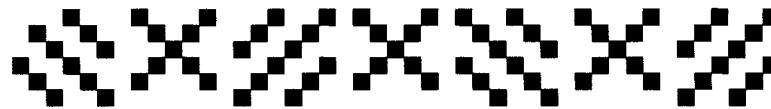


Fort Wayne and the Great Depression: The New Deal Years, 1933-1940

*Iwan Morgan**



When Franklin D. Roosevelt launched the New Deal in 1933, he initiated a new epoch in American urban history. In contrast to his predecessor, Herbert C. Hoover, the new president decided that the federal government should assume the main responsibility for dealing with the Depression. First and foremost through its relief measures and second through its recovery and reform policies, the New Deal established the federal government as a vital factor in the lives of the nation's urban dwellers. As a result of Roosevelt's programs, the urban unemployed received work relief, industrial unions won collective bargaining rights, homeowners obtained mortgage aid, and slum dwellers saw a glimmer of hope for the future. The urban electorate showed its gratitude for these reforms by forming the bedrock of a new voter coalition that enabled the Democratic party to dominate national politics for the next thirty years.¹

Yet many historians have argued that in reality the New Deal did little to alleviate the problems of the cities per se or to improve the quality of urban life.² According to Mark I. Gelfand,

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¹ William E. Leuchtenburg, *Franklin D. Roosevelt and the New Deal, 1932-1940* (New York, 1963), *passim*; John M. Allswang, *The New Deal and American Politics: A Study in Political Change* (New York, 1978), 29-88.

² Mark I. Gelfand, *A Nation of Cities: The Federal Government and Urban America, 1933-1965* (New York, 1975), 23-70, 120-24, 216-19; Charles H. Trout, *Boston, the Great Depression, and the New Deal* (New York, 1977), 304-22; Charles N. Glaab and A. Theodore Brown, *A History of Urban America* (2d ed., New York, 1976), 279.

Roosevelt did not seek fundamental urban reforms because “he was interested in the city dweller, not the city.”³ The power of rural interests in Congress also limited the scope of federal urban aid during the 1930s. Moreover, opposition from powerful local interest groups often blunted the impact of New Deal urban measures.

In many respects the experience of Fort Wayne, Indiana, typified the accomplishments and limitations of the New Deal regarding cities and city dwellers. By 1940 the federal government had woven broad strands in the pattern of this Hoosier community’s life. In particular, the New Deal reformed Fort Wayne’s system of unemployment relief, underwrote important municipal improvements, and helped to increase the power of local trade unions. Nevertheless, the scope of these changes would have been greater but for the opposition of certain local interest groups. On the other hand, the New Deal’s failure to reverse the trend of inner city decay in Fort Wayne and its refusal to help city hall cope with municipal fiscal problems exemplified the limitations of Roosevelt’s urban vision. Fort Wayne’s political life also changed



FORT WAYNE SOUP AND BREAD LINE, 1932

Courtesy Robert D. Parker, Fort Wayne, Indiana.

³ Gelfand, *Nation of Cities*, 68.

under the impact of the New Deal, but not to the same extent as in most northern industrial cities. In fact, Indiana's "Summit City" provides an interesting example of how a local Republican organization succeeded in turning back the Democratic urban tidal wave that Roosevelt had generated.

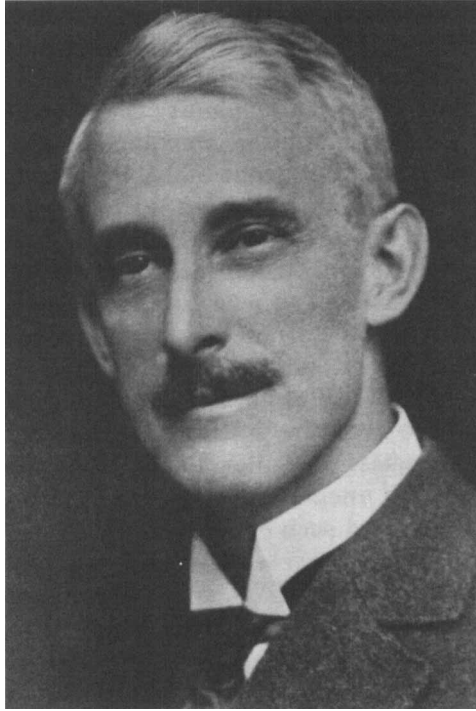
The first problem was relief. The federal program commenced in mid-1933: over the next two years the Federal Emergency Relief Administration (FERA) gave grants-in-aid to Indiana, totaling more than seventy-one million dollars. State officials distributed these funds to local communities on a matching grant basis. Relief authorities in Allen County initially used the money to finance direct public aid and work relief projects. Later, in November, 1933, a new federal agency, the Civil Works Administration (CWA), assumed direct responsibility for all work relief. During CWA's five-month existence, over three thousand Allen County residents were put to work on federal relief projects. After the agency's demise, FERA funds again underwrote both forms of relief aid in the Summit City.⁴

The infusion of federal money resolved Fort Wayne's immediate relief problems. Serious shortcomings were evident in Indiana's FERA relief system, however. Even though federal and state authorities were now involved in providing unemployment relief, township trustees still heavily influenced aid distribution at the community level. Few trustees had the professional ability or time to deal adequately with relief problems during the 1930s. Some were corrupt; many were just political hacks. In general, they tended to apply subjective standards in granting relief.⁵ Before 1933 the unemployed in Fort Wayne had not complained loudly about Wayne Township trustee, Elmer Fox, perhaps because they feared reprisals. The New Deal evidently raised their expectations about relief standards and gave them hope for federal protection from local politicians. In September the Allen County Unemployment Association sent Roosevelt a petition to protest that the township trustee's office showed personal favor in distributing aid, had corrupt deals with certain grocery stores, and refused relief to those among the unemployed who dared to criticize its policy.⁶

⁴ James H. Madison, *Indiana through Tradition and Change: A History of the Hoosier State and Its People, 1920-1945* (Indianapolis, 1982), 108; Fort Wayne *News-Sentinel*, November 20, 1933, March 29, 1934.

⁵ Madison, *Indiana*, 109-10, 113-14; Frank G. Bates, "The Indiana Township—An Anachronism," *National Municipal Review*, XXI (August, 1932), 502-504.

⁶ Allen County Unemployment Association, Petition, September 15, 1933, Box 460, Indiana, Federal Emergency Relief Administration (FERA) State Files, 1933-1936, RG 69 (National Archives, Washington, D.C.). Copies were sent to Roosevelt, William Book of the Governor's Commission on Unemployment Relief (GCUR), and Edward A. Barnes.



EDWARD A. BARNES, 1932

Courtesy Robert D. Parker, Fort Wayne, Indiana.

Federal officials and the Governor's Commission on Unemployment Relief (GCUR), a body that Governor Paul V. McNutt had established to coordinate relief programs in Indiana, agreed that the state needed a more professional, centralized system of relief administration. In mid-1934 McNutt decided that FERA relief should be administered at the local level by county commissions that GCUR would appoint.⁷ This new setup eliminated the township trustees "from any active part in the relief administration other than to furnish township money."⁸ Arthur F. Hall, the civic leader who had been active in Fort Wayne's voluntarist relief organizations, agreed to chair the new Allen County relief commission. Business and labor were also represented on the board, but the main responsibility for policy administration lay

⁷ Madison, *Indiana*, 114-16.

⁸ Howard Hunter to Harry Hopkins, August 13, 1934, Field Report, Box 406, Indiana, FERA State Files, 1933-1936.

with the other four members—the casework supervisor, the works division supervisor, the women’s work director, and the relief work director. Edward Barnes, who had been active as a charity organizer for Fort Wayne’s Community Chest and had served on Allen County’s CWA committee, was appointed relief work director.⁹ Unfortunately, but predictably, Barnes did not have a good working relationship with his three colleagues, who were professional social workers and newcomers to Fort Wayne. The social workers were committed to integrating Allen County into a centralized, professional relief system operating under standards set by GCUR. To Barnes they appeared as heartless bureaucrats, who threatened home rule and possessed no understanding of the local community. Therefore, he joined with Elmer Fox and the executive secretary of the Fort Wayne Federated Relief Agencies, W. Fuller, to challenge the authority of his colleagues.¹⁰ The unemployed’s dissatisfaction with the new relief policy encouraged such opposition.

The reformed GCUR system suffered unceasingly from unfavorable comparisons with CWA, an agency that at its peak had spent nearly ninety thousand dollars a week on wages in Allen County. CWA had also adopted flexible standards concerning the eligibility of relief applicants.¹¹ The GCUR county commission had less money from FERA to finance work relief. Fewer than twenty-eight hundred people now received relief work each month in Allen County, and the highest monthly payroll, in December, 1934, was only \$103,777.¹² The case work supervisor, a young college-educated social worker named Catherine Sinclair, allocated work relief by estimating the budget for each applicant’s family and prohibited recipients from obtaining supplemental relief. Inevitably, many families complained that they were expected to live on unrealistic budgets. Sinclair’s refusal to consider local tax and mortgage interest payments when assessing family budgets was also a source of grievance in Fort Wayne, where many homeowners were on relief.¹³ A FERA grievance committee

⁹ Fort Wayne *News-Sentinel*, April 4, 1934. For a brief outline of Barnes’s career, see Bert J. Griswold, *Builders of Greater Fort Wayne* (Fort Wayne, 1926), 16.

