

## Fort Wayne and the Great Depression: The Early Years, 1929-1933

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The Wall Street crash of 1929 ushered in a decade of economic misery for America's cities. At first the federal government refused to intervene to aid the millions of urban dwellers who lost their jobs with the onset of the Great Depression. Like many Americans, President Herbert C. Hoover insisted that unemployment relief had to be a local responsibility. In his view, federal action would have undermined business confidence, necessitated ruinous taxation, created a centralized bureaucratic state, and destroyed the basic strengths of the American character.<sup>1</sup> In the early 1930s, therefore, every city had to mobilize its resources to deal with the mounting problem of providing relief for the unemployed. Urban communities did not respond to this national crisis in uniform fashion or with identical results.<sup>2</sup> Local factors were very significant in determining the nature and development of each city's relief efforts.

A number of local factors were influential in the case of Fort Wayne, Indiana. These included the condition of the city's economy before the crash, the nature of the local structure of political power, the ideology of the city's business elite, the quality of civic leadership, and the political culture of the community. As a result of the interplay of these factors, Indiana's "Summit City" avoided

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<sup>1</sup> Albert U. Romasco, *The Poverty of Abundance: Hoover, the Nation, the Depression* (New York, 1965), 143; Richard Hofstadter, *The American Political Tradition and the Men Who Made It* (New York, 1948), 295-304.

<sup>2</sup> Bernard Sternsher, ed., *Hitting Home: The Great Depression in Town and Country* (Chicago, 1970), 38-39.

some of the difficulties besetting other urban communities during the Depression. Fort Wayne's economy had prospered in the 1920s, whereas some large cities, such as Boston, Philadelphia, and Pittsburgh, had suffered relative industrial decline that compounded their relief problems in the following decade.<sup>3</sup> Partisan, ethnic, and racial divisions were detrimental to local relief policy in many cities but not in Fort Wayne's case.<sup>4</sup> The Summit City was also blessed with able civic leaders, whose relief efforts won praise from federal and state authorities.<sup>5</sup>

Several big northern cities, most notably Detroit, were tottering on the verge of bankruptcy when the federal government finally assumed primary responsibility for relief in 1933.<sup>6</sup> Fort Wayne was not in such desperate straits. It had not requested aid previously from the state government or the Reconstruction Finance Corporation (RFC), a federal agency empowered to loan cities funds to undertake self-liquidating public works projects. Local relief, based on voluntarist and township aid, had not collapsed. In this context Fort Wayne offers a particularly interesting example of local response to the Great Depression during the Hoover era. The president's theory of local responsibility for relief probably had as fair a test in this Hoosier city as was possible anywhere. Fort Wayne's civic leaders themselves insisted on local autonomy and worked hard to deal with the unemployment problem. Nevertheless, they were ready to admit defeat by early 1933 and greeted the coming of the New Deal with enthusiasm. This metamorphosis was a significant indication of the grave crisis facing urban America when Franklin D. Roosevelt entered the White House.

In late 1929 Fort Wayne was riding the crest of an economic boom. Each issue of one local newspaper, the *Fort Wayne News-Sentinel*, carried the banner motto that the city was "entering the

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<sup>3</sup> Charles H. Trout, *Boston, the Great Depression, and the New Deal* (New York, 1977), 3-5; Bonnie R. Fox, "Unemployment Relief in Philadelphia, 1930-1932: A Study of the Depression's Impact on Voluntarism," *Pennsylvania Magazine of History and Biography*, XCIII (January, 1969), 86-88; Bruce M. Stave, "Pittsburgh and the New Deal" in John Braeman, Robert H. Bremner, and David Brody, eds., *The New Deal*. Vol. II: *The State and Local Levels* (Columbus, Ohio: 1975), 376-406.

<sup>4</sup> Trout, *Boston*, 58-68; Raymond L. Koch, "Politics and Relief in Minneapolis during the 1930s," *Minnesota History*, XLI (Winter, 1968), 154-57; Harvard Sitkoff, *A New Deal for Blacks: The Emergence of Civil Rights as a National Issue, the Depression Decade* (New York, 1978), 36-37.

<sup>5</sup> Oliver Griswold to Arthur F. Hall, August 3, 1931, Box 181, President's Emergency Committee for Employment (PECE) Records, RG 73 (National Archives, Washington, D.C.).

<sup>6</sup> Mark I. Gelfand, *A Nation of Cities: The Federal Government and Urban America, 1933-1965* (New York, 1975), 30-35.

most prosperous era in its career.”<sup>7</sup> This optimism was inspired by the success of the booster campaign that the Chamber of Commerce had mounted to attract new industries to Fort Wayne in the 1920s. The city had natural advantages for industry, notably a good location in the Great Lakes region with access to excellent communications and large markets. It had a large pool of skilled and semiskilled labor and could also tap the manpower resources of rural northeast Indiana.<sup>8</sup> In view of contemporary popular prejudices, the social composition of the Fort Wayne community was also an advantage. Most citizens were of German, Irish, or old stock ancestry, a fact that was assiduously publicized. The boosters claimed that Fort Wayne’s “old” ethnic work force was more reliable than labor in the big cities, where immigrants from southern and eastern Europe and blacks were more numerous.<sup>9</sup>

Other cities offered similar advantages, of course, but many commentators felt that Fort Wayne’s economic success in the 1920s owed much to the good organization and broad-ranging activities of its boosters.<sup>10</sup> The Chamber of Commerce had helped local businessmen break the power of trade unionism in Fort Wayne after World War I.<sup>11</sup> Catering to new industrial and population growth, it had lobbied successfully for the expansion of municipal facilities. As a result, Fort Wayne had acquired a new bus service, a municipal airport, some new roads, and better sewers during the 1920s. The Chamber of Commerce had also formed the Greater Fort Wayne Development Corporation (GFWDC), which targeted the industries whose needs the city could best meet, took care of land acquisition for new factories, and, when necessary, used its own capital resources to make loans to help cover factory construction costs.<sup>12</sup>

By 1929 the boosters had brought eight new industries to the city, the largest being the International Harvester Corporation. Five other firms had moved independently to Fort Wayne during the 1920s.<sup>13</sup> Older businesses had also done well, in line with the

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<sup>7</sup> See especially Fort Wayne *News-Sentinel*, December 7 to 31, 1929. These issues carried a series of booster articles.

<sup>8</sup> Chamber of Commerce, *Industrial Survey of Fort Wayne* (Fort Wayne, 1930), *passim*.

<sup>9</sup> *Ibid.*, 56.

