

TOUGH TIMES AND LASTING LEGACIES:

THE GREAT DEPRESSION, THE NEW DEAL, AND CENTRE COUNTY

Pennsylvania's history as an industrial leader made it especially vulnerable to the economic breakdown that epitomized the 1930s and the Great Depression. Within four years of the stock market crash of 1929, national unemployment reached 25%, but in Pennsylvania it was a staggering 37% pushing 1.4 million people into joblessness and poverty.

Centre County was nearly a microcosm of the Commonwealth, as its diverse geographical regions supported 102 businesses and industries including coal, lumber, brick, stone, and textile production. In 1928 they provided \$3.5 million in wages to Centre County workers, but by 1932 that value fell by half when 30% of the workforce was unemployed.

The competition for jobs increased and the pressure endured by businesses, especially small business that provided "luxuries", often resulted in bankruptcy. By the end of the Great Depression, Centre County lost a quarter of all its business establishments including four of its five laundries, its only sporting goods manufacturer, and six ice cream parlors.

Scholars continue to study and debate the factors that led to the worst economic event of the 20th century, but the federal and state response to it is an even more complex topic. Herbert Hoover was defeated in the presidential election of 1932 on the basis that he did not acknowledge or respond quickly enough to the spiraling economy or the widespread suffering it caused. Franklin Delano Roosevelt evicted him from the White House in a landslide victory and took office in March 1933 under his pledge to create "...a new deal for the American people."

It seemed everyone, including Congress, wanted a change and within 100 days of taking office Roosevelt won 15 major legislative approvals. Some of the New Deal's experimental programs failed but the legacy of others continues to surround us. The Civilian Conservation Corps, Public Works Administration, Works Progress Administration, and the Federal Emergency Relief Administration provided government financed programs that created buildings, roads, landscapes and direct employment locally. State assistance through the General Spending Authority also granted the Pennsylvania State University the funds to build 9 new buildings in 1937, priming it to become the second largest college in Pennsylvania by 1939. Its expansion resulted in a measure of economic stability to State College and with it, the growth that would for the first time surpass Bellefonte as a population center of the county.

The Centre County Historical Society commemorates the 75th anniversary of the New Deal with a look at the Great Depression and its effect on Centre County residents. Throughout this exhibit we explore local business and industry and the general climate in which they operated, providing a greater understanding of Centre County as we know it today. Indeed, the voices and forces of the past seem to have an echo quality in the challenges we are even now facing as a nation, commonwealth and county, some 75 years after the New Deal era.

SETTING THE STAGE

A hyperactive economy, advancing technology, social change, and an emphasis on urban living underscored the tempo of the 1920s. For the first time, more Americans lived in cities than in small towns or rural environments and society was morphing into a nation of consumers who valued modernity and a new way of life.

When profits of stocks are high, men will have a motive to accumulate.

— David Ricardo (1772–1823) English economist

THE MONEY FLOW

In the years immediately following World War I (1914–1918), Americans transitioned to a peacetime economy and money that was once used for governmental purposes poured into the commercial market. This increase in the money supply resulted in inflation and then recession. Ben Strong of the United State Federal Reserve of New York responded by raising interest rates which caused the stock market to fall. Once prices stabilized in 1921, the stage was set for a stock market boom that would see a 150% increase by 1925.

It was in 1925 that England reinstated the gold standard in order to restore the prewar strength of the pound, the international monetary standard. Strong lowered interest rates in the U.S. which caused the value of the dollar to go down, an action

that he repeated again in 1927. These “false” low interest rates enticed people to borrow money at an unprecedented rate, resulting in an economy that appeared to be thriving but was actually nothing more than a mirage.

New York Stock Exchange, 1929. Photo Courtesy of the Library of Congress



CONSUMPTION AND CREDIT

“During the nineteenth century the things that a self-respecting, thrifty American family would buy on the instalment [sic] plan were a piano, a sewing machine, some expensive articles of furniture, and perhaps a set of books. People who made such purchases didn’t talk about them. Instalment [sic] buying wasn’t considered quite respectable.”

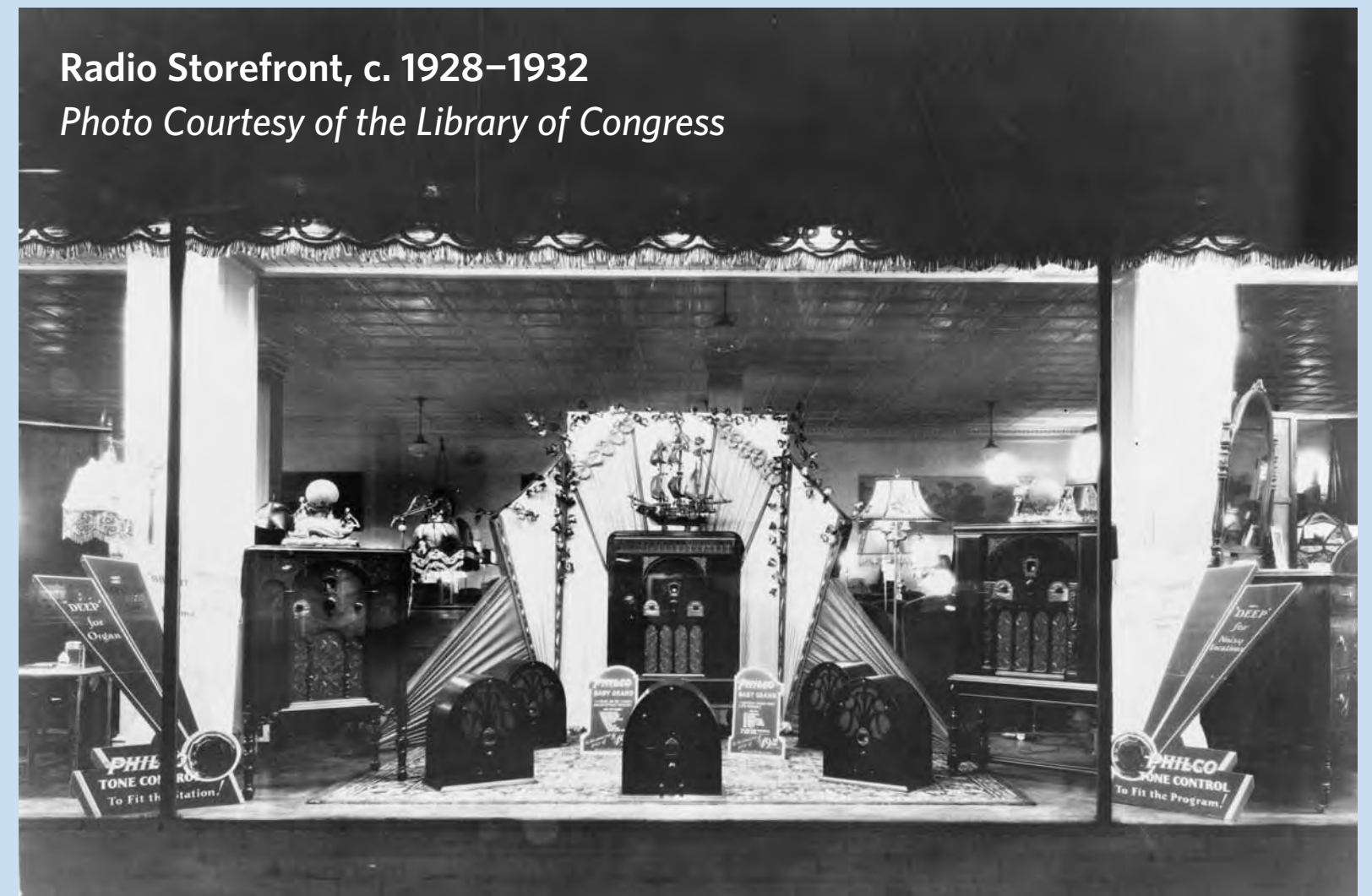
— Economist, Milan Ayers, 1926

In 1919, the automobile installment finance company made it possible for the average person to own a car through a payment plan, something that would normally require five years of saving. While this type of credit had been in existence since 1807, the auto industry helped to form the foundation for a new way of viewing the debt associated with the purchase of durable goods. (Economists define those goods as a household product that can be used on average for three or more years.)

With a dazzling array of new things to buy, the middle class rushed to purchase items that represented a comfortable life. Increases in advertising and the aggressive promotion of installment plans helped to remove the stigma that was associated with being in debt, and by 1929, 90% of durable goods sold in the U.S were purchased on credit.

Radio Storefront, c. 1928–1932

Photo Courtesy of the Library of Congress



THE STOCK MARKET CRASH

The fundamental business of the country is on a sound and prosperous basis.

— President, Herbert Hoover, October 25, 1929-one day after the initial stock market crash.

Small investors galloped to the stock market, many of whom took part in margin investing. Margin investing meant that a person could essentially buy stocks on credit with 10% down. Over \$8.5 billion was on loan, which was more than the amount of money in circulation in the U.S. With low interest rates and an active stock market leading the way, businesses expanded to grandiose proportions. Optimism permeated investors' psyches and on September 3, 1929 the Dow reached 381.17. Many thought the stock market would simply continue to rise, but within two months over \$30 billion dollars would be lost, leaving the margin investor with worthless stocks and the debt incurred to buy them. Within three years, 10,000 banks failed and America was in the depths of unprecedented economic depression.

The money lost in the stock market crash of 1929 was over 10 times the annual budget of the federal government.

