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Article Summary: Emergency relief under the hastily organized Federal Emergency Relief Act had a difficult birth in 1933, as it grew stronger, it helped Nebraska weather the Great Depression. FERA forced on the state a social welfare system in which federal, state, and local agencies had to learn to work together.

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Names: Charles W Bryan, Harry L Hopkins, Arthur Mullen, Randall C Biart, Rowland Haynes, Alfred M Landon, Robert L Cochran, Franklin D Roosevelt, Clyde Herring, Clara Barton, Helen Schmidt, Ed Johnson [Colorado Governor], Frank D Throop, Edward R Burke, James C Quigley, Louis Horne, Ernest F Witte, Charles F Townsend, Frank Bane, B F Perry, Cecil Matthews, Mildred Homan, Pauline Einspohr, Francis Fletcher, Julia Einspohr, Fay Williams, Betty Wales

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Photographs / Images: 1936 drought conference in Des Moines: Kansas Governor Alfred M Landon, Nebraska Governor Robert L Cochran, President Franklin D Roosevelt, Iowa Governor Clyde Herring and others; Arthur F Mullen; road surfacing between Greeley and Ericson, April 5, 1934; Pipe spillway outlet, Pierce City Park, December 19, 1934; FERA nurses Mrs Clara Barton and Helen Schmidt conducting class for Custer County mothers using Red Cross texts; Harry L Hopkins; Overall factory in Omaha; Map showing total population by counties in Nebraska with Number and Percentage of the Population on Relief as of February 1935; Lakeland sod High School, 1934, with Mildred Homan, Pauline Einspohr, Francis Fletcher, Julia Einspohr, Fay Williams, and Betty Wales; NERA State Administrator Rowland Hayes; Nebraska Emergency Relief Administration Work Division chart; Mattress factory, Lincoln; Knox County Courthouse in Center, November 1934

FROM EMERGENCY RELIEF TO SOCIAL SECURITY IN NEBRASKA

By Mary Cochran Grimes

Franklin Delano Roosevelt's New Deal initiated a massive and unprecedented federal intervention in the nation's economy. The implementation of New Deal programs, ranging from short-term emergency aid (1933-36) to long-term social security, forced new forms of cooperation between state, federal, and local governments and altered their traditional relationships. State and local officials and the public saw federal aid as a mixed blessing, which brought with it the loss of local autonomy.

The fate of the federal assistance programs often was decided in the state capitals. Of primary importance was how the governor reacted to federal directives mandating how the programs should operate.¹ At first Governor Charles W. Bryan was unwilling to request federal aid or to cooperate with federal agencies, even though Nebraska had been hard hit by severe drought. Nebraska agriculture had endured lean times during the 1920s while most of the nation prospered. By the early thirties Nebraska and its counties were struggling to meet the unprecedented needs created by unemployment and drought. The traditional system of handling relief on a local basis had collapsed.

Despite resistance by the Hoover administration to federal relief, Congress in the winter of 1932-33 enacted a

\$300 million Emergency Relief Act that provided loans (not grants-in-aid) through the Reconstruction Finance Corporation to the states.² Nebraska was one of six states that received nothing, mainly because Governor Charles Bryan did not ask for a loan.

One handicap to Nebraska's receiving a federal loan was a state constitutional provision forbidding state debt. The legislature in 1933 even agreed to the abolition of the state department of public welfare at a time when its services were in great demand.³

To ameliorate the suffering nationwide, Congress passed the Federal Emergency Relief Act May 12, 1933, the New Deal's first large relief effort, with an appropriation of \$400 million for the Federal Emergency Relief Administration. Half of the amount was for direct relief; the other half required the contribution of \$3 in state and local funds for every \$1 of federal aid. The creation of work relief projects was left to state and local bodies. In Nebraska, the relief effort was coordinated by the Nebraska Emergency Relief Administration (NERA).

President Roosevelt and FERA Director Harry L. Hopkins insisted that federal relief should be administered under strict guidelines to prevent political opportunism and dishonesty, and to provide standardized relief programs. This approach stirred up a whirlwind of political disputes and a constant tug-of-war over control of relief funds.

Governor Bryan, who was concerned that federal aid would undermine

public morale, had protested in 1931-32 when the Red Cross offered assistance to drought victims.⁴ In a state where thrift was a watchword Bryan championed extreme economy. In his first term as governor in 1923 he cut the state budget drastically and opposed accepting matching federal funds for road construction, the first major program of state-federal cooperation.⁵ Nebraska had not appealed for federal aid for relief since the drought and grasshopper devastation of 1874-77.⁶ However, no amount of economizing by the governor or legislature could solve the critical problems Nebraska was facing in 1933.

Hopkins was aware of the grim conditions in Nebraska. Farm families were living "in unspeakable poverty," lacking seed to plant, livestock, and barns. Many of these "primary producers" had no food in the house.⁷ People in towns were suffering too. Many businesses failed. Those who had jobs were considered lucky even though wages and salaries had been lowered.

Despite his reluctance to accept New Deal programs, and his feud with state Democratic chairman and Roosevelt supporter, Arthur Mullen, Bryan did appoint a state relief committee in July 1933 and selected Randall C. Biart, a Sarpy County welfare worker, as the first state emergency relief director.⁸ These selections caused much contention, because federal relief authorities did not consider Biart or some committee members to be qualified for the job. A few months later FERA field representative Rowland Haynes, who had Hopkins's confidence, replaced Biart.⁹

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Attending a 1936 drought conference in Des Moines were Kansas Governor Alfred M. Landon (center), Nebraska Governor Robert L. Cochran (next right), President Franklin D. Roosevelt (seated left), and Iowa Governor Clyde Herring (next right). (NSHS-C663-195)

Haynes, a Republican, was a former psychology professor and university administrator before becoming involved in federal relief in 1931. After assessing conditions, Haynes felt Nebraska was eighteen months behind other states in its relief organization. The price of farm products had fallen to such an extent that Haynes thought Hopkins might reduce the level of state funds that Nebraska was required to contribute toward relief.¹⁰ Counties had become so desperate that the legislature diverted \$1 million from gasoline tax revenues to finance relief for the needy.¹¹

After Haynes managed to gain Bryan's confidence, the governor finally applied for federal aid in October 1933. Haynes also succeeded in weeding out incompetent relief administrators, including one statistician who felt the unemployed were "God dam sons of bitches."¹² He wanted to develop progressive relief policies and prevent interference of local politics. The selection of county work relief staff and the projects themselves were to be determined by the Nebraska Emergency Relief Board and Haynes.

