

University of Wisconsin-Eau Claire

A Look at the Great Depression in Eau Claire, WI  
According to Louise Schlegelmilch

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## Abstract

The city of Eau Claire, like many other cities in Wisconsin, was greatly impacted by the Great Depression. Despite this, not much has been written about the history of city during this time. The goal of this paper is to represent Eau Claire's Great Depression history 'through the eyes' of one of the community's well known members, Louise Schlegelmilch and her family. Although she did not marry herself she remained close with her sister's children. Through Louise's experience Eau Claire's history will be told as well as how one family bonded together and survived the Great Depression.

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## Introduction

The Great Depression is still the most devastating economic event in not only America's history but the World's. Over a quarter of Americans were unemployed during this time. The images that come to mind are of bread lines and Hoover or Shanty towns. Thousands of families were displaced and had to find relief or aid any where they could. President Franklin Delano Roosevelt, the only president to serve four terms, and his advisors helped passed the New Deal which created and funded many organizations to help get people back to work. Some of these organizations did work in towns all across the country like the WPA (Works Project Administration), CWA (Civil Works Administration) and the CCC (Civilian Conservation Corps). Many Americans don't realize how much of their home community was shaped by the Great Depression.

Each state and community has a different story to tell. People reacted differently to the hardships they had to face during this volatile era. Some cities had larger manufacturing industry saw more strikes and workers demanding a pay increase not the decreases they were receiving. Each city saw effects take hold differently as well. A city like Eau Claire, WI saw little effects of the stock market crash until a full year after. When the effects of the stock-market crash did come into fruition families and communities had to come together. Not only to survive the Great Depression, but to beat it. The Schlegelmilch Family, the focus of this paper, is a fine example of a family coming together to ensure the well-fare of each member.

This will be demonstrated through the use and explanation of several primary source materials pertaining to the family and the city of Eau Claire. The most frequent and beneficial primary source materials were letters written between several Schlegelmilch family members.

The person most represented in these letters was Louise Schlegelmilch, who will be introduced more thoroughly in a later section. Through her letters addressed to her nephew, George, the story of how her family as well as the city of Eau Claire endured the Great Depression. Another helpful source that lent insight into family finance situations during this time was the collection of final records from Union Mortgage Loan. The first family member to be involved with Union Mortgage Loan was Herman F. Schlegelmilch, Louise's brother, in 1909. By 1914 Herman was president and upon his death in 1924 the presidency was transferred to his nephew, Gordon Barland. The company's records leading up to and during Gordon's presidency helps illustrate how much the family depended on its survival during the Depression. It also helps illustrate some of the physiological strains experienced by families not only in Eau Claire but across the country.

## Historiography

This history of Eau Claire, WI has been an area of interest of both academic and amateur historians. A large number of these authors have written articles and local histories that relate the early days of Eau Claire's settlement and lumbering history. Among the most helpful and influential to this paper, when discussing this city before 1910, was Lois Barland's *Sawdust City: A History of Eau Claire, Wisconsin from earliest time to 1910* and Judge William F. Bailey's *History of Eau Claire County Wisconsin: Past and Present*.

The latter of the two books was written about 50 years after the founding of Eau Claire County. Each chapter is a separate essay that covers some element of the county's history. The first half of the book covers subjects pertaining to: the geographical history of Wisconsin, the coming of white traders and trappers, townships, industry, schools, war, the court system, and

other various groups or organizations. The remaining chapters focus on the City of Eau Claire. Once again Eau Claire's early economy, organizations, and schools are mentioned. But, additionally there is mention of city parks, the fire department, the post office, floods, newspapers, and ethnic groups. The book concludes with a section devoted to biographies of influential early settlers and business owners. This source was helpful in understanding the early history of industry and economics in the city of Eau Claire. By understanding the early economics of the city readers will better understand the business tradition of the city.

Lois Barland wrote a two volume history of Eau Claire. The first of the volumes covers Eau Claire history from early settlement until 1910. Her second volume, which was the most helpful to this paper, extends her coverage from 1910 to 1960. Through several personal narratives supplied by multiple citizens the book discusses Eau Claire in the contexts of the early 20<sup>th</sup> century, both world wars, the Great Depression and the Korean War. She also lists changes to many areas of business (hospitals, banks, manufacturers, railroads, and lumbering) as well as schools, churches, and leisure activities.

*The History of Wisconsin* series published by the State Historical Society of Wisconsin is widely accepted as Wisconsin's definitive history text. The series is comprised of six volumes each written by a different author with the help of numerous contributors. The volume that was most helpful to this paper as well as any person concerned with the effects of the Great Depression on Wisconsin's history is Volume V, *War, a New Era, and Depression* by Paul W. Glad. Glad taught twentieth-century American history at the University of Wisconsin-Madison from 1966 to 1978. As of the publication of *War, a New Era, and Depression* he was a Regents' Professor of History at the University of Oklahoma-Normal.

If one wants to read more about Eau Claire's history in the first half of the 20<sup>th</sup> century they will find that little is written. Although several undergraduate history students have produced papers discussing specific events during this time, little has been written that describes the overall changes seen in Eau Claire during the years of 1910 and 1950. Therefore, by using the information Louise Schlegelmilch includes in numerous correspondence with her family, a unique history of Eau Claire during her lifetime can be seen.