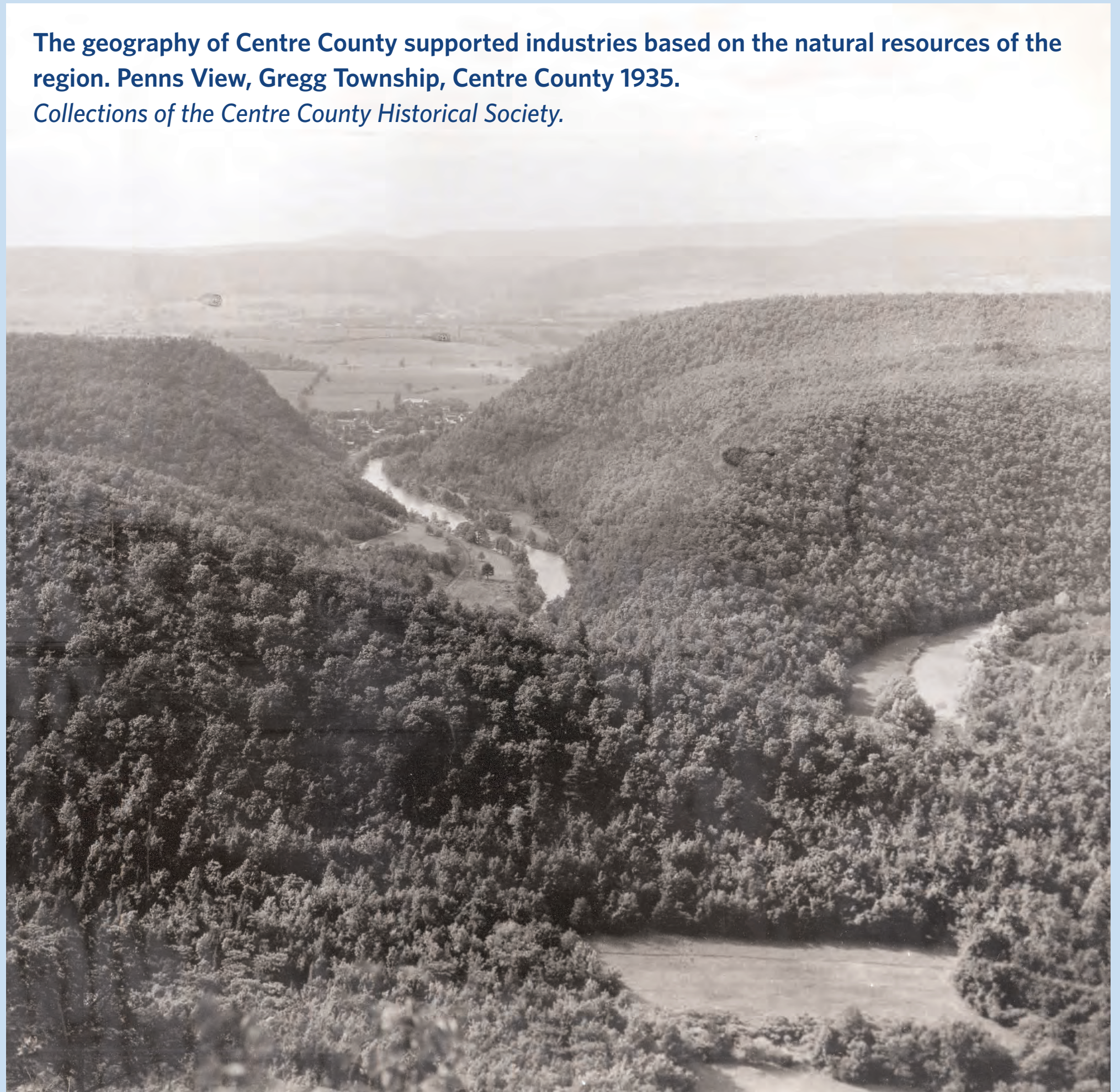
October, 1929 outside the NYSE. Photo Courtesy of the Library of Congress



The length and severity of the Great Depression continues to be studied and debated to this day-perhaps even with renewed interest in recent months. Certainly, the conditions that led to the 1929 stock market crash continued to be felt in the economy of the 1930s. Massive euphoric investment in the stock market, large amounts of funds tied up in the market, and questionable sales practices of brokerage houses meant that the average household would find it more difficult to locate and obtain credit after the crash. This, in combination with severely wounded consumer confidence, would create a very soft market for industrial products, which lost 80% of their value in October of 1929. Recovery would not only require the restoration of credit and confidence but a change to America's industrial landscape.

The geography of Centre County supported industries based on the natural resources of the region. Penns View, Gregg Township, Centre County 1935.

Collections of the Centre County Historical Society.



The 19th century was dominated by the iron industry in Central Pennsylvania, as nineteen different furnaces and forges peppered the landscape of a county that relied very heavily on its production and related industries. In 1792, the first local iron blast furnace went into production at Centre Furnace and ignited an industry that is at the very heart of the foundation of Centre County.

By 1929 the natural resources needed for ironmaking were depleted and the market had changed substantially, but the industrial heritage of the region remained. The Centre County economy now included coal mining, lumber production, and textile production — all of which were very vulnerable to an economic downturn. Other industries such as metal production and brick

refractories were able to sustain the climate and continue operating well beyond this period. The conditions that created such a disparity between industries are multifaceted and will be explored throughout the exhibit by examining local businesses.

The McFeely Brick Company, Port Matilda.
Collections of the Centre County Historical Society.



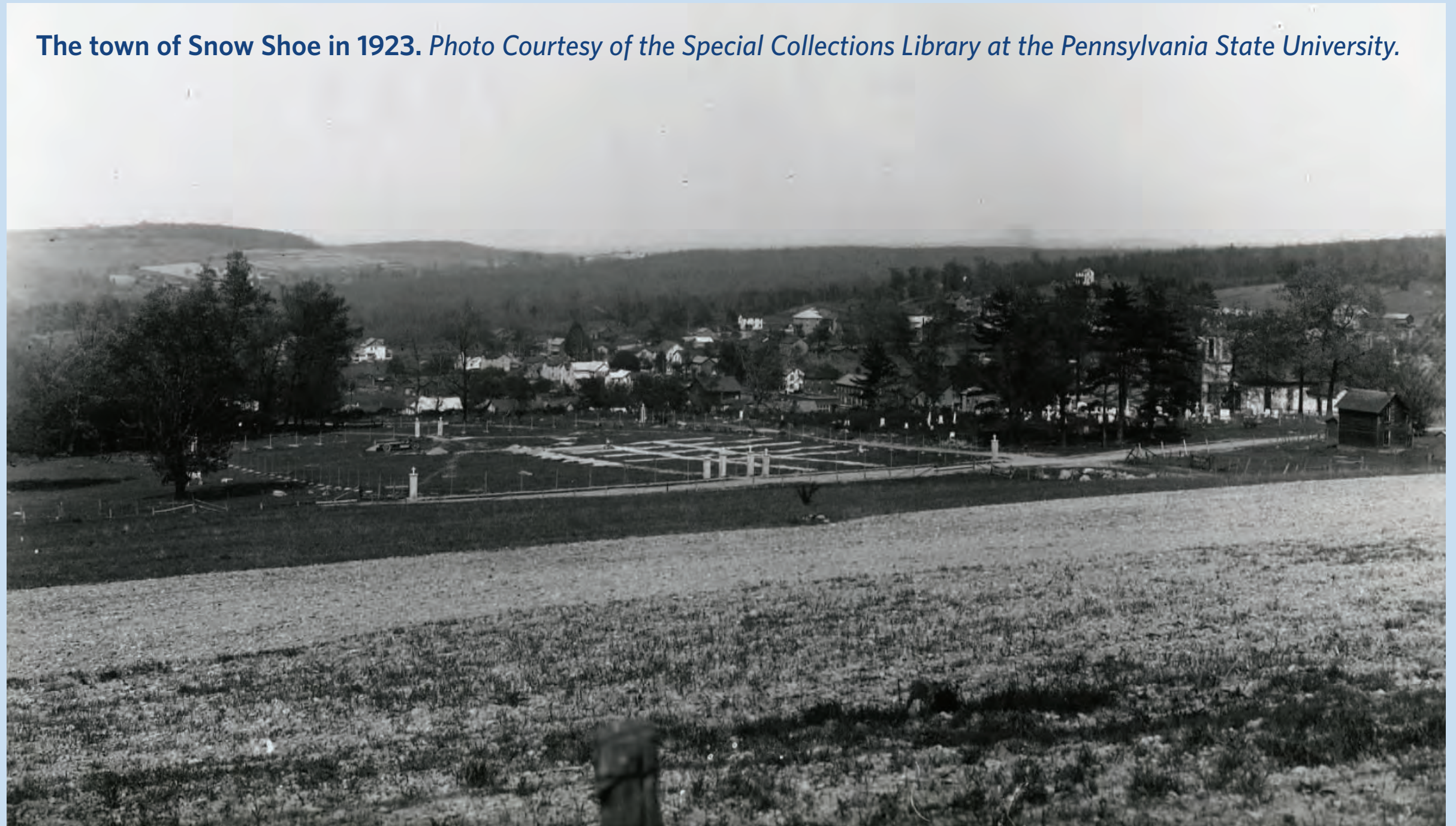
COAL

Centre County has been part of the Bituminous Coal Region since coal was unearthed around Snow Shoe in 1819. With this discovery and development, northern townships such as Snow Shoe, Burnside, and Rush were heavily influenced by changes in the market for soft coal. In the early, prosperous period when the production of coke (the solid residue of impure carbon obtained from bituminous coal) fueled the industry, Centre County benefited with increased population, investment, and development. Towns like Snow Shoe and Kato were formed in isolated areas to harvest the county's natural coal deposits.

The climax of this early period was in 1918 as Centre County saw the largest production of coal in its history at 1,963,868 tons. The increased demand created by World War I encouraged participation in the industry, and soon the potential supply far outweighed the demand. A steady decline in output began in the 1920s and was fully realized in 1936, when it hit its lowest point of the 20th century at 424,363 tons. Pennsylvania led the nation in coal production from 1840 to 1930 until West Virginia assumed the lead; a tradition that continues to today. In the book *Pennsylvania Coal and Coke*, there was an anecdote of a conversation between a little boy and his mother:

The boy asked, "Why don't we have any coal for the fire?" The mother replied, "We don't have Coal for the fire because your father doesn't have a job." The boy asked, "Why doesn't father have a job?" The mother replied, "Because there is too much coal."

The town of Snow Shoe in 1923. Photo Courtesy of the Special Collections Library at the Pennsylvania State University.

