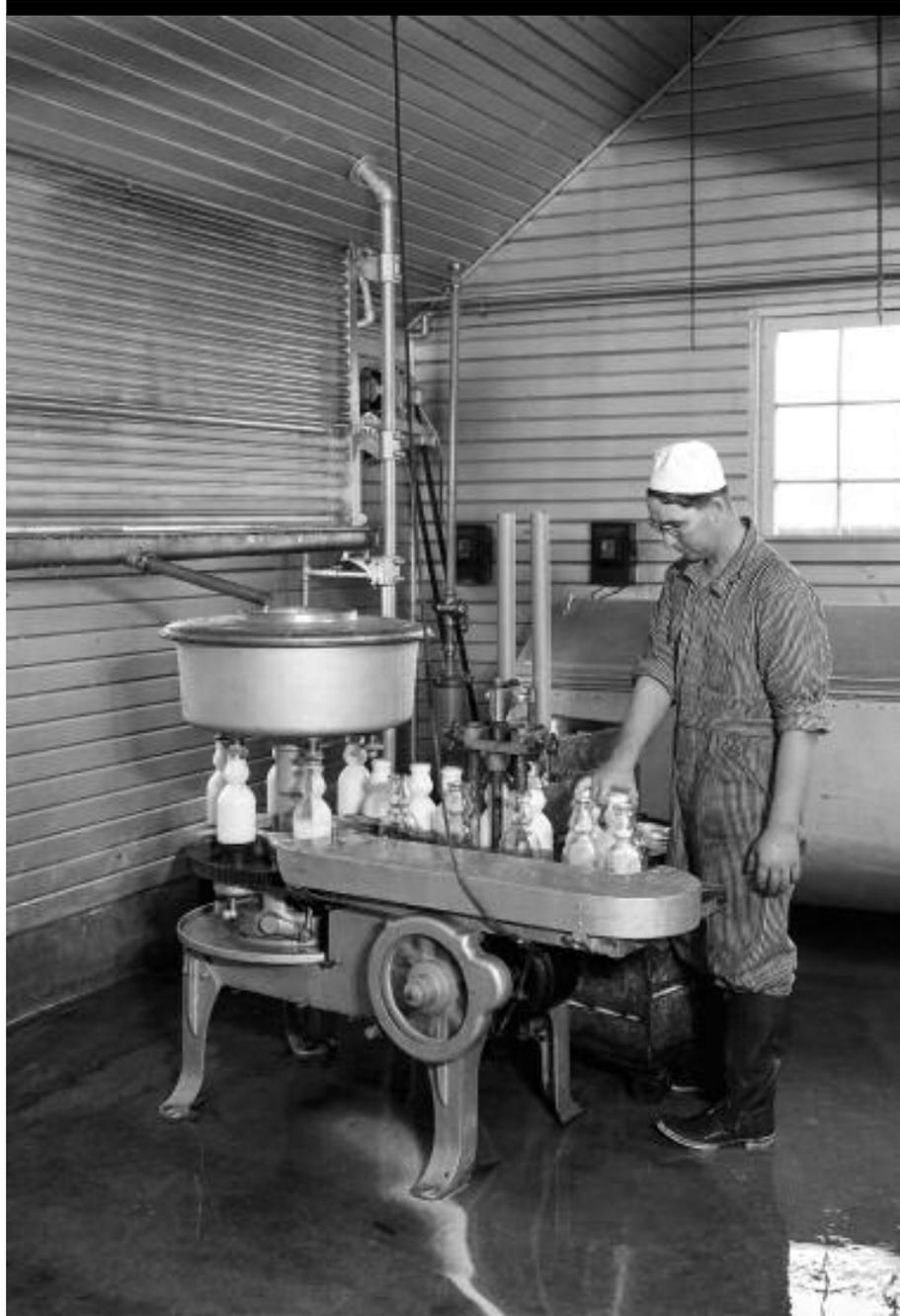


76 down and out
.....



Sigler/Idaho State Historical Society

Dairy remained a mainstay of the Boise Valley despite the drop in agricultural prices that preceded the Great Depression in 1929. Pictured: bottling work at Triangle Dairy, 1931.

