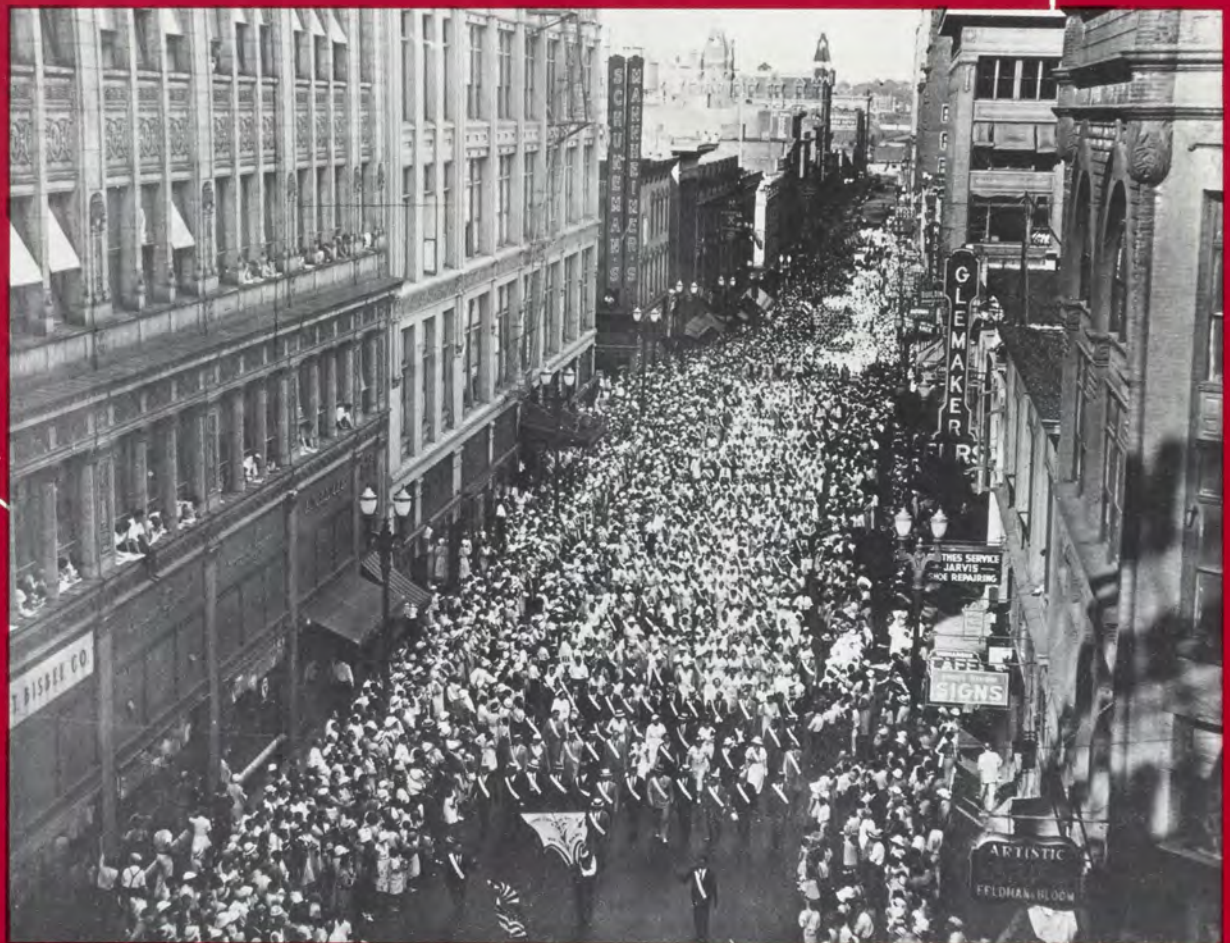


# RAMSEY COUNTY HISTORY

Ramsey County Historical Society

A Pioneer Writes Home  
Alexander Wilkin and 1850s  
St. Paul

Volume 24  
Number 2





# Ramsey County History

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ON THE COVER: An N.R.A. parade, in downtown St. Paul, in August, 1933, demonstrated support for Franklin D. Roosevelt's efforts to cope with the Depression that settled over the country after the stock market crash of 1929. The small ink drawing is of W. H. Forbes' trading post in downtown St. Paul, as sketched by Robert O. Sweeny, a young druggist and artist, in 1852. It was one of a number of sketches Sweeny made of sites in pioneer St. Paul.

ACKNOWLEDGEMENTS: The photograph of Alexander Wilkin on page 8 is from the archives of The St. Paul Companies. All other photographs are from the audiovisual library of the Minnesota Historical Society. The original of the broadside reproduced on page 7 is in the Ignatius Donnelly papers, Division of Library and Archives, Minnesota Historical Society. The original of the Sweeny drawing is in the Minnesota Historical Society's art collection.



