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22 The Great Depression and Its Effects on the Movie Theatres of West Chester, Pennsylvania

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The Great Depression and Its Effects on the Movie Theatres of West Chester, Pennsylvania

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The Great Depression affected nearly every aspect of the American economy and movie theatres were certainly not exempt from its influence. While it is true that weekly attendance nationwide never dipped below 60 million people throughout the Depression, the average attendance prior to it was around 90 million a week.⁽¹⁾ Anyone who possesses basic math skills will realize that attendance was cut by one-third. The loss of a third of any businesses' clientele will cause some pretty seismic changes, and once again, movie theatres were no exception. Of the 22,000 theatres in operation in 1930, only 14,000 were still up and running by 1934.⁽²⁾

Yet, all three movie theatres in West Chester, Pennsylvania were able to stay open throughout the Depression. The question then begging to be asked is; how were the theatres of West Chester able to do so well in comparison to the experiences of movie theatres nationally?

The same films being shown in West Chester were also being shown all around the country. So what, then, were the reasons for their relative prosperity? Was it due to any tactics or practices they employed, or was it simply the economy of West Chester that kept them afloat? By comparing the general trends and changes of movie theatres across the nation to the direct experiences of the Warner, Garden, and Rialto Theatres, the argument will be put forth that it was indeed the relative prosperity of West Chester that enabled these theatres to survive. For as will be made clear, the theatres of West Chester were not only able to stay open, but were also able to do so rather easily.

The Depression, which began in the fall of 1929, had virtually ended for the film industry by 1935. At that time attendance was back to around 80 million a week, only 10 million short the level attained just prior to the

Depression.(3) The vast majority of the research for this paper then comes from the intervening years of 1929-1934. This time period actually represents an era of great change within the film industry, and not just because of the Depression. The introduction of sound into films first occurred in 1927 and the emergence of sound and the Depression combined to transform the movie theatre industry and produce two main changes. The first change it caused affected the physical composition of the equipment used in theatres. According to the research of Richard Butsch, a professor at Rider University:

Between 1926 and 1931 movie theatres were fitted with sound systems, the overwhelming majority in 1930. By 1931, theatres without sound were in the minority; by 1934 they had all but disappeared.(4)

As one might guess, this 'disappearance' of theatres without sound systems occurred in two fairly obvious ways. The first was the installation of sound systems into theatres which did not previously have them. This required a considerable amount of money and not all theatres were able to spend the money necessary to make this change. Theatres unable to adapt were forced to 'disappear' by other means, namely they had to close up shop. As Richard Butsch notes, it was mostly independent theatres which had to close their doors due to the "double shock of sound film and the depressed economy. These were the ones with the smallest profit margin and the least able to invest in sound."(5)

The switchover to sound was not the only reason for theatres to shut down. Falling attendance rates also meant that theatres were pulling in less revenue. This combination of profit loss and forced expenditures together caused the massive theatres closings mentioned at the beginning of this paper.

Any business or industry facing such a potential catastrophe will attempt to adapt their practices to avoid complete melt down, which leads to the second nationally endemic change brought on by the Depression: the implementation of promotional devices designed to keep audiences coming. As stated before, attendance at movie theatres fell by a third during the early years of the Depression. Theatres first tried to drop admission prices to keep audiences coming in, but attendance still suffered. In order to combat the declining attendance rates, theatres had to offer an incentive to the potential audience members. The new policies that theatres adopted normally focused on building customer loyalty through some type of extrinsic means. The raffling off of door prizes, like money or groceries, to the person holding the lucky ticket was a somewhat common practice. Sometimes the theatre would hold a contest in which the winner was awarded a prize. Other marketing devices

included discount or "bargain" nights when tickets would be cheaper and "family nights" when there was a flat admission rate for entire families. Maybe the most inventive method employed, aimed specifically at the female demographic, was to offer a "dish night" in which, "For forty cents she got an article which would normally cost twenty cents or more at a store and also saw a double feature." This worked to create regular customers out of women, who came back to the theatre each week until they got every piece and completed the set. This type of promotion would last for months and some even ran as long as 86 weeks.(6)

These two chief changes to the movie theatre industry will serve as the basis for the comparison to West Chester's theatres. Yet before getting into the heart of this comparison, it would be best to provide some background information on the theatres of West Chester that will be discussed throughout the rest of the paper. There were three theatres in operation in West Chester throughout 1929-1934. They were the Garden Theatre and Rialto Theatre, located at 33 and 27 E. Gay Street respectively, and the Warner Theatre, located at 122 N. High Street. The Garden was the only independent theatre in West Chester; both the Rialto and the Warner were owned by the film industry giant Warner Brothers.

