

A DARK DAY IN BROWNSVILLE: THE TWIN DISASTERS OF APRIL 6, 1931

Banks.

Can't live with them, can't live without them.

Will the Y2K problem crash your bank's computers? What if you cannot get your money from the bank when you want it? Banks reassure us that any Y2K glitches will be quickly worked out and our assets are safe.

Seventy years ago in 1930, similar reassurances were heard. But there was a nervousness about banks.

The October 29, 1929 stock market crash had pre-christened the new decade as the most dismal of the century. Businesses failed, jobs were lost, and repayment of debts became pipe dreams. Banks unable to collect outstanding debts began running short on funds themselves. Bank deposits were not insured, and rumors of "trouble at the bank" could easily spark a ruinous run on a financial institution.

In 1991, I spent an afternoon talking about local history with the late Donald Edwards at his Catherine Avenue home in Brownsville. He was nearly ninety at the time, a retired postal official and very knowledgeable about local history. We spoke of 1930, when Brownsville had at least five banks. We were discussing the Monongahela National Bank, once located in the Neck on Market Street opposite the Snowdon Building.

"Did you have any money in that bank?" I asked.

"No. I was with Sam Taylor in the old National Deposit Bank. People were making a run on the bank."

"Which one?"

"All of them. You had the Monongahela Bank and the Brownsville Trust Company. It was in the middle of town, about where Sidler's used to be. There was the Second National Bank, up there across from the Flatiron Building.

"I didn't realize there were that many banks in Brownsville."

"Oh, yes. Jubelirer had one too. I think he was in the Flatiron Building. They all (except National Deposit) failed. People were taking their money out. Sam Taylor owned the National Deposit Bank. He had

to put up security to take deposits, and he was putting it up, he was secure.

“People would take money out of the Monongahela Bank and they’d bring it to the South Brownsville Post Office (where Edwards worked) or they’d take it to the Brownsville Post Office and put it in ‘Postal Savings.’ Postal savings paid 2% simple interest.

“Would you believe that we had between us, after consolidation of the two post offices in 1936, over a million dollars in postal savings!”

“Where did you keep it?”

“Where did we keep it? We took it to the National Deposit Bank! Because that was a secure bank.”

“So you not only ran a post office, you ran a bank.”

“Oh, absolutely. I remember one man who stood out in the post office lobby for quite a while and watched these people depositing money. Then he came up to me and said quietly, ‘You put money in this place?’ I said yes. He pulled out his money. It smelled musty. He’d had it buried some place.”

In January 1930, all of the aforementioned banks were operating. The first sign of trouble came in the early summer.

Jubelirer Brothers operated a private bank established in 1901 by Oscar Jubelirer. Originally located in the Flatiron building, the firm was in the Monongahela Hotel in 1927 and in the Monongahela National Bank building by 1930. It specialized in general and foreign banking, selling steamship tickets for all principal lines, and selling insurance.

N. Norvin Karpen, who could speak and write foreign languages, was bank manager. In the early summer of 1930, financial troubles forced the Jubelirer Bank to close. Prior to the closing, Oscar Jubelirer violated several banking regulations. He entered guilty pleas to the charges. Because Jubelirer aided state banking officials in clearing up the bank’s business, the prosecution recommended and Jubelirer received a suspended sentence.



Sam Taylor's National Deposit Bank in South Brownsville



This 1927 photo shows the Monongahela National Bank (right). The building on the left, the Monongahela Hotel, housed the Jubilirer Brothers Bank in the second bay from the building’s right.

for business in 1921. In July 1929, Brownsville Trust boasted in newspaper advertisements that it had total resources of nearly a million dollars.

On Tuesday morning, August 19, 1930, the board of directors announced that “for the best interests of all depositors,” Brownsville Trust Company was turning its affairs over to the state banking department. The closing, voluntary on the part of bank officials, was necessitated by a “slow run” of the previous several days, based upon “unfounded rumors of the institution’s condition.”

Five days later, depositors of the institution were requested to present their passbooks at the bank beginning Monday, August 25, so that an audit of the bank’s records could begin. An inventory and appraisal of the bank was filed on December 31, 1930. By state law, nearly five months had to pass from that date until the first “dividend” could be paid to depositors. When it came, ten months after the bank closed, it amounted to 35% of the amount depositors had in the bank.