7 Boise and the Great DEPRESSION

by Simon Clifford

During his 1931 inaugural speech, Gov. C. Ben Ross addressed the national depression that began in 1929: “The present depression is due just to the same causes in the business cycle as all the others, and recovery is bound to come shortly ... the recovery will be slower than the slump, but it is in the air for this year of 1931.” His optimistic assurances soon proved to be unfounded. Over the next two years, the economic impacts of the Great Depression hit Boise, along with the state as a whole, with a force that Ross did not foresee.

Still recovering from an agricultural depression in the previous decade, Idaho’s economy faltered under the weight of the new depression. Boise experienced rapid decline due to heavy losses in the state’s lumber and mining industries, on top of major price drops for agricultural goods. By the end of 1932, these losses brought Boise to its lowest economic point in the Depression. Boise didn’t truly recover until the increased need for production during World War II revitalized the economy.

But from the onset of the Depression until the state's eventual recovery, Boiseans were not passive victims of the economic damage. They were proactive and resourceful, and worked to protect their community. Their efforts lessened the effects of the Depression on the Boise community and with the help of federal aid money provided by President Franklin Delano Roosevelt's New Deal, Boiseans not only weathered the storm but also made big improvements to the city's public infrastructure. Many buildings now considered Boise landmarks, along with many of its sidewalks and bridges, were constructed under the auspices of the New Deal.

Boise's economy was most damaged by the loss of demand for the staple industries of the city and the state as a whole: agriculture, lumber and manufacturing. Although Boise's economy did not immediately see any drastic impacts from the national depression, these key parts of the economy were already struggling at the turn of the decade, leaving Boise vulnerable when the crash finally came to Idaho in 1931-32. Industries across the state felt the impact as national demand fell; between 1929 and 1933, Idaho's manufacturing force dropped by half. The total payroll for manufacturing employees statewide dropped from \$22.5 million in 1929 to \$7.1 million in 1933, a decrease of about two-thirds. Many of those unemployed by the slump in manufacturing came to Boise to look for work. Boise-Payette Lumber Company, for example, lost \$1.8 million between 1930 and 1932 and dismantled its mill in Barber. The company stayed afloat only because of its larger mill in Emmett, scraping by until the demand for lumber resurfaced in the 1940s.

Although the industrial collapse damaged Boise's economy, it didn't compare to the damage caused by drops in agricultural prices. Wheat and beet prices remained relatively strong, but there were major price drops in sheep, dairy, dry beans and hay. Cattle prices dropped to levels comparable to the agricultural prices of 1911. The state's famous potatoes fell 20 percent. Hay prices fell by half.

Like cities across the country, Boise experienced a banking crisis in 1932, which had its roots in the earlier drops in agricultural prices. As the largest city in a heavily rural state, Boise was the hub for the state's banking industry. As farm prices fell, so too did the value of farm loans. This led Idahoans to lose confidence in the economy and citizens rushed en masse to withdraw their money. Of Boise's three major banks, only one, First Security, was able to remain open during the bank runs of 1932. Boise's First National bank was shut down temporarily. It reopened after reorganization by the Reconstruction Finance Corporation and the Federal Reserve Board. However, it had to close once again later in 1932 during the complete shutdown of all



Idaho State Historical Society

An infusion of \$500,000 from Salt Lake City allowed Boise's First Security Bank to stay open during the panic of 1932.

national banks. Idaho First National Bank was shut down and eventually liquidated.

But First Security Bank was able to remain open, due in part to quick action taken by bank manager, J. Lynn Driscoll. Aware of the problems that had occurred during bank runs in other parts of the country, Driscoll arranged to have \$500,000 delivered quietly to Boise from Salt Lake City. With these extra funds available, Driscoll placed a sign above the doors to First Security that read: "Open Until Late Tonight. If you want your money, come and get it." In addition, several of Boise's most influential merchants, including local department store tycoon C.C. Anderson, made grand gestures of depositing cash at the bank. These shows of courage restored the confidence of the bank's customers. By the time the \$500,000 arrived, the run had subsided, and the money was eventually returned to Salt Lake City, its packaging unopened. Driscoll went on to secure \$150,000 security free

80 down and out
.....



