

A BRIEF HISTORY OF WICHITA'S DEPRESSION DECADE,
1929-1939

A THESIS
SUBMITTED TO THE DEPARTMENT OF
SOCIAL SCIENCE AND THE GRADUATE COUNCIL
OF THE KANSAS STATE TEACHERS COLLEGE OF EMPORIA

IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF SCIENCE

BY
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AUGUST, 1964

174

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ACKNOWLEDGEMENTS

I wish to express my deep appreciation and gratitude to Dr. John J. Zimmerman, Social Science Department, Kansas State Teachers College, Emporia, for his counsel and guidance to the shaping of this manuscript.

Profound thanks to the many business and community leaders in Wichita for their co-operation in making material available for this thesis.

To my wife, Elsie, I am deeply grateful for her tireless service in researching, proof reading, and encouragement.

D. G. L.

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CHAPTER I

INTRODUCTION

Problem of the thesis. The purpose of this thesis is to determine the impact of the Great Depression from 1929 to 1939 upon the city of Wichita, Kansas. Wichita is not only the largest city in Sedgwick County, but also the county seat. Since it is very difficult to separate the city from the county, some effects of the depression on the county will also be discussed in parts of this thesis. This thesis will bring out the effects of the stock market crash, the depression depths, and the slow climb back to normalcy for the city of Wichita, Kansas.

Review of previous studies. This thesis is the first such extensive study of the effect of the Great Depression upon Wichita, Kansas. Manpower Developments In Wichita, Kansas, 1950-1961, by Donald D. Christenson, Daniel L. Howe, and L. Curtise Wood provided a short history of the depression's effect upon Wichita. This book touched very lightly upon the depression and Wichita, allotting only two pages for the ten-year period of time, 1929 to 1939.

The Wichita aircraft industry which is described in Chapter III has had its history recorded in a number of

theses, books, magazine and newspaper articles. In 1962, Sondra J. Van Meter submitted a thesis to the University of Wichita entitled, "The Primary Contribution Of E. M. Laird To The Aviation Industry Of Wichita." Van Meter's study dealt with the very early history of aviation in Wichita.

In addition to this thesis several books have added to the information needed in the development of the aircraft industry in Wichita. William H. McDaniel's Beech... A Quarter Century Of Aeronautical Achievement was significant in describing the history of Walter Beech and the Beech Aircraft Corporation. Gerald Deneau's An Eye to the Sky was an excellent record of the history of the Cessna Aircraft Company.

Mr. John Zimmerman, aerospace editor of The Wichita Eagle, wrote a history of the aircraft industry in Wichita. This study was published in The Wichita Eagle in serial form in 1963. The series of articles gave a very concise history of the aircraft industry, especially the Stearman Aircraft Company.

Numerous newspaper and magazine articles contained information concerning all phases of the depression's effect upon Wichita. The Wichita Chamber of Commerce publication, The Wichita Magazine, provided an excellent weekly record of the progress of the depression in Wichita. The Wichita Evening Eagle, one of three Wichita newspapers, featured

many individual human interest stories. The six stories in Chapter VI of Wichita residents suffering from lack of food, fuel, and medical supplies appeared in this newspaper.

Method of procedure. The study of the Great Depression and its impact upon Wichita has been divided into five categories in this thesis.

Chapter I is an introductory chapter to this study.

Chapter II covers the Wichita business community during the depression decade which suffered tremendous financial losses during the early 1930's.

Chapter III describes the aircraft industry. Wichita, which had earned the title of "The Air Capital," saw its aircraft sales plummet downward to practically zero. The aircraft industry had been one of if not the largest industry in the city. The decline in sales caused hundreds of citizens to lose their jobs. This was a very severe blow to the economy of the community.

Wichita's construction industry is the subject of Chapter IV. The wheels of commerce slowly came to a near halt in Wichita as well as over the country. The construction industry, which had been adding to the Wichita economy, went into a tail spin. This decline of construction was an important factor to the commerce of Wichita.

Chapter V describes education in Wichita. The city school system also suffered as a result of the depression.

Wichita was fortunate to be able to pay the teachers during the depression. Some cities had to revert to scrip instead of money to pay teachers, however Wichita did not. Higher education was likewise affected during this period in Wichita. There were two schools of higher learning, Friends University and the University of Wichita. Friends University suffered much more than the University of Wichita since it was a privately supported church school.

The large number of unemployed men and women in Wichita is the topic of Chapter VI. Many of these individuals were in dire need of food for themselves and their families. Situated in the Kansas grain belt, it is rather difficult to imagine citizens of Wichita suffering from a lack of food.

The total result of these chapters is a study of the importance of a national depression upon the residents of one Kansas city.

Sources of material used. There were many sources of information for this study. Material used includes: newspaper articles, pamphlets, letters, trade publications, United States government reports, magazine articles, corporate records, other theses, city publications, college and university enrollment records, utility company records, books, and personal interviews.

The newspapers published in Wichita provided an excellent source of information. There were three newspapers, two which were owned by The Wichita Eagle Publishing Company. This company published The Wichita Eagle and The Wichita Evening Eagle. The other newspaper was The Wichita Beacon, published by The Wichita Beacon Publishing Company. The Wichita Evening Eagle provided more information concerning the depression's effect on the city. One reason was that its circulation was predominantly in the city and county.

Books, magazine articles, records, pamphlets, and other references came from a range of sources. The Ablah Library at the University of Wichita and the City of Wichita Library contained books, pamphlets and magazine articles pertinent to this study. Thesis material was obtained from the Ablah Library.

The history of the aircraft industry was researched in the libraries of three of Wichita's aircraft companies. The companies were: Beech Aircraft Corporation, The Boeing Company, and Cessna Aircraft Company. Books, charts, magazine articles, and company records were made available for this study.

The Wichita public utility companies were most helpful in releasing records. These companies were: Arkansas Louisiana Gas Company, City of Wichita Water Department, The

Gas Service Company, Kansas Gas and Electric Company, and Southwestern Bell Telephone Company.

Bank deposits and loan records were made available from the Wichita Clearing House Association. All Wichita banks belong to this association which provides them the services of a daily clearing house for the checks. The Wichita Clearing House was in operation during the depression.

The University of Wichita and Friends University officials provided statistics on the enrollment during the 1930's. These records were compiled through the registrar's offices.

Statistics on the growth of the city were located in the Wichita city offices. Some of these statistics were unavailable elsewhere.

Personal interviews, using a tape recorder, provided information that was unavailable otherwise. Citizens of Wichita who were interviewed ranged from a former mayor to an unemployed worker.

CHAPTER II

BUSINESS IN WICHITA

The late 1920's. Prior to the stock market crash of 1929, the city of Wichita's economy had been very active. In 1928 four new hotels had been constructed.¹ The following year of 1929, 30,000 visitors attended conventions in the city and spent approximately \$1,000,000.²

Sedgwick County, in 1928, produced a major oil discovery. The following year 158 producing wells, with a daily average of 40,000 barrels provided an ample supply of oil.³

The population of Wichita was increased with the addition of approximately 7,000 new residents and 1,200 newly constructed homes in 1928.⁴ People had confidence in the city and in its economy.

Mr. E. E. Baird, general manager for the Jet and Wood Mercantile Company, spoke of business conditions prior to

¹News item in The Wichita Eagle, January 3, 1929.

²News item in The Wichita Evening Eagle, January 1, 1930.

³News item in The Wichita Evening Eagle, December 31, 1929.

⁴News item in The Wichita Eagle, January 3, 1929.

the stock market crash. "Business was very good all over. People were feeling good and very optimistic. Employment was fairly well taken care of."⁵

Mr. Ray Overly, Office Manager for the Cities Service Gas Company, recalled the business conditions of this period in Wichita. "Business was good and unemployment was not a problem. Wichita was growing owing to our good economic position."⁶

Mr. O. A. Garnett, manager of the Governmental Affairs department of the Wichita Chamber of Commerce, remembered the conditions in Wichita before the stock market crash.

I think prior to the crash, Wichita was in very good condition. We had always had prior to the 1920's and during that period, an economy built around agriculture and livestock. Wichita was a good wholesale and retail center. It was also a national center for the distribution of farm machinery. In my opinion, business was very sound here.⁷

The stock market crash. The October, 1929, stock market crash on Wall Street made the Wichita newspaper headlines. The three newspapers featured stories of the tremendous losses suffered by many Americans including some Wichita citizens.

⁵Statement by E. E. Baird, personal interview, December 27, 1963.

⁶Statement by Ray W. Overly, personal interview, December 30, 1963.

⁷Statement by O. A. Garnett, personal interview, December 27, 1963.

George Hilton, an independent barber, recalled the effects of the crash on some of his friends.

We had quite a number of customers in the hotel who were fellows that were active in the market. Many of them had to move from the hotel. One fellow lost some thirty to forty thousand dollars between the time he boarded the train in Los Angeles to come home to take care of his business and the time he got home. It really wrecked him. He was buying on margin as many did.⁸

Mr. Overly remembered how the crash affected the gas business in Wichita. "My company was a subsidiary of the Cities Service Company. When the crash came, the stock dropped from sixty-nine dollars to seventy-five cents per share."⁹

Most citizens of Wichita were optimistic concerning the stock market crash. One of the Wichita newspapers published an article October 29, 1929, concerning the crash. The article stated that the stock market crash would help Wichita. The Wichita bankers were unanimous in the belief that only good could result from the crash in New York. They had been concerned about the amount of money which had been sent East to purchase stocks, either on margin or outright. They felt this "New York Stock Market Washout" would put an end to the flow of money from Wichita.¹⁰

⁸Statement by George Hilton, personal interview, December 23, 1963.

⁹Overly, op. cit.

¹⁰News item in The Wichita Beacon, October 29, 1929.

The president of the Southwest National Bank, Mr. L. S. Naftzer, commented on the crash.

You will find that individuals can go broke easily, but not communities. Wichita will go right along with business as usual. One may worry about a friend or so, but not this city. Our prosperity was and is not based on the stock market.¹¹

An editorial in The Wichita Beacon summarized the feelings in the city. The writer mentioned the fact that just twenty-two years previously the 1907 panic of the Roosevelt administration had occurred. The individuals had become panicky, cash practically disappeared from circulation and scrip was used for business transactions. It was mentioned that the 1907 panic was much less severe than the stock market depression of that year. The 1929 crash had caused no serious disturbances over America. The editorial writer, in comparing the two events, stated that fear had dominated the 1907 situation, but that common sense ruled in 1929.¹²

Citizens of Wichita believed that they were thousands of miles from New York City and would not be affected by the stock market crash. Slowly though they realized that the crash was just the beginning of a great depression which would affect them.

¹¹News item in The Wichita Evening Eagle, November 14, 1929.

¹²Editorial in The Wichita Beacon, November 28, 1929.

An excellent business year. The year 1929 had been a very good year for business in Wichita. Retail sales increased \$10,000,000 from 1928 to 1929 with the total volume reaching \$70,000,000 for 1929. New car sales for the year were roughly estimated at between ten and twelve thousand.¹³ The grain elevators and meat packing plants had been expanded. It seemed that Wichita was in excellent condition to advance into the 1930's.

The future of Wichita was not as secure as it looked on the surface. The national economy had lost its spark, the population was not rising as fast as the productivity per farm worker, below average precipitation was beginning in South Central Kansas, and in 1929 the average net income per person engaged in agriculture began a decline. The oil industry, which had given such a boost to the city and county in 1928, showed signs that it would be plagued in the future with falling prices.

Business decreases. As the national depression spread across the country, the city of Wichita realized that it was going to be involved in the problem of surviving the great catastrophe. The Wichita businessmen were affected

¹³ Donald D. Christenson, Daniel L. Howe, and L. Curtise Wood, Manpower Developments In Wichita, Kansas, 1950-1961 (Wichita: University of Wichita, 1963), p. 14.

by the depression. One businessman, Mr. Baird, remembered that 1929 had been the best year for his company and he was very optimistic about 1930. However, business declined, and he thought each succeeding day was the worst, but he felt that the falling prices would end very quickly. Mr. Baird and his company tried to economize to reduce company losses.

We kept trying to economize in every sense of the word. For instance, in our business we had telephones for everyone scattered over our large warehouses. This was for their convenience. We cut out these phones. We had a printing shop to use in our business and we economized there. If we hadn't economized in all areas of our business, we wouldn't have made the hill. We just had to cut down our expenses. People who did not try to economize and save money were gone.¹⁴

Optimistic thinking. The business leaders of Wichita were very optimistic in 1930. Mr. C. W. Jackson, president of the Kansas Milling Company, had faith in Wichita. He declared that Wichita had always been a conservative city, and in times of general depression had not been affected as badly as other cities. He considered an investment conservatively made in Wichita real estate a fine investment.¹⁵ Mr. A. J. Harwi, of A. J. Harwi Hardware Company, believed that carefully selected Wichita real estate was bound to

¹⁴Baird, op. cit.

¹⁵News item in The Wichita Evening Eagle, July 17, 1930.

increase in value.¹⁶ Mr. W. C. Coleman, president of Coleman Lamp Company, wrote, "Now is the time to buy Wichita real estate."¹⁷

Some businessmen believed that the depression was on its way out and prosperity was returning. Mr. George W. Paddock, manager of the A. J. Harwi Hardware Company, discussed business conditions.

Personally I believe that business, generally speaking, has been scraping along the bottom. I believe that some lines of business will begin to show improvement before the end of the third quarter. I firmly believe by March or April of 1931, we will have fully recovered from the present depression.¹⁸

Speaking of the optimism of businessmen of the early 1930's, Mr. Garnett said, "We all held to the idea that the recovery was just around the corner. I don't believe anyone really believed this was going to be so deep and dark."¹⁹

Mr. Baird explained how quickly he thought the depression would end.

We just didn't know. We hoped it would end, but actually hope was all we had. Everyone else was in the same situation, all hoping it would end. I recall one

¹⁶News item in The Wichita Evening Eagle, July 25, 1930.

¹⁷News item in The Wichita Evening Eagle, August 8, 1930.

¹⁸News item in The Wichita Evening Eagle, September 16, 1930.

¹⁹Garnett, op. cit.

instance where I called our employees in together one day. I told them that things were pretty bad and we couldn't do this and that anymore. I made a statement to them that a lot of people were operating business at a loss, but the reason they kept going was they hoped tomorrow would be a better day. If business firms including our company, hadn't believed this, we would all have closed the doors. In fact it would have been much better for many businessmen to have closed and let things float. Instead they just kept going, hoping that tomorrow would be better than today. In our business, we operated at a loss for several years, but kept going figuring that something would right itself someday.²⁰

Wichita business is praised. Several outstanding businessmen from out of the state visited Wichita and commented favorably on the condition of Wichita's economy. Mr. J. C. Liggert, representative of the Postindex Company of New York, commented: "Wichita is one of the bright spots in the West."²¹ Mr. H. F. Murphy, sales manager of Sears Roebuck and Company, visited Wichita in September, 1930. He informed The Wichita Eagle, September 20, 1930, that the Wichita Sears store was up with the best in America for selling. In November, C. C. Dana, freight traffic manager of the Atchison, Topeka & Santa Fe Railway, stopped in Wichita. Mr. Dana was amazed with the business activity in Wichita.

