

THE ECONOMIC SURVIVAL OF LOUISVILLE, NEBRASKA DURING THE GREAT DEPRESSION

**by
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The story of the community of Louisville, located in Cass County, Nebraska, constitutes a unique chapter in a predominantly agricultural state. Louisville struggled financially, as did most towns in the United States during the Great Depression. What made Louisville's difficulties only intermittent was the fact that the Ash Grove Lime and Portland Cement Company decided to build its new cement plant in the small Nebraska community. It was a "Red Letter Day" for both Louisville and Ash Grove when the two million dollar Portland cement plant opened in May of 1929.¹ Because of the Ash Grove factory, the small town gained a new housing subdivision, better electrical power, natural gas, a new railroad line, and a new bridge. As for the Ash Grove company, it gained readily available manpower, and an excellent location to produce, transport, and sell Portland cement. Louisville and Ash Grove forged a symbiotic relationship that ensured survival for both the town and the company through not only the Great Depression, but also into the future.

Louisville was first platted in 1857. The main occupations of the townspeople were either farming or working in the rock quarries. Louisville also attracted visitors who came to swim in the sand pit lakes, which were created when the two railroads which serviced Louisville, dug up land to pack under the railroad tracks. By 1920 the small town of Louisville had the usual assortment of businesses, but the lack of any significant agricultural or industrial employment limited its future

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prospects. Louisville was also short on such amenities as a hospital and a reliable bridge spanning the Platte River.

Why would a prominent twenty-year-old Kansas lime and Portland cement company with one lime plant and one cement mill choose to locate an expensive cement plant in a typical small town in Nebraska? The answer lies in the background of Ash Grove's president, L.T. Sunderland. Sunderland, who was raised in Iowa, was well aware that even though America's "corn-and wheat-growing belt" ran straight through Cass County, the silt loam soil indigenous to the area was not heavily prevalent in the region of Louisville.² Louisville's share of Cass County's soil did not generally exceed six inches in depth, and therefore was prone to erosion. The soil just barely covered layers upon layers of a huge formation of limestone beneath Louisville. Along with the ample supply of limestone, there were also deposits of shale, clay, and sandstone, the four key ingredients for making Ash Grove's secret formula of Portland cement. ³ Louisville was a prime location for a cement plant because it was adjacent to the Platte River and water was an integral part of creating Portland cement. Proceeding cautiously, Ash Grove initially purchased 4,000 acres of Louisville's land in 1927. Two years later, when the cement mill opened, the company bought an additional three thousand acres that covered almost all of Louisville's borders between the Platte River and the nearest town of Cedar Creek, Nebraska. The two land parcels purchased meant both the success of Ash Grove's cement factory and the economic survival of Louisville.⁴

Once the construction of the cement mill was started, the Ash Grove Cement Company financed and constructed a ten-acre housing development. The new houses were partially needed for the two dozen transferred employees that Ash Grove moved from its first Portland cement plant in Chanute, Kansas to the home of its second plant in Louisville. Knowing that he would need almost two hundred men to work at the cement plant, Sunderland, shrewdly donated the land for the housing development as his personal gift to the town. The Ash Grove president also wisely offered some of the eleven million dollars worth of electricity needed annually to run the cement factory by having additional lines strung throughout Louisville and its surrounding areas. The extra

electricity aided farmers in the rural area. Stumbling in the dark during early morning chores was a predicament of the past, and farmer's wives now had the advantages of city life, such as electric stoves and refrigerators.⁵

The lure of Ash Grove's cement plant, new housing, and the use of electricity even in rural areas, was a significant impetus for more people to move to Louisville. The population of the town increased from 645 declared residents in the 1920 census, to 969 people according to the 1930 census and up to 977 in 1940.⁶ Because of Ash Grove's influence and added infrastructures, Louisville became the fastest growing town in Cass County. Workers in other parts of Cass County that did not have the presence of a large employer were forced to relocate, usually to the bigger cities of Omaha and Lincoln. The county's population declined and diminished from 18,029 people in 1920 to 17,684 by 1930 and continued to falter to 16,992 residents by 1940.⁷