# Boom, Boom, Bust! The '29 Crash

*Then the Gods of the Market tumbled, and the  
smooth-tongued wizards withdrew.  
And the hearts of the meanest were humbled and  
began to believe it was true.  
That All is not Gold that Glitters, and Two and  
Two make four.  
And the Gods of the Copybook Headings limped  
up to explain it once more.*

Rudyard Kipling, "The Gods of the Copybook Headings," 1919

By Woodrow Keljik

Memorizing dates has become passé in our schools, but most Americans recall five or six which stand out as beacon lights in western history: 1066, the Norman Conquest; 1492, Columbus' voyage to the new world; 1776, the American Declaration of Independence; 1941, the attack on Pearl Harbor, and 1929. Almost all Americans, even the young, are aware that something catastrophic occurred in 1929 that affected their own lives, and that of their parents and grandparents. And yet as terrifying as those five days in October were, there is a sharp cleavage between that event and the onset of the Great Depression in 1930 that had the real consequences for St. Paul and Minnesota. In logic, the attribution of the depression to the stock market Crash of 1929 is called a *post hoc, propter hoc* argument, or "after this, because of this". The social and economic forces our nation faces today and the social upheavals of the late 1960s dwarf the dislocations of the late 1920s, but have not brought on any semblance of a depression. Let us review first what happened 60 years ago this past October, and what followed, then explore some of the severe hardships, searing poverty and social and political upheavals which affected our city and state during the years following 1929.

It is a story that bears a chilling resemblance to today's events, with an unsettling similarity in its cast

*ABOUT THE AUTHOR: Woodrow Keljik is a descendant of a family that arrived in St. Paul in 1899. He is a 1933 graduate cum laude in history from Harvard University. He served in the army from 1942 to 1945 and was twice wounded. He has written extensively on St. Paul and Ramsey County history.*

of characters: greedy speculators, criminals roaming the streets, homeless and jobless men lining up at soup kitchens, violence among striking workers, "get rich quick" operators, farmers in deep trouble, a drug problem involving alcohol, and inept governmental "fixes" that didn't always work.

On December 4, 1928, Calvin Coolidge sent his last State of the Union message to Congress: "No Congress ever assembled, on surveying the State of the Union, has met with a more pleasing prospect than that which appears at the present time," he declared. For nearly 60 years Coolidge has been crucified for his failure to warn the nation of impending trouble. He would have done far better had he predicted a crisis and been proven right. In 1928 nearly all bankers, financiers, political leaders and newspaper columnists believed in continuing prosperity, but if Coolidge sowed the wind, Herbert Hoover inherited the whirlwind, and for 20 years after 1932, the Democrats ran against Hoover, not against Landon, Willkie and Dewey.

Memories of the boom years of the 1920s have grown dim, but today we have the counterparts of all those men who "strutted and fretted their hour upon the stage and then were heard no more": Albert Wiggin, Richard Whitney, Charles Mitchell, Goldman-Sachs, Samuel Insull, Howard Hopson, Jesse Livermore, Barney Baruch, Irving Fisher, Roger Babson, and dozens more. The same mutual funds, investment trusts, holding companies, the short sellers, the margin traders, the insiders, the rumor mongers are all with us still.

## Poverty and Prosperity

Were the 1920s really prosperous? Appalachian whites and blacks everywhere lived in nearly hopeless poverty. Sweat shops were evident in the garment trades. Production was rising through the decade, but not all of it was sold. A million used cars clogged the car lots in 1929, after automobile production rose from 4,300,000 in 1926 to 5,358,000 in 1929. Throughout the twenties a major agricultural depression was rampant, and a million farmers left the soil; expensive machinery was taxing their net income and small scale farming then, as now, was becoming unprofitable. Acreage prices, still inflated by the wartime prosperity of 1917-1919, were burdensome. The Congress tried



to respond but the Harding and Coolidge administrations turned a deaf ear. The McNary-Haugen Bill, in spite of overwhelming support among farmers and in the House, was vetoed by Coolidge in 1927 and 1928. The farm protest really was a continuation of the agricultural deflation of the post-Civil War period, evoking such names as Bryan and Free Silver, The Grange, Arthur Townley, the Non-Partisan League and Charles Lindbergh, Sr. There was much distress in rural America all through the twenties and America was far more rural 70 years ago than it is today.

In 1929 call money (to finance stock purchases, especially on margin) was abundant. The United States had emerged from World War I a strong world power, replacing London's financial leadership. The Allies owed America large sums for arms purchases made both before and after the United States entered the war in 1917. The Allies were squeezing defeated Germany for reparations to pay America, but the Germans could not pay without heavy investments and loans. This round robin kept the money machine well oiled. When Winston Churchill, chancellor of the exchequer, re-established the old 4.86 ratio of the pound to the dollar, a ratio that was far from the market ratio, he plunged Britain into several financial crises. Gold streamed out of Britain and Europe to America and America was forced to cut its interest rates to discourage the gold outflow. This, however, made borrowing more attractive at home. In 1927 the Federal Reserve cut interest rates to 3 1/2 percent and vast amounts of new money was made available to Wall Street. Banks could borrow at 3 1/2 percent and lend the brokers call money at 5 percent, but many traders were not interested in the cost of margin loans if they could make 40 to 60 percent on the price of the stocks; by late 1929 some borrowers were charged as much as 20 percent for margin money.