It seemed Wichita was escaping the extremely serious effects of the depression. Several businessmen had visited

²⁰Baird, op. cit.

²¹News item in The Wichita Evening Eagle, September 12, 1930.

Wichita and reassured the citizens that Wichita's economy was not being greatly damaged by the depression. Business conditions though seemed to be progressing downward in Wichita. Many Wichitans wondered if their city was a bright area for business and what type of conditions prevailed in the large Eastern cities. Mr. Carl Moore, of Robinson and Moore dry cleaners, returned from an extensive trip to the East with the following account of conditions in the large cities.

Wichita has everything in the world to be thankful for, when compared to the larger cities we visited. In New York the streets around the employment bureaus were pitiful. The streets were blocked with men trying to get any kind of a job. It was pitiful to see men standing in line waiting to get a sandwich.²²

It would be only a matter of months before these same conditions would be found in Wichita. The people in Wichita were just not being affected as rapidly as New York or Chicago residents. Unemployment and near starvation were not isolated to just a few large cities, and these conditions developed in many American cities, including Wichita.

Business continues to decline. The year 1931 was a year in which Wichita businessmen looked hopefully for

²² News item in The Wichita Evening Eagle, October 22, 1930.

relief from the depressed business conditions. Optimism was in the hearts and minds of the Wichita business leaders. Mr. E. A. Watkins, president of the Wichita Chamber of Commerce, was optimistic for the new year, 1931. He believed the new year would be a better year than many people expected.²³

There were signs within the city that gave business leaders and citizens the impression that recovery was eminent. The Wichita Transportation Company issued statistics indicating steadily increasing traffic on the street car lines. The manager of the Fox Theaters reported theater receipts were higher than in 1930. Passenger traffic on the Frisco Railroad increased in and out of Wichita.²⁴

Throughout the spring and summer of 1931, business continued to decline. There were times when business leaders thought they saw the end to the downward trend of the economy. In September, Mr. Glen W. McFall, a realtor, stated prices were at the bottom for homes, business buildings, and apartments. He believed there would be an

²³News item in The Wichita Evening Eagle, January 1, 1931.

²⁴News item in The Wichita Evening Eagle, March 3, 1931.

active real estate market by the fall and winter of 1931.²⁵
This market never materialized.

The depression had finally fully arrived in Wichita by 1931. Mr. Daryl Osler returned to Wichita in 1931 after living in Canada for ten years.

I noticed the depression had reached Wichita when I arrived. Conditions were pretty tight from an economic standpoint. The year, 1931, was very hard for many Wichitans. Many men were out of work and looking for jobs. It was especially noticeable when one went out looking for work.²⁶

The Wichita Chamber of Commerce worked tirelessly to improve Wichita's economic base. Despite adverse trends, the chamber met with success as 135 new industries and business firms other than retail stores began operations in the city in 1931.²⁷

The veterans hospital. One of the most important projects undertaken by the Wichita Chamber of Commerce was obtaining a new hospital and regional office of the United States Veterans Bureau for the city. It was announced early in December that Wichita had been selected over other Kansas cities by the Veterans Bureau for the hospital. The hospital, a \$750,000 project, guaranteed work for the

²⁵News item in The Wichita Evening Eagle, September 7, 1931.

²⁶Statement by Daryl Osler, personal interview, December 30, 1963.

²⁷Christenson and others, op. cit., p. 15.

community. The officials of the chamber believed the hospital project important since the regional offices of the Veterans Bureau would not be moved out of Wichita upon the securing of the hospital. Prior to securing the hospital, the Veterans Buerau had its regional offices in Wichita. Some businessmen had feared that these offices would be moved to the site of the hospital, thus, securing the hospital eliminated this immediate threat. Securing the hospital contract was only the first of several problems the Chamber of Commerce had to solve in order to actually acquire the \$750,000 hospital.

Optimism in 1932. Optimism was high at the close of 1931 and the beginning of 1932. Bank clearings and bank debits were down, but the manager of the Wichita Clearing House Association, Mr. Dale R. Ainsworth, felt that 1931 had been a good business year for Wichita.

Clearings and debits have dropped, but so have commodity prices. In other words less money did the same for more business this year than last, and in reality Wichita's business was perhaps better than a year ago.²⁸

The total of the 1930 bank clearings was \$366,334,804.10 as compared to \$248,648,104.70 for the twelve months of 1931.²⁹

²⁸News item in The Wichita Evening Eagle, December 31, 1931.

²⁹Ibid.

One of the Wichita newspapers on January 1, 1932, in a front-page article, indicated the optimism in the city. The article mentioned the many setbacks the city had suffered during 1931: low commodity prices for wheat, corn, livestock, and oil. It related how drastically the aircraft industry had been affected with one firm, Cessna Aircraft, closing down to wait out the depression. The city of Wichita, the article declared, had weathered the storm of depression in fine shape. Wichita, in the opinion of the reporters, had suffered much less from the depression than most cities. Higher optimism could not have been found than in the concluding paragraph of the article:

Happier days are ahead for Wichita and this section of Kansas. The dark clouds already are beginning to roll away and Wichitans will chuckle over the fears and fancies of the late depression.³⁰

The Wichita Chamber of Commerce worked very hard in 1932 to complete the arrangements for the veterans hospital. The chamber's weekly publication issued on February 10, an appeal to chamber members for \$9,000 to help defray expense of securing the hospital.³¹ On April 7, 1932, the hospital was finally secured for Wichita, as the government's check

³⁰News item in The Wichita Evening Eagle, January 1, 1932.

³¹"\$9,000 Asked to Defray Expense of Securing Veterans Hospital," The Wichita Magazine, February 10, 1932, 1.

was paid to owners of the 250 acre tract of land. This was a very happy day for the Chamber of Commerce, the city, and the residents of Wichita.

There were business leaders during 1932 who asserted that the depression had finally reached its nadir. Mr. H. D. Faxon, president of the McKesson-Faxon Drug Company in New York City, visited one of his subsidiary companies, McKesson-Potts Drug Company, in Wichita. He declared that the drug business in Wichita was in good condition, and he added, "I think that business has reached its lowest point, and we are now on the road to recovery."³²

Wichita's trade index indicated the city had experienced some business gains. In October, the index listed Wichita with a 70.1, compared to a nationwide average of 68.5.³³

The close of 1932 introduced new thoughts about the depression. Businessmen had survived two years of depressed conditions and still the recovery had not occurred. During the first two years of the 1930's most businessmen believed that recovery was "just around the corner." One of Wichita's evening newspapers in December, 1932, reflected

³² News item in The Wichita Evening Eagle, March 24, 1932.

³³ News item in The Wichita Evening Eagle, October 17, 1932.

these new and different thoughts concerning the depression. An article on the first page entitled, "Wichita Sees Bright Days For Young '33" stated that Wichita business and professional men did not hold to the opinion that prosperity was just around the corner. These leaders realized that the depression would not end with a flurry of business in 1933.³⁴

The depths of the depression. When did the depression reach its darkest hour? This question would be answered differently by many older residents of Wichita who lived through the depressed decade. Mr. Baird considered 1932 as the worst year for his company. Mr. Garnett believed the depths of the depression was in 1936. It depended, to a certain degree, on the type of business one was engaged in.

Examining the statistics would indicate that 1933 was the bottom of the depression. Building permits had decreased from \$8,651,582 in 1929 to a 1933 low of \$350,802; Wichita postal receipts were down from \$1,150,134 in 1929 to \$882,784 for 1933; bank loans and discounts decreased from \$25,932,496.78 in 1929 to \$6,275,621.91 for 1933; bank deposits fell from \$47,425,595.18 in 1929 to \$34,410,546.27 in 1933, and the total bank reserves and liabilities

³⁴News item in The Wichita Evening Eagle, December 31, 1932.

decreased from \$58,238,163.86 in 1929 to \$40,235,633.78 in 1933.³⁵

The 1933 bank holiday. The closing of the banks by President Franklin Roosevelt was a very significant event not only in America, but also in Wichita. Wichita bankers were very much against the idea of closing the banks. On March 4, 1933, all of the Wichita banks went on record against Governor Alfred M. Landon's idea of limiting withdrawals to five per cent of deposits. The Wichita banks had not as yet been ordered to close the doors. The Wichita bankers believed that their banks were all solvent and limiting withdrawals would cause panic. Two days later, Monday, March 6, the Wichita banks were closed by Presidential decree.

Closing the banks had a certain effect upon the Wichita business community. It affected different businessmen in different ways. Mr. Hilton recalled its affect upon his barber business.

I had a great number of customers who were traveling men, mostly from Kansas City. They were caught without any money. I had quite a large amount of cash on hand. For a twenty dollar check I would give twenty dollars in cash. Some people hesitated to take these checks and

³⁵From The Wichita Magazine, January 4, 1934, and The Wichita Clearing House Association.

cash them, but I took them. Luckily I didn't lose any money when I was able to cash them later at the bank.³⁶

Mr. Overly described the effects of the bank holiday on the gas company.

Customers continued to pay their gas bills at our office by cash and check. When the bank holiday was over, these checks which we had in the office, were promptly deposited in the banks. I remember we only suffered the loss of one check and it was less than five dollars.³⁷

Mr. Garnett remembered the bank holiday's effect on the residents of Wichita.

Many people were caught without much cash in their pockets. The cafes where they had been eating had to take checks. The banks were closed in Wichita only a matter of a few days. Undoubtedly they should have been closed sooner than they were, in the way of a bank holiday.³⁸

The economy of Wichita was not affected to any great extent by the bank holiday. Business continued with most business establishments honoring checks from their regular customers. The laborers working for the city in the projects to help unemployment, were paid by checks during the first few days of the holiday. The checks were for only about two dollars on the average and the city felt the workers wouldn't have any trouble cashing the checks. As the bank holiday continued, the city stopped paying by check and paid its workers in cash. Many of the small grocery stores,

³⁶Hilton, op. cit.

³⁷Overly, op. cit.

³⁸Garnett, op. cit.

where the laborers cashed their checks, were getting short of cash.

The bank holiday lasted eight days in Wichita. On March 14, five national banks and one private bank opened for business, thus ending the bank holiday. At first, the banks and the clearing house were flooded with thousands of checks that had piled up during the bank holiday. The banks also collected large amounts of cash during the first days of regular business. This excess cash was shipped to Kansas City. One banking institution shipped \$500,000 in bills to the federal reserve bank in Kansas City. Wichita banks, by the middle of March, had shipped more than \$2,000,000 in excess currency to Kansas City.³⁹ The Wichita bankers and businessmen had stated during the bank holiday that there was a plentiful supply of currency in the city. The shipping of the large amount of excess currency out of the city proved that these men were correct in their prediction of the amount of cash in Wichita.

The majority of the Wichita banks, prior to the bank holiday, were solvent and did not close their doors at a loss to their depositors. Mr. Garnett described the banking situation in Wichita.

³⁹News item in The Wichita Evening Eagle, March 16, 1933.

Wichita had at various times in the 1920's, twenty-three different banks, which I can recall from memory. After the depression, that had shrunk to six banks. That doesn't mean the other seventeen banks in Wichita went broke or became insolvent. Many of them, in the 1920's, before the depression hit, consolidated. Most of these banks were absorbed by larger banks. I can only recall that six or eight actually closed their doors with a loss to their depositors. Of the six building and loan associations in Wichita, three of them closed their doors and did not reopen.⁴⁰

Confidence returns. Several Wichita businessmen felt there was an increase in business after the reopening of the banks. They felt the people had more confidence in the Wichita economy and banks. The department stores reported an increase in sales which they credited to the new confidence of the people.

Optimism continued to be found in the Wichita business community. In October, one Wichita merchant gave his opinion of business conditions in the city in a newspaper article.

Last winter was the lowest ebb, the darkest hour. March saw the first flickering of an upturn, after a January and February that, in my business at least, were the sickest months in history. Every since March everything has conspired to make business better. The big danger is over and it'll be just a thrilling adventure to remember by and by.⁴¹

Christmas, 1933, saw more opinions concerning the ending of the depression. Many businessmen were confident

⁴⁰Garnett, op. cit.

⁴¹News item in The Wichita Evening Eagle, October 18, 1933.

the larger crowds in the stores meant recovery was on its way. They realized the depression was still upon them, but they felt they could see a slight break in the blackness.

Confidence could very well sum up the attitude of the Wichita businessmen at the close of 1933 as they prepared for 1934. An editorial in the evening newspaper of December 27, indicated the confidence of the business community.

For the first time since 1928, Wichita approaches a new year with every indicator pointing to better times. The clock of commerce and trades was slowing down in 1929. It was terribly jerky in 1930, worse in 1931 and all but checked in 1932, but this year the speed of the pendulum has picked up. This city will begin 1934 not only with far more hope and faith but more figures and facts to back up that hope and faith. It is indeed going to be a happier New Year.⁴²

Recovery in the business community. The optimism of the Wichita businessmen for 1934 was well founded. The year saw the beginning of the recovery in many Wichita businesses. The business community slowly prospered and the downward trend of business seemed to have been checked. True confidence had returned to the business community. An excellent example of this confidence was in the loans and discounts from the Wichita banks. They increased almost one hundred per cent from \$6,275,621.91 in 1933 to \$12,314,314.30 in

⁴² Editorial in The Wichita Evening Eagle, December 27, 1933.

1934.⁴³ Confidence had also returned to the construction industry as building permits increased nearly one hundred per cent.

Although the business community believed recovery had replaced the depressed conditions in business, the end of the depression was still in the future. The Wichita businessman was thankful though for the small break in the dark clouds of despair that had engulfed him and his fellow businessmen.

The beginning of the new year found many Wichita business leaders predicting more prosperous times for the city. An evening newspaper, on January 1, 1935, featured predictions by five leaders of the city.

'We look with hopeful confidence on the New Year,' city commissioner R. H. Middlekauff said, 'expecting a material advance in both real estate and bond values.'

Mayor Schuyler Crawford remarked, 'We are nearing the goal of liquidation because debts are being paid. We may see a great improvement in 1935.'

'The year 1935,' city commissioner Harry Cottman stated, 'will be the turn in the road.'

'I feel very optimistic about 1935,' chief of police, O. W. Wilson said.

