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Perhaps one of the most important features of the twentieth century is its increasing interdependency, a characteristic which becomes more and more significant as the decades stretch by. This interdependency is expressed no more subtly, and yet, no more manifestly, than in periods of economic depression. Just why the collapse of the New York Stock Exchange should cause unemployment and suffering in villages and cities thousands of miles away is a problem which has not yet been solved. But the fact that these events do cause unemployment, suffering, and, in all too many cases, utter destitution for millions of people is a fact of overwhelming importance.

In order to combat these depression-created conditions, countless methods have been pursued. Some have succeeded; some have failed. This paper is the story of what one city and its people did between the years 1929-32 to solve the problems created by the great depression. The efforts were no different than those of countless other communities. But the success of these efforts is not what is most important, for, in most instances, they were characterized by the lack of great success. Rather, their importance lies in the fact that they offer a study in the types of self-assistance pursued by a depression-struck municipality before the advent

of mass governmental aid and public assistance programs.

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Section II.

There was a vast difference between the graphic characteristics of the stock market collapse in October, 1929, and the subsequent effects in Kalamazoo during the same period. In fact, for several months after the country had been plunged into the depression, the repercussions experienced in Kalamazoo were gradual, and, in many instances, hardly perceptible. For at no time did the general collapse hit the local area with the ferocity with which it crippled the great industrial and agricultural centers.

Not only was the local recession gradual, but for the remainder of 1929, and well into 1930, there was a certain amount of industrial and business expansion. For example, in November of 1930, the Checker Cab Company opened a new plant with contracts amounting to \$900,000.¹ Building increased 41 per cent that month over the same period for 1928.² In fact, Kalamazoo was one of the eight cities in the State to show such an increase. In July, 1930, a new \$85,000 building was completed for the Kalasign Company.³ And more

1. Kalamazoo Gazette, November 26, 1929. (Hereafter referred to as Gazette.)

2. Ibid., December 7, 1930.

3. Kalamazoo Gazette Scrap-book-Industry, July 7, 1930, v.1, p.14, Kalamazoo Public Library.

than a year later a new Sears and Roebuck store was opened.

Thus, by the end of 1929, and well into 1930, there was comparatively little local recession and unemployment. Most of the industries were operating close to capacity, although some of the paper mills had fallen to 80 per cent of capacity production.¹ This extended business health is even more astounding in view of the fact that by December, 1930, national statistics showed a 39 per cent drop in business, a 25 per cent drop in employment, and a 34 per cent decline in pay-rolls from the September, 1929, levels.²

Despite this notable continuation of prosperity, Kalamazoo reacted to the wave of national destruction with a degree of caution and apprehension characteristic of countless other communities. In November, 1929, the City Commission sent an offer of cooperation to President Hoover, pledging municipal help in the local area.³ At the same Commission meeting a plan was also formulated to expand a system of local public works projects, with special emphasis being placed upon increased municipal construction.⁴ Local moral was further re-enforced the following March, when William Knudson, after making a

1. Ibid., January 77, 1931, V.3, P.12.

2. Shultz and Caine; Financial Development of the United States, New York: 1927, P.636.

3. Gazette, November 25, 1929.

4. Ibid,

tour of the local industries, congratulated the community on its continued prosperity.¹

A sidelight of some interest and importance to the local area was offered by the loss to Kalamazoo people as a result of the stock market collapse. Although the number of persons in Kalamazoo who suffered from the market drop was small, some of the losses were of considerable magnitude. The Kalamazoo Gazette reported that local losses amounted to \$1,000,000, with one investor having suffered \$300,000 worth of damage in paper stocks.²

Chapter III.

When the depression finally struck Kalamazoo, the group which suffered most heavily was labor. For although unemployment was barely perceptible during the spring and summer months of 1930, the lack of work became a major problem by the following winter. After that time, the city government and other social agencies wrestled ceaselessly with the issues raised by unemployment. But with its limited resources, the community was faced with a tremendous task, one which it was never quite able to solve.

