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Marx Toy Company:

Born in the Depression and Killed by Overseas Competition

Dr. Judith Lynch

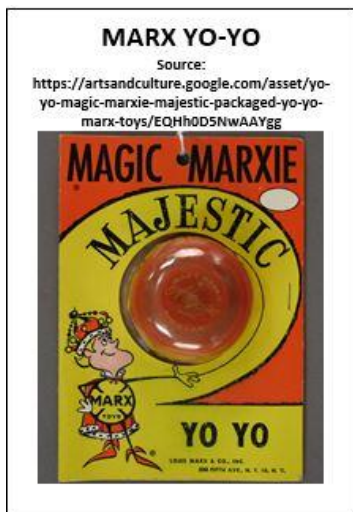
Jefferson Scholar-in-Residence

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In fall 1928, a year before the Stock Market crash that triggered the Great Depression, Erie had more than 20,000 men employed in manufacturing plants, turning out more than \$100 million in products. Many of those manufacturing jobs and the products fell victim to the Great Depression. One Erie County company that weathered the Great Depression and emerged victorious was Marx Toy Company.

Marx Toy Company was the creation of Louis Marx, born in 1894 in Brooklyn, New York. Marx was an entrepreneur who studied existing products and found ways to make them cheaper and more appealing. Early in his career he purchased from his previous employer in New Jersey, J.F. Strauss & Company, the tooling and production rights for two obsolete tin toys. The Strauss Company was one of the largest mechanical metal toy companies in the United States and it was there that Louis Marx received his training.

In 1919, Marx established the Louis Marx and Company and, in 1921, rented factory space from C.E. Carter Toys in Erie, where he began to manufacture the tin toys, Zippo the Climbing Monkey and the Alabama Coon Jigger, which could best be described by today's standards as socially unacceptable because they are explicitly racist in their design and names. With some subtle changes to the original toys, Marx was able to turn

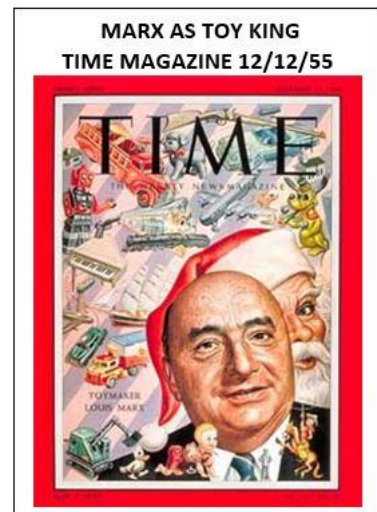


them into hits, selling more than 8 million of each within two years. By 1922, he was a millionaire.

Erie residents began calling the factory, which Marx finally purchased from the C.E. Carter Toys in 1942, the “Monkey Works,” in reference to one of the early toys. In 1936, during the later years of the Depression, Marx purchased the Eriez Stove Company plant on West 12th Street and expanded production there.

Marx’s main plant, however, was an industrial facility in Girard acquired in 1935 when Louis Marx purchased the

Girard Model Works. Another factory located in Glen Dale, West Virginia was added to the Marx Company. Each of the Marx plants specialized in certain types of toys. The Erie plant was known for push/pull and mechanical toys. The Girard plant produced toy trains, and the Glen Dale plant produced toy vehicles. One of the most successful Marx toys was the Yo-Yo, first produced in 1928. More than 100 million Yo-Yos were sold, primarily through Sears outlets.



WAR AND POST-WAR EMPLOYMENT

YEAR	NO.
1940	703
1945	133
1948	975
1951	1,306

PA Dept. of Internal Affairs

Marx’s revenues grew during the Great Depression because he chose to establish his production facilities in economically hard-hit industrial areas, such as the city of Erie and Girard, as well as Glen Dale in West Virginia, where wage rates were lower and there was an abundance of willing workers. By the 1950s, Marx Toys was the largest toy manufacturer in the world with sales in 1955 of about \$50 million. *Time Magazine*

proclaimed Louis Marx "the Toy King." Marx became the initial inductee in the Toy Industry Hall of Fame.

Some of the memorable toys produced by the Marx Toy company were boxed toy sets, which included "Walt Disney's Davy Crockett At The Alamo," "Gunsmoke," "Wagon Train," "Battle Of The Blue And Grey," "The Revolutionary War," "Tales Of Wells Fargo," "The Untouchables," "Robin Hood," "The Battle Of The Little Big Horn," "Arctic Explorer," "Ben Hur," "Fort Apache," and "Johnny Tremain." Two of the most popular toys made in the 1960s were “Rock 'Em Sock 'Em Robots,” which came out in 1964, and the “Big Wheel,” which was produced beginning in 1969.