City commissioner Frank Nighswonger predicted, 'We are now upon the way to business recovery.'⁴⁴

⁴³Wichita bank records, 1929 to 1939, Wichita Clearing House Association.

⁴⁴News item in The Wichita Evening Eagle, January 1, 1935.

Business in Wichita progressed upward during 1935. For many businessmen this was the first year for some time in which their receipts were more than their debits. In November, the Sedgwick County treasurer gave her opinion of business conditions in the city and county. "In my opinion we are well over the threshold of recovery, and it will be only a matter of months until most of us will feel that a full recovery has been made."⁴⁵ Wichita was still suffering from the depression as the unemployment figures showed. It would require several more years to completely eliminate the large numbers of unemployed in Wichita, but some recovery had arrived for the business community.

The Kansas City Federal Reserve Bank issued figures in November which indicated that Wichita was second only to Kansas City for the tenth district in percentage of increase in retail trade with a 10.1 per cent increase.⁴⁶ Statistics released in 1936 proved that the year 1935 had been an excellent recovery year for retail business in Wichita. Retail sales decreased from \$81,165,000 in 1929 to \$39,469,000 in 1933, but increased to \$49,464,000 for 1935.⁴⁷

⁴⁵News item in The Wichita Evening Eagle, November 13, 1935.

⁴⁶News item in The Wichita Evening Eagle, November 28, 1935.

⁴⁷News item in The Wichita Evening Eagle, November 21, 1936.

Mr. Baird recalled business conditions in Wichita in 1935 when he was president of the Wichita Chamber of Commerce.

I was president in 1935. Conditions of business had commenced to recover when I took over the presidency. Things were looking up in our city of Wichita. The depression had commenced to wear itself out. Recovery was the wave of the future.⁴⁸

The late 1930's. Optimism and continued recovery would summarize business conditions as 1935 ended and 1936 emerged. A February, 1936 editorial in the Wichita Chamber of Commerce publication, tried to motivate the Chamber of Commerce members into getting ready for the end of the depression. It pointed out the fact that some businessmen had lost all during the early 1930's and that others had almost gone broke. Some of these men who just barely escaped that tragedy, felt that times had changed and that prosperity was returning. The editorial tried to encourage the members to realize that they had to be ready for the increase in business when the depression ended. Confidence by the consumer in Wichita's economy would hasten the ending of the depressed conditions in business.⁴⁹

The business recovery continued throughout 1936 and into 1937. An important aspect of the recovery was the

⁴⁸Baird, op. cit.

⁴⁹Editorial in The Wichita Magazine, February 6, 1936.

improvement in office rentals. In March, an evening newspaper featured an article concerning the deficiency of office space in the downtown section of Wichita. The article contrasted the conditions at that time with conditions three years previous in 1934. In 1934, very few offices were rented and the building owners did not know when the situation would end. The year 1937 was an almost complete reversal with most buildings completely filled to capacity. Business leaders believed that this was an excellent barometer of better times.⁵⁰

The assessed valuation of property in Sedgwick County indicated recovery was present in the city and county. In the ten-year period from 1927 to 1937, the assessed valuation had increased and decreased, but the 1937 figures were almost identical with the pre stock market crash days of 1927. The property valuation for four of the years from 1927 to 1937 are as follows: 1927, \$193,099,443; 1931, \$227,706,766; 1933, \$163,151,973; and 1937, \$193,164,388.⁵¹

Statistics released early in January, 1938, indicated that 1937 had been a good business year for the city and county. The register of deeds for Sedgwick County posted

⁵⁰ News item in The Wichita Evening Eagle, March 3, 1937.

⁵¹ News item in The Wichita Evening Eagle, November 25, 1937.

the number of chattle mortgages filed during 1937. These mortgages were for the purchase of cars, radios, refrigerators and other items on the time payment plan. The number of mortgages had risen 1,301 from 33,547 in 1936 to 34,848 in 1937.⁵²

The final two years of the depression decade, 1938 and 1939, reflected an important growth in the economy of Wichita. The banks of the city registered some of this growth. Deposits increased over twenty-five million dollars from a low of \$34,410,546.27 in 1933 to \$64,076,412.02 in 1939. The resources and liabilities of the banks increased over thirty million dollars from \$40,235,633.78 for 1933 to a record 1939 total of \$70,906,696.55.⁵³

The threat of war helped some business firms such as the aircraft industry, to recover more rapidly than other firms. Business in general had recovered very nicely by the close of 1939, although there were still some firms that found it difficult to completely eliminate the depressing business conditions.

Summary. Business conditions in Wichita during the 1930's grew very severe. Many businessmen lost their firms

⁵²News item in The Wichita Evening Eagle, January 6, 1938.

⁵³Wichita bank records, op. cit.

or companies because of the depths of the depression.

Wichita was not spared from these happenings just because of its location.

Mr. Garnett recalled one mercantile company suffered a loss of one hundred thousand dollars a year for five years before they reduced salaries or laid off employees.⁵⁴ This particular company was an unusual example, as most companies were forced to reduce salaries and dismiss many or most of their employees.

Residents of Wichita reduced purchases to only the necessary items. One industry which suffered from this reduction in buying was the automobile industry. There had been, according to Mr. Garnett, from a dozen to two dozen new franchise automobile dealers in Wichita prior to the stock market crash. When the depression was over, only three of them had survived.⁵⁵ Many non-essential items such as new automobiles and fur coats, were drastically affected as people discovered they could survive without them.

The Wichita business community did not lose faith during the period of depressed conditions. Optimism was prevalent among the businessmen as they searched for a sign of recovery which would end the worst depression they had ever known. The business leaders, with the help of the

⁵⁴Garnett, op. cit.

⁵⁵Ibid.

Wichita Chamber of Commerce, worked tirelessly to improve conditions throughout the depression decade--1929 to 1939.

CHAPTER III

WICHITA'S AIRCRAFT INDUSTRY

The 1920's. The early history of aviation in Wichita is a most interesting one. It is sprinkled with many well-known names which are associated with different companies or makes of airplanes. Lloyd Stearman, founder of Stearman Aircraft Company, later Boeing-Wichita; Walter H. Beech, founder of Beech Aircraft Corporation; and Clyde Cessna, founder of Cessna Aircraft Company, are three of the most famous individuals in Wichita's aircraft history.

The aircraft industry, from a small beginning in and around the city of Wichita, grew until it was one of the most important industries in Wichita in the late 1920's. The entire country became aware of the spectacular growth of the aircraft industry. In August 1928, a Wichita correspondent for a national aviation publication wrote,

Factories for the manufacture of flying machines are not all that Wichita has. Naturally a world of allied industries have sprung up. Employees in the aircraft industry have increased in number from a total of 42 in June, 1927 to 841 in July, 1928.¹

In thirteen months employment in Wichita's aircraft industry

¹John Zimmerman, "Rash of Airplane Makers Noted In Wichita Between 1927, 1930," The Wichita Eagle, January 31, 1963.

had risen by nearly eight hundred. It was little wonder that the rest of America was spellbound by the happenings in Wichita.

National magazines sent reporters to cover the aircraft industry. Colliers featured an article entitled, "All Wichita's Chillun Got Wings." The Saturday Evening Post published an article, and so did several aviation magazines.²

Mr. John Zimmerman, aerospace editor for The Wichita Eagle and Beacon, listed thirty-four different companies which called themselves aircraft companies in the five-year period, 1927 to 1931.³ Many individuals were interested in all phases of aviation, from the manufacturing to the actual flying of airplanes.

A record production year. Everyone connected with the aviation industry in Wichita was very confident in 1929. The previous year, 1928, had been a banner year for the city's aircraft companies. There are conflicting figures on the exact number of airplanes produced in 1928. On January 1, 1929, a Wichita newspaper stated that 847 planes

² Bliss Isely, "The Story of Cessna," Cessna Aircraft Company, p. 8. (Mimeographed.)

³ Zimmerman, loc. cit.

had been built in Wichita the previous year.⁴ The Aeronautical Chamber of Commerce, in March, 1929, published figures setting the number of planes at 927; but the four major aircraft companies gave 1,070 as nearer the number of planes produced in 1928. The reported monetary value of these airplanes ranged from \$3,500,000 in the Aeronautical Chamber of Commerce report to over \$5,000,000 set by the companies themselves.⁵

As the year 1929 progressed, airplanes continued to roll off the assembly lines in large numbers. Optimism was very high on the future of Wichita as a giant industrial aircraft center. Governor Clyde M. Reed visited Wichita in August and viewed the airplane companies. His opinion of Wichita's future was overwhelming. He believed that by 1933 Wichita might be producing airplanes at the rate of more than thirty thousand a year. The city, he believed, would then be one of the Middle West's great industrial centers.⁶

Travel Air Manufacturing Company. The largest Wichita airplane company in 1929 was Travel Air Manufacturing

⁴News item in The Wichita Beacon, January 1, 1929.

⁵News item in The Wichita Beacon, March 9, 1929.

⁶News item in The Wichita Beacon, August 15, 1929.

Company. Travel Air soon became the largest producer of both biplanes and monoplanes for commercial users in the world. A total of 5,357 commercial airplanes were produced in America in 1929 by ninety-five different manufacturers. Travel Air led all companies producing 547 planes. The company could produce a peak of twenty-five planes per week and did this during some of the year 1929. The employment at the Travel Air Company was one thousand.⁷ The president of this largest airplane company in the world was Walter H. Beech, who later founded the Beech Aircraft Corporation.

During 1928, Mr. Beech realized that he would need more capital to meet the demands for more airplanes. The easiest place to obtain this capital was from Wall Street. He obtained the money and expanded the Travel Air facilities.

The Travel Air Company merged with the Curtiss-Wright Corporation in 1929. Mr. Beech became president of Curtiss-Wright Airplane Company and vice president in charge of sales of Curtiss-Wright Corporation. The reaction in Wichita to the news that the Wichita company was under Eastern control was not very pleasant. Popular sentiment at the time, held that Wichita "had been sold down the river!"⁸

⁷William H. McDaniel, Beech... A Quarter Century Of Aeronautical Achievement (Wichita: McCormick-Armstrong Company, 1947), p. 7.

⁸John Zimmerman, "'Eastern Money' for Travel Air Necessary for Growth of Company," The Wichita Eagle, February 9, 1963.

Business declines. The stock market crash and the depression which followed, did not affect the aircraft firms immediately. It was not until 1930 that the companies realized that their products would be classified by many individuals and companies as unnecessary luxuries.

Airplane sales showed the effects of the depressing times in 1930. The number of commercial airplanes manufactured in the United States decreased from 5,357 in 1929 to 1,937 in 1930.⁹ Travel Air still dominated the market, but it was much more difficult to sell commercial planes.

There was still optimism among the airplane manufacturers that the depression would not continue to hurt sales. Mr. William Stout, of the Buckley Aircraft Company, stated in January of 1931, that "There is not a doubt in the world but what the aircraft business will double at the close of 1931 what it was at the close of last year."¹⁰

Economic conditions continued to worsen for the airplane industry in 1931. The manufacture of commercial aircraft declined to only 1,582 for the entire United States.¹¹ Several aircraft manufacturers were forced to

⁹McDaniel, op. cit., p. 10.

¹⁰News item in The Wichita Evening Eagle, January 27, 1931.

¹¹McDaniel, loc. cit.

close their doors, including Travel Air's Wichita plant. The entire Travel Air operation was transferred to St. Louis for economy reasons.

Walter Beech returns to Wichita. Mr. Beech was expected to serve two functions: head the Missouri operation of the company and serve as vice president of the Curtiss-Wright Sales Corporation in New York City. He soon realized his position was becoming separated from actual aircraft design and construction. He finally decided that his contributions to Curtiss-Wright were not needed, so, in the latter part of the year 1931 he resigned and returned to Wichita. He had an idea that he wanted to develop: building a luxury, high performance airplane which, in all probability, would have a limited market.

The early 1930's were years when most individuals were holding on to their money and not investing in companies, new or old. Mr. Beech was not concerned with what other people were doing with their savings--he had an idea fixed in his mind of building the finest airplanes in the world.

The Beech Aircraft Company is formed. On April 1, 1932, Mr. Beech organized the Beech Aircraft Company, the predecessor to the present Beech Corporation. The company had a very small number of employees at the beginning, most of whom had been with Travel Air before it closed its

Wichita plant. Mr. Beech needed a building in which to design and build his airplanes. The Cessna Aircraft Company had been forced to close its doors temporarily so a small section of one of their buildings was rented to Beech.

The objective of the Beech Aircraft Company was to design and build a five-place biplane with the interior luxury and passenger comfort of a fine sedan. It was to have a top speed of two hundred miles per hour or more, a landing speed of no higher than sixty miles per hour, and a non-stop range close to one thousand miles.¹²

It was just over seven months from the beginning of the company that the first Beech airplane made its maiden flight. The plane, model 17 "staggerwing," flew on November 4, 1932. Considering the engineering capabilities of 1932, the size of the small plant, and the small number of workmen, this was a remarkable achievement. The model 17 was a remarkable aircraft as it exceeded desired objectives, in some instances. The flight tests showed a top speed of 201 m.p.h., a cruising speed of 180 m.p.h., a landing speed of about 60 m.p.h., and it was capable of operating at altitudes up to 21,500 feet.¹³

¹²McDaniel, op. cit., p. 12.

¹³John Zimmerman, "Plane Pioneer Beech Defies Depression, Forms Company," The Wichita Eagle, February 10, 1963.

The first model 17 "staggerwing" was sold to the Ethyl Corporation. The plane entered the Miami Air Races and captured the Texaco Trophy. This helped individuals interested in airplanes become aware of the new aircraft company in Wichita.

Beech Aircraft Company was financed in the early days mainly by the personal savings of Mr. and Mrs. Beech. Mr. Beech believed so intensely in his ideas that he met the payroll, purchased supplies, tools, materials, instruments, and parts, out of his savings.

It was over a year before the second Beech airplane was shown to the public. It had taken a year to redesign and improve the model 17. Mr. Beech wanted the most perfect aircraft that his engineers could design.

Airplanes are sold. In 1934, the Beech plant built eighteen of the improved model 17 biplanes.¹⁴ The company was able to increase its employees from ten in 1933 to thirty-five in 1934.¹⁵ The year 1934 marked a step forward for the company as it moved from its rented corner in the closed Cessna plant to the closed Travel Air Manufacturing plant. The date of the move was April 23, 1934. It had

¹⁴"Beechcraft," The Beechcrafter (special issue), XVII (March, 1964), 4.

¹⁵Beech Aircraft Corporation, Wichita, Kansas, Beechcraft Personnel and Sales Date 1932-1962.

taken Mr. Beech just two years to progress from an infant company situated in a rented plant to the former site of his success with Travel Air. He had accomplished this during the peak of the most devastating depression that Wichita and the country had ever known.

