

RAMSEY COUNTY
History
A Publication of the Ramsey County Historical Society

Winter, 2006

Volume 40, Number 4

Growing Up in St. Paul
The Andahazy School of
Classical Ballet

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“The Greatest Single Industry”
Crex: Created Out of Nothing

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This 1901 American Grass Twine publicity photo shows a room furnished and decorated almost entirely with wire grass products. The company processed all of the raw material and manufactured the floor coverings in St. Paul. It made the wicker items in New York. The wall matting and picture frames were probably made specially for this photograph. American Grass Twine later became Crex Carpet Company. Photo from *Creating New Industries in the Minnesota Historical Society collections*.

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RAMSEY COUNTY History

Volume 40, Number 4

Winter 2006

THE MISSION STATEMENT OF THE RAMSEY COUNTY HISTORICAL SOCIETY
ADOPTED BY THE BOARD OF DIRECTORS IN JULY 2003:

The Ramsey County Historical Society shall discover, collect,
preserve and interpret the history of the county for the general public,
recreate the historical context in which we live and work, and make
available the historical resources of the county. The Society's major
responsibility is its stewardship over this history.

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Clara M. Claussen and Frieda H. Claussen in memory of Henry H. Cowie Jr.
and by a contribution from the late Reuel D. Harmon

A Message from the Editorial Board

In this era when we seek to use natural products in new ways, we will enjoy reading Paul Nelson's lead article depicting a once-flourishing Ramsey County industry that manufactured twine, furniture, and carpet from a forgotten resource: wire grass! A modern-day visit to Crex Meadows in Wisconsin will evoke memories of workers harvesting this dense material, which was twisted and bent into wicker furniture that once graced the porches of St. Paul neighborhoods. A detailed portrait of the founders of the Andahazy dance studio, an account of an early rabies outbreak, and two book reviews round out this diverse issue.

We welcome as our new editor John Lindley, who takes the position following his tenure as editorial board chair. John brings to his new job years of professional publishing experience and a practiced, conscientious approach to the complex task of producing this magazine on a quarterly basis. Under his committed leadership we will maintain the high standards of content and production that have garnered *Ramsey County History* two national awards. As we greet John, we dearly miss our founding editor, Virginia Brainard Kunz, whom we profile in this issue. Her keen intelligence, lively curiosity, and abiding compassion have long guided our interest in local history, and she will always live on in our hearts.

Anne Cowie, Chair, Editorial Board

Virginia Brainard Kunz 1921-2006

A Remembrance

Virginia Brainard Kunz, editor of *Ramsey County History* for more than forty years, died on January 7, 2006, in Minneapolis. Members and supporters of the Ramsey County Historical Society will miss Virginia's deft editorial hand, her nearly encyclopedic knowledge of St. Paul history, and her talent as a writer.



Born in 1921 in St. Cloud, Minnesota, Virginia graduated from Iowa State University in 1943 with a degree in journalism. Shortly thereafter the *Minneapolis Tribune* hired Virginia. Her work with the newspaper involved cropping and sizing photos for news stories, writing short articles, and crafting headlines. These skills would serve her well when in 1962 she became the Ramsey County Historical Society's executive secretary. Two years later, Virginia founded *Ramsey County History*. At the time the Society's magazine came out twice a year. It expanded to quarterly publication in 1989. In 1973 the Society made Virginia its executive director, a position she held until her retirement sixteen years later.

During her tenure as executive director, Virginia oversaw the Society's move from offices at the Gibbs Farm Museum (now the Gibbs Museum of Pioneer and Dakotah Life) in Falcon Heights to larger quarters in the Landmark Center in downtown St. Paul. In the 1970s she was one of a number of civic-minded leaders who were involved in persuading St. Paul and Ramsey County officials to restore the old Federal Courts Building and convert it to the Landmark Center. A skilled manager, Virginia also oversaw the growth of the Society from operating two afternoons a week on an annual budget of \$10,000 to more than 1,200 members and a budget that exceeded \$500,000 at the time of her retirement.

In addition to all the responsibilities she had as executive director of the Society, Virginia found time
(continued on the reverse)

Book Reviews

Mexicans in Minnesota

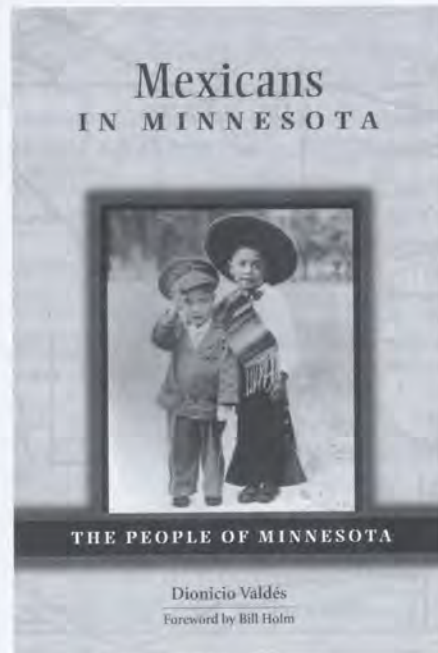
Dionísio Valdés
St. Paul: Minnesota Historical Society
Press, 2005
101 pages, \$13.95

