agriculture would assume supervision of future food distribution programs.

On August 22, 1935, Chester Davis, AAA Administrator, presented Harry Hopkins with suggestions which had been approved by Rexford Tugwell, Acting Secretary of Agriculture, and Aubrey Williams, Acting Administrator of the FERA. Davis observed that following recent discussions with President Roosevelt, it had become apparent that "it will be highly desirable to maintain certain outlets for

¹³Federal Emergency Relief Administration, Press Release, September 14, 1935, National Archives, Record Group 124.

¹⁴"A Proposed Staple Commodity Purchase and Distribution Plan, 1935," Files. United States Department of Agriculture Library, Washington, D.C.

the disposition of surplus agricultural products in such a way as to expand the domestic consumption of such products wherever feasible in lieu of subsidizing exports."¹⁵ The maintenance of these outlets was desirable for the disposal of surplus agricultural commodities as an aid to accomplishing the objectives of the Agricultural Adjustment Administration and as a means for the effective use of funds provided by the Jones-Connally Act.¹⁶ Later that month, on August 24, Congress amended the Agricultural Adjustment Act to "encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce."¹⁷ This provision gave the Secretary of Agriculture additional power to control surplus commodities and gave legal sanction to placing the food distribution program under the control of the Secretary of Agriculture.

¹⁵ Chester Davis to Harry Hopkins, August 6, 1935, National Archives, Record Group 16.

¹⁶ Chester Davis to Harry Hopkins, Memorandum of Understanding Regarding the Purchase and Distribution of Surplus Agricultural Commodities, August 6, 1935, National Archives, Record Group 16; U.S. Statutes at Large, Volume XLIX, Part 1, pp. 774, 776; D. A. Fitzgerald, Livestock Under the AAA (Washington: The Brookings Institution, 1935), pp. 209-216.

¹⁷ U.S. Statutes at Large, Volume XLIX, Part 1, p. 774. By Section 32 of H.R. 8392, An Act to Amend the Agricultural Adjustment Act, Congress appropriated annually 30 per cent of the gross receipts from duties collected under customs laws. The money constituted a special fund for the

These developments were anticipated by Davis who recommended that the name of the FSRC be changed to the Federal Surplus Commodities Corporation. The AAA Administrator proposed that he be added to the Board of Directors of the new corporation and that "such changes be made in the officers of the Corporation as to give full effect to this change of direction." Additionally, Davis proposed that the Commodities Purchase Section of the AAA serve as the procurement division of the Federal Surplus Commodities Corporation. The Distribution Division of the FSRC would make "suitable arrangements with the non-Federal relief agencies in the various states and the Resettlement Administration to (1) liquidate existing inventories; (2) dispose of further purchases on an orderly basis without waste or spoilage."¹⁸

The FSRC began to implement Davis's August suggestions on September 16, 1935, when the FSRC Board of Directors met in Harold Ickes's office. Hopkins called the meeting to order to discuss reorganization of the FSRC. At the outset

Secretary of Agriculture. The Secretary could encourage exportation of agricultural commodities, encourage domestic consumption of agricultural surpluses and finance adjustments in the crop reduction programs. The section provided the Department of Agriculture with the necessary funds for assuming in November, 1935, the food distribution program under the Federal Surplus Commodities Corporation.

¹⁸ Chester Davis to Harry Hopkins, Memorandum of Understanding Regarding the Purchase and Distribution of Surplus Agricultural Commodities, August 6, 1935, National Archives, Record Group 16.

of the meeting, the president observed that the only power which the FSRC had effectively utilized had been to take agricultural surpluses and distribute them to relief clients. However, funds were not available for continuation of this program with the phasing out of the Federal Emergency Relief Administration. The FSRC had no appropriations of its own, and the corporation was completely dependent upon the FERA and AAA grants. To continue the program the FSRC must be placed under the general direction of the Agricultural Adjustment Administration which had the necessary funds.¹⁹

The board meeting resulted in administrative changes. Harry Hopkins suggested that he resign as President of the FSRC, that an official of the AAA assume the presidency and the corporation's name be changed so as to drop the word "relief" and include the word "commodities." In this way, Hopkins hoped the FSRC would be identified in the public mind "with our farm program rather than our relief program although the commodities themselves . . . will be distributed through local and state relief agencies rather than federal agencies." Amending the FSRC charter, he said, would be preferable to creating a new organization, and the

¹⁹ Federal Surplus Relief Corporation, Memorandum of Minutes of the Federal Surplus Relief Board Held in the Office of Secretary of the Interior, Monday, September 16, 1935 at 10 a.m., mss., Harry Hopkins Papers, Franklin D. Roosevelt Library, Hyde Park, New York.

amending process would allow uninterrupted operation of the new corporation. Jacob Baker recommended that Chester Davis be made a member of the FSRC during the transition period and that Rexford Tugwell be made a member of the new corporation once it had been established. Harold Ickes did not see any reason for his involvement with the new corporation and asked not to serve on its board. J. P. Wenchel, advisor for the AAA, indicated that the new corporation members should be the Secretary of Agriculture, the Administrator of the AAA and the Governor of the FCA. These ideas were incorporated into a motion made by Ickes and seconded by Wallace.²⁰ As a result the FSRC began the transition to the Federal Surplus Commodities Corporation.

By September, 1935, the FSRC had ceased to be primarily a relief organization. It had:²¹

become apparent that the Corporation's greatest value was not as a relief organization, but rather as an agency to assist the Department of Agriculture in the execution of surplus removal programs conducted by the Agricultural Adjustment Administration. Consequently, . . the charter of the Corporation was amended, . . and its membership changed so that direction of policies and activities was vested in officials of the Department of Agriculture. Through these modifications, the primary emphasis in the activities of the Federal

²⁰ Ibid.

²¹ Federal Surplus Commodities Corporation, Report of Federal Surplus Commodities Corporation for the Calendar Year: 1936 (Washington: Government Printing Office, 1936), pp. 1-2.

Surplus Commodities Corporation was placed upon the encouragement of domestic consumption by diversion of surplus farm products from normal channels of trade and commerce, rather than upon procurement for supplying direct relief to the needy and unemployed.

At a special meeting of the FSRC Board of Directors, the Federal Surplus Commodities Corporation emerged on October 24, 1935. At this meeting the board members of the FSRC were joined by Chester Davis, Oscar L. Chapman, J. P. Wenchel, J. W. Tapp and Robert Orr of the Agricultural Adjustment Administration and the Department of Agriculture. Changes in the FSRC corporation charter were discussed, and amendments were proposed to correlate the corporation's surplus removal activities.²²

At the October 24th meeting, the FSCC assumed administrative direction of the FSRC. Chester Davis became President of the Federal Surplus Commodities Corporation. Other officials included Jesse W. Tapp, Executive Vice-President; Jacob Baker, Vice-President; Frank C. Baker, Executive Officer; J. P. Wenchel, Secretary and Ward M. Buckles, Treasurer. The official board consisted of Davis, Wallace, Tugwell, Jacob Baker, Tapp, Myers and Hopkins. Funds for the new corporation came from 30 per cent of customs receipts as granted by an amendment to the

²²Federal Surplus Relief Corporation, Minutes of Special Meeting of Board of Directors, October 24, 1935, mss., Harry Hopkins Papers, Franklin D. Roosevelt Library, Hyde Park, New York.

Agricultural Adjustment Act on August 24, 1935. In this manner, direct relief to the needy through food distribution programs continued to exist, and on November 18, 1935, the FSRC assumed possession of the FSRC surplus commodities. On that day, the parent corporation ceased existence.²³

By October 31, 1935, the FSRC had nearly liquidated its holdings. As Table III reveals, except for large quantities of canned beef, the FSRC possessed few commodities available to the states for distribution. Large quantities of hides were on hand but methods of distribution had not been determined by FSRC officials. Wheat, white potatoes and canned beef were the main foodstuffs yet to be distributed completely and the large quantity of canned beef reflected the refusal of relief recipients to accept the product. AAA procurement contracts had ceased operation with the exception of procurement of sheep, wheat and dairy products of which dry skim milk constituted the main items.²⁴ The value of the undistributed food amounted to \$11,929,887.85

²³Jesse W. Tapp to Moody's Investors Service, November 20, 1935, National Archives, Record Group 124; Josephine C. Brown, Public Relief, 1929-1939, pp. 334-335; see also Ray Harvey, Want in the Midst of Plenty: The Genesis of the Food Stamp Plan (Washington: American Council on Public Affairs, 1942), pp. 7-35.

²⁴Federal Surplus Relief Corporation, Commodities Available for Distribution, October 31, 1935, mss., National Archives, Record Group 69. Problems relating to distribution of canned beef were discussed in Chapter VII.

as Table IV indicates. Additionally, the corporation possessed cash on deposit in the United States Treasury of \$13,039,822.78.²⁵ The complete assets and liabilities of the FSRC were transferred to the FSCC.