## Louise Schlegelmilch and Gordon Barland

Louise Schlegelmilch was a second generation American born of German parents in 1862 in Eau Claire, Wisconsin.<sup>1</sup> Herman, Louise's father, emigrated to Eau Claire in 1860 from Beaver Dam, Wisconsin and opened a hardware store while also serving as a gunsmith. Over the course of owning his own business, Herman became a successful and respected businessman. This helped his family climb social ladder as well as found themselves comfortable members of the upper-middle class. Louise's mother was named Augusta, and like most women of that time worked in the home.<sup>2</sup>



Ms. Louise Schlegelmilch\*

Herman and Augusta had seven children of which five survived. The surviving children's names in order of birth were Dora, Louise, Emelia (Amelia), Herman F., and Eda (Ida). Dora was married to John C. Barland in 1886 and had six children: Margaret Dorothea ('Thea'), Thomas 'Gordon', Agnes, Charles 'Herman', John 'Howard', and 'George' Clarence. Louise maintained a close relationship with her older sister's children. After the death of Dora, Louise helped fill the role of a mother figure and remained close to her nieces and nephews until her death. In 1879 Louise graduated high school as part of the sixth graduating class.<sup>3</sup> This high school was the first separate high school in Eau Claire and was built due the growing school aged population.<sup>4</sup> Like most women her age during the time, Louise never ventured on to any formal

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<sup>1</sup> 1880 U.S. Census. Ancestry.com

<sup>2</sup> *Ibid.*

<sup>3</sup> Lois Barland, *The Rivers Flow On*. (Stevens Point, Wisconsin: Worzalla Publishing Co., 1965), 320.

\*Picture used with permission of the Chippewa Valley Museum

<sup>4</sup> Judge William F. Bailey, *History of Eau Claire County Wisconsin: Past and Present*. (Chicago: C.F. Cooper & Co., 1914), 403.



higher education.<sup>5</sup> Although she chose to go against the social normal when she never married and lived in the family home (the first brick house in Eau Claire) with her niece Agnes, and her nephew Herman.<sup>6</sup> Louise never held her own job. Instead, she did her fair share of work around the house and the hardware store over her lifetime. Louise often mentioned this work in her letters to family members. She talked about lacquering floors, cleaning walls and bedrooms, doing her washing as well as redecorating her home.<sup>7</sup> Louise also became a respected woman not only among her family but the Eau Claire community. She was involved with several church groups as well as a member of the finance committee for the Eau Claire Women's Club. At the age of 86 Louise passed away and left her home in the care of her nieces and nephews who eventually gave the home to the Chippewa Valley Museum in Eau Claire.

Louise was also an avid writer; she began by writing short entries in diaries as a young girl and continued by writing letters to her family and friends. Her eyesight began to fail quite drastically in the last five years of her life. Therefore the amount of letters she wrote decreased because she had to rely on another person to write them. Through these letters one doesn't just learn more about Louise but can follow the growth and changes in Eau Claire. Her letters to her sisters, nieces and nephews help readers discover the good and difficulties the citizens of the city were faced with.

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<sup>5</sup> The Historical Statistics of the United States compiled a table that tracked the number of higher education degrees awarded to males and females between 1869 and 1994. The average number of degrees granted to men during the 1880 decade was 11,829 while the average from women during the same time was 2,629.

<sup>6</sup> The Historical Statistics of the United States compiled a table that shows the United States population by marital status, sex and race during 1880-1990. From this table it can be deduced that during the 1880 decade only 37% of women between the ages of 20-29 remained single.

<sup>7</sup> From Louise Schlegelmilch to George and Lois Barland, 3/31/1931, Schlegelmilch Collection The Glenn Curtis Smoot Library and Archives, The Chippewa Valley Museum, Eau Claire, WI

Thomas 'Gordon' Barland was born in 1889 in Eau Claire, WI. While growing up, he lived on his father's dairy farm.<sup>8</sup> After he finished high school, Gordon continued his education at Beloit College.<sup>9</sup> After he completed his degree he moved out to North Dakota where he worked as a banker. In 1918 he enlisted in the army and served during the last year of World War I.<sup>10</sup> He returned to North Dakota for some time after the war but he soon settled back in Eau Claire. His uncle, Herman Schlegelmilch, got him a job as a secretary for Union Mortgage Loan. He served the company in this capacity until he became president in 1924.



Thomas 'Gordon' Barland

Throughout his time at Union Mortgage Loan he made frequent trips out to North Dakota and Montana to investigate and manage property held by the company. He died suddenly, although his health was declining, in July of 1942 at Sacred Heart Hospital.

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<sup>8</sup> 1900 U.S. Federal Census. Ancestry.com

<sup>9</sup> "T.G. Barland, of Barland Agency Here, Succumbs" *Eau Claire Leader*, 14 July, 1942, 2.

<sup>10</sup> *Roster of the Men and Women who served in the Army or Naval Service (including the Marine Corps) of the United States or its Allies from the State of North Dakota in the World War, 1917-1918 Volume 1 Aaberg to Flag*. Ancestry.com

## Wisconsin During the Great Depression

Along with the rest of the country, Wisconsin started to prepare to survive what became the worst economic depression in United States history. Even before the crash there was evidence of an end to previous prosperity. Industrial workers in towns like Reedsburg and Kenosha were experiencing pay and hour cuts as well as high number of lay-offs. Despite these signs newspaper and prominent government officials kept the message of ‘prosperity’ alive and believable to most citizens. But as 1929 progressed into its last quarter signs of economic hardship became more prevalent. Several industries, especially steel and iron, saw a decrease in production.<sup>11</sup> On October 24, 1929 nearly 13 million stock-market shares changed hands causing prices to drop dramatically. Although one may not have seen the effects of the stock-market crash had on Wisconsin right away, they quickly became evident. The crash shifted attention from trying to solve economic problems at local levels to a finding a national solution. The people of Wisconsin were one of the first groups to demand a national resolution,<sup>12</sup> but they also realized that every problem was not going to be fixed by the federal government. These solutions came gradually but not before some citizens of Wisconsin suffered great hardship.