The failure of Brownsville Trust Company on August 18 may have spurred the next strategic move by two of Brownsville’s remaining banks. On August 25, a merger of two of Brownsville’s oldest banks was announced with great fanfare. A Brownsville *Telegraph* headline proclaimed, *Monongahela and Second National Banks Merge*. Below

Depositors and creditors waited over a year to receive any of their money. In early September 1931 they received a “dividend” of 41% of their money back. It is unclear if they ever received any more. The closing of the Jubilirer bank was an omen for Brownsville that was ignored.

Next to fail two months later was the Brownsville Trust Company. Located in the former J. D. Armstrong building in the Neck, it opened

the headline in smaller bold type, the sub-heading read *Action Puts Boroughs in Enviably Position In State. \$7,000,000 Bank Seen in Consolidation Today.*

The Second National Bank was originally organized as the First National Bank of Brownsville in 1863. Due to a peculiarity in the banking laws, its charter ran slightly less than twenty years and could not be renewed. A few months before the charter was to expire, the bank voluntarily liquidated and was reorganized in 1882 as the Second National Bank of Brownsville.

Its home was in the still-standing Second National Bank building on Market Street opposite the Flatiron Building. That is where it was headquartered until the dramatic 1930 announcement that it had merged with Brownsville's oldest bank, the Monongahela National Bank.



The three-story building on the right was the Second National Bank. The Market Street building, long vacant, is still standing. The bases of the two light posts shown in front of the bank are still in place on the sidewalk today, a reminder of an earlier era.

The announcement proclaimed that as of nine a.m. on August 25, all business of the Second National Bank would be conducted at the Monongahela National Bank building. Second National depositors were assured that their passbooks and checkbooks could still be used. The *Telegraph* characterized the merger as one “linking two of the oldest and strongest banking institutions in Fayette County, assuring for the Brownsvilles [*Brownsville, South Brownsville, and West Brownsville*] a new banking house that ranks as one of the strongest in this section of the state.”

The new institution used the name “Monongahela National Bank.” Merger negotiations had been underway for several months. As the Jubelirer Brothers and Brownsville Trust Company were sinking, Earl Huston, president of Second National and Charles L. Snowdon, president of Monongahela National, were negotiating to strengthen their defenses against a similar fate.

But the inevitable happened anyway.

Eight months later, on April 7, 1931, the *Brownsville Telegraph* printed a front page editorial labeling the previous day as “Blue Monday” in Brownsville. The town had been struck within twenty-four hours by two stunning body blows. Each drew crowds to stand on the sidewalk and stare helplessly at familiar buildings they could no longer enter. One of those buildings was a bank. A bank no one thought would fail.

Next, the story of the collapse of Brownsville’s oldest bank, an event which, unbelievably, took a back seat on the *Telegraph*’s front page to another disaster that struck the reeling town on the very same day.

***FAILURE OF THE MONONGAHELA NATIONAL
BANK LEFT BROWNSVILLE STUNNED***

The aged bank deposit book’s cover reads “Monongahela National Bank.” It once nestled in the pocket of a ten-year old boy named Ralph.

Each week on “Bank Day,” Ralph left his 521 Broad Street home with a few coins and his tan 3-inch by 5-inch bank book and walked to Prospect Street School. There, his teacher marked Ralph’s deposit in his book and returned it to him. On June 3, 1931, when school dismissed for the summer, Ralph’s fortune totaled \$2.11.

Today, Ralph Simpson is seventy-eight years old. Retired from the post office, he lives with his wife Alma in South Windsor, Connecticut,

but he still remembers the Monongahela National Bank's school savings program.

The Monongahela National Bank was Brownsville's oldest bank. Founded in 1812 by Jacob Bowman and others, its president in 1931 was Charles L. Snowden. Its grandiose building, dedicated in 1925, stood opposite the Snowden Building in the Neck.

Following the failures of the Jubelirer Brothers bank and the Brownsville Trust Company in the summer of 1930, the Monongahela National Bank and the Second National Bank had merged. The resulting "new" Monongahela National Bank had \$7 million in resources. South Brownsville's National Deposit Bank boasted \$8 million, so the community's two national banks were worth \$15 million.