Administrative expenses, shown in Table V, reveal the emphasis of the FSRC. Over 50 per cent of administrative expense went to the Procurement Department of the FSRC. This expense occurred in conjunction with the FSRC's role as a food procurement agent for the AAA and the FERA. On the other hand, less than 10 per cent of the administrative funds were allotted to the Distribution Department because the states paid for their own distribution programs. These figures suggest that despite its broad powers, the FSRC's primary emphasis was to procure agricultural crops and strengthen market prices for producers. The figures for administration also reveal a degree of centralization in the FSRC's administrative procedures. As expected, the FSRC centered its main operations in its Washington office. The only field office which spent a significant amount was the St. Paul branch which worked in conjunction with the Drought Relief Service.²⁶

²⁵Federal Surplus Relief Corporation, Balance Sheet as of October 31, 1935, mss., National Archives, Record Group 69.

²⁶Federal Surplus Relief Corporation, Administrative Expense by Departmental Offices, October 31, 1935, mss., National Archives, Record Group 69.

TABLE III

COMMODITIES AVAILABLE FOR DISTRIBUTION OCTOBER 31, 1935

Commodities in storage or on hand at contractors plants:

Canned beef	111,546,408 lbs.
Hides and calf skins	2,072,000 pieces

Commodities to become available upon completion of AAA procurement contracts:

Butter	500,000 lbs.
Cheese	120,000 lbs.
Dry Skim Milk	1,640,000 lbs.
Evaporated Milk	8,908,800 lbs.

Commodities produced on State programs for which the FSRC holds warehouse certificates and which are available for distribution through the FSRC:

Canned Beef	8,059,992 lbs.
-------------	----------------

Commodities now available bought under FSRC purchase authority and to become available upon completion of authorized purchases:

<u>COMMODITY</u>	<u>NOW AVAILABLE</u>	<u>TO BE PURCHASED</u>	<u>TOTAL</u>
Wheat	158,352- 20/60 bu.	544,996- 23/60 bu.	703,347- 45/60 bu.
Potatoes, 1, white	564,860 lb.	---	1,564,860 lb.
Prunes, dried	119,075 lb.	---	119,075 lb.
Sheep	5,485 hd.		5,485 hd.
Lambs	349 hd.	187,086 hd.	200,000 hd.
Goats	7,080 hd.		7,080 hd.

In addition to the canned beef turned over to the FSRC on warehouse certificates, the State ERA's had on hand as of September 30, 1935, approximately 73,249,000 pounds of canned beef and 5,304,000 pounds of other canned meats. The States also held 17,307,000 yards of textiles and 4,745,000 pounds of cotton which had not been turned over to the Work Division as of September 30, 1935. This is exclusive of inventories of commodities on hand in the Work Divisions and exclusive of the products of work projects shown on the monthly tabulation of Work Division Commodities.

TABLE IV
BALANCE SHEET

ASSETS

Cash on deposit in U.S. Treasury	\$ 13,039,822.78
Imprest fund, U.S. Treasury	610.27
Provided for Procurement of Supplies	
Accounts Receivable	9,229.30
Inventories	11,929,887.85
Notes Receivable - Long Term	150,000.00
Virgin Islands Company, interest at 2% payable January 13th and July 13th. Principal payable in three annual installments of \$50,000 each on July 13, 1937, 1938, 1939	
Furniture and fixtures	\$42,922.41
Less: Reserve for depreciation	41,693.74
	1,228.67
	<u>\$ 25,127,778.87</u>

LIABILITIES

Current Accounts Payable:	
Commodity Vouchers	\$ 207,107.45
Storage Vouchers	736,698.39
Transportation Vouchers	<u>1,528,229.84</u>
	2,472,035.67
Other Current Liabilities:	
Reserve for Transportation of Drought Livestock	3,241,389.13
Liabilities on Shipping Orders for which invoices have not been received	<u>1,329,430.67</u>
	4,570,819.80
Unallotted Funds:	425,000.00
Accounts with states:	
Regular account	18,850,664.88
Drought relief account	<u>1,193,741.48</u>
	17,656,923.40
Deferred credits to states:	<u>3,000.00</u>
TOTAL LIABILITIES	<u>\$ 25,127,778.87</u>

October 31, 1935

TABLE V

ADMINISTRATIVE EXPENSE BY DEPARTMENTS AND OFFICES

<u>Departments</u>	October 4, 1933 through October 31, 1935
Administration	\$ 162,489.70
Procurement	1,191,084.25
Disbursing	23,337.88
Distribution	108,400.99
Accounting	322,749.27
General Office	111,983.76
Legal	<u>4,962.90</u>
TOTAL	<u>\$1,925,008.75</u>

<u>Offices</u>	
Washington	\$1,151,326.30
Chicago	29,255.06
New York	4,517.89
St. Paul	730,623.42
Minneapolis	<u>9,286.08</u>
TOTAL	<u>\$1,925,008.75</u>

The Statement of Cash Receipts and Disbursements indicate the corporation had received \$5,643,102.48 as a refund from processing taxes and that the corporation had a cash balance of \$13,039,822.78 as it entered its last twenty days of operation. Throughout its existence the FSRC received \$136,547,280.00 from federal grants allocated to the states, and in turn spent the money to distribute procured commodities.²⁷

State participation in the FSRC program is revealed in Table VII. The leading states were New York, Texas, South Dakota, North Dakota and Illinois. The drought relief program resulted in the significant involvement of South Dakota, Texas and North Dakota whose participation otherwise would have been far below that of more industrialized and urban Illinois, Michigan, Pennsylvania, and Ohio. On the other hand, Hawaii Territory did not participate in the food distribution program, and Alaska Territory, Delaware, Vermont, New Hampshire and Nevada participated only slightly. Some states even had a deficit account with the FSRC as of October 31, 1935. Arkansas, Illinois, Kentucky, Ohio, Massachusetts, New Hampshire, Tennessee, Puerto Rico and Virginia had requested and received more surplus commodities than their allocations to the federal

²⁷ Federal Surplus Relief Corporation, Statement of Cash Receipts and Disbursements, October 31, 1935, mss., National Archives, Record Group 69.

TABLE VI

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

	October 4, 1933 through October 31, 1935
<u>Receipts:</u>	
Received from State Grants	\$136,547,280.00
Refund from Processing Taxes	5,643,102.48
Miscellaneous Receipts	688,315.84
Special Deposit, State of California-Alaska Expedition	75,000.00
Refund from War Dept. against Special Deposit, California- Alaska Expedition	22,315.97
Deposits in process of collection	<u>512.49</u>
TOTAL RECEIPTS	\$142,976,526.78
<u>Disbursements:</u>	
Chargeable to State Grants:	
Commodities	\$ 63,004,819.69
Processing	33,035,552.33
Transportation	25,981,309.12
Administrative Expense	<u>1,931,640.81</u>
	\$123,953,321.95
Special Disbursement to War Dept. Account California-Alaska Expedition	\$ 22,315.97
Special Disbursement to California Account California-Alaska Expedition	75,000.00
Long Term Loans	150,000.00
Processing Taxes (against which refunds have been received as above)	5,650,103.17
Miscellaneous Receivables	<u>85,962.91</u>
	\$129,936,704.00
Cash Balance: October 31, 1935	\$ 13,039,822.78

government entitled them. Rather than prohibit distribution of food to these areas, the effects of which would be immediately felt by the destitute, the FSRC supplied foods and urged the delinquents to appropriate their part of the costs.²⁸

As the federal program of direct relief under FERA supervision concluded and Harry Hopkins summarized FERA and FSRC activities in a lengthy memorandum to Franklin Roosevelt. Hopkins observed that the FSRC had:²⁹

handled foodstuffs and other agricultural commodities received as donations or purchased, fuel purchased from mines and replaced to local dealers in the winter of 1933-34, cotton and cotton goods purchased from factories and mills, livestock moved from the drought areas, and local surplus seasonal fruit and vegetable crops.

The total cost to the Government of all commodities distributed through July 31, 1935 has been \$225,682,241. This is an aggregate expenditure of \$119,127,932 by the Federal Surplus Relief Corporation, \$134,391,871 by the Agricultural Adjustment Administration and \$2,162,438 by the State relief administrations of funds received from the Federal Emergency Relief Administration for products turned over by them to the Federal Surplus Relief Corporation for distribution in other states.

In conclusion, the FSRC President emphasized that "all

²⁸ Federal Surplus Relief Corporation, Accounts with States as of October 31, 1935, mss., National Archives, Record Group 69.

²⁹ Harry Hopkins to Franklin D. Roosevelt, Memorandum: "The Genesis, History and Results of the Federal Relief Program," August 23, 1935, National Archives, Record Group 69.