¹⁰ Fort Wayne *News-Sentinel*, July 10, 1934.

¹¹ *Ibid.*, March 29, 1934.

¹² Photostats of Allen County’s relief statistics are in Box 1, County Reports, GCUR Records (Archives Division, Indiana Commission on Public Records, Indiana State Library and Historical Building, Indianapolis).

¹³ Fort Wayne *News-Sentinel*, July 4, 1934; James A. Brown, general chairman of FERA workers in Fort Wayne, to Hopkins, July 17, 1934, Box 460, Indiana, FERA State Files, 1933-1936; Carl Getz to S.B. Flemmyng, February 1, 1935, Box 1, County Reports, GCUR Records.

was organized to voice these criticisms. In their own defense, Sinclair and her professional colleagues emphasized that they were merely implementing GCUR's policy. As a result, the unemployed tended to forget the shortcomings of the township relief system and clamored for some restitution of home rule.¹⁴ Tempers became frayed on both sides and provoked irrational judgments. One GCUR field representative complained, for example, that the FERA grievance committee was "composed of the most bitter radicals in Fort Wayne." In turn, relief recipients attributed many of the shortcomings of the new system to GCUR's reliance on young female social workers who had no experience raising a family.¹⁵

In December, 1934, open conflict broke out between Sinclair and Barnes when the latter insisted that twenty relief families should receive supplemental direct aid. Nadia Deem, the GCUR's social service director, immediately called for his dismissal.¹⁶ However, both Fort Wayne newspapers were inundated with letters of support for the local man. The FERA grievance committee, with support from Fox and Fuller, demanded that GCUR create an investigative department, staffed entirely by local people, to help the case work supervisor make decisions on relief cases.¹⁷ Samuel Cleland, the chairman of the Allen County Democratic party and a committed McNutt supporter, warned GCUR that the whole community was up in arms against the relief administrators. He himself believed that "the destitute of Fort Wayne are not being taken care of adequately nor properly."¹⁸ Wayne Coy, a GCUR executive, poured oil on the troubled waters by refusing to dismiss Barnes and agreeing to some of the grievance committee's minor demands, notably that each individual's relief work hours be evenly distributed throughout the month. Nevertheless, bad feelings did not subside. In February, 1935, FERA workers organized a huge petition drive calling for the return of direct relief to township control and for a federal investigation of GCUR employees in Fort Wayne.¹⁹

¹⁴ F.M. Rarig to Barnes, December 14, 1934, Box 1, County Reports, GCUR Records.

¹⁵ William Owen to Wayne Coy, December 10, 1934, *ibid.*; Allen County FERA and Relief Workers to Congressman James I. Farley, February 21, 1935, Box 460, Indiana, FERA State Files, 1933-1936.

¹⁶ Barnes to Coy, December 27, 1934, Nadia Deem to Coy, December 28, 1934, Box 1, County Reports, GCUR Records.

¹⁷ Samuel Cleland to Coy, December 26, 1934, Owen to Rarig, December 10, 1934, Owen to Coy, December 10, 1934, *ibid.*

¹⁸ Cleland to Arthur K. Remmel, December 26, 1934, *ibid.*

¹⁹ Farley to Hopkins, April 9, 1935, Allen County FERA and Relief Workers to Farley, February 21, 1935, Box 460, Indiana, FERA State Files, 1933-1936.

Although leading federal officials like Howard Hunter supported GCUR in its efforts to reform Indiana's relief system, the influence of this organization declined from mid-1935 onward. With the economy improving, Roosevelt decided to terminate federal involvement in direct relief.²⁰ FERA was abolished and replaced by the Works Progress Administration (WPA). This new agency financed only work relief projects and was administered directly from Washington through district offices, not by the states. The revamped relief system worked far more harmoniously than had its predecessor in Fort Wayne because it struck an acceptable balance between federal control and home rule. WPA bore about two-thirds of total relief costs in Allen County from 1935 to 1938, but the township trustee's office regained some of its influence since local taxes again bore the entire burden for direct relief in Indiana. Moreover, WPA's district office did not allocate relief on the same basis as the GCUR's county commission and normally accepted the trustee's certification of each applicant's eligibility for aid.²¹

The new agency spent over \$1.75 million on wages in Allen County during its first nine months of operation. Its monthly payroll rose steadily until March, 1936, when 3,958 local residents received work relief. With the gradual improvement of the economy, the number dropped to 2,145 by June, 1937.²² This downward trend was rudely interrupted by the onset of the so-called "Roosevelt Recession" in the fall of 1937. By June, 1938, 23,697 people, 16.1 percent of Allen County's population, were receiving some form of welfare aid. This figure included 14,228 people who were dependent on WPA earnings of members of their family.²³ In these circumstances discord over the relief setup returned, but complaints about WPA were quite different from those directed at GCUR. The Democratic party had naturally made numerous patronage appointments to the Fort Wayne district's WPA organization. During the 1938 elections local Republicans drew public attention to this practice and seized the opportunity to accuse the agency of maladministration and waste. Many people also complained about Fort Wayne's comparatively low relief allocations,

²⁰ Madison, *Indiana*, 114-16; Leuchtenburg, *Roosevelt and the New Deal*, 124-26.

²¹ Fort Wayne *News-Sentinel*, October 9, 1937, July 7, 1939; Madison, *Indiana*, 124-25.

²² Fort Wayne *Journal-Gazette*, June 14, 1936; Fort Wayne *News-Sentinel*, June 17, 1937.

²³ State Department of Public Welfare (SDPW), "Statistical Survey of Public Assistance in Indiana, June, 1938," p. 16, Box 610, State Files, Works Progress Administration (WPA) Records, RG 69 (National Archives, Washington, D.C.).

although other large Indiana cities had higher unemployment in 1938.²⁴

Significantly, the onset of the recession did not stir any group in the local community to criticize the principle of federal relief. Charles Buesching, Fort Wayne's leading banker, had already concluded that only the federal government had "sufficient power and credit" to help the vast army of unemployed.²⁵ The Republican mayor, Harry W. Baals, agreed that WPA "is here to stay until private industry is back on its feet."²⁶ The need for federal aid outweighed the desire for complete home rule, especially in early 1939 when cutbacks in WPA expenditures increased the relief burden on local government. Wayne Township was forced to spend \$128,599 on direct relief in the first quarter of 1939, compared with only \$56,771 during the same period in 1937. As a result both Fort Wayne newspapers, representing differing partisan viewpoints, called on the federal government not to shirk its responsibilities.²⁷

Fort Wayne's difficulties in the early years of the Depression had convinced the community that citizens who could not get work had a right to unemployment relief.²⁸ The New Deal built on this foundation, demonstrating to the community that its obligations to the unemployed could not be fulfilled without federal aid. In part, this belief developed and endured because Roosevelt's programs did not deal with unemployment solely as a Depression phenomenon. The Social Security legislation, in particular, established the basis of a new welfare state. By mid-1938, 2,697 Allen County residents were receiving this form of aid.²⁹ In spite of local opposition to GCUR policy, the New Deal raised the community's expectations about suitable relief standards. This development certainly affected the township trustee's office. Thanks to the partial recovery of home rule, old practices could still continue, of course, but the trustee was under greater public scrutiny than ever before. For example, in 1938 Local 901 of the United Electrical Radio and Machine Workers of America (UERMWA)

²⁴ Cleland to Daniel Roper, November 14, 1938, Official File 300, Box 18, Franklin D. Roosevelt Papers (Franklin D. Roosevelt Library, Hyde Park, New York).

²⁵ Fort Wayne *News-Sentinel*, April 3, 1936.

²⁶ *Ibid.*, September 20, 1938.

²⁷ *Ibid.*, August 7, 1939; Fort Wayne *Journal-Gazette*, December 4, 1939.

²⁸ See Iwan Morgan, "Fort Wayne and the Great Depression: The Early Years, 1929-1933," *Indiana Magazine of History*, LXXX (June, 1984), 122-45.

²⁹ SDPW, "Statistical Survey of Public Assistance in Indiana, June, 1938," p. 16.

set up a committee to investigate Elmer Fox after members had made complaints about him.³⁰

In providing work relief for the unemployed in Fort Wayne, the New Deal carried out important municipal improvements. Projects undertaken by CWA or financed by FERA included road surfacing, sidewalk construction, drainage work, land clearance for public parks, river beautification, and the refurbishing of municipal buildings and schools.³¹ WPA continued these works and undertook an impressive array of new projects. It laid out a municipal beach recreation area, built a City Light and Water Utilities substation, extended the sewer system, laid down an asphalt runway at the municipal airfield, constructed several new school buildings, and carried out substantial improvements on the county children's home.³²

Fort Wayne also received direct financial aid from Washington to carry out major municipal improvements that were too expensive for the work relief agencies. In 1935, on the advice of a civic committee composed largely of businessmen, Mayor Baals requested Public Works Administration (PWA) funds for three projects. These were the construction of a new sewage plant and interceptor system, the widening of Clinton Street, and the elevation of the Nickel Plate railroad tracks. The last two projects were intended to resolve Fort Wayne's traffic congestion problems created mainly by the absence of smoothly flowing north-south crosstown highways.³³ At first, however, PWA chief Harold L. Ickes rejected the Summit City's application for aid. He felt that Fort Wayne could finance the projects itself because the local economy was on the mend. The state government came to the rescue instead, helping to finance the Clinton Street project with a \$330,000 grant from federal funds allocated to Indiana for a grade crossing elimination program by the Bureau of Public Roads.³⁴ PWA itself showed more generosity after the onset of the recession. In 1938 it gave Fort Wayne a grant of \$2,322,000 for the sewer project. Without this funding the municipal government would have been in desperate straits because it was under pressure from the State Board of Health to clean up the badly polluted Maumee River.³⁵ Track elevation, however, could not be under-

³⁰ Membership Meeting Minutes, January 3, 1938, United Electrical Radio and Machine Workers of America (UERMWA) Local 901 Records (IUE Local 901 Headquarters, Broadway Street, Fort Wayne).

