



# SELF-HELP and SAUERKRAUT

## The Organized Unemployed, Inc., of Minneapolis

George Tselos

IT IS ONE of history's paradoxes that in times of crisis when old traditions are passing, there are often desperate efforts to breathe life into them, efforts which may give the appearance of a certain vitality for a while. In the early 1930s, just as the crisis of unemployment caused overwhelming demand for federal responsibility for relief, groups of unemployed people around the nation attempted to support themselves through "self-help" organizations. Factories stood idle for want of orders, and farmers left crops rotting in the fields because the depressed price level would not repay the harvesting effort. Jobless and hungry in the midst of these unused

resources, some city dwellers hoped to circumvent the paralyzed private market mechanism by developing productive arrangements linking the worker directly with the farmer through the barter of labor for produce or through exchange based on scrip money.

In mid-1931, the first such effort was launched, the Seattle Unemployed Citizens League, and the following year a wave of "self-help" groups spread across the nation.<sup>1</sup> One such group was organized in Minneapolis in August, 1932, and developed for a time into one of the nation's largest and most active organizations. Named the "Organized Unemployed, Incorporated," it attracted wide attention and was, in the words of a federal official, "for a long time the bright hope of a great many proponents of barter, self-help and scrip." Despite this hope, the Organized Unemployed proved unable to maintain self-sufficiency and was gradually incorporated into the newly developed federal relief and work-relief system. Ultimately, however, the federal system proved unable to assimilate this inheritance from the pre-New Deal days and disbanded the organization.<sup>2</sup>

The origins of the Minneapolis group, as of those elsewhere, lay in the failure of government to cope with the worst unemployment crisis in the twentieth century. Though Minneapolis employment, like that throughout

<sup>1</sup>General treatments of these groups may be found in the following works: Clark Kerr, "Productive Enterprises of the Unemployed," Ph.D. thesis, University of California, 1939; Wayne Weishaar and Wayne W. Parrish, *Men Without Money: The Challenge of Barter and Scrip* (New York, 1933); Daniel J. Leab, "Barter and Self-Help Groups, 1932-33," in *Midcontinent American Studies Journal*, Spring, 1966, p. 15-24.

<sup>2</sup>Udo Rall, "Cooperative Self-Help: Final Report of Program," 36, mimeographed publication, 1937, in Federal Emergency Relief Administration (FERA), records of the Works Projects Administration (WPA), Record Group 69, National Archives (hereafter cited as NARG 69); photocopies of selected pages in Minnesota Historical Society division of archives and manuscripts.

*THE OU STORE* (left) sold bread, sauerkraut, coats, shirts, and other commodities processed and manufactured by Organized Unemployed workers, as well as goods people brought in for barter and exchange.

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Minnesota, dropped less severely than it did in some other urban centers because the city was less dependent on heavy industry, the unemployment rate was still staggering. The over-all employment index (in which 1928 equals 100) fell just below 70 in May, 1932, and to a low of 61.3 in March, 1933. By the winter of 1932-33, a conservative estimate placed the number of jobless in Hennepin County at 68,552, which, when their dependents were added, totaled almost 120,000 persons in need of aid.<sup>3</sup>

As a result, the number of families on city and private relief rose from 1,633 in March, 1929, to 9,983 in March, 1932, and to 14,592 in March, 1933. Though representing only a small portion of those in need, this increase in cases placed an incredible strain on the city's antiquated relief system, which was based on private charity and declining city tax revenues. Until 1933, no money was available for city relief needs from either the state or federal government. The city doled out its meager relief funds in the form of grocery orders, not cash, and granted them only to the totally impoverished who had gone through a long losing struggle to maintain themselves. The traditional stigma attached to public aid, the difficulty of qualifying for it, and the often humiliating application procedure caused many jobless to consider "going on relief" the ultimate indignity.<sup>4</sup>

A reporter for the *Minneapolis Tribune* gave a sensitive portrait of the scene at the city relief office where "a fringe of jobless men [are] loitering . . . trying to bolster up enough courage to step through the doorway and join the crowd in a plea for public aid.

"Some of them never quite get up courage to go in and ask. . . . But most of them, one by one, sooner or later take a seat inside the courthouse assembly room. Hunger finally overcomes shyness and pride." The newcomer who has finally summoned up enough courage to ask for relief "sits down and gazes about him with an abashed look, as though feeling a sense of guilt that anyone should see him reduced to charity."<sup>5</sup>

As the crisis deepened, a growing number of voices demanded that the government provide adequate and humane relief and begin massive public works projects to provide employment. Such proposals, though not radical, represented a major challenge to the traditional federal and state policies of leaving poor relief to local resources. But it was inevitable that some activists would turn back to expedients which did not challenge the status quo, appeared to offer the chance of quick success, and conformed to the traditional ethic of economic self-reliance. Organized "self-help" fit such criteria admirably, and in Minneapolis the Reverend George H. Mecklenburg was its foremost advocate. The prominent pastor of the large downtown Wesley Methodist Church, at 101 East Grant Street just off Nicollet Avenue, he was an unusual figure — highly

energetic, widely traveled, and the author of several books on religion and contemporary events.<sup>6</sup>

As the depression deepened, Mecklenburg became increasingly uneasy with his traditional duties. Located at the end of the Minneapolis loop, in an area inhabited by many poor white-collar people, his church had sought to provide aid to its needy parishioners. But, as with other private efforts, its declining revenues were gradually overwhelmed as the number of families seeking aid mounted to hundreds per week. He was struck by the "progressive deterioration of the families receiving aid," and said, "The moral breakdown in families that had been on the relief line for a year or two was appalling. The father developed an inferiority complex or, if he did not, he became an enemy of society." Mecklenburg knew that "I got to the place where I simply had to stop preaching the gospel of the Man who fed the 5000, or do something myself. I couldn't go on preaching and see people hungry. I had to close up shop and run away from it all, or do something to help — so I decided to do something."<sup>7</sup>

He was aghast, as were many other people, at poverty in the midst of plenty, but his conclusions differed from those who came to believe that governmental intervention in or public ownership of the economy was necessary. Observing the countryside during a lengthy automobile trip in early 1932, he felt that "the strangest thing about it was that the shelves of the stores were bulging with goods. Farmers were not harvesting their produce. . . . Our lack was not food and clothes;

<sup>3</sup>Roland S. Vaile, ed., *Impact of the Depression on Business Activity and Real Income in Minnesota*, 57 (*University of Minnesota Studies in Economics and Business*, no. 8, Minneapolis, 1933); *Minnesota Employment Review*, August, 1932, [p. 2], May, 1933, [p. 2]; Minnesota Department of Labor and Industry, *Twenty-fourth Biennial Report, 1933-34*, p. 15 (St. Paul, 1935).

<sup>4</sup>*Minnesota Employment Review*, August, 1932, [p. 4], May, 1933, [p. 42]; Raymond L. Koch, "Politics and Relief in Minneapolis During the 1930s," in *Minnesota History*, 41:153-170 (Winter, 1968).

<sup>5</sup>*Minneapolis Tribune*, May 1, 1932, editorial section, p. 1.