By November 1930, employment in manufacturing industries decreased by one quarter.<sup>13</sup> As one would suspect that with this employment decrease, applications for jobs increased. In October 1930 employers received 178 applications for every one hundred job openings. The manufacturing industry was not the only industry affected. Over a quarter of Wisconsin’s workforce was involved with farming. From 1929 to 1932 the gross farm income for the state

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<sup>11</sup> Paul W. Glad. *The History of Wisconsin Volume V: War, a New Era, and Depression, 1914-1940*. (Madison, WI: Wisconsin Historical Society Press, 1990), 349.

<sup>12</sup> *Ibid.*, 350.

<sup>13</sup> *Ibid.*, 356,

fell from \$438 million to \$186 million. The farmers who could maintain income had to compete with falling prices. This meant that they had to almost constantly increase production in order to stay afloat. The need to constantly increase production caused a surplus of farm goods, since families were saving by cutting their grocery bills.<sup>14</sup> The weather was also uncooperative. Rainfall averages were well below normal causing drought and grain shortages for both people and livestock.

When Wisconsin lawmakers saw these numbers they immediately got to work at trying to help if not solve the economic problems. Wisconsin progressives, lead by Governor Robert LaFollet's sons, tried to develop some programs to help meet the needs of struggling citizens. Some of these ideas would be used again or provide a foundation for programs in President Franklin D. Roosevelt's New Deal. But these 'fixes' did not come without resistance. Everyone seemed to have someone else to blame for the troubles facing Wisconsin. Many forms of protest, some violent, were used to express view points about the future of Wisconsin. Strikes increased, especially in Milwaukee, in almost every form of industry. Farmers tired to stop milk delivery to encourage an increase in prices and industrial workers unified even more tightly behind their unions in order to increase their power on government.

On top of labor problems and falling prices of agriculture goods, the banking industry was also failing. Wisconsin was still the home of many small banks in 1929. After the crash though, many closed their doors forever. Governor Albert George Schmedeman was even forced to stop all the banks in Wisconsin from operating for two weeks in order to solve the unstable situation. Wisconsin's banking industry did not reach its previous level of comfort until 1941

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<sup>14</sup> Ibid., 358.

when the United States entered World War II and then entire nation's economic welfare improved.

When President Franklin Roosevelt's New Deal passed, Wisconsin lawmakers and citizens used its resources as much as possible. Law makers approved many public works projects as well as conservation projects provided by the Civilian Conservation Corps (CCC). Although New Deal programs were helpful in reducing unemployment, they mostly benefited the urban or manufacturing work-force. Farmers looked toward the Agricultural Adjustment Act (AAA) for help. The AAA helped large farms that were able to adjust acreage. But, many of the farms in Wisconsin at the time, and continue to this day, were small family run businesses. Despite strike efforts, the AAA, and other government help agencies Wisconsin farmers could not regain their wealth; due to the severe droughts throughout the 1930s. Wisconsin farmers were yet another group of American citizens that did not see relief until the United States' official entrance into World War II. Wartime industries provided jobs for urban workers and food was needed to supply soldiers around the world. Although war is a hardship in its own right, World War II helped the United States enter a new wave of economic recovering and prosperity.

## The City of Eau Claire Prior to the Great Depression

In order to understand how the stock market crash of 1929 and then the subsequent economic depression affected Eau Claire a basic understanding of the city's business and industry history is needed. Prior to its incorporation in 1872, the city of Eau Claire was comprised of three small settlements or villages. The Eau Claire and Chippewa rivers provided natural boundaries for each settlement. North Eau Claire was located north of the Eau Claire River, West Eau Claire was located on the west side of the Chippewa river while Eau Claire was located south of the Eau Claire river and east of the Chippewa.<sup>15</sup> These rivers soon became vital to industry that made the city boom.

“The actual basis of the industries of the whole of Eau Claire was the immense forests of pine above it and tributary to the Chippewa and Eau Claire Rivers.”<sup>16</sup> Pine forests were abundant in northern Wisconsin during the 19<sup>th</sup> century. In 1845 the first saw mill was built in Eau Claire by Stephen McCann, Jeremiah Thomas, and Simon and George R. Randall.<sup>17</sup> As the century progressed, Eau Claire became a prosperous lumbering town, hence the nickname ‘Sawdust City,’ with most of its saw mills on the north side of the Eau Claire River as well as on the east side of the Chippewa River. The city also became a county seat when Eau Claire County was created in 1856 which brought more business and politics to the city. As a lumbering town there was also a great risk of fire. Therefore in 1868 Eau Claire’s first fire department was organized, to help the devastating fires that frequently threatened the city. By 1914 electric

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<sup>15</sup> Bailey, 349.

<sup>16</sup> Ibid., 361.

<sup>17</sup> Ibid., 350.

lamps lit up the streets of Eau Claire, courtesy of hydro-power from the rivers. Eau Claire also helped supply power to a large part of north-west Wisconsin.<sup>18</sup>

By 1914 the city was less reliant on lumber and grew more dependent on a wide variety of businesses and industries to help stimulate the local economy. The citizens of Eau Claire operated and supported several of each kind of business vital to any city's existence. These businesses included: banks, barbers, blacksmiths, clothing shops, carpenters and contractors, confectionaries and a variety of medical (hospitals and dentists) services. Eau Claire was also home to a variety of industries, most notably manufacturing. Phoenix Manufacturing was one of the city's largest manufacturers that helped keep the city's connection to the lumbering industry alive when they specialized in sawmill and lumbering machines. Other manufacturing establishments were Cutter's Shoe Factory, Eau Claire Trunk Company, Cold Storage Refrigerator Company, and Eau Claire Book and Stationery Company.<sup>19</sup>

Although the Schlegelmilchs and Barlands had experienced economic growth the latter half of the 19<sup>th</sup> century, the economic crisis that struck the country in 1929 also struck their day to day lives. These two families eventually had to make adjustments to their spending and were called on to help out their community, but not right away. As residents of the city of Eau Claire and business owners, the Schlegelmilch family did not experience economic hardship immediately after the Crash of 1929. During the first quarter of 1930 Eau Claire saw little effect of the stock market crash. It wasn't until the middle of March that business owners started to feel a change. In fact, before March business had been better than ever but, by July it started to take a turn for the worse. More people were unable to find a job. Despite this, bank deposits

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<sup>18</sup> Ibid., 381.