³¹ Fort Wayne *News-Sentinel*, November 21, 1933.

³² Fort Wayne *Journal-Gazette*, June 14, October 25, 1936.

³³ *Ibid.*, March 12, May 23, 1935.

³⁴ *Ibid.*, November 14, 1937; Fort Wayne *News-Sentinel*, October 22, 1935.

³⁵ Fort Wayne *News-Sentinel*, June 22, 1938; Letter from Baals to W. H. Frazier, October 8, 1937, *Journal of the Proceedings of the Common Council* ([Fort Wayne], 1937), 202-203.

taken until 1955 because the Nickel Plate company refused to make a sufficient contribution to the project.³⁶

Impressive though this catalog of municipal improvements may appear, relatively few of the projects benefited the areas suffering from urban decay, namely those on the fringes of the downtown district. Of course, the whole community gained from the sewage improvements, although one area of low-income housing in western Fort Wayne did not receive a sewer hookup until 1951. Nevertheless, two of the major projects, aimed to speed up crosstown traffic, aided the outer, rather than the inner, city areas.³⁷ In addition, none of the main recreational improvements were carried out in the east-central district, which had the highest incidence of juvenile delinquency in Fort Wayne. In 1944 the National Recreation Association made trenchant criticisms about the lack of leisure facilities in the area.³⁸ The most pressing need of the inner city was better housing. The New Deal did relatively little to alleviate this problem, partly because of its own limitations, but also because of opposition from powerful local interest groups.

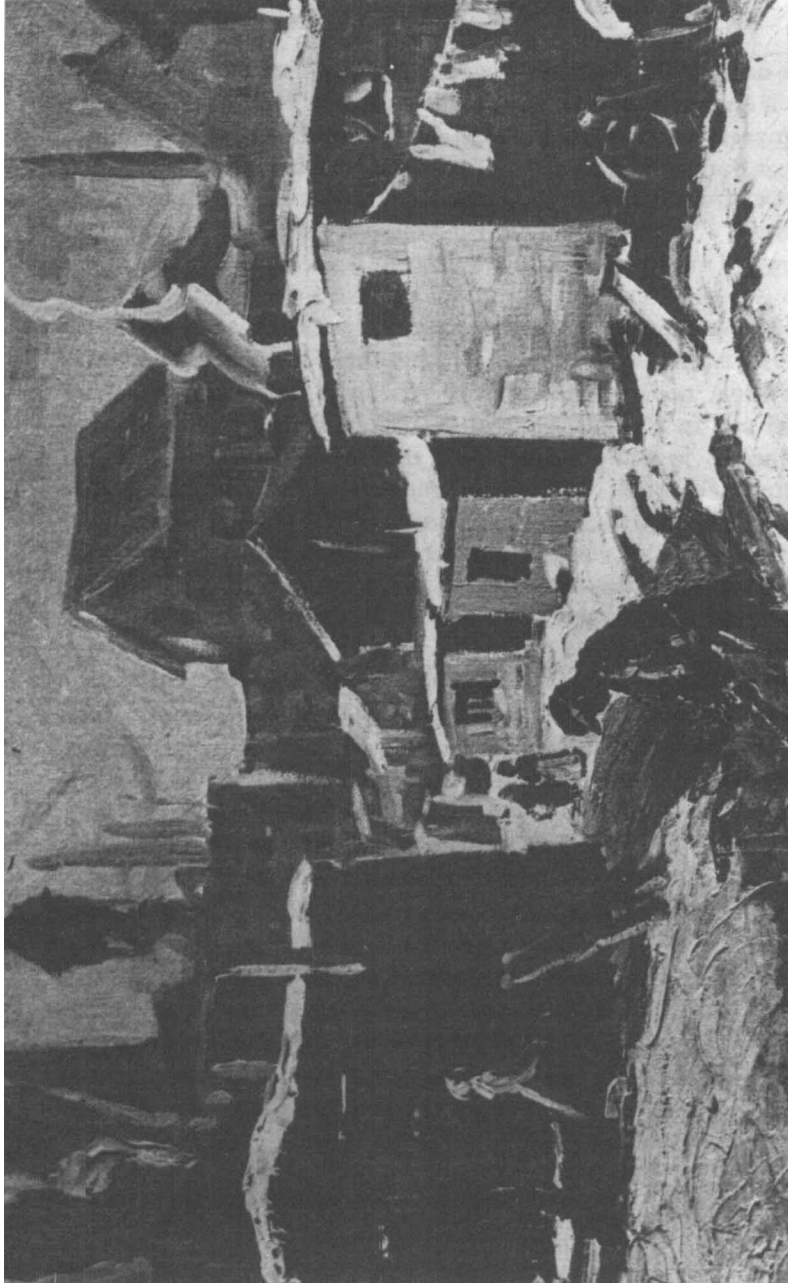
The Federal Housing Administration (FHA), which provided federal insurance for private mortgages, had been created to encourage banks to loan money for new construction. Nevertheless, the agency was reluctant to insure mortgages for housing in blighted areas because it was obliged not to operate at a loss. Inevitably, this policy led to discrimination against urban districts with the worst housing problems.³⁹ In Fort Wayne's case, with the notable exception of one rental project, FHA neglected the needs of the inner city. As a result, most of the new housing constructed in the 1930s was located on the northern, western, and southeastern edges of the city. Owing to its conservative mortgage policy, the FHA's efforts to revive the local construction industry reaped only partial success. Before the Depression the average number of new houses constructed each year in Fort

³⁶ For an outline of the complex and prolonged negotiations between the municipal government and the railroad company, see *Fort Wayne News-Sentinel*, "Progress Edition," May 27, 1958.

³⁷ Fort Wayne Urban League, Annual Report, 1950-1951, Affiliate File 54, National Urban League Records (Library of Congress, Washington, D.C.).

³⁸ J. Harvey Kerns, "A Study of the Social and Economic Conditions of the Negro Population of Fort Wayne, Indiana, and a Review of the Program and Activities of the Fort Wayne Urban League—Wheatley Community Center," 1949, copy of unpublished report commissioned by the Social Planning Council of Fort Wayne and Allen County (Allen County Public Library), 56.

³⁹ Gelfand, *Nation of Cities*, 123-24, 216-17; William C. Wheaton, "The Evolution of Federal Housing Programs" (Ph.D. dissertation, Department of Political Science, University of Chicago, 1953), 46-67.



**FORT WAYNE'S DEPRESSION SHANTYTOWN, NORTH CALHOUN STREET ACROSS FROM THE ALLEN COUNTY JAIL,
PAINTED BY LOUIS BONSBIB**

Courtesy Robert D. Parker, Fort Wayne, Indiana.

Wayne was 1,368 in the period 1923-1925 and 595 in 1926-1929. From 1932 to 1934, however, a total of only 48 new units was built. The commencement of FHA operations did produce a steady increase thereafter, but new construction during the 1930s never matched the levels achieved in the previous decade. Only 369 new houses were built in 1939, the best year of the Depression decade for Fort Wayne's construction industry.⁴⁰

The Home Owners' Loan Corporation (HOLC) was more responsive to the ordinary Fort Wayne householder than FHA. Created in 1933, HOLC was empowered to refinance private mortgages with government money at an interest rate of 5 percent, with the borrower having fifteen years to repay. In Fort Wayne this federal agency held 3,968 mortgages by mid-1937, representing a total value of \$11,642,000. Mortgage foreclosures fell from 612 in 1932 to 295 in 1934 as a result of HOLC activities. Nevertheless, HOLC did not always operate in a benevolent manner. In particular, it dispossessed those families who could not continue repayments on their federal mortgage. This policy partly accounted for the rise again in foreclosures to 531 in 1935. The number fell only to 426 in the following year and rose once more when the recession hit Fort Wayne. HOLC also refused to aid unemployed homeowners and closely investigated each applicant to determine whether he or she was a sound risk. These practices caused it to adopt what was in effect a "redlining" policy. The agency graded Fort Wayne's neighborhoods according to their suitability for mortgage aid. Classification was based not only upon each area's housing standards and accessibility to public transport but also upon the general socioeconomic status of its residents. The lowest grade, "D," denoted an area of "low class population," where blacks, foreign born, and poor whites were numerous. HOLC did make some mortgage loans to residents of "D" districts but was obviously less sympathetic to them than to residents of other areas. It was also reluctant to hold mortgages on property in five of the nineteen "C" areas. These neighborhoods had housing of reasonable quality but were regarded as susceptible to infiltration from

⁴⁰ Division of Research and Statistics (DRS), "Confidential Report of a Survey in Fort Wayne, Indiana, and Its Suburban Area," September 24, 1937, City Survey File, 1935-1940, Home Owners' Loan Corporation (HOLC) Records, RG 195 (National Archives, Washington, D.C.), 4-5; Fort Wayne *News-Sentinel*, April 16, 1936; "Locality Program Report: Fort Wayne, Indiana," July 23, 1941, Division of Defense Housing Coordination Records, RG 207 (National Archives, Washington, D.C.).

residents of nearby "D" districts.⁴¹ Significantly, HOLC appraisal methods were adopted by FHA in Fort Wayne and other cities.