<sup>10</sup> John Clark, “Keeping up with Jonesville,” *Saturday Evening Post* CC(September 10, 1927), 184.

<sup>11</sup> Tom Lewandowski, “The Warm Weather of 1919: The Bowser Lock-out and the Bass Strike” (unpublished paper in the author’s possession).

<sup>12</sup> Albert H. Schaaf, “The Chamber of Commerce Takes a Bow,” *Quest Club Paper*, October 10, 1947 (Fort Wayne-Allen County Public Library, Fort Wayne). This is a memoir of the Greater Fort Wayne Development Corporation’s activities written by a prominent booster.

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

general expansion of Indiana's manufacturing economy during the decade.<sup>14</sup> As a result, the value of products manufactured in Fort Wayne had risen from \$76,713,000 in 1919 to \$121,567,000 in 1929.<sup>15</sup> By 1930 Fort Wayne had a population of nearly 115,000, compared with 86,549 a decade earlier. The prosperity of the whole community had increased steadily during the intervening years, reaching a peak in 1929. That December Christmas saving clubs held over \$1,100,000 in funds. Fort Wayne's per capita bank deposits stood at \$664, by far the highest figure among Indiana's principal cities.<sup>16</sup> Also, 58.0 percent of Fort Wayne's housing units were owner occupied in comparison with only 45.2 percent of nonfarm dwellings in the United States.<sup>17</sup>

The Wall Street crash did not undermine the mood of optimism. None of the city's major banks had been badly hurt since they had mainly invested in local industries and mortgages.<sup>18</sup> One builder even declared that he did not feel "other than optimistic about the outlook of things."<sup>19</sup> The economic expansion of the 1920s indubitably conditioned the early response of local leaders to the Depression. Throughout 1930 they remained confident that Fort Wayne's recent economic growth and diversified industrial base would protect it from the worst repercussions of the slump.<sup>20</sup> To some extent this conviction still fortified their belief in local responsibility for relief even after economic conditions deteriorated markedly in Fort Wayne during the winter of 1930-1931. Indeed, until early 1933 both local newspapers frequently carried articles claiming that the Depression was less severe in Fort Wayne than elsewhere and that the city's economy was on the verge of recovery.<sup>21</sup>

<sup>14</sup> James H. Madison, *Indiana through Tradition and Change: A History of the Hoosier State and Its People, 1920-1945* (Indianapolis, 1982), 204-33, outlines Indiana's economic expansion.

<sup>15</sup> U.S., *Fourteenth Census, 1920*, IX, *Manufactures, 1919* (Washington, D.C., 1923), 397-98; U.S., *Fifteenth Census, 1930*, III, *Manufactures, 1929* (Washington, D.C., 1933), 173.

<sup>16</sup> Fort Wayne *News-Sentinel*, December 12, 1929. Per capita bank deposits in Evansville were \$573, in Indianapolis \$464, in South Bend \$458, and in Gary \$207.

<sup>17</sup> U.S., *Abstract of the Fifteenth Census, 1930* (Washington, D.C., 1933), 435-36, 405. Of cities with over 100,000 population, only Tacoma, Wash. (60.6%), Flint, Mich. (59.8%), Grand Rapids, Mich. (59.6%), Reading, Pa. (59.5%), and South Bend (58.7%) had a higher percentage of homeowners.

<sup>18</sup> Fort Wayne *News-Sentinel*, November 16, 30, 1929.

<sup>19</sup> *Ibid.*, November 21, 1929.

<sup>20</sup> Fort Wayne *Journal Gazette*, April 20, 1930; Fort Wayne *News-Sentinel*, October 3, 1930.

<sup>21</sup> See, for example, Fort Wayne *News-Sentinel*, October 13, December 30, 1931, February 24, 1932; Fort Wayne *Journal Gazette*, September 8, November 27, 1932.

Older industrial cities immediately felt the chill winds of economic catastrophe. By mid-1930 eighty soup kitchens and breadlines could be counted in Philadelphia, a city where 10.4 percent of the labor force had been unemployed even before the crash. In contrast, only 5 percent of Fort Wayne's labor force, nearly twenty-five hundred people, had no job in April, 1930. Just over one thousand people, who still had jobs, had also been temporarily laid off.<sup>22</sup> The majority of those without jobs lived in the east-central district between downtown and the railroad yards. They included many blacks and poor whites who normally occupied a peripheral position in the local economy as unskilled laborers, casual workers, and domestics. A large proportion of those people who had been laid off or lost steady jobs had been employed in the construction industry. Other local businesses appeared to be holding up quite well.<sup>23</sup> Civic leaders were therefore confident that normal relief measures would suffice. Although the Community Chest anticipated accumulating a debt of thirty-two thousand dollars before the fall drive to meet increased demand from the needy, its administrators pointed out that the relief quota allocated from the 1930 fund had been particularly low.<sup>24</sup>

Initially Fort Wayne's political and business leaders focused their energies on halting the growth of unemployment rather than on expanding local relief. The GFWDC continued its efforts to attract new industries. In 1930 Magnavox located two plants in Fort Wayne, creating about one thousand jobs. The Inca Corporation received aid to expand its existing factory premises. Later, in 1932, Theodore Zollner moved his piston business from Duluth to the Summit City after the GFWDC helped him secure a mortgage for site acquisition and plant development. This proved to be the booster organization's last success before World War II.<sup>25</sup>

As was the case in other cities, efforts were made to prop up the ailing construction industry. In 1930 eight leading businesses announced building improvement plans and issued contracts totalling over four million dollars. The municipal government also decided to build a new reservoir, dam, and filtration plant, which it financed through a bond issue of two million dollars.<sup>26</sup> The city

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<sup>22</sup> Fox, "Unemployment Relief," 87-88; U.S., *Fifteenth Census, 1930*, II, *Unemployment* (Washington, D.C., 1932), 147-48.

<sup>23</sup> Fort Wayne *News-Sentinel*, June 14, 1930.

<sup>24</sup> *Ibid.*, June 27, 1930.

<sup>25</sup> *Ibid.*, October 31, 1930; Fort Wayne *Journal Gazette*, April 20, 1930; Schaaf, "The Chamber of Commerce."