Margin buying means paying only a fraction of the price of the purchase and borrowing the balance from the broker, who, in turn, borrows from his bank. Today the margin percentage is 50 percent; in 1929 it was as low as 10 percent. In 1929 the buyer could pay as little as \$600 on a \$6,000 purchase and borrow the remaining \$5,400 from the broker. If the stock rose, all the rise was profit, but if it fell, the broker would either demand more margin or sell the stock to protect his loan. In 1929 there were 600,000 margin accounts on Wall Street. As the market boomed, the buyers on margin made great profits on their cash investment. But on the other side of the bull market were the bears, the short sellers, a form

of Wall Street hocus-pocus needing explanation. If you look for a decline in the market, you order your broker to sell a particular stock, which you do not own, and place a marginal deposit of cash. The broker borrows the stock certificate from the portfolio of another client which is held in the broker's name (perfectly legal), and sells it in the name of the short seller. If the stock's price drops, the short seller buys it back at the lower price, replaces the borrowed stock with his stock, and pockets the difference between the sold price and bought price. However, if the price rises he must buy it at the higher price and absorb the loss.

As the market kept rising in 1928, words of caution began to appear. Charles Merrill, one of the original members of the Merrill Lynch firm, warned that prices were getting out of control. He was advised to see a psychiatrist, as he apparently was of unstable mind. Merrill did so. After the session the psychiatrist agreed with him and both men liquidated their holdings. But the fairly sane rise up to 1928 changed to a speculative plunge after that. The great prophet of the day was Roger Babson of Massachusetts' Wellesley College who warned, "crash coming." But men preferred to believe what they wished to believe. The industrial average, high on New Years Day in 1928, rose sharply in January and February, reached new highs in March, some stocks gaining 10, 15 or 20 points in a single day. As the boom gathered strength, the "big fellows" were heard from. John J. Raskob, director of General Motors and shortly to become the Democratic National Chairman in Al Smith's presidential campaign, sailed for Europe on March 23 stating that GM stock should not be selling for less than 12 times earnings, or \$225, much higher than the day's close at 187. The market responded at once with an advance of five points and zoomed to 199 on March 26.

The GM rally fueled a new wave of heavy buying. William Crapo Durant, the creator of General Motors, and the Fisher brothers who had earlier been bought out of their share of General Motors, were loaded with cash and now bulled the market further. Volume was phenomenal for the 1920s. It reached 4,790,000 shares on March 27, 1928, and 5,052,000 shares on June 12, with the ticker running two hours late. On that day, however, stock averages were severely down and ominous headlines in some newspapers proclaimed the end of the great bull market. They were wrong; the final high had not yet even been approached.

On September 17 Roger Babson again warned an



PRICE THREE CENTS IN ST. PAUL.

# AFTER CRASH

UNTIL  
ER LAGS

## 12,894,680 SHARES CHANGE HANDS IN SALES STAMPEDE; TICKER 4 HOURS BEHIND

Despite Heavy Volume of Early Distress Selling Vigorous Rally at Close Indicates There Is Little Ground for Prolonged State of Uneasiness, Financial Leaders Assert After Conference.

### TRADERS CHEER AS U. S. STEEL, OLD-TIME BAROMETER, TURNS UP CHECKING PLUNGE

New York, Oct. 24.—(AP)—The remarkable era of avid public speculation in stocks which has swept over the country during the past five years came to a climax today in the most terrifying stampede of selling—totaling 12,894,680 shares—ever experienced on the New York Stock Exchange and other leading security markets.

The sickening plunge was checked late in the session when United States Steel common, old-time barometer of the market turned upward and was greeted by exultant cheering.

Not since the war panic which resulted in closing the exchange for seventeen weeks in 1914 has Wall street seen such a dark and trying day and never in financial history have security markets been thrown into such a tumult. It appeared for a time that the stock markets would be unable to face the situation and that trading would have to be suspended but the leading exchanges saw the ordeal through, although a few floor traders collapsed and had to be aided from the trading floors.

#### CURB TRADING ALSO SPECTACULAR.

Trading on the New York Curb Exchange was also spectacular and the total volume was 6,148,300 shares, a new high record. It compared with the previous record of 3,715,400 shares, established on Monday. Sales of Cities Service common broke the mark for any one issue, reaching 1,151,900 shares.

Standard dividend paying stocks were thrown overboard along with the more speculative issues. Stocks were sold for what they would bring in blocks of from 1,000 to 100,000 shares. Traders on the floor of the stock exchange shrieked and howled their offers for desperate minutes before they found takers.