Business continued to improve for Beech Aircraft as thirty-six airplanes were produced in 1935.¹⁶ The selling of airplanes made headlines in the Wichita newspapers as people were interested in the progress of aviation in its recovery from the depression. Early in January, 1935, one newspaper featured an article on its front page describing the sale of eight Beech planes for \$100,000. The article informed the public that the Wichita airplane industry had snapped out of its lethargy with this sale.¹⁷

The Beech Aircraft Corporation. The year 1936 was another milestone for the young company. The name of the organization was changed from Beech Aircraft Company, a Kansas company, to Beech Aircraft Corporation, a Delaware corporation. The capitalization was increased from \$25,000 to \$100,000, with an eventual authorized total capital stock structure of a half-million dollars at one dollar per

¹⁶"Beechcraft," loc. cit.

¹⁷News item in The Wichita Evening Eagle, January 11, 1935.

share.¹⁸ This was very important to the future growth of the company. Airplane production rose in 1936 to a total fifty-nine produced by a record number of 175 employees.¹⁹

Although Beech Aircraft had moved to the former site of Travel Air Manufacturing in 1934, they had not been able to gain control of the grounds from Curtiss-Wright. Mr. Beech announced on January 6, 1937, that Beech was the new owner of the Travel Air site. The financial transaction between Beech and Curtiss-Wright gave Beech the entire factory and land for \$150,000.²⁰ This transaction was a personal highlight for Mr. Beech as he had accomplished so much in the factory when he was president of Travel Air.

A very important engineering breakthrough was the introduction of the first Beech monoplane, the model 18, in early 1937. The company had two distinct types of airplanes from which the public could choose, after the model 18 was introduced. The two planes were the model 17 biplane and the model 18 monoplane. This was the very important variety that the young company needed in order to compete with other

¹⁸McDaniel, op. cit., p. 20.

¹⁹John Zimmerman, "Products of Aircraft Companies Get Emphasis from 1932 Onward," The Wichita Eagle, February 11, 1963.

²⁰Ibid.

aircraft firms. Business continued to improve for Beech Aircraft throughout 1937.

The year 1938 was the first year in which the sales of Beech Aircraft passed the million-dollar figure. Total sales for the fiscal year of 1938 were \$1,141,000. This had been accomplished with the manufacture and sale of sixty-eight planes produced by an average of 250 employees.²¹ The Beech Aircraft Corporation had progressed in six years from an embryo company to one which sold over a million dollars worth of airplanes. This was a tremendous success for Mr. Beech and his airplanes, considering the depression which depressed all companies.

The company continued to increase its production of airplanes in 1939. Business continued to increase for several reasons. One reason was the increasing number of commercial planes being purchased by companies and individuals. The threatening world war in Asia and Europe was another reason. Various foreign governments were purchasing Beech aircraft. The fiscal year of 1939 was the second year in a row for sales to total more than one million dollars. Total sales for seventy-one aircraft produced by an average of 660 employees, totaled \$1,328,000.²²

²¹Beech Aircraft Corporation, op. cit.

²²Ibid.

The contribution of Walter H. Beech. The dream that Walter Beech had in 1932 to build a luxury airplane had been fulfilled. He had seen his company increase in production and sales to a record total, by the close of 1939. The depression did affect Mr. Beech because of the fact that it caused his company, Travel Air Manufacturing, to leave Wichita. The fact that Mr. Beech returned to Wichita and formed a new company in the depths of the depression gives a good indication of the faith he had in aviation and its future in Wichita. In spite of the depressed conditions in business all around him, Mr. Beech succeeded in producing and selling airplanes. The Beech Aircraft Corporation, with Mr. Beech as its president, was one of the giants in the commercial aircraft industry at the close of the 1930's.

The Stearman Aircraft Company. Lloyd Stearman, a native Kansan, had founded the Stearman Aircraft Company on October 1, 1926, in Venice, California. Less than a year after the founding, the company moved to Wichita; and the company was recognized as a Kansas corporation. The total property, assets, stock, contracts, and stocks of the company were sold by Mr. Stearman to a group of Wichita businessmen for \$19,786.08, on September 30, 1927.²³

²³John Zimmerman, "Lloyd Stearman Offered to Sell

Mr. Stearman was named president and general manager of the company by the corporation, at a salary of \$4,500 a year. This very low yearly salary gives an indication of the embryo state that the Stearman Company was actually in.

Business was excellent at the Stearman plant in Wichita. The number of employees totaled 216 for the fiscal year ending May 30, 1929. Sales for this fiscal year exceeded \$1,113,000, with a profit of \$65,000.²⁴

Stearman merges with United Aircraft and Transportation Corporation. The year 1929 was a time for merging of many companies throughout the country. Several aircraft companies decided they could operate on a larger scale at a lower cost and discussed possibilities of merging. On August 15, 1929, Stearman Aircraft merged with United Aircraft and Transportation Corporation. Mr. Stearman, in answering the question as to why the Wichita company had merged with United Aircraft, replied, "The reason we merged was because everybody else was merging. Besides, we thought we ought to give our stockholders a break."²⁵ The merger

Firm to Organized Wichita Group," The Wichita Eagle, June 12, 1963.

²⁴ John Zimmerman, "Stearman Merger With United Gave Wichita Firm Solid Base," The Wichita Eagle, March 18, 1963.

²⁵ Ibid.

brought continued confidence in the company as its stock rose from \$140 a share prior to the merger, to \$160 just before the stock market crash.²⁶

More land was needed for the growing Stearman Aircraft Company, and in June of 1930, the board of directors voted to purchase thirty acres from the closed Swift Aircraft Company. This is the present location of Plant One of Boeing-Wichita. The Stearman factory was moved to the new plant location in November, just at the time when the depression was beginning to be felt severely in Wichita.

In all probability, the Stearman Company would have been forced to close its doors if it had not been for the help it received from United Aircraft and Transportation Company. Business was very poor at the Stearman plant. On September 1, 1933, the company's bank balance was only \$3,531.63. United Aircraft and Transportation Corporation advanced Stearman two separate ten thousand dollar loans to cover operating expenses and to develop a new training plane.²⁷

²⁶ Ibid.

²⁷ John Zimmerman, "Heritage of Boeing at Wichita Traced to Building Airplanes Here in 1916," The Wichita Eagle, September 30, 1963.

The threat of a closed factory. The president of Stearman in 1933 was J. Earl Schaefer. Mr. Stearman had resigned as president of the company in 1930 and as consulting engineer and director in 1931. He and his family moved from Wichita shortly after Mr. Stearman severed his connections with the company. Late in 1933, Mr. Schaefer was ill in bed at his home when he received word that United Aircraft had decided to cut down on overhead and close the Stearman doors. Mr. Schaefer got out of bed, boarded a train, and travelled to New York City to see Fred Rentschler, head of United Aircraft.

Mr. Schaefer was very determined in his crusade to keep Stearman Aircraft operating. "Fred," Schaefer said to the United chief,

you can't let this thing happen. We have a heritage. We have skilled personnel and we've had the best products of the industry. Tell you what, why don't you pay the overhead--gas, lights, water and telephone--and we'll take care of the rest.²⁸

Mr. Rentschler finally agreed to Mr. Schaefer's plan. The Stearman Aircraft Company continued to operate, although at a very slow pace. It had been saved from being closed down because of the determination of one man, Mr. Schaefer.

Business was very slow at Stearman in the early 1930's. The payroll for 1932 and 1933 gives an indication

²⁸John Zimmerman, "Schaefer Takes Step To Revive Stearman," The Wichita Eagle, May 1, 1963.

of the depth to which the number of employees had been decreased. Employment decreased from a record high of an average 216 in 1929 to an average thirty-nine for both 1932 and 1933.²⁹ The production record for 1931 and 1932 also gives an indication of the depressed business conditions. Only two units of the model 6H were manufactured during these two years.

The Boeing Airplane Company takes control of Stearman. On August 31, 1934, a very important event occurred which affected the Stearman Company and the future of military aircraft in Wichita. The United Aircraft and Transportation Corporation was dissolved as a requirement of the Black-McKeller-Mead law. The former large corporation was divided into three companies: United Air Lines and Transport bought all the airlines formerly operated by United Aircraft; United Aircraft Corporation took control of all the Eastern manufacturing units of United Aircraft; and the third division was controlled by Boeing Airplane Company.³⁰ Stearman Aircraft was then controlled by Boeing Airplane Company of Seattle, Washington. Stearman had been affected by the breaking down of United Aircraft and

²⁹The Wichita Eagle, Stearman Aircraft Employment Statistics, 1928-1940, September 8, 1963.

³⁰John Zimmerman, "Wichita Aircraft Makers Enjoyed Good Years in Mid-30's," The Wichita Eagle, April 30, 1963.

Transportation since it had merged with the corporation in 1929.

It was decided by Boeing that all commercial manufacture of airplanes would be continued in Seattle and that military aircraft would be limited to the Wichita plant or actually to the Stearman Company. This was not the period in America's history when she was building many military aircraft. To the people of Wichita it seemed that the decision to limit production in Wichita to just military aircraft was a rather unrealistic one.

A small number of military planes were purchased by the United States government during 1934. On May 8, 1934, the Stearman Company received a United States Navy contract for forty-one two-place tandem training biplanes. Although the order was rather small, it seemed very large to the Stearman officials, as it represented one-sixth of all the airplanes the firm had been able to produce and sell since it had moved to Wichita seven years earlier.³¹ The United States Navy was so pleased with their first biplanes from Stearman that they ordered twenty more. This United States Navy contract for forty-one biplanes and the additional twenty planes, gave the company its start in the military aircraft business.

³¹News item in The Wichita Evening Eagle, May 8, 1934.

The Stearman Company developed another biplane for the United States Army, Model 75, which the Army liked but was unable to purchase because training had been temporarily suspended. This was the period when the United States government seemed to be uninterested in airplanes. During the two or three year lapse in improving their aircraft, the United States lead in military aviation diminished, while our future enemies in World War II, Germany, Italy, and Japan, were improving their airforces.

Some foreign countries realized the threat of the approaching war and they looked to American companies for airplanes. A contract for ten biplanes with special equipment was given Stearman by the Philippine government. This was the first of several overseas orders for Stearman Aircraft.

Airplane production increases. Employment continued to rise at Stearman as more contracts (mostly small ones) for military airplanes were received. In 1936 the average number of employees had increased to 202 from a 1932 and 1933 low of thirty-nine. The payroll had increased from \$64,250 in 1933 to \$282,118 for 1936.³²

The residents of Wichita were keenly interested in Stearman's progress in recovering from the depression.

³²The Wichita Eagle, Stearman Aircraft Employment Statistics, op. cit.

An evening newspaper featured a front-page article concerning Stearman, in October, 1936. It stated that the company had been awarded a contract to build a fleet of airplanes for the Brazilian government at a total of six thousand dollars. Officials of Stearman were elated over the contract for they believed that it would keep their factory working at a one hundred percent capacity for a year.³³

Business continued to improve for Stearman as more and more of their airplanes were sold to the United States Navy, United States Army and foreign countries. Employment and the payroll at Stearman continued to increase yearly. This was very important to the city of Wichita since this money was spent in the city or county. The 1939 average number of employees was over one hundred percent higher than the number in 1936, or 429 to 202. The payroll had almost tripled from \$282,118 in 1936 to \$609,103 in 1939.³⁴

The war conditions in Asia and Europe helped the Stearman Company increase its production. The United States government realized almost too late that more airplanes would be needed. Foreign countries turned to America and to

³³News item in The Wichita Evening Eagle, October 21, 1936.

³⁴The Wichita Eagle, Stearman Aircraft Employment Statistics, loc. cit.

Stearman Aircraft for airplanes to use in building and strengthening their national defenses. Stearman-built airplanes flew all over the world prior to the outbreak of World War II.

Wichita benefitted from Lloyd Stearman and the Stearman Aircraft Company. The Stearman Aircraft Company was conceived by Mr. Stearman in 1926 and it survived for thirteen years, or until its name was changed by the Boeing Airplane Company. On November 27, 1939, Stearman Aircraft was officially dissolved as a division of Boeing Airplane Company.³⁵ The Stearman Aircraft Company, with the help of United Aircraft and Transportation Corporation and the officials of the company, had survived the depression; and the company rebounded from the low ebb of the business depression and gradually grew into a giant of military aircraft production.

Mr. Stearman contributed much to the success of the company before he resigned in 1931, and many of his ideas continued with Stearman Aircraft after his departure.

The city of Wichita has much to be thankful for when it remembers the contributions of Lloyd Stearman to aviation

³⁵ - John Zimmerman, "Heritage of Boeing at Wichita Traced to Building Airplanes Here in 1916," The Wichita Eagle, September 30, 1963.

in Wichita. The city is fortunate that the Stearman board of directors did not become discouraged during the depression and close the factory. They would have had enough reasons to do so since Stearman was affected very drastically by the depressed business conditions in Wichita and America.

The tremendous growth of Wichita during the 1940's and 1950's can be attributed very definitely to the Boeing Company. Without the founding of Stearman Aircraft in Wichita in the 1920's and its success throughout the 1930's, the military aircraft manufacturing potential of Boeing in the 1940's and 1950's would probably not have been located in Wichita. It is highly possible that Wichita would not have grown as rapidly during World War II and the Korean conflict, if it had not been for the Boeing Airplane Company.

Clyde Cessna's interest in aviation. Clyde Cessna had been interested in airplanes and flying most of his life. Early in 1911, when Mr. Cessna was thirty-one years old, he attended an air circus in Oklahoma City and saw his first airplane.³⁶ The airplane so impressed him that he went home and constructed one of his own. He not only solved the problem of building the airplane from memory of what he had

³⁶Gerald Deneau, An Eye To The Sky (Wichita: Cessna Aircraft Company, 1962), p. 2.

seen in Oklahoma City, but he also had to teach himself to fly. Mr. Cessna was successful in building and flying his airplane, and he traveled all over Kansas putting on air exhibitions and spreading his name in the newspapers of the cities and towns.

In 1925, Walter Beech and Lloyd Stearman asked Clyde Cessna to leave Rago, Kansas, his boyhood home, and join them in a new airplane company in Wichita. They wanted him to become president of this new company. Mr. Cessna moved to Wichita and assumed the presidency of The Travel Air Manufacturing Company. Mr. Beech was elected vice president and Mr. Stearman became chief designer for Travel Air.

In the Spring of 1927, Mr. Cessna and Mr. Beech disagreed on one of Mr. Cessna's new designs for a monoplane, and because of the disagreement, Mr. Cessna resigned from Travel Air and sold his interests to Mr. Beech.