A larger population in Louisville made a reliable, safe transportation system, especially between Louisville's Ash Grove cement plant and Omaha's Ash Grove sales office a necessity. In a random check of traffic on July 26, 1929, it was estimated that 1,250 cars crossed over the old bridge in a one-day period.⁸ The archaic crossing was a wooden structure with turnouts designed for yielding to oncoming traffic. Besides being an inconvenience, it was also dangerous in the winter.⁹ Large pieces of ice, usually between 24 to 36 inches, became clogged in the Platte River, and battered against the log pilings and planks, causing gaps so large that transportation was frequently suspended.¹⁰ In 1930, the bridge, which had been in place since 1909, was officially condemned.¹¹

Building a new bridge during the early years of the Great Depression, involved keeping the work force local and the materials used from Louisville or Omaha. The Town Board incorporated a new company called the Louisville Bridge Company. Stock was sold at \$100.00 a share with a return of an eight-percent dividend annually, which provided a financially prudent investment for the buyer.¹² The Ash Grove Company and the Omaha Steel Company purchased enough shares to become major stockholders, and thus major financial beneficiaries, in the \$175,000

endeavor. Between the two companies, they erected a new 1,500-foot long and twenty-width-wide Platte River Auto Bridge.

Besides capitalizing on the necessity for building the bridge, Ash Grove also realized that the need for another railroad line through Louisville would mean competition for the Missouri Pacific, and the Chicago, Burlington, and Quincy [CB & Q] railroad lines already going through town. Ash Grove influenced the Chicago, Rock Island, and Pacific Railroad, also known as the Rock Island, to change the name of their railroad main through fare from the nearby depot town of Meadow to Louisville.¹³ The new through fare meant lower railroad fees for Ash Grove, but caused confusion in the Meadow and Louisville mail. The people of Louisville, though, realized that Ash Grove's benefit was also their own benefit.¹⁴ Indeed, the editor of the *Louisville Weekly Courier* proudly announced that with Louisville having three railroad lines, "Boston is no longer the hub of the Universe; Nebraska is the hub of the United States."¹⁵

With new housing in place, a durable bridge to provide automobile transportation, and competing railroad lines, Ash Grove, by 1930, had successfully created a profitable atmosphere for the cement plant and Louisville. It was unfortunate that the financial outlook for the nation was not as secure. The United States Gross National Product had steadily declined by 10 percent each year in 1929, 1930, 1931, and 1932. In tandem with these figures, the national unemployment rate in 1930 was 4.5 million people, and it continued its upward trend with 5.6 million people out of work by 1932.

The production of Portland cement, which had been at an all time high of 32 million tons in 1929, had slightly fallen to 30 million tons in 1930 but had badly slipped to 23 million tons in 1931. This meant that the United States cement industry was only operating at 50 percent of functional capacity.¹⁶ The national figures repeated this pattern in Louisville; as cement orders fell, employees watched the amount of cement produced fall simultaneously. At the beginning of 1931, it was becoming obvious to the people of Louisville, and the owners of Ash Grove that the Great Depression had arrived.

In his 1931 New Year's letter to employees, Ash Grove's

Superintendent A.K. Frolich addressed the hardships of the Depression to the employees. "Again, we start a new year, leaving behind a year that has been beset with many unusual conditions . . . As a corporation we are indeed very glad to have been able to offer our organization steady employment during the preceding year, and we know that you, as an individual, appreciate it. Furthermore, we are going to try to retain that record for 1931, but only can we succeed by the hearty cooperation of every employee."¹⁷

Ash Grove also needed the cooperation of its workers to install natural gas at the Portland cement plant. A brief shutdown of the Ash Grove mill was necessary in order to install pipe for natural gas, but still, it caused a ripple of fear in the community. The local newspaper soothed readers by stating "the closing of the cement mill naturally will work a hardship on many of the employees, but this is to be expected. As many men are being retained as can be used to install the new machinery."¹⁸ While waiting for the cement plant to reopen, residents briefly stopped worrying about their financial situation and considered how to use the novel energy since rumors abounded that using natural gas would blacken kitchen pots and pans.¹⁹