The first action to be taken by the City Commission as a result of work shortages was prompt. On December 2, 1929,

1. Ibid., March 7, 1930.

2. Ibid., October 29, 1929.

the Commission voted to expand the process of local snow removal and enlarge the storm sewer system.¹ It was hoped that these policies would provide work for any unemployed during the winter months. Four months later, in March, the Commission made a major appropriation of \$383,099 for a program of expanded public works.² Without a doubt, the threat of rising unemployment encouraged this action. On this same date, a note of optimism was sounded by the Gazette, which stated that local unemployment would probably disappear in three weeks.³

Meanwhile, other local agencies had not been idle. In April, 1930, the Council of Social Agencies called for the establishment of a centralized employment agency. At the same time the Civic League released the first unemployment statistics. These showed that between March 5th and April 2nd there were 1,312 applications for work. Employment was found for only 134 of this number.⁴ These figures show a tremendous increase over the 1929 level, when, for the entire year, only 449 families applied to the league for employment or aid.⁵ In May, the Michigan Department of Labor sponsored a "dig up a job" campaign with the cooperation of churches and other community organizations. Most of this work entailed making minor yard and house

1. Ibid., December 3, 1929.

2. Ibid., March 18, 1930.

3. Ibid.

4. Kalamazoo Scrapbook-Labor, April 4, 1930, v.1. (Hereafter referred to as Scrapbook-Labor.)

5. Ibid.

repairs which offered only momentary employment, and, at the most, gave work to only a fraction of the jobless.

While the local agencies were coping with the labor problem, the State of Michigan was also busy. In the spring of 1930, legislation was passed which had a direct bearing on Kalamazoo. During March, the legislature voted to increase the use of free labor in areas of critical unemployment. Money was also appropriated for a new wing¹ which was to be added to the Kalamazoo State Hospital. Three weeks later the legislature allocated \$1,000,000 for road construction.² Kalamazoo County was favored with the construction of a cut-off for U.S. 12 between Comstock and Vine Street in Kalamazoo.³ Once again there is little doubt that the increasing problem of unemployment caused the allocation of the funds, although work on the State Hospital and the highways⁴ was probably needed.

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During the spring and summer months, unemployment was usually cut drastically by State and local projects. However, for the rest of the year, the task of finding work for the jobless was always great. For instance, the November 1930, registration figures set the total unemployment at 1,297,⁴ slightly below the totals of the previous spring.

1. Gazette, March 14, 1930.

2. Ibid., April 1, 1930.

3. Ibid.

4. Scrapbook-Labor, November 14, 1930, v.1.

Increasing daily, this figure finally reached 1,511¹ by February, 1931. Even then, this number represented only 46 per cent of an estimated 3,300² unemployed. This number compares quite unfavorably with average monthly unemployment totals for Kalamazoo in 1952. These show that unemployment is between 500-600³ a month. The problem was obviously reaching a more acute stage.

During these winter months of 1930-31, municipal agencies continued, with varying degrees of success, to struggle with the local aspects of the depression. In November, a special Mayor's Committee was organized. Its purpose was to find work for the local jobless. Fortunately, it was able to find employment for 737 men during the next three months. The City Commission was also active with its favorite panacea—storm sewer construction. During December the Commission managed to dig-up jobs for 300⁴ men. Working in shifts of 100, each man was employed for two days a week, receiving \$10.00 for his labors. Plans were also formulated to begin work on those municipal projects which would have ordinarily not been started until 1932⁵.

1; Ibid., February 1, 1931, v.1, p.10.

2. Ibid.

3. Totals from the director of the Michigan Employment Security Commission, Kalamazoo branch.

4. Scrapbook⁴Labor, December 20, 1930, v.1.

5. Ibid.

During the final weeks of 1930, a new organization entered upon the local scene in order to lend its assistance to the American Federation of Labor. On October 4th, the A.F. of L. sponsored an unemployment census.¹ Three weeks later it organized a mass open air meeting of the unemployed at the municipal market grounds.² An estimated 1,500 were in attendance. Following this conclave at the market grounds, there was a parade through downtown Kalamazoo. The only other time during which labor was active in the local area was in September, 1931, when Governor Brucker addressed a Labor Day gathering.³ J.J. Scannell, Michigan Secretary of the A.F.of L., was also an important speaker at this session, advocating a six hour day and a five day week, and increased municipal public works projects.

Partly as a result of this labor agitation, the City Commission took a long step toward solving its unemployment problem, when, on March 24, 1931, it authorized the opening of a permanent job bureau.⁴ The cost to the city amounted to \$650 annually. The success of the agency was considerable. From July 15th to December 24th, 1931, 2,580 registrations were made at the bureau, with 1,302 placements being made.⁵ However, as the weeks passed, the

1. Ibid., October 5, 1930, v.1.

2. Ibid., October 30, 1930, v.1.

3. Ibid., September 7, 1931, v.1, p.12.

4. Ibid., March 24, 1931, v.1.

5. Ibid., January 1, 1932, v.1., p.10.

task became more difficult; and, from December 24, 1931 to May 29, 1932, only 829 additional placements were made, despite the fact that there were an additional 2,670¹ registrations. Various methods were used by this bureau, among which was a telephone campaign that helped to find jobs for 580 unemployed during April, 1932—²a total which ranked second only to the Detroit bureau.