The Cessna Aircraft Company. Mr. Cessna continued to design airplanes in a little shop of his in Wichita. His first airplane impressed him so much that he decided to organize a company in order to sell the plane. During the Summer of 1927, Victor H. Roos of Omaha, Nebraska, became acquainted with Mr. Cessna and eventually invested money in Cessna's new company, and on September 8, 1927, this new company became known as the Cessna-Roos Aircraft Company.³⁷

³⁷Ibid., p. 12.

The Cessna-Roos Aircraft Company had a very short life. In December of 1927, Mr. Roos sold his interests to Mr. Cessna to take a position with the Swallow Aircraft Company, and on December 31, 1927, Mr. Cessna renamed the firm the Cessna Aircraft Company, which name has continued to the present time.

The name of Cessna spread throughout the country as the first prototype monoplane won many races against airplanes of greater horsepower. Inquiries were received by Cessna on the production dates of the airplane.

The first year of production for Cessna Aircraft was 1928, when the company produced forty-six airplanes, accelerated production to two and a half airplanes per week by the end of the year, and claimed a backlog of ninety-six orders.³⁸ The future looked extremely bright for Mr. Cessna and the Cessna Aircraft Company.

Early in 1929, Cessna Aircraft was contacted by the Curtiss Flying Service who was interested in distributing and selling all Cessna's airplanes. Curtiss wanted Cessna to produce fifty airplanes per month. A contract was signed in February, 1929, in which Curtiss agreed to purchase the entire airplane production of Cessna Aircraft.³⁹

³⁸"50 Years of Cessna Growth," Flight Magazine (special issue) (November, 1961), 13.

³⁹Deneau, op. cit., p. 20.

In order to produce enough airplanes each month for Curtiss, the Cessna board of directors decided that the facilities for producing aircraft had to be enlarged. They issued stock and sold it on the open market in order to obtain the necessary money, and the company went in debt for \$200,000 to purchase land and build new factory buildings.

Production of airplanes in the new factory had only begun when the stock market crashed. The panic that followed caused the Curtiss Flying Service to go bankrupt, and Cessna Aircraft found itself with many unsold airplanes, a new factory, a tremendous debt, and no outlet for selling its product.

At first, Mr. Cessna gave orders to continue building airplanes, but when he could no longer meet the payrolls, he was forced to discharge employees. Employment at Cessna had risen from fifty in July, 1929, to eighty in December of the same year.⁴⁰

The 1930 stockholders meeting. The air was filled with a gloomy atmosphere at the annual Cessna stockholders meeting on February 5, 1930. Mr. Cessna admitted the company was in bad financial condition, but he added that he

⁴⁰"The Cessna Story" (Cessna Aircraft Company, 1963), 2. (Mimeographed.)

was selling planes now and then--that there were a few people who still had money enough to purchase planes.⁴¹

Mr. Cessna spoke highly of the glider clubs being formed around the country. The gliders were being produced in the Cessna factory, and they sold for \$398 each.

Mr. Cessna told the stockholders that it was salesmanship which would end the depression, and he added: "Sales are plentiful. All we need is to reach up in the sky and get capital."⁴²

Even though Cessna Aircraft Company had a difficult time in 1930, it managed to stagger through the year, primarily because of the sales of the single-place gliders which Mr. Cessna had spoken so highly of at the 1930 stockholders meeting. Over three hundred gliders were produced in 1930, which kept the company solvent.⁴³

Board of directors vote to stop company operations.

When the 1931 stockholders meeting of the Cessna Aircraft Company was held in January business was very bad and the future of aviation looked so dark that Mr. Cessna's optimism could not sway the stockholders to continue operations. A

⁴¹Isely, op. cit., p. 10.

⁴²Deneau, op. cit., p. 22.

⁴³Cessna Aircraft Company, Wichita, Kansas, Total Production As of January 1, 1964.

board of directors, pledged to close the plant, was elected, and they took control of the company away from its founder. Mr. Cessna plead with the new directors, telling them that "Closing of the plant, especially of the office, will result in damage to the business."⁴⁴ And he offered to work without salary, if they would not close down the plant. The directors listened to Mr. Cessna, but they voted to close until business conditions were more favorable; and they replaced Mr. Cessna as president with Mr. Thad Carver, who favored closing the company.

These events were heartbreaking for Mr. Cessna. The company that he had founded was being closed and he was no longer president. "I packed my belongings," he said in 1953. "I gave the keys to Mr. Sanders, and I did not even look back at the building that was no longer mine."⁴⁵

Cessna Aircraft produced no airplanes during the years 1931, 1932, and 1933, but the company did not go bankrupt. Because the factory was closed for production, in order for the company to remain solvent, income was received from the small sale of company stock, and the buildings were rented to various small enterprises. (Walter Beech started his airplane company in the corner of one of Cessna's buildings.) Cessna was waiting for business conditions to improve before reopening.

⁴⁴Isely, op. cit., p. 10.

⁴⁵Ibid.

Prior to the stockholders meeting in 1934, Mr. Cessna and his two nephews, Dwane and Dwight Wallace, discussed the strategy that would be necessary in order to gain control of the company. Then Mr. Cessna wrote two separate letters to the stockholders in which he urged them to give him their proxies. The majority of the stockholders probably discarded the letters without even reading them, because only a few answers were received with the stockholder's proxy. Thus, Mr. Cessna and his nephews decided to pool their resources, and Dwight Wallace was sent East to call personally on most of the stockholders who lived in the eastern states.

Clyde Cessna regains control of the company. The stockholders meeting was held on January 10, 1934. The proxies Dwight Wallace had obtained in the East outnumbered the votes held by the anti-Cessna forces, and a new board of directors and officers were elected. Mr. Cessna was elected president, Roscoe Vaughn became vice president, Dwight Wallace was named Secretary-Treasurer, and Dwane Wallace was plant manager.⁴⁶ The first business to be discussed by the officers was the reopening of the Cessna Aircraft Company.

During the time the company was closed and Mr. Cessna was in business for himself, he built about one airplane a

⁴⁶Deneau, op. cit., p. 32.

year, and he used these planes to enter any air race that was still in operation. Actually, the first airplane that was built by the newly reopened company was the Cessna C-34. It was not until the Summer of 1935 that the Department of Commerce licensed the C-34. Business was slow in 1935, especially for a company that had been closed for three years, and Cessna Aircraft sold only nine C-34's during the entire year.

Cessna discovered a way to keep the factory open while the personnel of the company designed, constructed, and tried to sell the C-34. Many owners of airplanes were unable to fly their machines because of the lack of a certain part or parts that had either worn out or broken. Many of these planes had been built by companies that had not survived the depression and so no longer existed. When Cessna became licensed by the CAA as an approved repair station early in 1935, the company produced and sold many badly needed parts for all makes of airplanes. The revenue from this repair work helped keep the factory open.

When George Hart won the Detroit News Trophy at the air race in Detroit, Michigan, with a C-34, in 1935,⁴⁷ it was wonderful news for Cessna because the plane was publicized from coast to coast, and the company needed all of the

⁴⁷"The Cessna Story," op. cit., 3.

publicity it could get because business was slow at the factory. In fact, it was so slow that during 1934 and 1935, Clyde Cessna and Dwane and Dwight Wallace all worked without salaries in order to keep the company solvent.⁴⁸

Clyde Cessna retires. In December, 1935, Mr. Cessna announced to the board of directors that he had sold his interest in Cessna Aircraft to his two nephews. He continued as president of the company until October 8, 1936, when he resigned and retired to a farm near Rago, Kansas,⁴⁹ the place where he came from originally. He died in 1954, at the age of seventy-five. Dwane Wallace was elected president of Cessna Aircraft, and he still holds this position today.

Business began to increase for Cessna in 1936, and it continued to increase through 1937 and 1938. As president of the company, Mr. Wallace spent much of his time calling on prospective customers personally in various sections of the country; and he participated in several air races to help finance the company and to publicize the C-34. Thus the company was becoming better known among those people who were interested in airplanes.

⁴⁸Deneau, op. cit., p. 33.

⁴⁹Isely, op. cit., p. 16.

On January 20, 1938, The Wichita Evening Eagle featured a page-one article on Cessna which stated that business had increased 192 percent in 1937, and that Dwane Wallace had reported to the paper that the company had the largest backlog of orders that it had received since he had taken over the duties of the president.

Cessna Aircraft sells the T-50 "Bobcat." A milestone was reached in Cessna's history when the company launched its first twin-engine airplane, the T-50 "Bobcat" in 1939. Mr. Wallace realized that if war occurred, supplies for the manufacture of commercial planes would be curtailed. He flew a T-50 to New York where he met with the British Purchasing Commission. Mr. Wallace explained the advantage of training in a two-engine airplane, such as the T-50, to the commission and sold the British on the idea of using Cessna T-50's for training in Winnipeg, Canada.

The British then asked Mr. Wallace for a financial statement of the company. At that time, the Cessna Aircraft Company had a bank balance of only \$5.03.⁵⁰ The Fourth National Bank of Wichita came to the aid of Cessna and sent a telegram to the British Purchasing Commission informing the commission that The Fourth National Bank would lend Cessna all the financial aid the company needed to build T-50's.

⁵⁰"50 Years of Cessna Growth," op. cit., 20.

Cessna built 5,402 T-50 "Bobcats" between 1940 and 1944.⁵¹ The plane was ordered in 1939, but delivery did not start until 1940. Although the Canadians were the first to purchase the T-50, the United States Army Air Force ordered some also.

Because of the threat of war in the late 1930's, Cessna Aircraft Company, along with other airplane companies, prospered, and employment increased as the production of both commercial and military airplanes increased. The last year of the depression decade, 1939, found Cessna in good financial condition.

Airplane manufacturing in review. The manufacturing of airplanes in Wichita was affected tremendously by the depression. Prior to this ten-year period, Wichita was the center of aircraft manufacturing in America, but the stock market crash and the panic which followed took its toll of most of the aircraft companies, only a few of which were able to survive the 1930's. The companies that did survive, however, became giants in the manufacturing of aircraft in this country.

There are many individuals who are credited with keeping the city of Wichita the center of aviation, or "The

⁵¹Cessna Aircraft Company, op. cit.

Air Capital," but the men discussed in this chapter, Walter Beech, Lloyd Stearman, and Clyde Cessna, are the three most outstanding individuals connected with the aircraft industry in Wichita. It is interesting to recall that these men were, at one time in their separate careers, officers of the same company, The Travel Air Manufacturing Company. Today, the three separate companies these men founded are among the largest aircraft companies in the world.

CHAPTER IV

THE CONSTRUCTION INDUSTRY

The 1920's. The residents of Wichita had witnessed a tremendous building boom in the 1920's. Because more people were moving to Wichita, the construction industry had been kept busy building homes, apartments, and business offices for these new citizens. The total number of newly constructed one-family, two-family, and multi-family structures rose from 958 in 1928 to 1,167 in 1929.¹

Fortunately, the increase of newly constructed homes in Wichita did not seem to increase the number of unoccupied housing units. The Secretary of the Wichita Real Estate Board, Rufus E. Deering, wrote an article concerning the results of a housing survey that had been conducted which indicated a marked decrease in unoccupancy in single-family dwellings and business buildings. The article reported the following:

With 2,436 more single family dwellings in Wichita in November 1929 than in the same month in 1926 the unoccupancy dropped from 5.7 per cent in 1926 to 2.8 per cent in 1929. With 617 more business buildings than in 1926 the unoccupancy dropped from 8.4 per cent in 1926 to 4.2 per cent in 1929.²

¹City of Wichita, Kansas. 1951 Annual Report of the Building Inspection Division, Department of Service.

²Rufus E. Deering, "Housing Survey Shows Healthy Conditions," The Wichita Magazine, VII (December 18, 1929), 22.

Mr. Deering maintained that at the rate Wichita was going it would be only a short time before all available housing and business buildings within the city would be in use, and that the housing situation indicated a very healthy condition for the city.

One very surprising fact was observed, along with the 1929 survey. The number of dwellings being constructed for the month of November, 1929, was only fifty-three, compared to one hundred the previous year and 273 for November of 1927.³ Mr. Deering attributed this slowdown in construction to the downward trend of the stock market.

The year 1929 was the last big construction year in Wichita for many years. Building permits totaled 2,712 during the year, with a value of \$8,652,000,⁴ and there were nine large buildings completed which cost in excess of \$100,000 each, the largest one costing about \$400,000.⁵

Construction declines. By 1930, the construction industry was deeply affected by the depression, and the

³Ibid.

⁴United States Department of Commerce, Statistical Abstract of the United States. Building Permits Issued in Principal Cities (Washington: Government Printing Office, 1933), p.-763.

⁵News item in The Wichita Evening Eagle, January 1, 1930.

number of building permits dropped from 2,712 in 1929 to 1,762, or almost one thousand, in 1930, a thirty-five percent drop; but valuation of the permits decreased from \$8,652,000 in 1929 to \$6,308,000, or only twenty-seven percent.⁶ One of the important projects in 1930 was the \$1,000,000 contract for the constructing of the Allis Hotel. This large contract helped to keep the total value of construction at a high level in Wichita, and the construction industry continued to express optimism and confidence in the early years of the depression. A newspaper surveyor stated smugly that of the thirty cities in America with populations between 100,300 and 122,600, only one city, Cambridge, Massachusetts, did more building in 1930 than Wichita.⁷ And about two weeks later, another article stated that Wichita had been ranked thirty-fifth of all first-class cities in the nation in per capita building, having spent a total of \$57.43 per capita.⁸

The leaders of the Wichita construction industry were pleased to read about the excellent 1930 record, but when these articles appeared in 1931, the industry was building less and less each month. As the large contracts, which had been let two and three years before, were completed,

⁶United States Department of Commerce, loc. cit.

⁷News item in The Wichita Evening Eagle, May 1, 1931.

⁸News item in The Wichita Evening Eagle, May 13, 1931.

contractor after contractor experienced the heavy pinch of the depression.

As the depression affected more of the private citizens in 1931, fewer private homes were built, and the number of business firms that would have expanded under normal conditions, were unable to do so as business conditions worsened. Thus, Wichita construction continued on the downward spiral.

In June of 1932, Alton H. Smith, Wichita realtor, made the following comment as to the few new homes that were constructed in Wichita during this period: "This means that in another year there will be a scarcity of houses. For instance, less than three dozen new homes have been built in Wichita this spring."⁹ Although Mr. Smith believed that it would not be long before the city's growth would force the building of more homes, new home building did not increase until 1935. Obviously, the residents of Wichita got along without the homes that Mr. Smith thought were necessary.