TABLE VII
ACCOUNTS WITH STATES AS OF OCTOBER 31, 1935

<u>States</u>	<u>Receipts From States</u>	<u>Charges Against States</u>	<u>State Balance Per Books*</u>	<u>State Grants Pending</u>	<u>Adjusted State Balances*</u>
Alabama	\$2,875,300.00	\$2,352,509.64	\$ 622,790.36		\$622,790.36
Arizona	1,029,480.00	844,971.24	184,508.76		184,508.76
Arkansas	1,796,000.00	1,854,299.30	58,299.30		58,299.30
California	2,808,000.00	2,045,935.01	762,064.99		762,064.99
Colorado	2,245,000.00	1,826,534.76	418,465.24		418,465.24
Connecticut	1,121,000.00	1,064,126.15	56,873.85		56,873.85
Delaware	150,000.00	144,511.60	5,488.40		5,488.40
Florida	2,445,000.00	2,197,197.19	247,802.81		247,802.81
Georgia	1,964,000.00	1,734,597.97	229,402.03		229,402.03
Idaho	812,000.00	557,591.85	254,408.15		254,408.15
Illinois	6,068,000.00	6,276,120.78	208,120.78		208,120.78
Indiana	2,198,000.00	1,938,678.64	259,321.36		259,321.36
Iowa	1,493,000.00	1,447,763.96	45,236.04		45,236.04
Kansas	3,465,000.00	2,816,705.09	648,294.91		648,294.91
Kentucky	2,061,000.00	2,107,860.56	46,860.56		46,860.56
Louisiana	1,487,000.00	1,413,119.43	73,880.57		73,880.57
Maine	428,000.00	317,576.23	110,423.77		110,423.77
Maryland	1,028,000.00	878,739.83	149,260.17		149,260.17
Massachusetts	4,099,000.00	4,186,221.17	87,221.17		87,221.17
Michigan	5,181,000.00	4,936,575.83	244,424.17		244,424.17
Minnesota	5,035,000.00	4,206,183.02	828,816.98		828,816.98
Mississippi	1,482,000.00	1,332,796.58	149,203.42		149,203.42
Missouri	4,167,000.00	3,692,471.53	474,528.47		474,528.47
Montana	2,231,000.00	1,613,775.88	617,224.12		617,224.12
Nebraska	2,877,000.00	2,228,553.88	648,446.12		648,446.12
Nevada	395,000.00	268,126.42	126,873.58		126,873.58
New Hampshire	255,000.00	268,051.42	13,051.42		13,051.42
New Jersey	2,867,000.00	1,858,583.98	1,008,416.02		1,008,416.02

<u>States</u>	<u>Receipts From States</u>	<u>Charges Against States</u>	<u>State Balance Per Books*</u>	<u>State Grants Pending</u>	<u>Adjusted State Balances*</u>
New Mexico	\$2,567.00.00	\$1,839,183.19	\$ 727,816.81		\$ 727,816.81
New York	10,214,000.00	8,389,408.73	1,824,591.27		1,824,591.27
North Carolina	1,374,000.00	1,321,264.15	52,735.85		52,735.85
North Dakota	8,121,000.00	6,340,612.48	1,780,387.52		1,780,387.52
Ohio	5,338,000.00	5,452,611.15	<u>114,611.15</u>		<u>114,611.15</u>
Oklahoma	2,964,000.00	1,960,059.79	3,940.21		3,940.21
Oregon	815,000.00	807,456.65	7,543.35	\$116,000	123,543.35
Pennsylvania	5,480,000.00	4,296,566.65	1,183,433.35		1,183,433.35
Rhode Island	517,000.00	499,361.73	17,638.27		17,638.27
South Carolina	2,043,000.00	1,849,979.11	193,020.89		193,020.89
South Dakota	8,672,000.00	7,353,559.26	1,318,440.74		1,318,440.74
Tennessee	1,846,000.00	1,955,926.52	<u>109,926.52</u>		<u>109,926.52</u>
Texas	9,658,000.00	8,057,897.06	1,600,102.94		1,600,102.94
Utah	779,000.00	676,032.45	102,967.55		102,967.55
Vermont	209,000.00	194,088.75	14,911.25		14,911.25
Virginia	841,000.00	859,575.26	<u>18,575.26</u>		<u>18,575.26</u>
Washington	1,173,000.00	1,073,979.75	99,020.25	50,000	149,020.25
West Virginia	1,727,000.00	1,645,166.14	81,833.86		81,833.86
Wisconsin	3,522,000.00	3,364,896.15	157,103.85		157,103.85
Wyoming	2,054,000.00	1,265,499.85	788,500.15		788,500.15
Alaska	15,000.00	10,133.05	4,866.95		4,866.95
Dist. of Columbia	528,000.00	467,988.58	60,011.42		60,011.42
Hawaii					
Puerto Rico	1,635,000.00	1,708,416.16	<u>73,416.16</u>		<u>73,416.16</u>
Virgin Islands	292,500.00	90,515.05	<u>201,984.95</u>		<u>201,984.95</u>
TOTAL	\$136,547,280.00	118,890,356.60	17,656,923.40	166,000	17,822,923.40

Note*: Figures indicate amounts to credit of states; figures underlined indicate overdrafts in the state amounts. All figures are measured in dollars and cents.

commodities have been carefully allocated over and above the minimum budgets of relief recipients, but not in sufficient quantity to cause substitution of those relief supplies for goods that might otherwise have been purchased through normal trade channels." The results of the commodity distribution had been to raise the standard of living of families and persons on relief.³⁰

³⁰Ibid.

CHAPTER IX
A NEW DEPARTURE

The FSRC marked the first step in a revolution - the war on poverty by the federal government to solve by direct means the paradox of hungry people living in the midst of abundant food supplies. The FSRC had been a vital part of the New Deal program to alleviate the misery caused by the depression. Undersecretary of Agriculture Rexford Tugwell observed that "the essence of the New Deal is that it recognizes and gives expression to the people whose wants are going unsatisfied, because of the failure of the industrial and political institutions which they have established in the hope of satisfying those wants."¹

Prior to the New Deal, the needs of the destitute had gone unfulfilled, and the FSRC helped bring the humanitarian impulse of the New Deal into reality. The significance of FSRC operations was that the corporation reflected the federal government's first involvement in a nation-wide social welfare program attacking starvation and aiding the

¹Rexford G. Tugwell, "Relief and Reconstruction," Proceedings of the National Conference of Social Work (Chicago: University of Chicago Press, 1934), p. 46.

farmers simultaneously. To solve the paradox of want in the midst of plenty, the federal government had embarked upon a new departure in the fields of social welfare and agriculture.

When the New Deal began, agricultural prices were low because of surpluses and overproduction. People were hungry because private and local relief agencies were unable to meet the demands of the Great Depression. At the end of 1935, agricultural surpluses had been distributed to millions of needy Americans. For many of these misfortunates, the surplus food meant the difference between life and death. The FSRC furnished the means through which the abundance of the American farm reached the mouths of starving Americans. As Tugwell wrote:²

The Surplus Relief Corporation helped us in the Department of Agriculture to solve the paradox of want in the midst of plenty. It made doubly certain that our program of crop reduction should not take place in a land where anyone went hungry.

Thus, the FSRC actions assured the AAA that hunger would not occur because of crop reduction procedures. At the same time, the federal government possessed the means to attack the surplus problem from the standpoint of overproduction and under consumption. This action attempted to satisfy the needs of the farmer.

²Ibid., 40-41.

During its existence, the FSRC became increasingly concerned with stabilization of agricultural markets rather than giving equal emphasis to the distribution of food to the needy. The FSRC failed to solve the paradox of poverty in a land of plenty. Thirty-four years after the end of the FSRC, Secretary of Agriculture Clifford Hardin observed that "there is hunger in the midst of national plenty." America still faced the problems of malnutrition. Hardin wrote that many "Americans with poverty level incomes are simply too poor to buy an adequate diet from the abundance available in the commercial market place."³ Many of the same problems which existed during the early New Deal remained in America. As recently as April, 1970, the Houston Post editorialized that:⁴

During the great depression of the 1930s, the American people were shocked to realize that it was possible to have hunger in the midst of plenty.

The root problem was one of distribution rather than production. There was a broad gap between the ability to produce foodstuffs and the ability of those needing the food to buy it. Drastic steps were taken to cut back agricultural production so that it would be more in line with the people's ability to buy, if not the ability to consume, and this problem of distribution continues to plague the nation despite governmental programs to minimize the imbalance.

³United States Department of Agriculture, Food for Us All: The Yearbook of Agriculture, 1969 (Washington: Government Printing Office, 1969), p. xxxiii.

⁴Houston Post, April 17, 1970, Sec. III, p. 2.

Production capability still is being curtailed to prevent the accumulation of large surpluses of basic foods in the nation's warehouses. In addition to subsidies for farmers to make it possible for them to limit their production, there are both domestic and international programs that give away or practically give away surplus foods. At the same time, there is widespread malnutrition and much actual hunger in this country, while scientist and agricultural technologists continue to devise ways to increase food productivity.