Although the task of finding jobs for all of those who desired them proved to be difficult in 1930 and 1931, it was impossible by 1932. By November, the total of those who were unemployed or on relief reached 7000.³ Caught in this desperate condition, resort was made to a new plan⁴ to decrease the number of idle workers. This involved a series of wage and hour reductions to county and municipal employees. In April, the Kalamazoo County School Board cut⁴ \$260,960 from its 1932 budget. This included a \$60,000 slash in salaries. Later, in October, the wages of other county employees were pared down by as much as 20 per cent. These reductions were scheduled to go into effect on January 1, 1933.

City employees also faced wage reductions. In August, the street-car employees received a 25 per cent wage cut, Bitterly

1. Ibid., November 15, 1932, v.1, p.8.

2. Ibid., April 13, 1932, v.1, p.14.

3. Gazette, November 15, 1932.

4. Ibid., April 4, 1932.

5. Ibid., October 19, 1932.

6. Scrapbook-Labor, October 14, 1932, v.1, p.19.

resented by the workers, the wage reduction resulted in a transportation strike, violence, and a subsequent end of the street car lines. Later in 1932, many city employees were placed on a six hour working day. It was hoped that this action would find employment for an additional fifty men.

During these dark days of labor unrest and unemployment, Kalamazoo was the recipient of an outstanding gesture on the part of one of its most prominent citizens. In December, 1931, William E. Upjohn announced a plan to open a 1,200 acre experimental farm.¹ According to its founder, "the aim of this organization...will be to see that a certain portion of humans is given the privilege to work—~~which~~² does not now exist." Construction of the farm was scheduled to begin the following May. The announcement was greeted with much public favor.

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1. Ibid., December 6, 1931, v.1, p.16.

2. Ibid.

Section III.

Closely allied with the unemployment situation was the problem of providing relief for the ever increasing number of local residents who had lost their means of making a living. The job of getting the local relief machinery into operation was a slow task and it was not until November, 1930, that it was functioning effectively. Even then, the problem was much too difficult for the local agencies to handle, and, at the most, the aid which they were able to supply was of a stop-gap nature.

The first agency to take special cognizance of the increasing need for relief was the local branch of the American Federation of Labor. Under its auspices, a "soup kitchen" was opened in November, 1930, and, in a short time, was providing food for 400 persons daily.¹ Mainly through the use of private donations, among which was one of \$500,² the place was kept open until April 19, 1931, when it finally closed.³ During this period the kitchen managed to furnish an average of 542 meals daily.

The A.F. of L. was also active the following October, when it established another relief restaurant on the third floor of the local police station.⁴ In 1932, the

1. Ibid., December 2, 1930, v.1.

2. Ibid. The gift was presented by one Bertrand Happer, a local paper manufacturer.

3. Ibid., April 19, 1931, v.1.

4. Ibid., October 24, 1931, v.1, p.13.

labor organization, with the aid of the City Commission, was instrumental in organizing a relief dormitory which housed one-hundred men.¹

Meanwhile relief as a special problem was also receiving increasing attention from the City Commission. By October, 1932, the Commission had increased the allocations to the poor relief fund to \$143,000, more than twice as much as any previous allotment. Yet this sum was not sufficient to cover the entire year and it was estimated that, by April, an additional \$193,000 would be needed.² Actually by September, 1932, the total relief expenditures had reached \$259,000,³ and two months later \$313,000,⁴ had been spent. Relief bills for the year were expected to reach \$350,000. Faced with this problem, the Commission contemplated a bond issue in order to raise the needed funds.⁵

This problem of providing increased relief funds helps to illustrate one of the more interesting aspects of the local depression, namely, fund raising methods. Basically, three methods were used to defray the cost of local relief. These were taxation, public charity, and a bond issue.

Taxation was, by far, the most important of these methods, but the funds realized from this source were hardly suffie

1. Ibid., September 6, 1932, v.1, p.18.

2. Gazette, March 19, 1932.

3. Ibid., September 13, 1932.

4. Ibid.

5. Ibid., March 19, 1932.

cient to cover the entire cost of relief. This was particularly true after the adoption of the fifteen mill tax limitation in November, 1932¹. This restriction served to cut the city's annual budget by over 50%. For instance, the 1932 budget, which was \$900,000, was cut to \$405,000 for 1933. This meant, of course, that relief bills, which alone had amounted to \$350,000 in 1932, would have to be reduced drastically for the next twelve months. Quite obviously some other form of paying for the relief bills had to be found.