Because of the difficulty in persuading many communities to provide adequate relief to the increasing numbers of the unemployed (even when the federal government paid almost all the costs), Roosevelt announced in October 1933 a large emergency relief program under the Civil Works Administration.¹³ Since CWA operated under FERA's wing, Haynes also administered it. In order to put the maximum number of men to work quickly, and with a minimum of red tape, the CWA in Nebraska was placed under the immediate supervision of state engineer Robert L. Cochran and the roads department. Men could be employed immediately on construction or repair of highways and bridges. Social workers did not know how to manage such projects. Later on, more community-based projects were undertaken by the CWA.¹⁴



Arthur F. Mullen. From a portrait by Henry L. Wolff. (NSHS-P853)

By November 1933 4,000 men were at work under the direction of the roads department, with peak employment of 38,000 by January 1934.¹⁵ Haynes found veteran state engineer Cochran to be an efficient administrator who succeeded in preventing duplication of road projects at both the state and county level. CWA was terminated in March 1934—there were many critics of its \$933 million dollar cost—but it briefly helped many of the unemployed and provided a format for subsequent projects administered by the work division of the NERA.

FERA spawned a variety of relief activities. Some projects were accomplished with incredible speed, economy, and ingenuity. When Kearney faced an acute water shortage during the drought in 1934, NERA workers helped dig a ditch for a new water main

and well. In only two and one half weeks, the city was pumping 1,000 gallons of water per minute.¹⁶

In Brown County three rural school districts needed a high school building for twelve pupils. To obtain an inexpensive building quickly, the school boards decided to build a sod structure. NERA teams began work on July 20, 1934, and three weeks later Lakeland Sod High School, twenty miles southwest of Ainsworth, opened as the only sod high school in the United States. The relief client who served as teacher lived in quarters in the school. Desks and equipment were built by local labor.¹⁷

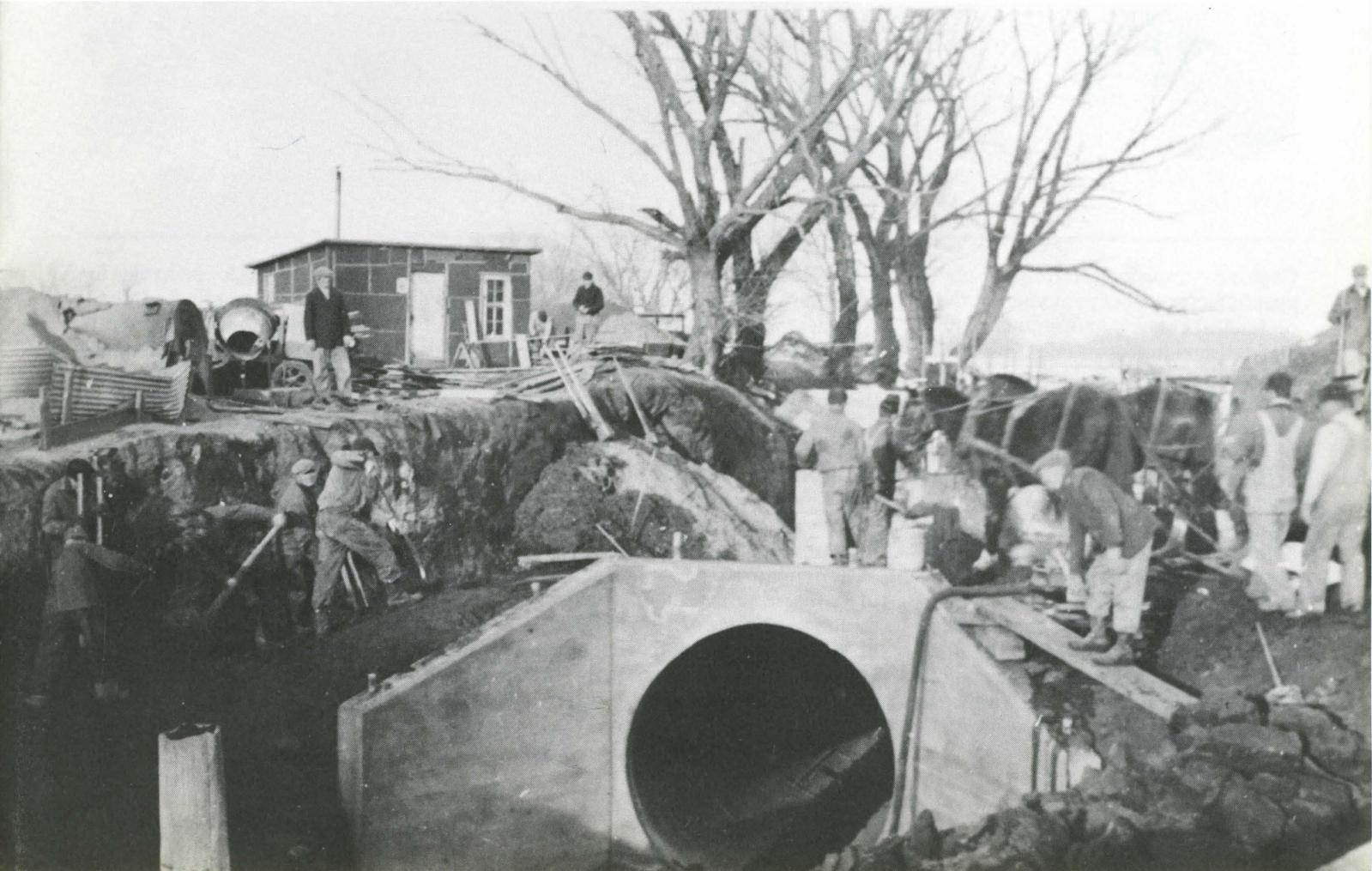
A unique project was the construction of a new Knox County Courthouse with NERA labor, and NERA crews, with mostly hand labor, began building a road and tunnels to the summit of Scotts Bluff National Monument.¹⁸

One FERA rule that was designed to prevent discrimination stated that women who were "employable heads of families" should receive the same wages as men. Most women were unskilled and had to be trained in sewing, canning, or mattress making (common relief projects for females). These activities provided not only work relief, but commodities needed by relief families. In the visiting housekeeper's project in Lincoln 230 women served 533 homes, some with newborn babies and others with tuberculosis patients. A total of eighty nurses were employed on relief projects in fifty-four counties. Such health care usually was given only on an emergency basis, and some rural areas received their first taste of nursing care.¹⁹

Requirements for spending relief funds were strict. Projects had to benefit the public, such as those dealing with soil erosion, water conservation, consumer cooperatives, commodity distribution, road building and repair, and transient camps. Only relief clients could be hired, but they often lacked needed skills; many had to be trained on the job. When newly-inaugurated Governor Robert L.



