



# Our Times

Volume 4 Issue 1

THE PEOPLE, HISTORY, AND CULTURE OF LOGAN COUNTY, ILLINOIS

SPRING 1999

## Hard Times in the '30s

### The 1933 Bank Holiday

**B**ill McCormick's father, Leslie, was vice president of the Farmers State Bank of Emden in 1933, when Illinois Governor Henry Horner declared a bank holiday on March 4th and President Roosevelt declared a national bank holiday on March 6th.

Bill remembers that the holiday caught everyone without cash—even bankers, whose cash was frozen. So before Leslie McCormick and his young cousin Leonard could drive up to Continental Bank in Chicago to get advice on how to reopen, Leslie had to borrow the \$13.00 and some odd cents from his wife's shoebox of church society cash, just to buy gas and a sandwich.

The advice from Continental (tell the farmers to sell their horses and mules, bring in the proceeds, and pay down their loans) was "ridiculous," says Bill. Willis Crabb of Delavan was more helpful; he bought \$10,000 of the bank's best notes. After the treasury department was notified of the infusion of new money, the bank was allowed to reopen on March 30th.

Meanwhile, merchants were having cash problems of their own. In Lincoln, the Chamber of Commerce set up a change clearing house in the abstract office of Lynn R. Parker. With the city furnishing police protection and the vault in the office serving as the "strong box," Chamber secretary

Floyd J. Heckel swapped bills for change and change for currency. The clearing house operated until Lincoln State Bank reopened on March 18th.

The banks had closed on a Saturday—payday for most firms—and nobody knew when the bank holiday would end. The Chamber's solution was to issue scrip as a temporary medium of exchange, with the first \$1,200 going into circulation on March 8th. On March 11th, the *Lincoln Evening Courier* listed 42 local firms that would accept the yellow \$5, blue \$1, and pink 50-cent scrip, laboriously signed by Chamber president Steve Bennis and secretary Heckel and bearing the Chamber seal.

The cashier at Spurgeon's who accepted a \$1 scrip from an employee of Lincoln Casket Company didn't need to worry. The company had submitted collateral to cover the scrip, and its application had been approved by the scrip committee.

Although the *Courier* urged people to save their dimes for their carrier boys, the scrip was heavily used everywhere else. Between March 8th and March 15th, \$5,827.00 was placed in circulation; it was proba-

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Train carrying President Franklin D. Roosevelt stops in Lincoln, c.1936. Courtesy of Lincoln: A Pictorial History by Paul E. Gleason.



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## Publisher's Notes

I write about the Depression from the perspective of a baby boomer, so I am expected to pay homage to my parents' generation. Reared in close-knit families tempered by sacrifice in the '30s, they courageously rid the world of Fascist aggressors in the '40s, and built homes and businesses and churches and communities in the '50s. Then, the script goes on, their children, spoiled and coddled in the new land of plenty, turned on them, spat at their gods, and challenged the tenets of the world they had created.

While leaders who rose from the De-

pression were described as "good," the leaders of my generation are only called "smart." While our predecessors were adept at building up, we are prone to pick apart.

My mother's family fed six people on two bits a day, invented eight recipes for navy beans, and chopped stalls from the barn to burn as firewood. My dad worked for a nickel a day, saving enough for the ultimate treat of Saturday afternoon at the movies. Neither of my parents' families ever took a vacation, as far as I know, but they huddled around a radio (or was it a crystal set?), told stories, played cards, fed hoboes, and saved coupons to buy each other Christmas gifts. They raised rabbits for meat, entered every contest hoping to strike it rich, and patched their jeans (or was it bibs?). I heard all of these stories from the day I was born, but they were told to me without a hint of sadness. I got the impression these were the "good old days."

So I offer here a different twist on the conventional tale of two generations. A lot of us baby boomers never rebelled against our parents' world of the '50s and '60s; we only wanted to recreate some of the goodness of the '30s. We wanted, amidst the plenty, to rekindle the love and closeness and pulling-togetherness that we heard about. We went about it clumsily, but our motivation was simple: our souls yearned to hear from our elders, "Well done, you good and smart boomers." Maybe we got it half right. SR

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bly turned over at least six times, representing about \$40,000 in payrolls and purchases. The scrip was redeemed as banks reopened; by May 16th, \$4,550 had been redeemed.