The Brownsville *Telegraph* boasted that "the new alignment places the three boroughs (South Brownsville, Brownsville and West Brownsville) in the strongest financial position of any similar size community in Western Pennsylvania if not in the entire state."

It was late August, 1930. It was the beginning of the bank's final eight-month slide into oblivion.

The late Earnest Coulter Grafinger and his wife, the late Della Busti Grafinger, were my great-uncle and great-aunt. Earnest worked in the Union Station building as freight agent for the Monongahela Railway. In 1979, I recorded a conversation with him in which he recalled for me the afternoon of Monday, April 6, 1931.

"I kept money in the Monongahela Bank all the time," he told me. "When I got married, I had \$1,800 cash. Dell was working in South Brownsville for the railroad."

"Oh, she worked for the railroad too?"

"Yes. She was a stenographer. I was working second trick, four to twelve. I had just gotten up. She had been working. She called me up and said, 'The bank is closing.'

"I said, 'It's not a holiday.'

"She said, 'The bank's closed. It went under.'

"I said, 'That bank couldn't close, it's been here forever.' I got up and got dressed, went downtown. People were standin' there, lookin' at it."

He shook his head and grimaced. After a moment, the passage of years since the trauma of that day permitted his expression to soften into a wry smile.

"I went in that bank on Saturday night about ten minutes to nine. I was going to get some money for the weekend. Every cage was busy with storekeepers putting in deposits. I walked out.

"We went out that night. When I came home I had thirty-five cents

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in my pocket. And the bank didn't open on Monday. We had checks outstanding to Kaufmann's and Horne's that didn't clear the bank."

He paused. He leaned toward me, his grandnephew, and spoke in a quiet voice.

"Here's what happened that week. Dell lost her job, her brother lost his railroad job, Dell's mother died, the bank went under, and I was cut down to two days a week."

I shook my head slowly at the suddenness of it. I asked him if merchants were understanding.

"We didn't have any money," he said. "I had 'trust' in this fellow at the store down the street. He trusted me for groceries. When I started to work, I was only working three or four days a week. It took me five years before I paid off all the money we owed him.

"I wrote letters to Pittsburgh, explaining the situation. Gimbel's and Kaufmann's wrote very nice letters back, saying they understood the situation. Banks were failing everyplace. Wouldn't do any good to arrest you. You couldn't do anything about it."

"Did Dell get her job back?"

"No."

On that Monday morning across the street from the closed bank, stunned citizens stood on the sidewalk in front of R. S. Goldstein's Women's Store, staring at the bank's locked doors. Inside the store,



Reuben “Ruby” Goldstein talked with a group of men. One of them was John Claxton of Brownsville, who worked at Bush and Marsh Drug Store.

“Ruby Goldstein’s store was next to the drug store,” John told me, “and they used to all loaf over there. They were talking.”

John’s voice suddenly changed and he imitated Ruby’s slow, drawn-out phrases.

“‘You know,’ Ruby said, ‘I didn’t mind losing my money. But they waited. They pulled the shades down. I’d knock at the door, and they’d run up there and open the door and let me make my deposit. Now, they *knew* they were going to close,’ he said dramatically, ‘and *still* they took my money!’”

The *Telegraph* confirmed the awful news.

“The Monongahela National Bank,” it reported, “Brownsville’s oldest bank, was closed this morning by action of its board of directors after 119 years of service in this community. Heavy and continued withdrawals, extending periodically during the last eight months, brought the decision to close the bank before its liquid resources were exhausted.”

The newspaper’s report implies that the withdrawals extended back to the previous August, when the Second National and Monongahela National banks had merged.

On April 16, 1931, a federal receiver was appointed for the bank. On May 4, 1931, the doors of the bank opened “for the convenience of the public” for the first time since April 6. News reports gave no indication that depositors were able to withdraw any of their money.

Unhappy depositors did not take events lying down. After a summer of hopeful waiting for a dividend plan, a public meeting was held in October at the Brownsville High School on Front Street. Sponsored by twenty-five depositors who had already met five times themselves, it attracted over seven hundred depositors.