<sup>19</sup> *Wright's Directory of Eau Claire for 1914*. (Milwaukee, WI: Wright Directory Co., 1914).

continued to rise; among the six banks deposits rose to \$160,257.<sup>20</sup> When adjusted for inflation the previous amount has the same buying power as \$ 2072375.28 in 2010 currency.<sup>21</sup>

Economic comfort was also felt by the Schlegelmilchs and Barlands. On November 26, 1929 Louise wrote to her nephew George Barland and his wife, Lois. In this letter Louise describe daily activities with little care to national or local economic issues. She describes going to the movies with her niece Agnes, getting ready for Christmas, the weather, what the family had for Thanksgiving dinner, and her discontent with a family friend marrying a Catholic. She also inquired about George's probation period at work and expected that he should be a full member of the engineering force.<sup>22</sup> The next letter dated January 12, 1930 thanks George and Lois for the Christmas gifts.<sup>23</sup> In both letters plenty of recreational or luxury activities are described, leading one to believe that there is not much financial worry. Of the family members mentioned in these two letters, many were still employed in 1930. George was an electrical engineer for the U.S. Army in San Francisco, California. Gordon was an investment banker and the President of Union Mortgage and Loan Company.<sup>24</sup> Agnes Barland is mentioned in previous letters working as a nurse in the Eau Claire area.

Louise not only writes about her family's activities but also Eau Claire's continued growth throughout 1930. Two filling stations opened near the Schlegelmilch house; one on the same block, and another a block to the north (on the corner of Farwell and Main). Union National Bank, one of Eau Claire's six banks, was also expanding by putting up a five story

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<sup>20</sup> Lois Barland, *The River Flows On: A Record of Eau Claire, Wisconsin from 1910-1960* (Stevens Point, WI: Worzalla Publishing Co., 1965), 210.

<sup>21</sup> Converted using the following website: <http://www.westegg.com/inflation/> [accessed: April 25, 2011]

<sup>22</sup> From Louise Schlegelmilch to George and Lois Barland, 11/26/1929, *Schlegelmilch Collection* at The Glenn Curtis Smoot Library and Archives at The Chippewa Valley Museum. Eau Claire, WI.

<sup>23</sup> To George and Lois Barland from Louise Schlegelmilch, 1/12/1930, *Schlegelmilch Collection* at The Glenn Curtis Smoot Library and Archives at The Chippewa Valley Museum. Eau Claire, WI.

<sup>24</sup> 1930 U.S. Census



building on Barstow. This project moved along quickly. The bank was moved into its new building by Christmas of that same year. On March 1, 1930 the Eau Claire Leader reported on these new building projects.

The newspaper reported that ‘a building permit was taken out Friday...for the construction of a large super-service station on...[the] northwest corner of South Farwell street and Main Street.’<sup>25</sup> The article continued to discuss the fact that the tenants of the current residence were served with notices to vacate immediately because the house was scheduled to be demolished to make room for the filling station. Building was projected to start as soon as possible even though the building that was torn down was one of Eau Claire’s oldest and historic buildings. The next day the Eau Claire Leader claimed that construction during March was expected to set a new record.<sup>26</sup> By February of 1929 the city had claimed \$62,300 had been spent on building and already in the first two months of 1930 the city had already spent \$79,000. The dollar amount is tribute to the 12 building projects that were approved, the largest being the filling station mentioned previously. The increase in the value of building as well as the number of permits showed that Eau Claire businesses and citizens were still willing to spend and invest their money in long term projects. The article also predicted that the building project in March would well exceed the \$200,000 due to the building of the schedules new Union National Bank building.

On April 4, 1930 the *Leader* reported on the status of the new Union National Bank building. Construction was said to have begun the previous Thursday after supplies were

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<sup>25</sup> “New Service Station Will Be Built Here” *Eau Claire Leader*, 1 March, 1930, 2.

<sup>26</sup> “Building Projects Launched in February Totals” *Eau Claire Leader*, 2 March, 1930, 2.

shipped from Chicago.<sup>27</sup> The basement and first floors were completed quickly and the remaining four stories were suspected to be “in full swing” in the next few of days and completed by the fall.

With money invested in the construction of new or the repairing of old buildings things in Eau Claire were looking good. The *Leader* even reported that the bank failures were no longer much of a threat.<sup>28</sup> The newspaper quotes a *Milwaukee Journal* article that claimed that the Commissioner C.F. Schwenker declared that despite the number of bank suspensions the situation in Wisconsin has been cleared up. “The ratio of failures in Wisconsin [was] still small compared to other states.”<sup>29</sup> Despite starting off well, the article still hinted at the possibility of more failures, especially in the Eau Claire area. It continued to describe why the banks failed. It was due to them not being able to convert loans into cash. The article also states that a large reason why the banks failed was the lack of improvement in farm product prices. The Eau Claire area was home to a number of farms and several money lending businesses were invested in said farms (including Union Mortgage Loan).