<sup>6</sup>George H. Mecklenburg, *Never a Dull Moment: Reflections on Sixty Years in the Protestant Ministry* (New York, 1964), *Russia Challenges Religion* (New York, 1934), *The Last of the Old West* (Washington, D.C., 1927). In the election of 1932, Mecklenburg urged his parishioners to vote for Hoover rather than Roosevelt because some of the Democratic party leaders like Al Smith and other "Eastern wets" opposed Prohibition. See *Minneapolis Tribune*, October 31, 1932, p. 1.

<sup>7</sup>"The Organized Unemployed, Inc., of Minneapolis, Minnesota," mimeographed leaflet in MHS division of archives and manuscripts; Mecklenburg, "The Story of the Organized Unemployed of Minneapolis," in *Christian Advocate*, January 26, 1933, p. 78-79 (first quote); Frazier Hunt, "The Church Rolls Up Its Sleeves," in *Good Housekeeping*, March, 1933, p. 165 (second quote).



GEORGE H. MECKLENBURG believed that his work as prime mover of the Organized Unemployed was a logical extension of his ministry. Mecklenburg's talks and sermons were often broadcast over WRHM, a radio station headquartered in Wesley Temple which carried many religious programs. Photograph lent by Wesley United Methodist Church.

our lack was money. . . . The real problem was to bring surplus unemployed labor to surplus products." Further study led him to the idea of barter and exchange and from there to the idea of using scrip money as a

<sup>8</sup> Mecklenburg, *Never a Dull Moment*, 73-74.

<sup>9</sup> Hunt, in *Good Housekeeping*, March, 1933, p. 162; O. W. Behrens to William Anderson, July 21, 1932 (quote), in Anderson Papers, MHS division of archives and manuscripts.

<sup>10</sup> Joanna C. Colcord, "People Without Money," in *New Outlook*, December, 1932, p. 35. Hunt, in *Good Housekeeping*, March, 1933, p. 162; Rall, "Final Report," 36, NARG 69.

<sup>11</sup> "Organized Unemployed (Inc.), Minneapolis," in *Monthly Labor Review*, 36:743-746 (April, 1933); *Minneapolis Tribune*, January 15, 1933, section 3, p. 8.

<sup>12</sup> *Monthly Labor Review*, 36:745; E. Wight Bakke, "Producers' Exchanges," in *Survey Graphic*, 22:372 (July, 1933); Harold S. Langland, "Report on Investigation of Organized Unemployed, Incorporated, Minneapolis, Minnesota, May 19, 1934, to State Board of Control," 10, table 1, enclosed in letter of Frank M. Rarig, Jr., to Harry L. Hopkins, June 6, 1934, in Minnesota Grants — Organized Unemployed, Inc., Division of Self-Help Cooperatives (DSHC), FERA, NARG 69; photocopies in MHS division of archives and manuscripts.

medium of exchange to facilitate transactions, a device he felt had been used successfully in earlier eras. Thus his essential conclusion was that the core of the problem was lack of a medium of exchange.<sup>8</sup>

AT FIRST, Mecklenburg communicated these thoughts only to one of his active parishioners, a young unemployed Pullman conductor named Earl E. Lenth, who subsequently became a key man in the self-help group. In mid-July, Mecklenburg began to implement his ideas. He called an informal meeting of businessmen to discuss setting up a self-help barter and scrip group. The tentative plans arising from this meeting were then laid before the local Relief Coordination Committee where the mayor's secretary, Oscar W. Behrens, felt they coincided with "what a great many people have suggested at various times."<sup>9</sup>

On August 1, the new group was launched at a meeting attended by 1,500 people at Mecklenburg's Wesley Church. Several subsequent large meetings were well covered in the press as was the first activity, a citywide, door-to-door survey of the unemployed which served also as a recruiting drive. The group quickly took the name, "The Organized Unemployed, Inc." It differed in several respects from the other self-help organizations which developed in those years. Not only did its city-wide initiation by a prominent churchman distinguish it from the smaller-scale beginnings of most other groups, but it quickly developed a wider range of activities than did the others. In particular, its goods production efforts were among the earliest in the nation.<sup>10</sup>

It was headquartered in the old vacant Girls Vocational High School (old Central High School) at Fourth Avenue South and Eleventh Street which was donated by the Board of Education. Within a couple of months, the Organized Unemployed (OU) was harvesting, processing, and canning produce, operating a cafeteria and stores, cutting wood for fuel, making clothing, and providing housing and employment services.<sup>11</sup>

In most of this activity, scrip money printed by the organization was the medium of exchange. The organization paid its participating workers in scrip and also paid scrip to outside suppliers in as many instances as possible. Bearing the organization's motto, "Work, Not Dole," the scrip money was issued in denominations of five, ten, and fifty cents, and one, five, and ten dollars. Between September, 1932, and June, 1933, the Organized Unemployed printed and paid out scrip money with a face value of more than \$60,000. By mid-1933, eighty-two businesses, twelve theaters, and sixty-eight professional people accepted scrip.<sup>12</sup>

The all-important food supply was obtained in several ways. "Contact men" learned a "pitch" which they used in soliciting deals for unsaleable produce with farmers within a thirty-mile radius of Minneapolis. Such deals

took several forms: The crops would be harvested by OU workers on a share basis with the farmer, or he would be paid in scrip either for already harvested crops or at a lesser rate for crops brought in by OU workers. The field hands were then paid in scrip on their return according to the number of hours that they had worked. Sometimes farmers donated crops simply to clear the land, the most spectacular instance of this being the donation of 20,000 bushels of cabbage.<sup>13</sup>

Mecklenburg described another transaction as follows: "A farmer drove into Minneapolis with a truck load of navy beans. After spending the morning at the city market he still had the beans. All afternoon he drove from store to store but nobody would even look at beans -- had too many now, they said. About four o'clock in the afternoon he came to our warehouse and we bought the whole load at a cent over the market. With the scrip he outfitted his children with shoes from our store, and bought a phonograph and some other things." Crop yields were high in 1932 (one factor causing the low farm prices that year), and the Organized Unemployed gathered a supply of thousands of bushels of potatoes, onions, carrots, cabbage, squash and other storable produce.<sup>14</sup>

The following year the organization took up farming on its own when it leased a 280-acre tract of land north of the city in Anoka County in return for 20 per cent of the produce. Perhaps the ultimate extension of these agricultural self-help efforts came in a campaign launched in December, 1932, by the OU's "department of colonization" to place 1,000 unemployed families on a like number of abandoned farms near Minneapolis. Each family was to be backed by a sponsor providing needed

machinery, supplies, equipment, livestock, and seed and would then gain a subsistence living and donate its surplus crops to the organization. The grandiose goal was not achieved, but 100 families were placed on farms during 1933.<sup>15</sup>

Initially, much of the perishable produce was preserved in glass jars packed in private homes around the various wards. In 1933, after high breakage and spoilage rates had plagued these first operations, the organization set up a canning factory in the headquarters' basement, using two 125-can cookers and hand sealers. The huge cabbage donation had been processed in the headquarters from the start, and the resulting sauerkraut almost came to characterize the organization in its early months. Backed in part by hundreds of barrels of it, the scrip was sometimes called "sauerkraut money." Edward G. Thompson, an active leader, recalled that "the basement was so full of sauerkraut, you could smell it when you came in the building," an aroma remembered by numerous visitors. The sauerkraut, like the other produce, was sold at the organization's stores, served at its cafeteria, and sometimes bartered for other goods not purchasable with scrip.<sup>16</sup>

<sup>13</sup>Minneapolis Tribune, August 16, 1932, p. 3; November 1, 1932, p. 22; Monthly Labor Review, 36:743-744.