Such a roar arose from the stock exchange floor that it could be heard for blocks up and down Broad and Wall streets. Speculators and sight seers poured into Wall street in such volume that extra traffic police were required to handle them and the stock exchange gallery, to which spectators are admitted only on recommendation



Paul Traders and  
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Rises in St. Paul were  
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Bad news. A St. Paul newspaper reports an ominous break in the stock market in early October, 1929, heralding Black Tuesday—October 29.

audience at Wellesley that if Al Smith were elected, a depression would follow at once; however on November 6, 1928, Herbert Hoover was elected in a landslide. Hoover, not only an honest and decent man but a capable administrator of the Allied Food Relief Program after World War I, had warned the previous administration to calm the speculative frenzy, but found no support in the Coolidge cabinet. His election gave the market another shot in the arm and it barrelled ahead on November 7. Volume now reached six million shares.

The nation enjoyed its Thanksgiving and Christmas dinners and cheered as 1929 finally arrived. On

New Year's Day newspapers reported police raids on speakeasies. In Albany, Franklin D. Roosevelt became the new governor of New York. The gross national product for 1928 reached a respectable \$91 billion (60 years later it was close to \$4 trillion). Tom Watson, chief of I.B.M. stated that, "We may look with confidence to the progress of business in 1929." Walter P. Chrysler, who introduced the Plymouth and De Soto and purchased Dodge Brothers, was *Time's* Man of the Year. Alexander Noyes, the *New York Times* analyst, was now the subject of severe criticism by irate investors. His repeated warnings that stocks were selling far above the acceptable 10 times earnings and were dangerously overpriced, made him a false prophet in the face of the steadily rising market. Those who had listened to him had lost the greatest bull market of the century. The Dow was at 80 when he first issued his warnings. Now it stood at 300. Poor Noyes; he was nearly in disgrace. New highs were reached repeatedly that spring, in spite of one or two sharp setbacks.

During the very hot summer of 1929, all eyes were on Connie Mack's Philadelphia Athletics, who were successfully challenging the Yankees for the pennant. The Yankees had won three successive championships in 1926, 1927, and 1928, and the World Series in 1927 and 1928. The A's won the pennant and beat the Chicago Cubs in the Series in October, only days before the bubble burst. In September the Dow made its all-time high, a figure that would not be exceeded for more than another quarter of a century. But now it was October and it was clear that a major correction was on the way. Margin calls were up. Bernard Baruch, who breathed confidence all through the summer, began to have doubts. One morning on his way to his Wall Street office, he stopped to give a coin to an old beggar, who said, "I have a good tip for you", to one of the shrewdest traders of the day. Baruch later said: "When beggars and shoeshine boys, barbers and beauticians, can tell you how to get rich.....". He shortly sold out completely. But even into October the bulls still urged that recent declines were merely preludes to new highs.

On October 3, in the heaviest drop of the year, the New York Stock Exchange plunged amidst some evidence of panic selling. Heavy margin calls were issued, but once again the market rallied and showed a solid recovery by Columbus Day. On Friday, October 18, another near collapse was followed by further weakness the next day. But the *Wall Street Journal* predicted a rally for Monday, October 21, and even Alex Noyes caved in and felt that the



correction was over. Monday morning, October 21 opened the final week before the Great Crash. Over six million shares traded that day in heavy selling. On Wednesday, October 23, the opening was slow and by 10:30 a.m. a steady decline had developed. Adams Express, a fine stock, lost 46 points and now real fear developed on the floor.

### Prelude to Disaster

It is now 60 years since the New York Stock Exchange opened at 10 a.m. on Thursday, October 24. Few men are alive who, as adults, witnessed the events of that day and the succeeding four trading days. Despair had reigned through the financial offices of the country the night of October 23. An air of impatience awaited the opening bell as frantic speculators ordered market sales of all stocks. Prices fell at once as trading began on extra heavy volume. The precipitous fall continued all morning. Losses of five to 50 points were common. The specialists were helpless in the face of an avalanche of sell orders. Many such slips landed in the waste basket. Crowds gathered on Wall Street, standing silently in dread of what they saw or heard. Hundreds stormed into the visitors' gallery and screamed at the huge declines.

In St. Paul, for the first time in history, brokerage houses were crowded until long after dark. There was standing room only for panicky spectators and that was at a premium. The stock market's ticker tape was four hours late and clerks worked far into the night, the lights burning late in their downtown offices, to get their records in shape for the market's opening the next day.

The author remembered that crowds of men milled around outside the Western Union office in the Pioneer Building on the corner of Fourth and Minnesota streets in downtown St. Paul. There were several brokerage offices in the Pioneer Building and periodically clerks would post the latest stock quotations in their windows.