After the bank holiday, all banks were examined and fully reopened only as they met stringent new standards. The first banks in Logan County to reopen were the Atlanta National Bank and the

First National Bank of Mt. Pulaski on March 15th, followed by Lincoln State Bank on March 18th. Lincoln National opened only for new deposits on March 23rd.

Lincoln had not had a bank failure in over forty years. Still, by the end of April, a bank examiner had not been sent to Lincoln National, and one and a quarter million dollars in deposits were frozen, including city, county, and school funds. A bank examiner arrived only after the *Courier* sent a telegram appealing directly to President Roosevelt.

The examiner's report was blunt: add \$425,000 in new money (to comply with the new standards), or liquidate Lincoln National and organize a new bank with \$125,000.

After much handwringing on the part of depositors and shareholders alike, five depositors (Steve Ben-nis, Allyne V. Nugent, W. H. Berger, Frank Pfau, and L. S. Mangas) went to Chicago on July 17th to speak with federal banking officials, who informed them that the only solution at that point was to organize a new bank. After a meeting of 600 depositors at the high school, the group of five returned to Chicago and brought home the government's plan.

The new bank would purchase the assets of Lincoln National and then release 35 percent of the frozen deposits. Additional money would be paid out after a loan to the Reconstruction Finance Corporation had been paid back and the necessary assets of Lincoln National had been liquidated.

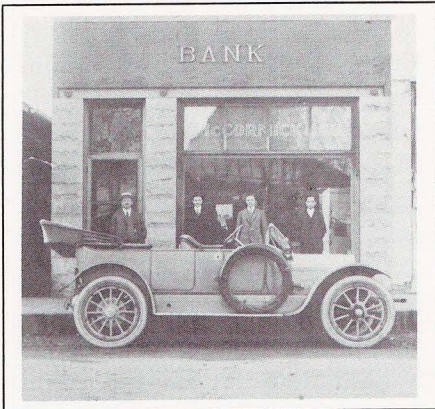
Under the new banking laws, shareholders of the new bank could not be assessed for any of the bank's future debts. So stock in the bank was publicized as a good, safe investment at \$30 a share. The

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Depositors' Committee, headed by Steve Bennis, set out to sell the new bank to the community, sending out teams of workers and listing buyers on an honor roll in the *Courier*. After a harrowing ten-day extension of the government's



Farmers State Bank of Emden, Leslie McCormick second from left. Courtesy of Bill McCormick.

deadline, the last of the \$120,000 needed to open the bank under the final plan was pledged on November 21st. Last-minute contributors included the fifteen office and shop employees of the *Courier*, who each subscribed to one share, and former Lincoln resident Frank Atlass, who wired \$1,000 from his home in Chicago. First National Bank opened on April 25, 1934, having purchased the assets of Lincoln National, which was then liquidated over the next four years.

Caught in a national crisis not of their making, believing that their bank was sound, the shareholders of Lincoln National still had to come up with \$90,000 out of their own pockets when the bank was liquidated. Probably nobody approved more of the new banking laws stipulating that shareholders would not be responsible for a bank's debts, than the people who had owned stock in Lincoln National. ■

## Hoboes in Logan County

### Brother, Can You Spare a Dime?

Every morning, when Herb Alexander's father opened his grocery store at the corner of Broadway and Sangamon Streets, in the Dehner block, hoboes came to the back door asking for food or coffee grounds. Taking the food they had collected on their rounds of the stores, they met their friends at the clay bank area near Salt Creek and the railroad tracks, or in the stockyards on Chicago Street, where they built their fires and cooked their meals.

Hoboes were nothing new. Back in December of 1908, the *Courier* had reported that about a dozen vagabonds each night were checking in at the Lincoln police station and bedding down in the tramp room in the basement of the city hall, where they slept in tiers of bunk beds made of rough pine boards.

But something different began to happen in December of 1930. The *Courier* reported that the old-fashioned hoboes had been replaced by men dressed in decent working clothes who were traveling around the country looking for work—people like Dorothy Norris's father and uncle, who once had to sing for a judge to prove they weren't bums but were riding the rails to find a place to perform.