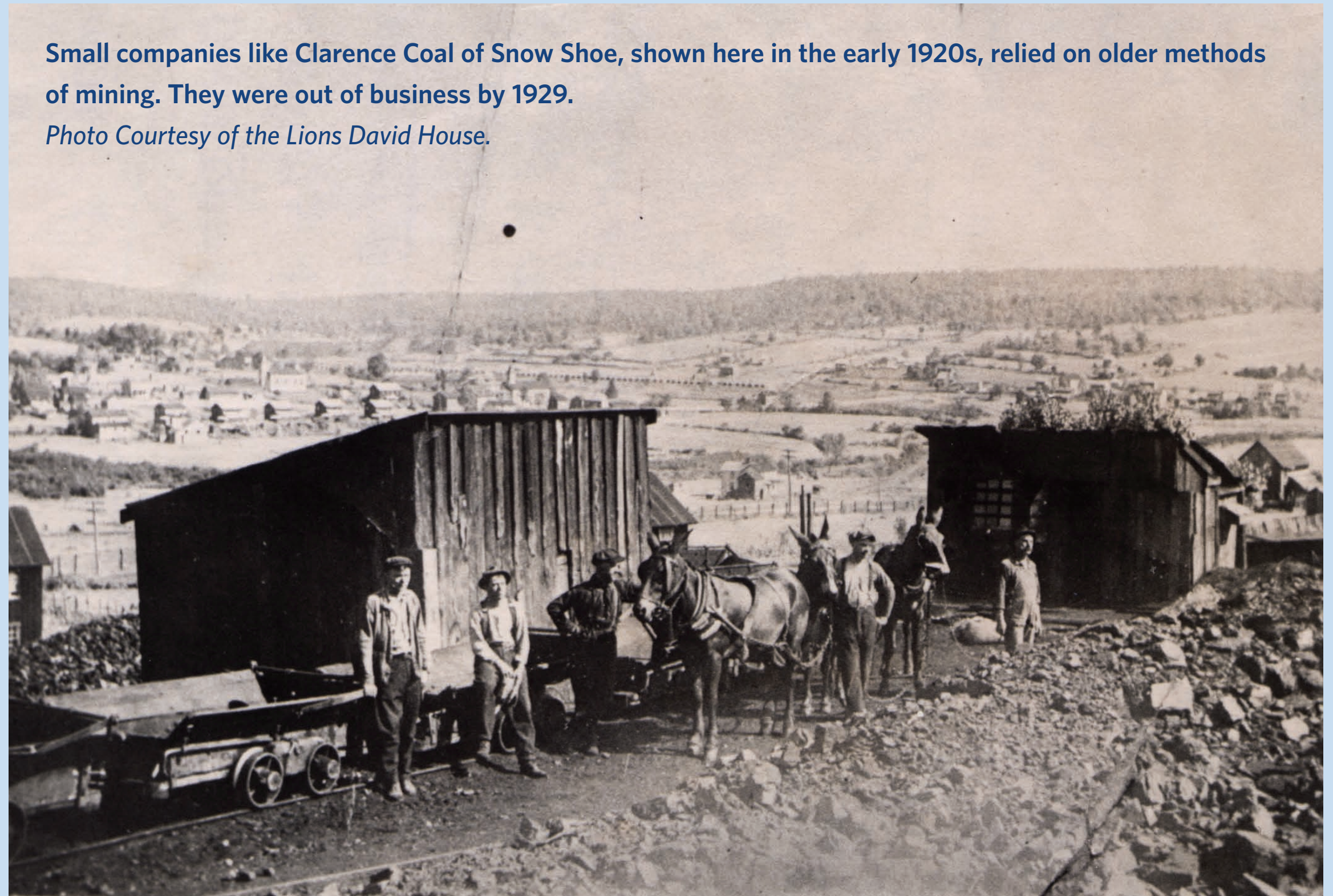


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s a result of the difficult market with fierce, unregulated competition, many smaller companies, like the majority of mines in Centre County, were forced to shut down. Mines that did stay open had to decrease work hours, use machines to replace labor, and find other creative ways to cut costs. Some resorted to selling off the surface rights of land, while retaining the mineral rights. Numerous accounts exist between the Lehigh Valley Coal Company and Snow Shoe residents who purchased tracts of land at a low cost. By selling land rights, the company evaded high property taxes while retaining control of the coal that made the land valuable.

Small companies like Clarence Coal of Snow Shoe, shown here in the early 1920s, relied on older methods of mining. They were out of business by 1929.

Photo Courtesy of the Lions David House.



In November of 1930, the Kato Coal Company sold 17,000 acres of surface rights to the department of Forestry and Water for reforestation work in exchange for \$10,000.

The largest employer of miners in Centre County, the Lehigh Valley Coal Company, was able to suffer losses but still had a large enough output to stay in business. In 1923, their output was the highest in Centre County at 331,682 tons; it continuously fell until 1935 when they produced their lowest amount of 59,897 tons. From that point on, there was a steady increase of both workers and production which lasted into the 1940s. However, after World War II demand settled and they followed Kato's earlier example when they sold 10,000 acres to the Department of Forestry and the State Game Commission.

Despite the "sickness" of the industry in the 1920s, resistance to regulate was high. The Department of Bituminous Mines reported in 1928 that "the situation is admittedly serious but does not call for a federal intervention." It continued that "the trade should be let alone, and in time it will solve its own and get back to a place among the profitable industries of the country." The Guffey Bituminous Coal Act of 1935 established the lowest price at which coal could be sold in an effort to level the competi-



In 1923, 421 people worked for the Lehigh Valley Coal Company; In 1935, that number dropped to 113. Lehigh Valley Coal Company miners, 1905.
Collections of the Centre County Historical Society.

tion. This law may have actually hurt more mines in Centre County than it helped, since the majority of them were small, family based companies. As the New York Times printed in 1936, "the smaller, high-cost mines will be forced out of business." This seems to be precisely what happened in Centre County when 20 of them went out of business during the 1930s, and 762 people were left unemployed.



One of the greatest legacies of Pennsylvania coal miners of this era was their participation in the labor movement. In 1927 over 70 percent of mines were non-union. The United Mine Workers of America (UMWA), which was established in 1890, was experiencing a low point of their power and influence during that period. The discord between local union and non-union workers erupted on July 28, 1927 when “several hundred union miners invaded the Snow Shoe District from neighboring counties to persuade the non-union miners to come out of the mines.” The effort failed, and it was reported that roughly 60 percent of the miners were still at work, uninterrupted.

This resistance to unionization began to change during the Great Depression. In June 1933, coal operator James Dugan was named Post Master of Osecola Mills. He was a staunch supporter of Franklin Delano Roosevelt and encouraged the organization of workers across Centre County. That same year, the UMWA launched a new campaign to organize all mine workers after the passage of the National Industrial Recovery Act, which guaranteed



John Mitchell was the president of the UMWA from 1898 to 1908. During his tenure minimum wages and the 8-hour work day became a reality for miners. Miners commemorated the Anthracite Coal Strike of 1902 (in eastern PA) with an annual “Mitchell’s Day” celebration.

Photo Courtesy of the Special Collections Library at the Pennsylvania State University.

workers the right to collective bargaining, whereby workers organize together to meet, converse, and compromise upon the work environment with their employer. Local reaction was favorable. According to the Democratic Watchman, on April 9, 1937 300 to 400 miners in Snow Shoe Township observed “Mitchell’s Day” signifying a change in attitude toward unionization.

TEXTILES

Once one of the major industries in America (and Pennsylvania), textile manufacturing was nearly paralyzed by the Great Depression. In its wake, geographical centers were relocated and mass market fabrics produced abroad took over the industry. The roots of this shift began to grow well before the stock market crash of 1929, but when the value of textiles fell by 60%, those segments of the industry that were already vulnerable, like cotton manufacturing, were facing difficult times.

“Everyone in America seemed to be making money except the cotton manufacturers.”

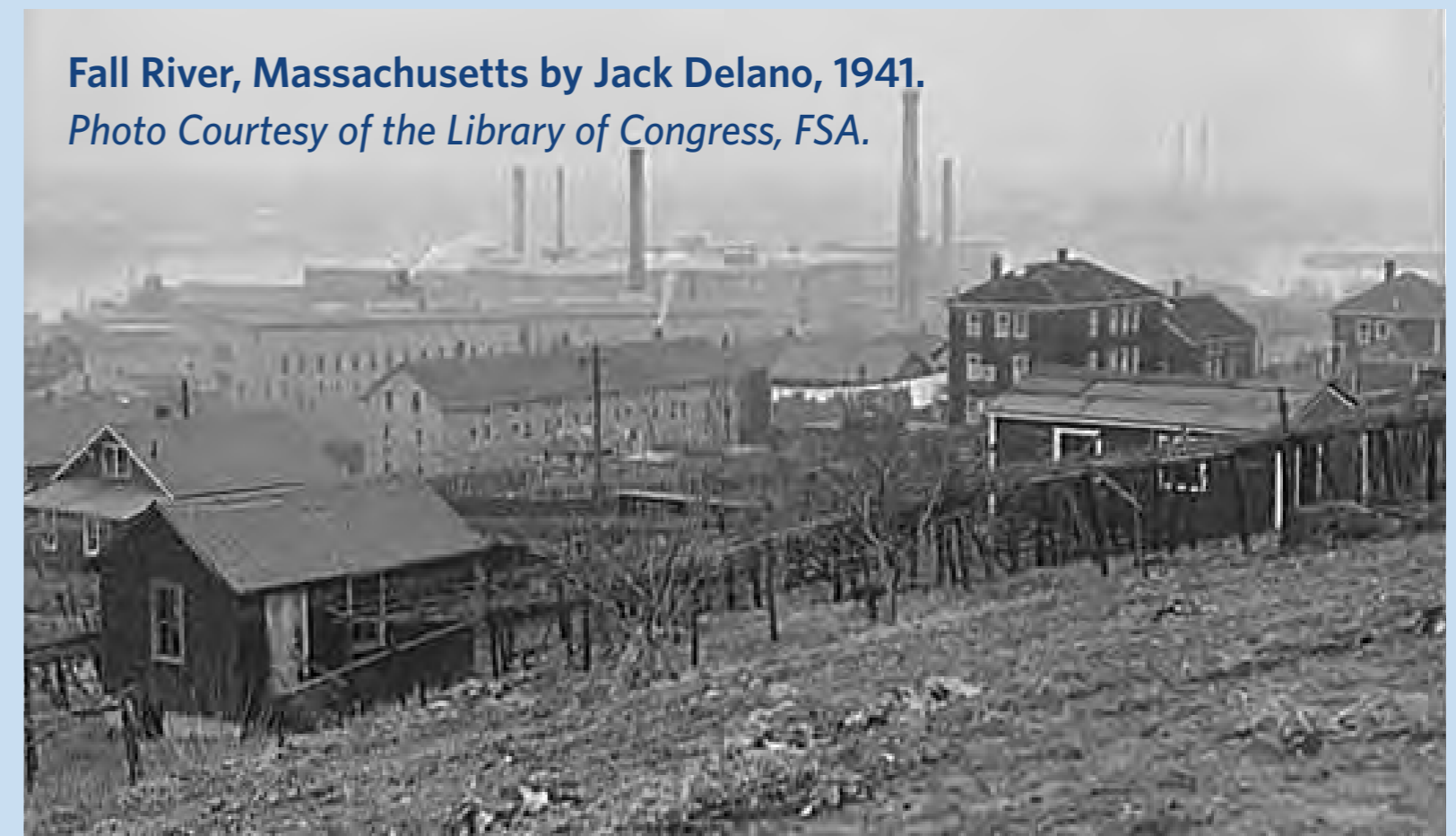
— Walker D. Hines, president of the Cotton Textiles Institute, commenting on the 1920s

By 1932, 17 mills in Fall River were closed; 21,000 people were out of work; and the town officially entered receivership. The heyday of the onetime textile leader was over.

In the early 1920s textile manufactures witnessed declining profits, and the industry ran overall deficits in 1924 and 1926. In typical fashion, they responded by improving quality and increasing productivity. While this resulted in a higher output, it did little to improve their economic situation. Longtime centers for production, such as Fall River, Massachusetts (a world leader in cotton print cloth production) began closing the doors of their aged factories in 1923 due to overproduction and the volatile price of cotton. New and up-to-date textile mills in the South promised lower labor and transportation costs than their Northern counterparts, making the relocation of production inevitable.

In order to survive, companies had to seek new markets. Profit rates in rayon production (an artificial silk commonly used in apparel and furnishings) grew in part

because they were able adapt more quickly than other segments of the industry. It was impossible for many older plants to update their facilities in the 1930s when investment commitments were scarce and credit was hard to get. The time to invest in new technology had already passed them by and many simply went out of business.



Fall River, Massachusetts by Jack Delano, 1941.
Photo Courtesy of the Library of Congress, FSA.

Local textile manufacturing was heavily concentrated in silk related products. The Millheim Hosiery Mill had refocused its production in the 1920s when they began making full fashion hosiery. In 1928, 301 people worked there; within three short years, 166 of them lost their jobs, but the mill did survive the depression and slowly

reclaimed their workforce throughout the 1930s. With WWII came an increased need for socks, and the mill was revitalized. Others in the region were not so fortunate.