Road surfacing between Greeley and Ericson, April 5, 1934. (NSHS-F293-983) . . . (bottom) Pipe spillway outlet, Pierce city park, December 19, 1934. (NSHS-F293-1239)





FERA nurses Mrs. Clara Barton (left) and Helen Schmidt conducting class for Custer County mothers using Red Cross texts. (NSHS-F293-1153)

Cochran complained to Hopkins about unsatisfactory relief personnel working on federal housing and requested that state administrators be authorized "to obtain the most efficient help at the same price from marginal cases," Hopkins responded that relief funds could be used only for relief clients.²⁰

Relief clients were permitted to work only as long as necessary to meet their actual needs, and they received wages adjusted to the locale and the skill requirements of the job. In each community a wage rate committee, including the local director of the work division and representatives of business and labor, determined the prevailing wage rate. Common labor wages in

Nebraska were forty to forty-nine cents per hour. In Douglas and Lancaster counties wages conformed to union skilled wage rates.²¹

Projects had to be flexible so that they could be expanded or scaled back to meet the existing employable case load. NERA funds were intended for wages, not for equipment. Equipment often was minimal because local governments, which were responsible for providing supervision and construction materials, were usually short of funds. Equipment for a road construction project often consisted only of picks, shovels, and wheelbarrows. However, lack of machinery meant work for more men.

In addition to FERA's basic rules for emergency relief, state relief administrators developed more elaborate policies in accordance with local needs and traditions. The NERA committee was concerned with equitable distribution of federal funds to the counties. Since counties showed little uniformity in the way they kept financial records, the state committee asked in May 1934 for a study of counties' financial status.²² As a condition to receive further grants, counties were required to spend half of their county revenue for relief. Their relief director had to be approved by the state relief committee. Not surprisingly, these rules elicited significant criticism. The greatest num-

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ber of counties complying with these requirements at any one time was seventy-six of the ninety-three counties.²³ Some counties, including Grant, Arthur, and Phelps, never participated in the federal relief program, signed a "county agreement," or reported to the NERA. In some cases county funds were adequate to meet the relief case load without federal supplementation.

The authority of administrators like Haynes to withhold federal funds until regulations were complied with became a long festering issue. While he argued with Governor Bryan over the danger of waste in unsupervised relief, Haynes withheld federal funds until two experienced social workers could be hired as state relief supervisors. Haynes did not feel that the governor was resisting the administrative regulations for political reasons but "he simply feels that as a newcomer to the state I cannot find out all the things about a person's past as well as people who have lived here for a long time."²⁴ By January 1934 Haynes had grown somewhat more optimistic, noting that "the state people now recognize the advantage . . . of having an Administrator appointed by the federal administrators and able to be hard-boiled when it is inconvenient for them to do so."²⁵ The number of social workers trained to administer public relief increased from twelve to fifty-two between November 1933 and November 1934. Nineteen more were being trained.²⁶

Bryan was not the only governor to battle with Hopkins and FERA. Colorado Governor Ed Johnson thought federal social workers were too generous with relief funds. However, he did try to raise state funds to match the federal grants. But after the Colorado Supreme Court declared an automobile users tax and a gasoline tax illegal (the source of state relief funds), Hopkins temporarily suspended all federal aid to Colorado.²⁷

Instead of halting aid to Nebraska, Hopkins and Haynes in 1934 pressured the state government to start con-



Harry L. Hopkins. Courtesy of National Archives and Records Administration.

tributing to NERA. Some of the counties had exhausted all local relief funds and were unable to carry the burden. Haynes took Governor-elect Cochran to Washington to see Hopkins. In January 1935 Haynes and NERA chairman Frank D. Throop escorted the chairmen of the state legislature's senate and house finance committees to Washington so that federal officials could help persuade Nebraska lawmakers to do their part.

Cochran assumed the governorship at the peak of the relief crisis. In his inaugural address on January 4, 1935, he cited relief for the unemployed as the most urgent problem facing the state. More than 200,000 people needed to be fed, sheltered, and kept warm.²⁸ Cochran's previous experience working with Haynes on the CWA and NERA projects was seen as an asset as efforts to meet the relief crisis continued.²⁹

On January 17, 1935, Harry Hopkins sent Cochran an ultimatum: To receive federal grants after March 1 Nebraska must pay "its fair share of the cost of unemployment relief."³⁰ The federal

government had contributed \$5,538,552 for relief in Nebraska while local governments had put in \$2,691,162. No state funds had yet been spent.³¹ Hopkins regarded \$4 million annually in state and local relief appropriations as a condition for continued federal contributions.

As Nebraska NERA administrator, Haynes had a good deal of influence in deciding the amount the state should contribute. He had first suggested to Hopkins the figure of \$5 million. His final recommendation of \$4 million was based on his estimate that \$12 million would be required for Nebraska relief in 1935. The federal government would contribute \$8 million. The difference would be provided by \$2 million in state funds and \$2 million from the counties.³²

Cochran had to determine quickly how the state and local funds could be raised so that federal funds would not be cut off. He fired off telegrams to three other midwestern governors seeking information about the amount of money their states were raising to meet federal requirements. Kansas was providing about \$6 million, Iowa planned to provide \$5 million, and Minnesota projected state contributions in 1935 of \$10 million.³³

Cochran's dilemma was how to raise the funds in the face of Nebraska's impoverished economy, coupled with the constitutional prohibition on bonded indebtedness. The state budget had already been cut to the bone. He decided that the least painful and most efficient means to raise the state's share of relief funds was to raise the gasoline tax one cent per gallon, to a total of five cents, effective from March 1, 1935 through July 1, 1936. Cochran hoped that by July 1936 there would be sufficient revenue accruing from beer and liquor taxes to take the place of the gas tax.³⁴

The tax increase would provide funds for immediate emergency relief and when that need was met, the money would go for a long term social security assistance program. The states had



Overall factory, Omaha. (NSHS-
F293-1182)



been warned early in 1935 that social security legislation was being drafted in Washington that would require state contributions to fund a cooperative federal-state system of old age and survivors insurance, public assistance, and children's services. FERA was to be phased out by August 1935 to be replaced with the Works Project Administration and Public Works Administration.