There were some Wichita business leaders who continued to be optimistic about the local construction industry, even though conditions did not justify such an attitude. An editorial in the evening paper reflected this optimism with the following observation: "Pretty soon private construction

⁹News item in The Wichita Evening Eagle, June 13, 1932.

capital will be busy again and Wichita will be through hard times with less damage than the ordinary community sustained."¹⁰

The depths of the depression. The year 1933 was the lowest of the depression years for the construction industry, and very little building was done in the city. Building permits numbered only 560 during the year (some of these represented public pump-priming construction), compared to 652 in 1932; and the valuation of these permits was \$351,000 as compared to \$1,195,000 for the 1932 permits.¹¹

Recovery of the industry. The turning point for the Wichita construction industry was in the year 1934, which was the first year since the stock market panic that building permits increased rather than decreased in number and value in the city. It was because of this fact that the construction industry was able to make an important recovery at this time. Too, the Federal Housing Administration aided in the recovery by assisting Wichita residents in repairing old homes and building new ones. In November and December of

¹⁰Editorial in the Wichita Evening Eagle, December 5, 1932.

¹¹United States Department of Commerce, Statistical Abstract of the United States. Building Permits Issued in Principal Cities (Washington: Government Printing Office, 1935), p. 791.

1934, building permits increased 425 percent for home repairs and new home construction, over the same two months in 1933.¹²

Recovery in the construction industry continued into 1935 and throughout the entire year, when the city's building permits tripled the number in 1933, and the value of the permits went over \$1,000,000 for the first time since 1932.¹³ The leaders in the industry were not only encouraged but they were confident that the depressed conditions had ended for them. An editorial in the publication of the Chamber of Commerce summarized this confidence as follows:

In the beginning of the depression we had 'vicious spirals' which carried everything down before them. Now the spirals are running upward and every piece of construction spirals into more business, hence more confidence, hence more building.¹⁴

The construction of new homes and buildings, and the repairing of older ones continued to increase throughout the final four years of the depression, and the years 1936, 1937, and 1938 were excellent years for the industry in Wichita. Building permits increased each year, with a record of 2,936

¹²News item in The Wichita Evening Eagle, January 25, 1935.

¹³United States Department of Commerce, Statistical Abstract of the United States. Building Permits Issued in Principal Cities (Washington: Government Printing Office, 1938), p. 837.

¹⁴"Construction Helps All Business," The Wichita Magazine, XIV (February 6, 1936), 14.

permits values at \$3,167,000, in 1938.¹⁵ Perhaps a foreshadowing of the curtailing of the construction industry, which was necessitated by the advent of the Second World War, is evidenced by the fact that during the year 1939, permits decreased about two hundred, and their value was slightly below \$5,000,000.

Summary. The construction industry was one of Wichita's vital industries prior to the depression. The employment of men, purchasing of materials, and other aspects of the industry provided the city with a considerable payroll. As the depression slowed down this industry, the effects upon the city were noticed immediately.

Optimism, hope, and the thoughts of recovery were constantly in the minds of the leaders of this industry, and these leaders did not lose faith in some sort of recovery during 1931, 1932, and 1933.

¹⁵United States Department of Commerce, Statistical Abstract of the United States. Building Permits Issued in Principal Cities (Washington: Government Printing Office, 1939), p. 868.

CHAPTER V

EDUCATION

Salaries of public school teachers are reduced. In the Summer of 1931 the depression had fully arrived in Wichita with business conditions very bleak. The school board, no less than other public boards and commissions, was faced with the necessity of stretching a steadily decreasing income over expenses that were somewhat fixed in nature. One of the most obvious areas in which economies could be made was in salaries. In March, 1932, a cut of ten percent was announced in teachers' salaries. This cut saved the city of Wichita \$160,000 a year.¹ The Superintendent of Schools, L. W. Mayberry, had commented on the idea several months previously.

I will volunteer to take the cut myself and assure you that other employees of the board not under contract will also, providing other taxfixing agencies do the same. I think most of the teachers would accept decreases, due to conditions without many objections.²

There were some objections to reducing salaries of teachers in order to lower taxes. In a four-column

¹News item in The Wichita Evening Eagle, March 8, 1932.

²News item in The Wichita Evening Eagle, July 10, 1931.

advertisement in The Wichita Evening Eagle, July 17, 1931, The Morris Plan Company, a savings and loan company, issued strong objections to this economy effort. The advertisement stated that the small benefit to the city and county which would occur from reducing salaries paid from taxes would come at the expense of the morale of the public employees.

Following this line of reasoning, keeping wages up was one of the best ways to combat the economic distress of Wichita.

Reducing salaries of public employees was an issue discussed and debated by many Wichita residents. Teacher salaries, along with other public employees' salaries, were not extremely high in the 1930's. Many citizens did not consider this fact, but urged reduction of these salaries in hopes of seeing their taxes lowered. The average high school teacher's salary had been raised only \$55 from \$1,980 for the school year 1920-21 to \$2,035 for 1930-31. Elementary teachers in the city of Wichita received a lower average salary than secondary teachers. In 1930-31, the average elementary teacher's salary was raised \$167 from \$1,620 for the school year 1920-21 to \$1,787 for 1930-31.³

The teachers were disappointed at the action of the board of education, although few were resentful. They had worked very hard during the 1920's on salary increases and

³News item in The Wichita Evening Eagle, March 8, 1932.

hated to see salaries decreased. The president of the Wichita City Teachers Association, Paul L. Good, summarized the feelings of most Wichita teachers on the reduction of salaries.

The Wichita teachers only hope that when the present crisis has passed the individuals who now are advocating a reduction in the salaries of teachers will be ready to assist in putting their salaries back in line with advancing pay in other professions.⁴

Teachers receive warrants instead of monthly checks.

The 1933 Kansas legislature passed a law which affected the teachers of the entire state and especially Wichita. It was known as the cash basis or "pay as you go" law. School systems of first-class cities were affected by this law. All public debts of schools, counties, and townships were to be retired through a bond issue on May 1, 1933, according to this cash basis law. The public agencies were to proceed from that time strictly on a cash basis.

Wichita teachers became aware of the new law when they did not receive their March, 1933, monthly checks. The Wichita Board of Education did not have money on hand to meet the March payroll. It was not allowed, by the cash basis law, to issue checks to the Wichita teachers.

The teachers and other employees of the Wichita Board of Education were given warrants instead of checks. These

⁴Ibid.

warrants were not drawn on any Wichita bank, but on the treasurer of the Wichita Board of Education. Teachers had two choices concerning the warrants. They could take them to business firms and attempt to cash them, or they could keep them until the board treasurer was able to cash them. The warrants drew six percent interest per annum for whoever had them in his possession when the treasurer was able to cash them.⁵

The Wichita banks were not anxious to cash the warrants as they were planning on purchasing the bonds issued by the board of education in May, 1933. Thus quite a problem was created as most teachers had planned on cashing the warrants at the banks.

Several solutions to the problem of cashing the warrants were discussed among the leaders of the city. An editorial in an evening newspaper on April 4 suggested the formation of a civic financial society to which every Wichitan could belong. The capital stock of the society would be used to purchase the warrants at one hundred cents on the dollar from the teachers who wanted to sell their warrants. The Wichitans who had invested in the society would benefit from their investment by receiving the six percent interest from the treasurer of the board of

⁵News item in The Wichita Evening Eagle, April 3, 1933.

education when the warrants were finally paid.⁶ One of the other suggested solutions was to split the warrants into scrip and use the scrip instead of money. Scrip was used in some other cities in America by teachers and workers.

The warrants are purchased. The Wichita Chamber of Commerce urged teachers and other employees of the board of education not to attempt to cash the warrants by discounting them. The chamber worked very hard trying to get business firms to cash the warrants at face value and not at a discount rate. Through the efforts of the Chamber of Commerce the problem of cashing the warrants was partially solved. The Coleman Lamp and Stove Company agreed to purchase \$8,000 of the board of education warrants if other firms and citizens would also purchase warrants totaling \$8,000.⁷

Citizens and business firms came to the rescue of the Wichita teachers. On April 14, the Chamber of Commerce stated it had cashed warrants totaling \$23,000. The Chamber of Commerce acted as a clearing house for cashing the warrants. More than three hundred Wichitans helped the Chamber of Commerce and the teachers by purchasing warrants in amounts from \$50 to \$250. Some teachers were not in need

⁶Editorial in The Wichita Evening Eagle, April 4, 1933.

⁷News item in The Wichita Evening Eagle, April 11, 1933.

of their money and kept their warrants in order to gain the six percent interest.⁸

The Wichita teachers were fortunate that the board of education was able to meet its payroll during the depression except for the Spring of 1933. Some cities like Chicago were years paying teachers their back salaries because they had been unable to pay them during the depression.

Institutions of higher learning. In the early 1930's Wichita's two institutions of higher learning, Friends University and the University of Wichita, were optimistic about the effect of the depression upon their student bodies. In September, 1931, officials at Friends University informed one of the Wichita newspapers that they were not at all surprised at the interest in education in spite of the depression. They felt many students who would ordinarily have left school for a position in the business world were staying in school to continue their education.⁹

Enrollment figures for the two universities showed the effect of the depression upon their two student bodies. The University of Wichita's student body continued to increase during the early years of the depression. The

⁸ News item in The Wichita Evening Eagle, April 14, 1933.

⁹ News item in The Wichita Eagle, September 11, 1931.

average number of students for both semesters rose from 982 for the 1929-1930 school year to 1,232 for the 1932-1933 school year. But the following school year, 1933-1934, showed an average decrease of 170 students attending the University of Wichita.¹⁰ There were several reasons for this decrease: the condition of business was still on its downward spiral, part-time jobs were very difficult to obtain, and some students found their savings depleted. It took the University of Wichita two years to bring its enrollment up to the 1932-1933 record.

Perhaps because some Friends students transferred to the University of Wichita to take advantage of the lower tuition, the enrollment at Friends University was affected a year earlier than at the University of Wichita. An average of 444 students enrolled for classes at Friends University during the school year 1930-1931.¹¹ This was the highest number of students enrolled there for one year during the entire depression. The enrollment declined to a depression low of 316 during the school year 1932-1933.¹²

¹⁰University of Wichita (Wichita, Kansas), Enrollment Records 1928-1940, Registrar's Official Files.

¹¹Friends University (Wichita, Kansas), Enrollment Records 1929-1940, Registrar's Official Files.

¹²Ibid.

General business conditions affected the students at Friends University in much the same manner as the students at the University of Wichita.

Students were willing to work their way through school during the depression. In December, 1932, Joseph I. Griffith, director of the placement bureau at the University of Wichita, informed the public about students working their way through college.

The average young man or woman who ordinarily would go to work after high school, found no jobs open. Realizing they might as well go to college as do nothing, these young people entered school and placed their names in the student employment bureau, hoping for some work. Last year ⁸⁹ such students were enrolled as against 146 this year.¹³

A merging of the universities is proposed. The idea of a merger between Friends University and the University of Wichita was discussed on both campuses in 1933. Some businessmen and leaders of the Wichita community thought such a merger would be an important step forward in providing more and higher quality education for the students of the city and surrounding area. The Kansas Yearly Meeting of Friends which controlled Friends University, voted down this proposal at their October meeting.

Dr. W. O. Mendenhall, president of Friends University, told the church leaders at the 1933 meeting about the

¹³News item in The Wichita Evening Eagle, December 14, 1932.

dangerous crisis the school faced. Dr. Mendenhall discussed the poor financial state of the school and said it was in danger of losing its standing in the North Central Association. He believed the university was not too far gone to be saved if the Yearly Meeting would "buckle down" and help financially.¹⁴

Friends University has financial problems. Financial problems continued to bother Friends University throughout the 1930's. It did not suffer any more than other privately-supported colleges, but income was generally hard to raise. In March, 1934, Dr. Mendenhall issued a statement that after operating for seven years under a \$600,000 endowment, the school had a deficit of about \$10,000. He did not believe it was anything serious to worry about.¹⁵

By 1936, financial conditions had become serious for Friends University. A committee was organized by community leaders to raise \$20,000 in one week. The money was to be used to meet an operating deficit, to repair roofs and the gymnasium, and to repair and rehabilitate other school property. The Wichita Eagle described the money-raising campaign to help the school with a headline, "Roofs Are Leaking". This was on May 27, 1936.

¹⁴News item in The Wichita Evening Eagle, October 14, 1933.

¹⁵News item in The Wichita Eagle, March 29, 1934.

The university continued to economize and reduce costs in order to provide the best education at the lowest cost. It seemed with help from the community and loyal alumni that the university was going to survive the depression without any serious setbacks. Enrollment reached 426 by the school year 1936-1937, almost equaling the former depression high for 1930-1931.¹⁶

Living Endowment. A rather unique idea to help Friends University financially was conceived by Dr. Edwards, president of Friends University from 1934 to 1939. The financial plan was titled "Living Endowment". Dr. Edwards and other school officials realized they needed a larger endowment for Friends University. It was very difficult to increase the endowment during the depression, so Dr. Edwards and school officials encouraged individuals to participate in the "Living Endowment". A \$1,000 endowment gift might provide the school with \$10 yearly, so the friends of Friends University would donate the \$10 each year, in lieu of the large endowment gift. This brilliant plan of Dr. Edwards was one of the most important money raising programs that kept Friends University solvent during the depression.

¹⁶Friends University (Wichita, Kansas), Enrollment Records 1929-1940, op. cit.

Friends University loses its accreditation. Alumni and friends of Friends University remembered August 13, 1937, for many years. The morning Wichita Eagle published an article concerning Friends University and its financial situation. The school, according to the article, had increased income, balanced its budget, reduced indebtedness, and had assets of over one million dollars.¹⁷ The many friends of the school had very little time to rejoice over the splendid news before the afternoon newspapers appeared. The Wichita Evening Eagle published an article which created sadness among the followers of the school. The article stated that Friends University was to be dropped from the list of members of the North Central Association of Colleges and Universities on June 30, 1939. The examiners had criticized the university over lack of income and insufficiency of the plant.

The decision by North Central affected the school's enrollment in 1937, 1938, and 1939. Enrollment declined in 1937 to an average 407, rose to 437 in 1938, but decreased to 383 in 1939.¹⁸ Although Friends University appealed to the North Central accrediting body to reconsider its decision,

¹⁷News item in The Wichita Eagle, August 13, 1937.

¹⁸Friends University (Wichita, Kansas), Enrollment Records, loc. cit.

the school was dropped from the list of members on June 30, 1939. It was twelve years later, 1951, before Friends University was reinstated by North Central.

The financial problems of the two universities differed mainly in their source of income, the University of Wichita being a tax-supported institution and Friends University being dependant on private funds. Since support for the municipal university was more generous, it did not have the problems of accreditation which bedeviled Friends University. The economic problems of the students, however, were the same in both institutions.