Silk mills dominated Pennsylvania as early as 1904 when 1/3 of all of the silk imported into the US was processed within a 16 mile radius of Scranton.

Millheim Hosiery Mill employee photo, 1936. Photo courtesy of the Millheim Borough.



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he J.H. and C.K. Eagle Silk Mill in Bellefonte was one of six Pennsylvania plants to close when the parent company in New York went bankrupt in 1938.

Meanwhile, small clothing stores in the area such as the Men's Shop in Philipsburg and the Rebeson and Blanchard store in Bellefonte closed as it became more difficult for small business owners to survive. In general, it seems that the war effort was the catalyst for textile

survival in Centre County, and two new companies were established as a result: the Crown Trouser Company of Philipsburg and the Snow Shoe Knitting Company.



The Snow Shoe Knitting Company was founded in the early 1940s and 91 people worked there.

Collections of the Centre County Historical Society.

LUMBER

The lumber industry experienced major market shifts during the 1930s, a trend that began as early as 1920 when concrete and fabricated steel began to replace wood as preferred building materials. The population growth slowed, immigration was limited, and more people postponed new home purchases as the depression deepened, further exacerbating the construction sector of the industry which accounted for 40% of all lumber production. Factor in the overall decline in industrial production, and it is easy to see how national lumber output nearly disappeared in 1937. Like textile manufacturing, new markets had to be explored, but movement into them was slow and required the stimulus of war to really make a difference.

In 1870, Pennsylvania lumber production ranked 2nd nationwide; in 1900 it was the 4th. Across Centre County, lumber related companies appeared in Harris, Penn, Spring, Union, and Patton townships. The greatest concentration, however, occurred along the mountaintop of the Allegheny Plateau in Burnside, Show Shoe, and Rush townships where thousands of acres of available timber were harvested. Some areas were reforested, and 2nd growth timber later became important to those working in the industry in the 20th century.

Overall, local performance was somewhat uneven and fluctuated throughout the depression. Five small lumber companies went completely out of business while others actually *increased* their number of employees. W.R. Shope harvested 2nd growth timber and owned a planing mill in Bellefonte. (A planing mill is defined as a mill where lumber is remanufactured according to a customer's specifications.) He owned a building in which sucker sticks were



During the logging railroad boom in Centre County, trees were cut, stripped of their branches, and piled along a railroad line where they were picked up and transported elsewhere. Collections of the Centre County Historical Society.

manufactured and he supplied the materials for production. Shope had 7 employees in 1928 when he purchased the land on which the stick factory was located, and by 1941 he had 25.

In 1900 four local businessmen, one of whom owned 16,000 acres of timberland and 2 sawmills in the county, formed the Pennsylvania Match Factory and employed 75 people. In 1923 it was sold to the Federal Match Corporation of New York, and its workforce grew to 210 by the late 1920s. Although that number decreased to 144 by 1941, the Match Factory was able to survive the depression due in part to their tradition of modernization.

Between 1908 and 1915, the plant was updated 4 times as they met the great demand for the “single-dip, strike-anywhere” match. In 1930, they established a chemical research laboratory on site to develop “strike-anywhere book matches” and “safety matches.” It was also during this time that they hired E. Ivan Bjalme of Sweden to oversee the installation of Swedish machinery that manufactured such products. Their investments paid off, and when World War II increased the demand for waterproof matches, the Match Factory



The Match Factory used 2nd growth white pine for their matches until September 23, 1914 when a fire destroyed 3 million feet of stockpiled planks. After that, raw materials were transported from Spokane, Washington.
Postcard of the Match Factory, c. 1912 Photo courtesy of the Centre County Library and Historical Museum, Fred Smith Collection

once again led the industry. By January 1947, 400 people worked there (one of the top two employers in the county), but within just 6 months the development of lighters and improvements in household appliances decimated the demand for wooden matches. At the time the Match Factory closed in 1947, they had 180 employees.

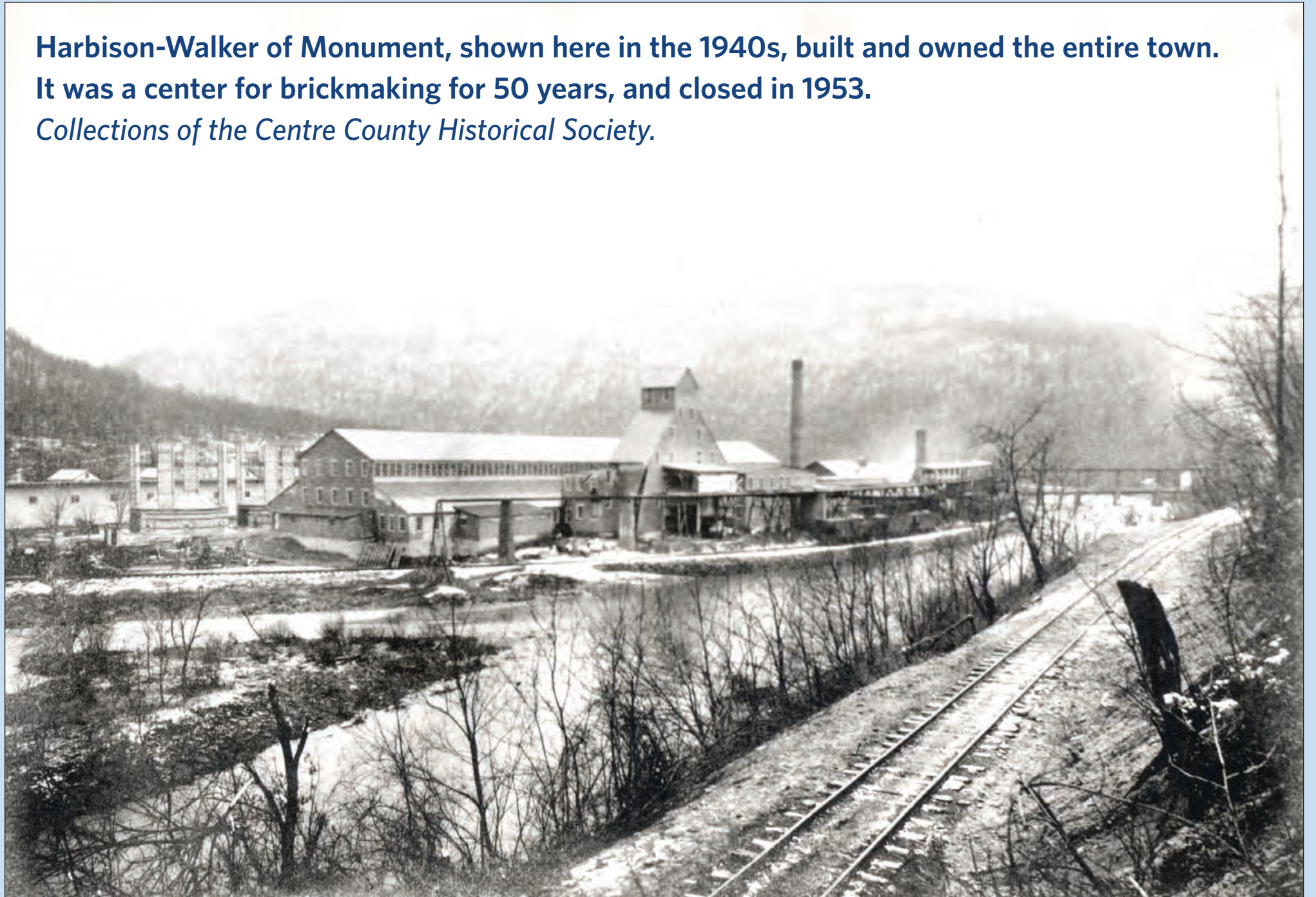
BRICK, STONE and METAL

In general, building materials are vulnerable to swings in the business market. But unlike lumber, these industries were able to perform relatively well during the depression, mostly due to diversification that began in the 1920s. Strong increases in research and development between 1927 and 1938 resulted in new products and sustained the industry until federal and state construction increased the demand. Nationwide, the Workers Progress Administration alone built or renovated 5900 schools, 2500 hospitals, 1000 airfields, and 13,000 recreation sites which had a direct effect on local companies.

BRICK

The first brickwork company in Centre County was established in Sandy Ridge in 1860. General Refractories, the company that also established the town of Orviston, was still operating at the time of the depression and managed to keep a steady number of employees throughout the 1930s. Harbison-Walker of Monument, PA also maintained 170 and 180 employees over the decade. Others in the county not only retained their workforce but grew. The McFeely Brick Company of Port Matilda was rescued by the contracts it received from Penn State as the result of an award from the General State Authority. The university received \$5 million to build nine new structures, which made a significant difference to local contractors who submitted

Harbison-Walker of Monument, shown here in the 1940s, built and owned the entire town. It was a center for brickmaking for 50 years, and closed in 1953.
Collections of the Centre County Historical Society.



successful bids. McFeely lost 25 employees between 1931 and 1935 but hired 80 people once they began working with Penn State.

STONE

Quarries, stone producers, and stone construction also benefitted from the state and federal building program but local results were mixed. Centre County Lime Company of Bellefonte, Carson Sand of Mount Eagle, Oak Hall Lime and Stone, and Centre Hall Lime all went out of business in the 1930s. The American Lime and Stone Company of Bellefonte, however, continued its tradition of expansion even as its employment rate was declining. It was established in the early 1900s and consistently acquired more land to service its nine plants, which were in operation in 1922. By 1934 they owned 86 tracts of land, but only employed 194 people. (In 1929, employment was at 250) They did rebound within a few years and nearly regained their pre-depression numbers by the time the war effort began. In 1944, the Warner Company held