<sup>26</sup> Fort Wayne *News-Sentinel*, November 16, 1929; Boards of the Public Library of Fort Wayne and Allen County, "William J. Hosey: Fort Wayne's Dedicated Mayor" (Fort Wayne, 1957), 44.

could not afford other projects of such magnitude, however. Local businesses also sought to economize rather than expand from late 1930 onwards, so that only one firm commissioned a major building project for the following year.<sup>27</sup>

The press and civic leaders also conducted campaigns to stimulate consumerism. In the spring of 1930 the *Fort Wayne Journal Gazette* ran a series of articles urging tenants to consider buying a new house. Property ownership, it declared, was the basis of good citizenship. Few people could respond to such prompting. Only 284 new houses were built in Fort Wayne in 1930, barely half the previous year's total.<sup>28</sup> In the fall of 1930 the press changed its emphasis and encouraged people to buy more retail goods, "So That Dealers May Buy and Factories Can Place Folks Back To Work."<sup>29</sup>

During the winter of 1930-1931 the decline in nationwide demand finally caught up with Fort Wayne's factories, and civic leaders became preoccupied with the plight of the unemployed. Following Governor Harry G. Leslie's call for better relief organization in Hoosier communities, the Allen County Emergency Unemployment Committee (ACEUC) was formed in December, 1930. This body assumed responsibility for organizing private voluntary relief. The executive committee of eleven people included representatives of the trade unions, farmers, social workers, and both political parties. Nevertheless, it was dominated by its business members—two financiers, the Chamber of Commerce manager, and the Employers' Association chairman. Other businessmen also controlled the two special committees that organized fund raising for relief. After visiting Fort Wayne, a representative of the President's Emergency Committee for Employment (PECE) commented that the ACEUC was opposed to interference from "anyone outside the Chamber of Commerce."<sup>30</sup>

Fort Wayne's economy was not dominated by one industry so the city had no equivalent of Middletown's "X" family.<sup>31</sup> The Chamber of Commerce was the medium through which the city's

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<sup>27</sup> Fort Wayne *News-Sentinel*, July 24, 1930.

<sup>28</sup> Fort Wayne *Journal Gazette*, April 13, 1930; Fort Wayne *News-Sentinel*, April 16, 1936.

<sup>29</sup> Fort Wayne *News-Sentinel*, November 11, 12, 1930.

<sup>30</sup> Wayne Morrill to Arthur Woods, December 13, 1930, Box 38, PECE Records. For ACEUC membership see E.J. Hornick and L.R. Pease, "Report of the Allen County Emergency Unemployment Committee, March 12, 1931" (Fort Wayne-Allen County Public Library).

<sup>31</sup> See Robert S. Lynd and Helen Merrell Lynd, *Middletown in Transition: A Study in Cultural Conflicts* (New York, 1937), 74-101; Carrolyle M. Frank, "Who Governed Middletown? Community Power in Muncie, Indiana, in the 1930s," *Indiana Magazine of History*, LXXV (December, 1979), 321-43.

leading financiers, businessmen, realtors, and lawyers could act in concert. The influence of this organization, which had become active in the Progressive era, had increased in the 1920s. As an adjunct to its booster campaign, it had promoted numerous municipal improvements, sometimes in the face of political opposition.<sup>32</sup> Yet the business elite did not entirely control civic affairs and local politics. It had backed the losing Republican faction in the 1929 mayoral primary, for example.<sup>33</sup> The other groups represented on the ACEUC probably accepted business leadership because they assumed businessmen had the managerial skills to organize and fund a large relief effort. Businessmen had taken a prominent role in running the wartime Liberty Loan drives and the Community Chest drives since their inception in 1926.<sup>34</sup> The Democratic mayor, William J. Hosey, was the only other ACEUC member whose prestige approached that of the business representatives, but he did not challenge their leadership. Age seventy-six and serving his fourth term in office, Hosey was appreciably less energetic than in his prime.<sup>35</sup>

In a classic essay on influence within the community, the sociologist Robert K. Merton distinguished between "local" and "cosmopolitan" influentials. He categorized localites as people with essentially parochial interests focused on the local community. The interests, perspectives, and reputation of cosmopolitans, on the other hand, extended beyond their hometown.<sup>36</sup> The biographical material compiled in *Builders of Greater Fort Wayne*, a paean to the boosters published in 1926, suggests that most Summit City businessmen should be characterized as localites. A few eminent businessmen, mainly the leading bankers and industrialists, fitted the cosmopolitan mold. They included Arthur F. Hall, president of the Lincoln Life Insurance Company, Charles Buesching, president of the Lincoln National Bank, and Walter Goll, manager of the local General Electric factory. All three were active in the voluntarist relief organizations. Hall, Fort Wayne's most prestigious citizen, agreed to be the ACEUC's chairman. The *South Bend Tribune*, lamenting the corruption in Indiana politics, had once spoken of him as a "high minded Hoosier" who would make a good governor.<sup>37</sup> Yet localites also supported the

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<sup>32</sup> Schaaf, "The Chamber of Commerce."

<sup>33</sup> *Fort Wayne Journal Gazette*, May 8, 1929.

<sup>34</sup> For biographical records of the city's leading businessmen, see Bert J. Griswold, *Builders of Greater Fort Wayne* (Fort Wayne, 1926).

<sup>35</sup> "William J. Hosey," 27.

<sup>36</sup> Robert K. Merton, *Social Theory and Social Structure* (3d ed., New York, 1968), 441-74.

<sup>37</sup> Griswold, *Builders*, *passim*; *South Bend Tribune*, November 22, 1927.



ARTHUR F. HALL, 1927

Courtesy Robert D. Parker, Fort Wayne, Indiana.



WALTER GOLL, 1927

Courtesy Robert D. Parker, Fort Wayne, Indiana.



relief organization wholeheartedly. For example, J.B. Wiles, the Chamber of Commerce manager, undertook the bulk of the ACEUC's administrative work.<sup>38</sup>

Both cosmopolitans and locals supported voluntary relief organizations because of shared ideological convictions.<sup>39</sup> Both were committed to making a success of local voluntary action because they wanted to keep government out of relief. The specter of higher taxation continually haunted them, and they objected strongly to increases in direct relief expenditure by the township trustee. In 1931 the Chamber of Commerce opposed holding a special session of the Indiana General Assembly to discuss the relief crisis. ACEUC was also hostile to the President's Emergency Committee for Employment (PECE), which Hoover had established to advise local organizations on relief policy.<sup>40</sup> Fort Wayne's businessmen regarded PECE as the harbinger of direct federal responsibility for relief. Like Hoover, Hall feared that an interventionist state would undermine the foundations of the American system. "No-one," he declared, "wants Governmental Taxation or Governmental Supervision for the care of the unfortunate."<sup>41</sup> Businessmen whose concern was essentially local could also appreciate the dangerous precedents for intervention in community affairs that federal involvement in relief would establish. Significantly, their initial break with the Roosevelt administration in late 1933 was occasioned by the New Deal's threat to the local system of industrial relations that had been established after World War I.<sup>42</sup>

In contrast to its sister organization in Indianapolis, the ACEUC was committed from its inception to providing work relief

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<sup>38</sup> "Report of the Allen County Emergency Unemployment Committee, June 30, 1931," pp. 27-28, Box 81, President's Organization on Unemployment Relief (POUR) Records, RG 73 (National Archives, Washington, D.C.).