Summary. Educators who lived through the depression decade in Wichita will always remember it as a time of financial stringency and worry. Teachers had their salaries reduced and even stopped for a short time, and no one knew when the next salary cut would be announced or if next month's check would be forthcoming on time.

Friends University and the University of Wichita survived the depression although they received some scars. The University of Wichita had a decline in its student body for a few years, but nothing to the extent of Friends University. Friends University suffered financial setbacks, decrease in its student body, and eventual loss of its North Central accreditation. The two institutions of higher learning were fortunate they were never forced to close their doors.

CHAPTER VI

WICHITA'S UNEMPLOYMENT PROBLEM

Unemployment becomes a problem. Unemployment was not a serious problem in Wichita prior to the stock market crash. The year 1929 had been a very good business year for Wichita and employment had increased 3,286 over the previous year.¹ This was the last year employment increased in the city until the late 1930's.

As the depression continued to worsen, local relief agencies tried to provide aid to the needy and destitute. The Salvation Army, Community Chest, The Sedgwick House, Wichita Chamber of Commerce, Wichita churches, and many of the civic organizations helped the unemployed of the city. The Sedgwick County Board of Commissioners proposed a program to aid the unemployed in the county. The commissioners predicted that there would be between three and four thousand unemployed for the winter of 1930-1931.²

The Wichita Chamber of Commerce was interested in helping to alleviate the unemployment problem. The

¹News item in The Wichita Magazine, February 26, 1930.

²News item in The Wichita Evening Eagle, October 24, 1930.

unemployment committee of the Chamber of Commerce sponsored a registration day in the five Wichita intermediate schools.³ The committee wanted a list of all unemployed men and women who were residents of Wichita. The committee made it quite plain only Wichita residents would be offered jobs by the chamber when such openings became available.

The soup kitchen in the Forum. The Salvation Army, during the 1929-1930 winter, had run out of food to provide for the needy of the city. They had not planned on such a large number of people needing assistance. In October, 1930, Captain George Hunt, head of the Salvation Army, announced that his organization would send a truck daily to the packing houses, produce houses, grocery stores, and bakeries to obtain food products that would still be good but not in condition to sell to the general public.⁴ The food products collected were taken to the Wichita Forum. The Forum was a large auditorium owned by the city and used for basketball games, Broadway shows, and other large public gatherings. The city had given the Salvation Army the authority to use a section of the Forum to set up a large soup kitchen.⁵ The

³News item in The Wichita Evening Eagle, November 21, 1930.

⁴News item in The Wichita Evening Eagle, October 21, 1930.

⁵News item in The Wichita Evening Eagle, November 25, 1930.

food was prepared in the Forum and distributed to the needy and destitute by the Salvation Army. Captain Hunt believed that the Forum provided his organization enough room to cook and distribute the food to the people. He believed his organization had enough food either on hand or available through the promises of Wichita merchants to supply the needs of all unemployed and needy for the winter of 1930-1931. The officials of the Salvation Army were afraid that many unemployed men with families suffering from hunger and a lack of fuel would be too proud to ask for aid. The Salvation Army worked very hard locating all needy families and informing them it would not be a disgrace to accept free food and fuel.

Apple peddlers. Many Wichita residents had read about apple peddlers on street corners in some of the large Eastern cities, but they never thought the depression would become so severe it would happen in Wichita. One of the evening newspapers featured an article about Wichita apple peddlers.

Mr. Worden was the first apple vendor on Wichita streets. He obtained permission from Postmaster Bruce Griffith to occupy a corner of the postoffice property. His sales netted about \$2.50 daily.⁶

⁶News item in The Wichita Evening Eagle, December 29, 1930.

Some relief is provided. The unemployed did not just wait for some organization to help them find work and food. They formed their own organization to emphasize their needs to the community. A relief center was established by this group in November, 1930, to provide food, clothing, and work for all the unemployed and needy of Wichita. In January, 1931, the center had facilities to feed eight hundred persons daily.⁷

The relief situation continued to become more severe and desperate as the months went by. The Salvation Army, which had moved its food dispersing facilities to the Forum, decided that the need for more room required a move to larger facilities. In January, eleven hundred families were fed by the Salvation Army at the Wichita Forum in two days.⁸ This was only one of their problems as they also ran out of enough food so the rations had to be sharply reduced. Kent Eubank, a columnist for The Wichita Evening Eagle, appealed to the residents of Wichita to aid the Salvation Army in their mission to help the needy and destitute.

There is no wasp in captivity which can cause as sharp a pain as the sting of hunger. There is nothing more

⁷ News item in The Wichita Evening Eagle, January 14, 1931.

⁸ News item in The Wichita Evening Eagle, January 19, 1931.

heart rending than a little child crying for something to eat. There is nothing more pitiful, more helpless, or more cruel than a mother sending a little boy or girl hungry to bed. Yet this is happening right here in Wichita.

Dime a Week clubs. Private citizens not only donated money and food to organizations like the Salvation Army, but unique ways of helping the needy were prevalent in Wichita. One of these new and different methods was the Dime A Week club. The first such club was started in January, 1931, by Mrs. Fred Crose, proprietress of the City Hall Lunch, and Edna Upchurch, head waitress. Each employee of the cafe agreed to donate a dime a week to help the Salvation Army feed the hungry of the city. They also placed a box by the cash register labeled "Help the Salvation Army Feed Wichita's Unemployed" for customers who wanted to contribute.⁹ These clubs became very popular among business firms, civic clubs, and other organizations in Wichita. The Salvation Army received hundreds of dollars from the Dime A Week clubs.

Emergency relief programs. In September, the Wichita Community Chest released a plan to provide emergency relief of \$100,000 for the unemployed in Wichita. A special committee of the Community Chest reported a 124 percent increase in the number of families receiving relief during January,

⁹News item in The Wichita Evening Eagle, January 22, 1931.

February, and March, 1931, compared to the same months for 1929. The number of families had risen from 2,557 in 1929 to 5,734 in 1931. Earle W. Evans, president of the Community Chest, summed up the reason the Community Chest was trying to provide emergency relief: "We can't expect men of the type now out of work to stand around and see their wives and children hungry and do nothing about it."¹⁰

As unemployment continued to worsen, the city of Wichita attempted several solutions to solve the problem. In December, the voters were asked to approve a program for a city water softener plant. The construction of this plant would enable the city to employ hundreds of the jobless. City officials, including city manager, Bert C. Wells, thought it would be more practical to provide men with work instead of spending the same amount of money on charity to keep the same men from starving. The voters rejected the proposal by a vote of 8,406 to 2,465.¹¹

George Washington Boulevard. In October, 1932, city, county, and federal officials agreed on constructing a diagonal road from Hillside and Harry streets to the Wichita airport. The road was to be built with the maximum of hand

¹⁰News item in The Wichita Eagle, September 4, 1931.

¹¹News item in The Wichita Evening Eagle, December 9, 1931.

labor to provide as many jobs for the unemployed of the city as possible. The federal government contributed \$37,000 to the project. Laborers were allowed a maximum of three working days per week at \$2.25 per day. The road, later named George Washington Boulevard, provided employment for five hundred men a day on a rotating basis.¹²

Many of the men employed on the diagonal road were in dire need of food and clothing each day. The Salvation Army provided free stew and coffee each day for the workers from a large field kitchen. Some of the workers who did not have sufficient clothing were furnished free shoes, jackets, socks, and other garments by the Salvation Army.¹³

Hints for obtaining jobs. There were many small clubs formed by jobless men looking for work. One such unique club was formed at the Wichita Y.M.C.A. by a group of young men, most of whom did not have work, although a few did have part-time jobs. They listed eight important points for obtaining work:

1. Don't tell hard luck stories. The employer is tired of hard luck stories.
2. Find out where jobs are open. No use in applying where you know they don't need you.

¹²News item in The Wichita Evening Eagle, October 19, 1932.

¹³News item in The Wichita Evening Eagle, December 12, 1932.

3. Keep your hair cut.
4. Don't wear a mustache.
5. Be smoothly shaven, even if you are looking for a job as a garbage collector.
6. Sew the buttons on your clothes.
7. Have your ears washed.
8. Don't lie to get a job.¹⁴

The role of the federal government. On November 18, 1933, The Wichita Evening Eagle published a front-page article informing the public that unemployment had been wiped out in Wichita. The federal government had ordered four thousand Sedgwick County men on to its payroll. The worker with a family of over eight would work a thirty-hour week with a minimum of twelve dollars per week. The wage scale was nearly double that given the best workers under the city-county work projects. Road construction, river bank improvements, removal of Ackerman's Island (located in the middle of the Arkansas River near the center of Wichita), converting the old central fire station into a modern police station, and cutting and trimming trees on the city streets, were some of the projects.

There were some complaints about the new wage scale for work on the federally supported projects. Some local

¹⁴News item in The Wichita Evening Eagle, May 29, 1933.

employers, who had been paying workers from fifteen to twenty cents an hour, had difficulty getting individuals to work for such a small wage. The wage scale of twelve dollars minimum for a thirty-hour week, or forty cents an hour, paid for work on the federal projects, attracted men who had previously worked for local employers. Farmers complained to the civil works manager that their laborers were quitting and returning to Wichita to obtain higher paying jobs. B. F. George, civil works manager, stated they were giving positions to the unemployed men first, not to men who had recently quit other jobs.¹⁵

In December, President Franklin D. Roosevelt's "New Deal" became a reality for the unemployed of Wichita. A total of \$700,000 in civil works projects was planned for the city and county which would employ approximately five thousand men.¹⁶ The city officials were very pleased with the amount of money allotted to Wichita as the projects helped to fulfill their dreams for civic improvements.

Optimism was very high at the beginning of the new year. The evening paper published a full-page advertisement congratulating President Roosevelt for helping Wichita, and

¹⁵News item in The Wichita Evening Eagle, November 22, 1933.

¹⁶News item in The Wichita Evening Eagle, December 1, 1933.

listed five important contributions the recovery program had provided.

1. Added 2,800 men and women to private business payrolls.
2. Increased private business payrolls by \$170,000 monthly.
3. Employed 4,700 men on civic work programs.
4. Given these men a monthly payroll of \$25,000.
5. Given a total monthly workman's payroll increase of nearly ONE HALF MILLION DOLLARS MONTHLY IN WICHITA.¹⁷

The 1934 riots. Although optimism was high among workers in Wichita at the beginning of the year, 1934 proved to be a year in which workers became very desperate and panic stricken. As the year progressed it seemed the workers were being mistreated and not represented by their leaders or the city officials. The peak of their frustration was reached with the famous May, 1934, riots which were the worst in the history of Wichita.

The events leading up to the riots went as far back as the middle of January when the Civil Works Administration (CWA) announced that CWA laborers were to be reduced from thirty hours of work per week to twenty-four hours. This reduced all salaries. For example, the laborer with a family

¹⁷News item in The Wichita Evening Eagle, January 1, 1934.

of eight or more was reduced from \$12 to \$9.60 a week.¹⁸ Rumors that the CWA was going to be completely eliminated by April or May were broadcast, but most Wichita workers did not believe them. On February 23, approximately twenty percent, or one thousand CWA workers were dismissed from CWA projects in Wichita.¹⁹ Most of these men needed work so they could feed and clothe their families. They had no place to turn for help other than the charity organizations of the city and county.

On April 1, the CWA was a thing of the past. It had been one of President Roosevelt's first pump-primers. The Federal Employment Relief Administration (FERA) was slated to replace the CWA. The two organizations differed in the type of unemployed who could qualify. The CWA had been for all unemployed, but the FERA was restricted to the unemployed who were needy. The amount of money available to pay the workers was greatly reduced under the FERA. In March, the federal allotment to Wichita and Sedgwick County amounted to \$198,000 under the CWA, but the April allotment was only \$53,000 from the FERA.²⁰ This reduction placed a tremendous

¹⁸ News item in The Wichita Evening Eagle, January 19, 1934.

¹⁹ News item in The Wichita Evening Eagle, February 23, 1934.

²⁰ News item in The Wichita Evening Eagle, April 20, 1934.

strain on the local administrators of the federally supported projects. It was very difficult to select the men to be dismissed from working on the different projects.

The average worker did not realize the extreme handicap the administrators of the FERA projects had to work under in order to satisfy everyone. The majority of the unemployed workers only realized that they were out of work and their families would be out of food and fuel. On April 20, these men sent the following telegram to President Roosevelt asking for more relief aid for Wichita.

Hon. Franklin D. Roosevelt. We the signed representatives of the unemployed in this city, speaking by the permission of the thousands of hungry men, women and children in Wichita, ask that you by some means help us go on living.

As the relief being granted us through our officials is slowly starving us. Thousands are turned away from relief headquarters with inadequate or no aid. Hundreds of cases of slow starvation can be cited. Do something for us, at least answer our telegram.²¹

The next morning a mass meeting of approximately four thousand unemployed laborers was held outside the old federal building. The unemployed men and women informed the relief clerical workers in the federal building that their work was to stop. The office staff of the central application bureau walked out of the building in compliance with the request. Some of the leaders of the unemployed group went around to the city and county work projects to make sure that all work

²¹Ibid.

had stopped as Commissioner Rogers had promised it would on the previous day.²²

John G. Stutz, Kansas federal relief administrator, wired Wichita that all federal work relief projects were to stop until the differences of opinion could be worked out.²³ These differences were not completely solved, but 3,500 men were back to work within two days time, with the city and county paying their salaries.²⁴

On Sunday, May 5, approximately 2,500 Wichitans met in a mass meeting in Riverside Park to organize a giant walk-out on their relief jobs. James "Whitey" McClain, their leader, persuaded the men to wait a few more days to stage their walkout. He urged them to give the city and county officials more time to confer with him and his committee. Many of the men wanted to leave their jobs immediately, but they decided to wait until Tuesday evening to stop work. Much depended on the results of the talks between the city, county, and the labor committee.²⁵ The main difference

²²News item in The Wichita Evening Eagle, April 21, 1934.

²³Ibid.

²⁴News item in The Wichita Evening Eagle, April 24, 1934.

²⁵Michael Lucey, "Sabers, Bayonets Ended 1934 Rioting in Wichita," The Wichita Eagle, May 11, 1964.

between the workers and the city and county officials was the wage scale. The FERA wage scale was much lower than the former CWA's wage scale. The two days between the Sunday Riverside Park meeting and the Tuesday evening deadline were filled with numerous talks between the two groups, but a compromise could not be worked out.