And yet—one day in 1931, Lincoln police noticed that of fifty-one transients released from the "bum hole," a large majority were professional tramps. Lincoln had gotten a reputation for being a "soft place." (*Lincoln Evening Courier*, Dec. 5, 1931)

Often dressed in torn and ragged clothes, each carrying his little bundle on the end of a stick, the hoboes were a familiar sight during the Depression. When the trains went through Emden, Bill McCormick would see 25 hoboes on a flatcar and an equal number in the boxcars with the doors open. His grandmother always kept sandwich meat and bread for them—and a hedge knife over the back door, just in case.

Sometimes a housewife would ask a hobo to sweep off the porch or cut some firewood. Most of the time, though, hoboes didn't ask for work and weren't expected to do any.

A hobo would be happy to take a plate of food and sit on the back step to eat a simple meal: a couple of sandwiches, a tomato from the

#### Warning to Unemployed!

Anyone living in East Lincoln or West Lincoln driving an automobile need not apply for pauper aid.

M. D. Richardson  
Albert Ahrens  
Supervisors.

Courtesy of the Lincoln Evening Courier (January 7, 1932).

garden, or pork and beans left from lunch. Perhaps the lady of the house would pour some milk into the little bucket he carried with him or offer him some old clothes.

It's common folklore that hoboes left their mark on friendly houses. Logan County must have had a lot of them. ■



# Tough Times for Farmers

**H**elen French Martin says that when corn dropped to ten cents a bushel during the Depression, many farmers just shoveled it into the stove rather than sell it at that price and turn right around and buy coal.

Helen and her husband, Harley, just couldn't bring themselves to do that. When they shucked corn, however, they did save back all the bad ears to burn—and they found plenty of other ways to economize, too.

“Things were cheap, and money was scarce,” says Helen of the Depression years. “On the farm, you had your own food. We lived on cottage cheese and things we raised and didn't buy much.”

Helen might only have a new dress once or twice a year, but she always had pork from Harley's hogs, milk and butter from the Guernsey cow, and eggs in the hen house. If she needed cash to buy spices, tea, coffee, or vanilla from the Watkins man, she could use the money she earned selling eggs to Sieb's hatchery.

In other words, as the *Courier* put it, “Being broke on a farm is one degree better than being broke in the city.” (April 30, 1932)

Still, low commodity prices could be a disaster for farmers who were buying land. In 1935, Elmer Krusemark bought a 120-acre farm near Emden that had been in the same family for generations. After World War I, the owners had borrowed money on their land from the Federal Land Bank in order to remodel their house. When they

failed to make their payments, the Land Bank took the farm.

Did it take a lot of courage for Elmer to buy a farm when he didn't have any money himself? “Well, my wife thought so,” says Elmer. They “really skimmed.” “We didn't spend any money for anything we just didn't absolutely have to have.” Raising seed corn, shucking corn for the neighbors, and custom baling all helped pay for that farm.

Sometimes a lender was understanding. Julian Schmidt's father had bought his farm for \$200 an acre when prices were high. When prices fell, the owner didn't take any principal or interest for four years.

Just to get a little perspective: the bumper corn crop of 1932 brought 15 cents a bushel, compared to 60 cents in 1922. With the combination of low corn prices, chinch bugs, and three-dollar hogs, “everybody was down and out,” says Elmer Krusemark, before the 1932 elections.

In fact, Leslie McCormick used to like to tell the true story of a farmer who stopped in the bank at Emden after voting at the community house. “We voted the straight Republican ticket, like we always do,” he said, “and now we go home and pray that Roosevelt be elected.”

When Roosevelt *was* elected, says Elmer Krusemark, “people got confidence.”

The new administration made money available to refinance

farm mortgages, put a three-year moratorium on interest payments, and made 45-cent loans on corn held off the market in 1934. Its plan was to raise commodity prices by lowering production.

Under the Corn-Hog Reduction Program of 1934, for example, Logan County farmers signed contracts to reduce the corn they grew and the hogs they raised in exchange for government payments. Community committees visited each farm in the program, appraising the value of the land taken out of production and counting the pigs on the farm.

Sometimes corn already in the field was plowed under and extra litters of pigs were given to agencies like the Red Cross to distribute to poor families—or destroyed. But then, as Emmitt Shellhammer reminds us, that was nothing new: some desperate farmers had been doing away with baby pigs already because they couldn't afford to raise them at such low prices.