<sup>14</sup>Carroll P. Streeter, "They're Getting On Without Money," in Farmer's Wife, April, 1933, p. 7 (quote); Darragh Aldrich, "Putting the Town on the Potato Standard," in Household Magazine, April, 1933, p. 11, 14.

<sup>15</sup>J. B. Farber and Clyde W. Buell, "Cooperative Self-Help in Minnesota and the United States," June, 1935, p. 29, typed report in the MHS library; Minneapolis Star, December 26, 1932, p. 1; Minneapolis Tribune, May 28, 1933, p. 8.

<sup>16</sup>Farber and Buell, "Cooperative Self-Help in Min-

**HEADQUARTERS** of the OU was the Girls' Vocational School, formerly Central High School, at Fourth Avenue and Eleventh Street. This picture (below left) was taken in 1903. By 1932 when the OU was using it, one of its towers had been removed. The picture (below right) of the interior staircase was taken in 1936 just before the school was razed.





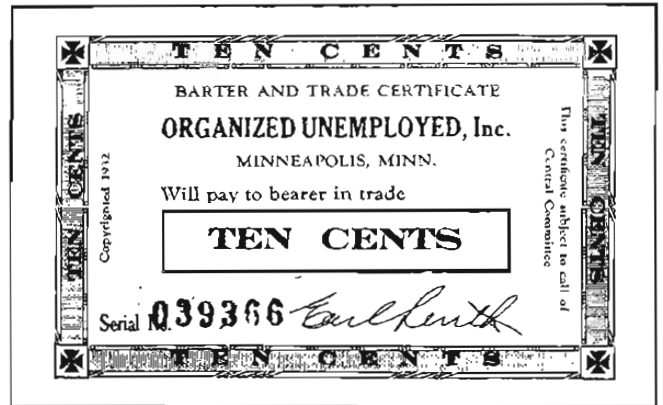
SCRIP was the medium of exchange in most OU transactions with employees, suppliers, and customers. The five-dollar bill is the same size as ordinary federal currency; the ten-cent scrip is proportionately smaller.



After the Organized Unemployed was loaned a complete kitchen outfit by a local cafeteria chain, it operated a cafeteria (sometimes called the "white collar restaurant") on a large scale. For some time, the chain also provided large amounts of leftover food and paid in part for the services of an experienced unemployed chef. By the spring of 1933, a staff of forty was serving 1,400 meals daily at a charge of ten cents in scrip per meal.<sup>17</sup>

Wood cutting was another major activity the Organized Unemployed developed in the countryside. Many farmers were willing to have the organization clear their land of timber through the same kind of deals as those negotiated for farm produce. At one point in the winter of 1932-33, about 400 men were working simultaneously in thirty crews. The organization obtained about 5,700 cords of wood this way during the winter months and sold it to member families and to apartment house owners who were renting to tenants for scrip.<sup>18</sup>

Clothing production began early, first in the ward centers and then in the headquarters. Using materials and machines gained through donation, barter, or cash purchases, the organization initially produced mackinaws and flannel clothing for men, women, and children. In one involved barter deal, the OU got heavy



mackinaw cloth in trade for barrels of sauerkraut, then traded the finished coats to the company store of a beet-sugar processor for \$1,000 worth of sugar. Other OU departments repaired and remade shoes and baked bread from Red Cross flour. The goods produced, as well as such items as household goods which were obtained by barter and purchased from members and the public, were made available to the membership through a retail scrip store in the headquarters.<sup>19</sup>

The OU also operated as an employment agency for craft workers through its "city labor department" which forwarded job openings to "guilds" composed of unemployed workers in the painting, carpentry, and plumbing crafts, to name the most active. All cash payment jobs were turned over to the "guild" with the head person assigning the jobs to individuals and leaving the completion of the agreement to them.<sup>20</sup>

On barter deals, the organization made the arrangements, paid the workers in scrip, and took goods in payment. One example of such a deal occurred when a Brooklyn Center pastor asked OU craftsmen to do \$650 worth of construction and repair work on the church, parish house, and some of the farmers' homes. The entire job was paid for with produce donated by the church's farmer-parishioners. The organization helped members obtain housing by inducing landlords to accept scrip for rent which they then spent at the OU store for food or fuel or else hired OU workers with it for maintenance work.<sup>21</sup>

nesota," 25; Hunt, in *Good Housekeeping*, March, 1933, p. 21; author interview with Edward C. Thompson, December, 1972 (quote).

<sup>17</sup> *Monthly Labor Review*, 36:745; "Where the Goose Hangs High," in *Literary Digest*, January 14, 1933, p. 19.

<sup>18</sup> Mecklenburg, *Russia Challenges Religion*, 17; *Monthly Labor Review*, 36:751, 752.

<sup>19</sup> Farber and Buell, "Cooperative Self-Help in Minnesota," 27; *Monthly Labor Review*, 36:746; Hunt, in *Good Housekeeping*, March, 1933, p. 21, 165; "The Organized Unemployed, Inc., Minneapolis, Minnesota," 21-22, undated mimeographed leaflet in MHS division of archives and manuscripts.

<sup>20</sup> *Monthly Labor Review*, 36:746.

<sup>21</sup> *Monthly Labor Review*, 36:743; Mecklenburg to FERA and Minnesota State Board of Control, October 13, 1933, enclosed in Rarig to Jacob Baker, October 17, 1933, in Minnesota Grants — Organized Unemployed, Inc., file, DSHC, FERA, WPA, NARG 69, photocopy in MHS division of archives and manuscripts; Farber and Buell, "Cooperative Self-Help in Minnesota," p. 32.



THE "WHITE COLLAR RESTAURANT" was in the Girls' Vocational School. It had a staff of forty and served as many as 1,400 meals per day at ten cents a meal.

Members threatened with mortgage foreclosure or eviction for nonpayment of rent were helped through a department staffed by sixteen attorneys who donated their services. The department claimed to have saved hundreds of families from eviction or property loss through conferences with landlords or mortgage holders.<sup>22</sup>

The organization also provided leisure activities for its members. Through its ward groups, it sponsored such social events as card parties and dances, and in December, 1933, it put on a Christmas party for 1,000 children at the Loring Theatre in downtown Minneapolis.<sup>23</sup>

THE ORGANIZED UNEMPLOYED defined its purpose as "provid[ing] only such marginal assistance as would eliminate the necessity of application for public relief." In October, 1933, Mecklenburg stated that about 8,000 workers had been "assisted," and implied that of these, approximately 1,700 had earned "one month's sustenance or more" while on the organization's payroll. The significance of these figures was questioned, however, because the organization counted a person as having been assisted even if he or she had only one scrip transaction. Active members ranged from "a nucleus of perhaps a few hundred people, mainly office workers at the general headquarters, who depend on their scrip

income of \$6 to \$10 a week as their only source of income" to occasional workers earning a few dollars now and then. The numbers of people involved fluctuated greatly depending on the season and resources available. In November, 1932, there were 605 workers which dropped to 411 by February, 1933.<sup>24</sup>

The organization described its members as "in general, the thrifty, hard working, middle class of America who have now lost their jobs but are desperately trying to avoid charity." This characterization was seconded by a United States Department of Labor study which reported that "the larger part of the unemployed who received work aid from their organization came from the 'white collar' group who were on the border line and who would rather starve than undergo the humiliation of applying for aid through the regular relief channels."<sup>25</sup>

The organization's publicity stressed that it did not encourage participation by those on relief. One reporter presented as typical of membership feelings the state-

<sup>22</sup> *Minneapolis Journal*, December 9, 1932, p. 21.