About three thousand men met at the Forum Wednesday morning, May 8, but were refused admittance so they moved across the Arkansas River to Payne's Pasture which is the present location of Lawrence Stadium. Here a meeting was held and the situation was discussed in an orderly fashion. The following day the men again met in the pasture and decided to march through town hoping to influence workers who were still working on relief jobs. James McClain, their leader, informed them that there were less than one hundred men who had not walked off their jobs, but the group started the march anyway. The Wichita police tried to stop them at the Douglas Avenue bridge, using tear gas and fire hoses. The tear gas blew the wrong way and the marchers cut the fire hoses.

The marchers continued down Douglas to Broadway with the police trying to get the leaders to disperse the men. At the Central Avenue bridge a fire engine blocked the bridge and the police again tried to stop the marchers. It was at this point that the first known bloody fighting occurred,

which did not amount to much; and the marchers again cut the fire hoses and surged across the bridge on to Ackerman's Island where they dispersed. During the fight on the bridge, three policemen were seriously stabbed and beaten. The present Sedgwick County Sheriff, H. M. Tomlinson, a member of the police line at that time, commented on this event by saying, "It wasn't much of a fight. Ten of us--hundreds of them."²⁶

The city officials decided they needed reinforcements to help stop the rioting which they feared would continue. Governor Alfred M. Landon called out the National Guard, not only from Wichita but from Hutchinson. On May 10, the troops and city police marched to Paynes Pasture to break up the large number of unemployed men and women milling around and threatening to march through the city. The city officials had finally decided to take a firm stand.

The troops moved out at 2 p.m. to the Maple Street bridge over the Arkansas, accompanied by 50 police. Speakers told the crowd of unemployed to stand fast.

'Disperse!' shouted the cavalry officer. Two leaders left the small stand with flags in their hands and started through the crowd. But--sabers drawn--the cavalry cut through the crowd four abreast, followed by troops with fixed bayonets. This put them upwind of the crowd. Smoke smudges and tear gas bombs were fired. It was too much for the workers. They panicked. The police were ready. For an hour police and troops cordoned the beaten group, selecting the men they wanted.²⁷

²⁶
Ibid.

²⁷
Ibid.

James McClain, the leader of the marchers, and seven other men were arrested and taken to the reformatory in Hutchinson and charged with criminal syndicalism. The police arrested fifty other men, charging them with disturbing the peace and rioting. This was the end of mass marches by the unemployed in quest of more work and better pay in Wichita.

The latter half of the 1930's. In 1935, Wichita continued to have unemployment problems, but they were not as severe as in the early 1930's because of the many projects on which the workers were employed. The Works Progress Administration (WPA) which was a great help in reducing unemployment in Wichita and Sedgwick County, announced on November 4, three WPA projects for the city and county totaling \$75,000 and the employment of about three hundred men. The three projects were: curbing and guttering West Street from Douglas to Thirteenth, grading two miles on the extension of East Douglas Avenue, and grading and culvert work on three miles of county roads.²⁸

There were many WPA projects during 1936 which continued to employ large numbers of workers. The Wichita Evening Eagle, February 25, 1935, informed the public of a \$100,000 WPA project to complete the widening and

²⁸ News item in The Wichita Evening Eagle, November 4, 1935.

straightening of the Arkansas River through Wichita. This project put two hundred men to work for several months.

During the final three years of the depression decade, 1937, 1938, and 1939, unemployment decreased very slowly. Although the unemployment figures were not as high as during the early part of the 1930's, there were still thousands of Wichitans without jobs. Without the work projects of the federal, state, county, and city governments, the unemployed of Wichita would have had little work to occupy their time.

Personal tragedies. It is sometimes easy to lose sight of the individual when one speaks about the depression and its awesome effect upon the citizens of a city. This could possibly happen with the city of Wichita as thousands of its citizens were unemployed and lacking the necessities of life. Prior to the depression the average Wichitan would never have believed such terrible happenings could ever occur in the heart of America's grain belt. The following individual or family stories were printed in the Wichita newspapers.

The Wichita Evening Eagle, September 4, 1930, featured a story about a Wichita mother who was offering her two little girls, ages 8 and 6, for adoption. The mother was extremely poor, and the step-father was out of work and unable to purchase food. During the winter of 1929-1930, the little girls did not have enough to eat, or any shoes or

warm clothes to wear. The mother did not know what she and her husband would do for the approaching winter and for this reason offered the girls for adoption.

In The Wichita Evening Eagle, November 24, 1930, appeared a story about a father, mother, and three children living in a wooded section of Riverside Park. They only had an old mattress for a bed and a few blankets for covering against the cold winter winds. The father and mother had been afraid authorities would take the three children away from them so they were existing in the woods. They were discovered by the Salvation Army when the father reluctantly accepted food distributed to such needy families.

Juvenile Officer Dan Carrier, of the Wichita police department, discovered a family of seven in pitiful condition. The Wichita Evening Eagle, September 24, 1930, gave details about this family that had been going from city to city begging for food. The five little children, ages 12 years to nine months, were sunburned, dirty, almost naked, and very hungry.

Attempts to end one's own life were common in the 1930's. The Wichita Evening Eagle, December 22, 1931, featured a front-page story about a young man who drank some poison in a suicide attempt. He was rescued by a passerby and rushed to the hospital where he was revived. He had left a note which explained the reason for his action. "I

can't go on cold and hungry, I would starve, so this is the only thing left."

A mother swallowed poison because her husband had been dropped from the WPA rolls. This story appeared in The Wichita Evening Eagle, December 7, 1938. Although she drank the poison, a quick antidote saved her life. She too left a note explaining the reason for trying to kill herself. "I couldn't see any future. With my husband out of work and two children to feed there didn't seem to be any other way to solve my troubles."

The shanty-town section of Wichita was an area where many poor and needy lived. The Wichita Evening Eagle, February 23, 1933, described a pitiful story about a 15 year old wife giving birth to a baby in a chicken house. The young couple had tried to call an ambulance to take the mother to a hospital, but not one of the ambulance service companies would make the run as they knew it would be a charity case. The couple even had trouble getting a doctor to make a home call for this same reason. The county physician was finally called and he delivered a baby girl to the young parents. The chicken house where the couple lived was only eight feet by eight feet, but they had no other place to live.

There were countless stories of personal suffering by residents of Wichita during the depression decade. The six separate human interest accounts above should enlighten one

on the suffering in Wichita. Hunger and privations of all kinds afflicted people not only in Wichita but in Chicago, New York, Boston, and Los Angeles.

Summary. The location of Wichita is in the middle of the United States surrounded by cattle ranches and wheat farms. This ideal location did not deter the awesome depression from causing thousands of Wichita residents to lose their jobs and become unemployed. The unemployed looked to the city, county, state, and federal governments to give them relief of any kind.

The local charity organizations tried to alleviate the problem but the number of unemployed almost overwhelmed them. The city and county tried to provide work for the unemployed workers, but they had never encountered such a problem. The only government body that was large enough to grasp the problem and provide money to help solve the desperate situation was the federal government. The pump-priming agencies of President Roosevelt helped stem the chaotic situation in Wichita.

Wichita was not unique in the fact that its residents lacked proper food, housing, medical supplies, and clothing. This was found in almost all cities in America, some not as severe as others.

CHAPTER VII

CONCLUSION

Restatement. Prior to the stock market crash of 1929, the economy of Wichita, Kansas, was very healthy. Business was excellent, unemployment was very low, and optimism was prevalent throughout the entire community.

The stock market crash and the panic that followed did not affect the entire Wichita economy immediately, although certain areas of the economy suffered during November and December, 1929. Many Wichita business leaders issued statements that the tremendous decline in the stock market would not hurt Wichita, but in fact probably would help the economy of the city. The Wichita bankers believed excessive speculation in stocks had been going on in New York City with the people of Wichita guilty of sending money to purchase stocks on margin. A majority of Wichita business leaders and responsible citizens did not believe the stock market crash over 2,000 miles from Wichita could seriously damage the Wichita economy.

As the depression worsened, many businessmen were forced to declare bankruptcy or close the doors of their business establishments. Not all businessmen of course were forced to take such drastic steps, but it was very difficult

to continue to operate daily. Most businessmen like Mr. Baird, believed that recovery was just around the corner. This hope or optimism in the future was the only thing that kept them from completely giving up. It would have been more profitable for most of them to have closed their doors at the outset of the depression and just waited it out. This was not done as no one knew the extreme depths of the depression or when the upward spiral of business would begin. The depression took its toll in the Wichita business community with loss of life savings, businesses, personal property, and human dignity.

The aircraft industry, one of Wichita's newest and fastest growing industries, was setting new production records monthly. It seemed that Wichita was soon to become a giant industrial center similar in many ways to Detroit, Michigan, which was famous for its manufacture of automobiles. The title "Air Capital" had been given to the city to promote not only Wichita, but the Wichita aircraft industry. Kansas Governor Clyde M. Reed, after visiting Wichita in August, 1929, predicted the city would be producing more than 30,000 airplanes by 1933. The city had thirty-four aircraft companies during the five year period from 1927 to 1931. The largest of these airplane companies and the largest commercial airplane company in the world, Travel Air Manufacturing Company, in 1929, produced over ten percent of all the commercial airplanes manufactured in the United States.

Sales of Wichita manufactured airplanes reversed its upward movement during the final months of 1929 and spiraled downward in the early 1930's. Most of the Wichita airplane companies were forced by the depression to close their doors and never reopen. The largest company, Travel Air Manufacturing Company, because of the depression's reduction in airplane sales, was forced to close the Wichita plant in 1931.

Out of the depths of the depression emerged three giant aircraft companies of the 1960's: Beech Aircraft Corporation, The Boeing Company, and Cessna Aircraft Company. There were many individuals credited with keeping Wichita the "Air Capital". The three most famous were: Lloyd Stearman, founder of Stearman Aircraft Company, later Boeing-Wichita, Walter H. Beech, president of Travel Air Manufacturing Company and founder of Beech Aircraft Corporation, and Clyde Cessna, founder of Cessna Aircraft Company.

A very active industry prior to the stock market crash was the construction industry. There had been a tremendous building boom in Wichita in 1927, 1928, and 1929. The population had increased during the late 1920's and the construction industry met the challenge by increasing its construction of homes and business buildings. In 1929, building permits reached an all time pre-depression high of 2,712 valued at \$8,652,000. This industry was affected

immediately by the stock market crash as the number of dwellings constructed in November, 1929, decreased fifty percent over the November, 1928, total. Construction and building continued to decline at a tremendous rate during the early years of 1930, until an upward trend appeared in 1934.

One vital aspect of American life, the educational system, was deeply affected by the depression. The teachers in the public schools, along with other city and county employees, had their salaries reduced ten percent to reduce the tax burden on the general public. The Wichita Board of Education, because the 1933 Kansas legislature passed the Cash Basis Law, did not have enough money available to pay teacher salaries in March, 1933. The Wichita teachers were paid with warrants instead of regular checks and the warrants were cashed by different businessmen and private individuals. The cashing of the warrants came after a period of less than two weeks in which it seemed the teachers would be unable to get their warrants cashed.

The two institutions of higher learning, Friends University and the University of Wichita were also greatly affected by the depression, although Friends University suffered much more than the University of Wichita. In 1939, Friends University lost its accreditation with North Central because the lack of income and insufficiency of plant did not meet the North Central's requirement.

The depressed business conditions resulted in an extremely large number of unemployed men and women in Wichita. As the early 1930's lengthened into the middle 1930's, this tremendous problem of the unemployed kept increasing. The city officials had always been proud of their cities ability to care for the needy and destitute; but the large number of such individuals almost overwhelmed the local organizations that tried to relieve suffering. The eventual entrance of the federal government with work projects was the solution needed to help solve Wichita's unemployment. Thousands of Wichita residents suffered from lack of all the necessities to sustain life. The city of Wichita, surrounded by fertile Kansas wheat farms and cattle ranches, had difficulty providing food for its unemployed residents. Hunger and near starvation were very prevalent as the Wichita newspapers of the 1930's verify.

Wichita emerged at the close of the 1930's a city which had learned many lessons from the depression its residents would never forget. The threat of a world war in 1939 and an ever increasing amount of defense contracts for the aircraft companies provided the city with the impetus to move confidently into the 1940's.

Contribution of this thesis. Material relevant to Wichita and the depression of the 1930's, voluminous in quantity, is located in different libraries and business

offices around the city of Wichita. The Great Depression which changed the thinking and reasoning of millions of Americans, touched the lives of individuals in Wichita. The tremendous effects of the depression upon the largest city in Kansas should not be forgotten. The results of the depression in Wichita have reverberated throughout Kansas; therefore, it is important that the history of Wichita's depression decade should be preserved. Integrating the materials from their many sources into this history has been the contribution of this thesis.

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G. PERSONAL INTERVIEWS

Baird, E. E., December 27, 1963.

Mr. Baird was general manager of the Jet and Wood
Mercantile Company with headquarters in Wichita. In
1935, Mr. Baird was elected President of the Wichita
Chamber of Commerce.

Garnett, O. A., December 27, 1963.

Mr. Garnett was county assessor for Sedgwick County
from 1929 to 1934. In January, 1934, he assumed the
position of manager of the Governmental Affairs
department of the Wichita Chamber of Commerce.

Hilton, George, December 23, 1963.

Mr. Hilton was a small businessman, owning his own barbershop in the Shirkmere Hotel.

Osler, Daryl, December 30, 1963.

Mr. Osler returned to Wichita in 1930, after spending ten years in Canada. In 1934, Mr. Osler obtained a position with the Federal Land Bank in Wichita. During the four-year period from 1930-1934, Mr. Osler was one of the thousands of workers seeking employment in Wichita.

Overly, Ray W., December 30, 1963.

Mr. Overly was Office Manager of the Cities Service Gas Company, the utility company in Wichita.

APPENDIX

PERSONAL INTERVIEW QUESTIONS

Note: This is a list of the questions used in the interviews with persons employed locally or in business for themselves in Wichita, Kansas.

1. What business were you engaged in during the depression?
2. Prior to the 1929 stock market crash how active was the economy of business in Wichita?
3. How did the stock market crash affect your business and family?
4. Exactly how severe were conditions in Wichita?
5. What was your personal reaction toward the unemployed men and women?
6. Did many individuals stand in line for soup and bread?
7. What was your reaction to the 1934 riots?
8. Did you know individuals who lost their homes or business establishments?
9. What was your reaction toward the work projects sponsored by the city, county, state, and federal governments?
10. In your opinion, were the men employed on these projects humiliated to be out of work and destitute?
11. What result did the bank holiday of 1933 have upon your business and private life?
12. How long did it take your business to recover from the depression?

13. Was there one event that gave the business community a sign of real recovery?
14. Did many of the city and county employees complain openly about the ten percent reduction in salaries?
15. What are your reactions to the depression now that it has been almost twenty-five years since it ended?