In meeting the problems of its day, the FSRC experienced haste, inefficiency and duplication of effort. These characteristics were dramatically revealed in the FSRC participation in drought relief programs as inexperienced social workers attempted to supervise the transportation of cattle to processing plants or to pastures for fattening. Also Henry Wallace considered the FSRC distribution methods very slow. For example, Wallace complained to Hopkins that as of September 18, 1935, the FSRC had moved into relief consumption only 22,000,000 pounds of beef per month, a record considered woefully inadequate.⁵

During its first sixteen months of operation, the FSRC had distributed 5.7 per cent of the nation's normal consumption of beef and veal, 3.3 per cent of the consumption

⁵Henry Wallace to Harry Hopkins, September 18, 1935, Harry Hopkins Papers, Franklin D. Roosevelt Library, Hyde Park, New York; see also: Dorothy C. Kahn, "Problems of the Administration of Relief," The Annals of the American Academy of Political and Social Science, CLXXVI (November, 1934), pp. 40-48.

of pork, 3.1 per cent of the nation's butter, 3.4 per cent of cotton, 2 per cent of cheese, .19 per cent of mutton, .86 per cent of potatoes and .8 per cent of wheat flour. The AAA concluded that "more than two per cent of the country's total annual requirements of the more important concentrated food products have been distributed to the group needing them the most during the 16 months up to February, 1935." According to the AAA, FSRC distribution of commodities was "barely equivalent to about one-sixth of the basic food requirements of those on relief."⁶ These products, if present on the open market would have been inaccessible to the destitute because of the needy's lack of purchasing power.

The FSRC did not intend to supply food to all needy Americans, only those who qualified for food under state requirements were to receive food. The FSRC's purpose was to provide surplus commodities to the states based upon the minimum dietary requirements to sustain the life of the relief recipient. Additional food products for the needy

⁶ Agricultural Adjustment Administration, Press Release, March 27, 1935, National Archives, Record Group 124. For the above reason the FSRC experienced only slight criticism from the general public. Keith Southard noted that "there has been little opposition to the commodity operations. . . because the quantities have been small relative to consumption. Keith Southard to Dr. J. S. Davis, February 13, 1935, National Archives, Record Group 124. An additional reason might be that the food went to the hard-core unemployed who possessed little purchasing power.

were to be supplied by local, state and public welfare agencies. Not possessing funds of its own, the FSRC had served as an effective agent between the FERA and the AAA. According to Hopkins, the federal relief program effected not more than 20,655,479 persons during 1933-1935. The FSRC President estimated that the federal relief programs helped 17 per cent of the population during the same period.⁷ The FSRC action had affected a significant proportion of the population and provided an example of cooperative federalism between the States and the federal government during the Great Depression.

Throughout its lifetime, the FSRC provided the states with food, and the states established the means of distributing the agricultural surpluses to their needy. In this way, local responsibility for the destitute was preserved during the New Deal. According to William Nielander, former FSRC Director of Distribution, the quality of distribution programs varied with the caliber of the state officials, yet, for the most part, these men performed their tasks well.⁸ The FSRC forced the states to be responsible for their own people, if the states were to receive federal

⁷Harry Hopkins to Franklin D. Roosevelt, Memorandum: "The Genesis, History and Results of the Federal Relief Program," August 23, 1935, National Archives, Record Group 69.

⁸William A. Nielander to Irvin May, February 27, 1970.

appropriations. As James T. Patterson has observed, "having coped with welfare problems, however reluctantly between 1933 and 1935, most of the states found it difficult to return in subsequent decades to the poor-law philosophy of the 1920's."⁹ The fact that the states did not return to the antiquated policies of the past resulted in part from FSRC cooperation with the states. The Federal Emergency Relief Administration reported that through FSRC action, "commodity relief has been continuously adjusted with reference both to the problem of disposal of surplus commodities and to the best social work practices."¹⁰

FSRC's involvement with distribution of farm surpluses resulted in attempts to solve the basic problems of distributing large amounts of relief food. The FSRC learned from its operations that relief commodities could not be given successfully in large quantities to public institutions because "serious protests have arisen from commercial concerns accustomed to supplying the needs of such institutions." Additionally, efficient distribution of food could be maintained only in areas which justified carlot

⁹James T. Patterson, The New Deal and the States: Federalism in Transition (Princeton, N.J.: Princeton University Press, 1969), p. 73.

¹⁰Federal Emergency Relief Administration, Monthly Report of Federal Emergency Relief Administration July 1 through July 31, 1935 (Washington: Government Printing Office, 1935), p. 28.

shipments, and had periodic inspection and adequate warehousing.¹¹ The FSRC suggested to state relief administrators various methods of food distribution and concluded that in most states, the door-to-door delivery system was the most efficient method of supplying the needy with food.¹²

The FSRC was created to aid the farmer, the hungry and the desperate. The corporation's death coincided with the return of better agricultural prices and the nation's general economic recovery which lessened the need for a direct relief program. As William L. Nunn observed:¹³

Direct relief is not defensible, wherever work relief can be carried on. Theoretically we have no business of distributing commodities in the United States even when we have a door-to-door delivery system. . . . Commodity relief is direct relief. We turn from the theoretical and social service view points and we face surpluses that exist. . . . All surpluses are acting as price deterrents and the administration is committed to a policy of supporting depressed farm product markets.

Thus, the government decided in 1935 to continue its primary emphasis on stabilization of agricultural prices and still preserve the essentials of the FSRC. Agricultural officials

¹¹"A Suggested Program for the Federal Surplus Relief Corporation, July 1, 1935," Files, United States Department of Agriculture Library, Washington, D.C.

¹²Federal Surplus Relief Corporation, "Report on Conference of Commodity Distribution, Washington, D.C., September 19-21, 1935, mss., pp. 111-116, National Archives, Record Group 145.

¹³Ibid., 21-22.

recognized that poverty in a land of plenty had not been solved, the work relief recipient needed surplus food for his survival and that a direct relief policy was necessary. The essentials of the FSRC were preserved by the FSCC and led to the development of the Stamp Food Plan.¹⁴ Throughout the New Deal, the FSRC methods of procuring commodities and distributing them to state relief agencies for final disposition to the destitute remained.¹⁵

The FSRC had been basically interested in procuring agricultural goods from the nation's farms, and the corporation had paid little attention to price stabilization of non-farm products and luxury foods. In this regard, the procurement of coal for fuel was a notable exception. The corporation had removed large surpluses of agricultural commodities and livestock from the markets, and had been instrumental in stabilizing the grain market during 1933-1934.¹⁶ As a subsidiary of the FERA, the FSRC cooperated

¹⁴William A. Nielander to Irvin May, February 27, 1970.

¹⁵Josephine C. Brown, Public Relief, 1929-1939 (New York: Henry Holt and Company, 1940), p. 335; Ray Harvey, Want in the Midst of Plenty: The Genesis of the Food Stamp Plan (Washington: American Council on Public Affairs, 1942), pp. 8-10. Harvey also observes that the Surplus Marketing Administration continued the above practice originated by the FSRC.

¹⁶Federal Surplus Relief Corporation, Report on the Federal Surplus Relief Corporation for the Period October 4, 1933 to December 31, 1934 (Washington: Government Printing Office, 1935), p. 3.

with the AAA in an effort to distribute the abundance of the farms to the nation's needy.

Harry Hopkins observed that the federal relief program from 1933 through 1935 "protected the destitute from hunger, cold and disease and the Nation from the alternative of violence."¹⁷ To prevent conditions which some thought might lead to a revolution, the federal government greatly expanded its functions in an effort to meet the needs of the people. For the first time, the problem of overproduction of agricultural products was attacked from the standpoint of underconsumption by distributing food to the starving. The purpose of the FERA and its subsidiaries was to sustain life, and the FSRC was a significant New Deal program which manifested this basic change of national policy. Yet, in the process of change, the respective roles of State and federal government were maintained. The Roosevelt administration pursued a basically conservative relief policy founded upon state distribution of food to those who qualified under state programs.

FSRC operations manifested a practical response to the conditions of the Great Depression. Surplus crops would no longer rot in the fields or be needlessly destroyed because

¹⁷ Harry Hopkins to Franklin D. Roosevelt, Memorandum: "The Genesis, History and Results of the Federal Relief Program," August 23, 1935, mss., National Archives, Record Group 69.

there was no means to get them to the needy. Through the FSRC a large quantity of nutritious food, which would have gone to waste, found its way to the mouths of the hungry. These actions reduced to a minimum the sufferings of millions and protected the nation from violent alternatives. Through its procurement and distribution programs, the FSRC helped preserve the nation's morale, the greatest single achievement of the New Deal. The FSRC, springing from a revolutionary concept, only in part achieved, helped conserve and preserve the nation during its period of greatest economic disaster. FSRC action revealed the beginning of the federal government's food distribution program as the government sought to solve the paradox of want in a land of plenty and insure a better life for its inhabitants.