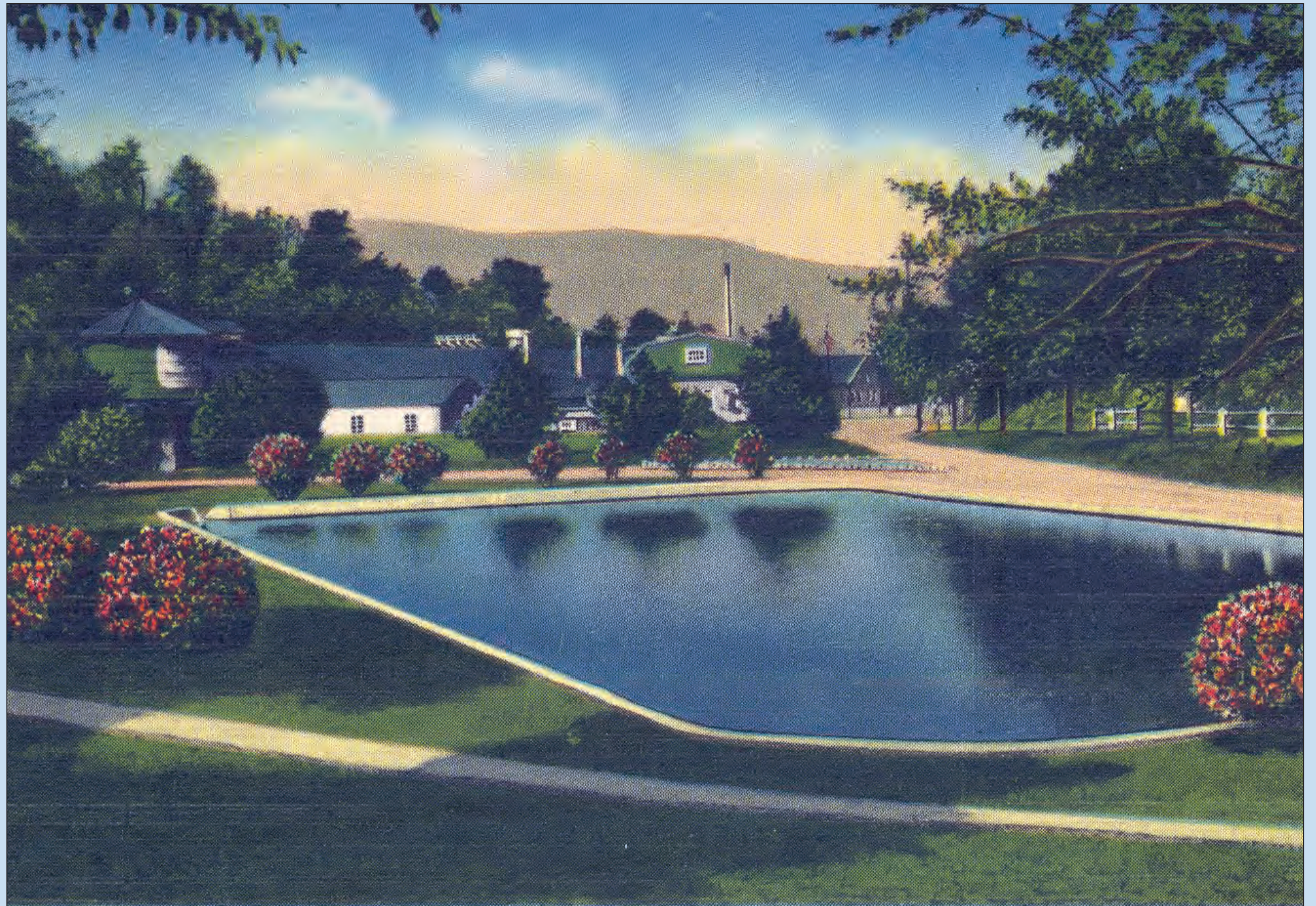


A vein of high quality limestone is located near Bellefonte, where the tradition of limestone quarrying continued for over two centuries. Collections of the Centre County Historical Society.

all of the capital stock of American Lime and Stone, and sold it to the Bellefonte Mining Company in 1967. Today, it is owned by Graybee Lime, Inc.

METAL

Centre County's tradition of iron making barely survived into the 20th century with only two operations still in existence. The iron and steel industry was dominated by large companies, and the small family owned furnaces of Central Pennsylvania were no longer able to compete with the major technological advances that had taken place. However, the *manufacture* of iron and steel products did have a place in the Centre County economy. The Titan Metal Company did very well during the depression and continues to operate today as the Cerro Metal Products Company with its headquarters in Bellefonte.



Titan Metal plant #2, where shipping and receiving took place, occupied the site of the former Eagle Silk Mill along Spring Creek. *Collections of the Centre County Historical Society.*



he county's largest employer, Titan Metal Company was founded in 1915 as the Alpha Metal Company. They developed and produced bronze rods, but when their outdated mill made this an expensive venture, they introduce brass into the process. This required a new plant, which was located on the site of the Valentine Ironworks, and Titan modernized throughout the 1920s to remain competitive. In the early 1930s they employed 140 people, but as demand for pipes increased as a result of state and federal building programs, that number rose to 548 in 1938, and by 1941, 654 people worked there! Cenco Casting Company and Belding and Mull were not so lucky as both went bankrupt while Sutton Abramson Engineering, the Stine Machine Repair Shop of Osceola Mills and the Wingate Foundry of Windgate all enjoyed modest success.

Titan Metal plant #2, where shipping and receiving took place, occupied the site of the former Eagle Silk Mill along Spring Creek.
Collections of the Centre County Historical Society.



AGRICULTURE

With its firm foundations, with the ability and prudence of its farmers, with nearby markets for its variety of products, Pennsylvania's agriculture has never been a speculative industry. In the days of land speculation and booms, our farmers never lost their heads. In these days of reaction and panic, they have not lost their farms.

— Editorial in the Pennsylvania Farmer, October 27, 1934

Since the 18th century, the Central Limestone Valley Region of Pennsylvania has supported the production of crops such as wheat, oats, rye, potatoes, and corn. General farming was quite common until the agricultural depression of the 1920s when massive global overproduction was rampant. Increasingly, farmers in Centre County incorporated the raising of poultry and the production of milk into their farms. New sanitary standards required the addition of a milk house where the milk was cured and separated, which added to the financial strain on small farmers. When milk prices fell during the 1930s it did affect the industry and related businesses, but in general Pennsylvania farmers fared comparatively well during the Great Depression because they were not yet specialized in one particular sector.

CREAMERIES

Technological advances changed the dairy industry significantly in the early 20th century. Once, production was limited to butter and cheese due to sanitary concerns, and therefore consumption was local. In 1895, the State Livestock Sanitary Board required pasteurization in milk houses, which were universal after 1930, making it possible to transport milk to other markets. Centre County entered the New York milkshed in the 1920s and began selling to major metropolitan areas, in addition to local outlets.

The State College Creamery (which was separate from the Penn State Creamery) grew rather modestly during the 1930s, which is surprising considering the growth of the university and surrounding area. It could have been a time of significant expansion for them, but products like ice cream were often viewed as a luxury and were quickly eliminated as economic conditions wors-



Collections of the Centre County Historical Society.

ened. Six ice cream parlors went out of business in Centre County during the depression, but when the economy began to recover in the early 1940s, two new parlors opened signifying a return to better times.

ALCOHOL/PROHIBITION

The roots of the prohibition movement can be traced to the mid 19th century, but it did not become a real force until the 1910s. On January 20th, 1920 the 18th Amendment to the Constitution, otherwise known as the Volstead Act was passed. It made it illegal for alcoholic beverages containing over 0.5% alcohol by volume to be sold “nor given away, nor hauled in anything on the surface of earth, or in air.” Initially, public consumption dropped, but by the mid-1920s it was clear that this law was not as successful as lawmakers had hoped. Nearly \$14 million dollars was spent on enforcement in 1930.

*Confiscated whiskey, early 1930s.
Photo Courtesy of the Library of Congress.*



LOCAL DISTILLING AND BREWING

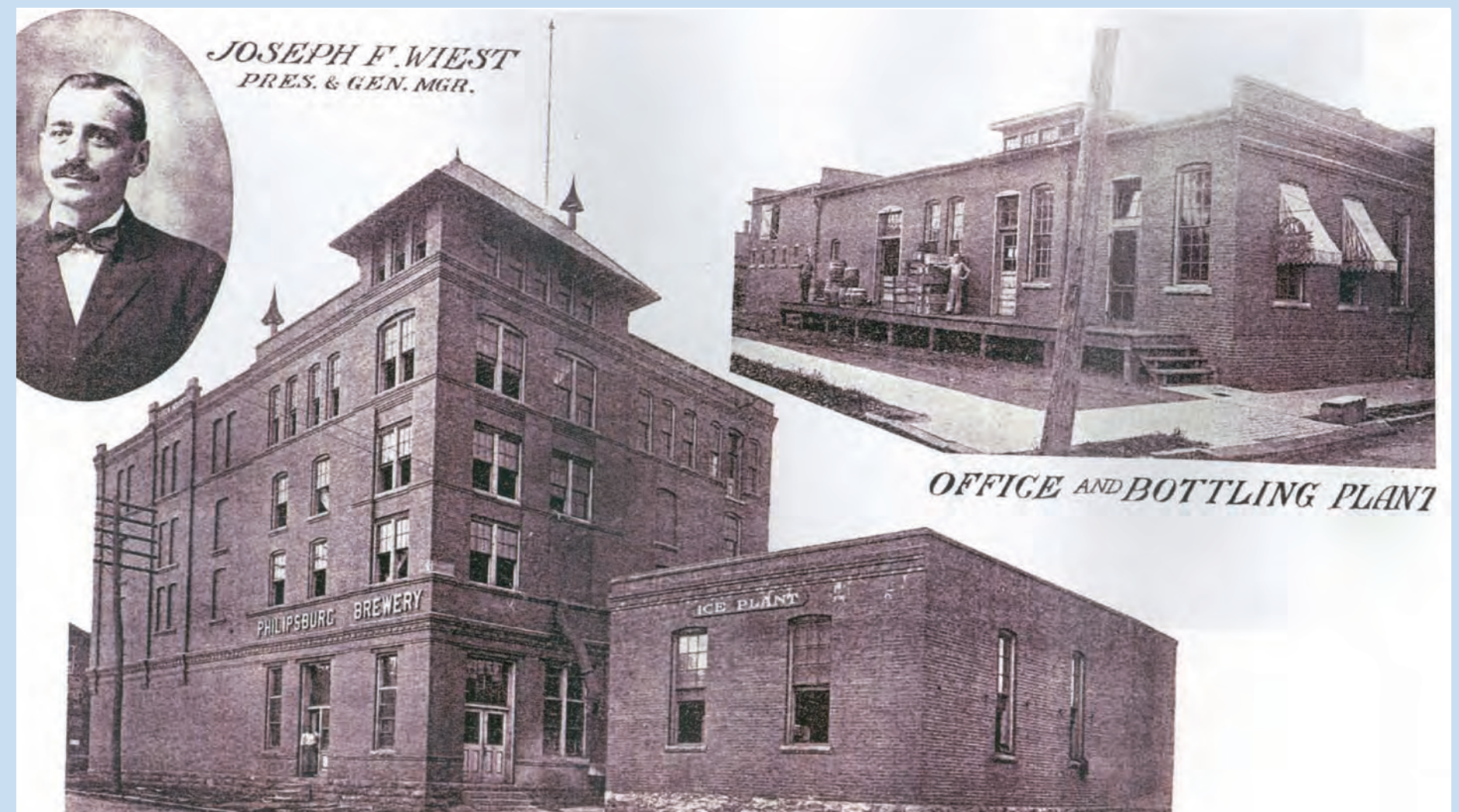
In the early 19th century, local farmers used some of their grain for distilling purposes. The Roopsburg brewery, located near Bellefonte, was one of the first major breweries in the county and operated from 1826–1902. In 1905, the Philipsburg Brewing Company finished construction on its new building and employed about 18 people. They sold beer and ice until the Volstead Act passed, after which they manufactured and sold “near beer.” While their original product contained 2–4% alcohol, near beer contained 0.5% and was within the legal limits.

The depression years were difficult for the brewery, but it remained open by selling ice, renting space, and manufacturing what they could.