Sigler/Idaho State Historical Society

The Streeter family of Boise celebrates a birthday despite the austerity gripping the city in 1932.

from the Reconstruction Finance Corporation, which he then distributed to local stockmen so that herders could be paid and the precious cattle herds protected. In doing so, he required that every expense be recorded and accounted for by the stockmen. Despite their grumblings about such a strict level of accounting, they complied, and it resulted in very efficient spending.

By the time the RFC refinanced the stockmen, they could pay back the entire loan, plus interest. Driscoll and First Security Bank, through their quick actions and wise planning, managed to keep one of Boise's biggest banks open for business even as their competitors failed, and they helped secure federal funds to keep local workers employed and paid. However, even with First Security still open, Boise's banking situation was in rough shape, and it didn't recover without extensive help from the New Deal.

Prior to 1933, Boise had difficulty mounting a dynamic or truly effective response to the Depression. This can in part be attributed to the state's lack of revenue, which made large-scale recovery projects unfeasible. Gov. Ross advocated for a strong federal response. This was a move perhaps unconventional for a self-made politician-farmer, but Ross could seldom be described as conventional. He thought that state governments could economize and give their citizens tax relief, while the federal government should try to implement a program to control inflation. He also argued that the federal government should be held responsible for the unemployment problem "because of the fact that the policy of the government over the last several years brought on the depression which threw millions of men out of employment; therefore the Federal government should pay the bill. The states can properly be called upon to take care of the indigent poor, as they have in the past."

Initially, the city's response to the Depression was carried out by private organizations, unions or individuals like J. Lynn Driscoll, but the arrival of President Roosevelt's New Deal policies in 1933 created a much larger response from the state and federal government. Whereas Ross had been forced to pursue austerity measures to compensate for a lack of funds, the New Deal provided Idaho with bountiful funds to pay for a variety of programs to provide for the needy and put the jobs back in the hands of the unemployed. Nationally, Idaho ranked eighth for per capita expenditures by New Deal agencies between 1933 and 1939.

Gov. Ross, despite his apparent support for federal intervention, caused some problems for the federal government when New Deal programs began to operate in Idaho. While Ross was pleased to see the federal government take on the responsibility of unemployment relief, he frequently criticized what he saw as excessive red tape and resisted the federal demands when administrators from the Federal Emergency Relief Act requested that state governments raise funds to match federal aid. Ross resisted by arguing that tax levies were impossible due to the large number of tax delinquencies in Idaho. This lack of cooperation from the governor hampered the impact of New Deal policies in Boise, but certain substantial programs still were able to

function. The Civil Works Administration is an excellent example. Established in 1933, the CWA provided employment for 4 million Idahoans, including many Boiseans, through the winter of 1933-34. The CWA's programs cost more than \$5.4 million and workers earned an average of \$15 a week. One of their programs, the Women's Work Program, provided women with employment sewing, making bedding, canning food, nursing and teaching. Primarily though, the CWA created work that focused on constructing and repairing infrastructure. CWA employees were responsible for many of Boise's parks and fairgrounds. They constructed airports, sanitary facilities, waterworks and flood control measures. A full third of the CWA's projects dealt with building bridges and roads.

Ross eventually gave in to governmental pressure, creating a sales tax to raise matching funds in 1935. The federal government's financial support for Boise was very broad from 1935 to 1937 and New Deal programs were most dramatic and effective during these years. The Works Progress Administration, created in 1935, provided work for much of Idaho's unemployed population, alongside the Public Works Administration. The Social Security program and the Idaho Cooperative Relief Agency provided relief for the unemployable.

