Hoosiers of the generation that grew up during the 1930s never forgot the worst economic depression in American history. There had been hard times before, all the way back to pioneer days. But the Great Depression of the 1930s was something different—for Indiana and for the country. Then the worst war in human history erupted in Europe and once again the United States joined in the fighting.

The Great Depression

The depression that followed the prosperity of the 1920s was deeper and lasted longer than any other economic downturn in Indiana history. Many Hoosiers lost their jobs and could not find work. Widespread unemployment spread across all types of jobs and workers—skilled and unskilled, white and blue collar. The economic decline caused banks to close and couples to postpone marriage and starting families. Some people went hungry; lucky were the families who had their own homegrown and canned food. Most people rarely bought new clothing; many altered and mended feed sacks to wear. One White County woman later recalled, “We had to do a lot of patching to make the boy’s overall[s] last.” So troubling were the times that in Fort Wayne, where five thousand families were on relief by early 1933, a lawyer feared that “the time is not far distant when we are going to be confronted with riots and violence.” A wealthy businessman in Muncie later stated, “It seemed for a while that everything might collapse, many of us bought a great deal of canned food, and stored it in our cellars, fearing a possible siege.”

Women, African Americans, Appalachian migrants, and Mexican Americans were among the hardest hit in the depression. To save jobs for men, women were often told to stop working. African Americans were generally the last people to be hired and the first to be fired. In 1940, after economic recovery began, 38 percent of the African Americans in Fort Wayne were still unemployed. At this time only 11 percent of Fort Wayne’s white population was unemployed.

Newcomers from the Appalachian south suffered special discrimination. White and black southerners had flocked to Indiana’s factories in the prosperous 1920s. By the 1930s there were around sixty thousand southerners living in Indianapolis, about half of them black and half white. A cruel witticism made the
Young Rug Weaver

A Tippecanoe County tenant farmer’s son weaves a rug in 1937. During the Great Depression, families struggled to make ends meet. This family earned extra income by weaving and selling rugs.
rounds among native Hoosiers who thought the immigrants were taking their jobs: “Have you heard there are only forty-five states left in the Union? Kentucky and Tennessee have gone to Indiana, and Indiana has gone to hell.” Some of these newcomers had come seeking agricultural work, often seasonal labor in the state’s tomato fields and canneries. Johnson County, for example, had more than one hundred canneries before the depression. A 1936 report claimed that the Kentucky pioneers from a century earlier “were of a much higher type than the recent ones.” Sterilization was even discussed for those judged least fit.

There were unwelcome newcomers from Mexico, too. Mexican immigrants settled in Lake County as railroad and steel mill workers. Some were brought in by the mill owners to break the union strikes in 1919, an action that led many whites to resent Mexican immigrants. Thirty-five percent of Inland Steel’s East Chicago workforce was Mexican in the 1920s, making it one of the nation’s largest employers of Mexican immigrants.

As the depression deepened, steel production declined and many jobs were lost. Mexicans were hit harder than other steelworkers. As a result, many Mexican immigrants and U.S. citizens of Mexican descent decided to move back to Mexico. Those who wanted to go but were unable to afford the trip were helped by various aid agencies. This was the start of a repatriation movement. In 1932, when the depression was at its worst, pressure was put on Mexicans to move back to Mexico. For instance, the depression-era financial assistance administered by township trustees was given sparingly to Mexicans—especially if they refused repatriation. The American Legion, the North Township Trustee’s Office, and the East Chicago Manufacturers Association all cooperated to fund repatriation. In total, counting the Mexicans who left voluntarily and those who were coerced, more than a thousand people—nearly half of Lake County’s pre-depression Mexican population—boarded the repatriation trains and moved south of the Rio Grande River.

Hard times also brought out the best in Hoosiers. Families and neighbors shared food, helped bring in the corn harvest, and took care of the sick. Jobless young people moved back with parents and grandparents. Local charities stepped up their aid to the hungry and homeless. As the depression cut deeper, traditional forms of relief were not enough. The bread lines got longer and the soup kitchens more crowded.

**A New Deal Comes to Indiana**

In 1923 Indiana Governor Warren McCray told the general assembly, “What the people of Indiana want is a season of government economy and a period of legislative inaction and rest.” Ten years later, at the depth of the Great Depression, newly elected Governor Paul V. McNutt called on Hoosiers to “prove that government may be a great instrument of human progress.”