Reviewed by Mark Jaede

This small volume is a revision of a chapter that the late Susan M. Diebold originally published in the 1981 anthology *They Chose Minnesota: A Survey of the State's Ethnic Groups* (June Drenning Holmquist, editor, published by Minnesota Historical Society Press). At just over 100 pages, it is not so much a book as a long essay. Notwithstanding its brevity, it offers a useful sketch of the lives of Mexicans and their descendants in the Gopher State.

Valdés opens with the statement that “The history of Mexicans in Minnesota has been overwhelmingly a history of working-class people.” This sentence summarizes the entire essay. Valdés consistently centers on Mexicans’ roles as beet pickers, railroad workers, meat packers, roofers, and other types of laborers. Their ongoing search for employment, which was often accompanied by low wages, poor housing, and difficult working conditions, frames all aspects of their lives. Valdés does discuss racism, religion, culture, politics, family life, and community and identity formation, but he consistently relates all these phenomena to the experience of being low-wage workers.

Valdés recounts how the sugar beet industry not only attracted, but actually carried Mexicans to Minnesota in the opening decades of the twentieth century. Minnesota beet growers recruited and transported Mexican field workers from Kansas, south Texas, and north-



ern Mexico. Desperate for work, and in some cases fleeing the turmoil of the Mexican Revolution, these workers accepted the difficult, low-wage jobs.

This agricultural work was seasonal and offered little opportunity for the development of permanent communities. During the growing season, workers and their families lived scattered throughout rural Minnesota in various forms of makeshift housing provided by their employers. Yet, Valdés notes, these temporary arrangements quickly led to the emergence of a permanent Mexican population. While at first many Mexicans returned to Texas or Mexico during the winter, many soon chose to stay year-round. Many beet growers came to prefer that they did so, since the resident workforce allowed them to avoid repeated transportation costs. Growers began to pay higher wages to returning workers and to extend credit to sustain

them over the winter. They did not, however, provide winter housing, so Mexicans increasingly sought inexpensive shelter in cities, especially on the West Side of St. Paul. Thus the first Minnesota Mexican urban neighborhoods were created by the demands for rural labor. They were located in marginal areas—such as the flood-prone West Side—because low agricultural wages gave the Mexicans few other choices.

Year-round residence, however, did not mean year-round income. Increasingly, Mexicans sought to leave the beet fields for jobs on railroads and in food-packing plants. The Great Northern Railroad, Green Giant, American Crystal Sugar, and the meat processors Swift, Hormel, and Armour all began to hire Mexican workers. Because these employers paid better than the beet growers, and offered year-round work, Mexicans often preferred them. Still, such labor was far from lucrative, and there were never enough jobs for all. Most Mexicans continued to do field labor through the 1920s.

Valdés moves fairly quickly through the 1930s and '40s. He notes how the Great Depression depressed wages, fueled nativism, and led to numerous deportations. He relates how the Second World War drew increasing numbers of workers into industry, so that by the end of the 1940s most Minnesota Mexicans no longer worked in the fields.

For the period after 1950, which takes up the majority of the text, Valdés moves from a chronological to a thematic organization. One section covers the Chicano movement and farm worker organization. Valdés notes connections with related national movements, but

stresses that Minnesota's Mexican activism was indigenous, not imported from the Southwest. He details efforts to form and join unions, the struggle for decent housing for farm workers, and the new public celebrations of Mexican-American culture.

A second section discusses the economic transformations and huge population increase that began in the 1970s. Valdés reviews a number of theories to explain the massive influx of Mexicans into Minnesota, but ultimately rejects them all as simplistic.

The book's third and fourth sections describe rural life and urban barrios, respectively, with emphasis on the recent past and present. A final section reviews cultural transformations and tensions. Valdés discusses the increasing numbers of Mexican-American organizations, the growing integration of people of Mexican descent into American society, and the continuing arrival of new Mexican migrants, both documented and undocumented. He also describes continued problems of racism and xenophobia by white Minnesotans.

Valdés closes with a partial transcript of a 1977 interview with Ramedo and Catalina Saucedo. The Saucedos, both American citizens of Mexican descent, married in 1956 and raised two children in the Twin Cities area. The interview, which focuses on Ramedo's former jobs as a schoolteacher and as Mexico's consul in St. Paul, is interesting but seems only minimally connected with the preceding essay. The Saucedos' lives were hardly typical. Though the Saucedos might well have been able to offer information about the broader Minnesota Mexican community, the fragments of the interview printed here provide very little.