The federal agencies did at least acknowledge that Fort Wayne had a serious shortage of decent housing. In 1938 FHA estimated that the city needed 2,160 new units.⁴² A detailed WPA survey graphically revealed the extent of the problem. It discovered that 193 of Fort Wayne's 27,543 residential structures were unfit for human use and that 1,786 needed major repairs. There were no indoor toilets in 1,263 houses. Out of a total of 33,019 dwelling units, over 900 had no running water, over 9,000 had only cold water, and over 4,600 did not have a plumbed bath. Substandard housing was scattered throughout Fort Wayne but was widespread in the east-central area, a low-income section between the downtown district and the railroad yards. Overcrowding, another serious problem in this area, affected about 40 percent of the black residents and many whites.⁴³

These revelations prompted the municipal government to apply to the United States Housing Authority (USHA) for aid in 1938. This new federal agency responded favorably and set aside a grant of \$1.5 million for the construction of five hundred public housing units in Fort Wayne. However, the federal project ran into strong local opposition. Denying that there was a severe housing shortage, the Fort Wayne Board of Realtors (FWBR) insisted that the private rental market could meet the needs of low-income residents. The powerful Taxpayers Research Association (TRA) objected to the cost of the local contribution to the venture. All eleven community associations protested the conditions appended to federal aid. USHA wanted the relaxation of certain zoning regulations that inhibited public housing construction in many neighborhoods; it also demanded the enactment of a new municipal ordinance requiring the purchase and demolition of substandard property.⁴⁴ These stipulations alienated the influential Fort Wayne *News-Sentinel*, which opposed the surrender of "home rule liberties in exchange for a mass of high-handed State Socialism."⁴⁵

⁴¹ DRS, "Confidential Report," HOLC Records, *passim*. For general studies of HOLC, see C. Lowell Harriss, *History and Policies of the Home Owners' Loan Corporation* (New York, 1951); and Kenneth T. Jackson, "Race, Ethnicity and Real Estate Appraisal: The Home Owners' Loan Corporation and the Federal Housing Administration," *Journal of Urban History*, VI (August, 1980), 419-52.

⁴² Fort Wayne *News-Sentinel*, June 11, 1938.

⁴³ WPA, "Final Report and Table Forms—Real Property and Land Use Survey, Fort Wayne, Indiana, and Urban Areas, 1939," copy in City Plan Commission Records (City-County Building, Fort Wayne). See, too, Fort Wayne *News-Sentinel*, February 16, 1939, June 11, 1938.

⁴⁴ Fort Wayne *Journal-Gazette*, March 21, 1939.

⁴⁵ Fort Wayne *News-Sentinel*, March 9, 1939.

Responding to this strong opposition, the Fort Wayne Housing Authority (FWHA) decided to renegotiate with the federal government, and the city council vetoed the proposals for housing reform. A new agreement was finally reached in November, 1939, whereby USHA undertook construction of one hundred houses and FWHA pledged to repair or demolish an equal number of structures.⁴⁶

The community associations were also eager to preserve the zoning regulations in order to prevent the spread of municipal prefabricated housing. In 1938 the newly created FWHA, acting in conjunction with WPA and FHA, was responsible for one of the most interesting experimental housing ventures of the New Deal era. Its chairman, William B. Hall, son of the eminent civic leader Arthur F. Hall, arranged to lease fifty plots of land scattered throughout the eastern inner city for one dollar each. Although most of the plots were vacant, ramshackle structures stood on some. The owners of the land were exempted from payment of municipal taxes on the properties. After carrying out demolition, WPA erected a prefabricated dwelling on each plot. Free labor reduced FWHA's unit costs to only \$900. Three local banks provided the housing authority with \$45,000 in mortgage funds, which FHA insured. Weekly rental charges of only \$2.50 were sufficient to pay off the loan in twenty years.⁴⁷ Over six hundred low-income families applied for the new prefabricated homes but only fifty could be accommodated. In 1939, hoping to profit from the proposed relaxation of zoning regulations, Hall announced plans to construct two hundred additional units. The community associations voiced strong objections, however, because they feared that the simple prefabricated structures, which they denounced as "New Deal chicken coops," would lower property values if they were located in neighborhoods other than the east-central district.⁴⁸

The city council's veto of the proposed housing reforms obviously restricted FWHA's opportunities for acquiring new leases, so Hall reduced his target to one hundred.⁴⁹ Another group now worked to thwart even this modified proposal. The so-called "Fort Wayne Plan" had attracted nationwide publicity and interest.⁵⁰

⁴⁶ *Ibid.*, November 27, 1939.

⁴⁷ "Lots at \$1, Rents at \$2.50 a Week," *Architectural Forum*, LXIX (October, 1938), 299-302.

⁴⁸ Fort Wayne *News-Sentinel*, March 8, 1939.

⁴⁹ William B. Hall to Roosevelt, September 18, 1938, File 103, Box 651, State Series, WPA Records.

⁵⁰ "Fifty Plywood-Panel Houses Built at Rate of One a Day," *Architectural Record*, LXXXV (March, 1939), 38-40 (this contains excellent photographs of the housing, examples of which appear on pages 362 and 363); Baltimore *Evening Sun*, January 24, 25, 1939; Chicago *Sunday Times*, December 4, 1938; New York *Times*, September 3, 1938; Karl Deitzer, "Fort Wayne's 49 Families," *Reader's Digest*, XXXV (November, 1939), 61-63.



PREFABRICATED PLYWOOD-PANEL HOUSE BUILT BY THE FORT WAYNE HOUSING AUTHORITY WITH WPA LABOR

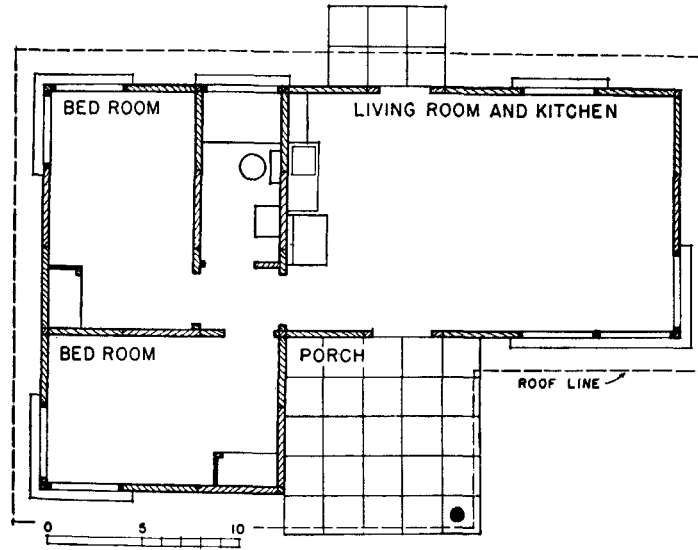
Reproduced from the *Architectural Record*, LXXXV (March, 1939), 39; courtesy *Architectural Record*.

As a result, the FHA set up its own Municipal Housing Division to encourage other cities to copy Fort Wayne's example. This development aroused the opposition of the skilled labor unions, which protested using relief workers in housing construction projects. Anxious not to offend a political ally, Roosevelt soon bowed to the wishes of the American Federation of Labor and vetoed WPA's participation in FHA's housing program.⁵¹ Without the benefit of free labor, FWHA could not afford to expand the municipal project. Other cities, such as Hartford, Connecticut, which had expressed interest in the scheme, also decided that they would not launch their own prefabricated housing programs.⁵²

Only Hall's ingenuity in devising the leasing scheme had enabled Fort Wayne to launch its own housing program. As a rule, during the 1930s city administrations lacked the fiscal resources to tackle serious urban problems. Although the federal government had assumed primary responsibility for relief, the New Deal did little to alleviate the other fiscal problems of urban America. The cities, including Fort Wayne, had to finance the operation of municipal services from their own resources under the difficult conditions of the Depression.

⁵¹ *Architectural Forum*, LXX (January, 1939), 2, (April, 1939), 4; Report of the Housing Committee of the American Federation of Labor on "The Fort Wayne Plan," March, 1939, copy in File 103, Box 651, State Series, WPA Records; William Green to Colonel F.C. Harrington, June 13, 1939, File 103, Box 651, State Series, WPA Records.

⁵² For a fuller analysis of this housing scheme, see Iwan Morgan, "The Fort Wayne Plan: The FHA and Prefabricated Municipal Housing in the 1930s," *The Historian* (forthcoming, 1985).



