Decade on the brink: Depression brings despair, change

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Good reporters know when to switch stories in midstream.

Horace "Mike" Hunnicutt learned that lesson in an instant.

The News-Sentinel radio announcer had come to work to narrate a softball game for WNOX-AM the night of June 27, 1938, when he caught sight of one of Knoxville's biggest fires in years.

"I turned around and saw that flames were licking up the sides of the building," he recalled the next day. "I knew that I had the chance of a lifetime."

Hunnicutt turned his back on the ball game to give listeners a play-by-play of the blaze. He left the announcer's platform and stretched his microphone's cord across Magnolia Avenue to get a closer look as the flames devoured the last surviving building from the 1913 Appalachian Exposition at Chilhowee Park.

News-Sentinel photographer Bob Henderson, there to shoot the ball game, snagged a front-page shot of the inferno.

The newspaper termed their work the "scoop of a generation" — all achieved decades before television, cell phones and the Internet made such breaking-news reporting commonplace.

The decade of the Great Depression brought new technologies, new challenges and new scoops as the News-Sentinel entered its fifth decade. As newspapers around the country struggled, some failing, the newspaper founded on a snowy December night in 1886 kept on publishing — through bank collapses, crime waves, national and local scandals and changes that altered East Tennessee's landscape forever.

**Disappearing deposits**

Knoxville businessmen barely blinked at the Wall Street crash of 1929, but the effects hit home fast.

The city's largest financial institution, the Holston-Union National Bank, closed its doors Nov. 12,
1930, barely a year after the stock market's collapse. The bank's failure followed a two-day run by panicked depositors who withdrew more than three-quarters of a million dollars.

Another crowd had lined up Nov. 12 outside the doors that never again opened. Some lost their life savings, all without benefit of any government bailout.

The Federal Deposit Insurance Corp., which guarantees the limited safety of bank deposits, wouldn't be created for another three years.

"Some women stood about crying," the News-Sentinel noted. "Men stood about talking things over sagely, some feeling sure that the 'government' would see everyone got taken care of and others wondering what they'd do till affairs were settled."

The crowd included widows, struggling businessmen and jobless husbands and fathers. Jim Wheeler, a stoneworker from Farragut, went home with empty pockets.

"He had counted on the little sum (in his account) to carry his family — a wife and two children — through hard times, for he has been out of work for the last month," the newspaper wrote.

Mrs. J.E. Ayers, a widow from the Vestal community, refused to leave.

"I've just had some coal put in, and I haven't even enough money to pay for it," she told the News-Sentinel's reporter. "Everything I have is in the bank, and unless I can get some of it, I don't know how I'll manage to live."

Even the local Community Chest, precursor of the United Way, lost $1,250.

The city wouldn't see a comparable financial panic for another 50 years, until the Butcher bank failures of the 1980s.

**Changing times**

The city's business leaders urged calm, but runs on other banks followed. By 1932, all six of Knoxville's national banks had merged or failed.

Wages fell. Unemployment climbed into the thousands, with more than 7,500 jobless by mid-decade.

The city government, buried in debt, began paying workers in scrip rather than cash. Stores turned the tickets away.
Entertainment offered an escape for some. WNOX-AM, owned by Scripps-Howard, offered news, music and sports programming sponsored by the newspaper, with News-Sentinel employees like Hunnicutt sometimes acting as announcers.

Opera star Grace Moore, who was born in Newport and grew up in Jellico, Tenn., made her big-screen debut in 1930 as star of the film "A Lady's Morals," an adaptation of the life of 19th-century singer Jenny Lind. Knoxville High School graduate Clarence Brown, already a respected Hollywood director, presided over superstar Greta Garbo's sound debut in "Anna Christie" the same year.

Just don't show up at the box office with city scrip. City Manager George Dempster learned it wouldn't even get him a movie ticket.

Farmers and others who'd lost their homes and livelihoods roamed the streets and lined up outside soup kitchens. Strikes and lockouts led to violence at mills.

The hard times and perceived lack of action by President Herbert Hoover, the Republican incumbent, achieved what some politicians would have called unthinkable — Knox County's first ever victory for a Democratic presidential candidate. Franklin Delano Roosevelt swept the county's precincts by a little more than 900 votes on Nov. 8, 1932.

The News-Sentinel, traditionally Democratic in its endorsements, had picked up subscribers since the 1920s from readers deserting the Republican party.

As Hoover congratulated his successor, Jo-Jo the weather monkey celebrated Roosevelt's election with a piano performance on the front page.

"Even a saxophone solo sounds good after listening to political speeches for three months," he remarked.

**New era, new park**

The new president and his New Deal policies brought a new expansion of government involvement in daily life unlike any in American history.

The Works Progress Administration, National Relief Administration, Civilian Conservation Corps and enough other agencies to consume a dozen alphabets opened offices in Knoxville and became part of the daily vocabulary.
With the New Deal legislation came a renewed emphasis on conservation and affordable public power that helped give birth to the Tennessee Valley Authority and to crystallize the efforts to create a national park in the Great Smoky Mountains.

The idea for the national park dated back more than a decade, to the musings of hikers and nature enthusiasts before the 1920s.