In his effort to convince the legislature to pass the gasoline tax increase Cochran argued that the machinery for collecting the tax was already in place. As state highway engineer he had opposed the diversion of gasoline tax revenues from highway uses, but now he predicted that the state would continue to receive federal money for highways because it had a good record of compliance with federal requirements. He contrasted Nebraska's failure to provide state relief funds with the record of other midwestern states, which had begun funding relief programs in 1934. He also noted that for the first time, "we have an administration [in Washington] which is considering seriously the problems of the farmer and the Middle West."³⁵

Although Cochran had many supporters in the Democratic-dominated legislature, resulting from his years as state engineer, a behind-the-scenes fight over Rowland Haynes threatened the future of the gasoline tax bill and other assistance bills. Hopkins and Cochran had confidence in Haynes, but Nebraska congressmen and state legislators had received many complaints about Haynes's strict enforcement of NERA rules.

Haynes worried that Cochran was "wobbling" under pressure. Cochran reported to Harry Hopkins that many legislators felt the state should have more control over expenditures, a veiled reference to dissatisfaction with Haynes. Hopkins cautioned Cochran not to "offer as a hostage for a few votes Haynes' head. He has worked like hell out there."³⁶

Haynes and Hopkins insisted on

trained social workers and strict compliance with federal regulations. They felt such requirements promoted honesty, professionalism, and equal distribution of aid. For all the complaints that FERA triggered, none seemed to question the honesty of relief administrators, NERA workers, or volunteers. The main bone of contention seemed to be federal intervention in areas which had formerly been the administrative prerogative of state and local officials.

The urgent need for continued federal aid was confirmed when the Nebraska Emergency Relief Committee had to allocate to counties over \$1 million of reserve FERA funds to meet February 1935 needs.³⁷ In Douglas County over 2,300 men were laid off in meatpacking plants in February and March. The county, unable to meet the payroll for regular employees, requested an advance of \$60,000 a month for four months.³⁸ With the governor promising the legislature vague "changes," both the emergency "Nebraska Assistance Act" and the bill raising the gasoline tax passed overwhelmingly in both houses one day before the federal March 1 deadline. The legislature also authorized counties to levy a tax of up to one-half mill to enable them to raise their \$2 million share of the non-federal relief funds.³⁹ Cochran wired the president that Nebraska was overwhelmingly in favor of the relief program.

Soon after this show of legislative cooperation, Hopkins approved the March 1935 allocation of federal funds amounting to \$800,000 for general relief, \$245,000 for rural rehabilitation, and \$40,000 for transient relief. Cochran noted that Nebraska's compliance with federal regulations meant that it immediately received federal money amounting to more than one half of the amount Nebraska was expected to raise annually.⁴⁰ Although the initial legislative hurdle to raise Nebraska's share of relief had been cleared with skill and speed, twenty-three counties would later sue the state over the

revenue raising legislation.

While NERA agents and the governor tried to be non-partisan, Nebraska congressmen and National Democratic Party Chairman Arthur Mullen had to deal with blistering complaints from Democrats that Republicans were getting more jobs in the state relief administration than they deserved. Hopkins heard through the Washington grapevine that Mullen had told President Roosevelt that he, Mullen, was going to run the show in Nebraska.⁴¹ In March Mullen urged Cochran to come to Washington to confer with Hopkins. According to Mullen, Nebraska Senator Edward R. Burke had persuaded Hopkins to remove Haynes "if Cochran would name the right kind of man to replace him."⁴²

Mullen's successor as Nebraska Democratic Party leader, James C. Quigley, also complained about Haynes being a Republican, and claimed that he sought Haynes's resignation "in order to save the morale of our own party workers." Quigley charged that Democratic party faithful resented "imported social workers" and the appointments of imported "carpet baggers," especially Republicans, on the local and state level. "These people were not Progressive Republicans or Roosevelt Republicans, but just the ordinary variety of black Republicans," said Quigley. The social workers came to Nebraska without any understanding of local conditions and they were "arrogant and autocratic," unable to "get along with our people."⁴³

Haynes had the support of most social workers, who feared that an untrained administrator would wreck the program. Louis Horne, chairman of the Nebraska Chapter of the American Association of Social Workers, charged that the effort to remove Haynes was politically motivated. He argued that administration of relief in Nebraska had so far been conspicuously free of politics.⁴⁴ Haynes confided to Hopkins that Senator Burke was also trying to oust him and to get power from the

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Mullen faction. In reality it appears that Burke and Mullen were working together to get rid of Haynes.⁴⁵

Prompted by these complaints and others, the Nebraska House of Representatives in 1935 named a committee to investigate relief activities in Nebraska. The committee, influenced by charges of disgruntled clients (although Haynes reported that less than two percent of recipients had complained) and by county commissioners who wanted federal funds turned over directly to the counties, asked for the "instant removal" of Haynes. It accused Haynes of implementing "policies contrary to announced rules from Washington," such as requiring