When the 21st amendment, the Beer Act, was passed on March 20, 1933 the Philipsburg

Brewing Company applied for the permits that would allow it to once again manufacture, sell, and transport alcohol under 3.2%. The owners soon had problems with the quality of the beer, which was cloudy and wouldn’t hold a head. Debts and increasing labor issues resulted in bankruptcy in 1945.

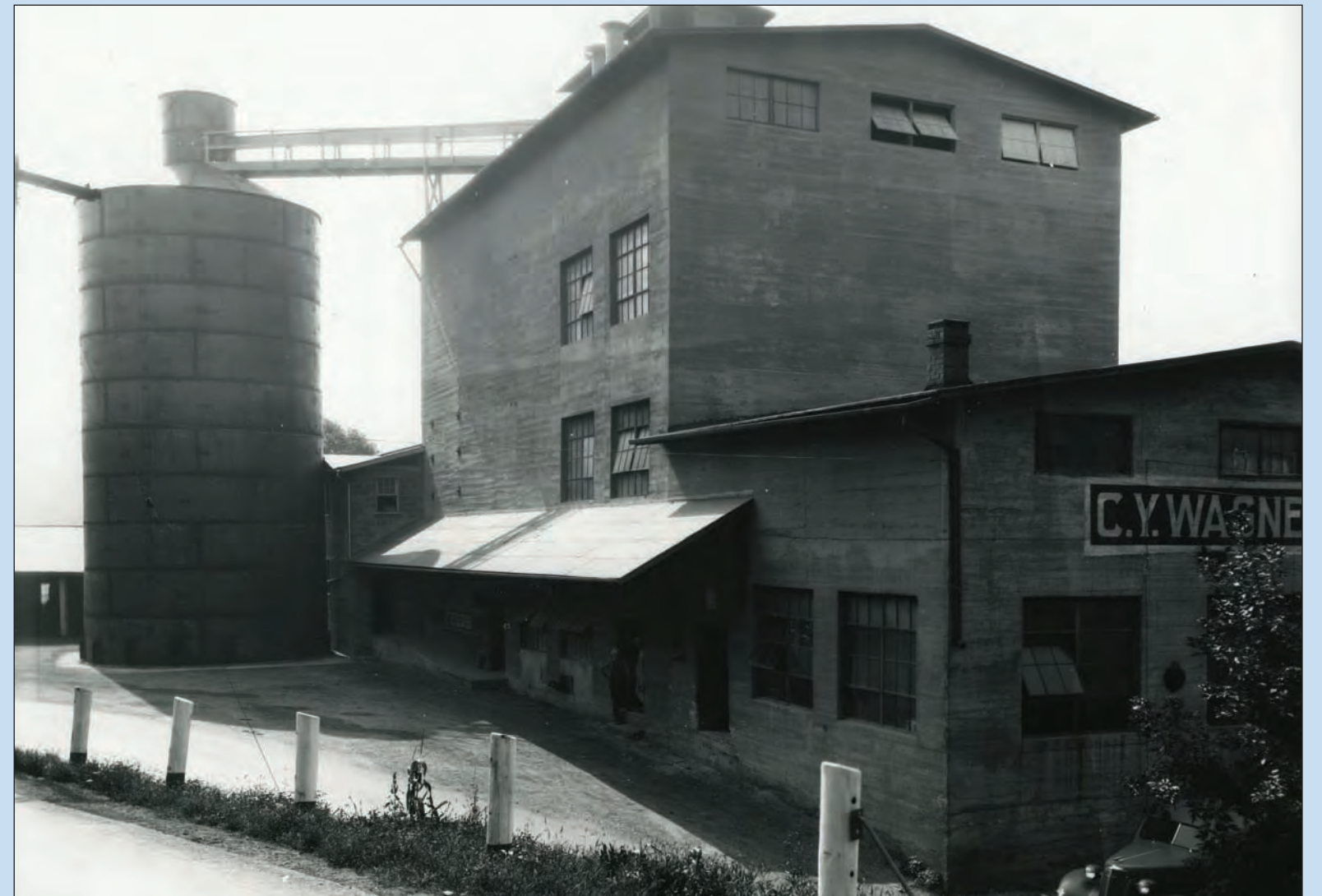
Philipsburg Brewing Company. Photo Courtesy of the Philipsburg Historical Foundation.



BAKERIES & GRIST MILLS

Since the earliest days of settlement, gristmills were necessary in order to process grain grown by local farmers. As more people moved into towns, they purchased flour in stores, rather than grinding it themselves and farmers responded to this commercial demand by producing surplus grain. By the time of the Great Depression, twelve mills were operating in Centre County, but only three survived, the largest of which was C.Y. Wagner and Company in Bellefonte. It grew from 11 employees in 1928 to 15 in 1941.

Consolidation of gristmills and bakeries was common during the 1930s, as these typically small operations absorbed each other in the harsh economic climate. Four of the six bakeries operating in Centre County went out of business, while those that remained grew to service a growing geographical area. The largest remaining bakery was E.E. Hagerty (later the Morningstar) of Philipsburg, which grew during the 1930s to employ 110 people. Elec-



In 1920 Curtis Wagner built a mill in Bellefonte that specialized in a wide range of products, including "Our Best" flour, which could be purchased in any local grocery store or market.

Photo Courtesy of the Centre County Library and Historical Museum.

tric Bakery in State College put the State College Bakery out of business and served the growing population of the university community with 8–10 people on staff.

THE NEW DEAL

Through the examination of specific industries in Centre County, we see that the first three years of the Great Depression nearly crippled the local economy. Government war contracts prompted serious recovery to industry in 1940, but the New Deal programs of Franklin D. Roosevelt began the rescue effort in 1933. The Civilian Conservation Corps, Public Works Administration, Workers Progress Administration, and Federal Emergency Relief Administration built schools, roads, and engaged in conservation efforts. By 1934, the value of local production was \$7.15 million; up 2 million from the year before.

"This nation asks for action and action now."

— President Franklin Delano Roosevelt on the occasion of his inauguration in 1933

Throughout the presidential campaign of 1932, there was a very real sense that optimism was no longer part of the American experience. More than half a million people roamed the country as

hobos; coast to coast, shanty towns called "Hoovervilles" appeared; and the breadlines that are now symbols of the era were all too common. The term "revolution" surfaced regularly.

In 1931, 95 people suffering from starvation were admitted to NYC hospitals; 20 died. In Pennsylvania 27% of all school children were malnourished.

Right: Bread line at the Brooklyn Bridge circa 1930. Photo Courtesy of the Library of Congress

Hobos in Chicago. Photo Courtesy of the Chicago Historical Society



In a landslide victory (472 electoral votes to 59) Roosevelt took power in 1933 and set his sights on rescuing the struggling banks as the first order of business.

During the last week of the Hoover administration, bank reserves were at \$ 6 billion against \$41 billion in liabilities. The unregulated industry was near extinction, and immediate action was needed. To end the crisis, Roosevelt assumed "a broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe." Banks were closed as an emergency bill was drafted and passed. It removed the U.S. from the Gold Standard and gave the Treasury the power to inspect and reopen closed banks with various guarantees of solvency.

What followed is referred to as the famed, "hundred days"; the time when one new program after another was created in an effort to rescue the economy and the people of the United States. Centre County was home to several projects established during this time, the most significant and long lasting of which are explored in this exhibit.

Centre County voted for Hoover in 1932; they voted for Roosevelt in 1936

The Glass-Steagall Act of 1933 established the Federal Deposit Insurance Corp. (FDIC) and guaranteed all deposits up to \$5,000. Criticized as being "dangerous", it cut bank failures by more than 90 percent and helped to restore confidence in the banking system.

Cartoon by John T. McCutcheon, 1931 Photo Courtesy of the Library of Congress



THE PENNSYLVANIA STATE COLLEGE

In 1928, Penn State ranked 40th in enrollment among higher education institutions in America; in 1938 it was 14th.



Today, Penn State consistently ranks among the top ten largest universities in America with over 42,000 students enrolled at University Park and another 32,000 at branch campuses. It seems unlikely that the seeds of this distinction would have been planted during the Great Depression, but compassion, creative policies, and massive state and federal aid provided Penn State with the resources that would make it survive and thrive during this pivotal moment in its history.

As Centre County industry fought to stay alive during the first few years of the depression, Penn State seemed somewhat immune to the strife that was so prevalent elsewhere. In September of 1931, 4,396 undergraduates set a new enrollment record when they began the fall semester. Just a few months later, many of them were in danger of not finishing their degrees as their parents income wilted, and the amount of available scholarship money totaled just \$4,000. Previously,

many students took on jobs to offset the cost of education (\$700 per year), but they were in very short supply by the summer of 1932 — the pit of the depression in Centre County.

In an unprecedented act, nearly 900 members of the Penn State faculty and staff (90% of total employees) created the Unemployment Relief Fund to aid students and the community during these difficult times. In a few months, the fund totaled \$17,000, but sadly it was not enough to help everyone and enrollment began to sink. In response, a special faculty committee established an aggressive campaign that began in early 1934. They asked alumni and students to help recruit freshmen, while the administration reduced the cost of room and board by 10 to 15 percent in order to reinvigorate their enrollment numbers. Six months later 4,945 undergraduates began the fall semester, a new college record. This is most likely the result of these grassroots efforts combined with the federal programs which were then available.

FEDERAL EMERGENCY RELIEF ADMINISTRATION

In 1933, President Roosevelt created the Federal Emergency Relief Administration (FERA), which funneled millions of dollars into colleges and universities. Students who otherwise might not be able to remain in school received employment opportunities that paid \$15 to \$20 per month for working 10 to 20 hours per week. University Historian, Mike Bezilla writes in *Penn State: An Illustrated History* that “the philosophical rationale underlying the FERA’s support of higher learning paralleled the sentiment upon which the Morrill Land-Grant Act was based, that is, equality of educational opportunity must be maintained in order to maintain political and economic democracy. Unless higher education was available to a large portion of the general population, proponents of

Throughout the depression, the School of Agriculture received public funds from state and federal sources for research. *Collections of the Centre County Historical Society.*

Test Garden for Pennsylvania State College, State College, Pa.



federal aid argued, it would revert to its former status as an exclusive province of the economically privileged, and democratic institutions would suffer.”

In 1935 FERA was replaced by the National Youth Administration (NYA). As stated in a report by the NYA, the types of jobs offered to students involved little or no “leaf raking” or “ground scratching.” Rather, the program tried to integrate the student’s interest and major field of study into their work. For example, projects in the Schools of Chemistry and Physics and Engineering (and others) related very closely to problems in national defense. Students in the School of Education worked with museum materials and learned about preservation techniques. In the School of Liberal Arts, undergraduates scoured Pennsylvania daily newspapers for information relating to city, county, borough, and township government, and provided 5800 local government officials across the Commonwealth with information relating to their fields.

Nearly 20 percent of the student population received assistance at the beginning of the 1934–35 school year.

Professor David Campbell's 1934 home construction class.