While the townspeople concerned themselves with minor issues, Ash Grove dealt with the major problem of meeting their payroll. The cement company decided to sacrifice its original lime plant built in 1879 in the company's town namesake of Ash Grove, Missouri. Because Ash Grove's lime factory was operating at a loss due to the lack of natural resources, it was quickly "closed, dismantled, and sold."²⁰ The town of Ash Grove was stunned by the loss of the Ash Grove company. Basically a company town, the citizens of Ash Grove, Missouri, three-fourths of whom were Ash Grove employees, were now unemployed. Financially challenged, laid off Ash Grove workers turned to dairy farming to provide a living for their families.²¹

The cement plant in Louisville barely held its second annual picnic in September of 1931. The yearly outing was to be a sponsored event, a "fun feast with eats galore." The employees soon learned that the "eats" were to be supplied by themselves and their families attending.²² It was a disappointment for the Portland cement workers since the previous year

Ash Grove had provided a hearty lunch of chicken sandwiches and bricks of ice cream for 670 attendees.²³

In March of 1932, Ash Grove's president was forced to close the cement plant completely due to the simple fact of not enough cement sales orders. Hard times, if only briefly, hit Louisville. Because the Ash Grove plant accumulated enough orders in a matter of months, the town's economy and the company's financial situation recovered. By July 1932 Ash Grove began hiring back full-time employees—first, men who were married and had families. The last men asked to return were the single men, and even they only had to wait until August of 1932.²⁴ All the men were back at the plant, but this feat was achieved by cutting back on hourly wages. A typical worker earning a wage of 35 cents an hour, which was a good wage at the time, was re-hired for his same job but at 22 1/2 cents an hour. An Ash Grove worker could earn \$2.25 in a ten-hour shift at the cement mill versus a farm worker earning 2 cents a bushel shucking 100 bushels of corn in an eight-hour day.²⁵ The greatest advantage for the Ash Grove worker was that he had steady year-round employment whereas the farm worker did not. The company paid "cheap" during the Great Depression, but no other businesses were paying any better.²⁶ Ash Grove realized the financial plight of its employees and tried to alleviate some of their concerns by offering access to community farmland. Ash Grove workers and residents of Louisville were given the opportunity to cultivate crops at the company's "Garden Spot" if they could not afford produce at the grocery store.²⁷ For the employee's Christmas bonus in 1932, Ash Grove gave each worker a luxurious gift of a bag of oranges.

Besides steeply declining industrial figures, banks throughout this bleak period in America were closing their doors. Between the years 1929 and 1932, about 11,000 banks in the United States failed, which translated to about 2 billion dollars worth of bank deposits being irretrievably lost. The state-chartered banking system in Nebraska was already grossly overbuilt by the mid-1920s. Nebraska also had to deal with the collapse of farm prices, to which the state's entire economy was connected in one way or another."²⁸

Even though Louisville's economy was mainly industrial driven, the Bank of Commerce, one of the two banks in town, "closed its doors

during the national bank holiday in March of 1933, but never reopened."²⁹ Ash Grove's payroll, housed at the now defunct bank, was jeopardized. Infusing money from the Chanute, Kansas office, the company quickly negotiated a check cashing policy with the remaining bank in Louisville. Fortunately most of the three hundred Ash Grove employees had only cashed their checks at the failed Bank of Commerce. Bank accounts for blue-collar workers were almost non-existent during the Depression.³⁰ The fate of the closed Bank of Commerce's accounts was not decided until June, three months after the bank closed. It was announced that "state banking authorities estimated that the depositors would eventually receive about 50 percent on their deposits."³¹

Besides the bank closing, Ash Grove's financial situation worsened as the national tonnage of cement produced dropped to 11 million short tons.³² The company's cement production reached its nadir in March of 1933. Robert Sunderland, grandson of Ash Grove's president, stated years later, "that our fortunes were just as bad as theirs [other companies], but we did not advertise the bad, we just kept on going."³³ Despite the financial difficulties that Ash Grove was dealing with, the company announced an increase in employee wages in July of 1933.³⁴ Contingent with the employee raise though, was also the policy of part-time hours. Reasoning that partial employment for a longer duration was better than no hours of work at all, Ash Grove managed to retain its employees. Louisville workers were thankful for their part-time employment since the second largest business in town was a pottery factory and it only employed eighteen workers.