The Rialto had been "built at about the time of World War I and was in use for daily showing of motion pictures until the new Warner Theatre on North High Street was constructed"(7), at which time it reduced its hours of operation to just Saturdays and the occasional Friday night. The Warner Theatre first opened its doors on November 14th, 1930. It had cost over \$500,000 to build and was stocked with top-of-the-line projectors and sound equipment.(8) When it first opened, the Warner Theatre charged \$0.25 for a matinee ticket, \$0.40 for an evening ticket, and \$0.15 for children.(9) Except for the price of kids' tickets dropping permanently to \$0.10 a little later on, this pricing scheme was to remain fairly constant throughout the entire Depression.

Only occasionally did these prices change, and then only because of the few promotions the Warner Theatre ran. Similarly, the Rialto did not experience any significant change in prices. The Garden Theatre's ticket prices did fluctuate, but the price changes experienced by the Garden Theatre were not long-term. As will be explained later in the section on theatre promotions, this was probably more a competitive tactic than anything else. This resiliency in price seems to indicate a similar resiliency in the economy of West Chester, for if the people of West Chester could not afford to pay these prices, they

would have stopped going, causing a loss of profits and an eventual drop in prices.

The fact that the Warner Theatre was built at all, though, is something to note. Obviously, nobody could have foreseen the length of the Depression immediately after the stock market crash, but for a company like Warner Brothers to follow through with such a large investment during a time of economic instability indicates a sense of trust on their behalf in the economy of West Chester. Harry Gantz, a representative of the Warner Brothers Corporation, expressed this same sentiment in a speech to the West Chester Board of Trade at the inaugural ceremonies and opening of the Warner Theatre. He assured the West Chester Board of Trade that Warner Brothers had every confidence in the stability and growth of West Chester.

The fact that we are spending all of this money, more than a half-a-million dollars, on the new theatre, is proof of what we think of you. Warner Brothers' Corporation, like any business organization, is operating on a business proposition, and if we did not think that it is going to prove a profitable investment, we would never have come here.(10)

Now, having established the rudimentary facts about movie theatre during the first couple years of the Depression and the theatres of West Chester, the assessment of West Chester's theatres can begin. As stated above, the Warner Theatre was built with sound equipment already in place. No date has been found during the research for this paper on when the Rialto installed its sound equipment, but West Chester's only independent theatre, the Garden, did so in August of 1930.(11) While the switch to sound may have been forced upon the Garden in order to stay in business, the fact that it was able to invest money into a new sound system, close its doors until it was completely installed, and then resume business without any significant rise in prices proves that it was making at least some profit prior to undertaking these renovations.

The claim that the independent Garden Theatre prospered during the Depression becomes even more convincing when since the implementation of this new sound system was just the first in a series of overhauls to take place at the Garden Theatre during the Depression years. In December of 1930, the Garden closed down again to install new seats.(12) In July of 1932 it closed its doors again. This time the Garden installed a new air cooling system, as well as adding a new ticket booth, and redecorating the front of the building.(13) While all of these endeavors may have been made as an act of

self-preservation (that is, if they weren't made, the Garden could have been driven out of business by the Warner and Rialto), they still show that the Garden Theatre was making decent profits, for it is necessary for there to be a good deal of extra capital to invest in these projects.

Moving on, a consideration of the second major change brought on by the Depression will also show that the theatres of West Chester fared reasonably well. While all three West Chester theatres did subscribe to the use of promotional devices cited earlier in this paper, they did so only on an occasional basis. The frequency of usage for all theatres diminished throughout 1932 and 1933, and by 1934 they were barely used at all by both the Rialto and Warner Theatres.

