

We Conquered Recession - Now It's Inflation

By John Rico

Friday, June 08, 1979

IT COULD NOT HAPPEN HERE - Back in the period between 1920 and 1930, economic conditions in the United States were at boom stage. In fact everything was hunky-dory.

The fruit industry in Vacaville was in its glory, crops were bountiful and prices were at a point where a profit could be realized. Although the automobile was not a vehicle within the means of every family, there were perhaps more cars here per capita than there were in most other areas of the country.

Some ranchers, basking in lavish wealth, preferred to be absentee landowners, choosing instead to make their home in downtown Vacaville where the conveniences of "city" life could be enjoyed. And then there were those ranchers who had found a new source of revenue to complement their fruit incomes. It was known as "playing the stock market." There was money to be made in the "market" - money in bushel baskets. Unfortunately the investment afflicted some of these ranchers to the degree that they mortgaged their holdings to "plunge" into the market. Boy, you should have heard the tall tales of success enjoyed in this new-found avenue of wealth.

While all of this activity was going on in Vacaville and in other sections of the country, industrial plants were laying off employees because production had outdistanced buying power.

The period between 1920 and 1930 was Republican years, with Harding, Coolidge and Hoover riding high in the White House. And Vacaville's registered voters were predominately Republican, jumping aboard the bandwagon that put these three men into office.

Money in those years had a different value - a dollar was worth a dollar, and few were the men who could, write a check for \$10,000.

Then one day in 1929 the roof caved in. The bottom dropped out of the stock market, and overnight wealthy people became paupers, there were suicides by the thousands. What had been predicted impossible to happen, had become a reality.

Repossessions of Vacaville area lands were in such numbers that it was necessary for banks to hire full-time ranch managers to care for their unwanted holdings.

Vacaville's Main Street (its only business thoroughfare) presented a desolate scene as building after building were vacated. Main Street virtually went on the auction block and anyone with a few dollars and guts could have been the owners of downtown Vacaville.

Conditions went from bad to worse. You could enjoy a double-header at the Vacaville Theatre for 25 cents, and bring along the kids at 5 cents per head.

Down the street Walter Brehme and Rudy Werner had gone into the creamery business, and were serving hefty, thick milkshakes at 10 cents.

Russell Beelard and Elmer Burton were trying to keep their service station open, offering a free, grease job whenever you had your car washed.

Perry Stottlemeyer would overhaul your Model A Ford for \$10, including all the necessary replacement parts.

The Kandy Kitchen had a merchants lunch for 30 cents, and a free beer went with the meal, while the Alhambra Cafe had its lunch price down to 25 cents.

Beef cattle were at give-away prices, especially when it was noted Safeway had beef stew and hamburger for 9 cents a pound; and the unfortunate vegetable grower was no better off.

White onions were selling at Livingston's Market, 8 pounds for 10 cents, and Safeway had potatoes, 10 pounds for 12 cents, along with three large loaves of bread for 25 cents.

Every line of business felt the impact of what had happened. Strauman's offered two pair of men's sox for 9 cents, and J.C. Penney was offering standard muslin at 5 cents a yard. There were bargains at Schaefer's Big Country Store, such as 4-piece bedroom sets for \$35 or Simmons steel beds at \$5.

There are many Vacaville residents who lived through those hectic years. Perhaps they do ton wish to be reminded of the sacrifices everyone had to make in an effort to overcome those dark days in our history.

Franklin D. Roosevelt came upon the scene and whether or not you agree or disagree with his solutions to the problems, we must all admit his forcefulness moulded the American people into a forward moving unit. He did make many mistakes, but giving credit where credit is due, FDR did not sit on his hands and expect our problems to vanish without human effort.

Many people will say: "What's all this sad past history have to do with our economic conditions as of 1979?" All it does is point out that whatever goes up must come down, and if we want to cure our ills today, there's one sure way to do it - stop talking and take some positive actions. How can we expect to payout about \$40 billion annually to OPEC nations for oil? Common sense dictates that unless we do something about it, and do it fast, we are headed for catastrophe. Back in the depression years the cause was attributed to lack of buying power. Today, there's too much money in circulation, and economists label our predicament as inflation. Perhaps the gas shortage is a blessing in disguise.

But, ironically, everyone wants the other guy to cure our inflation problems.

Downloaded from the Solano History Database

<http://www.solanohistory.org/7138>

<http://articles.solanohistory.net/7138/>