Despite this, further signs of prosperity were seen within the Schlegelmilch/Barland families. The amount of trips made by several family members demonstrated a continued economic security. Both Dorothea and Agnes Barland went to Europe on separate trips. Dorothea traveled to Belgium, France, Austria, Germany and Hungary. She spent most of her time in Budapest with two teachers. The two teachers planned to study but it seems that Dorothea was there for leisure because there was no mention of her working or studying.<sup>30</sup>

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<sup>27</sup> “Begin Work on Bank Building” *Eau Claire Leader*, 4 April, 1930, 18.

<sup>28</sup> “Bank Situation is not Serious, C.F. Schwenker” *Eau Claire Leader*, 4 April, 1930, 4.

<sup>29</sup> *Ibid.*

<sup>30</sup> From Louise Schlegelmilch to George and Lois Barland, 6/26/1930, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, The Chippewa Valley Museum. Eau Claire, WI

Louise enjoyed traveling as well. Although she did not plan any large or long trips she frequented Minneapolis, MN; Chetek, WI; and the family vacation home in northern Wisconsin.<sup>31</sup> In 1931 Louise did go on an extended trip to see family out in California. She wanted surprise her niece, Edith, for a school graduation. Louise left at the end of May and did not return to Eau Claire until the second week of October. While out west she visited her nephew George and Lois in San Francisco as well as sister-in-la Kate and nieces Catherine and Edith in Los Angeles. On her way home she took a detour in Portland to visit some friends and came home via the Rocky Mountains and Canada. As one can see the Schlegelmilch family did not experience drastic hardship in the year following the crash. Although Louise did not mention any family struggle within the year she was aware that economic hardship had already arrived in Eau Claire and more was to come.

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<sup>31</sup> From Louise Schlegelmilch to George and Lois Barland, 6/26/1930, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, the Chippewa Valley Museum. Eau Claire, WI.; From Louise Schlegelmilch to George and Lois Barland, 8/6/1930, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, the Chippewa Valley Museum. Eau Claire, WI.

## Signs of Economic Depression

On February 28, 1930 Louise mentioned a couple of events that showed an increase in her awareness of the coming depression. She responded to George's previous inquiry about the accounts of the family and the loan business (Union Mortgage Loan) for the past year (1929). Louise stated that "things did well and are off to a great start again," though how additional expenses in the coming year were going to affect the business was a worry.<sup>32</sup> She also mentioned a severe change in weather. Before the 28<sup>th</sup> of February the temperature rose to 60 degrees which melted all the snow. According to Lois Barland golf courses opened and robins returned only to be snowed on shortly after.<sup>33</sup> This weather phenomenon was only the start of other weather related events that would cause concern for businesses and families in the year of 1930.

In June 1930 a tornado struck Eau Claire. Louise mentioned the cyclone and its effect on the city on June 26, 1930.<sup>34</sup> It struck Luther Hospital buildings along Bollinger St and continued to Sacred Heart Hospital (which at the time was near Birch Street and Dells Pond). This tornado had a large economic impact on the city. Property loss was estimated at \$500,000 to \$1 million (when adjusted for inflation in 2010 the equivalent range would be \$6.5 million to \$13 million)<sup>35</sup> in Eau Claire City alone. Twenty-seven homes surrounding Eau Claire were severely damaged, 60 families from the country were in urgent need, and some farms were completely destroyed.<sup>36</sup>

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<sup>32</sup> From Louise Schlegelmilch to George and Lois Barland, 2/28/1930, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, The Chippewa Valley Museum. Eau Claire, WI

<sup>33</sup> Barland, *The River Flows On*, 210.

<sup>34</sup> From Louise Schlegelmilch to George and Lois Barland, 6/26/1930, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, The Chippewa Valley Museum. Eau Claire, WI

<sup>35</sup> Converted using the following website: <http://www.westegg.com/inflation/> [accessed: April 25, 2011]

<sup>36</sup> Barland, *The River Flows On*, 268.

To make matter worse, extremely hot and dry conditions struck Eau Claire in July and August.<sup>37</sup> These hot and dry conditions were a part of a nation-wide drought that had an effect on food prices all over the country.<sup>38</sup>

The hardships caused by weather or economics encouraged charitable work. In November of 1930, the Women's Club held their first thrift sale. Louise lived closest to the Methodist church, where the event was held, and was in charge of opening and closing the church each day.<sup>39</sup> Louise also served on the club's finance committee and reported the earnings to George. They took in over \$330, which is equivalent to \$4267.42.<sup>40</sup> One quarter of the proceeds went to the Family Service of Eau Claire in order to help families in need. The Women's Club put their share towards their building fund.<sup>41</sup>

Even though 1931 started with city building projects--a new bridge was built near the train depot and the telephone company was expanding to a new building--it quickly became a year to remember for economic hardship. On October 17, 1931 Louise wrote to George and Lois about the banks collapsing in Eau Claire. The Union National Bank was the only bank operating, but other bank committees remained optimistic about re-openings.<sup>42</sup> When the banks closed there was a great influx of applications to borrow money and withdrawals. People were scared that Union National would close as well and they wouldn't have any way to get money. The *Eau Claire Leader* also wrote about the optimism of the Eau Claire State Bank. A special

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<sup>37</sup> From Louise Schlegelmilch to George and Lois Barland, 8/6/1930, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, the Chippewa Valley Museum. Eau Claire, WI.

<sup>38</sup> This is the beginning of the droughts that effected much the Midwest and the Great Plains during the 1930s, also named the 'Dust Bowl.'

<sup>39</sup> From Louise Schlegelmilch to George and Lois Barland, 11/10/1930, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, the Chippewa Valley Museum. Eau Claire, WI.