To a degree, this financial problem had been met the previous October, when the city auctioned off an~~d~~ issue of social service relief bonds². The idea for this bond issue grew out of a plan which was laid down the previous spring at a meeting of the City Commission. The purpose at that time was to raise money to expand the public works program. Thus, on October 4th, the city made its first departure from its pay-as-you-go plan in fourteen years with a sale of bonds which realized \$295,000³. The money was put to use at once, and, before the end of 1932, \$28,000 had already been spent⁴.

The other great source used to augment the relief bonds

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1. Ibid., November 20, 1932.
 2. Ibid., October 4, 1932. The bonds were originally offered on September 20th, but State approval was not received until October 11th.
 3. Ibid., October 4, 1932.
 4. Ibid., November 20, 1932.

and taxation, that is to say public donation, was wonderfully reliable considering the desperate conditions of the times. Although small amounts of aid were provided by the Red Cross,¹ the most important source of funds was found to be in the Welfare Federation. In 1932, the Federation raised over \$125,000. In 1933, it campaigned for \$122,525;² the money was raised in ten days,

Although the problems of unemployment and relief were mainly financial, they were not without their social implications. This was well illustrated by the street-car strike in October, 1932. This social implication was even more graphically illustrated the following month, when a band of so-called "hunger marchers" attempted to tramp through the city.³ With avowed purpose of showing the plight of the unemployed, this ragged mob numbering an estimated 650 individuals journeyed from town to town, being fed, of course, by the community in which it happened to spend the night. When permission was asked to stay in the city for the night of November 26, 1932, the City Commission balked. For, while it was perfectly willing to care for the needs of its own people, the Commission

1. Ibid., October 3, 1932. This was the distribution of clothing valued at \$5,500 through the Civic League.

2. Ibid., October 2, 1932.

3. Ibid., November 22, 1932.

refused to give food and shelter to people whom it re-
garded as nothing better than examples of modern hoboism.¹
Therefore, over the objection of the Kalamazoo Unemployed
Council, which had made plans to feed 600 people,² fifteen
local policemen were dispatched to White Pigeon. There,
on November 27th, with the aid of State Police and Battle
Creek officers, about 200 individuals were detoured around
Kalamazoo.³ Nothing more was heard from the "hunger marchers."

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Section IV.

Due to its location, Kalamazoo is not only an industrial center, but also the center of a sizable agricultural area. Although the region around the city is not a section in which concentrated, one-crop farming is pursued, it is rich in various sizes and kinds of truck farms. And, to a large degree, many of the farm owners depend upon the people living in Kalamazoo's urban area to purchase their products. Thus, it is obvious that when a large part of this urban purchasing power is crippled

1. Ibid., November 23, 1932. See especially the remark of city manager Edward Rutz, who stated that "they are not welcome!-we don't want them!-and if they come they'll be escorted right through the city."

2. Ibid., November 26, 1932.

3. Ibid., November 27, 1932.

the surrounding agricultural region will also be affected. This collapse of urban buying power, plus the effects of agricultural overexpansion on a national scale, is exactly what served to hamper the farmer's welfare during the years of the depression. Although in the area around Kalamazoo his prosperity was not struck down as badly as that of the metropolitan dweller, it was nonetheless impaired.

Without a doubt, the farmers who bore the brunt of the depression were those who concentrated in such basic field crops as wheat, oats, rye, and corn. For, due to national crop and livestock surpluses, they were unable to sell their crops either in their natural stage or after animal consumption without sustaining tremendous losses. For example, in 1928, the last pre-depression year, wheat sold for \$1.26 cents a bushel, rye for 90cents a bushel, and oats for 40 cents a bushel.¹ By February, 1930, wheat sank to 90 cents;² by 1932, it sagged to only 40 cents.³ The other crops fared in the same manner. Oats dropped all the way to 17 cents by 1932, and rye fell to 30 cents during the same period. Corn, barley, and the other field staples suffered the same general fate.