Considered altogether, this book is useful and welcome. Professionally researched and lucidly written, it fills an important need for a brief introduction to the subject. This is the sort of accessible overview that belongs on the shelves of every public library in the state, and would also be of interest to any reader with a general interest in local history. One hopes, however, that a longer treat-

ment of the topic will be forthcoming. A longer volume might be able to give fuller treatment to many topics that are only briefly discussed here. Issues such as electoral politics, gender, intermarriages, generational conflicts, and relations with other minorities are barely touched upon. A fuller discussion of religious life—both Catholic and non-Catholic—would be welcome. Perhaps the greatest need is for fuller connections in time, space, and demographics. Some discussion of the broader histories of Mexicans and Mexican-Americans, of Minnesota generally, and of other immigrants and minorities in the state could provide a context that would make this story more meaningful.

Mark Jaede is an assistant professor of history and Director of Latin American Studies at St. Cloud State University.

Banking in the Great Northern Territory: An Illustrated History

George Richard Slade
Afton, Minn.: Afton Historical Society
Press, 2005
255 pages, \$35.00

Reviewed by Robert E. Will

Richard Slade's study of the power of technology, regulation, and organization of an industry that is the heart and bloodstream of an economy is well written, accessible to the general reader, and richly illustrated. The title may be a misnomer as, after a condensed history of 3,000 years of money and banking and of the first decades of Minnesota banking, it focuses on the major Twin Cities banks and the evolution of their two great holding companies.

The major survivors of the crises of the late 1800s were the First National and Northwestern National in Minneapolis and the First National and Second National banks in St. Paul, where James J. Hill soon forced a merger of the two. The story of subsequent decades is laced with names that resonate in Twin Cities history.

With the establishment of the Federal Reserve System and other banking legislation, the major banks added units, first at home and then across state lines. Fearing an Eastern invasion, Northwestern in 1929 formed a holding company,