<sup>23</sup> *Minneapolis Tribune*, January 15, 1933, section 3, p. 8.

<sup>24</sup> Mecklenburg to FERA and State Board of Control, October 13, 1933 (first quote). NARG 69; *Monthly Labor Review*, 36:743, 753 (second quote).

<sup>25</sup> "The Organized Unemployed, Inc., Minneapolis, Minnesota," 4-page mimeographed informational leaflet, in MHS

ment of a former bank clerk: "I never did get much of a salary and had practically no savings when the bank closed," he told the reporter. "For weeks, I walked the streets looking for a job but there wasn't any. . . . We went without fuel for a week. Day times we roamed around in stores to keep warm, and as soon as we came home we went to bed. I'd never asked for a handout in my life and couldn't now. Then some one told me about Organized Unemployed and they gave me a job on a wood crew.

"I'd never handled an ax or saw . . . and I was pretty clumsy." He continued, "I got hardened in and learned how to cut wood. Now I'm making \$2.50 a day, my family is warm and well fed. I'm in the best physical trim of my life, and, thank God, we aren't taking charity from anybody."<sup>26</sup>

The question of membership composition and motivation is more complex than the above statements indicate, however. Despite the conclusion reached by the Department of Labor, the actual composition of the unemployed involved in the organization was not largely white-collar. A list was compiled in October, 1933, of people who had received wages equal to one month's subsistence or more. A random sample of one-fourth of these people whose occupations were checked in the *Minneapolis City Directory* indicated that only 20 per cent could be considered white-collar, while 43 per cent were skilled blue-collar, and 37 per cent were semi-skilled and unskilled blue-collar workers. Comparing these percentages to the proportions of these workers among the city's labor force and also among estimates of the unemployed, we find that white-collar workers and semiskilled and unskilled workers are somewhat underrepresented, while skilled blue-collar workers are very much overrepresented.<sup>27</sup>

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division of archives and manuscripts (first quote); *Monthly Labor Review*, 36:753 (second quote).

<sup>26</sup>"The Organized Unemployed, Inc.," 4-page informational leaflet, Streeter, in *Farmer's Wife*, April, 1933, p. 7 (quote).

<sup>27</sup>List of names dated August 9, 1933, included with letter of Rarig to Baker, October 17, 1933, NARG 69; photocopy in MHS division of archives and manuscripts contains notes made by the author from *Minneapolis City Directory*, 1932, 1933, 1934, for his sample of individuals aided by the Organized Unemployed; *United States Census*, 1930, *Population*, 4:828; Minneapolis Board of Education, *Industry in Minnesota*, 97-98 (*Social Studies*, no. 13, Minneapolis, 1937).

<sup>28</sup>That only one-fourth of the family unemployment cases were allowed to qualify for relief is borne out by the fact that (as mentioned above) while there were 68,552 jobless in Hennepin County in the winter of 1932-33, in March, 1933, there were only 14,592 relief cases in the county.

<sup>29</sup>Aldrich, in *Household Magazine*, April, 1933, p. 11; "The Organized Unemployed, Inc.," 4-page informational leaflet (first quote); "Facts About the Organized Unemployed" (second quote), both leaflets in the MHS division of archives and manuscripts.

In trying to explain this distribution of participants, one must remember that another motivating factor was undoubtedly involved beyond the revulsion against the indignity of applying for the "dole." In the period prior to the New Deal federal relief programs, not only was applying for relief a humiliating process, but probably no more than one-fourth of the family unemployment cases were allowed to qualify for the pittance granted by public and private agencies. Undoubtedly, large numbers of those participating in the Organized Unemployed during its first eight months did so more out of desperation for aid than because they declined to accept relief which they could have obtained. In particular, skilled blue-collar workers, whatever their feelings about relief, might have been expected to have somewhat greater resources than the unskilled. They would thus be less eligible for relief while simultaneously they were better able to undertake the manual labor opportunities available through the Organized Unemployed. White-collar workers, whether they had the same resources or not, would be less able to work at such tasks as wood cutting, building repair, produce processing, and similar manual labor.<sup>28</sup>

Whatever the motivations which led people to participate, the motto, "Work, Not Dole!" was emphasized by the organization and appeared not only on the scrip, but in all of the OU's literature and on a giant banner hung across the headquarters' entrance. Its publicity stressed the intertwining themes of "Unemployed people want to work. They hate the breadline," the moral and physical debilitation caused by lengthy unemployment, and the OU's promise to help "them keep their self respect by making them self-supporting again." Yet the obvious truth in such statements and their appeal to many jobless should not obscure the fact that this self-help philosophy as expounded by the leadership of the organization was essentially backward-looking.<sup>29</sup>

THE SLOGAN of "Work, Not Dole!" can lead in two directions. It can stress the responsibility of government to provide a remedy and demand a reorganization of government and the economy so as to provide useful, full-time work at decent wages for the unemployed. Or the slogan can lead to ignoring governmental responsibility and structural change and instead encouraging the jobless to shoulder the burden themselves and organize their own support networks outside the economic system.

Radicals leading the unemployed leagues in Ohio and Pennsylvania initially promoted limited self-help work to provide some direct benefits for their members while building protest campaigns aimed at everything from gaining larger local relief budgets to propagandizing for federal unemployment insurance. In contrast, despite occasional claims that the OU aimed to give the unemployed a voice, Mecklenburg explicitly rejected



any protest activity and stressed self-help as the only positive alternative to charity.<sup>30</sup>

Numerous pieces of literature from the organization and statements by Mecklenburg testify to its conservative orientation: "Folks ask how long will the Organized Unemployed continue. It ought to continue so long as one-third of the population of Minneapolis is without work. We will surely disband just as soon as we can secure work for regular wages for United States money."