By 11 a.m. on that Thursday, October 24th, the New York Stock Exchange galleries were forcibly cleared; by noon nearly \$10 billion had been wiped out, an enormous sum for that day. Reeling bankers recalled the Bankers' Panic of 1907 which J.P. Morgan had stopped in the nick of time. But old J.P. had died in 1913 and young J.P. was in Europe. The bankers had to act for themselves and with dispatch. Urged by the exigency of the hour they met at noon at the Morgan offices, 23 Wall Street, a powerful brigade of financiers: Albert Wiggin, Chase Na-

tional; Charles Mitchell, National City; William Potter, Guaranty Trust; Seward Prosser, Bankers Trust; and George F. Baker, First National. By 12:30 p.m. they were ready to act on a pool estimated at \$30 million. Richard Whitney, executive vice president of the Stock Exchange and a Morgan man, entered the madhouse on the floor and, making himself as conspicuous as possible, rushed to the United States Steel post. He asked the price of the stock; "205" boomed the specialist, "but the bidding now is considerably lower." Whitney cried out an order to buy 10,000 shares of U.S. Steel at 205.

He then moved from post to post making similar purchases at market prices. Everywhere he spoke loudly as he faced the frenzied crowd among whom he was a familiar figure. Confidence gradually returned as the hemorrhage apparently was stanching. Black Thursday showed some traces of gray. A few stocks even closed slightly higher than they had opened, but 13 million shares, an incredible volume, were traded that day. Final closing prices were not available until after 7 p.m. Friday's newspapers reported Hoover's famous statement that the fundamental business of the country was on a sound and prosperous basis.

Stocks rallied modestly on Friday, October 25, and declined moderately on Saturday, the 26th. The nation rested over the weekend while the Wall Street drudges labored on, often without sleep, to post and transfer the avalanche of transactions.

### The Crash

At 10 a.m. on Monday, October 28, the gods of the "Copybook Headings" in terror and slaughter returned. Prices collapsed from the opening and fell continuously all day. Rumors that another bankers' meeting was brewing proved false. The plug was pulled and the shares of America's most prominent corporations went down the drain. Rumors that bankers had shot themselves, that Mitchell was begging for a private loan, that Hoover was in despair, that bear pools who had shorted the market, could buy back at their own price, were almost all false. Sell! Sell! was the constant cry. Far greater damage would have resulted had the market remained open another two hours. Bankers did meet at 4:30 p.m. to view the ruins, while Hoover in Washington and Roosevelt in Albany were powerless. But worse was yet to come as the terrible Black Tuesday of October 29 dawned.

Years later stories would be told of that day, most of them myth and legend, of mass hysteria, cursing



and weeping, heart attacks, and assaults on the floor. From the national point of view, what really happened was worse. Liquidation was the order of the day in every city and financial office. Vast numbers of previously overvalued stocks became greatly undervalued in the two days of the massacre. Almost every tick was down on October 29. J.P. Morgan was reported rushing home by steamer to take charge. Margin calls had gone out all day and as the calls were not honored, stocks were sold by brokers to protect their loans. This dumping of more stock produced more margin calls and a domino-effect collapse. One of the crueller aspects of this process is that even if the margin buyer is sold out, he still will owe the broker a debt if the sale of the stock brought less than the margin loan.

The following list of selected stocks with their losses at the close of trading on October 29 shows the extent of the disaster that day:

AIR Reduction	off 25
Allied Chemical	off 35
American Foreign Power	off 22 1/2
American Machine and Foundry	off 25 1/4
American Rolling Mills	off 33
American Tel and Tel	off 28
Atchison, Topeka, Santa Fe	off 17
Auburn Auto	off 60
American Can	off 16
Beatrice Creamery	off 20
Delaware and Hudson	off 25 1/8
DuPont de Nemours	off 35 1/8
Electric AutoLite	off 45
General Electric	off 28
Fox Films	off 20

*Thousands of St. Paul marchers in a N.R.A. parade in August of 1933. President Roosevelt's National Recovery Act failed to stem the Depression which eased its grip on America only after the outbreak of World War II.*





On Wednesday, October 30, reporters running up to Tarrytown, N.Y. finally got a statement from John D. Rockefeller, Sr., at his home in Pocantico Hills. The sphinx-like Rockefeller said, "My son and I have for some days been purchasing sound common stocks." Eddie Cantor, the leading comedian of the day, quipped, "Sure, who else had any money left?"

William Durant, a sharp trader for years, was a multimillionaire on January 1, 1929, and nearly flat broke by October 29. One of the saddest and most spectacular tragedies was that of James J. Riordan, president of New York County Trust Company and a man with everything to live for, including four lovely daughters. At 6 p.m. on Friday, November 8, he placed a revolver to his head and fired. He fell, still conscious, and his last words were, "What will happen to my girls?"

But the real Wall Street debacle was yet to occur and it was not the cause of, but the result of the Great Depression. The market began to rally on October 30 and up to April, 1930, a jerky but steady recovery gained back much of the October collapse. The real, though not spectacular, decline took place from then on up until July, 1932, when the Dow Jones Industrial Average closed at 41. On October 4, 1989, it was at 2771. The record sales of stock on Black Tuesday were over 16 million shares, a figure that was not exceeded for a quarter century.