Floor plan

FLOORPLAN OF THE PREFABRICATED HOUSE SHOWN AT LEFT

Reproduced from the *Architectural Record*, LXXXV (March, 1939), 39; courtesy *Architectural Record*.

The Summit City had less severe problems than the great metropolises. America's thirteen biggest cities had increased their debt by an average of 50 percent during the prosperous 1920s.⁵³ Fort Wayne had been more restrained but was still paying off old debts, including loans incurred in 1868 to subsidize railroads. After the railroad bonds were refunded in 1933, Fort Wayne's bonded debt amounted to \$844,300.⁵⁴ Municipal services also had to be maintained, but Fort Wayne's tax base was shrinking. The Depression had reduced the taxable value of property in the city from \$320,573,100 in 1931 to \$148,219,960 three years later. Conversely, tax delinquency had increased, and tax revenues fell short of the estimated figure by 7.3 percent in 1933.⁵⁵

The Democratic mayor, William J. Hosey, realized that his administration would soon be unable to finance its operations. His

⁵³ Gelfand, *Nation of Cities*, 49.

⁵⁴ National Consumers Tax Commission (NCTC), *The Example of Fort Wayne—Where the Public's Business Is Made Public* (New York, 1940), 5.

⁵⁵ *Fort Wayne Journal-Gazette*, January 1, 1935.

main hope rested on the United States Conference of Mayors (USCM), an organization created in 1932 to represent the interests of cities with populations of fifty thousand or more. USCM was intent on persuading the federal government to help continue municipal services by granting the cities low-interest Reconstruction Finance Corporation loans. Hosey visited Washington several times to press USCM's case and was an active member of the organization's conference committee. However, both the White House and Congress ignored the cities' appeals because their overriding concern was with relief problems directly related to the Depression.⁵⁶

From 1919 to 1932 the annual tax rate in Fort Wayne-Allen County averaged \$2.17 per \$100. Without help from Washington, the local government units had to fix a rate of \$4.05 in 1933.⁵⁷ Since most Fort Wayne citizens' incomes declined during the Depression, there were strong protests over the tax increase. When Hosey stood firm, there was talk of a tax strike, and the mayor received threatening telephone calls.⁵⁸ The Allen County Tax Adjustment Board (ACTAB) resolved the issue by reducing the rate to \$2.75, a decision that effectively cut the city-county budget by \$2,700,000. The Civil City alone had to run on \$307,000 less than initially estimated, and the Board of Education's budget was cut by \$470,000.⁵⁹ Hosey's administration kept functioning during the next year by cutting municipal salaries, laying off some employees temporarily or putting them on half-time, reducing the operations of all municipal departments not concerned with public safety, and borrowing from the general municipal fund in anticipation of future tax receipts.⁶⁰ Nonetheless, in 1934 ACTAB again reduced the tax rate fixed by the city-county government from \$3.27 to \$2.75.⁶¹

It is hardly surprising, therefore, that taxation became a major issue in local politics in 1934. Fort Wayne's business leaders were instrumental in setting up the Taxpayers Research Association (TRA), which lobbied against high city-county taxes. The local Republicans' promise to reduce taxes carried them to a narrow victory in the mayoral election, even though the Democratic congressional ticket swept the city.⁶² When the new mayor, Harry

⁵⁶ Gelfand, *Nation of Cities*, 49-59; Fort Wayne *Journal-Gazette*, May 24, 27, 1933; Fort Wayne *News-Sentinel*, November 17, 1933.

⁵⁷ Fort Wayne *News-Sentinel*, February 19, 1940; Fort Wayne *Journal-Gazette*, August 22, 1933.

⁵⁸ Fort Wayne *Journal-Gazette*, September 18, 20, 23, and 24, 1933.

⁵⁹ *Ibid.*, September 27, 30, 1933.

⁶⁰ *Ibid.*, December 20, 29, 1933.

⁶¹ Fort Wayne *News-Sentinel*, August 22, September 28, 1934.

⁶² Fort Wayne *Journal-Gazette*, October 25, November 7, 1934.

W. Baals, took office in January, 1935, the municipality was on the verge of fiscal collapse. It could not pay the February wage bill, and the general fund surplus had dwindled to a paltry thirty-two hundred dollars.⁶³

Baals resolved this dilemma by transferring funds from the municipal utilities, which operated at a healthy profit even during the 1930s. The Republican mayor resorted to this measure every year for the remainder of the Depression. Normally about two hundred thousand dollars were transferred directly from City Light to the Civil City general fund. Baals also reversed traditional policy and used City Light money to pay for Fort Wayne's street and alley lighting, saving the Civil City over one hundred thousand dollars each year.⁶⁴ Hosey, a staunch progressive, had always insisted that utility profits should be reinvested to improve municipal water and electricity services.⁶⁵ Nevertheless, his successor's action gave the municipal exchequer a needed boost. The new administration also used business accounting techniques to ensure that the city operated on the most cost effective basis possible. Henceforth, all departmental purchases were made through a centralized system that enabled the city to save money by buying in bulk. Better servicing of city vehicles helped to improve their gasoline mileage from six miles per gallon to thirteen. The amalgamation of the City Water and City Light departments reduced their annual administrative costs by seventy-five thousand dollars. Baals even allowed TRA to help public officials analyze the budgetary needs of their departments.⁶⁶ He led by example and dedicated his first administration to strict economy. As a result, the mayor shelved several important projects dealing with recreational facilities, street-cleaning services, and a new traffic light system.⁶⁷

Thanks to these measures and the general improvement of the economy, city-county officials were able to cut the tax rate each year until it stood at \$2.24 in 1938. Fort Wayne now ranked

⁶³ *Ibid.*, January 23, 1935.

⁶⁴ New York *Times*, November 20, 1938; "New York Times Features Fort Wayne Record," *Fort Wayne Municipal Review*, V (February, 1939), 3. This practice continued in the war years. In 1944, for example, the utilities absorbed \$473,725 of the Civil City's expenses. This sum included \$200,000 transferred from City Light to the Civil City fund. See "Municipal Utilities' Revenues Highest in City's History," *Fort Wayne Municipal Review*, IX (May, 1945), 1.

⁶⁵ *Fort Wayne Journal-Gazette*, September 30, 1933, January 1, 1935.

⁶⁶ NCTC, "The Example of Fort Wayne," *passim*.

⁶⁷ Mayor's Budget Message, August 11, 1936, *Journal of the Proceedings of the Common Council* ([Fort Wayne], 1936), 97-99.

among the lowest taxed of any city in its class in the nation, according to Baals.⁶⁸ Although the local tax rate rose again to \$2.61 in 1939 because of the increased burden on township relief, this figure still compared favorably with Indiana's other major cities.⁶⁹ By 1939 Fort Wayne's bonded debt had been reduced to \$557,200. The Baals administration could point to concrete municipal achievements during this era of fiscal austerity. According to the American Municipal Association (AMA), Fort Wayne had the fourth worst record of any city for typhoid deaths in 1934. After a municipal campaign to improve public health, Fort Wayne's record climbed to second best on the 1939 AMA survey; the incidence of diphtheria also declined markedly. With the creation of its Police Bureau of Traffic, which did much to reduce the number of road accidents, the Summit City won road safety awards from the state government in 1937 and 1939. Finally in 1938 and 1939 City Light and Water Utilities directly financed a major expansion of recreational facilities at the municipal beach.⁷⁰

Fort Wayne's low taxes attracted nationwide publicity in the late 1930s.⁷¹ Baals proudly boasted that he had run government as a business not a political institution.⁷² Without doubt his administration's greatest achievement was tiding the city over the serious fiscal crisis of 1935. Other than reducing the bonded debt, however, the Republican government did little to provide directly for Fort Wayne's future development or to cure festering urban problems. It could hardly have done so since local government in Fort Wayne, or any other city, could barely pay for its immediate needs in the 1930s. Only federal aid to the municipal purse could have enabled the cities to plan for the future while combatting the Depression.

Relief and reform were not the only New Deal goals. Although not fully reviving Fort Wayne's economy, federal recovery measures still had a marked impact on the local community. In 1933 the value of manufacturing output in Allen County was only 40 percent of the 1929 level. By 1935 this had risen to 61 percent,

⁶⁸ New York *Times*, November 20, 1938.

⁶⁹ Fort Wayne *News-Sentinel*, February 19, 1940.

⁷⁰ NCTC, "The Example of Fort Wayne," *passim*.

⁷¹ *Ibid.*; New York *Times*, November 20, 1938. See, too, the widely syndicated article about Fort Wayne by General Hugh Johnson, former head of NRA. This was reproduced in the *Fort Wayne Municipal Review*, VI (February-March, 1940), 3.

⁷² This information was found in the Allen County Public Library in a published Quest Club paper entitled *The Business of City Government*, which Harry W. Baals delivered on April 17, 1936; Muncie *Press*, November 26, 1938.