Unfortunately, the arrival of aid for these oppressed

1. Ibid., November 1, 1928. Quotations from the Little Bros. Grain and Feed Company.

2. Ibid., February 27, 1930.

3. Ibid., October 2, 1932.

people was astonishingly slow. The administration of President Hoover did little to ease the situation until the final weeks of 1932. Then, help came only in dribs and drabs. For instance, it was not until December, 1932, that a regional branch of the Agricultural Credit Corporation was established locally.¹ This agency provided loans to the farmer so that he could feed his livestock at least until the crops were ready for marketing. The loans were obtained at 7 per cent interest, with primary liens on crops and future creamery checks.² However, the aid of this bureau was restricted, because its funds were available only to genuine cattlemen.

Direct aid to the growers of field crops was not provided until 1933, when Kalamazoo County farmers were given the opportunity to enter into crop limitation agreements with the government.³ At that date, 280 county wheat growers signed contracts covering 8,376 acres.⁴ The only aid previous to this was in March, 1932, when small loans were made available through the county agricultural association.⁵

Despite the fact that the farm population in the Kalamazoo area was crippled by the depression almost as badly as the other occupational groups, it showed little, if any, ability to organize for its own self-protection. Thus, it was not

1. Kalamazoo Gazette Scrapbook-Agriculture, December 29, 1932, v.1, Kalamazoo Public Library.

2. Ibid.

3. Ibid., January 1, 1934, v.3.

4. Ibid.

5. Gazette, March 16, 1932.

until February, 1933, when the Farmers Legislative Club was organized, that the farm dwellers resorted to any devices¹ which would enable them to exert political pressures. The aims of the Club's members were to work for the imposition of a State income tax instead of a sales tax, the lowering of interest rates on government loans, the reduction of school costs, and the allotment of a longer time for the payment of delinquent taxes. The members elected Clinton Buell, director of the Oshtemo farm bureau, as their first² president.

For the other agricultural producers in the area, especially those who engaged in various kinds of truck farming, conditions were usually a little better. Prosperity for these individuals was restricted by the inability of the city-dwellers to purchase their various products at the different city and roadside markets. To illustrate, truck crop prices did not hit a dangerous low until 1932. But even at this stage, the total income derived from the various items was about equal to that of the 1930 and 1931 seasons. This was mainly due to a record production of Michigan's sixteen leading crops for that year.

The fact that the economic conditions of these truck

1. Scrapbook-Agriculture, February 8, 1933, v.1.

2. Ibid.

farmers never reached the desperate stage was indeed fortunate, for no attempts were made by either State or county authorities to give them aid or relief. If the farmer needed help, he usually achieved it through his own collective efforts. These usually took the form of holding the crops off the market if their value fell below a pre-arranged level.¹ Unhappily, these procedures were usually hastily organized and were notable by their failure.

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Section V.

Although a greater part of the depression in this early period was concerned with particulars, such as relief, farm prices, unemployment, and finance, there was, nevertheless, a strong degree of popular reaction to the various issues of the day. The Kalamazoo Gazette, with its tradition of conservatism, probably mirrored this public reaction in the Kalamazoo area better than any other agency. Thus, it is to the Gazette that one should turn in order to learn the popular attitudes.

As the depression first dawned, the initial public reaction was one of disbelief. Apparently, Middle Western

1. Gazette, October 3, 1932. See especially the tactics of the local grape growers who pegged their prices at 50 cents a bushel, and refused to pick their grapes when the price fell as low as 40 cents.

conservatism embodied a faith in traditional American institutions which was difficult to disturb. It was probably this faith which prompted the Gazette to announce as late as 1930, that the best methods by which to gain national recovery were "to expand the economy, invest to take up the slack, and keep an attitude of confidence."¹

This conservatism also caused the paper to describe in loathsome terms any and all forms of federal aid to the stricken nation. It echoed President Hoover's warn-²ing against deficit spending. It characterized various national relief projects as "pork barrel" bills.³ Thus, in 1932, when the Hoover administration made its first feeble attempts to provide federal aid to the country through the Reconstruction Finance Corporation and the Home Loan Banks, the Gazette made the astonishing statement that "it seems plain enough that handling of the relief program is a task well within the capabilities of State and local enterprise."⁴

Of course, as the months and years passed, and a clearer realization of all the depression's manifestations descended upon Kalamazoo, certain old attitudes were

1 Ibid., March 27, 1930.

2. Ibid., April 6, 1930.

3. Ibid., March 8, 1932. See especially the paper's statement concerning the \$132,000,000 emergency road construction bill which it stated "should be tossed into the discard as 'pork barrel'".

4. Ibid., March 18, 1932.

transformed into newer concepts. But that is a different story; one which should be told only as a part of the great chain of events which engulfed the nation during and after 1933: after the nation felt the first effects of a change in the national government.

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