<sup>39</sup> Merton suggested that the motivation for participating in voluntary associations constituted an important distinction between cosmopolitans and localites. The former, he argued, regarded the activities of these organizations as a means "for extending or exhibiting their skills and knowledge"; the latter, in contrast, joined associations because they provided a means for extending personal relations. Nevertheless, this hypothesis is not really applicable to businessmen's participation in Fort Wayne's voluntary relief organization. Merton, *Social Theory*, 453.

<sup>40</sup> Fort Wayne *News-Sentinel*, August 24, October 17, 1931; Fort Wayne *Journal Gazette*, October 13, November 27, 1932; Fort Wayne Chamber of Commerce to Harry G. Leslie, October 12, 1931, Subject Correspondence, 1929-1933—Special Session file, unnumbered box, Harry G. Leslie Papers (Archives Division, Indiana Commission on Public Records, Indiana State Library and Historical Building, Indianapolis); Morrill to Woods, December 13, 1930, Box 38, PECE Records.

<sup>41</sup> Fort Wayne *News-Sentinel*, October 14, 1931.

<sup>42</sup> Oscar Foelinger to Hugh Johnson, September 12, 1933, Box 176, File 390, Conciliation Service, United States Department of Labor Records, RG 280 (National Archives, Suitland, Maryland).



WILLIAM J. HOSEY, 1933

Courtesy Robert D. Parker, Fort Wayne, Indiana.



CHARLES BUESCHING, 1927

Courtesy Robert D. Parker, Fort Wayne, Indiana.

rather than a dole. Direct handouts, the Fort Wayne *News-Sentinel's* editor declared, contravened "the spirit of Anglo-Saxon traditions" because they encouraged laziness and bred a class of permanent dependents.<sup>43</sup> Those receiving the ACEUC's aid had to work on projects benefitting the community, such as river beautification, park landscaping, road improvement, and snow clearance. About half of the first two thousand relief applicants had been clients of local social agencies and charities in the 1920s. As a result, ACEUC's initial attitude toward the unemployed was not wholly sympathetic. After consulting the social agencies, it adopted a hard line and alerted the creditors of those able-bodied persons who refused work relief and sought township relief instead. The committee even threatened to bring child neglect charges against some individuals who proved particularly stubborn in rejecting work opportunities.<sup>44</sup>

By March, 1931, over four thousand people had registered with the ACEUC. There was simply not enough relief work available for everyone. The eagerness of most relief applicants to undertake any task soon dispelled notions that they were lazy or responsible for their predicament. One episode graphically illustrated their determination. The gang working on the Bloomingdale Park project knew in advance that only half of its members could be hired on the final work day. Since the foreman intended to select workers in order of their arrival at the site, many of the men turned up at 4:00 a.m. for the 8:00 a.m. start, some having walked miles to get there. In these circumstances the ACEUC decided that a social worker should always be on duty at the Unemployment Center to deal with people whose morale showed signs of collapse because relief work was unavailable.<sup>45</sup> It is also worth noting that neither of Fort Wayne's newspapers ever poured scorn on the relievers in the manner of the Muncie editor cited by Robert and Helen Lynd.<sup>46</sup>

In Gary, Boston, Minneapolis, and elsewhere relief became entangled with politics during the early 1930s.<sup>47</sup> Fort Wayne suf-

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<sup>43</sup> Fort Wayne *News-Sentinel*, November 2, 1931. After experimenting with a dole, the Marion County voluntary relief organization transferred to work relief projects later in 1931. As a result, applications for relief dropped markedly. See J.H. Hewitt to Fred Croxton, March 10, 1932, Box 245, POUR Records; William H. Book, "How Indianapolis Combines Poor Relief with Public Work," *National Municipal Review*, XX (September, 1931), 513-17.

<sup>44</sup> Hornick and Pease, "Report of the Allen County Emergency Unemployment Committee, March 12, 1931," pp. 16-17.

<sup>45</sup> "Report of the Allen County Emergency Unemployment Committee, June 30, 1931," pp. 23-26, Box 81, POUR Records.

<sup>46</sup> Lynd and Lynd, *Middletown in Transition*, 142-43.

<sup>47</sup> Warren Fairbanks to Walter Gifford, November 5, 1931, Box 245, POUR Records; Trout, *Boston*, 58-68; Koch, "Politics and Relief," 154-57.

ferred from this problem later in the New Deal years, but not during the voluntarist era when businessmen played a dominant role in organizing the local relief effort. Hall was a "rock-ribbed Republican," and so were most members of the Chamber of Commerce, but they did not use the voluntarist relief organization to further the GOP's interests.<sup>48</sup> It was evident to them that the voluntarist approach would not succeed if it bred divisions within the community. In fact, Fort Wayne did not experience a serious political dispute over relief during the period of the ACEUC's existence. Party loyalty was not a qualification for receiving voluntarist relief aid. Nor is there evidence that the committee discriminated against any ethnic or racial group in distributing aid. Some complained that Fort Wayne's relief administrators tended to favor former servicemen and that they neglected single people; but, in keeping with its community approach, ACEUC's prejudices were mainly focused against outsiders. As a major railroad center, the Summit City attracted many transients who stopped off for a short time in search of food, shelter, and work. From early 1931 onwards relief administrators manifested a very hostile attitude toward these people.<sup>49</sup>

Besides communal solidarity, the voluntary approach depended on generous donations. Under Charles Buesching's leadership the first three ACEUC financial campaigns proved very successful. The first two financial drives netted ACEUC a yearly budget of \$360,000, about double the sum normally raised by the Community Chest in the late 1920s.<sup>50</sup> Forty percent of the money raised in the first drive of December, 1930, came from "big gifts," donations from Fort Wayne's leading businesses and wealthiest citizens. The rest came from small firms and the pockets of ordinary people. Workers who earned under fifty dollars a month were not solicited; those who made over one hundred dollars were requested to pledge a day's pay each month until May; and those earning over fifty dollars were asked for half a day's pay on the same basis.<sup>51</sup>

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<sup>48</sup> Hall to Paul V. McNutt, April 19, 1933, Arthur F. Hall Papers (Louis A. Warren Lincoln Library and Museum, Lincoln National Life Insurance Company, Fort Wayne).