At that meeting, Dr. L. N. Reichard was chosen to head an inquiry board. Enoch H. Easler was elected secretary; Pauline Klaas, recording secretary; and Charles L. Dorsey, treasurer. The permanent citizens’ committee included Chairman Reichard, David K. Orr, Thomas McCune, John Matta, Sr., William J. Forsythe, Edward Ryan, Dan Riley, Harry Yoho, and H. H. Baer.

According to the *Telegraph*, the committee planned to investigate “alleged irregularities that are reported to have taken place prior to and after March 22, 1931, and ‘if any person is found to have violated the banking laws, to prosecute him to the fullest extent of the law.’”

The committee intended to “arrange to get records to show dates

and notices of withdrawals before the bank's formal closing, to put to rest rumors of the manner in which money was loaned and the report regarding collateral certain relatives put up for loans, and to find whether each and every transaction of the officials was handled legally and with honest intent."

On Tuesday, December 1, 1931, the bank opened its doors for several days and distributed an initial dividend of 15% to approximately six thousand depositors. I have searched the Brownsville *Telegraph* archives through issues of March 1932, a full year after the initial closing of the bank, seeking notice of further dividends or results of the committee's investigation. As of March 1932, only the initial 15% dividend had been declared. *[Later research revealed that five dividends were declared over the next ten years, with the final one declared in 1941.]*

When the Monongahela National Bank's doors did not open on that Monday morning in April 1931, it shocked the people of the Three Towns. Yet unbelievably, many of the citizens who assembled on Brownsville's sidewalks that morning were not staring at the Monongahela National Bank building.

Instead, they were a block away, shaking their heads as they discussed a second disaster that had befallen the town that same morning. It was that calamity, not the closing of the bank, which stole the headlines in the Brownsville *Telegraph*. Next, we will learn more about the day the *Telegraph* named "Blue Monday."

***THE SPRING OF 1931 BROUGHT SHOWERS
OF MISFORTUNE TO BROWNSVILLE***

On Tuesday, April 7, 1931, the Brownsville *Telegraph* published a front page editorial entitled "The Road Ahead." Two events had occurred on the previous day that had shaken the community badly. Here is the opening paragraph of that editorial:

Dazed under the weight of sudden, stunning and almost unbelievable misfortune, the Brownsvilles today are peering into the future. In this community, yesterday was "Blue Monday" with the accent on the first quoted word and not easily can we shake off the gloom it brought. But tomorrow - tomorrow is another day, waiting only for those with the courage and the will to make the most of its possibilities.

There is no dodging the fact that we lost our finest theater by fire.

We cannot forget that our oldest bank was placed in the hands of examiners. We must assume that these misfortunes will cause untold suffering and inconvenience to many hundreds of men and women and that business in these three towns (South Brownsville, Brownsville and West Brownsville) will suffer.

The spring of 1931 brought one setback after another. The failure of the Monongahela National Bank on April 6 was the climax of a series of bank failures which saw every bank in town go under except the National Deposit Bank in South Brownsville. The fire to which the preceding editorial alludes was the third major fire in the Neck within three weeks.

The first of the three blazes occurred on Monday, March 16, 1931. A *Telegraph* headline proclaimed, *\$75,000 Loss in Neck Fire; 1 Building Guttered; 6 Damaged.*

The fire was in the eastern portion of the eight-year-old Mardave building, which was at the northeastern (Neck) end of the Cast-Iron Bridge. The fire apparently smoldered for two hours before it was discovered. It was later blamed on a gas heater in Bud the Tailor's store. South Brownsville patrolman William Kelly turned in the alarm at 2:05 a.m.

The first company on the scene, South Brownsville VFD, had difficulty getting their truck started. Members of the company had to push the truck for some distance from the hose house before the engine caught. Businesses located in the burning building and the estimated damage to each included Bud the Tailor, \$25,000; Woolworth's Five and Ten Cent Store, \$5,000; Keystone Grocery store, \$5,000; Book's Shoe Store, \$6,000; Span's Drug Store, \$5,000; Palace Shoe Repair shop, \$200. The Strand Theater also incurred damages of \$500. Most of the damage resulted from smoke and water.

Fire trucks had difficulty getting through parked cars to reach the Snowdon bridge (near the library) so they could play water on the fire from the rear of the building. As a result, Brownsville Burgess Harry M. Burd announced that existing parking ordinances in Brownsville would henceforth be strictly enforced. Parking at all times was already prohibited on First, Second, Third, Fourth, Fifth, Sixth and Shaffner avenues and on all other borough streets after midnight. Burd said offending vehicles would be towed, and owners would pay a fine and a towing charge of \$5 to \$7.