"In the mean time, we ought to cooperate to make this barter and exchange, self-help plan more effective. . . . We are not a protest movement. We are for labor. We are for the merchants. We are for everybody in the community. We hurt no one. We do not interfere with regular business because we create new business which would not have been in existence had we not organized." Another piece of propaganda reiterated this theme: "Contrary to some other unemployment movements, this has not been a protest movement. It is non-political and non-sectarian. The ORGANIZED UNEMPLOYED meetings, even when thousands were present, have been as quiet and orderly as a church meeting. It has cooperated with business organizations and can only live as it cooperates with it."<sup>31</sup>

Mecklenburg's statements indicated his belief that circulation of the scrip and the exertions of the OU members would themselves stimulate renewed prosperity. "The scrip money which is being used is being circulated to ever-widening spheres of life." He evaluated later: "Scrip really acts the same as checks in increasing the medium of exchange. . . . The tendency of the whole movement is to increase all business by stirring up the stagnant pool into which business has slumped." Elsewhere he asked, "Relief? Dole? These are something to be used only in emergency like earthquakes and such things. . . . We must concern ourselves with the people who just won't give up . . . the people to whom we must look to pull themselves and the rest of us out of this condition."<sup>32</sup>

He noted with satisfaction the response which his approach elicited from the business community. "You know Capitalism is beginning to sense that there are only two roads that it can follow: one is along the trail of cooperative brotherhood; the other is the red road of Bolshevism. There is no middle road. And right here in Minneapolis the group of rich people who we thought were against us — I mean, against the whole new conception of Christianity's duty toward common man — well, they're more and more on our side. They realize that the world has made a frightful mess of things and they want to find the way out." Mecklenburg's status in the community and his forceful articulation of traditional virtues as a solution for the crisis elicited a widespread and favorable press response. The Minneapolis papers gave the organization extensive coverage and

editorialized that it was "based on eminently sound theory" and "in view of the organization's conspicuous success thus far, it would seem that congratulations are in order."<sup>33</sup>

A number of local and national periodicals ran feature stories on its progress during its first year. Typical of the extravagant praise often rendered, one article reported that "More than 7,500 men and women have found jobs. They take no charity, stand in no breadlines, but with heads erect put up a heroic and successful fight for a living." Because of the extensive publicity, "for a time . . . the officers were busy showing visitors from near and far over the plant at headquarters and answering scores of letters requesting information about the movement." For many months, the organization raised additional income by selling informational packets to the public.<sup>34</sup>

It was no wonder that the Organized Unemployed was used as a model by a number of similar groups formed around the nation, and that in April, 1934, Mecklenburg should confide to a federal official that he was "thinking about cooperating with the State of Minnesota to organize the unemployed of the whole state into self help groups." The conservative philosophy held by the Organized Unemployed and Mecklenburg's talent for publicizing its activities ensured that it would have a favorable public image. Yet, the organization was not nearly as successful as it was often portrayed and, indeed, it operated in some potentially harmful ways.<sup>35</sup>

Its agricultural operations suffered from such natural causes as the short Minnesota growing season and the disastrous droughts which hit the crops in 1933 and 1934. The harvest deals, the attempts at farming by the

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<sup>30</sup>Roy Rosenzweig, "Radicals and the Jobless: The Muskettes and the Unemployed Leagues, 1932-1936," in *Labor History*, 16:56-57 (Winter, 1975); *New York Times*, January 8, 1933, section 8, p. 6.

<sup>31</sup>"Calling in Scrip," printed leaflet, May, 1933 (first quote); "Seven Startling Facts About the Organized Unemployed of Minneapolis — For the Busy Business Man" (second quote), mimeographed leaflet; both in MHS division of archives and manuscripts.

<sup>32</sup>Mecklenburg, in *Christian Advocate*, January 26, 1933, p. 79 (first quote); *Minneapolis Journal*, March 14, 1933, p. 13, 18 (second quote).

<sup>33</sup>Hunt, in *Good Housekeeping*, March, 1933, p. 165 (first quote); *Minneapolis Tribune*, December 10, 1932, p. 6 (second quote).

<sup>34</sup>Streeter, in *Farmer's Wife*, April, 1933, p. 22 (first quote); Harry Fiterman and Harold S. Langland, "Minnesota State Social Security and Public Welfare Survey," vol. 1, chapter 7, p. 146 (second quote), typewritten report dated May, 1937, in Minneapolis Public Library.

<sup>35</sup>Fiterman and Langland, "Survey," vol. 1, chapter 7, p. 146; Hjalmar Rutzebeck, "Field Report," April, 1934 (quote), enclosed with Margaret M. Gillies to William S. Ford, June 4, 1934, in *Minnesota Grants — Organized Unemployed, Inc.*, DSHC, FERA, WPA, NARC 69.



"THE BASEMENT was so full of sauerkraut, you could smell it when you came into the building," recalls one OU employee. The sauerkraut almost came to characterize the organization. It was sold in its store, served in the cafeteria, and bartered for other goods.

<sup>36</sup> *Monthly Labor Review*, 36:747-748; *Report of the Minnesota State Board of Control as the State Emergency Relief Administration, September 29, 1932 to July 1, 1934*, 85 (St. Paul, 1934); A. C. Godward to FERA and State Board of Control, March 6, 1934, in *Minnesota Grants — Organized Unemployed, Inc.*, DSHC, FERA, WPA, NARG 69, photocopy in MHS division of archives and manuscripts.

<sup>37</sup> Farber and Buell, *Cooperative Self-Help*, 33-34; Fiterman and Langland, "Survey," vol. 1, chapter 7, p. 151-154, 158.

<sup>38</sup> Russell Kurtz, "Resume of Study of the Organized Unemployed, Inc. of Minneapolis, Minn., January, 1933," p. 3, 4, in *Minnesota — Aid for Unemployed*; William W. Harvey and Albert E. Larson, certified public accountants, report of examination of Organized Unemployed, Inc., July 26, 1933, p. 8 (quote), enclosed with Rarig to Baker, October 17, 1933, in *Minnesota Grants — Organized Unemployed, Inc.*; both in DSHC, FERA, WPA, NARG 69; "Cooperative Self-Help Activities Among the Unemployed — General Summary," in *Monthly Labor Review*, 36:1238 (June, 1933).

organization, and the placement of families by the "back to the land" project all were hard hit. Even under better conditions, however, the farm activities undertaken would not have been able to provide the members with anything approaching a balanced diet, and such staple commodities as sugar and flour would always be in short supply.<sup>36</sup>

The lack of capital meant that the group's productive activities were limited by necessity to such low investment projects as wood cutting, canning, and clothing production. Even here a host of problems arose. Transporting the cut wood back to town and delivering it required trucks, gasoline, and maintenance expenditures which were only available for cash or through donations of equipment. By the end of the first winter a large amount of the cut wood remained in the countryside, undeliverable for lack of funds. Canning was a seasonal activity, and the inefficiencies attending the small-scale, antiquated nature of the canning and sewing operations were compounded by erratic procurement of raw materials because of barter difficulties and cash shortage. Even with the best will in the world, many members were often inefficient workers because they were inexperienced in the work they undertook. There was also a substantial turnover among the workers.<sup>37</sup>

These inefficiencies meant that the organization could ultimately give its members only a low rate of return on their labor. At most, scrip wages averaged twenty-five cents per hour or \$1.50 per day. These problems of production were compounded by poor management and accounting. In mid-1933, auditors reported that "Financial statements prepared periodically, purporting to set forth the financial position of the Corporation have been inaccurate to such an extent as to be of no value to the management and in fact have been misleading." The auditors blamed this on the fact that "operating departments have been poorly co-ordinated with the result that the accounting department has been unable to function in an orderly manner. This condition has proved costly to the Corporation as its affairs have been wide open to uncontrolled leaks." As a result, costs of production were inaccurately calculated, often leaving out "overhead" expenses such as transportation and selling costs. The result was grossly unrealistic pricing and overestimation of the value of the organization's inventory. It also led to issuing scrip greatly in excess of the value of the assets and goods available for purchase.<sup>38</sup>