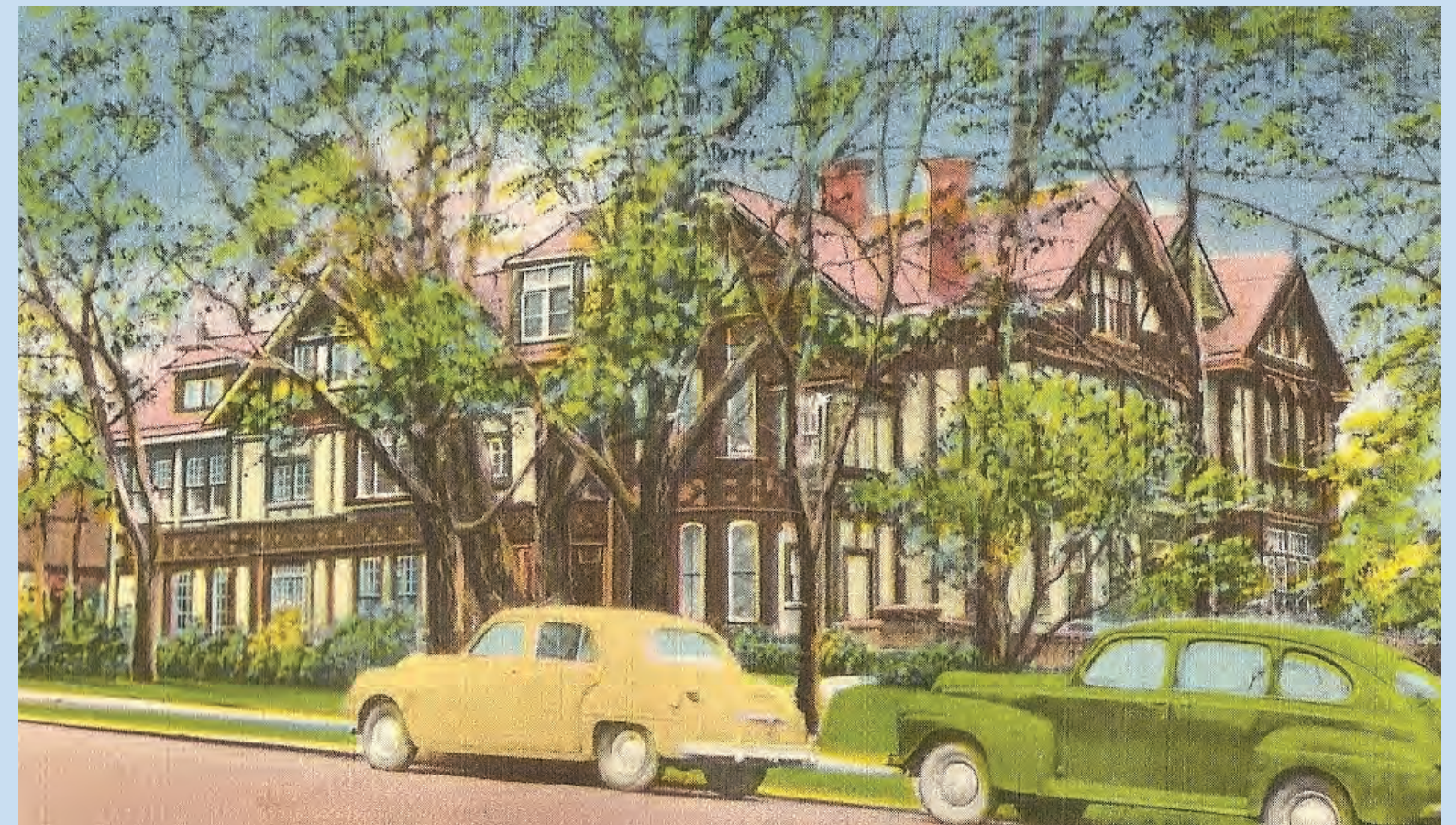
Photo Courtesy of the Special Collections Library at the Pennsylvania State University.



BRANCH CAMPUSES

Penn State had established teacher training centers and engineering branch schools in rural Pennsylvania in the 1920s. Encouraged by their success, the administration pressed University President Hetzel to expand them, but he resisted. Hetzel felt that Pennsylvania was about to become part of the junior college movement, and he did not want to interfere in this opportunity for the commonwealth. When the depression hit, many people in rural communities asked for Penn State centers; students could cut costs by living at home and possibly working at the same time. Branch campuses would also not require the same amount of investment involved in establishing a junior college from scratch.

In 1933, "Freshman Centers" opened in several northern tier counties where it was unlikely that students would otherwise be able to go to college. Previously unemployed teachers followed a similar freshman curriculum as one would find at the main campus, and nearly 150 students



In 1935 the DuBois campus replaced the Towanda campus and went on to become one of the most popular in the system. *Private Collection*

were enrolled in the first year. Those centers that were successful expanded in 1934/35 to include sophomore instruction. By 1939/40 enrollment at branch campuses exceeded the rate in State College, and it became clear that the experiment was an overall success. Today, in addition to main campus at University Park, Penn State has 19 other campuses and nine special mission units.

EXPANSION OF THE PHYSICAL PLANT

With the student population growing, Penn State officials generally estimated that \$910 million in improvements needed to be done to the physical plant. In the uncertain economic environment of the mid-1930s, they were not in favor of borrowing the money but instead applied for federal and state assistance. In 1935, newly elected Governor George H. Earle took office and created the quasi-private corporation, the General State Authority (GSA). It funded new construction of state hospitals, prisons, and colleges. The GSA issued bonds to finance construction, then leased the property back to the Commonwealth and used the income to repay the bonds. It also gave the opportunity to get federal aid through the Public Works Administration (PWA) which had been funding large construction projects for two years.



Penn State requested \$6.7 million from the GSA but received only \$5 million. It funded nine buildings including a new library, later renamed Pattee Library. This increased the value of the physical plant to \$16 million by 1940.

The information in this panel was based on the research of University Historian, Mike Bezilla.

STATE COLLEGE

State College became the population center of the county with over 6,000 residents by 1940.

The residential population of State College in the 1920s and 1930s paralleled the student population of Penn State; therefore, when enrollment increased, so did the demand for housing. In the area south of campus in the Holmes Foster/Highlands neighborhood, single family houses, duplexes, fraternities and boarding houses were built for students, as well as professors and their families. Consequently construction workers and companies benefitted from this demand, providing them with a level of protection from the unemployment hardships experienced elsewhere in the county during the depression.

T

he State College Construction Company, owned by H.O. Smith (a 1920 Penn State graduate), was very involved in the building boom of the

1920s and 1930s. In addition to several fraternity houses, they built apartment houses such as this one at 701 West College Avenue, shown here in 1939.

This large building contained many modest but roomy apartments. Eventually it served as the State College Hospital, and today it is once again a boarding house.
Collections of the Centre County Historical Society.



MEMORIAL FIELD

Located within the Holmes Foster/Highlands Historic District, Memorial Field was once known for being a sinkhole and a dump. In 1935, the State College School Board received federal aid from the Workers Progress Administration (WPA) in the amount of \$43,000 to create a football field and a track on the land. The WPA was the largest of the New Deal agencies and strived to put people to work at their own trade. Nationally, legendary film director Orson Wells produced an all black version of Macbeth; influential painter Jackson Pollack painted pictures for schools and public buildings; and locally, Calvin Graham was hired as



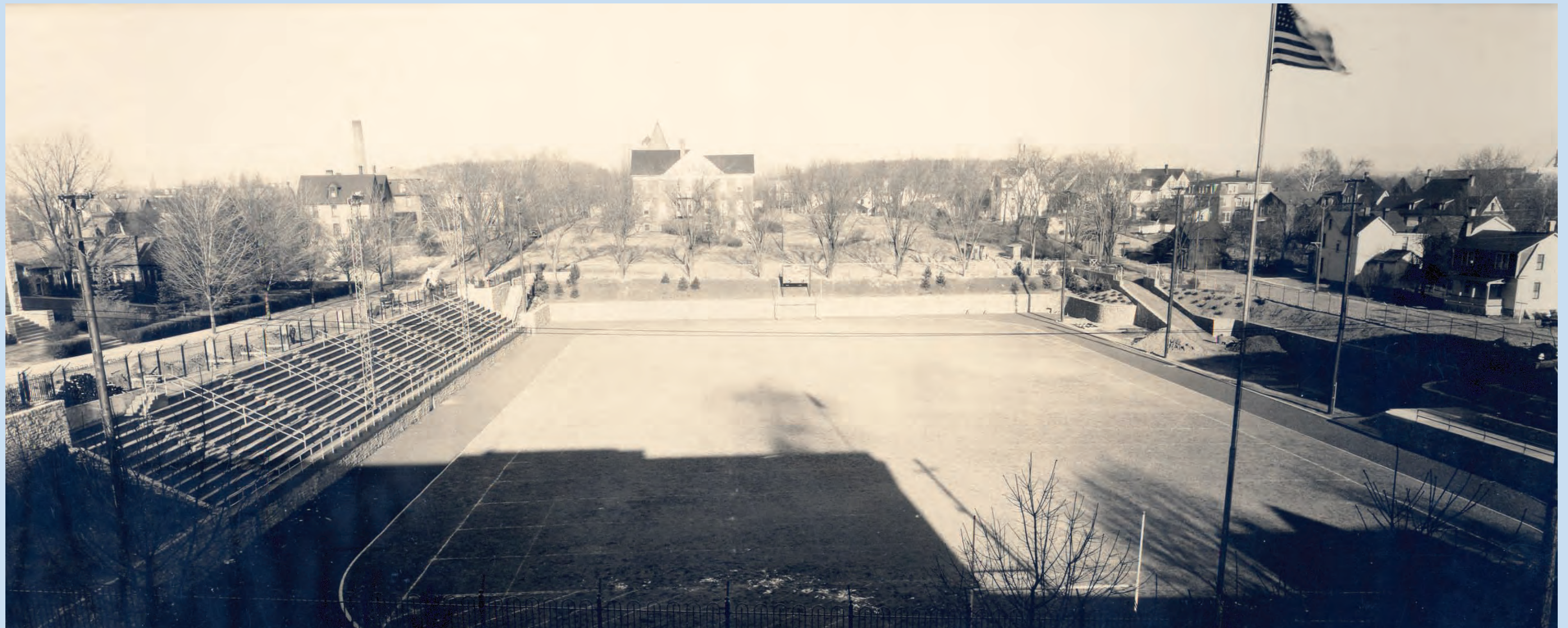
Crews preparing the ground at Memorial Field, c1935
Collections of the Centre County Historical Society.

general foreman for the construction of the field. He supervised laborers who used picks, axes, and a few trucks from local contractors to create a football field and a track with all of the modern amenities, including flood-lights for night games. The field opened in autumn, 1937.

The State College High School Field was dedicated on October 11, 1946 to all members who gave their lives during World Wars I and II and renamed Memorial Field. It was dedicated once again in 1993 to include all wars fought in defense of the United States.

Memorial Field

Collections of the Centre County Historical Society.



DRIVERS EDUCATION

In 1933, State College School District became the first public school system in the country to offer driver education. The Borough of State College, along with help from Penn State and the WPA, made it possible for industrial engineering professor Amos Neyhard to teach the seminar that would become a staple of modern education.