Exactly one week later, on Monday, March 23, 1931, a second fire in the Neck struck the Sharpnack and Conelly building, which adjoined Murphy and Co. Five and Ten Cent Store and was directly across the

street from the site of the previous week's fire. The George B. Kirk shoe store suffered the most damage, estimated at \$6,000. Smoke and water affected three other businesses in the same three-story building. They included the Kirk Annex, on the opposite side of the building; the Mitchell barber shop in the basement; and the dental offices of Dr. H. S. Brown.

The fire was reported at midnight by John Kapolka of Blainesburg, who spotted flames shooting through the roof. Defective electrical wiring was the culprit in this blaze. Most of the damage was to the contents of the building, with the building itself surviving the fire.

These two business district fires in March were the prelude to the most devastating fire of the spring. It occurred in the early morning hours of Monday, April 6, 1931, the same morning that the Monongahela National Bank closed its doors.

This fire occurred in Snowdon Place (later called Snowdon Square). Three other smaller residential fires in the three towns also occurred that day. The *Telegraph* headline, which pushed the story of the bank's failure to a secondary spot on the front page, read *Four Fires Bring \$110,000 in Damage; Plaza Theater Guttled*.

The fire claimed Brownsville's most modern theater. The Wright Amusement Company of Brownsville constructed the Plaza Theater in 1921 at a cost of \$259,000. Anthony Jim of Arnold City had just purchased it. The theater, which had a midnight show that night, had closed less than two hours before pedestrian "Mo" Williams turned in the alarm at 4:05 a.m. Theater employees who had left the building at 2:45 a.m. later reported seeing nothing amiss as they left.

The *Telegraph* reported that "the blaze was a miserable one to combat, inasmuch as the flames were confined between a partition and beneath the floor of the building. The flames seemingly got their start on the first floor near the entrance and set out a path upward, burning away the entire southern side of the balcony and doing heavy damage to the front of the building behind the State Lunchroom. About 20 feet of the roof also was burned.

"A sprinkler system, installed in the building in case of fire, was automatically set off and showered hundreds of gallons of water throughout the structure. A fire bell rang continuously while the fire was in progress, indicating that the system was functioning."

The theater building housed several businesses. The theater itself suffered fire and water damage estimated at \$85,000. Included in that figure were the equipment and furnishings of the Plaza theater company, which was owned by Mrs. Mary Laskey of Brownsville, having an estimated worth of \$70,000. The flames did not touch the film booth of

the theater.

Also on the first floor of the building was the State Lunch, which suffered several hundred dollars damage from water. Water pouring from the upper stories of the building ruined Casper's Bowling Alley and Poolroom, which was in the basement. Loss estimate for Casper's was \$15,000.

Two Brownsville firemen, W. A. Giles and Audley Hardwick, were overcome by smoke but revived upon being removed from the building. Mrs. Mary Wick, who resided in the Mardorff apartments adjoining the theater, fainted from the excitement. A street fight among the several hundred onlookers added to the spectacle.

About five hours later, as crowds milled on the sidewalk looking at the burned theater, a second crowd began gathering just a block away on Market Street. It consisted of bewildered depositors gazing at the locked doors of the Monongahela National Bank, which was just around the corner from the Plaza Theater building. It was the beginning of a very traumatic day in the life of the citizens of the Three Towns.

As we read these concluding words of the *Telegraph* editorial published the next day, we can admire the spirit of the town as it coped with the constant blows fate dealt it in those dark days of the Depression:

Most of all, the present situation calls for sober thought and cool judgment. There is, in the Brownsvilles, a tradition of conservative, successful business. Throughout the Monongahela valley Brownsville is known as a "good" town, a reputation that has been built through generations of keen, calm, conservative business dealings.

There is but one course for Brownsville. We must build anew the assets that have been destroyed. We must grit our teeth and think and work to the end that new and better times will come to our three towns. Brownsville has a reputation of generations to maintain – a reputation of strong, substantial business and determined, resourceful business men. Hard work, sober thought and a sane outlook on our latest problems will preserve it.