<sup>40</sup> *Eau Claire Women's Club Records* (Box 1 Folder 7) Eau Claire Area Research Center. Eau Claire, WI.

<sup>41</sup> Barland, *the River Flows On*, 210.

<sup>42</sup> From Louise Schlegelmilch to George and Lois Barland, 10/17/1931, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, the Chippewa Valley Museum. Eau Claire, WI.

committee has been meeting regularly to provide ways for the bank to re-open as soon as possible and has made “remarkable progress and is very optimistic in its findings thus far.”<sup>43</sup>

The committee also advised that the general optimistic feeling was because of the co-operation between the state banking department, stockholders, depositors and former officers. Despite the original optimism felt by bank leaders, Eau Claire State Bank never got to re-open its doors.

The Public Library also saw the effects of the decreased economy. The library board cut \$800 off their yearly budget for 1932 despite the increase in demand from the previous year.<sup>44</sup> The library board realized that business conditions were not ordinary and suggested cutting some expenses in areas that did not decrease service. Even though this meant more work for the current library workers the librarian “ensured that it would be cheerfully accepted.”<sup>45</sup>

One of the biggest signs that economic hardship had come was the increase in public works projects as well as more discussion on how much public and private aid was given to needy families. On October 14, 1931 the *Eau Claire Leader* published an article describing what the Mayor outlined for public works projects over the next five years.<sup>46</sup> The Mayor began saying that city “waits upon the state” and “many are mistaken on what a city can do.” For example a city could not give employment to a person if they are not qualified or suited. The article also shed light on the amount of money spent as well as predicted future amounts needed for needy families and that the city did what it could to help. In normal years the City spent \$25,000 a year, but in 1931 they projected \$70,000 since by September they had already reached \$40,000. Also in September it was reported that 179 received aid.<sup>47</sup> In 1931 the city continued

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<sup>43</sup> “State Bank Committee Optimistic” *Eau Claire Leader*, 3 November, 1931, 5.

<sup>44</sup> “Library Board Cuts \$800 off Year’s Budget” *Eau Claire Leader*, 6 November, 1931, 7.

<sup>45</sup> Ibid.

<sup>46</sup> “Mayor Outlines city Plans to C. of C. Directors” *Eau Claire Leader*, 14 October, 1931, 2.

<sup>47</sup> Ibid.

to do a lot of 'out of doors' work as well as rotate jobs in order to get as many people working as possible. The mayor felt that this fact entitled the city to be considered doing what it could to reduce suffering. In his outline the Mayor also claimed that 28 families received aid from a private welfare association in October and that the number would increase to 95 in February (1932) and then decrease to 35 in May. In contrast the amount of families that received public aid is much higher. On November 1 it was projected that 260 families would have received aid and would have risen up to 340 in March.<sup>48</sup>

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<sup>48</sup> Ibid.

## Crisis brings Family Together

### Business Crisis

When the banks finally collapsed in Eau Claire, Union Mortgage and Loan Company was not far behind in having troubles of their own. Union Mortgage Loan Company was organized in 1905 to provide or help find a lender for small loans.<sup>49</sup> The firm was connected to several areas of business associated with real estate mortgages, real estate sales, stock and bond sales, and property and estate management. Most loans that the company made were short term farm loans and farm mortgage sales. These loans were made by taking a first mortgage on the farm as collateral. The company then found individual investors to buy the mortgage, but this time at a cheaper interest rate. Once a mortgage was bought, Union Mortgage Loan provided the original holder of the loan with several services such as investigation of value, filing and recording of mortgage, monitoring payment of taxes and insurance premiums, and collecting interest and principle payments in order to pay back investors. Although not a very popular service for the majority of the years the company was around, it also assisted investors in foreclosing on mortgages. They would also help in the rental or sale of the foreclosed property.<sup>50</sup>

Herman F. Schlegelmilch became the first family member to become associated with Union Mortgage Company. He became a secretary in 1909 and eventually succeeded the original president in 1914. Under Herman's leadership Union Mortgage and Loan saw several of its best years. In 1919 and 1920 the firm carried out over 1 million dollars each year in business ventures.<sup>51</sup> After Herman's death his nephew Gordon Barland, who joined the company in 1919

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<sup>49</sup> *Union Mortgage and Loan Company Records*, (Box 4 Folder 11) Eau Claire Area Research Center, Eau Claire, WI.

<sup>50</sup> *Ibid.*, Finding Aid: Biography/Background Information [<http://digital.library.wisc.edu/1711.dl/wiarchives.uw-whs-ec00ar>]

<sup>51</sup> *Union Mortgage and Loan Company Records*,(Box 4 Folder 11) Eau Claire Area Research Center, Eau Claire, WI.



as a secretary, took over as president in 1924. Unfortunately for Gordon his time served as president was filled with more despair than prosperity.

The stock market crash, and several years of crop failures took their toll on The Union Mortgage Company. This can be seen in profit and expense reports from the prosperous 1920s until the first year of the 1930s. Between the years of 1922 and 1925 the firm was, for the most part, making a comfortable profit. Except starting in 1926, the firm started to operate at a loss. In 1929, Union Mortgage Company lost \$105,127.99 (or \$1,325,483.64 in today's standards).<sup>52</sup> The company eventually applied for bankruptcy in 1934 under the National Bankruptcy Act. In the introductory section of the bankruptcy plan the firm's reasons for failure is explained more. "In the year of 1933 the company did a cash business of only \$22,967.56 and for the first ten months of 1934 did a cash business of only \$14,701.68."<sup>53</sup> It is also important to remember that the Schlegelmilch/Barland family was highly invested in this company as well. Both Gordon Barland and Kate Schlegelmilch, Herman's wife, were large share holders. Gordon owned 128 shares of stock and Kate owned 100. Gordon's responsibility as president as well as Kate's ties with the company made the problems of Union Mortgage and Loan a family problem.