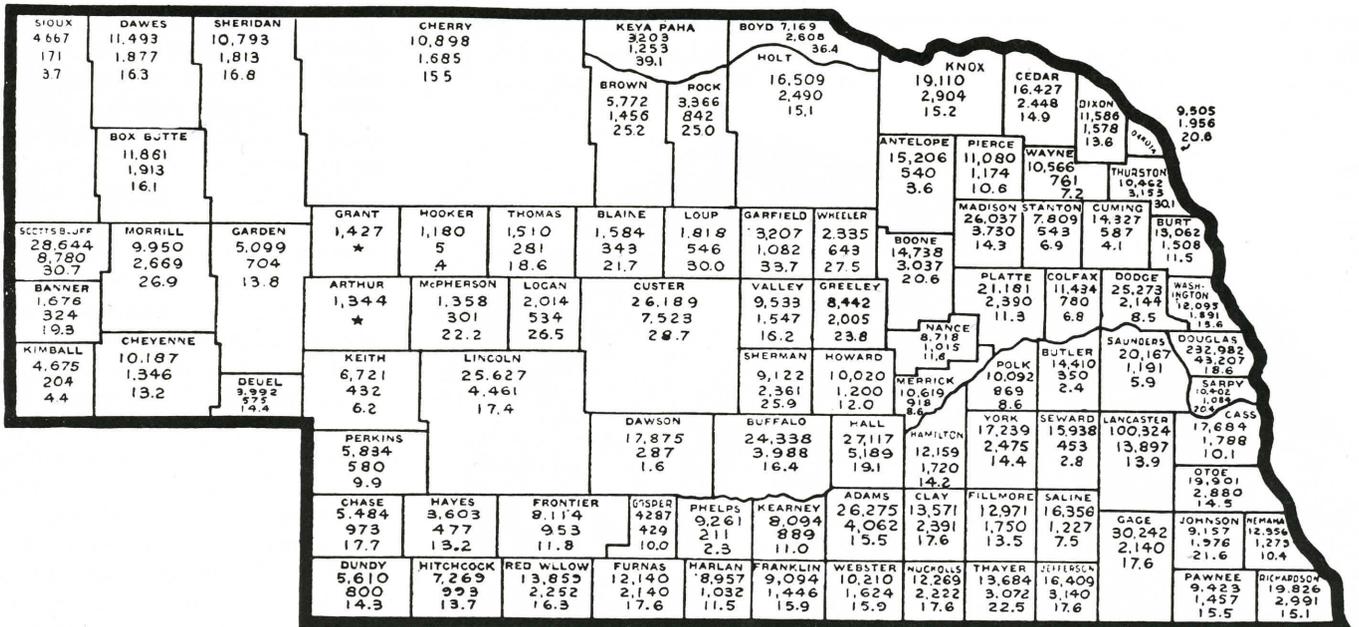
purchase of commodities by work.⁴⁶ Cited was the case of a seventy-year-old man who allegedly was required to work in order to receive a mattress.⁴⁷ It was difficult to establish fair prices on commodities and some felt that relief and work should be separate.

In line with Roosevelt's and Hopkins's belief that the dole demoralized relief clients, Haynes had worked hard to keep the "dole system" at a minimum. It was the state NERA board that had decreed the rule requiring work for commodities. As more counties participated in the federal relief program and as the case load increased—from 18,812 in January 1934 to 42,282 in November 1934—the

state relief committee's policies became more restrictive. It ruled in late 1934 that all able-bodied relief recipients should work for everything they got, including commodities and medical care. If a recipient refused to work, he was taken off relief or his monthly allowance was reduced by the amount he would have earned. Furthermore, if he did not spend his allowance "properly," further aid would be refused. These stricter regulations exacerbated complaints from local officials. According to Ernest F. Witte, the last NERA administrator, there were few cases in Nebraska where people on relief refused legitimate offers of work.⁴⁸

From Report of the Nebraska Emergency Relief Administration, June 1, 1933-January 1, 1938, to R. L. Cochran, Governor (Lincoln, 1938), 17.

Total Population, by Counties, in Nebraska, with Number and Percentage of the Population on Relief in February, 1935, the Month of Maximum Case Load, as Reported to the NERA



Upper Figure—Total county population, 1930 Census
 Middle Figure—Number of persons receiving relief in February, 1935
 Lower Figure—Percentage of the population receiving relief in February, 1935
 Total Nebraska Population, 1930 census—1,377,963
 Total Number of Persons Receiving Relief in Nebraska in February, 1935—212,291
 Percentage of the population receiving relief in February, 1935, for the state as a whole—15.4%

The legislature's investigating committee wanted a Nebraskan named as administrator. Haynes, fearing that "some local politicians think they have made a device in the new state law to insure dumping of federal funds in the hands of county commissioners in every county without a safeguard of expenditure methods," fought back.⁴⁹ In response to the allegation that personnel in the NERA was predominantly Republican, he cited a recent confidential canvass of all employees. Responses were received from sixty percent of relief administration workers from over half of the counties. Fifty-eight percent said they were Democrats, twenty-two percent were Roosevelt Republicans, and twenty percent were regular Republicans or had no party affiliation. Haynes claimed that since political affiliation had never been asked or considered in hiring, the strong showing of presidential supporters should silence the faction trying to "get control of personnel in Nebraska."⁵⁰ Except for calling for

Haynes's dismissal, the legislature took no action.

Naturally the relief system had many detractors. A man from Neligh urged the governor to "try to get a law that a person on relief cannot buy liquor, play pool or any game that costs money and go to shows. The taxpayers here are sure mad the way some people do that [who] are on relief."⁵¹ In August 1935 the *Omaha World-Herald*, which had endorsed Roosevelt and Cochran, editorially denounced unemployment relief as "too expensive and ineffective." Relief had been "placed in the hands of narrowly-trained social workers who had throughout emphasized what is ethical at the expense of what is practical." The editorial contended that private industry should be providing jobs.⁵²

Sensitive to criticism that it was inefficient and too costly, NERA in early 1935 commissioned a study by the auditing staff of one of the state's largest private companies. The survey covered the area with the heaviest

relief load, Lancaster, Douglas, and eight other counties. The audit concluded that the emergency relief job in Nebraska had been well done, considering the demands faced by the relief organization on short notice and the changing federal requirements. The survey found no evidence of political interference in the selection of employees, nor of dishonesty in administering funds. The personnel were praised as efficient and loyal and supervisors' salaries were found to be lower than those in the private sector. Nebraska ranked near the bottom in the percentage of persons on relief compared to population, and the per capita cost of relief ranked Nebraska in the lower third of all states.⁵³

What were the munificent sums paid to people on relief? In January 1935 recipients in Nebraska received an average of \$25.33 per month, a figure comparable to the average *weekly* pre-Depression wage. By September the monthly average had dropped to \$21.10.⁵⁴ According to Ernest F. Witte, who succeeded Haynes as NERA director, "The majority of families on relief rolls were self supporting in ordinary times; they had exhausted every possible resource before applying for relief."⁵⁵

While FERA's aim was to provide relief without the old moralistic attitude that made recipients feel like paupers, it was still a humiliating process for people to declare themselves in need and to pass a verifying test. FERA wanted trained social workers, at least in key positions, but they were in short supply. Case loads were heavy. Workers were supposed to visit each of their client families once a month. With a case load of 100-200 per worker, they were lucky to make visits once in two or three months. Witte charged that much of the criticism of trained social workers had been misdirected, because in fact, most of those criticized had not been professionally trained.⁵⁶

The administration of the federal relief programs produced intense political and personality clashes at the

Students at Lakeland High School, constructed of sod in 1934: Mildred Homan (left), Pauline Einspohr, Francis Fletcher, Julia Einspohr, Fay Williams, and Betty Wales. (NSHS-B878-O2F1)





Mattress factory, Lincoln. (NSHS-F293-1102)

the implementation of social security the administration predicted optimistically that poverty would gradually "wither away."⁶¹

The one-cent gasoline tax act was doomed by a lawsuit against the state by officials of twenty-three counties, many of which had not requested any federal or state relief funds, and who resented being taxed to support relief elsewhere. On September 20, 1935, the Nebraska Supreme Court ruled the one-cent gasoline tax unconstitutional because it delegated legislative authority to the state relief committee to make provision with the federal government to implement the pending Social Security Act.⁶² The court decision exemplified the difficulty state officials faced in trying to coordinate state legislation with anticipated federal law. FERA requirements had forced Nebraska to act long before Congress passed the National Security Act August 14.