BIBLIOGRAPHY

Manuscript Materials

This dissertation is based primarily upon manuscript materials located in the Agriculture and General Services Branch of the Social and Economic Records Division of the National Archives, Washington, D.C. The foremost collection of records are those of the Federal Surplus Relief Corporation which are part of Record Group 124: Records of the Surplus Marketing Administration. Of particular value are the Records of Jacob Baker, Assistant to the President of the Federal Surplus Relief Corporation. Baker's files found in entry 1 contain correspondence, memoranda and reports. These records and the records of Keith Southard, located in entry 2 and related to commodities, were the most valuable consulted. Information was also found in entry 7, Miscellaneous Records of the FSRC and FSCC, 1933-1940 and entry 8, Miscellaneous File of Rules, Agreements, State Histories and Committee Reports of the FSRC and FSCC, 1933-1940.

Entries 11 through 28 of Record Group 124 consists of records of the livestock disposal and drought cattle program of the Federal Surplus Relief Corporation and its successor, the Federal Surplus Commodities Corporation. These records relate to the purchase and handling of drought cattle, their pasturage, operations of the program, and meat processing. Correspondence, state reports, statistical summaries of state cattle programs, transportation, reports of processed meat, hides and purchases of livestock are included in the entries. These entries often contain more material on FSCC operations than about FSRC. Entries 29 through 74 contain material on purchase and distribution of surplus commodities as well as other materials.

Record Group 145, the Records of the Agricultural Stabilization and Conservation Service, is the next most valuable collection of documents. Of particular importance are the Records of the Agricultural Adjustment Administration. The major entries are the Central Correspondence Files, 1933-1947 and the Subject Correspondence Files, 1933-1938.

Some information concerning FSRC operations was discovered in Record Group 136 and 16. Record Group 16

contains the Records of the Agricultural Marketing Service, and entry 40 the Legal Desk File of Jerome N. Frank, Chief Counsel, 1933-1937. Record Group 16, the Records of the Secretary of Agriculture was another important source. In this record group, correspondence by Wallace and his assistant secretaries was very useful in assessing FSRC operations.

Record Group 69 contains brief but extremely valuable information concerning FSRC operations. Located in this record group are the records of the Federal Emergency Relief Administration. This important collection of documents is vital to an understanding of FSRC operations. Especially important is entry 6, "Genesis, History and Results of the Federal Relief Program." This material contains an extremely valuable memorandum which has been frequently cited in this dissertation. Research was also conducted in pertinent topics in the Old General Subject Series, March, 1933-January, 1935. This entry contains correspondence arranged alphabetically by subject. The same general situation applies to entry 9, "New General Subject Series, February 1935-1936." These entries and the Records of the Office of the Assistant Administrator Jacob Baker, 1934-1936 constitute the major sources of information found in Record Group 69.

Research in the Franklin D. Roosevelt Library consisted of investigation of the Franklin D. Roosevelt, Aubrey Williams and Harry L. Hopkins Papers. The Roosevelt papers revealed some information concerning the origin of the Federal Surplus Relief Corporation and also there are files relating to the opposition of shoe manufacturers to FSRC's disposal of hides. The Hopkins papers contain some relevant letters, reports and memorandum. Additionally the Hopkins Papers contain official publications of the Federal Surplus Relief Corporation. The official minutes of the Board of Directors of the Federal Surplus Relief Corporation were found in the Hopkins Papers.

Of less significance were documents in the George N. Peek Collection at the Western Historical Manuscripts Collection, University of Missouri Library, Columbia, Missouri. These records furnished copies of the charter and by-laws of the FSRC. Additional information concerning FSRC operations in 1935 and the ending of the corporation was discovered in the Files of the Department of Agriculture Library, South Building, Washington, D.C.

Government Documents

U.S. Congressional Record. Vols. LXIIX-LXXIX (1927-1935).

U.S. Department of Agriculture. Agricultural Adjustment Administration. Achieving a Balanced Agriculture. Washington: Government Printing Office, 1934.

_____. Agricultural Adjustment: 1933 to 1935: A Report of Administration of the Agricultural Adjustment Act, May 12, 1933 to December 31, 1935. Washington: Government Printing Office, 1936.

_____. Industry's Production and the Farmer. Washington: Government Printing Office, 1935.

_____. Progress on All Fronts Under the Farm Act. Washington: Government Printing Office, 1933.

_____. Report of Administration of the Agricultural Adjustment Act, May, 1933 to February, 1934. Washington: Government Printing Office, 1934.

U.S. Department of Agriculture. Agricultural Adjustment in 1934: A Report of the Administration of the Agricultural Adjustment Act, February 15, 1934 to December 15, 1934. Washington: Government Printing Office, 1935.

_____. Food for Us All: Yearbook of Agriculture, 1969. Washington: Government Printing Office, 1969.

_____. Report of the Secretary of Agriculture: 1933. Washington: Government Printing Office, 1933.

_____. Report of the Secretary of Agriculture: 1934. Washington: Government Printing Office, 1934.

_____. The Agricultural Outlook for 1935. Washington: Government Printing Office, 1934.

_____. Yearbook of Agriculture: 1934. Washington: Government Printing Office, 1934.

_____. Yearbook of Agriculture: 1936. Washington: Government Printing Office, 1936.

U.S. Federal Emergency Relief Administration. Monthly Reports of Federal Emergency Relief Administration, October, 1933-December 31, 1935. Washington: Government Printing Office, 1933-1936.

U.S. Federal Farm Board. First Annual Report of the Federal Farm Board for the Year Ending June 30, 1930. Washington: Government Printing Office, 1930.

U.S. Federal Surplus Commodities Corporation. Report of Federal Surplus Commodities Corporation for the Calendar Year: 1935. Washington: Government Printing Office, 1935.

_____. Report on Audit of Federal Surplus Commodities Corporation. Washington: Government Printing Office, 1947.

U.S. Federal Surplus Relief Corporation. Report of Federal Surplus Relief Corporation for the Period: October 4, 1933 to December 31, 1934. Washington: Government Printing Office, 1935.

U.S. House of Representatives. Banking and Currency Committee. Unemployment Relief. Hearings. 73d Cong., 1st Sess., Washington: Government Printing Office, 1933.

_____. Committee on Labor. Unemployment in the United States. Hearings. 72d Cong., 1st Sess., Washington: Government Printing Office, 1932.

_____. Inaugural Addresses of the Presidents of the United States from George Washington, 1789 to Lyndon Baines Johnson, 1965. Washington: Government Printing Office, 1965.

_____. Security, Work and Relief Policies. Washington: Government Printing Office, 1934.

U.S. Senate. Committee on Agriculture and Forestry. Agricultural Emergency Act to Increase Farm Purchasing Power. Hearings. 73d Cong., 1st Sess., Washington: Government Printing Office, 1933.

_____. Committee on Agriculture and Forestry. Farm Relief. Hearings. 72d Cong., 1st Sess., Washington: Government Printing Office, 1932.

_____. Committee on Agriculture and Forestry. Free Distribution of Cotton and Cotton Cloth to the Needy. Hearings. 73d Cong., 2d Sess., Washington: Government Printing Office, 1934.

_____. Committee on Education and Labor. Unemployment Relief. Joint Hearings before the Committee on Education and Labor, United States Senate and the Committee on Labor, United States House of Representatives. 73d Cong., 1st Sess., Washington: Government Printing Office, 1933.

- _____. Committee on Manufactures. Federal Aid for Unemployment Relief. Hearings. 72d Cong., 2d Sess., Washington: Government Printing Office, 1933.
- _____. Committee on Manufactures. Unemployment Relief. Hearings. 72d Cong., 1st Sess., Washington: Government Printing Office, 1932.
- _____. Economic Situations of Hog Producers: Letter from the Secretary of Agriculture Transmitting in Response to Senate Resolution No. 281, A Report Pertaining to the Hog Situation and the Probable Effects of the Proposed Export Debenture, Equalization Fee, and Domestic Allotment Plans for Farm Relief on the Economic Position of Hog Producers. Washington: Government Printing Office, 1933.
- _____. Emergency Hog Marketing Program: Letter from the Secretary of Agriculture to Senate Resolution No. 123: A Report on the Emergency Hog Marketing Program Conducted from August 23 to October 7, 1933 as Prepared by the Agricultural Adjustment Administration. Washington: Government Printing Office, 1933.

U.S. Statutes at Large. Vol. XLVIII, XLIX.