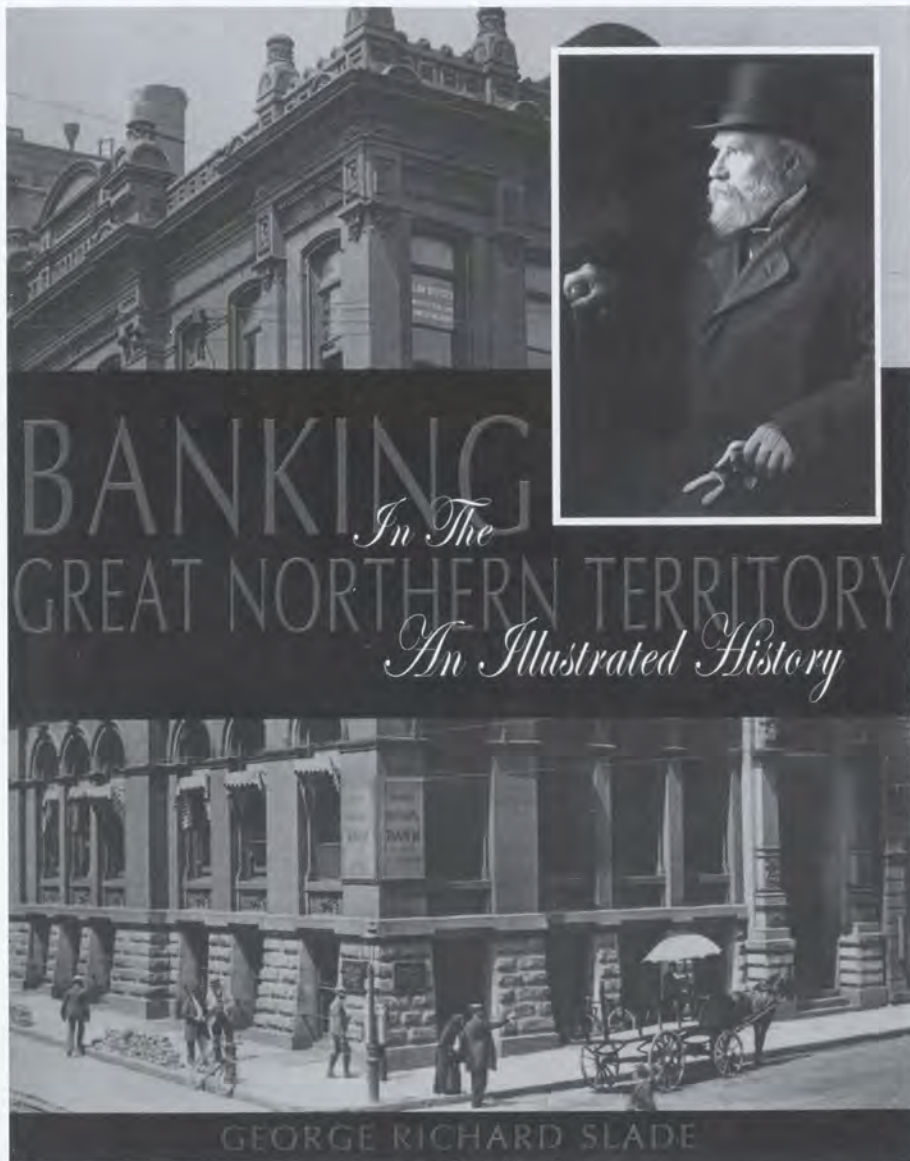
George Richard (Dick) Slade

the Northwest Bank Corporation, or Banco, to acquire majority stock in other banks and gain management synergies and economies of scale. Within weeks, the two major St. Paul banks merged and formed a competing holding company, First Bank Stock, or FBS. Soon the two had obtained over 100 banks each, yet neither was fully prepared for the gathering storm.

Banco and FBS rode out the Depression, although their balance sheets weakened and many affiliates were lost. After experiencing a time of bank runs and the banking holiday, they began adjusting to new laws seeking to strengthen the industry. By 1940 the economy had largely recovered, Banco even resumed dividend payments, and the industry entered the stasis of the war years.

The postwar years saw a transition in leadership from the Old Guard to a new, more professionally trained management, some of whom came from outside banking and even outside the Midwest. They sought to impose standardized operating policies, computer technologies, and management structure on often-reluctant affiliates. The initial decades were largely characterized by gentlemanly competition within a narrowly focused and somewhat inner-directed banking industry.

In the 1970s and 1980s the rise of non-traditional competitors, rapid changes in technology, a burst of inflation with the prime rate up to 20 percent, new Congressional and Federal Reserve regulations, and an enlarged field of operations at home and abroad



forced Banco and FBS to shift from their comfortable defensive posture to a more demanding strategic, long-term planning, mode.

As banking morphed into a more complex financial services industry, the holding companies became more aggressive in seeking diversification and deposits, controlling costs and developing managerial skills and technology. These years of dynamic change are perceptively analyzed by Slade, himself one of the new generation rising, in his case from the trust side of banking.

After a delightful side trip through the buildings the two firms erected and occupied and the art they collected,

Slade returns to the main story and the bloodbath of the 1980s. Banco experienced declining net and a catastrophic fire while FBS faced a massive bond portfolio fiasco. Balance sheets took a beating, attracting unwanted attention from shareholders, regulators, and corporate vultures.

The two firms hunkered down, replacing non-performing banks with others as distant as the mountain west, Miami, and even Hong Kong, and reducing employees and other costs. FBS merged its major banks, First of Minneapolis and First of St. Paul, into a single bank and top leadership changed, late in the decade, as Jack Grundhofer joined FBS

and Dick Kovacevich led Banco, now restructured and renamed Norwest. The two firms had survived the 1980s, becoming leaner, stronger, and better prepared for changes of the next decade.

In the 1990s, both firms expanded their operations, often successfully, sometimes not. FBS absorbed U.S. Bank Corporation of Oregon, taking a new name, USB, and doubling its size. To the industry's surprise, Norwest merged with Wells Fargo, taking its name. By century's end, Wells Fargo had widely diversified its services and regions through its well-advertised "10,000 Stores." USB joined with Firststar of Wisconsin and focused on a more limited range of activities, raising its profitability through using large-scale technology and managerial controls to automate and enlarge core services.

Slade has given us a fascinating account of how banking grew from many small enterprises with narrowly defined functions into a few, massive national and increasingly global enterprises that are now diversified into hundreds of financial service subsidiaries and affiliates. Now that fewer, and ever larger, players are on the global stage, new challenges to the enterprises and their industry arise, and new problems of economic stability emerge. The uncertain future of USB and Wells Fargo is a story that remains to be told.

Afton Historical Society Press publications are superbly produced. High quality paper and binding; an attractive font; and over 150 well-chosen illustrations make the book a visual pleasure. The appendices, notes, bibliography, and index are useful to the reader. David Lilly's "Foreword" outlines the rich experience of the author. Interestingly, in our ever-flatter world, the book was printed in China. This book has been a labor of love for its author and the others who helped prepare it.

Robert E. Will is Raymond Plank Professor Emeritus of Economics at Carleton College in Northfield, Minn., and served as Director of the First Bank Systems Executives Seminars in the 1960s.



Anna and Lorand Andahazy as Zobeide and the Golden Slave in Scheherazade. Miss Dee Studio photo, 1964, courtesy of Marius Andahazy.

R.C.H.S.
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