Limiting supply when people were hungry was controversial, and farm programs were only partly successful. And there more hard times to come, including the drought of 1936, when the crops dried up and the red soil from Oklahoma blew into Logan County, almost blotting out the sun.

It would take World War II to create the demand which turned the productivity of U. S. farmers into a blessing. Still, the worst seemed to be over. Anyway, under Roosevelt, says Elmer Krusemark, “we got electricity. A lot of people criticized Roosevelt, but you know, they ought to be still sitting in the dark.” ■



# . . . and Miners

In North Lincoln, where the miners lived who had dug the coal that heated so much of Lincoln, *it was cold*. Lincoln had gone from three mines to none by 1934. Where there had been “pretty good paychecks,” says miner’s daughter Dorothy Jacobs Norris, there was “no work at all” for a very long time. What jobs there were paid almost nothing. Feather comforters took the place of costly blankets, and coal to burn in the stoves that heated the homes was a big expense.

Dorothy says, “a woman next door who was way up in years used to take us kids over to the shale pile and help us fill up our carts with coal. We would have to catch it between the giant pieces of slate that fell down.” When the coal trains came through, people climbed atop the cars and threw off the coal, knowing when to jump off as the trains picked up speed.

The people of North Lincoln were resourceful. They butchered hogs that they bought from neighboring farmers; they raised chickens; they fished; and they hunted for squirrel and rabbit.

“My uncle used to line the clothes-

line with rabbits, and they would freeze right on the line,” says Dorothy. As long as the weather held, the rabbits would stay frozen. If it warmed up, they were fried down, put in jars, and covered with lard.

After the coming of the New Deal, Dorothy’s dad found work digging ditches for the Works Progress Administration (WPA). As the men uncovered the culverts, rabbits would run out. Anyone who was quick with a shovel would have meat for the table that night.

North Lincoln housewives stretched their meals with sauerkraut. They canned vegetables from the gardens, kept potatoes over the winter, and wrapped apples in paper to store in the basement. Some people bought eggs and milk from neighboring farmers, but many people couldn’t afford to, and their bones and teeth suffered as a result.

Dorothy remembers that the nuns at St. Mary’s parochial school were concerned about the children’s nutrition. They took Dorothy and her sister, Marie, into the kitchen now and then and sat

them down at a little table for a meal.

After she graduated eighth grade, Dorothy spent the summer working for the Obcamp family in order to make money for books and clothes for high school. At the Obcamp farm, she had a “nice sleeping room and all the food I wanted,” including the cream that Mrs. Obcamp put on her cereal to fatten her up. But she was homesick.

“I could look out and see the shale pile in the distance,” she says. “I wanted to be home, but I knew I had to be there to make money.”

Dorothy returned home at the end of the summer and started high school, attending two years before she had to drop out and help support the family by working at St Clara’s Hospital.

“People really suffered” during the Depression, says Dorothy, “but I would never trade those years for nothing, because it made me kind of respect what I got now.”

## **Frances Kendrick Remembers**

Frances Verban Kendrick was well acquainted with the miners of North Lincoln, who shopped at her father’s grocery store on North Kickapoo Street where they bought what they couldn’t provide themselves.

Frances says that the miners were hard workers. Some young men spent six months doing forestry work with the Civilian Conservation Corps (CCC), and men of all ages worked on the roads for the WPA. A few people found jobs at the State School, Armour’s, and on farms, but others had to go to the big cities to find work. ■



CCC camp. Paul Jacobs in helmet. Courtesy Dorothy Jacobs Norris.



## We Take Care of Our Own

Joanna Schauer Ketcham's mother was one of the Salvation Army members who served meals at the old WCTU tabernacle on Logan Street. While the food was being prepared, the children who were too young to go to school played in the other room, holding church services for their dogs.

One day in 1932, thirty children sat down to a meal of vegetable soup, scalloped corn, mashed potatoes and gravy, blackberry cobbler, and bread—all prepared by Captain Hope Thompson and her corps. Soup bones donated by butchers, dishes donated by the Illinois China Co., and food donated by grocers and individuals all came from the community. That week, the Army also fed 60 transients; Captain Thompson's only expense was 20 cents for a bushel of coal.

In 1933, folks in Mt. Pulaski noticed that about 27 children in the grade school were undernourished. So each school day, ladies from one of the five churches in town served a hot meal. The little guests helped out by setting the tables and washing dishes.

