

Indiana Farm Security Photographs



Writing a Research Paper

Students can write longer research papers on topics that are found in FSA photographs. Many of the same problems facing people during the Great Depression are present today. They can compare some aspect of the Great Depression to our current economic crisis. In many ways the *American Recovery and Reinvestment Act of 2009* is very reminiscent of the New Deal programs. Described below are some aspects of the Great Depression that students could do further research on and compare to events today. Students can use both FSA photographs and photographs from today to go along with their papers.

Back to the Land Movement

During the Great Depression there developed a whole genre books devoted to explaining how one could leave the city and survive on one's own in rural America, such as *The Retreat from Wall Street* by Edward Parkinson; *Escape from Babylon* by Louise Owen; *A Home for \$130* by Katrina Hinck; *Five Acres and Independence* by Maurice Kain and *Flight from the City* by Ralph Borsodi. Borsodi's book was probably the most famous. Ralph Borsodi was a former advertising executive and social critic and an advocate of the back-to-the-land movement. He spent the earliest years of his life in Manhattan. He never went to public or private school and did not attend college. He was educated mostly by reading in libraries and by his father. In 1920 Borsodi and his family left the city and moved to sixteen wooded acres in Rockland County, NY. They built temporary shelters and settled down to modern "homesteading." They built shelters for chickens, rabbits, goats and pigs and a home for themselves and added a craft area for looms and weaving. They planted and harvested vegetables, as well as berries and fruit. They were 80% self-sufficient in food and cut wood for heat. They built a swimming pool and tennis court, and installed a linotype in their basement. He was interested in ways of living based on self-direction and self-reliance. He experimented on many levels, from building his own home and garden, weaving his clothes and furnishings to organizing experimental small communities, and developing new social institutions, such as the Community Land Trust and a currency he called Constants. He established the School of Living during the winter of 1934-1935. The School was at the center of family homesteads, on a 40-acre plot called Bayard Lane Community. Borsodi initiated the group title to the land, with member families paying annual rent rather than an amount for private ownership.

Bank Foreclosures

The *Federal Reserve Act* was passed in 1913 to regulate interest rates and coordinate a balance between state and federal banks, but about 65% of banks did not join. They were mostly small, under-financed banks run by local leaders more interested in status than competence. There were 3,109 bank failures between 1865 and 1920, 367 in 1922 and 959 in 1929. Between 1923 and 1929, 691 banks failed per year, some 7 times the failure rate in the first 20 years of the century. In 1929 there were about 25,000 banks operating under 52 different regulations. And only about a third belonged to the Federal Reserve. The vast majority of banks only had their own resources. Even in the prosperous 1920s, 7,000 banks failed. Most were small country banks. In 1930 1,352 banks failed. In 1931 2,294 banks failed. Between 1929 and 1932, 5,000 banks failed. From 1921 to 1933 depositors lost on average \$156 million a year. The most spectacular bank failure was the Bank of the United States in New York. It went under with 450,000 depositors. The name was misleading as many thought it was some kind of official bank. 400,000 depositors had \$400 or less on deposit and lost it all. When word spread of the failure, 8,000 depositors lined up at a single branch in the Bronx. By March 4, 1933, 38 states had closed their banks. After Roosevelt's Bank Holiday 12,756 banks, out of 18,290, reopened. As the year went on another 3,000 opened. Some people claim that one of most important achievements of the New Deal was the Federal Deposit Insurance Corporation. The *Banking Act of 1935* brought all state banks in the federal system.

Conservation

FSA planners linked social and environmental goals. They wanted to create permanent agriculture with continuous productivity by adopting improved practices, efficient production and environmental sustainability. And they hoped regional planning would alleviate farm poverty, raise the rural standard of living, modernize farm areas, restore viability of rural living and balance urban and rural America. One of the objectives of the FSA, as well as other agencies, was also conservation. Ultimately, they wanted to expand economic opportunities for rural people through conservation. There were many agencies working to address farm issues and conservation. New Deal conservation projects included reducing soil and seacoast erosion, prevention of steam and river pollution, soil building crops and rotation, reforestation, better land utilization, creating more pasturage, establishing wildlife preserves and building recreational facilities.