Although the negative impacts of the Great Depression are undeniable, the 1930s was an era in which Boise saw a large amount of infrastructure growth driven by New Deal programs that provided jobs. The city's population also grew significantly during the Depression decade, and this population growth created both a need for extra infrastructure and the workforce to make it possible. At the time of the 1930 census, Boise's population was 21,544, only 0.7 percent more than the 1920 census. But by the 1940 census, Boise's population grew to 26,130, a jump of 21.3 percent. This exceeded the state average of 18 percent population growth during the 1930s. Given that Boise experienced a depression during both these decades, and that the depression of the 1930s was arguably more severe than that of the 1920s, it might seem odd that the levels of population growth were so disparate. But the Great Depression differed from the agricultural depression in the scale of its national impact. The agricultural depression affected only a few heavily agricultural states, while the rest of the country seemed to be in much better economic shape. There were plenty of reasons to emigrate, and few to immigrate. During the Great Depression, however, the economic crash heavily affected every state, reducing the viability of a Boise emigration. At the same time, the ecological disaster of the Dust Bowl in the Midwest brought waves of immigrants to the West. While most of these



Fuller/Idaho State Historical Society

The Bouquet Bar and Kelly's Restaurant were Depression Era institutions on the 800 block of West Main. The glassy Wells Fargo Building now occupies the site.

migrants, known as Okies because such a high percentage of them came from Oklahoma, sought work in California, many settled in other western states, Idaho included. Although work was scarce in Boise even before their arrival, the immigrants stayed and made do as best they could. This growth helped contribute to the increased urban development that Boise experienced during this time, particularly by increasing the need for housing and schools. The New Deal subsidized growth. For example, a 1934 program initiated by the Federal Housing Administration guaranteed home mortgage loans, thus encouraging growth in such neighborhoods as Rose Park and Resseguie.



Sigler/Idaho State Historical Society

Gas stations on Main Street and Grove competed for the transcontinental traffic on US. Route 30 in 1931.

The New Deal programs lead to the construction of several buildings of major significance to Boise in addition to creating substantial urban development by building roads, bridges, waterworks and other infrastructure. Notable buildings completed or started from 1933 to 1939 include the Ada County Courthouse, the State Historical Museum and the office building that eventually came to be Boise City Hall. The Courthouse, built in 1938-39, was a project of the Works Progress Administration. Because New Deal projects aimed to create work for many people over a period of time, buildings like the Courthouse show a high level of quality in their design, materials and construction. Designed by two architectural firms local to Idaho, Tourtellotte & Hummel and Wayland & Fennel, the Courthouse was originally to be built in a neoclassical style that resembled the nearby Statehouse. However, many workers on WPA projects were unfamiliar with construction techniques, so the design was changed to a simpler and more modern Art Deco style.



Fuller/Idaho State Historical Society

New Deal responses to the Great Depression included the construction of the Ada County Courthouse, 1930–1940. Pictured: Boiseans study a courthouse mural panel, 1940.



Idaho State Historical Society

A new Oldsmobile sponsored by the Idaho State Automobile Association goes through downtown Boise in preparation for a coast-to-coast run.

The Public Works Administration contributed \$16.6 million statewide to the construction of buildings and infrastructure, much of which was devoted to Boise. It spent \$500,000 on administrative buildings, \$2.7 million on school buildings, \$1.3 million on sewers and waterworks and \$3.9 million on flood control and land reclamation. A single PWA grant of \$225,000 contributed to building North Junior High, the Boise High School gymnasium and an addition to Whitney elementary school. The total cost of these three projects, constructed between 1936 and 1937, was \$452,975, meaning that the PWA provided just under half of the funding.

Boise's road system also grew during the New Deal era. The CWA devoted about one-third of its projects to building roads and bridges. But

other New Deal programs also allocated considerable funds and effort to constructing bridges and roads. The Public Roads Administration provided funds for more than 1,650 miles of roadwork throughout the state, spending approximately \$15 million from 1933 to 1939. The Public Works Administration similarly spent \$8.2 million on streets and highways statewide over the same time period.

Boise did not make a full recovery from the Great Depression until World War II created a new demand for agricultural goods, manufacturing and lumber production, which revitalized the city's economy. But the projects and support provided by the New Deal programs of President Roosevelt, along with the actions taken by Boise citizens to protect their own livelihoods during the period of economic hardship, helped keep the city going through a difficult decade. More than that, they brought new growth into the city, and helped Boise develop into the vibrant place it is today.

• • •

Simon Clifford is a Boise native and history major in his final year. He plans to become a teacher after graduation.