Books

- Abbott, Grace. From Relief to Social Security: The Development of the New Public Welfare Services and Their Administration. Chicago: University of Chicago Press, 1941.
- Allen, Frederick Lewis. Since Yesterday: The Nineteen Thirties in America, September 3, 1929-September 3, 1939. New York: Harper and Brothers, 1939.
- American Country Life Association. National Planning and Rural Life: Proceedings of the Seventeenth American Country Life Conference, Washington, D.C., November 16-19, 1934. Chicago: University of Chicago Press, 1935.
- _____. National Policies Affecting Rural Life: Proceedings of the Sixteenth American Country Life Conference, Blacksburg, Virginia, August 1-4, 1933. Chicago: University of Chicago Press, 1934.

American National Livestock Association. Resolutions Adapted at the Thirty-Eight Annual Convention of the American National Livestock Association Held at Rapid City, South Dakota, January 9, 10 and 11, 1935 and List of Officers General Council Standing Committee and Executive Committee. Denver: The American National Livestock Association, 1935.

Anderson, Patrick. The President's Men: White House Assistants of Franklin D. Roosevelt, Harry S. Truman, Dwight D. Eisenhower, John F. Kennedy and Lyndon B. Johnson. Garden City, New York: Doubleday and Company, 1968.

Baird, Enid and Brinton, Hugh P. Average General Relief Benefits, 1933-1938. Washington: Government Printing Office, 1940.

Baker, Gladys L., Rasmussen, Wayne D., Wiser, Vivian and Porter, Jane M. Century of Service: The First Hundred Years of the United States Department of Agriculture. Washington: Government Printing Office, 1963.

Baker, O.E., Borsodi, Ralph and Wilson, M. L. Agriculture in Modern Life. 2d. ed. New York: Harper and Brothers Publishers, 1939.

Bakke, E. Wright. Citizens Without Work. New Haven, Conn.: Yale University Press, 1940.

Baldwin, Sidney. Poverty and Politics: The Rise and Decline of the Farm Security Administration. Chapel Hill: University of North Carolina Press, 1968.

Benedict, Murray R. Farm Policies of the United States, 1790-1950: A Study of Their Origins and Development. New York: The Twentieth Century Fund, 1953.

Benedict, Murray R. and Stine, Oscar C. The Agricultural Commodity Programs: Two Decades of Experience. New York: The Twentieth Century Fund, 1956.

Black, John D. Agricultural Reform in the United States. New York: McGraw-Hill Book Company, Inc., 1929.

_____. The Dairy Industry and the AAA. Washington: The Brookings Institution, 1935.

Blaisdell, Donald C. Government and Agriculture: The Growth of Federal Farm Aid. New York: Farrar and Rinehart, Inc., 1940.

- Borah, William E. Bedrock: Views on Basic National Problems. Washington: National Home Library Foundation, 1936.
- Brody, Clark L. In the Service of the Farmer: My Life in the Michigan Farm Bureau. Lansing: Michigan State University Press, 1959.
- Browder, Robert Paul. The Origins of Soviet-American Diplomacy. Princeton, N.J.: Princeton University Press, 1953.
- Brown, Josephine C. Public Relief, 1929-1939. New York: Henry Holt and Company, 1940.
- Brunner, Edmund DeS. and Lorge, Irving. Rural Trends in Depression Years: A Survey of Village-Centered Agricultural Communities, 1930-1936. New York: Columbia University Press, 1937.
- Burns, Arthur E. and Williams, Edward A. Federal Work, Security and Relief Programs, Research Monograph XXIV. Works Progress Administration, Division of Social Research. Washington: Government Printing Office, 1941.
- Carothers, Doris. Chronology of the Federal Emergency Relief Administration: May 12, 1933 to December 31, 1935. Research Monograph VI. Works Progress Administration. Division of Social Research. Washington: Government Printing Office.
- [Carter, John Franklin] The New Dealers. New York: Simon and Schuster, 1934.
- Chambers, Clarke A. California Farm Organizations: A Historical Study of the Grange, the Farm Bureau and the Associated Farmers, 1929-1941. Berkeley and Los Angeles: University of California Press, 1952.
- Charles, Searle. Minister of Relief: Harry Hopkins and the Depression. Syracuse: Syracuse University Press, 1963.
- Colcord, Joanna C. Cash Relief. New York: Russell Sage Foundation, 1936.
- Conkin, Paul K. FDR and the Origins of the Welfare State. New York: Thomas Y. Crowell Company, 1967.

- Connally, Tom as told to Alfred Steinberg. My Name is Tom Connally. New York: Thomas Y. Crowell Company, 1954.
- Davis, Joseph S. On Agricultural Policy, 1926-1938. Palo Alto: Stanford University Food Research Institute, 1939.
- Dulles, Foster Rhea. The American Red Cross: A History. New York: Harper & Brothers, 1950.
- Editors of the Economist [London]. The New Deal: An Analysis and Appraisal. New York: Alfred A. Knopf, 1937.
- Fite, Gilbert C. George N. Peek and the Fight for Farm Parity. Norman: University of Oklahoma Press, 1954.
- Fitzgerald, D. A. Corn and Hogs Under the Agricultural Adjustment Act, Developments Up to March, 1934. Washington: The Brookings Institution, 1934.
- _____. Livestock Under the AAA. Washington: The Brookings Institution, 1935.
- Frank, Jerome. Save America First: How to Make Democracy Work. New York: Harper & Brothers, Publishers, 1938.
- Fusfield, Daniel R. The Economic Thought of Franklin D. Roosevelt and the Origins of the New Deal. New York: Columbia University Press, 1956.
- Genung, A. C. The Agricultural Depression Following World War I and Its Political Consequences: An Account of the Deflation Episode, 1921-1934. Ithaca, New York: Northeast Farm Foundation, 1954.
- Halcrow, Harold G. Agricultural Policy of the United States. New York: Prentice-Hall, 1953.
- Harvey, Ray. Want in the Midst of Plenty: The Genesis of the Food Stamp Plan. Washington: American Council on Public Affairs, 1942.
- Heady, Earl O. A Primer on Food, Agriculture and Public Policy. New York: Random House, Inc., 1967.
- Hicks, John D. Republican Ascendancy, 1921-1933. New York: Harper & Row, 1960.
- Hoover, Calvin. Memoirs of Capitalism, Communism and Nazism. Durham, N.C.: Duke University Press, 1965.

- Hopkins, Harry L. Spending to Save: The Complete Story of Relief. New York: W. W. Norton & Company, Inc., 1936.
- Hoyt, Edwin P. The Tempering Years. New York: Charles Scribner's Sons, 1963.
- Huthmacher, J. Joseph. Senator Robert F. Wagner and the Rise of Urban Liberalism. New York: Atheneum, 1968.
- Ickes, Harold. The Secret Diary of Harold L. Ickes, Vol. I: The First Thousand Days, 1933-1936. New York: Simon and Schuster, 1953.
- Josephson, Matthew. Infidel in the Temple: A Memoir of the Nineteen-Thirties. New York: Alfred A. Knopf, 1967.
- Kahn, Dorothy C. Unemployment and Its Treatment in the United States. New York: American Association of Social Workers, 1937.
- Kile, Orville. The Farm Bureau Through Three Decades. Baltimore: The Waverly Press, 1948.
- Lane, Marie Dresden and Steegmuller, Francis. America on Relief. New York: Harcourt, Brace and Company, 1938.
- Leuchtenberg, William E. Franklin D. Roosevelt and the New Deal, 1932-1940. New York: Harper and Row, 1963.
- Lininger, Fred F. Dairy Products Under the Agricultural Adjustment Act. Washington: The Brookings Institution, 1934.
- Lyon, Leverett S. and Abramson, Victor. Government and Economic Life: Development and Current Issues of American Public Policy, Vol. 2. Washington: The Brookings Institution, 1940.
- Lyons, Jake G. (compiler). Presidential Cyclopedia, Vol. I: Franklin D. Roosevelt. Washington: Presidential Cyclopedia Company, 1937.
- McDean, Harry C. (compiler). A Preliminary List of References for the History of American Agriculture During the New Deal Period, 1932-1940. Davis, California: Agricultural History Center, University of California at Davis, 1968.
- McKenna, Marian C. Borah. Ann Arbor: The University of Michigan Press, 1961.