## The Great Depression

The understanding of the real causes of the devastating depression that began in the summer of 1930 would entail a mass of statistics and cannot be attempted here. The Great Depression lasted a full 10 years and did not really release its grip until Allied war purchasing began in the summer of 1940 after the fall of France. A nationwide disaster, the depression will be discussed in terms of the Twin Cities metropolitan area and Minnesota.

St. Paul was severely hurt by the opening of the Panama Canal in 1915. As the central distributing point for much of the manufactured goods from the East, St. Paul had built up an enviable wholesale trade centered around the city's Lowertown district. "Drummers" went out from here to the western states to sell what the jobbers and wholesalers handled back in St. Paul. The much cheaper water route using the Panama Canal to move goods from New York and Philadelphia to the west coast made St. Paul slowly less competitive. Even before 1930 this aspect of the city's economy had suffered considerably. Also, St. Paul as the sister city was ad-

versely affected by the decline in Minneapolis' milling industry. Wheat began to move East more by the inland waterways than by rail; further, changes in railroad tariffs in 1922 made it cheaper to ship wheat rather than flour, even though wheat was heavier, and much of Minneapolis' milling went to Buffalo. In 1890 more than half of all the manufacturing in Minneapolis was in the milling of wheat. And by 1930 the advancing technology in the utilities industry cost the Falls of St. Anthony, a source of hydroelectric power, its primacy over plants where fossil fuels were used to generate electricity.

St. Paul's location at the head of river navigation and its more diverse industry sheltered it somewhat from the economic blows that struck Minneapolis. The South St. Paul stockyards, an integral part of St. Paul's trading area as a necessary consumer-sustained industry, held up after 1930. However the printing industry, including West Publishing, Webb Publishing Company, and calendar printing by Brown and Bigelow, was more harshly affected by the depression because of a drop in demand. One of the great aids to St. Paul in the earlier years of the depression was the fact that it was the capital and a city with an insurance industry of some size. Government and insurance company payrolls are not affected nearly so severely by sharp declines in the demand for manufactured goods and generally hold up longer.

Minneapolis as a more completely industrialized city fared worse. Of course, in a 10-year depression all industries will be hard hit as people will eat oatmeal rather than meat (as they did) and state, city and federal governments are forced to cut back. A small help to St. Paul, at least up to the time of Mayor Mark Gehan's administration in 1934 (and I write without pride), was the gangster presence in St. Paul. Long afterward Alvin ("Creepy") Karpis, in writing his memoirs of those years of the early 1930s, said "It was like a perpetual party, but the greatest blow-out was New Year's Eve 1932. Probably never before was there such a gathering of criminals in one room as there was in the Green Lantern [on Wabasha] that night. There were escapees from every major U.S. penitentiary. I was dazzled." But as Prohibition came to an end and the Lindbergh law made kidnapping more dangerous, the flow of cash from the underworld dwindled and broke down.

One of the more unusual consequences of the depression was the astonishing "left-over" money from appropriations that had been made earlier. The money for the ornate and lavish Ramsey County Courthouse, appropriated in 1928, was far more





than enough for the actual material and labor costs experienced by 1931 and 1932. It became possible to build on a grander scale than had been originally planned.

The Foshay Tower in Minneapolis was for many years that city's tallest and proudest building. By a startling coincidence, within a week of the October 29th disaster the \$20 million Foshay empire went bankrupt. Ultimately, Wilbur Foshay went to prison.

After three terms as a popular governor, Theodore Christianson retired in 1930; he was followed by a young Hennepin County attorney who had unsuccessfully sought the office in 1924. It was Floyd B. Olson who became the governor most closely identified with the depression in Minnesota. Olson, who died in office, faced severe problems almost at once: 70 percent unemployment on the Range; a 75 percent drop in dairy farmers' income since 1929; 137,000 families in the state unable to survive the winter of 1931-32 without assistance; major strikes with violence, and a deeply worsening farm depression. Olson met twice with Governor Roosevelt of New York in 1931 and 1932 to help prepare for Roosevelt's 1932 campaign in Minnesota. The result was Olson's reelection by a landslide and Roosevelt becoming the first Democrat to carry the state since statehood.

On May 3, 1932, more than 2,000 farmers from several states launched the Farmers' Holiday Asso-

*Men sleeping on park benches, a familiar sight during the Depression. Then, as now, the plight of the homeless concerned the nation.*

ciation with Milo Reno as president. In September Governors Olson, Warren Green of South Dakota, George Shafer of North Dakota and Dan Turner of Iowa met at Sioux City. They listened sympathetically to the association's three objectives: a farm mortgage foreclosure moratorium; a special session of Congress to enact farm relief legislation; and a legal state embargo against the sale of farm products at below production costs. In Washington, still adamantly opposed to any federal farm relief, the voice of Patrick J. Hurley, Hoover's Secretary of War, sounded the government's view of "rugged individualism:" "to give a gratuity to an individual is divesting men and women of their spirit, their self-reliance. It is striking at the very foundation of the system on which this nation is built."