**MAYOR HARRY W. BAALS OPENING THE FORT WAYNE CITY GOLF
TOURNAMENT, 1940**

Courtesy Robert D. Parker, Fort Wayne, Indiana.

although the value of the entire nation's output was now 65 percent of the pre-Depression level.⁷³ Some local businessmen, such as Walter Goll of the General Electric Company, blamed Fort Wayne's relatively slow recovery on the New Deal's failure to aid the durable goods industry as much as agriculture and construction. In 1936, however, the International Harvester Corporation reinvigorated the local economy by completing a plant expansion costing over one million dollars. General Electric also began to hire additional labor after having rehired all its regular employees.⁷⁴ But the recession had a marked impact on Fort Wayne, and recovery thereafter was slow until the defense crisis in 1941. The value of manufacturing output in Allen County was only \$120,531,458 in 1939 compared with \$140,855,093 a decade earlier.⁷⁵ Twelve percent of Fort Wayne's labor force was still unemployed in 1940. One group was in a far worse position than any other. For black workers, most of whom had occupied a peripheral role in Fort Wayne's pre-Depression economy as service employees, domestics, and laborers, the unemployment figure was a horrific 38 percent.⁷⁶

The vast majority of the Summit City's businessmen initially flocked to support the National Recovery Administration (NRA),

⁷³ DRS, "Confidential Report," HOLC Records, 1.

⁷⁴ Fort Wayne *News-Sentinel*, August 8, 1934; Fort Wayne *Journal-Gazette*, July 21, 1935, January 10, 1937.

⁷⁵ DRS, "Confidential Report," HOLC Records, 1; U.S., *Fifteenth Census 1930*, III, *Manufactures, 1929* (Washington, D.C., 1933), 162; U.S., *Sixteenth Census 1940*, III, *Manufactures, 1939* (Washington, D.C., 1942), 278.

⁷⁶ U.S., *Sixteenth Census 1940*, III, *Population: The Labor Force*, Part 2, pp. 972-76, Part 1, pp. 58-59, 63-64. In this case, unemployment figures only include the two categories of unemployed workers recorded in the 1940 census: those seeking employment and those receiving temporary federal work relief. No account has been taken of workers who had despaired of ever gaining or regaining employment and who had not listed themselves in their census returns as seeking work. Actual figures are as follows:

Total Male Labor Force	On Work Relief	Seeking Employment
35,779	1,680	3,163
Total Female Labor Force		
14,478	377	806
Male Blacks in Employment		
455	132	148
Female Blacks in Employment		
223	64	70

The method of measuring overall unemployment was to express the combined total of male and female workers in each category as a percentage of the total labor force. The same method was used to measure black unemployment.

the New Deal agency promoting industrial recovery. By August, 1933, 850 Fort Wayne businesses, large and small, had signed the famous Blue Eagle codes that established wage, price, and employment standards for different industries. For example, fifty-five downtown stores agreed to have their employees work a maximum of forty hours and be paid at least \$13.50 each week.⁷⁷ On August 31 NRA held a massive parade, watched by an estimated crowd of fifty thousand, to publicize the Blue Eagle code campaign. During the fall the major stores also held "NRA buying days," when prices were specially reduced in a vain attempt to stimulate consumerism.⁷⁸

Less than a year later a poll conducted by the Fort Wayne *News-Sentinel* revealed that local business's support for NRA had faded. Disillusioned by the agency's failure to generate full recovery, businessmen also expressed other grievances. In general, the big manufacturing firms disliked the NRA price-fixing agreements; small enterprises resented the minimum wage requirements; and shopkeepers protested the maximum hours regulations.⁷⁹ Nevertheless, Fort Wayne's principal businessmen acknowledged that the days of individualistic capitalism were over. Arthur Hall, who had disdained federal intervention in the economy prior to the Depression, now firmly approved of cooperation between government and business provided that this took place on the latter's terms. He and his Fort Wayne peers faulted the New Deal for raising taxes too much, for governing through bureaucratic dictation, and, worst of all, for frequently supporting labor against business.⁸⁰

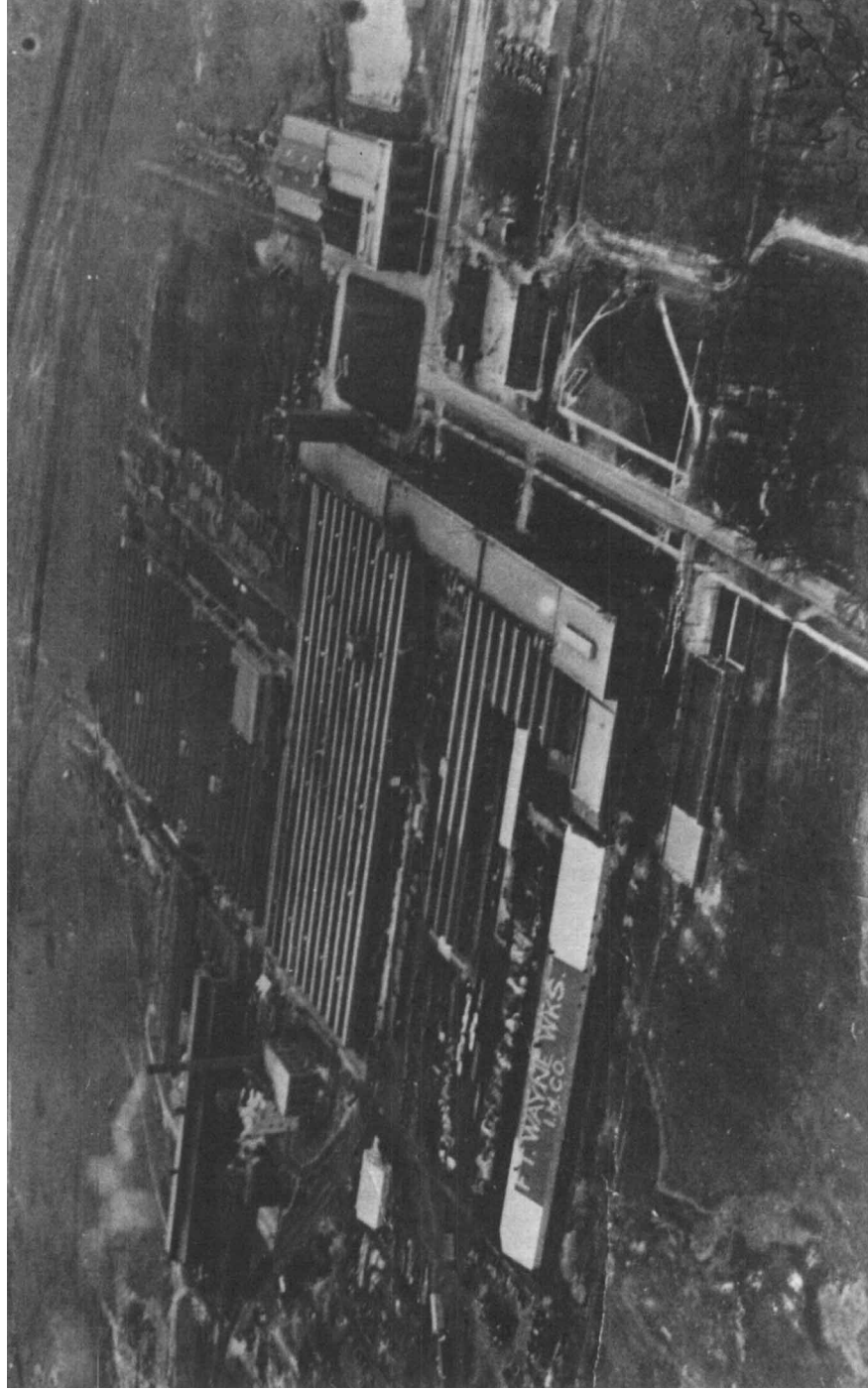
By strengthening labor's collective bargaining rights, NRA had encouraged unionization of unskilled workers in Fort Wayne. The resistance of employers to this development revived industrial conflict. In September, 1933, the city experienced its first

⁷⁷ Fort Wayne *Journal-Gazette*, July 22, 26, August 2, 1933. See, too, Industrial Loan and Investment Company, Advertisement, "This Is Our NRA Program: Our Blue Eagle Pledge," *ibid.*, September 20, 1933.

⁷⁸ *Ibid.*, September 1, 1933; Fort Wayne *News-Sentinel*, September 23, 1933.

⁷⁹ Fort Wayne *News-Sentinel*, August 21, 1934.

⁸⁰ *Ibid.*, September 14, 1934; Fort Wayne *Journal-Gazette*, November 24, 1934. Union power continued to haunt local businessmen as the economy improved. For example, Ben Geyer, a Wayne Pump Company executive, warned that the "promise of recovery can be entirely thwarted if the uncertainty and constant wrangling on the part of labor is not in some manner subdued or controlled." See Fort Wayne *Journal-Gazette*, January 10, 1937.