- McNeil, Douglas H. Seven Years of Unemployment Relief in New Jersey, 1930-1936. Washington: Committee on Social Security, Social Science Research Council, 1938.
- Mangus, A. R. Changing Aspects of Rural Relief. Research Monograph XIV. Works Progress Administration. Division of Social Research. Washington: Government Printing Office, 1938.
- Maxwell, James A. The Fiscal Impact of Federalism in the United States. Cambridge, Massachusetts: Harvard University Press, 1946.
- Meriam, Lewis. Relief and Social Security. Washington: The Brookings Institution, 1946.
- Moley, Raymond. The First New Deal. New York: Harcourt, Brace and World, Inc., 1966.
- Mitchell, Broadus. Depression Decade: From New Era Through New Deal, 1929-1941. New York: Holt, Rinehart and Winston, 1962.
- National Conference of Social Work, Proceedings of the National Conference of Social Work, 1933-1936. Chicago: University of Chicago Press, 1933-1936.
- Nourse, Edwin G., Davis, Joseph S., and Black, John D. Three Years of the Agricultural Adjustment Administration. Washington: The Brookings Institution, 1937.
- Nourse, Edwin G. Marketing Agreements Under the AAA. Washington: The Brookings Institution, 1935.
- Patterson, James T. The New Deal and the States: Federalism in Transition. Princeton, N.J.: Princeton University Press, 1969.
- Peek, George N. with Samuel Crowther. Why Quit Our Own. New York: D. Van Nostrand Company, Inc., 1936.
- Peel, Roy V. and Donnelly, Thomas C. The Campaign of 1932: An Analysis. New York: Farrar and Rinehart, 1935.
- Perkins, Van L. Crisis in Agriculture: The Agricultural Adjustment Administration and the New Deal, 1933. Berkeley and Los Angeles: University of California Press, 1969.

- Raup, Ruth. Intergovernmental Relations in Social Welfare: Intergovernmental Relations in the United States as Observed in Minnesota. Research Monograph Number 5. Minneapolis: University of Minnesota Press, 1952.
- Richards, Henry I. Cotton and the AAA. Washington: The Brookings Institution, 1936.
- _____. Cotton Under the Agricultural Adjustment Act. Washington: The Brookings Institution, 1934.
- Romasco, Albert U. The Poverty of Abundance: Hoover, the Nation, the Depression. New York: Oxford University Press, 1965.
- Roosevelt, Elliott (ed.). F.D.R. His Personal Letters. Vol. III: 1928-1945. New York: Duell, Sloan and Pearce, 1950.
- Rosenman, Samuel I. (compiler). The Public Papers of Franklin D. Roosevelt. 13 vols. New York: Random House, 1938-1950.
- Rothbard, Murray N. America's Great Depression. Princeton, N.J.: D. Van Nostrand Company, 1963.
- Saloutos, Theodore and Hicks, John D. Twentieth Century Populism: Agricultural Discontent in the Middle West, 1900-1939. Lincoln: University of Nebraska Press, 1951.
- Schapsmier, Edward L. and Schapsmier, Frederick H. Henry A. Wallace of Iowa: The Agrarian Years, 1910-1940. Ames, Iowa: The Iowa State University Press, 1968.
- Schickele, Rainer. Agricultural Policy, Farm Programs and National Welfare. New York: McGraw-Hill Book Company, 1954.
- Schlesinger, Arthur M., Jr. The Age of Roosevelt. 3 vols. Boston: Houghton Mifflin Company, 1957-1960.
- Shideler, James H. Farm Crisis, 1919-1923. Berkeley and Los Angeles: University of California Press, 1957.
- Shover, John S. Cornbelt Rebellion: The Farmers Holiday Association. Urbana: University of Illinois Press, 1965.
- Soth, Lauren. Farm Trouble. Princeton, N.J.: Princeton University Press, 1957.

- Spillman, William J. Balancing the Farm Output: A Statement of the Present Deplorable Conditions of Farming, Its Causes, and Suggested Remedies. New York: Orange-Judd Publishing Company, 1927.
- Sternsher, Bernard. Rexford Tugwell and the New Deal. New Brunswick, N.J.: Rutgers University Press, 1964.
- Stewart, William J. (compiler). The Era of Franklin D. Roosevelt: A Selected Bibliography of Periodicals and Dissertation Literature, 1945-1966. Hyde Park, New York: General Services Administration, National Archives and Records Service, Franklin D. Roosevelt Library, 1967.
- Tindall, George Brown. The Emergence of the New South, 1913-1945. Vol. X of A History of the South. Edited by Wendell Holmes Stephenson and E. Merton Coulter. Baton Rouge: Louisiana State University Press and the Littlefield Fund for Southern History of the University of Texas, 1967.
- Tugwell, Rexford Guy. The Democratic Roosevelt: A Biography of Franklin D. Roosevelt. Garden City, N.Y.: Doubleday and Company, Inc., 1957.
- Wallace, Henry A. Addresses of Henry A. Wallace, Vols. III, VI. Washington: Library of Congress. memo.
- _____. New Frontiers. New York: Reynal & Hitchcock, 1934.
- Warren, Harris Gaylord. Herbert Hoover and the Great Depression. New York: Oxford University Press, 1959.
- Who's Who in Commerce and Industry. Fifth International Edition. Chicago: The A. N. Marquis Company, 1947.
- Whiting, Theodore. Final Statistical Report of the Federal Emergency Relief Administration. Washington: Government Printing Office, 1942.
- Wilcox, Jerome K. Guide to the Official Publications of the New Deal Administrations. Chicago: American Library Associations, 1934.
- _____. Unemployment Relief Documents: A Guide to the Official Publications and Releases of the Federal Emergency Relief Administrations and Forty-Eight State Relief Agencies. Chicago: The H. W. Wilson Company, 1936.

Williams, Edward Ainsworth. Federal Aid for Relief. New York: Columbia University Press, 1939.

Wilson, M. L. Farm Relief and the Domestic Allotment Plan. Minneapolis: The Day and Hour Series of the University of Minnesota, 1933.

Wolfskill, George A. and Hudson, John A. All But the People: Franklin D. Roosevelt and His Critics, 1933-1939. New York: The Macmillan Company, 1969.

Articles

"AAA to Buy More Butter, Cheese and Dry Skim Milk," National Butter and Cheese Journal, XXVI (June 25, 1935), 10.

"Accomplish Great Surplus Reduction," The Creamery Journal, XLV (January, 1934), 10.

"America's Billion Dollar Relief Program," The Literary Digest, CXVI (November 18, 1933), 17, 34.

Black, John D. "Plans for Raising Prices on Farm Products by Government Action," The Annals of the American Academy of Political and Social Science, CXLII (March, 1929), 380-390.

Briscoe, Dolph. "Report of the Committee of Five," The Producer, XV (February, 1934), 17-18.

"Butter Bids Rejected," American Creamery and Poultry Produce Review, LXXVII (January 3, 1934), 304.

"Butter Buying Set-Up Announced," American Creamery and Poultry Produce Review, LXXVI (October 25, 1933), 883, 916.

"Butter Prices Climb: Relief Orders Bring New Twists to Market," Dairy Produce, XLI (October 7, 1934), 7-8.

Capper, Arthur. "Some Essentials of a Farm Relief Plan," The Annals of the American Academy of Political and Social Science, CXLII (March, 1929), 318-321.

"Cheese for Relief to be Canned by New Method," American Creamery and Poultry Produce Review, LXXVII (March 22, 1934), 15.

Christensen, Alice. "Agricultural Pressure and Government Response, 1919-1929," Agricultural History, XI (January, 1937), 33-43.

Colcord, Joanna C. "Ohio Produces for Ohioans," The Survey, LXX (December, 1934), 371.

"Concentrated Milk Market," American Creamery and Poultry Produce Review, LXXVI (August 16, 1933), 519.

"Condensed Milk Market," American Creamery and Poultry Produce Review, LXXXI (November 13, 1935), 42.

"Dairy Leaders Want Action on Butter," American Creamery and Poultry Produce Review, LXXVI (August 23, 1933), 542.

"Dallas Bakers Have Relief Bread Sales," Northwestern Miller, CLXXVI (December 13, 1933), 665.

Davis, Chester C. "The Farmer's Part in Progress," Bureau Farmer, IX (September, 1934), 7-10.

"Details of Government Relief," Dairy Produce, XL (April 18, 1934), 7-16.

Dickinson, L. J. "The Federal Farm Board's First Year," Current History, XXXII (September, 1930), 1130-1134.

Ezekiel, Mordecai. "Henry A. Wallace, Agricultural Economist," Journal of Farm Economics, LXVIII (November, 1966), 789-802.

"Fair Relief Flour Program," Northwestern Miller, CLXXVI (December 13, 1933), 659.

"Federal Butter Purchases," The Creamery Journal, XLIV (September, 1935), 12.

Fite, Gilbert C. "Farmer Opinion and the Agricultural Adjustment Act, 1933," Mississippi Valley Historical Review, XLVIII (March, 1962), 656-673.

"Five Years of Relief Legislation in the U.S. Congress, 1932-1936," Congressional Digest, XV (June-July, 1936), 169.

Frank, Florence Kiper. "Review of The Coming of the New Deal by Arthur M. Schlesinger, Jr." Yale Law Journal, LXVIII (July, 1959), 1723-1727.

"Government Action Needed," The Cattleman, XX (August, 1933), 174-175.