<sup>49</sup> "Report of the Allen County Emergency Unemployment Committee, June 30, 1931," pp. 2-6, Box 81, POUR Records; R.P. Burnes to Hugh Johnson, December 7, 1933, Box 15, Administrative Correspondence (State), Civil Works Administration Records, RG 69 (National Archives, Washington, D.C.). See below, page 135 for a local editorial cartoon aimed against "vagrants, panhandlers and beggars."

<sup>50</sup> "Report of the Allen County Emergency Unemployment Committee, June 30, 1931," p. 1, Box 81, POUR Records.

<sup>51</sup> J.B. Wiles to PECE, March 6, 1931, Box 181, PECE Records.

At this stage the ACEUC was still confident that the economy would revive within six months, but it had to hold another drive in the spring of 1931 to secure funds for the second half of that year. In September it decided to plan for the reality of worsening circumstances. Civic leaders agreed to scrap the normal Community Chest drive, which raised money in part for "character-building" organizations such as the Boy Scouts and the YWCA, so that all fund-raising activity could focus on the relief effort. It was also decided that "big gifts" should account for 60 percent of its \$385,000 target, a move recommended by the guidelines that the President's Organization on Unemployment Relief (POUR) had set for local voluntarist organizations. Nearly one thousand citizens were recruited to work in the 1931 campaign. By now, of course, some people who had donated to the previous campaigns were themselves unemployed. Nevertheless, the community rallied generously again, and the drive went over the top by \$30,000.<sup>52</sup>

Fort Wayne citizens probably donated generously because they perceived the Depression primarily as a local crisis, at least prior to the federal government's intervention in 1933. Certainly the ACEUC assiduously cultivated local attachments when appealing for funds. Even though Hall personally had a broad, national perspective of the crisis, he launched the fall drive of 1931 by proclaiming: "We are protecting our city and our community against the perils of social destruction inherent in poverty, idleness, ill health, dependence and discontent."<sup>53</sup>

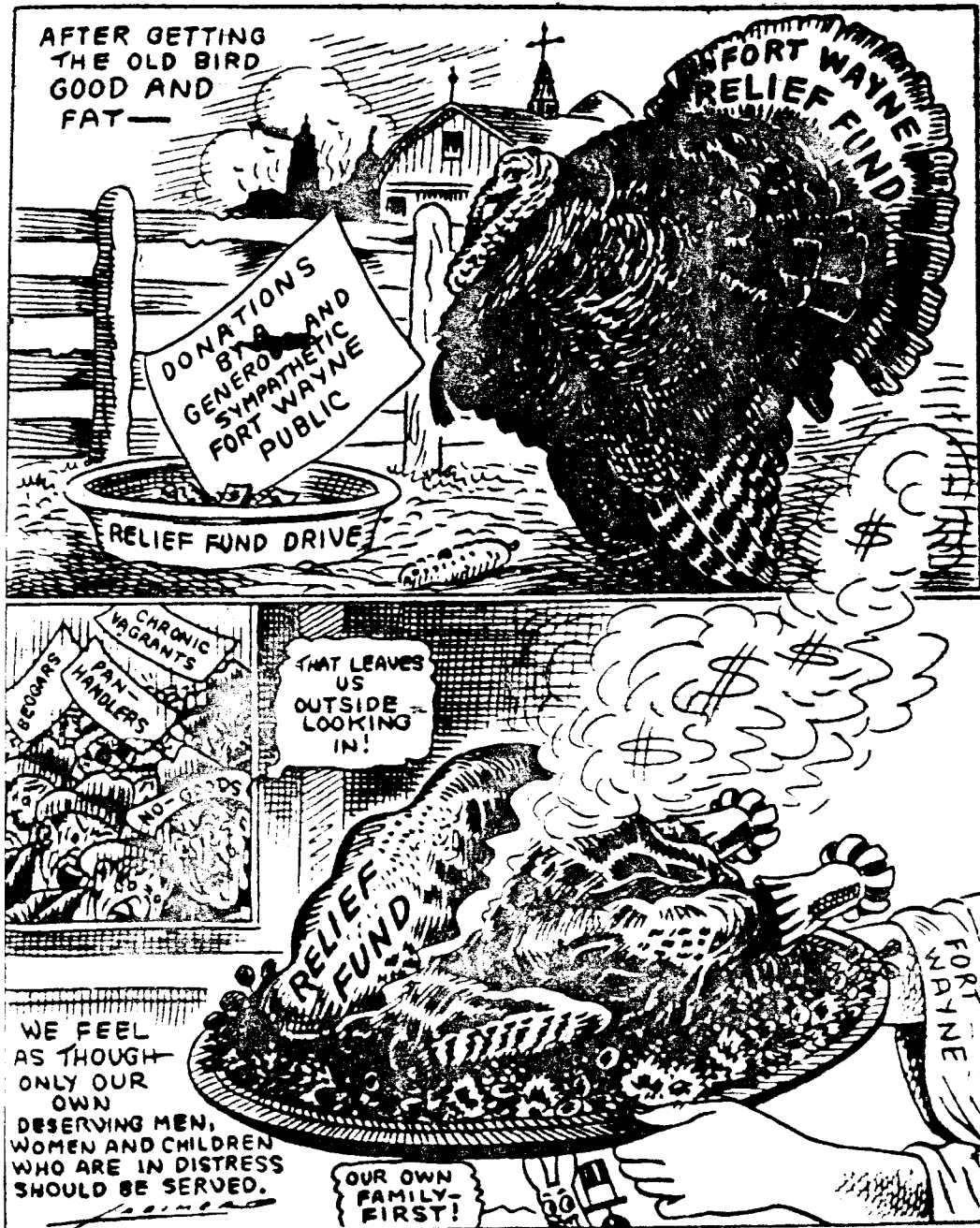
In addition to raising money, ACEUC had to organize the expenditure of funds. Unlike Philadelphia's famous relief committee leader, Horatio Gates Lloyd, Hall did not devote himself full time to the voluntarist effort. The burden of administration fell on Chamber of Commerce manager J.B. Wiles and social worker E.J. Hornick. They registered the unemployed in five categories denoting their priority for relief aid. Men and women who were the sole support of their families and lived in rented accommodation received top priority, followed by heads of family who owned mortgaged property. Unemployed heads of family who still had some income, such as rents or pensions, constituted the third group and single people with no dependents the next. Finally came those people who had paid off their mortgages and had some equity to fall back on. In June, 1931, the numbers in each category were 2,503; 601; 436; 1,305; and 166 respectively. As well as

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<sup>52</sup> Fort Wayne *News-Sentinel*, October 17, 24, November 9, 1931.