When the supreme court denied a rehearing of the gasoline tax bill, collec-

tion of the tax had to be discontinued. Nor was there any authority to spend the \$1 million that had been collected since March. As a result, a greater burden of granting aid to the needy fell on the counties.⁶³ In a subsequent ruling the Supreme Court dismissed the claim of the Nebraska Petroleum Marketers, which had intervened in the case seeking a refund of the gasoline taxes collected before the law was ruled unconstitutional.⁶⁴ Cochran reacted angrily to the "greediness of some of the oil companies in trying to recover money for themselves which does not belong to them and never did belong to them."⁶⁵

In October 1935 the governor called a special session of the legislature to reenact the gasoline tax bill with changes that would keep it within constitutional bounds, and to pass a package of bills so that Nebraska could participate in the social security program. Federal relief was to cease November 1, except in the form of wages to "employables" made avail-

able only in communities with functioning WPA or PWA projects. However, the funds from the gasoline tax were needed for the new old age assistance program, due to commence as soon as the legislative and administrative machinery was in place.

Cochran supported state legislation to enable Nebraska's participation in national social security, but he warned of "false messiahs" like Charles F. Townsend, who was advocating princely pensions of \$200 per month.⁶⁶ The federal government gave the states a powerful incentive to participate in social security: matching funds and considerable latitude in setting up their own systems. As a precautionary measure Cochran asked Frank Bane, director of the American Public Welfare Association, to help draft state legislation that would comply with federal requirements. Reflecting the governor's belief in a large measure of local control, B.F. Perry, Cochran's appointee for commissioner of old age pensions, recommended appropriating

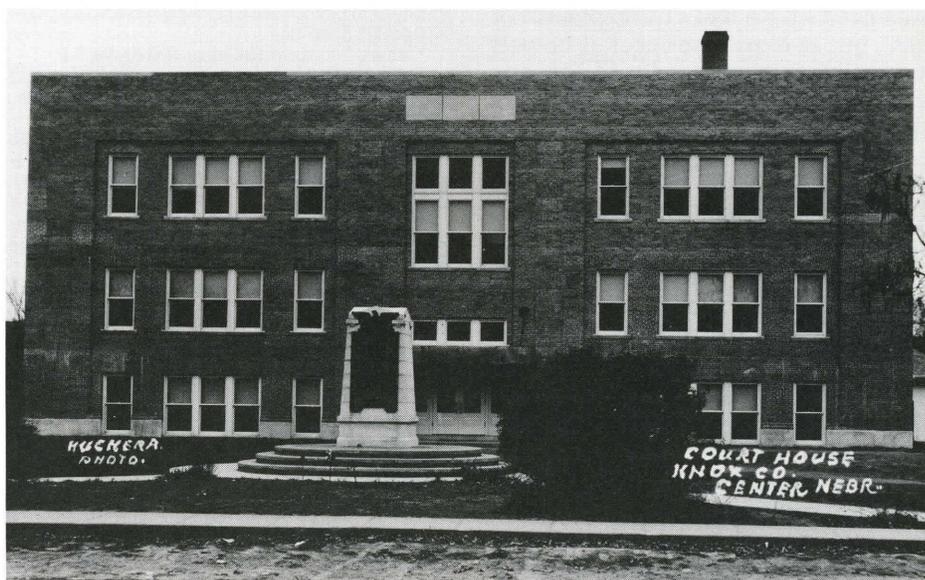
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relief funds directly to the counties according to population. Administration would be by local county boards under state supervision. The state would provide a monthly maximum of \$15 per person to match the federal contribution. No pensioner would receive more than \$30 per month.⁶⁷ In contrast, Colorado, a hotbed of Townsend activity, voted in 1936 to provide pensions of \$45 a month for those over sixty. This proved to be a burden: the pensions could not be paid in full and by 1940 the state had a deficit of \$2 million.⁶⁸

During the summer of 1935 more than 25,000 applications for old age assistance had poured into Perry's office, greatly exceeding the February estimate of 8,000. The national security program also covered old age pensions, pensions for the blind, aid to dependent children, material and child health care, crippled children, child welfare services, vocational rehabilitation, public health work, unemployment compensation, and home relief. Old age pensions (now called social security benefits) as distinct from old age assistance, would be funded with a combination of employee and employer contributions. The program would not be fully operative until 1942.

In late October the special session began and opposition to the social security plan emerged. When Cecil Matthews, former state labor commissioner, described the governor's pension plan as "a damnable joke," because of the low monthly payment it provided, 500 senior citizens in the galleries of the house, broke into applause. Matthews also assailed the provisions of a bill that would give the state a lien on a pensioner's property.⁶⁹ Nevertheless, the governor's pension package passed.