INTERNATIONAL HARVESTER CORPORATION AT FORT WAYNE (1935-1936), SHOWING THE PLANT EXPANSION

Courtesy Robert D. Parker, Fort Wayne, Indiana.

serious strike since 1922. Over two hundred fifty employees of the Fort Wayne Tailoring Company, most of them women, stopped work after the firm refused to recognize the Amalgamated Clothing Workers of America (ACWA) as their bargaining agent and negotiated with a company union instead. Confrontations between picketers and “stickers” led to the arrest of three women strikers for assault. To avoid more trouble, management and labor asked the United States Department of Labor to intervene. Thanks to federal mediation, both sides agreed to compromise. The company recognized ACWA as sole bargaining agent after a plant election was held. The union, which had demanded a “closed shop,” accepted a “preferential shop” arrangement; workers could choose whether to join the union or not, but nonunion members would be affected first when the firm had to lay off employees. Having won the day, the strikers gathered at the Federation of Labor Hall and marched in triumph behind a brass band to the factory.⁸¹

This dispute provoked the first break in local businessmen’s support for Roosevelt’s programs. They now felt that outside forces were threatening their independence and undermining their influence in the community. Not only had the federal government backed the union, but ACWA organizers had come from Chicago to help run the strike. Oscar Foellinger, the Fort Wayne *News-Sentinel* publisher who chaired the Allen County NRA committee, warned Washington that local businessmen were beginning to regard the New Deal as a threat rather than an ally in the struggle for industrial recovery.⁸²

There were many strikes in Fort Wayne during the 1930s, notably at Magnavox, Wayne Knit, Inca, the Capehart Corporation, and International Harvester. None of the disputes provoked serious violence, but the Inca strike was particularly bitter because the company had lowered the minimum wage once NRA had been abolished in 1935. The strike lasted for nine weeks and became a test case for the National Radio and Allied Trades Union. Its international president, James B. Carey, visited Fort Wayne to encourage the strikers and lobbied in Washington on their behalf. Partly as a result of Inca’s defeat, Carey’s union decided

⁸¹ Fort Wayne *Journal-Gazette*, September 6, 15, and 16, 1933; H.B. Dynes to H. L. Kerwin, September 19, 1933, File 390, Box 176, Conciliation Service, United States Department of Labor (USDOL) Records, RG 280 (National Archives, Suitland, Maryland).

⁸² Oscar Foellinger to Johnson, September 12, 1933, File 392, Box 176, Conciliation Service, USDOL Records.

to hold its first national convention in Fort Wayne after reconstituting itself as the United Electrical Radio and Machine Workers of America and affiliating with the Congress of Industrial Organizations (CIO) in 1936.⁸³ These developments strengthened local businessmen's fears about outside forces. In 1937 the Capehart Corporation alleged that the national CIO was funding the strike at its plant. The Fort Wayne *News-Sentinel* also accused the New Deal of encouraging the growth of communism through its support of militant labor.⁸⁴

Although the Communist party did indeed gain some support within the local labor movement in the 1930s, it was not a significant force. Some UERMWA leaders in Local 901 at General Electric had communist sympathies, but they could not control their union. Indeed the union's vice-president, Ernest C. Gallmeier, and its wartime president, Sam McAfee, were firm supporters of the Republican party.⁸⁵ The help of Communist organizers, who had worked to build up several Fort Wayne unions, was usually discarded when the local was strong enough to stand on its own. For example, Local 57 of the United Automobile Workers at International Harvester accepted aid from the pro-Communist United Farm Workers after losing the 1938 plant election to a company union. The UAW triumphed in the 1940 elections and called a strike when International Harvester refused to grant it a contract. Yet the local would not allow Communist organizers to help with the strike because they were so unpopular among the rank and file membership. Now strong enough not to need Communist aid, the union became the first UAW local to win a contract from International Harvester.⁸⁶

It must be emphasized that the unions did not become a dominating force in Fort Wayne during the 1930s. Two large

⁸³ Robert Mythen to Kerwin, September 3, 1935, File 558, Box 182, *ibid.*; information taken from a clipping from an August, 1935, issue of *The Labor Current* in File 558, Box 182, *ibid.*; *25th Anniversary: Local 901, IUE, AFL-CIO* (Fort Wayne, 1958), 8.

⁸⁴ Fort Wayne *News-Sentinel*, September 14, 18, June 30, 1937.

⁸⁵ The main pro-Communist voice was John Gojack, who became UERMWA district president in the 1940s, when he came under increasing pressure from liberals and moderates in the union. See, in particular, Executive Meeting Minutes, February 27, 1947, UERMWA Local 901 Records. For the politics of Gallmeier and McAfee, see "New Members of City Official Family," *Fort Wayne Municipal Review*, V (February, 1939), 4; and Fort Wayne *News-Sentinel*, September 19, 1938.

⁸⁶ Howard Minier, Local 57 trustee in 1940 and later prominent FWIU leader, interview with the author, May 12, 1980; "In the Beginning" (unpublished report, copy in UAW Local 57 Union Hall, Fort Wayne).

pump firms, for example, refused to recognize CIO locals until well after World War II.⁸⁷ Nevertheless, the New Deal's encouragement of trade unionism was of major consequence to Fort Wayne. Not only did the rise of unionism affect local industry, but it gave many unskilled workers a collective voice to protect their interests. UERMWA Local 901, for example, scrutinized the distribution of township relief. It also foreshadowed the CIO's Political Action Committee by holding regular programs for members, explaining the significance of New Deal measures.⁸⁸ UERMWA therefore provided a counter influence to the previously dominant conservatism in the community. Taking a keen interest in civic affairs, UAW Local 57 passed a resolution at its very first meeting calling for better traffic safety precautions on roads leading to the eastern industrial district. Soon afterward the municipal government installed traffic lights at one particularly dangerous intersection.⁸⁹ The Fort Wayne Industrial Union Council established an antidiscrimination committee in 1938 to protect black rights both in industry and the community. Ineffectual at first, this body became more active in the late 1940s when it supported the campaign ending Jim Crow restrictions in downtown restaurants and hotels.⁹⁰

Yet the coming of the New Deal and the rise of organized labor did not generate enduring political realignment in Fort Wayne. In 1940 the Republican national ticket swept the city, ending Roosevelt's run of success. This Democratic decline was partly attributable to ethnic factors. The president's foreign policy had alienated Fort Wayne's German-American voters, especially the Lutherans whom the New Deal had briefly converted to the Democracy.⁹¹ Yet, as Table I shows, the local Republican party had held its own, even at the height of Roosevelt's popularity.

⁸⁷ Fort Wayne Urban League (FWUL), "A Survey of Racial Policies of Organized Labor in Fort Wayne, Indiana" (unpublished report, 1953, copy in Allen County Public Library), 31.

⁸⁸ Membership Meeting Minutes, March 21, 1936, UERMWA Local 901 Records. The Political Action Committee was created "to conduct a broad and intensive programme of education for the purpose of mobilizing the 5m. members of the CIO and enlisting the active support of all other trade unions, American Federation of Labour [sic], Railroad Brotherhoods and unaffiliated, for effective labour action on the political front." Vivian Vale, *Labour in American Politics* (London, 1971), 90.

⁸⁹ "In the Beginning."

⁹⁰ FWUL, "A Survey of Racial Policies," 8-9.

⁹¹ Cleland to Edwin Pauley, November 16, 1942, Box 1156, Democratic National Committee Papers (Franklin D. Roosevelt Library, Hyde Park, New York).

Table I
Democratic Percentage of Presidential
and Mayoral Votes in Fort Wayne, 1920-1942.⁹²

Presidential Election	Presidential Vote	Mayoral Election	Mayoral Vote
Year		Year	
1920	*40.3	1921	52.7
1924	**43.1	1925	44.8
1928	42.3	1929	54.7
1932	56.7	1934	49.2
1936	58.9	1938	39.0
1940	42.5	1942	38.5

* includes vote of the Farmer-Labor candidate

** includes vote of the Progressive candidate

The Fort Wayne GOP—thanks to the political acumen of its leaders, its efficient organization, and its good record in municipal government—had already eroded some of the New Deal's electoral popularity well before the close of the Depression decade.

In this context the municipal election of 1934 was a crucial event. Democratic mayoral candidates in many cities based their campaigns largely on the need to elect a local administration favorable to Roosevelt.⁹³ Hosey made the mistake of not doing likewise. Instead, he preferred to build his campaign on his long record in office and on the need to preserve the fiscal soundness of the municipal utilities against Republican tax cut proposals.⁹⁴ Deflecting attention from the New Deal, this strategy enabled the GOP to exploit the tax issue. As a result the Republicans won the mayoralty and four of the nine council seats, even though the Democratic congressional ticket carried Fort Wayne by over three thousand votes.⁹⁵ Four years later the GOP could point to its good record in office and its success in lowering taxes. Every candidate on the local Republican ticket was successful in 1938; Baals himself won a massive victory, losing only two precincts.⁹⁶

Leaders of the dominant Republican faction—Harry Baals, Harry Hogan, Walter Helmke, and Dan Flanagan—were prag-

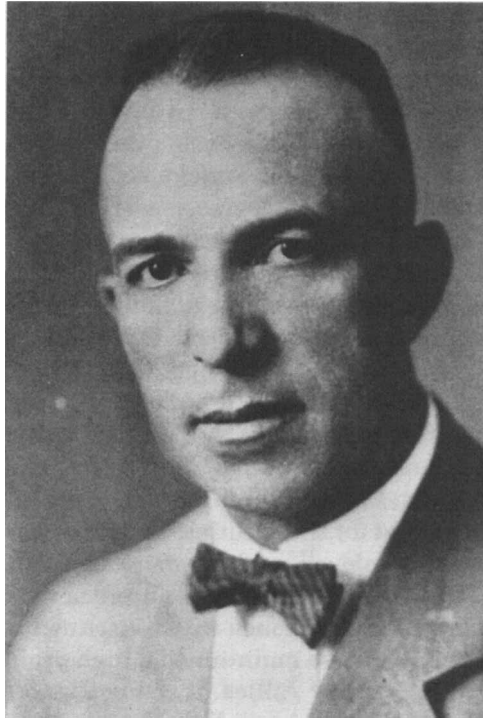
⁹² Figures from Cheryl Boss Truesdell, "Presidential and Congressional Voting in Allen County, 1852-1976," *Old Fort News*, XLI (No. 4, 1978), 17, 19; and the register of electoral returns in the Allen County Courthouse, Fort Wayne.