<sup>53</sup> *Ibid.*, October 17, 1931.

—Outsiders Not Invited—



organizing work projects, ACEUC set up a Thrift Center to coordinate donations of food and clothing from local charities.<sup>54</sup>

There is little doubt that ACEUC had able, efficient leadership. Less than 5 percent of its budget went to administration in 1931. Both PECE and POUR, as well as the state government, considered it one of the best local relief organizations in Indiana.<sup>55</sup> Yet ACEUC never came to grips with the ever mounting problem of unemployment. In its first six months of operation only 3,724 of its 5,011 registrants received work placements. Moreover, some jobs lasted only a few days, and a large number of people received just one placement. At best, relievers worked four-day shifts on an alternating weekly basis until a project was completed. Pay was only forty cents an hour.<sup>56</sup> In the last quarter of 1931 the 1,570 people who received placements earned \$32 on average. During the same period the relief organization also spent \$33,753 in giving direct aid. Despite its emphasis on work relief, the relief committee acknowledged that those in direst poverty, the aged, and the disabled needed some direct assistance. This cash aid, intended to meet food, rental, and medical expenses, was distributed among a total of 2,354 families.<sup>57</sup>

The voluntarist organization simply lacked the financial means to cope with the relief problem. As the Depression progressed, fund raising became more difficult. About \$40,000 in pledges could not be collected after the winter drive of 1931, probably because donors had lost their jobs or faced imminent unemployment. The 1932 campaign fell \$50,000 short of its \$385,000 target.<sup>58</sup> The shortcomings of voluntarism inevitably necessitated the increase of public relief. Wayne Township spent \$3,766 on poor relief for 230 families in May, 1930. Within a year its monthly expenditure had risen to over \$10,000. Direct public aid shot up to over \$31,000 per month in the harsh winter of early 1932. Yet expenditure per case had dropped slightly in comparison to mid-1930 because aid was now spread among 2,904 families.<sup>59</sup>

In September, 1931, a new body, the Federated Relief Agencies (FRA), was established to coordinate public and private relief

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<sup>54</sup> "Report of the Allen County Emergency Unemployment Committee, June 30, 1931," pp. 2-3, Box 81, POUR Records.

<sup>55</sup> *Fort Wayne Journal Gazette*, May 14, 1932; Griswold to Hall, August 3, 1931, Box 181, PECE Records; Fairbanks to Gifford, November 9, 1931, Box 245, POUR Records.

<sup>56</sup> "Report of the Allen County Emergency Unemployment Committee, June 30, 1931," pp. 10-12, Box 81, POUR Records.

<sup>57</sup> *Fort Wayne News-Sentinel*, January 13, 1932.

<sup>58</sup> *Ibid.*, June 24, 1932; *Fort Wayne Journal Gazette*, November 19, 1932.

<sup>59</sup> *Fort Wayne News-Sentinel*, June 4, 1930, October 27, 1931, April 22, 1932.

aid in Fort Wayne. Members of the business community again enjoyed a dominant position on its board, which Hall chaired. They used their influence to restrict the scope of public relief. Between October, 1931, and April, 1932, Wayne Township spent a monthly average of only fourteen dollars on each relief client, while Portage Township in South Bend averaged twenty-seven dollars.<sup>60</sup> Yet local politicians were reluctant to increase public expenditure. Like their counterparts in virtually every Hoosier community during the Depression, they were under intense pressure from the public to lower local tax rates. In fact, tax delinquencies became a serious problem in Fort Wayne as the Depression worsened.<sup>61</sup> Confident that their opposition to high municipal tax rates had popular support in this city of homeowners, local business leaders later formed the Taxpayers Research Association in 1934. This body acted as a watchdog over county-municipal finances and lobbied for tax reductions with considerable success for the remainder of the Depression decade. The businessmen on its executive board had also been prominent in the ACEUC and the FRA, with Hall playing his usual role of chairman.<sup>62</sup>

The Fort Wayne and Allen County governments decided to reduce nonrelief expenditures in order to avoid large tax increases and still pay for escalating relief costs. Education bore the brunt of the first cuts. Between 1930 and 1932 the number of teachers was reduced by 10 percent, salaries were cut by up to 25 percent, and increments were discontinued.<sup>63</sup> In 1932, however, the city council approved an overall reduction of 10 percent in municipal expenditure. The smaller departments suffered disproportionately. The budgets of the Utilities Commission and the Airport Commission were cut by 20 percent, while the City Plan Commission's finances were halved. Yet every department had to economize. The police and fire departments suffered salary cuts and some layoffs. As a result, the fire chief warned that it would no longer be possible to answer calls outside city limits.<sup>64</sup>

To the mayor's consternation, the Allen County Tax Adjustment Board reduced the city tax rate still further, from \$.70 to

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<sup>60</sup> *Ibid.*, September 9, 1931, April 4, 1932.

<sup>61</sup> *Ibid.*, February 3, 1932; *Fort Wayne Journal Gazette*, January 1, 1935.

<sup>62</sup> Taxpayers Research Association, *First Annual Report, 1934* (Fort Wayne, 1934); Donald H. Berning, "A Political Study of Fort Wayne" (A.B. thesis, Department of Government, Yale University, 1941), 81-82.

<sup>63</sup> *Fort Wayne News-Sentinel*, March 28, 1932.

<sup>64</sup> *Fort Wayne Journal Gazette*, September 22, 24, 1932.







DOWNTOWN FORT WAYNE, JUNE, 1930, SHOWING THE FORT WAYNE CATHEDRAL IN THE UPPER RIGHT HAND CORNER, AND THE LINCOLN NATIONAL BANK TOWER, UNDER CONSTRUCTION, TO THE RIGHT OF THE ALLEN COUNTY COURTHOUSE

Courtesy Fort Wayne Public Library.