- "Government Buying Continues as a Butter Market Factor," Dairy Produce, XL (February 20, 1934), 26.
- "Government Provides Drought Relief," The Cattleman, XXI (July, 1934), 5-6.
- "Government Purchasing of Drought Sheep," The National Wool Grower, XXIV (September, 1934), 7.
- Gray, Lewis C. "Federal Purchase and Administration of Sub-marginal Land in the Great Plains," Journal of Farm Economics, XXI (February, 1939), 123-31.
- Gray, Lewis C. "The Social and Economic Implications of the National Land Program," Journal of Farm Economics, XVIII (May, 1936), 257-273.
- Hopkins, Harry. "They'd Rather Work," Colliers, XCVI (November 16, 1935), 7-9.
- Jacobs, Herbert. "The Wisconsin Milk Strike," Wisconsin Magazine of History, XXXV (Autumn, 1951), 30-36.
- Jardine, W. M. "Agriculture Surplus Control," The Annals of the American Academy of Political and Social Science, CXLII (March, 1929), 450-453.
- Johnson, William R. "National Farm Organizations and the Reshaping of Agricultural Policy in 1932," Agricultural History, XXXVII (January, 1963), 35-42.
- Kahn, Dorothy C. "Problems of the Administration of Relief," The Annals of the American Academy of Political and Social Science, CLXXVI (November, 1934), 40-48.
- Kulsrud, Carl J. "The Archival Records of the Agricultural Adjustment Program," Agricultural History, XXII (July, 1948), 197-204.
- Larson, T. A. "The New Deal in Wyoming," Pacific Historical Review, XXXVIII (August, 1969), 249-273.
- Legge, Alexander. "The Federal Farm Board's First Year," Current History, XXXII (September, 1930), 1130-1134.
- Malone, Michael P. "The New Deal in Idaho," Pacific Historical Review, XXXVIII (August, 1969), 293-310.
- "Meat Rather Than Flour to Feature Relief Work," North-western Miller, CLXXIX (August 8, 1934), 371.

"New Federal Work-Relief Program," Monthly Labor Review, XXXIX (June, 1934), 38-40.

Nielander, William A. "Commodity Distribution by the Federal Surplus Relief Corporation," Cooperative Self-Help, I (July, 1934), 8-9.

"1934 Drought Benefits," Southern Dairy Products Journal, XVII (April, 1935), 32, 34.

"Operation of Idle Factories by Ohio Relief Authorities for Benefit of Unemployed," Monthly Labor Review, XXXIX (December, 1934), 1311-1319.

"Organized Business Presents Its Recovery Program," Congressional Digest, XIV (January, 1935), 26-28.

"Our Prospective Russian Trade," The Producer, XV (February, 1934), 38.

Patterson, James T. "The New Deal and the West," Pacific Historical Review, XXXVIII (August, 1969), 317-327.

"Prepare for Butter Donations," American Creamery and Poultry Produce Review, LXXVII (November 22, 1934), 104.

"Protests Minimum Set for Government Bids," The Creamery Journal, XLV (January, 1934), 18.

"Raw Red Burn," Time, XXIII (June 11, 1934), 17.

"Relief Distribution Under Way," American Creamery and Poultry Produce Review, LXXVII (November 15, 1934), 74.

"Relief Pork Buying Extended to June 15," News Digest, I (June 9, 1934), 1.

"Relief Purchases Benefit Farmers," Farm and Ranch, LIII (February 1, 1934), 14.

"Relief Wheat Milling Plan Complete," Northwestern Miller, CLXXVI (December 13, 1933), 664.

Saloutos, Theodore. "The New Deal and Farm Policy in the Great Plains," Agricultural History, XLIII (July, 1969), 345-355.

Springer, Gertrude. "The New Deal and the Old Dole," Survey Graphic, XXII (July, 1933), 347-352, 385, 388.

"Suggests Relief Egg Buying," American Creamery and Poultry Produce Review, LXXVIII (October 26, 1934), 904.

Taber, L. J. "The Attitude of the National Grange Toward the Tariff," The Annals of the American Academy of Political and Social Science, CXLII (March, 1929), 329-333.

"The Butter Situation," American Creamery and Poultry Produce Review, LXXVI (August 9, 1933), 480.

"The Butter Situation," American Creamery and Poultry Produce Review, LXXVI (August 16, 1933), 516.

"The Butter Situation," American Creamery and Poultry Produce Review, LXXXI (November 6, 1935), 31.

"The Cattle Picture Changes," Southern Agriculturalist, LXV (February, 1935), 32-33.

"The Government Sheep Purchases," The National Wool Grower, XXIV (October, 1934), 9-10.

"The Government's Program," The Creamery Journal, XLV (February, 1934), 12.

"The Old Ewe Surplus," The National Wool Grower, XXIII (December, 1933), 6.

"The Stability of Butter Prices," American Creamery and Poultry Produce Review, LXXVI (July 26, 1933), 410.

"The Vast Powers of the FSRC," The Literary Digest, CXVII (January 6, 1934), 8.

Thompson, Sam H. "The Essentials in Farm Relief as Viewed by The American Farm Bureau Federation," The Annals of the American Academy of Political and Social Science, CXLII (March, 1929), 322-328.

"To Purchase Beef for the Needy," The Cattleman, XX (November, 1933), 5-6.

"Unemployment in the U.S.," Fortune, X (October, 1934), 54-60.

Vorse, Mary Heaton. "The Farmer's Relief Conference," New Republic, LXXIII (December 28, 1932), 183-185.

"W. F. Jensen Discusses Butter Situation," American Creamery and Poultry Produce Review, LXXVI (September 13, 1933), 644.

"W. F. Jensen's Comment," American Creamery and Poultry Produce Review, LXXVII (November 22, 1933), 118.

"Wake of a Wave," Time, XXIV (August 6, 1934), 9-10.

Wallace, Henry A. "Pigs and Pig Iron," Bureau Farmer, XI (December, 1935), g-h.

"What Congress Has Done About Farm Relief Since 1921," Congressional Digest, XII (December, 1934), 291-392.

"What the Government is Doing," The Producer, XV (November, 1933), 19.

"Will Can Texas Beef for Needy," The Cattleman, XX (December, 1933), 5.

Williams, Aubrey. "Standards of Living and Government Responsibility," The Annals of the American Academy of Political and Social Science, CLXXVI (November, 1934), 37-39.

Newspapers

Chicago Daily Drovers Journal. 1933-1935.

Dallas Morning News. 1933-1935.

Houston Post, April 17, 1970.

New York Times, 1933-1935.

United States News (Washington, D.C.), 1933-1935.

Washington Post. 1933-1935.

Unpublished Materials

Aeschbacher, William D. "Political Activity of Agricultural Organizations, 1929-1939." Unpublished Ph.D. dissertation, University of Nebraska, 1948.

Ellett, Joseph Carlyle. "The Federal Emergency Relief Administration: An Experiment in Financing and Administering Unemployment Relief." Unpublished Ph.D. dissertation, University of Virginia, 1951.

Judd, Richard M. "A History of the New Deal in Vermont." Unpublished Ph.D. dissertation, Harvard University, 1960.

- Lambert, C. Roger. "New Deal Experiments in Production Control: The Livestock Program, 1933-1935." Unpublished Ph.D. dissertation, University of Oklahoma, 1962.
- Maurer, David J. "Public Relief Programs and Policies in Ohio, 1929-1939." Unpublished Ph.D. dissertation, Ohio State University, 1962.
- Minton, John Dean. "The New Deal in Tennessee, 1932-1938." Unpublished Ph.D. thesis, Vanderbilt University, 1959.
- Norman, Theodore. "The Federal Farm Board." Unpublished Ph.D. dissertation, Harvard University, 1939.
- Patenaude, Lionel V. "The New Deal and Texas." Unpublished Ph.D. dissertation, University of Texas, 1953.
- Schruben, Francis W. "Kansas During the Great Depression: 1930-1936." Unpublished Ph.D. dissertation. University of California at Los Angeles, 1961.
- Volkomer, Walter Edward. "The Political Philosophy of Jerome N. Frank." Unpublished Ph.D. dissertation, Rutgers, The State University, 1963.
- Wickens, James Frederick. "Colorado in the Great Depression: A Study of New Deal Policies at the State Level." Unpublished Ph.D. dissertation, University of Denver, 1964.

Other Sources

- Columbia University Oral History Project. Interview with Judge Jerome N. Frank by Mr. Dean Albertson on Tuesday 11, April, 1950, at Judge Frank's Chambers, U.S. Court House, New York City. Manuscript in the personal possession of Mrs. Jerome N. Frank, 217 Everit, New Haven, Connecticut.
- Interview with Mrs. Jerome N. Frank, July 16, 1969.
- Letter, M. D. Davis, Chief, Civilian Reference Branch, National Personnel Records Center, to author, August 26, 1969.
- Letter, William A. Nielander to author, February 27, 1970, March 23, 1970, April 4, 1970.
- Letter, Mrs. D. Phillips, Associated Harvard Alumni, to author, August 19, 1969.