In a letter from Louise to George in November of 1931 worry was clearly evident about the trouble Gordon was having. George was already sending some of his own securities to be sold by Gordon through Union Mortgage Company in order to help the business stay afloat. Louise helped manage the securities, and even was willing to take out a second mortgage on her house (the Schlegelmilch family home) to give Gordon and his business the money it needed to stay fluid. The stress on Gordon must have been heavy. Louise also mentioned to George that

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<sup>52</sup> *Ibid.*

<sup>53</sup> *Ibid.*, Box 4 Folder 12.

Gordon often got angry when he was pushed too hard by her for information on how the business was doing.<sup>54</sup> In her next letter Louise thanks George for coming “forward most nobly to help Gordon out.” She also showed support for Gordon by saying that she did not believe it was his fault and he has “fought bravely to keep things going.” Instead, she blames it solely on crop failures and bad returns.<sup>55</sup> In December, 1931 Louise enclosed an interest check of \$35.00 due to Gordon selling two more of George’s bonds. In total Gordon has sold \$4,700 of the bonds George sent, but he is having difficulty selling them all because of some of the companies are unfamiliar to people in Eau Claire. This probably was a sore spot for George since Louise tells him to be patient and to not spoil his deed (helping his brother out) by writing harsh letters. All Gordon could hope for was to survive by drifting along.<sup>56</sup>

After December of 1931, Union Mortgage Company disappears from Louise and George’s correspondence except for little mentions here and there. In its place Louise goes back to listing off daily activities and what she was doing to cut costs around the house. But, that did not mean crisis was over and George, Louise and Gordon did not continue to help and support each other. In 1933, Gordon and George’s sister Agnes went to Siam as a nurse with her future husband, Dr. McDaniel. Louise asks George and Lois to help get some supplies for the trip so Agnes could cut down on shipping fees. She also asks them to chip in on a gift (a silver platter and silver-ware) for Agnes.<sup>57</sup> George and Lois also gave what Louise called a generous birthday gift in 1933. There is no mention of the amount but the gift was clearly a sum of money. In her

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<sup>54</sup> From Louise Schlegelmilch to George and Lois Barland, 11/2/1931, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, the Chippewa Valley Museum. Eau Claire, WI.

<sup>55</sup> From Louise Schlegelmilch to George Barland, 11/6/1931, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, the Chippewa Valley Museum. Eau Claire, WI.

<sup>56</sup> From Louise Schlegelmilch to George Barland, 12/3/1931, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, the Chippewa Valley Museum. Eau Claire, WI.

<sup>57</sup> From Louise Schlegelmilch to George and Lois Barland, 1/17/1933, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, the Chippewa Valley Museum. Eau Claire, WI.

thank you letter Louise explains that she used the money to unexpectedly re-paper several rooms in her house because the prices were right and she did not know when she would get the chance again.<sup>58</sup> By saying this Louise demonstrated the constant struggle and unknown families faced with the value of money. As the country fell deeper in economic depression the value of the dollar plummeted. Later in the summer George and Lois give another gift of money to Louise. They intended for her to go and travel to the World's Fair in Chicago, but she insists that she is too old and cannot do as much as she used to. Therefore, she uses the money to buy a new water heater and furnace as well as take care of some repairs on the outside of the house.<sup>59</sup> In fact, George often inquires about his Aunt's finances or gives her gifts of money to ensure that she is getting by. In response to one of such inquires Louise responds that she is doing fine thanks to burning wood instead of coal in the furnace during the winter. In return Louise did her fair share of helping out George.

Ever since George and Lois started having kids Louise would give the child one dollar for their birthdays and sometimes other holidays. Although this may not seem a lot to a person in 2011, during the Great Depression every penny counted. In 1934, Louise was able to help George out in a big way. Starting in November of 1934 a series of payments and receipts are passed between George and Louise. The first was a note from George for \$500 to start paying back a loan Louise gave him a couple years back at five to six percent interest. He also asked Louise if she could figure out a way to lend him another \$900. He mentioned that he would

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<sup>58</sup> From Louise Schlegelmilch to George and Lois Barland, 5/2/1933, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, the Chippewa Valley Museum. Eau Claire, WI.

<sup>59</sup> From Louise Schlegelmilch to George and Lois Barland, 8/31/1933, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, the Chippewa Valley Museum. Eau Claire, WI.

rather pay interest to his Aunt rather than to a neighbor or stranger out in California.<sup>60</sup> Louise responded the following month stating that she could loan him \$1,000 or more if her U.S. Bonds had been called up. After a couple of weeks George takes out a loan of \$900 (not \$1,000) from his aunt. George continued to give regular updates and payments about loan status to Louise for the remainder of their correspondence until George got new orders from the Army in September of 1936. Once settled in Hawaii George repaid Louise in full with the money that was accumulated from Lois' father's estate. This exchange of money between family members not only shows a fear of the current banking system but also the lengths that families were willing to provide for each other.

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<sup>60</sup> From George Barland to Louise Schlegelmilch, 11/7/1934, Schlegelmilch Collection, The Glenn Curtis Smoot Library and Archives, the Chippewa Valley Museum. Eau Claire, WI.

## Conclusion

The Great Depression era in America's history is defined by hardship. When the stock-market crashed in 1929, the prosperity and 'good times' of the 1920's were gone. They were replaced with bank failures, crop failures and high unemployment rates. "Citizens of Wisconsin did not live in a vacuum."<sup>61</sup> They were fully aware of what was happening both nationally and inter-nationally when figuring out what to do at home. Eau Claire was not alone; several other communities felt the same or worse effects of the stock market crash and subsequent economic depression.