⁹³ See, for example, Bruce M. Stave, "Pittsburgh and the New Deal," in John Braeman, Robert Bremner, and David Brody, eds., *The New Deal*. Vol. II: *The State and Local Levels* (Columbus, Ohio, 1975), 386.

⁹⁴ *Fort Wayne Journal-Gazette*, April 3, October 22, 25, 26, November 4, 1934.

⁹⁵ *Ibid.*, November 7, 1934.

⁹⁶ *Fort Wayne News-Sentinel*, October 19, 25, November 8, 1938.



R. EARL PETERS, 1935

Courtesy Robert D. Parker, Fort Wayne, Indiana.

matists who acknowledged that Roosevelt had forged a new consensus. These men therefore accepted federal relief, Social Security legislation, and a moderate extension of union rights as necessary reforms. Mayor Baals cooperated well with the federal government, notably in the PWA-financed sewer project. The Fort Wayne Republicans also played an important role in liberalizing the state GOP.⁹⁷ Once Roosevelt's popularity waned because of the recession, however, they were quick to exploit the weaknesses of the New Deal. In particular, Republican leaders contrasted the evidence of waste and maladministration in the Allen County WPA organization with the record of the Baals administration. This attack hit home; some Democrats estimated that their party won

⁹⁷ Harry Hogan to Charles A. Halleck, September 8, 1938, Charles A. Halleck Papers (Lilly Library, Indiana University, Bloomington); Fort Wayne *News-Sentinel*, September 20, 1938; Iwan Morgan, "Factional Conflict in Indiana Politics during the Later New Deal Years, 1936-1940," *Indiana Magazine of History*, LXXIX (March, 1983), 29-60.

only 20 percent of Fort Wayne's WPA vote in 1938.⁹⁸ The GOP also denounced the cutbacks in Allen County's WPA allocation in 1939-1940, conveniently ignoring the vote of fourth district Republican congressman George W. Gillie to reduce the agency's appropriation.⁹⁹ In addition, Roosevelt's tariff policy came under fire. Hoping to discredit the president before the workingman, local Republicans blamed the recession of 1937-1938 on cheap foreign imports.¹⁰⁰

The GOP built a powerful local organization during the Depression, despite the loss of its customary state and federal patronage resources in 1933. Control of city hall gave the Republicans the means to create a new political machine. Hosey had tried to keep the municipal utilities outside the realm of patronage politics. In 1930 only two of the fifty-seven Democratic precinct committeepersons held jobs in the utilities, while three more held municipal jobs. Eight years later, fourteen Republican committeepersons worked for the utilities, seven others had members of their family so employed, and six more held other municipal jobs.¹⁰¹ They formed the backbone of an efficient precinct organization, which kept in close touch with constituents and provided many favors. The GOP also maintained a high profile in the community by holding regular rallies. It did not ignore groups that in other cities were regarded as solidly Democratic. For example, in 1938 the Republicans held many "cottage gatherings" at the homes of working-class supporters to inform relief laborers about WPA's shortcomings. The formation of the Fort Wayne Republican Labor Club, in which Gallmeier and McAfee held prominent positions, helped to establish links between the party and the new industrial unions. Not even the small black vote was neglected; in 1938 William Briggs, the first black candidate in Allen County's history, was elected Justice of the Peace for Wayne Township on the GOP ticket.¹⁰²

⁹⁸ Cleland to Roper, November 14, 1938, Official File 300, Box 18, Roosevelt Papers.

⁹⁹ George W. Gillie to Governor M. Clifford Townsend, January 31, 1940, WPA relief workers petition enclosed, Drawer 133, Box A, M. Clifford Townsend Papers (Archives Division, Indiana Commission on Public Records, Indiana State Library and Historical Building, Indianapolis); Fort Wayne *Journal-Gazette*, December 4, 5, 1939.

¹⁰⁰ Fort Wayne *News-Sentinel*, September 18, 1938.

¹⁰¹ These figures are based on the occupational information given in the Fort Wayne *City Directory* of 1930 and 1938.

¹⁰² Joseph Suelzer to James A. Farley, December 22, 1938, Official File 300, Box 42, Roosevelt Papers; Fort Wayne *News-Sentinel*, September 19, November 8, 1938; E. Ross Adair, Fort Wayne City Republican Party chairman in the late 1930s and later fourth district congressman, interview with the author, March 26, 1980.

In contrast, local Democrats were badly organized and divided by factional controversy during the 1930s. Hosey normally kept in close touch with his constituency, but he was less active in the local Democratic organization than in his prime. Aged seventy-six when elected in 1929, he used most of his dwindling energy to fulfill the demands of the mayoral office. In these circumstances, R. Earl Peters, a Fort Wayne native prominent in state politics, gained control of the party.¹⁰³ Peters used the local Democratic organization as a base from which to conduct his feud with Governor McNutt who had driven him from his post as state party chairman in 1933. In turn, the statehouse administration strove to break Peters's hold over the local party by starving it of patronage. Although succeeding in 1936-1937, this strategy inevitably bred long-lasting bitterness and made McNutt very unpopular in Fort Wayne.¹⁰⁴ In essence, the dispute was the product of personal rivalry and patronage politics, not ideological conflict. The Fort Wayne Democrats overreacted to Hosey's defeat in 1934. Consumed by internal bickering, they came to rely excessively on Roosevelt's personal appeal during the mid-1930s. They made little effort to win the electorate's gratitude for themselves or to educate the voters about the issues and virtues of the New Deal. The Fort Wayne Democratic party offered no attractive local alternative to the Baals administration, and the statehouse organization insisted that a handpicked pro-McNutt candidate, Harry Gottschalk, should run for mayor in 1938.¹⁰⁵ As a result, local Democrats had no solid support to fall back on when Roosevelt's personal popularity faded. In metaphorical terms, they were like Aesop's grasshopper, frittering away the New Deal summer, while the Republican ants were patiently laying the foundations for a prosperous Republican future.¹⁰⁶

The New Deal had implemented numerous changes in Fort Wayne. It had reformed the unemployment relief system, given

¹⁰³ Fort Wayne *Journal-Gazette*, May 10, 13, 1934. Hosey's personal supporters partly reestablished their influence over the local Democratic party during the controversy over the superhighway later in 1947. See Fort Wayne *News-Sentinel*, May 5, 1947.

¹⁰⁴ Coy to Marvin McIntyre, July 3, 1935, Official File 300, Box 18, Roosevelt Papers; Alexander Campbell to Paul McNutt, July 1, 1935, Campbell to Pleas Greenlee, May 18, 1935, Drawer 83, Box (E), Paul V. McNutt Papers (Archives Division, Indiana Commission on Public Records, Indiana State Library and Historical Building, Indianapolis); Fort Wayne *News-Sentinel*, May 4, 1936.

¹⁰⁵ Adair interview; Fort Wayne *News-Sentinel*, November 7, 1938.

¹⁰⁶ Fort Wayne voters have elected only four Democratic mayors since 1934, including Winfield Moses who secured reelection in 1983, becoming the first Democratic mayor to win reelection in Fort Wayne. Furthermore, they have given a popular majority since 1936 to only one Democratic presidential candidate, Lyndon B. Johnson, in 1964.

mortgage aid to homeowners, restored confidence in the banks, financed the construction of important municipal projects, focused attention on the housing crisis, and promoted the growth of trade unionism. None of these changes was truly radical in scope, however, partly because of Roosevelt's moderate objectives, but also because local opposition blunted their impact. A degree of continuity therefore characterized Fort Wayne's experience in the 1930s. Proponents of home rule had helped to undermine GCUR's efforts to professionalize and centralize Indiana's relief administration, realtors and property owners' organizations had thwarted plans to redevelop parts of the inner city to benefit low-income groups, employers had fought a stiff rearguard battle against the rise of industrial unionism, and the local Republicans had beaten back the challenge of Roosevelt's Democracy. On balance, the president's programs had done little to resolve basic urban problems such as inner city decay and the shrinking municipal tax base. On the other hand, the New Deal's impact on local community dynamics was far greater. During the Hoover era the Fort Wayne community had relied on its own resources and solidarity to combat the Depression. The New Deal reversed this situation. Community solidarity inevitably declined from 1933 onward, as some groups became clients of the national government while others resisted the New Deal's expansion of federal power. This Hoosier community could never again act as a relatively independent entity. The New Deal had drawn it into the complicated web of federal-urban relations. Henceforth the federal government would be a vital influence on the economic, social, and political life of Fort Wayne.