The legislature also passed a bill to continue the one cent gasoline tax until March 1, 1937, and other bills providing the mechanism for distribution and local control for the funds earmarked for social security: The county board,



Knox County Courthouse, Center, in November 1934. (NSHS-M281-1003)

county treasurer, and county board of welfare would form the county assistance committee in each county. Of the estimated \$5 million to be raised by the gasoline tax, liquor tax, and per capita tax, twenty-four percent would go to counties to assist in relief work; fifty-seven percent would be used for old age assistance; the remainder for aid to dependent children, child welfare, and aid to the blind.⁷⁰

There were specific requirements that had to be met in order to qualify for old age assistance. A person had to be sixty-five or older; a resident of the state for at least five years; have no relatives who could support the pensioner; have income less than \$360; and never have been an inmate of a penal or mental institution.⁷¹

Nebraska was among the first states to adopt a social security law and by August 1936 some 20,000 Nebraskans were receiving old age assistance.⁷² Although Cochran had been wary of committing the state to more than it could pay for, Nebraska managed to keep its social security payments in the median range. March 1938 payments

averaged \$17.07, compared to the national average of \$19.30. Nebraska had a greater proportion of its aged on assistance rolls than thirty other states, and spent more per capita for assistance in relation to its population than thirty-two other states.⁷³ Later comparative rankings of the states remained remarkably stable.⁷⁴

Although more autonomy was given to counties to administer social security than they had had for relief programs, some of the same tensions persisted. The counties wanted federal dollars, but not the social workers to administer them. Federal funds for May and June 1936 were withheld until counties agreed to replace local employees with trained social workers.⁷⁵ By 1938 Cochran was urging legislation that would limit the gradual increase in federal control over the administration of social security or state assistance activities. The governor and legislature were leery of any increase in the percentage of social workers, reduction of local control, or increase in authority by federal agencies.⁷⁶

Emergency relief under the hastily

organized FERA had a difficult birth in 1933, but as it grew stronger, it helped Nebraska weather the Great Depression. Political opportunism by state officials, which some had feared would undermine FERA, did not thrive in Nebraska. Cochran, a cautious progressive who wanted to obtain as many benefits for the state as possible, led cooperation with federal programs. State government got off remarkably cheaply. Of the total \$30,952,654 spent for general relief through June 1936, state government contributed only \$383,875; local governments provided \$6,295,360.⁷⁷

FERA forced on the state a social welfare system in which federal, state, and local agencies had to learn to work together. FERA and social security ushered in a relatively peaceful revolution that shifted much of the responsibility of social welfare from the county to the state, combined with federal funding and under federal guidelines. No radical legislation was passed in Nebraska and Nebraska's tradition of debt-free government remained intact. Perhaps the most important legacy of these New Deal programs is the fundamental changes they wrought in the future relationship between the states and federal government.

NOTES

¹Richard E. Dawson and James A. Robinson, "The Politics of Welfare," in *Politics in the American States, A Comparative Analysis*, ed. Herbert Jacob and Kenneth N. Vines (Boston: Little, Brown and Co., 1965), 3.

²Only \$30 million of the \$300 million was allotted for relief, and that only as a last resort, according to President Herbert Hoover. Arthur M. Schlesinger, *The Crisis of the Old Order*, Volume I of *The Age of Roosevelt* (Boston: Houghton, Mifflin, 1957), 241.

³*Final Report of the Nebraska Emergency Relief Administration, June 1933 to January 1938 to R.L. Cochran, Governor* (Lincoln: NERA, 1938), 62. The elimination of the Department of Public Welfare resulted from the repeal of the Civil Administration Code, a government reorganization plan implemented after World War I. Governor Bryan had long favored repealing the code, according to E. Glenn Callen, "Federal Relief in Nebraska," (paper read before the American Political Science Association, Philadelphia,

1933), 2. E. Glenn Callen Papers, Nebraska State Historical Society.

⁴Callen, "Federal Relief in Nebraska," 1.

⁵Addison E. Sheldon, *Nebraska, The Land and The People I* (Chicago: The Lewis Publishing Co., 1931), 999, 1001.

⁶Robert N. Manley, "In the Wake of the Grasshoppers: Public Relief in Nebraska, 1874-1875," *Nebraska History* 44 (December 1963): 255-75.

⁷Harry L. Hopkins, *Spending to Save, The Complete Story of Relief* (New York: W.W. Norton and Co., 1936), 73, 95, 146.

⁸James F. Pedersen and Kenneth D. Wald, *Shall the People Rule? A History of the Democratic Party in Nebraska Politics, 1854-1972* (Lincoln: Jacob North, 1973), 277-80. The *Omaha World-Herald* (Morning Edition), July 13, 1931, listed the members of the committee: Chairman William H. Smith (state tax commissioner and Bryan's representative), E. F. Huse, A. F. Beuchler, Dr. C. P. Fall, and Harland L. Mossman.

⁹For more about the controversy, see Callen, "Federal Relief in Nebraska," 3-5. Evidently Chairman Smith opposed Biart. Biart wrote Hopkins October 2, 1933, that "he would be the next sacrifice." FERA 400 Files in RG 69, Records of the Work Projects Administration, National Archives and Records Administration.

¹⁰Rowland Haynes to C. M. Bookman, October 19, 1933. Nebraska Field Reports, Box Fifty-eight, Harry L. Hopkins Papers, Franklin D. Roosevelt Library, Hyde Park, New York.

¹¹Address of Governor Robert L. Cochran at Axtell, NE, August 1, 1935. Series Six, Folder One, Robert Leroy Cochran Papers, Nebraska State Historical Society.

¹²Haynes to Bookman, October 22, 1933, Nebraska Field Reports, Hopkins Papers.

¹³NERA Final Report, 65-66.

¹⁴*Review of Civil Works Administration Activities in the State of Nebraska, November 15, 1933 - April 1, 1934*, Lincoln, Nebraska (Type-script, Nebraska State Historical Society), 1.

¹⁵NERA Final Report, 66.

¹⁶*Work Relief in Nebraska, Report of the Work Division of the Nebraska Emergency Relief Administration, April 1934-July 1935* (Lincoln: November, 1935), 63.

¹⁷*Ibid.*, 72-74.

¹⁸*Ibid.*, 48-50, 67-69.

¹⁹*Ibid.*, 106-7, 137-38; NERA Final Report, 106.

²⁰Telegrams, Cochran to Hopkins, January 7, 1935. Jacob Baker to Cochran, January 8, 1935, FERA 400 Files, NARA.

²¹*Work Relief in Nebraska*, 21.

²²Further evidence of the unwillingness of Nebraska to cooperate with FERA is the fact that the relief statistics from Nebraska in the early *Monthly Reports of the Federal Relief Administration* are more incomplete than the records of any other state." Callen, "Federal Relief in Nebraska," 2.

²³NERA Final Report, 72; See also monthly "Bulletin of Relief Statistics," NERA (Published January 1935 to January 1936).

²⁴Haynes to Bookman, October 31, November 7, 1933, Hopkins Papers.

²⁵Haynes to Hopkins, January 30, 1934, Hopkins Papers.

²⁶Haynes to Aubrey Williams, asst. federal relief administrator, November 23, 1934, FERA

400 Files, NARA.

²⁷James F. Wickens, *Colorado in the Great Depression* (New York and London: Garland Publishing, 1979), 71.