Participants of the WPA built New York's LaGuardia Airport and restored the St. Louis riverfront. Across the nation they constructed 651,087 miles of roads, streets and highways; and built, repaired or refurbished 124,031 bridges, 125,110 public buildings, 8,192 parks, and 853 landing fields.



State College Area High School's driver education car, 1955.
Collections of the Centre County Historical Society.

**THE
CIVILIAN
CONSERVATION
CORPS**

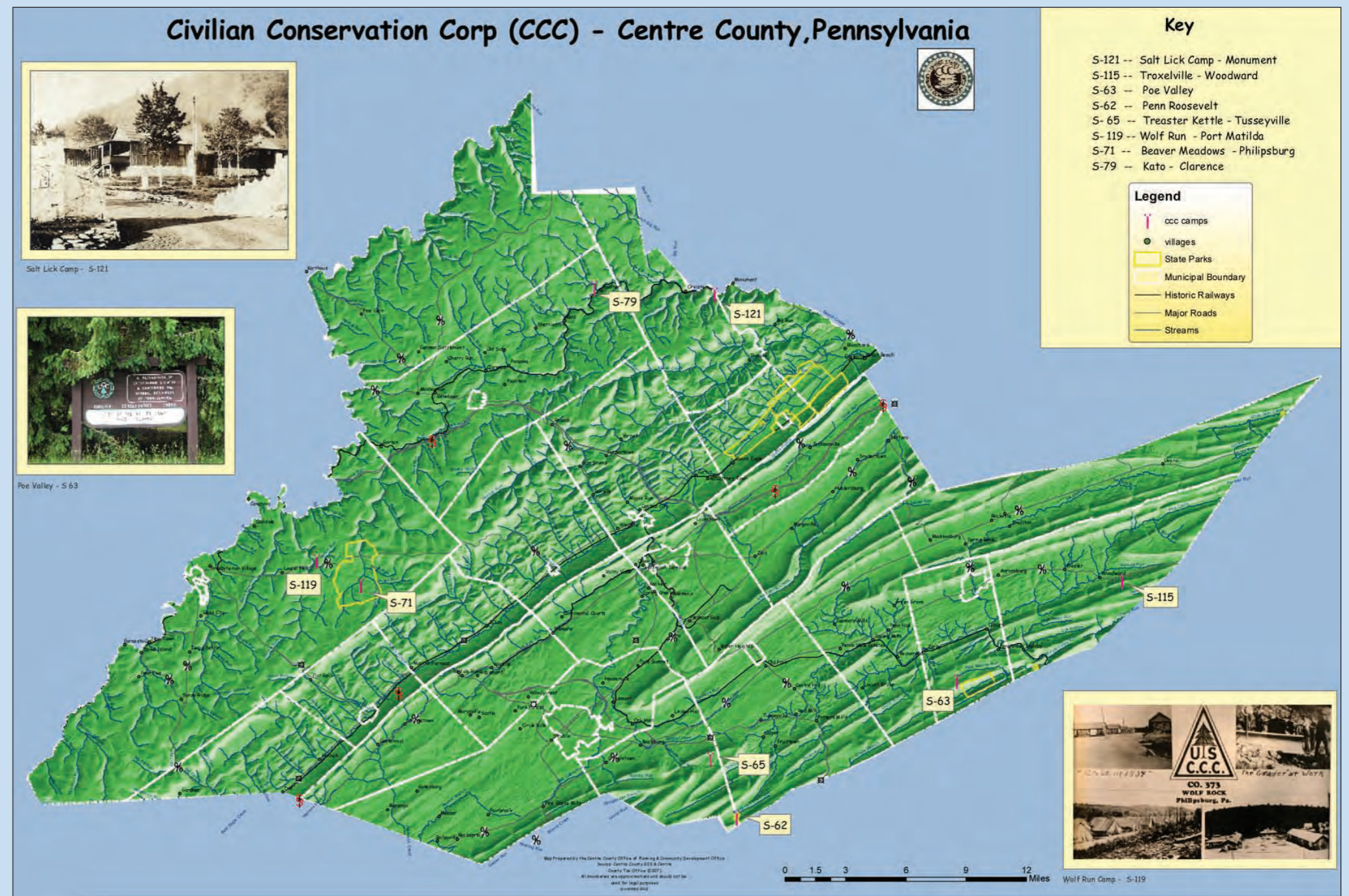
T

he Civilian Conservation Corps (CCC) was created in March 1933 by President Franklin

Delano Roosevelt to increase employment, preserve the nation's natural resources, and mobilize America's idle youth, which was growing increasingly uneasy. Pennsylvania played a key role in its success, ranking second nationwide in overall number of enrollments at 194,572 and second in number of camps at 114. Centre County was home to six of these camp sites where unmarried men between the ages of 18 and 25 planted trees, constructed dams and lakes, built roads and fire lanes, cleared streams, and helped to restore the natural beauty of the region.

Most young workers came from large cities with high rates of unemployment, like Philadelphia, but some local people were accepted into the highly competitive program. In Philipsburg, 175 men applied for 70 positions

that paid \$30 per month. The over supply of willing workers was characteristic of both Centre County and Pennsylvania, and highlighted one of the limitations of the relief program; only 200 positions per camp were available.



Between 1933 and 1942, 3 million men worked for the CCC.

Photo Courtesy of the Centre County Planning and Community Development Office.

The success of CCC camps was linked to the ability to identify large projects that would keep campers sufficiently employed for a length of

time. The men of Camp S-121 near the town of Monument initially focused on constructing permanent camp shelters while also “clearing brush, cutting down decayed trees, and building fire trails.” Once established, workers could turn their attention to more significant, long-term projects. On April 16th 1935, the campers of Monument were in “high morale” when they received a contract to build an eight to ten mile road in a southwesterly direction from Orviston to

Kato. The road increased access to the isolated region and enabled forest fires to be more easily distinguished.

Members from Camp S-121 near Monument taking a break from building fire trails to pose for a photograph. Other camps commonly joked that the CCC boys had enough boots to stomp out any fire in Pennsylvania.

Photo Courtesy of John Eastlake



The CCC also sought to improve the character and spirit of the next generation through discipline, organization, and education. The men worked from 8:00 a.m. to 4:30 p.m. and had the opportunity to attend night school in order to learn a trade. Most camps had educational directors who played a dual role as teacher and personal counselor, and in Centre County over 100 professors from the Penn State College volunteered to give lectures and provide entertainment. In 1937, 39 Pennsylvania CCC participants graduated from Penn State with various degrees.



CCC members received educational instruction like those at Centre County Camp S-121. They were also encouraged to attend spiritual service and pursue hobbies that made them “well-rounded individuals.”

Photo Courtesy of John Eastlake

Camp S-62, located in what is now Penn-Roosevelt State Forest, 25 miles southeast of State College, was one of the first African American Camps established in Pennsylvania. Typical of the time, camps were segregated, and the men — most of whom were from Philadelphia — performed the same work as their white counterparts. Camp S-62 was opened in 1933 and closed three years later after a 195 foot dam and several trails were completed. In 1941 a conflict nearly erupted in Millheim when a proposal surfaced to replace the all white camp at Poe Valley with a new all black camp. Integration during the interwar years in America faced many critics, including those involved in New Deal programs.

Of the 400 African American CCC camps nationwide, one of the most famous was located in Gettysburg, Pennsylvania. They restored the Gettysburg Battlefield by clearing brush and building miles of fences to outline the location of one of the most significant military events in U.S. history.

Photo Courtesy of John Eastlake



T

he organizational complexity of the CCC was enormous.

The Department of Labor oversaw the selection of the men; the departments of Agriculture and Interior planned and organized the work; and the U.S. Army oversaw the program. Enrollees stood at formation, ate in mess halls, and received rank according to Army guidelines, giving life in the camps a quasi-military feeling. The massive coordination of the camps helped to prepare the military for mobilization when World War II broke out, and many military leaders considered the CCC a ready-made army.

Camp S-121. Photo Courtesy of John Eastlake



FRANKIN D. ROOSEVELT'S BIRTHDAY BALL

Beginning in 1934, Americans celebrated President Roosevelt's birthday on January 30th with the annual "Birthday Ball." The event raised money for victims of polio, the disease that struck the president in 1921 at the age of 39. The dances led to the formation of the National Foundation for Infantile Paralysis and eventually the March of Dimes, which carried on the tradition of fundraising after the president's death in 1945.

This 1934 souvenir listed the program for the evening which included four hours of dancing with a 45 minute radio program intermission at 11:30 p.m. The dance card recorded 13 fox trots and waltzes including "I Love You Truly" and "The Moment I Looked in Your Eyes."

Collections of the Centre County Historical Society

EXPANSION OF PENN STATE

This 1938 newspaper article illustrates the expansion of the campus under the General State Authority on the eve of the ground-breaking ceremony. The program describes the day's events which included addresses from Governor George H. Earle III and Senator Joseph F. Guffy. Student representatives from each of the colleges also participated in the celebration.

Collections of the Centre County Historical Society

WOODEN STOCKING FORMS AND THE CENTRE REPORTER

Textile workers used wooden forms to shape hosiery in the form of a foot. This was done in a designated space called the boarding room, which can be seen nearby as the background image of the textile panel. These forms came various sizes and shapes as shown here on the right.

The Centre Reporter operated from 1868 to 1940. A copy of the last edition that was produced before merging with the *State College Times* to become the *Centre Daily Times* is shown on the left.

Collections of the Centre County Historical Society

DIRECTORY

Under the Federal Emergency Relief Administration (FERA), Penn State students received employment opportunities that helped to fund their education. Job responsibilities ranged from research to field labor. In 1935 the Alumni Association hired 12 students to compile a list of Penn State graduates and former students to form the first directory in 15 years. Over 25,000 names and addresses are listed.

Collections of the Centre County Historical Society



The inspiration for this exhibit originated with the work of Centre County Historical Society member, David Lembeck. Mr. Lembeck has been researching and documenting New Deal post office art for over 13 years, and his work with the Pennsylvania Historical and Museum Commission has resulted in a related exhibit.

A Common Canvas:

Pennsylvania's New Deal Post Office Murals will be on view November 22, 2008 to May 17, 2009 at the State Museum of Pennsylvania in Harrisburg. It gives our visitors the opportunity to explore another fascinating component of the New Deal as we celebrate its 75th anniversary.

MUSIC INSPIRED BY THE LABOR MOVEMENT

The ballads and songs created during the labor movement addresses many issues of the day, including cultural discrimination. The Slavic mine workers of the Anthracite Coal Region generally believed that they were “imported by coal operators to lower wages and degrade working conditions.” John Mitchell worked tirelessly to eliminate the racial tensions, preaching “The coal you dig is not Slavic coal, or Polish coal, or Irish coal. It is coal.” In one of the most popular ballads by Con Carbon of Wilkes-Barre, *Me Johnnie Mitchell Man*, the Slavs proclaimed their regard for him by singing:

*Right-a here I'm tell you
Me not scabby fella
I'm a good union citizen
I'm a Johnny Mitchell man.*

*Photo Courtesy of the Special Collections Library
at the Pennsylvania State University*