In the Girard plant, along with toy trains, Marx Toys produced miniature cars, precisely modeling the original. This toy line began with the detailed promotional 1948 Hudson Hornet made specifically for Hudson dealers and continued with other models. During the 1950s, Marx Toys began using plastics and, by the 1970s, Marx was producing large plastic toys such as the Big Wheel.

Mention should be made of the contribution of the Marx plants to the World War II effort. During the war, toy production was largely curtailed because of the inability to obtain materials. The Marx plants became integrated into the defense effort. Louis Marx personally knew Generals Dwight Eisenhower, George Marshall, and Omar Bradley and was wholly supportive of the war effort.



In the immediate post-war, the Marx plants returned to toy production, many of which were now being made from plastic.

After 1955, the company slowly lost its preeminence in toy manufacturing. Other companies advertised heavily on children's TV programs. In 1955, according to *Time Magazine*, Marx spent \$312 on TV advertising for the entire year with sales of \$50 million. By contrast, Mattel Toys, in the same year, had sales of \$6 Million but spent \$500,000 on TV advertising. Perhaps due to

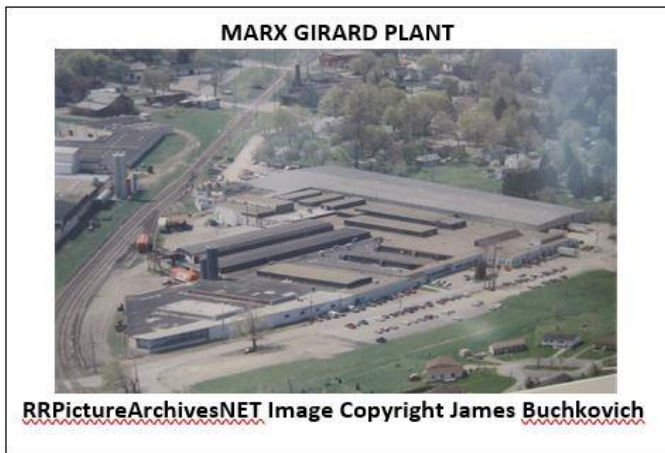
the lack of TV advertising in an era where TV determined what children wanted, sales declined.

Another reason for the decline in sales was the growing foreign competition, particularly from Japan. One competitor was Bandai, a Japanese toy company founded in 1950. In the 1960s, Bandai began selling its products in the U.S. Bandai's racing car set, which first appeared in 1962, became a huge success. The 1970s continued to see Bandai toys excelling in sales in the United States. In addition, during this time the Marx Company experienced significant labor problems. In 1967 the workers in the Erie plant went on strike. By 1971, sales had slipped from more than \$100,000,000 to \$67,000,000.

In 1972, Louis Marx sold the company to the Quaker Oats Company for \$54 million and retired at the age of 76. Quaker owned the Fisher-Price brand but found it difficult to integrate the two toy companies. In late 1975, Quaker closed the former Marx plants in Erie and Girard, and in early 1976 sold its remaining Marx assets to the British conglomerate Dunbee-Combex-Marx, which had bought the former Marx UK subsidiary in 1967. The company went bankrupt in 1980.



The closed Girard plant, with its original equipment and assembly lines intact, was initially planned to be a mixed-use site that would include a Marx Toy Museum. All but one of the buildings, however, were torn down in 1988. The surviving annex building became part of a business incubator project.



A Marx Toy Museum opened in a private home in Erie, displaying the toys and stories of the workers who made them. In June 2008, the Erie Marx Toy Museum closed and sold off its toys to pay its debts. Another Marx Toy Museum was created in Moundsville, West Virginia, at the site of the Marx West Virginia plant. Sadly, that museum closed in June 2016.

Today, the toys created by Marx are kept alive through tales of grandparents, memories of childhood and vendors, such as E-Bay. The passion and genius of Louis Marx, and the talents and creativity of the men and women who worked in toy production have been relegated to the dustbin of history.

The story of Marx Toy is one of ingenuity, drive, and creativity, as well as the willingness to incur risk at a time when the world's economies were imploding. Unbelievable success came, but the times changed. Marx Toys could not compete with the Japanese lower wages, combined with their growing technological skill.

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ABOUT THE AUTHOR

Judy Lynch, Ph.D., is a Scholar-in-Residence at the Jefferson Educational Society. She was named the Jefferson's Decadean Scholar in 2018. She continues to serve on the Jefferson's Board of Trustees and was its first chairwoman. From 2004 to 2017, she served as Associate Professor of Political Science and History at Mercyhurst University. From 2002 to 2004, Dr. Lynch taught at Allegheny College and was part of the Civic Engagement Institute. Prior, she worked as an analyst for the CIA and served for 20 years as Erie County Executive. She received her Doctorate With Distinction in Political Science in 2001 from the University of Pittsburgh and her M.A. in Social Studies from Gannon University. Her undergraduate degree, a B.A. in History and Political Science, is from George Washington University.