\$ .58, and lowered the overall assessment from \$2.64 to \$2.25.<sup>65</sup> This provoked some partisan bickering, for Mayor Hosey and the Democrats claimed that the Republican-dominated board was intent on making it impossible for them to run the city. Some councillors, who represented working-class districts where unemployment was heavy, suggested issuing public bonds to cover the rising cost of relief or applying for Reconstruction Finance Corporation loans to fund municipal work projects.<sup>66</sup> Their proposals did not win wide support within the local Democratic party. Hosey himself did not want to incur heavy debts, but from late 1932 onwards he did begin to see the federal government as Fort Wayne's best hope for salvation. He became active in support of the United States Conference of Mayors (USCM), an organization formed in 1932 to represent cities with over fifty thousand population. The USCM wanted Hoover to grant the cities low interest federal loans.<sup>67</sup> Many other Fort Wayne Democrats still felt the city did not need outside aid. The editor of the *Fort Wayne Journal Gazette* warned against mortgaging the city's future and expressed confidence that it could cope with the relief crisis through the present combination of voluntarist and township aid.<sup>68</sup>

Yet unemployment was still rising, and Fort Wayne now had less money in its voluntary relief coffers than in 1931. In these circumstances civic leaders resorted to new measures to underwrite the local relief effort. Several cities outside Indiana, such as Ann Arbor, Atlanta, Richmond, and Knoxville, had begun to print their own scrip money to pay relief workers.<sup>69</sup> In 1932 a new state law enabled Hoosier counties to issue scrip to the value of one hundred thousand dollars. Allen County was the first to take advantage of this. Samuel Cleland, an attorney who was the Democratic county commissioner, devised the scheme and enlisted business and labor support. His plan was to introduce scrip gradually into the local economy. Initially two hundred relievers, working one shift in three, received three dollars of their weekly pay in scrip. They could use this money to pay local taxes and municipal utility bills and to buy goods in a wide variety of stores

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<sup>65</sup> *Ibid.*, October 11, 1932. For comments on the anti-urban bias of the Allen County Tax Adjustment Board, see Virgil Sheppard, "Indiana Adopts a Tax Law," *National Municipal Review*, XXI (November, 1932), 641-43.

<sup>66</sup> *Fort Wayne Journal Gazette*, October 13, November 25, 27, 1932.

<sup>67</sup> *Ibid.*, May 26, 27, 1933; *Fort Wayne News-Sentinel*, November 17, 1933; Gelfand, *A Nation of Cities*, 52-54.

<sup>68</sup> *Fort Wayne Journal Gazette*, November 27, 1932.

<sup>69</sup> David M. Katzman, "Ann Arbor: Depression City," *Michigan History*, L (December, 1966), 314; Howard P. Chudacoff, *The Evolution of American Urban Society* (2d ed., Englewood Cliffs, N.J., 1981), 235.

that agreed to participate in the scheme. The city and county governments and local retailers would then recirculate the scrip as part of their own employees' wages. Some factory workers, including over five hundred at General Electric, also volunteered to accept two dollars pay per week in scrip. Cleland hoped that the scheme would eventually finance one thousand relief workers, who would therefore be removed from the ACEUC's care.<sup>70</sup>

The scrip plan was launched in March, 1933, and formed the basis of Allen County's local contribution to federally funded relief work from June onwards. It was scrapped in November when the federal Civilian Works Administration took over full responsibility for work relief projects. By then about three thousand relievers were receiving some scrip payment.<sup>71</sup> Once federal funds became available, the unemployed opposed continuing the program. The skilled unions had disliked the plan from its inception. Cleland had promised that their unemployed members should be paid scrip wages at the prevailing rates for their trade, but the Democratic county administration did not honor this undertaking. In July the building unions complained to the federal government that Allen County had contravened the guidelines of the National Recovery Administration.<sup>72</sup>

Before the advent of the New Deal, however, there had been few complaints about Fort Wayne's relief system. The unemployed endured their plight with remarkable patience. According to informed observers, the majority of the jobless preferred work relief to the dole.<sup>73</sup> Although the demand for work relief continually exceeded the supply, Fort Wayne's unemployed were involved in only one serious public disturbance during the Hoover era. In mid-1931 about three hundred people rioted in the Unemployment Center, breaking windows and furniture after a rumor had circulated that the ACEUC had run out of funds. A single policeman, aided by three foremen, soon succeeded in restoring order.<sup>74</sup> Very few of the unemployed turned in frustration to radical politics. One organization, the Unemployed League, did promote

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<sup>70</sup> Samuel Cleland to Wayne Coy, March 23, 1933, Box 55, File (E), Leslie Papers; *Fort Wayne Journal Gazette*, March 22, 1933.

<sup>71</sup> *Fort Wayne News-Sentinel*, November 20, 1933.

<sup>72</sup> Harry McMillan to Frances Perkins, July 24, 1933, H.B. Dynes to H.L. Kerwin, September 21, 1933, Box 176, File 281, Conciliation Service, United States Department of Labor Records.

<sup>73</sup> See, for example, Cleland to Coy, March 22, 1933, Box 55, File (E), Leslie Papers; "Report of the Allen County Emergency Unemployment Committee, June 30, 1931," Box 81, POUR Records.

<sup>74</sup> "Report of the Allen County Emergency Unemployment Committee, June 30, 1931," p. 24, Box 81, POUR Records.

the Communist party but never gained much influence in Fort Wayne.<sup>75</sup>

The Depression provoked few Americans to challenge the existing economic system.<sup>76</sup> The nature of the Fort Wayne community strengthened this tendency toward moderation. The city's population was composed predominantly of "old" ethnic groups, which had long ago assimilated traditional American beliefs. The rights of property were deeply embedded in the social values of a community that had a high percentage of homeowners. Labor's radical spirit had been broken during the postwar strikes. No doubt the emphasis of the voluntary relief effort on communal solidarity also inhibited the growth of strong antibusiness feeling. In reality Fort Wayne had no tradition of political radicalism to influence its response to the economic crisis. The Summit City had experienced the surge of Progressive reformism before World War I, but the character of this movement in Indiana was more moderate than in Minnesota or Wisconsin, for example. During the early twentieth century sociocultural rather than economic issues had preoccupied local interest in national politics.<sup>77</sup> Both Fort Wayne newspapers during 1932 were as interested in the Prohibition debate as in Republican and Democratic policies to promote national economic recovery.<sup>78</sup>

Many of the unemployed formed self-help organizations, which testified to the endurance of the community's traditional social and political values during the Depression. In September, 1932, one group, acting with Samuel Cleland's help, established the Allen County Unemployment Association (ACUA). This body ran its own educational campaign against "un-American ideologies," strove to maintain discipline among the unemployed, put on entertainments, and organized work relief. ACUA was entirely officered by the unemployed and soon had well over five hundred members. It could provide regular work for about one hundred fifty people each week, except in midwinter. With financial aid from the FRA, the association ran a fleet of trucks that transported relief workers to jobs on Allen County farms. Payment was received in kind. Among other items, ACUA had earned 151,575 pounds of meat, 8,500 gallons of milk, and 9,740 bushels of veg-

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<sup>75</sup> Fort Wayne *Journal Gazette*, March 17, 1934.