Cooperatives

Upton Sinclair wanted to seize idle lands and factories and turn them into farmers' and workers' cooperatives, putting the jobless to work in unused factories and on unused farms. The movement was known as End Poverty in California. He wanted to create what he called "Land Colonies." They would trade what they produced with other EPIC colonies. Collectively, they

would become what he called the “Cooperative Commonwealth.” Sinclair also suggested letting unemployed actors take over abandoned studios to make their own movies. Studio heads were conservative to begin with and Sinclair’s idea did not go over well. An MGM director took a Hearst Metrotone News camera crew up and down the state filming interviews with prospective voters. Some were legitimate, other were staged with bit actors with prepared scripts. Neatly dressed people endorsed Sinclair’s opponent, while unkempt and agitated people with foreign accents endorsed Sinclair. MGM and Fox produced a newsreel showing an army of hobos coming to California for the EPIC colonies. One photograph that showed this migration began to appear on the front pages of newspapers. But it was identified as a still shot from the movie, *Wild Boys on the Road*, supplied to the newspapers by Warner. Newsreels were believed to be nonpartisan, but they were not.

Another cooperative venture was the Diga Colony, founded in 1932 by Maury Maverick, the Mayor of San Antonio. It first started as a relief effort by the city for veterans. The city facilities were not large enough, so he secured land about 5 miles outside the city from Humble Oil Company for a dollar a year and used discarded railway cars from the Missouri Pacific Railroad. Residents numbered 171 in 1933 and were organized along communal lines. Diga was Maverick’s idea, an anagram made up from the words Agricultural and Industrial Democracy. Maverick defined Liberalism as “freedom plus groceries.”

The Unemployment Cooperative Relief Organization in Compton, CA had 500 families in 1932, and eventually grew to 45 units with 150,000 people. It operated a warehouse, distribution center, gas station, refrigeration facility, sewing shop and medical services, all on cooperative principles. Members were expected to work two days per week and benefits were allocated according to need.

The Unemployment Exchange Association in Oakland, CA started in a Hooverville called “Pipe City,” near the East Bay waterfront. An unemployed musician and engineer started going door to door to do repairs for unwanted items. As others joined him, they repaired items and used them in the camp. There were 1,500 members with a thriving economy that included a foundry, machine shop, woodshop, garage, soap factory and print shop. They rebuilt 18 trucks from scrap and distributed 40 tons of food a week. It all worked on a time credit system and all work was paid the same rate. The members called it a “reciprocal economy.”

Crop Improvements

In 1931 the average corn yield per acre was 24 bushels, the same as it had been since the Civil War. By 1941 it was 31 bushels per acre and by 1981 it was 110 bushels. This was a result, in part, of hybrid seed, of which Henry Wallace, the Secretary of Agriculture during the Great Depression, had started as the Pioneer Hi-Bred Company in 1926. In the Corn Belt, only 1% of

the yield came from hybrid seed in 1933. By 1943 it was 78%. In Iowa, the use of hybrid seed went from less than 1% in 1933 to 99.5% ten years later. Most corn up to that time was Reid Yellow Dent, which won a gold medal at the Chicago's World Fair in 1893. It was the Midwestern ideal. Agricultural organizations and institutions sponsored "corn shows" at which ears were judged by appearance. Judging corn became a fine art, with a perfect ear of corn at 10 ½ inches long and 7 ½ inches in circumference. It should have 20-22 straight rows of plump, wide, keystone shaped kernels with no evidence of shrinkage or blistering. Of course this had nothing to do with yield. One of Wallace's salesmen would give farmers enough hybrid seed to plant half a field alongside the corn he was already growing. At harvest, the salesman would be entitled to ½ of the increased yield produced by the hybrid seed. It would usually take a few years at most to convince a farmer to use hybrid corn seed.