IF THE Organized Unemployed had been self-contained and able to supply its members' needs rather fully, these problems might have been minimized. But it was not able to do so, and in consequence a further devaluation of its members' labor occurred. Because of the frequent shortages of commodities at the OU store, the members sought acceptance of the scrip in their out-

side purchases. Usually unsuccessful in this, they tried to exchange their scrip for cash. Even those who accepted scrip outside the organization were often forced to sell it again because they themselves were unable to use it. Taking advantage of the scrip holders' need for cash, unscrupulous persons began to haunt the halls of the headquarters, offering to buy scrip for cash at rates as low as twenty-five cents on the scrip dollar. With the scrip so obtained, the dealers were then able to buy much of the organizations' limited supplies of staple goods on arrival at great advantage to themselves, thus further aggravating the problem of shortages.<sup>39</sup>

The result of the excessive scrip issues and of the widespread discounting was a tremendous devaluation of the organization's money and a correlated decision to increase the prices at the store, ultimately to a level which ran 25 to 30 per cent higher than prevailing prices outside. Thus the inability of the Organized Unemployed to be really self-sufficient resulted in a further drastic reduction in the real rate of return on its members' labor.<sup>40</sup>

Aware of criticism on this point, the organization responded that "We do not pay wages in the ordinary sense of the word. We are a group of unemployed people who work for themselves. . . . We have been shoved out or thrown out of the economic wage system. . . . We use scrip money as a system of distribution. Therefore, it is not a wage system. . . . Therefore we do not reduce wages. We do not set wages. We are working for ourselves." But this defense missed the point of the criticism. The circulation of scrip money outside the organization affected nonmembers, too. Not only were outside firms encouraged to accept scrip, but a number of businesses which did accept scrip in return for supplies attempted to pay their workers with the debased money.<sup>41</sup>

Two other areas of activity affected the external market. In early 1933, the clothing department contracted with a manufacturer to produce goods for his customers as well as for the organization in return for the use of his equipment on their premises and supplies of raw materials. The wage stipulation was that the wage on his job lots was to be not below \$1.50 daily in scrip, a rate far below prevailing wages even without considering the scrip inflation.<sup>42</sup>

The operation of the craft "guilds" also involved the organization in the prevailing job market despite its earlier disclaimer that since "our men work for goods rather than U.S. money, the question of wage scales does not enter into our dealings. . . . In no case do we want to do work on a barter basis with any person who has U.S. money to pay for the work." Not only was the organization unable to determine whether the employer really was without cash, but by 1933 its "city labor department" and "guilds" were accepting cash job offers and

sending out members to set their own rates. Some scrip holders also hired workers this way. This practice tended to set members bidding against one another in lowering their rates.<sup>43</sup>

This policy with regard to employment and scrip circulation outside the organization led the Minneapolis Central Labor Union to condemn the Organized Unemployed in a resolution which charged that it was "breaking down wage scales and conditions and lowering living standards to a point where honest toil brings only the reward of the barest existence or even less." The United States Bureau of Labor Statistics, after its own investigation, concluded that "there are dangerous elements in this situation."<sup>44</sup>

Some criticism was directed against the method of governing the group. Though the publicity of the Organized Unemployed gave the impression that elected representatives played a significant role in decision-making, in fact they did not. Legal and de facto control rested in the hands of Mecklenburg and a couple of his associates who comprised the formal members of the corporation when it was set up in August, 1932. Even by June, 1934, no constitution or by laws had been drawn up perhaps because Mecklenburg feared that what he termed the "unreliable" element among the unemployed might take control. It was unrealistic to expect effective direction of the complex operation by the rank-and-file unemployed because the organization was inevitably plagued with an unstable membership. However, Mecklenburg may have been as concerned with maintaining the conservative stance of the group as he was with the danger of organizational ineffectiveness.<sup>45</sup>

AS NOTED EARLIER the initial hopes of Mecklenburg and his associates to get along without outside funds were soon dashed. The organization quickly developed a need for a cash subsidy, which proved to be a serious financial and philosophical difficulty. In October, 1932, Mecklenburg turned for aid to a group of local busi-

<sup>39</sup>A *Report of the Minnesota State Board of Control*, 88; Langland, "Report," 11, NARG 69.

<sup>40</sup>Langland, "Report," 9, 11, 12, NARG 69.

<sup>41</sup>"Calling in Scrip"; Kurtz, "Resume," 3, NARG 69; *Minneapolis Tribune*, January 15, 1933, section 3, p. 8; author interview with Edward G. Thompson, December, 1972.

<sup>42</sup>*Monthly Labor Review*, 36:746-747, 748.

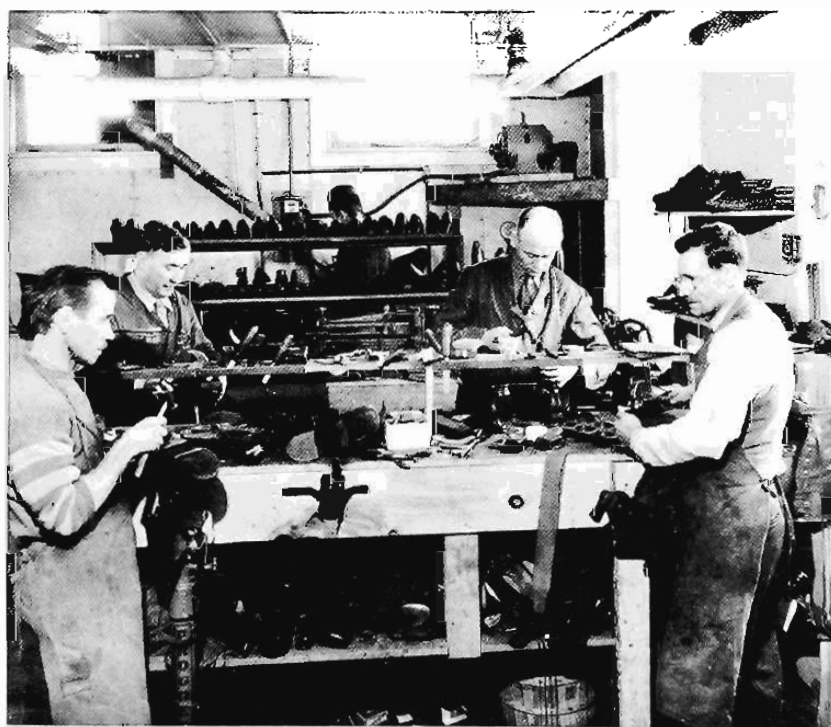
<sup>43</sup>"Facts About the Organized Unemployed" (quote); *Monthly Labor Review*, 36:746, 1237; photocopy of untitled informational leaflet, June 15, 1933, in MHS division of archives and manuscripts.

<sup>44</sup>*Monthly Labor Review*, 36:748 (first quote), 752 (second quote).