<sup>76</sup> Sternsher, *Hitting Home*, 6-14, 27-28.

<sup>77</sup> Clifford H. Scott, "German-Americans in World War I: A Cultural Flu Epidemic," *Old Fort News*, XL (No. 1, 1977), *passim*; Lewandowski, "The Warm Weather of 1919," *passim*; Clifton J. Phillips, *Indiana in Transition: The Emergence of an Industrial Commonwealth, 1880-1920* (Indianapolis, 1968), 127.

<sup>78</sup> See, for example, Fort Wayne *News-Sentinel*, April 22, July 2, 11, 1932; Fort Wayne *Journal Gazette*, October 8, November 9, 1932.

etables by February, 1933. The association also arranged to do many odd jobs within Fort Wayne itself. For example, it refurbished more than sixty unoccupied, run-down houses in return for free accommodation for some of its members.<sup>79</sup> According to Cleland, "there is perhaps no organization in Fort Wayne which has stressed more the need for patriotism, patience and fidelity to our own institutions."<sup>80</sup>

ACUA's example was copied by several small organizations formed in 1932 and 1933, notably the Allen County Relief Association, the Allen County Veterans' Cooperative Association, and the Children's Relief Association. These three bodies were not as well led or as efficiently organized; they folded in 1935, but the ACUA continued to operate until the end of the decade. Its membership did shrink in the New Deal era, but it gave some employment to older people who could not obtain federal relief work.<sup>81</sup>

When the federal government finally took action to combat the Depression and deal with relief following Franklin D. Roosevelt's election, Fort Wayne's business leaders welcomed the new policy. This change of heart was not prompted by the growth of radicalism or by the breakdown of local relief but by a collapse of confidence provoked by the banking crisis that hit the city. Fort Wayne's eleven banks had weathered the initial crash relatively well, but a series of failures reduced their numbers to seven by mid-1933. In part their problems stemmed from the failure of some businesses to repay loans made during the prosperous 1920s. But local banks were also heavily involved in the mortgage market, saddling them with too many nonliquid assets. Their general policy before the 1930s had been to lend on mortgages and sell bonds, which were not guaranteed, at lower rates of interest. Moreover, as the economic crisis deepened, the number of foreclosures in Fort Wayne shot up from the annual average of about 70 in the late 1920s to 612 in 1932. The pattern was the same in the once prosperous farmlands near the city. Fort Wayne's largest banks, the Old National Bank and the First National Bank, only survived by merging in mid-1931. Even so, they needed aid from two other local establishments, which purchased some of their mortgage holdings. The following year the suicide of a vice-pres-

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<sup>79</sup> Cleland to Coy, March 22, 1933, Box 55, File (E), Leslie Papers.

<sup>80</sup> *Ibid.*

<sup>81</sup> *Ibid.*; Allen County Relief Association Monthly Report, June 30, 1935, Udo Rall to T.E. Vance, undated, Box 1, County Reports, Governor's Commission on Unemployment Relief Records (Archives Division, Indiana Commission on Public Records, Indiana State Library and Historical Building).

ident precipitated the closure of the Citizens' Trust Company. It was the banking panic in nearby Michigan that provoked the final crisis. Many citizens rushed to take their money out of Fort Wayne banks. As a result, the Old First National Bank failed in March, 1933, while the Dime Trust and Savings Bank barely survived.<sup>82</sup> The business community's morale sunk to a low ebb. Some of its members had suffered heavy personal losses because of the banking crisis.<sup>83</sup> Confidence in local autonomy faded in these circumstances. When the Hundred Days of feverish New Deal legislation began, virtually every leading business enterprise in Fort Wayne signed a public proclamation of support for Roosevelt. Hall himself expressed strong admiration for the interventionist approach taken by the new president and Governor Paul V. McNutt.<sup>84</sup>

Every urban community in the United States had faced up to the challenge of the Great Depression, but all had been found wanting. Fort Wayne resorted to a variety of measures that encompassed private voluntarism, public aid, scrip issue, and self-help. Within the limitations of their ideological precepts, civic leaders had efficiently organized the local relief effort. The community had shown remarkable solidarity in its hour of trial. Nevertheless, local resources were simply inadequate to deal with a nationwide economic crisis of such magnitude as the Great Depression. Fort Wayne's relief system may not have been on the verge of collapse in early 1933, but there was a pervasive feeling that it could not go on much longer. Over five thousand families were on relief in Allen County. Voluntarist resources, which had never proved adequate, were patently in decline. The future of township aid was also uncertain because property valuations, the basis for local tax assessments, had declined by 20.4 percent in Fort Wayne from 1930 to 1932.<sup>85</sup> Cleland, normally an optimist, predicted in a moment of despair that "the time is not far distant when we are going to be confronted with riots and violence in Fort Wayne."<sup>86</sup>

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<sup>82</sup> Division of Research and Statistics, "Confidential Report of a Survey in Fort Wayne, Indiana, and Its Suburban Area for HOLC," September 24, 1937, City Survey File, 1935-1940, Home Owners Loan Corporation Records, RG 195 (National Archives, Washington, D.C.), 3-6, 27-28; Hall to W.W. Zachary, June 12, 1931, Hall Papers; Fort Wayne *Journal Gazette*, May 17, 1932; Fort Wayne *News-Sentinel*, February 23, 1933.

<sup>83</sup> Richard V. Pierard, "Sylvanus F. Bowser" (Fort Wayne-Allen County Public Library Publication, Fort Wayne, 1964), no page number; Edward F. Scheumann, "Fort Wayne's Banking History" (unpublished manuscript, 1950, in Fort Wayne-Allen County Public Library), 12.

<sup>84</sup> Fort Wayne *Journal Gazette*, March 17, 1933; Hall to McNutt, April 17, 19, 1933, Hall Papers.

<sup>85</sup> Madison, *Indiana*, 105; Fort Wayne *Journal Gazette*, January 1, 1935.

<sup>86</sup> Quoted in Madison, *Indiana*, 105.

Faced with voluntarist failures, Fort Wayne greeted the New Deal with gratitude and enthusiasm. In the spring of 1933 the city stood poised on the threshold of a new era in its history. Outside forces and national influences, operating through the complicated network of new federal agencies and legislation, would soon have a major impact on the city. In these circumstances the consensus of 1933 soon collapsed as various subgroups within this Hoosier urban community struggled to resist, support, or adapt to the processes of change.