Efforts got under way in earnest after 1923 when Ann Davis, the first woman from Knox County to serve in the Tennessee Legislature, returned from a trip to Yellowstone National Park and other such sites in the West. She suggested the Smokies deserved a similar park.

Business leaders endorsed the idea, with the support of Edward J. Meeman, editor of the Knoxville News and later of the News-Sentinel. Davis introduced a bill in 1925 calling for the purchase of property for a park in the Smokies. Her husband, who worked as general manager of the Knoxville Iron Co., helped recruit civic leaders for the campaign.

In a city already known for its perpetual cloud of smog from foundries and textile mills, the concept of a pristine mountain park caught on fast. Congress and President Calvin Coolidge blessed the effort a year later.

Gov. Austin Peay appointed a state commission to begin buying land for the park in 1927, with Col. David C. Chapman, president of the Chapman Drug Co. in Knoxville, as its chairman. Meeman's successor as News-Sentinel editor, Loye Miller, joined him on the commission.

Knoxville photographer Jim Thompson became the project's visual ambassador, with photos of the mountains' stunning vistas that moved hearts and minds alike.

The road to the park's creation took some rough turns. Business interests favored a state or national forest over a park — with provisions for logging and other industry. Swollen egos and seething tempers sometimes threatened to derail the effort.

Peay's successor, Gov. Henry Horton, demoted Chapman in 1932 and appointed George Dempster, who'd managed Horton's campaign, as chairman. When the commission met in Knoxville in January 1933, Chapman accused Dempster of wasting money. Dempster cursed Chapman to his face and called him a liar.

Chapman jumped to his feet and slugged Dempster before the chairman could leave his seat. A furious Dempster climbed up from the floor, knocked Chapman down and gave him a beating that
blacked the colonel's eye, broke two of his ribs and knocked out a tooth.

Somehow the efforts persisted. The new president set aside $2.3 million for further land purchases in December 1933, and Congress officially established the Great Smoky Mountains National Park on June 15, 1934.

Roosevelt wouldn't arrive to dedicate the park until 1940, but the era of the park had begun. By 1941, visits topped 1 million.

Bullets and beer

In the backrooms of Knoxville's Bowery, the New Deal mattered less than the latest hand of cards. Desperate economic times and a drifting population of the poor and the jobless led to a spike in crime, at least in the public mind.

Prohibition had made police chases and running gun battles with bootleggers a common sight on the public highways. The repeal of the 18th Amendment in 1933 changed little in Knoxville, where state and local law still forbade the sale of wine, spirits and any beer stronger than 3.2 percent alcohol on weekdays and of any alcohol on Sundays.

Alcohol had been "legal" in the city for five years when Herman "Curly" Rollins, a Knoxville police officer, died after being shot in the back while arresting the owner of a beer joint in 1938.

Bootleggers still ran a thriving business, and election days often proved the wettest of the year. Ed McNew, a bail bondsman and local ward boss, appeared in Life magazine when he shot at a photographer for taking his picture.

The region's most notorious criminal of the decade, Clarence Bunch, met his end when officers cut him down in a storm of bullets Aug. 22, 1934, outside a bootlegger's home on Lay Avenue in Knoxville. His onetime cellmate, Gus McCoig of White Pine, Tenn., kept up the tradition when he and two fellow convicts escaped from prison a year later, robbed a bank in New Tazewell, Tenn., and gunned down L.B. Hutchison, the sheriff of Union County, during their getaway.

McCoig, a crack shot and accomplished guitar-player, became the 61st man to die in Tennessee's electric chair for that crime.

Knoxville's location on the Dixie Highway to Florida made it a stopping-off point and hideout for gangsters like Roger "The Terrible" Touhy of Chicago and Basil "The Owl" Banghart. Banghart and a friend, Ike Costner of Newport, would land in federal prison for their role in hijacking a mail truck in...
Charlotte, N.C., loaded with $105,000 in cash in November 1933. A portion of the loot, buried somewhere in the caves of Cocke County, surfaced three years later when a flood washed it up along the banks of the French Broad River.

News-Sentinel reporters and columnists like Bert Vincent recorded each step of the drama. Editorials issued an occasional scolding.

"Let us leave the 'master criminal' hooey for other sections of the country," the newspaper sighed in 1934. "It does not fit well in East Tennessee. ... The law got (bank robber John) Dillinger. It will get others who try to ape him."

**Good targets**

Politicians earned their share of scoldings as well. The city's rowdy style of government reached a new peak on April 30, 1936, when City Manager George Dempster, threatened with firing by gun-toting City Councilman Harry Bowling, turned his back to the council, threw up his coat-tails and dared anyone with the nerve to shoot him where he stood.

"I am no more afraid of you and your pistol than I am of my little girl," Dempster said. "I now turn my back to you for a good target."

The manager carried the day, only to be turned out of office a year later when he ran unsuccessfully for mayor.

The end of the decade brought a crop of new faces to city government, including Hattie Love, the first woman elected to the City Council. But the most recognizable name on the city's 1939 ballot lost his first bid for public office by coming in eighth place.

The businessman told reporters he might be back. He kept his word.

Cas Walker and the next decade would bring a new round of stories for Knoxville and the News-Sentinel.