Gardens

Gardens were another way people supplemented their food. In Kansas, 63 of 78 counties had garden plans by 1933. By the end of 1933 there were more than 12,000 backyard garden plots or vacant lots in Kansas and 15,000 a year later. Relief clients could get free seeds only after a family filed a subsistence garden project that had been approved by the county agricultural agent. All participating families were expected to be involved with educational programs on cultivation, canning, and preserving food. Many large corporations provided garden space for its employees, including Standard Oil, Studebaker, B.F. Goodrich, U.S. Steel and Ford. Henry Ford sponsored 50,000 gardens in the Detroit area. In 1932 he announced that no employee at his plant at Iron Mountain, Michigan could retain his job unless he grew a garden, thus they were called "shotgun gardens." Detroit's vacant lot garden project goes back to the 1890s, when Mayor Hazen Pingree started the "Pingree Potato Patch Plan," providing vacant lots for urban homesteading. Ford also designed and established 19 decentralized village factories outside Dearborn. These small-scale factories employed anywhere from twenty to a thousand workers at a time, while hundreds of thousands worked at River Rouge. The plan was to allow workers in these villages to retain their factory jobs while they also tended their own small subsistence farms and to create new kinds of communities that combined the best of the city and countryside.

Mortgages

Before the New Deal only about 4 in 10 Americans lived in their own homes. In the 1920s homeowners usually paid cash for a house or a large down payment of not less than 30%, but as high as 35%. Mortgages usually had 5-10 year maturity and as high as 8% interest, well above market rates. In 1931 home construction had fallen to only 5% of 1929 numbers. In 1932 273,000 home mortgages were foreclosed, almost four times the normal rate. It doubled again in 1933 and new home construction was still only 10% of the 1929 level. By the spring of 1933 more than half of all home mortgages were technically in default and foreclosures reached 1000

a day. The Federal Housing Administration, created as part of the National Housing Act of 1934, changed mortgages to down payments of 10% and 30 year maturity.

Townsend Plan

There are only three photos in the entire FSA photo collection that refer to Townsend Clubs. There is a photo of a Townsend Club headquarters and another of a Townsend Club sign in a car. The third is a photo taken in Indiana of a Townsend Club member, reading the *Townsend National Weekly*. In 1936 the *Townsend National Weekly* was earning a quarter of a million dollars a year in advertising fees. Dr. Frances Everett Townsend was the son of a farmer from Fairbury, Illinois. He wrote a letter in 1933 to a Long Beach, California newspaper about three women going through garbage cans looking for food. He was 67 at the time and broke. He advocated the establishment of a government sponsored old age pension plan. He proposed that the federal government give every person over 60 a monthly pension of \$150 (later increased to \$200). It was called the Old Age Revolving Pension Plan, commonly referred to as the Townsend Plan. The recipients would be required to spend it within a month. It would be an economic stimulus to revive the nation's economy. The plan would be financed by a federal tax of 2% on all sales, wholesale and retail. There were about 15 to 20 million Americans over 60 at the time. Townsend made the cover of *Newsweek* magazine. In 1935, the 4,550 Townsend Clubs had over 5 million members. It held its first convention in Chicago with 7,000 delegates from all 50 states. In 1935 he handed to President Roosevelt a petition signed by over 20 million people. Townsend spoke at the State Fairgrounds in September 1935. The lieutenant governor, mayor of Indianapolis and other political dignitaries formed a welcoming party. He drew an audience of tens of thousands. The main criticism of the plan was that the taxes would not be enough to pay for the pensions. This did have an effect on FDR and the Congress, as the Social Security Act was passed in 1935. Townsend continued to advocate for higher benefits after the Act's passage. The average Old Age Assistant benefit was \$20 as late as 1939, and Social Security did not start immediate payments. The movement did spur amendments to the Act in 1939. It was not until the 1950s that Social Security payments outpaced welfare benefits.

There are many other subjects that students can research, comparing the Great Depression with circumstances today. Below are listed just a few such topics:

Canning and food preservation

Community development

Drought

Erosion

Farm aid

Farm auctions

Farm bills in Congress

Farm foreclosures

Floods
Food safety
Home economics
Job creation
Local food
New farm technologies
Poverty
Recreation
Relief
Scarcity
Social Security
Suburbia
Sustainable agriculture
Tenancy
Tractors