²⁸According to Cochran, a total of \$15 million had already been spent on relief programs during the past eighteen months. Included were CWA projects, agricultural programs, CCC camps, and NERA. *OMWH*, January 4, 1935.

²⁹*Ibid.*

³⁰Telegram, Hopkins to Cochran, January 17, 1935, Cochran Papers.

³¹NERA Final Report, 8.

³²Confidential Memoranda, Haynes to Hopkins, December 17, 1934. FERA 400 Files, NARA.

³³Responses to Cochran's inquiry are in Series Two, Box Thirty-five, Cochran Papers.

³⁴Radio speech, September 22, 1935, Series Six, Folder One, Cochran Papers.

³⁵*OMWH*, February 8, 1935; Radio speech, February 17, 1935, Series Six, Folder Two, Cochran Papers.

³⁶Transcript of a telephone conversation between Cochran and Hopkins, February 13, 1935. Transcript of a telephone conversation between Hopkins and Haynes, March 19, 1935, Hopkins Papers. Hopkins could come off sounding high-handed, as when he asked Haynes, "Is the state legislature doing what you told them to do?"

³⁷*OMWH*, February 6, 1935.

³⁸J. D. Mehner, director, finance division NERA to Corrington Gill, FERA assistant director, April 29, 1935; Haynes to Hopkins, May 16, 1935. FERA field representative reports, NARA.

³⁹*OMWH*, February 27, 28, 1935; See *Laws of Nebraska*, Fiftieth Session, 1935, for the various bills relating to relief.

⁴⁰Radio Speech, March 3, 1935, Series Six, Folder One, Cochran Papers.

⁴¹Transcript, telephone conversation between Hopkins and Howard Hunter, FERA field representative, February 13, 1935, Hopkins Papers.

⁴²Arthur Mullen to Cochran, March 30, 1935, Hopkins Papers.

⁴³James J. Quigley to Democratic National Committee Chairman James A. Farley, July 21, 1936. National Committee of the Democratic Party Papers, Franklin D. Roosevelt Library.

⁴⁴Louis W. Horne to Aubrey Williams, April 20, 1935, FERA 400 Files, NARA. One prominent social worker who did not admire Haynes was Grace Abbott. She feared Haynes's "unreliability" would harm the public welfare movement in Nebraska. Abbott to Hopkins, October 10, 1934, FERA 400 files, NARA.

⁴⁵Haynes to Hopkins, April 30, 1935, FERA 400 Files, NARA. According to Mullen's March 30 telegram to Cochran, he and Burke agreed on the need to oust Haynes and get "the proper administration" of relief in Nebraska.

⁴⁶Legislative Investigating Committee to Representative Karl Stefan, April 30, 1935. Aubrey Williams to Haynes, and Haynes to Hopkins, May 2, 1935, FERA 400 Files, NARA. The report of the committee is in *House Journal of the Legislature of Nebraska*, Fiftieth Session, 1935, 2030-35.

⁴⁷R. S. Olson, FERA field examiner, to Corrington Gill, January 18, 1935, FERA 400 files, NARA.

⁴⁸NERA Final Report, viii, 220.

⁴⁹Haynes to Williams, February 26, 1935,

Emergency Relief

FERA field representative files, NARA.

⁵⁰Haynes to Hopkins, May 16, 1935, FERA 400 Files, NARA.

⁵¹Jay D. Hatfield to Cochran, March 9, 1935, Series One, Folder Thirty, Cochran Papers.

⁵²OMWH, August 13, 1935.

⁵³NERA *Final Report*, 89-90; OMWH, June 5, December 17, 1935. The relief load peaked in February 1935 at twenty percent of Nebraska's population and dropped to 7.7 percent by September.

⁵⁴"NERA Monthly Report, January 1-31, 1935," 44, 53; OMWH, December 17, 1935.

⁵⁵NERA *Final Report*, 112.

⁵⁶Ibid., 74.

⁵⁷Frances Decker, secretary to Rowland Haynes, to Harry J. Early, FERA field representative, June 17, 1935, FERA field representative reports, NARA.

⁵⁸Blair *Enterprise*, June 6, 1935. Other accounts regarding the relief board are in the March 14, March 28, and May 23 issues.

⁵⁹Almost immediately Haynes was offered the job of president of the Municipal University of

Omaha at a salary of \$9,000, more than the governor received. OMWH, June 7, August 16, 1935.

⁶⁰Michael W. Schuyler, *The Dread of Plenty: Agricultural Relief Activities of the Federal Government in the Middle West, 1933-39* (Manhattan, KS: Sunflower University Press, 1989), 132; OMWH, August 2, 9, 1935.

⁶¹James T. Patterson, *America's Struggle Against Poverty, 1900-1985* (Cambridge: Harvard University Press, 1986), 59.

⁶²Smithberger vs. Banning, 129 Neb. 65 (1935).

⁶³Cochran radio speeches, September 22, 29, 1935, Series Six, Folder One, Cochran Papers.

⁶⁴Smithberger vs. Banning, 130 Neb. 354 (1936).

⁶⁵Radio speech, February 2, 1936, Series Six, Folder Three, Cochran Papers.

⁶⁶Ibid., September 22, 1935.

⁶⁷Others who helped draft Nebraska's social security legislation were State Relief Administrator Witte, and the governor. Radio speeches, September 2, 29, 1935, Series Six, Folder One, Cochran Papers.

⁶⁸James F. Wickens, *Colorado in the Great Depression* (New York and London: Garland Publishing Co., 1979), 337. See also Don S. Sowers, "Old Age Threat in Colorado," *National Municipal Review* 29 (1940).

⁶⁹OMWH, November 5, 1935. The *World-Herald* editorially supported Cochran's view that children, who were financially able, should support aged parents instead of the state.

⁷⁰*Session Laws, Legislature of the State of Nebraska, Fifty-First Session (Extraordinary)*, 1935, includes the various bills.

⁷¹Radio speech, December 8, 1935, Series Six, Folder One, Cochran Papers.

⁷²Radio speech, August 23, 1936, Series Six, Folder Three, Cochran Papers.

⁷³OMWH, June 5, 1938.

⁷⁴Dawson and Robinson, "The Politics of Welfare," 387.

⁷⁵"Welfare File," Series One, Folder 214, Cochran Papers.

⁷⁶OMWH, May 5, 1938.

⁷⁷NERA *Final Report*, 20. Nationally over \$4 billion was spent for emergency relief.