<sup>45</sup>*Monthly Labor Review*, 36:742; Rutzebeck, "Field Report," NARG 69; Rarig to Hopkins, June 6, 1934, in Minnesota Grants — Organized Unemployed, Inc., DSHC, FERA, WPA, NARG 69, photocopy in MHS division of archives and manuscripts.



*HEAVY MACKINAW coats and warm flannel garments for men, women, and children were made in the clothing department. Material was obtained by barter and exchange. Later the OU contracted with a manufacturer to make his clothing as well as its own in exchange for the use of equipment and raw materials.*



*SALVAGING OLD SHOES in the repair shop provided people with work and saved the customer, at least temporarily, the cost of new shoes.*

nessmen called the Minneapolis Industrial Committee. Sympathetic to his efforts, the businessmen donated \$6,000 during the first year of operation. Other persons made additional donations in response to appeals the organization directed at the business community. These solicitations emphasized the conservative nature of the venture and claimed that each donation stimulated a tenfold value of relief work. Mecklenburg and Alfred C. Godward themselves donated thousands of dollars.<sup>46</sup>

In its early publicity the organization had emphasized its ability to be self-supporting, insisting that "the O.U. is not asking the public for 'something for nothing.' There will be no tag days or cash-raising drives. Our members are not charity cases. Through the creative self-help program of the O.U. we are going to keep them away from charities. They pay for all goods with labor or other goods." Because of this rhetoric, the need for outside support was undoubtedly as embarrassing as it was inevitable. Consequently, for many months the leadership concealed the magnitude of the subsidies from the membership and publicly maintained that no campaign for funds had ever been initiated. By June, 1933, however, OU publicity acknowledged the aid by noting that "In the form of *cash* and *merchandise* donations, many friends in the community have invested approximately \$17,000 in the efforts of the Organized Unemployed to maintain themselves independently of the Public-charity, dole system."<sup>47</sup>

Ironically, within a few months the organization turned to the federal government for support, though it had pointedly refrained from taking part in the efforts to bring about federal intervention in the economic crisis. Though it appeared the organization might become temporarily solvent once its crops were harvested in the fall of 1933, it was clear that the Organized Unemployed would need to find a new source of funds. The sponsoring committee of businessmen had seemed increasingly reluctant to subsidize the inevitable deficit and had urged the liquidation of the organization at one point.<sup>48</sup>

However, the provisions of the first New Deal relief measures enacted that year opened up a new alternative for support. Federal Emergency Relief Administration (FERA) funds were granted to the states and administered by them under federal guidelines. Money could be used for direct relief and work relief, but relatively few work programs were conducted under FERA since direct relief was probably cheaper per client. The FERA also had a Division of Self-Help Cooperatives (DSHC), however, which had authority under the Relief Act of 1933 to "aid in assisting cooperative self-help associations for the barter of goods and services." The grants, which would be made through the State Emergency Relief Administration (SERA), were intended for operating capital. The FERA recognized that productive activity kept the unemployed from deteriorating, mentally and

physically, and also that, even with a subsidy, the cheap labor of self-help members producing their own goods might mean significant savings in relief expenditures over the cost of the dole.<sup>49</sup>

With federal aid available, the businessmen's committee and Mecklenburg applied in October for a grant of \$30,000 for the next six months, including \$10,000 for the grocery operation. They asserted: "we believe this appropriation will make the system 100% self-sustaining, with the exception of any cash requirements needed for salaries of management." To receive the grant the organization had to meet a number of conditions. It had to raise wages to a minimum of thirty cents an hour, raise several thousand dollars of additional private money, and reorganize its administrative operation, placing it under the supervision of the businessmen's committee. Clothing production for sale on the open market had to cease. After assurance that the conditions were met, the FERA decided to grant \$20,000 for operating capital, but rejected the requested food subsidy of \$10,000, arguing that to give the organization money for staples "is to increase Minneapolis' share of relief moneys allocated for this basic relief."<sup>50</sup>

The federal money did keep the organization functioning during the following months, but critical difficulties continued, and it was unable to achieve financial stability. The 1933 crop failure and increasing difficulties in obtaining food through barter created a shortage of staple food items, which was made worse by large purchases of these items by scrip speculators and hoarders. Finally, in March, 1934, a rationing system was instituted and speculators excluded from purchasing. To meet the needs of the members, some of the subsidy was

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<sup>46</sup>D. B. Mackenroth, George H. Rogers, and A. C. Godward to FERA and Minnesota State Board of Control, October 13, 1933, enclosed in Rarig to Baker, October 17, 1933, NARG 69; "Seven Startling Facts"; "Calling in Scrip."

<sup>47</sup>"Facts about the Organized Unemployed" (first quote); *Monthly Labor Review*, 36:754; Margaret Williamsen, "Those Who Help Themselves," in *Commonweal*, 17:516 (March 8, 1933); untitled informational sheet, June 15, 1933 (second quote).

<sup>48</sup>Mackenroth *et al.* to FERA and State Board of Control, October 13, 1933, NARG 69.

<sup>49</sup>Raymond L. Koch, "The Development of Public Relief Programs in Minnesota, 1929-1941," p. 110, Ph.D. thesis, University of Minnesota, 1967; Fiterman and Langland, "Survey," vol. 1, chapter 7, p. 144 (quote); "Self-Help Program of the Federal Emergency Relief Administration: Summary of Federal Aid to Self-Help Cooperatives in the United States, July 1-December 31, 1935," Division of Information, FERA, NARG 69.

<sup>50</sup>"Estimated Cash Requirements for Six Months" and Mecklenburg to FERA, October 13, 1933, both enclosed with Rarig to Baker, October 17, 1933, Baker to Hopkins, August 8, 1933, in Minnesota — Aid for Unemployed; Baker to Rarig, October 28, 1933 (quote), in Minnesota Grants — Organized Unemployed, Inc.; all in DSHC, FERA, WPA, NARG 69.



used for food purchases, contrary to the guidelines of the grant. In March, the scarcity was so critical that the state granted \$10,000 of its relief funds for the grocery department. Through the provision of goods, the Organized Unemployed was able to retire outstanding scrip approximately in the amount of the grant, which helped in the revaluation of the paper money to 75 per cent of its face value by March.<sup>51</sup>

However, the employment situation remained unsatisfactory. Hourly wages failed to reach the minimum required by the government until March, and the number of workers fell to below 300. During the winter of 1933–34, many members, desiring to earn a cash income, quit to work for the Civil Works Administration, a short-term federal work-relief program.<sup>52</sup>

THESE DIFFICULTIES were indicators of a deeper problem. Despite claims to the contrary, by 1934 the OU was neither providing many members with a marginally sustaining income nor, because of that, was it keeping them off relief. In the late spring of that year, the SERA conducted an extensive investigation of the operation and the membership. It concluded that possibly as many as half of those who had earned thirty or more dollars over the previous six months had recently been or were still on relief. Only about 30 per cent of the members at most were getting enough to live on and

<sup>51</sup>A Report of the Minnesota State Board of Control, 88–89; Langland, "Report," 6–7, NARG 69; Mecklenburg to FERA, March 6, 1934, enclosed with Rarig to Hopkins, May 7, 1934, in Minnesota Grants — Organized Unemployed, Inc., DSHC, FERA, WPA, NARG 69, photocopies in MHS division of archives and manuscripts.