It had become harder to care for the poor of Logan County as the Depression worsened. In 1930, the county's budget for "pauper relief," including support of the poor farm, was about \$14,000; the county ended up spending almost \$30,000 that year.

When employees at the State School began donating money from their salaries for unemployment relief, the Lincoln Chamber of Commerce organized an Employment Relief Committee to

solicit additional donors and find work. By March of 1931, 125 men had put in about 4,500 hours doing such work as shaling the streets and improving the Boy Scout camp. They were paid in certificates redeemable at the stores of their choice.

Later that year, the state legislature took the responsibility for relief from the county and gave it to the townships, forgetting, however, to provide them with a tax levy. With no relief money available for the winter of 1931-32, the *Courier* reported that "Lincoln seems determined to take care of its own needy..." (Nov. 13, 1931)

The Lincoln Unemployment-Relief Association sent out 100 workers, collecting pledges of \$12,000 in eight days. After the legislature corrected its error and townships were able to levy taxes for pauper aid, further pledges were not as necessary. Nor were all pledges paid. Still, by the time the organization discontinued its work in May of 1932, \$8,280.13 in cash had been received, along with numerous donations, including coal, food, milk, and free haircuts.

The need was great. In December of 1931, about fifty children were showing up at the relief headquarters at city hall every day for the used clothing and shoes that people had donated. That same year, 500 children attended the first *Courier* Kiddies' Christmas Party for needy children, and four truckloads of Christmas baskets were delivered to needy homes.

In 1932, the federal government allotted five million bushels of wheat and five hundred thousand bales of cotton to the American Red Cross. While the Logan County chapter was coordinating the distribution of wheat flour, 30 to 40 women were sewing in the Red Cross work rooms at the courthouse—using the donated cotton goods to make enough clothing for every needy family who applied to the organization for relief.

Probably the best example of federal and local cooperation was the Works Progress Administration, created by the federal government to provide worthwhile work for the unemployed. From August 1935 to August 1938, \$471,067 was paid to WPA workers in Logan County for digging sewer lines, grading and surfacing country roads, repairing sidewalks, and a whole host of other work. A community often provided most of the materials, leaving the WPA to write the paychecks.

Jo Danosky Andrews remembers that her father served as foreman when WPA workers built the yellow brick city garage on Hamilton Street near Broadway in 1938-39. He also worked on the concrete curbing around St. Mary's school, where Jo was a student. Jo remembers listening to the World Series inside the school and running out to tell her dad the score.

While her father worked for the WPA, Jo spent a lot of time at the WPA recreation center in the basement of the courthouse, where she painted pictures on glass and took tap dancing lessons. Her mother made rag rugs on the big loom there. ■



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## ***Use it up, Wear it out, Make it do, Or do without!***

- ◆ Herb Alexander's dad was a shareholder in Lincoln National Bank. When the bank was liquidated, he had to sell the house he owned at 318 Peoria Street to help pay the bank's commitments to depositors.
- ◆ Raymond Keys remembers that the savings and loans had different rules than banks and could avoid a "run" by requiring anyone who wanted to withdraw his money to fill out an application. The S&Ls paid out the money as it became available. In the meantime, at Lincoln Savings and Building, a depositor could borrow \$25 a month against his account for living expenses.
- ◆ Mary Hildebrandt, one of twelve children who grew up on a farm during the Depression, remembers eating fried eggs and potatoes for dinner every single night.
- ◆ Elsie Komnick Menzel remembers that although people in Emden were broke, they still wanted to see the Century of Progress in Chicago. So someone would fit up the bed of a truck with seating. Families would pile in and ride up to the suburbs, where they would take in the show and stay at a boarding house owned by one of Elsie's relatives.
- ◆ Frances Kendrick remembers having the shoe cobbler in her neighborhood replace the worn-out soles of her shoes. People also used a little kit that they bought at the dime store.

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**The People, History, and Culture of  
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### **Inside This Issue**

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**Brother, Can You Spare a  
Dime?**

**Tough Times for Farmers  
and Miners**

**We Take Care of Our Own**

Material for this issue came from *The Courier* under its various names; *Times-News, Mt. Pulaski, Illinois*; Miller, Nathan. *F.D.R.: An Intimate History*. New York: Doubleday, 1983; and the happy and not-so-happy memories of our friends.

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