In December of 1934, the *Omaha Chamber of Commerce Journal* mentioned that an increase in agricultural prices brought farmers a larger return for crops than last year, despite a lower production.³⁵ Along with this financial good news, the national industrial outlook for Portland cement rose from 11 million tons of cement produced in 1933 to 14 million in 1934. The positive upswing was apparent in Ash Grove's order ledger, as the company once again was able to have full-time employees and hire additional new men by 1935.

As the national average of Portland cement produced jumped from 14 million tons to 21 million tons in 1936, the citizens of Louisville

breathed a collective sigh of relief as the Great Depression began to lift. Louisville's newspaper editor reflected the town's attitude when he wrote that "in these days of depression, when there are so many thousands of men out of work it is certainly a godsend to Louisville to be able to say that Louisville has no unemployment, thanks to the Ash Grove plant. Here in Louisville there is real cause to be thankful. No one is in want, work has been fairly plentiful and most people are able to jingle a few thin dimes in their pocketbooks."³⁶

Louisville's story became Ash Grove's story during the Great Depression. The cement company initially built its factory in Louisville because it was a smart business decision. Louisville, a small town with ambitions of becoming a city, benefitted by the Ash Grove influenced housing division, electrical power, natural gas, additional railroad line, and a strong sturdy bridge over the Platte River. The catalyst of the Great Depression created an intertwined relationship between town and company that maintained Ash Grove and raised the typical small town of Louisville into a financially secure little city.

NOTES

1. *Louisville Weekly Courier*, 1 July, 1927, p. 1.
2. T.E. Beesley, M.M. Kuper, W. S. Gilliam, and T.K. Popov, *Soil Survey, Cass County, 1941*, Series 1936, Number 5 (Washington D.C.: United States Department of Agriculture, 1941), p. 13.
3. *Louisville Weekly Courier*, 23 November 1928, p. 1.
4. *The Louisville Messenger*, 30 June 1977, p. 2.
5. *Louisville Weekly Courier*, 27 January 1928, p. 2.
6. "Facts About Louisville", circa 1988, Jean Mueller Collection, Louisville, Nebraska.
7. *Cass County Nebraska Soil Survey, March, 1941*, p. 5.
8. *Louisville Weekly Courier*, 27 January 1928, p. 2.
9. *Ibid.*, 17 March 1928, p. 1.
10. *Ibid.*, 22 February 1929, p. 1.
11. *Ibid.*, 15 August 1930, p. 1.
12. *Ibid.*, 24 October 1929, p. 6.
13. *Ibid.*, 7 September 1928, p. 1.
14. *Ibid.*, 26 July 1929, p. 1.
15. *Ibid.*, 10 May 1929, p. 5.
16. "Focus was on Recovery During the 1930's," *Rock Products*, 99 (July 1996), p. 60.

17. Ash Grove to Lewis Amelang, Senior, 1 January 1931, Karen Wali Papers, Omaha, Nebraska.
18. *Louisville Weekly Courier*, 17 July 1931, p. 1.
19. *Ibid.*, 9 May 1930, p. 3.
20. Alan Schmitt and Elizabeth Williams, *City of Seven Hills, A Pictorial History of Ash Grove, Mo.*, (Ash Grove, Missouri, 1982), p. 1.
21. *Ibid.*
22. *Louisville Weekly Courier*, 4 September 1931, p. 1.
23. *Ibid.*, 25 July 1930, p. 1.
24. Lando "Bill" Baker was an Ash Grove employee, Louisville, Nebraska.
25. *Ibid.*
26. *Ibid.*
27. *Louisville Weekly Courier*, 30 March 1934, p. 1.
28. James C. Olson and Ronald C. Naugle, *History of Nebraska*, Third Edition (Lincoln: University of Nebraska Press, 1997), p. 309.
29. Undesignated newspaper clipping, 10 October 1977, Cass County Historical Society, Plattsmouth, Nebraska.
30. Lando "Bill" Baker, Cedar Creek, Nebraska.
31. *Louisville Weekly Courier*, 23 June 1933, p. 1.
32. "One Hundred Years of Rock Products," *Rock Products*, 99 (July 1996), p. 57.
33. Robert Sunderland is President of Ash Grove, Kansas City, Kansas.
34. *Louisville Weekly Courier*, 7 July 1933, p. 1.
35. *Omaha Chamber of Commerce Journal*, March 1934, p. 1.
36. *Louisville Weekly Courier*, 29 March 1935, p. 1.