The *Daily Local News* for West Chester always listed the movie theatres, the films they were showing, and any promotions they might be running in the entertainment or 'amusements' section. A random sampling of these theatre ads, throughout the time period of 1929-1934, show that the Garden Theatre was by far the biggest employer of these policies. It frequently targeted children in its promotions, offering things like free rubber balls, free candy bars, and other such novelties to children. Another common promotion the Garden used was giving away things called a "Children's Lucky Pass."(14) By presenting this pass when they paid, admission for kids was dropped from ten cents to five. The Garden even ran the occasional 'Kiddie's Show', normally on Saturday mornings, in which children were given free admission. The Garden also gave away door prizes every once in a while, and during the first weekend of January in 1934 reduced matinee and evening admission prices.

The Warner and Rialto did not use such tactics anywhere near as often, but they did still use them. The most frequent promotion used by the Warner Theatre was to simply offer a five cent discount to the first 300 people to pay admission. Both theatres gave away door prizes on occasion. The Rialto gave away a free Leonard Electric Refrigerator in May of 1932(15) and the Warner gave away a Westinghouse Radio in August of 1932. This radio was valued at \$200, a considerable sum of money during the Depression.(16) There is also evidence of the Rialto trying to cater towards whole families. In January of 1931, the Rialto had a 'Friday Family Night' in which, for the price of two adult admissions, the entire family got to see the movie.(17)

Obviously, this shows that the theatres of West Chester did need to offer incentives to the people of West Chester in order to keep them coming. Simply running business as usual was not a guarantee of profit. But what is striking is the lack of frequency in which both the Rialto and Warner Theatres

used these promotions. This shows a certain level of security in the economy of West Chester since that they didn't have to constantly offer incentives in order to get the citizens to spend their money. While the Garden Theatre certainly offered a lot of promotions, it is important to keep in mind that it was the only independent theatre in town and had to keep with two other theatres working in coordination with each other (since both the Rialto and Warner were owned by Warner Brothers, we can assume they weren't trying to compete with themselves). The adoption of these promotions by the Garden Theatre then seem less like a extreme measure of self-preservation, and more like a sensible business practice for an independent company that has to compete with two corporate-owned businesses. This attitude is echoed by Richard Butsch, who said that another reason for the use of these promotions was, "to compete with the integrated chains."(18)

Finally, using this information on the movie theatres of West Chester in light of the national trends, a pattern becomes clear. That pattern is one of economic security, which could only have been established during the years of the Depression by a strong local economy. Many communities all over the country were struggling and because they no longer could afford the luxury of motion pictures, the movie theatre industry suffered. Attendance dropped, and combined with the emergence of sound, the financial burden placed on theatres to accommodate for both dwindling profits and internal renovations was too much for many theatres to handle. Over a third of the theatres in America closed during the years of 1929-1934, but this was not the case in West Chester. Of the three existing theatres at the beginning of the Depression, there should have only been two by 1934. Yet, all three were still in operation well after the end of the Depression.

This leads one to the assumption that the economy of West Chester must have been better able to support the theatres than other cities and towns all over the nation. Supporting this claim is the fact that the theatres of West Chester do not seem to be as reliant on the use of promotional techniques that many theatres across the country could not have survived without. The only theatre that used them on even a somewhat frequent basis, the Garden Theatre, seems to have done so in a spirit of local competition rather than dire straits.

What does all this say about the economy of West Chester and the experiences of West Chester's residents? It speaks to a relative degree of prosperity, at the communal level, that was not found in most areas during the Depression. The Warner Brothers Corporation believed that the West Chester economy had the potential to produce profit, even as late as November of

1930. The individual theatres of West Chester also seemed to place a lot of faith in the local economy, since they didn't feel it necessary to constantly runs promotions designed to draw audiences. Even the fact that the Garden Theatre was able to close on three separate occasions and spend money to make improvements addresses a sense of security in the ability of West Chester to maintain and support it as a productive business.

The theatres of West Chester believed that its citizens would support them, and they did. Such a relationship could only be established if the economy of West Chester was conducive to luxury spending, even at a time of national economic crisis. The ability of the residents of West Chester to keep all three theatres in operation then provides a commentary on the relative prosperity of West Chester as a community. Since many other areas around the nation could not afford to sustain such an extravagant industry, the ability of West Chester to do so shows evidence of a better, more stable economic life than experienced by the majority of the nation.

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