Hoover thought private charity should handle the situation. Chicago's Mayor Cermak, in a congressional hearing in June, 1932, stated: "The government still has a choice. It can send relief to Chicago or it can send troops." Arthur Hyde was Hoover's Secretary of Agriculture and some northwest farmers began to refer to the 4H Clubs as Hoover, Hyde, Hardtimes and Hell. This was 1932 when the full fury of the Great Depression struck St. Paul and Minnesota. By 1937 the Minnesota branch of the



Holiday Association had dropped from 4,000 members in 1934 to 3,000 and was absorbed by the Farmers' Union. The coming of the New Deal administration saw vast changes directed toward the alleviation of actual physical suffering, but the depression gave little ground. In 1933 the administration enacted the Agricultural Adjustment Act (AAA), and raised prices on farm produce and livestock by restricting supply. Farmers received a check of 30 cents a bushel on wheat by cutting production sharply.

When the Supreme Court ruled the AAA unconstitutional in 1936, Congress passed the Soil Conservation and Allotment Act, avoiding those features which the court had voided. The FERA (Federal Emergency Relief Act) allotted the state nearly \$60 million for work relief. Next came the better known PWA and WPA and CWA. By 1935 the FERA had become the WPA and played an important role in relieving vast distress in Minnesota. One can still see many of the projects which put 54,000 Minnesotans to work almost at once. Como Park is an example.

But statistics can never fully reveal the anguish suffered by individuals. Carl Warmington, in his

1985 book on his experiences during the depression, recalled his heart-rending experiences in 1931 and 1932. One of millions seeking work in vain, he was a business administration graduate from the University of Minnesota. In order to gain experience for a job he even sought work for no pay. He thought he could get work at the Great Northern Railroad because he knew a vice president of the line. When he offered to work for nothing, his friend smiled in sympathy and said: "Carl, we can't have a new face around here while we are letting staff with seniority go." It is difficult to believe that only 60 years ago the country had witnessed a young man willing to work without pay, another man with a family to support reduced to competing in such an environment, and a third man who was unable to hire a college graduate for no pay because of the crushing loss of morale to his other employees.

Warmington remembered that companies were not even taking applications for jobs, but Civil Service examinations remained. He took several and

*A W.P.A. worker helping a family hit hard by the Depression. The Works Progress Administration was a Depression-era federal program that provided jobs for the jobless.*





waited and waited. For a few weeks before Christmas in 1931 he joined the Dayton Company's employees band as a trombonist, playing from 8 to 8:30 a.m. each morning as the salesclerks arrived for work. This was George Dayton's idea. After 8:30 the band members walked across the street to the Forum Cafeteria for their special 25-cent breakfast. Near Christmas one morning he visited "Lock-up Alley" and its soup line in Minneapolis' old Gateway district.

"It now began to snow and the wind was howling around a vacant warehouse bordering the alley," he recalled. "Huddled alongside this deserted building was a long line of shivering men, many without overcoats. The only sound [came] from the stomping of their feet in the snow. We joined the line at the fire escape, squeezed by the waiting men, climbed the steps and entered a darkened room. After each man was interviewed, he was issued a book of meal and lodging tickets. The room had no light except for a window and only a small oil heater for warmth. The smell of a mixture of pipe smoke, damp clothes, body odor and burning kerosene was almost unbearable. An obviously sick man, without an overcoat or hat, was next. 'Ole, are you coughing?' 'I've got bad lungs', replied Ole with a thick Scandinavian accent. 'I need to get to the hospital.' As Ole had no [streetcar] fare, he was given this advice: 'If your cough gets worse, go over to the police box at the corner of Hennepin and Washington, stretch out on the sidewalk, wave your arms, grab your stomach and moan a lot. This will attract a crowd and the beat cop will call an ambulance.' Many of these men were a sampling of the laborers who had laid the rails, harvested the grain, and logged Minnesota's forests. Now without resources, long exploited, others handicapped from industrial accidents, all without a voice to secure assistance." The heartbreaking song of the 1930s still calculated to draw tears from those who recall the time:

*"Once I built a railroad, made it run,  
Ran a race against time;  
Once I built a railroad, now it's done,  
Brother, can you spare a dime?"*

As 1932 wore on, more single men were now unemployed and destitute. Since St. Paul was the hub of many railroads, every freight brought more men into the city. The Great Depression was moving like a juggernaut through the state; farmers ready to strike, urban workers demanding immediate relief, unemployment in the north beyond belief. As 1933

came on and the New Deal attempted to attack the massive problem, one of the most helpful remedies was the CCC (Civilian Conservation Corps). Thousands of young men from Ramsey County were taken into camps for reforestation, soil conservation, and flood control. The pay was \$30 a month, of which \$25 was sent home to the family and \$5 kept by the boys. These wonderful jobs were acclaimed with greater joy than a starting pay of \$18,000 a year today. Men entering the army in 1940 and 1941 found that even at that late date many of their friends had recently come out of the CCC camps.