Catherine Stock wrote a book entitled *Main Street in Crisis: The Great Depression and the Old Middle Class on the Northern Plains*. In this book Stock examines the effects the Great Depression and its subsequent reforms had on the generations of North and South Dakotans during the 1930s. Farming was the traditional and most popular form of income or work and most families were used to being self-sufficient from the government. All this changed during the depression. Despite trying to come together as a neighbor group, North Dakotans realized that the hardships, brought on by the Great Depression and the Dust Bowl, were too great for neighborly hospitality.<sup>62</sup> They had to come to realization that their ideals had to change in order to survive. As conditions grew worse, it was becoming okay or normal to ask for assistance when previously it was against the social norm.<sup>63</sup>

Although Eau Claire was affected the least when compared to other cities and counties, its citizens faced the same kind of challenges as the rest of the nation. Three banks and several businesses closed their doors forever. Relief agencies were flooded with requests from both

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<sup>61</sup> Glad, 347.

<sup>62</sup> Catherine Stock. *Main Street in Crisis: The Great Depression and the Old Middle Class on the Northern Plains*. (Chapel Hill, NC: The University of North Carolina Press, 1992), 90.

<sup>63</sup> *Ibid.*, 91.

farmers and industrial workers as weather contributed to crop failures and the unemployment rate rose. Surviving the Great Depression took an extreme toll on one's mind. People, especially heads of the family, put extreme pressure and blame on themselves when they could not find work or operate on a profit. Families had to constantly support each other. Eau Claire citizens had no choice but to call upon the favors of family and friends to help each other 'get through' this troublesome time in history.

Louise Schlegelmilch and her family did just that. At first when Louise was not experiencing much hardship she helped out in the community. When things got tough, the family banded together to help each other through financial difficulty. They, Louise Schlegelmilch especially, were not oblivious to the hardships facing member of their community and the rest of the nation before Eau Claire showed signs of economic depression. Through thick or thin, hardship or prosperity the Schlegelmilch and Barland family members helped each through the depression and remained successful and respected members of society. They helped Eau Claire survive and through their story we see not only a family survive but a city.

## Annotated Bibliography

### Primary Sources

*Barland/Schlegelmilch Family Papers, 1825-2003* at the Wisconsin Historical Society Archives—Eau Claire Area Research Center in McIntyre Library on UW-Eau Claire campus. Eau Claire, WI.

This collection is comprised of Personal and business paper of several generations of the Barland family. The Schlegelmilch family is also well represented due to a marriage. Through the use of correspondence, diaries, and financial records this collection further helped in understanding of who was who in the families and their experiences throughout the late 19th century and early 20th century.

*Eau Claire Leader* (Eau Claire, WI) on Micro-film at McIntyre Library: UW-Eau Claire.

The Eau Claire Leader was the primary daily newspaper for the Eau Claire area from 1896 until 1970. It is now known as the *Eau Claire Leader-Telegram*. This source was used to gain information about business patterns and community events during the Great Depression era.

*Schlegelmilch Collection*, at The Glenn Curtis Smoot Library and Archives at the Chippewa Valley Museum. Eau Claire, WI.

This is a collection of family and personal journals, letters and papers from Herman (the elder) Schlegelmilch's family of Eau Claire, WI. The Schlegelmilch family is known for building the first all brick building in Eau Claire as well maintaining a successful hardware business. Herman Schlegelmilch immigrated to the United States from Germany in 1853. This collection was used to gain information about family members, especially Louise S., Gordon Barland and George Barland, experiences during the Great Depression. (Boxes 1, 2, 5, 6, 7, 8, 11 were used)

*Union Mortgage and Loan Company Records, 1898-1942, 1949* at Wisconsin Historical Society Archives--Eau Claire Area Research Center in McIntyre Library on UW-Eau Claire Campus. Eau Claire, WI.

This collection is comprised of financial statements over the history of the firm. This source was used to understand the economic impact of the bank collapse on the city of Eau Claire as well as the administrator's family.

### Secondary Sources

Bailey, Judge William F., *History of Eau Claire County Wisconsin: Past and Present*. Chicago: C.F. Cooper & Co., 1914.

The above source is a collection of essays about Eau Claire's history compiled by Judge William Bailey. Essay topics range from geographical history to social and economic history from the settlement until 1914. This source was used to gain an understanding of Eau Claire's early history.

Barland, Lois. *The River Flows on: A record of Eau Claire, Wisconsin from 1910-1960*. Stevens Point, WI: Worzalla Publishing Co. 1965

*The River Flows On* is 2<sup>nd</sup> volume of the History of Eau Claire by Lois Barland. This source was used to identify organizations, business, city political leaders, and how they were influenced by the periods lead up to and including the Great Depression.

Glad, Paul W. *The History of Wisconsin: Volume V, War, a New Era, and Dpression, 1914-1940*. Madison, WI: The Historical Society of Wisconsin Press, 1990.

The fifth volume of *The History of Wisconsin* series deals with the U.S involvement in both World Wars as well as the inter-war years. *The History of Wisconsin* is the leading and official source of Wisconsin History. Chapters 9-13 were used the most helped lead to an understanding of what happened in Wisconsin during the Great Depression

Stock, Catherine. *Main Street in Crisis: The Great Depression and the Old Middle Class on the Northern Plains*. Chapel Hill, NC: The University of North Carolina Press, 1992.

This book was used to compare and contrast the effects of the Great Depression on another community with that of Eau Claire's experience. This book was Stock's doctorate dissertation for Yale University. It is an excellent source for looking at not only the economic but social and physiological effects the Great Depression had on the middle class.