<sup>52</sup>Organized Unemployed, Progress Report, March, 1934, enclosed with W. J. Blamey to Rarig, April 16, 1934, in Minnesota Progress Reports — Organized Unemployed, Inc.; Rutzebeck, "Field Report," April, 1934; both in DSHC, FERA, WPA, NARG 69.

<sup>53</sup>Langland, "Report," 19, Rarig to Hopkins, June 6, 1934, NARG 69.

<sup>54</sup>Rarig to Hopkins, May 7, 1934, Gillies to Ford, June 4, 1934, NARG 69.

<sup>55</sup>Rarig to Hopkins, June 6, 1934, Baker to Floyd B. Olson, telegram, July 12, 1934, both in Minnesota Grants — Organized Unemployed, Inc., DSHC, FERA, WPA, NARG 69.

<sup>56</sup>"The Organized Unemployed, Inc., Statistical Report #2 — September, 1934," in "Unemployed, Minneapolis" file, Division of Public Relief, Department of Public Welfare, Minneapolis, photocopy in MHS division of archives and manuscripts; Fiterman and Langland, "Survey," vol. 1, chapter 7, 156–157; "Operating Plan — Organized Unemployed, July and August, 1934," enclosed with letter of Nathan Harris to Baker, July 9, 1934, N. K. Fairbank, field report to Gillies, October 17, 1934, Langland to Baker, September 6, 1934, Langland to Gillies, September 25, 1934, all in Minnesota Grants — Organized Unemployed, Inc., DSHC, FERA, WPA, NARG 69; Progress Report, March 5, 1935, enclosed with Langland to Rall, March 5, 1935, in Minnesota Progress Reports — Organized Unemployed, in DSHC, FERA, WPA, NARG 69.

thus to stay off relief. The SERA report noted that in interviews with members, "instead of a feeling of loyalty to the organization, there was somewhat of resentment [sic] although many who were asked . . . said that they felt it had been generally of some good." Whether this situation had existed from the start was impossible to tell. The SERA concluded that the leadership of the Organized Unemployed was unaware of this discrepancy between its publicity and its practice.<sup>53</sup>

The SERA had undertaken the investigation in connection with the application of the organization for renewed federal support of \$40,000 for the next six months. Because of the conditions noted by the SERA, the FERA seemed reluctant to grant the additional money.<sup>54</sup>

This hesitation on the part of the federal officials prompted the Minnesota relief officials to propose that, if the subsidy were granted, the SERA would take over operation of the OU to increase its effectiveness and eliminate the objectionable aspects of its activities. Eventually an agreement to this effect was reached. By midsummer of 1934, the Organized Unemployed became for all practical purposes a state work-relief production project, albeit one with a unique character arising from its continued use of scrip internally and attempts at self-sufficiency through barter.<sup>55</sup>

The SERA hoped to show that, despite the anticipated necessity of a subsidy, the membership could be supported at much lower total cost and with higher morale and living standards than was possible on existing direct relief. Harold S. Langland, who conducted the spring investigation, was made director of the project, though he did not engage in day-to-day supervision. Open market production was terminated and canning and clothing production was expanded and oriented towards producing for the membership and relief clients around the state. Membership was expanded and checked for relief eligibility. Workers were provided with nearly full-time employment and paid increased but varying hourly wages according to the number of dependents they had. A small portion of the wages was paid in cash to increase flexibility and attract volunteers from among relief applicants who were now being given cash. Though problems of inefficiency remained, morale improved and membership turnover declined.<sup>56</sup>

However, the need for state subsidy of about 20 per cent of current operating expenses continued, and when the grant from the Division of Self-Help Cooperatives was exhausted, the SERA sought to use funds from its regular federal relief grant for the subsidy. Despite the SERA argument that the move was justified by the resulting savings over direct relief costs, the Federal Emergency Relief Administration forbid the practice in early February, 1935, because, despite SERA supervision, the organization was not part of the regular relief

administrative structure. Alternative means of increasing the organization's income through state relief clothing contracts proved unsuccessful. Lingering hopes that new federal legislation might allow for federal aid to such groups were dashed when it was announced that all such aid was being terminated nationwide by the end of 1935. Perhaps most important, with the establishment by summertime of the Works Progress Administration (WPA), a new federal work-relief program paying cash wages, it was likely that many OU workers would opt for WPA employment.<sup>57</sup>

During May and June of 1935, the SERA gradually disbanded the Organized Unemployed. The members apparently considered making their own appeal to the government for maintenance of the organization, but in the end they bowed to the inevitable. Perhaps the feelings of many were summed up by one of the cafeteria cooks, a veteran of three years in the OU, when she told a reporter: "It's just like busting up a family. Maybe it's for the best, but it's a hard thing to do."<sup>58</sup>

Thus, long before any major commitment to work-relief for the jobless had been made by the federal government, the Organized Unemployed and groups like it had demonstrated how important the chance to work was for the unemployed. Despite exaggerated claims, the OU did mobilize otherwise untouched community resources and enable a number of the unemployed to support themselves without first becoming destitute and then going on relief. Moreover, this kind of organization seemed to develop more of a sense of a group achievement and enthusiasm than did the typical governmental work project which was instituted later. Even as a rather exotic SERA work project, the challenge of making a success of the organization's varied activities seemed to have stimulated good morale and initiative on the part of many members.

Yet, despite the humane activism and accomplishments of the Organized Unemployed's founders and sponsors, their influence was profoundly regressive. In these years of economic paralysis millions of voices were

beginning to demand public responsibility for providing jobs for the jobless and ending the most demoralizing aspects of the dole. But Mecklenburg and his associates, while correctly condemning the ill effects of relief, encouraged the unemployed to lift themselves by their own bootstraps, rather than using their organized power to press for a change in governmental policy. In doing so they unfortunately formed the rear guard of an outmoded individualism.

The era of dealing with unemployment through self-help and sauerkraut production is behind us now, but despite the prevailing system of unemployment insurance and welfare, the problem of providing decent jobs for all remains. One can hope that contemporary demands for a solution will be directed towards full federal responsibility for employment coupled with community direction and participation rather than new versions of the illusory goal of "self-help."

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<sup>57</sup>L. P. Zimmerman to Hopkins, January 30, 1935, Hopkins to Zimmerman, February 5, 1935, Langland to Rall, May 8, 1935, Langland to Fairbank, June 13, 1935, Rall to Baker, June 19, 1935, in Minnesota Grants — Organized Unemployed, Inc.; Earl Lenth to FERA, June 3, 1935, enclosed in Langland to Rall, June 17, 1935, in Minnesota Progress Reports — Organized Unemployed, Inc.; all in DSHC, FERA, WPA, NARC 69; photocopies in MHS division of archives and manuscripts.

<sup>58</sup>*Minneapolis Tribune*, May 12, 1935, p. 13, Farber and Buell, *Cooperative Self-Help*, 36.

PHOTOGRAPHS of the activities and operations of the Organized Unemployed and of the Reverend George H. Mecklenburg are published with the permission of Norton and Peel, Inc., Minneapolis photography studio. The pictures of Girls' Vocational School on page 310 are from the MHS audio-visual library.

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