The story of the Hormel strike at Austin in November, 1933, affords an interesting view of Governor Olson, and of the times that seem to be a distant echo of the present. The Austin workers physically ejected management from the plant, Hormel imported strikebreakers and the county sheriff, trying to keep order, called on the Governor for help. Olson secretly placed 300 National Guardsmen near Owatonna and went to meet personally with management. Hormel agreed to arbitrate. The news drew heavy criticism of the Governor by the Twin Cities newspapers. Olson replied on radio that Hormel was satisfied with his plan and then excoriated the press in words rarely heard since:

"These bloodthirsty swivelchair warriors whose only knowledge of life is gained through travelling from their homes to the sanctuary of their editorial rooms, thence to the exclusive clubs and back home, having no knowledge of the reactions of working peoples' affairs, nor of their pride, their aspirations, their ideals, their ambitions, are undertaking to state in substance that men should not be reasoned with, but should be struck down and killed - they do not know that it needs but a spark to start a veritable conflagration in this nation, and in their supreme egotism, I presume do not care." That the governor of a state could publicly chastise the largest newspapers of his state is a clear picture of the temper of the times.

The other great confrontation of the middle 1930s was the Minneapolis truck drivers' strike in 1934. Headed by Carl Skoglund, Vince Dunne and his two brothers, the conflict was an attempt to unionize all truck drivers in the Twin Cities. They were opposed by a Citizens Alliance. In this bloody conflict, Olson used National Guardsmen again and declared martial law. Once again, he rebuked the press for favoring their large advertisers. "The grim workingman who sweats long hours for \$12 a week cannot advertise," he said.



The Protestant work ethic is deeply embedded in the American character. It is evident today. Success and achievement are equated with the accumulation of material possessions, and they are consciously or unconsciously viewed as the approbation or judgment of God. In the late 19th century, the Reverend Russell Conwell's popular sermon, "Acres of Diamonds," was delivered thousands of times over the years: "To secure wealth is an honorable ambition, and is one great test of a person's usefulness to others. I say 'Get rich! Get rich!' *Plus ça change, c'est plus la même chose* — the more things change, the more they remain the same.

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## Cold Weather, Warm Hearts

"It is proverbial that Saint Petersburg and the capitals of other cold countries are the gayest places in the world during the reign of winter," the *Minnesota Pioneer* observed on January 2, 1850. The paper proceeded to prove its point in an account of a particularly festive holiday season.

"The festivities and hilarity of our town on New Year's Eve confirm the truth, that cold weather can never freeze warm hearts. Saint Paul was, yesterday, swarming with animated fashion. The sideboards of many of our citizens were provided with free entertainments which would do credit to the wealthy burgers of Gotham."

The celebrations seem to have been an interesting mixture of the frivolous and the serious and apparently the gatherings were crowded to the rafters. As the *Pioneer* described it:

"At 11 a.m. our people assembled at the Methodist church to attend the exercise of the Minnesota Historical Society where an introductory lecture was delivered by the Rev. Mr. [Edward Duffield] Neill which was not only instructive but thrillingly eloquent, his subject being the earlier voyageurs of the Northwest...one could seem to see actually stirring before him the events described...the exercises were enlivened by the instrumental music of that excellent band from Fort Snelling."

That evening there was a ball at the Central

House with some 100 "gentlemen and their ladies present," and it was, according to the newspaper's somewhat breathless account, the "largest collection of beauty and fashion we have ever seen in the West. The only hindrance to perfect enjoyment was the excessive members of the party. There being room for only five cotillions...so great was the throng that Mr. Kennedy was unable to complete the arrangement of the table. This was probably mortifying to the host and hostess who had spared no expense in the ample preparation of numerous dishes which it was not possible for them to convey to the table, so great was the crowd."

Still, St. Paul's enterprising pioneers seemed to have kept their eyes on the bottom line. The following advertisement appeared in the *Minnesotian* on December 4, 1852:

"CHILDREN CRY FOR THEM"

"O, don't you remember, 'tis now in December  
And soon will be Holidays come.

O, t'will be so funny, I've plenty of money  
I'll buy me a sword and a drum."

"RENS & KARCHER have received direct from the hands of the manufacturers a general assortment of toys for the Holidays — every kind and variety that can be thought of, too numerous to mention in detail. Call at their establishments on Third Street and in the Upper Town."



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Sioux treaty chiefs on a visit to Washington D.C. See page 3.



Alexander Wilkin.  
See page 3.



Homeless men during the Great Depression.  
See page 17.



W.P.A. helper bathing her small charge.  
See page 17.

The Gibbs Farm Museum, owned by the Ramsey County Historical Society, at Cleveland and Larpenteur in Falcon Heights.



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