Hoosiers had always been wary of government power. They had never liked paying taxes or being told what to do. While they had sometimes wanted government to help, as it had in removing Indians or building canals, they mostly clung to traditions of low taxes and small government.

The massive storm of the Great Depression challenged Indiana’s traditions as had nothing before. Hoosiers began to think that government needed to step in and step up. Consequently, voters put more liberal Democrats in power in the 1932 elections. New government programs in the state and nation offered relief, recovery, and reform. It was a New Deal for the country and Indiana as politicians sought to increase employment and provide for the hungry. President Franklin Delano Roosevelt’s “alphabet soup” agencies, such as the Works Progress Administration (WPA), Civilian Conservation Corps (CCC), Federal Art Project (FAP), and others helped Indiana and the rest of the nation begin to recover. But then came war.

**World War II**

In December 1941 the Japanese attacked the U.S. fleet of ships at Pearl Harbor in Hawaii. Not long after, the United States officially entered World War II. The world had never experienced anything like World War II. Brutal, global, and total, this war reached deeply into Indiana, affecting every aspect of Hoosier life.
Hoosiers were not eager to join in the troubles of other nations. They remembered the costs of the Great War, now known as World War I. But with the Japanese attack on Pearl Harbor they rushed to the battlefields and turned their factories and fields toward the war effort. This new war required the economy to marshal all its resources to manufacture maximum numbers of planes, tanks, army uniforms, food, and medicine. Indiana was an integral part in “the arsenal of democracy,” and so the daily lives of most Hoosiers on the home front were altered.

World War II, though tragic in the number of lives lost, brought about the defeat of the Axis nations—Germany, Italy, and Japan. It also ended the Great Depression and began the longest period of sustained economic prosperity in Indiana and American history. Hoosiers who experienced the Great Depression and World War II would never forget. These two massive storms shook the foundations of Indiana’s traditions, profoundly shaping a generation and affecting the lives of the children and grandchildren to come.
This poster from 1942 promoted the war effort at home by emphasizing that soldiers were not the only ones needed for service. Women also participated in the war effort in large numbers doing many of the jobs soldiers had to leave behind. In turn, their housework was sometimes taken over by others in the household or by paid help, such as laundry workers.
Not Hoosier Politics as Usual

Never in Indiana's history had two decades been so different. The prosperity of the 1920s ended with the stock market crash on October 29, 1929, making the 1930s a struggle from the start. From the steel mills of Gary to shipyards in Jeffersonville business ground to a halt, leaving thousands of Hoosiers without jobs. As unemployment lines grew longer, many questioned Indiana's tradition of small government.

Indiana's governors had traditionally been caretakers who waited for the legislature to set an agenda. This was not the case with Paul V. McNutt, who became governor in the Democratic landslide election of 1932. In his inaugural address, McNutt laid out "immediate tasks" to relieve the suffering state. The first was to provide food, clothing, and shelter for the destitute, followed by the necessity of lowering the cost of government, reducing and redistributing the burden of taxation, and maintaining an adequate system of public education.

Paul V. McNutt—From Small-Town Hoosier to Statesman

Paul Vories McNutt was born in Franklin, Indiana, on July 19, 1891, to county prosecutor John C. McNutt and Ruth (Prosser) McNutt. Two years later, the McNutt family moved to Indianapolis where John became librarian of the Indiana State Supreme Court. When Paul was seven, the family moved to Martinsville, where his father established his own law office.

McNutt idolized his father and as a young boy spent hours with him in the law library. The younger McNutt attended Indiana University where he proved an excellent student and became a good friend of classmate Wendell L. Willkie, who was later his political rival.

After graduating from IU, McNutt attended Harvard University Law School. He returned to Martinsville after receiving his law degree in 1916 to practice law with his father. A year later, McNutt accepted an assistant professorship at Indiana University Law School. However, World War I soon diverted him.

McNutt enlisted in the army in November 1917 and attained the rank of major in the field artillery. While stationed in San Antonio, Texas, he met Kathleen Timolat, who became his wife. When he returned to civilian life, McNutt remained interested in military affairs, especially the American Legion.

After his military service, McNutt returned to teaching law at IU. In 1925, at the age of thirty-four, he became the youngest dean in the school's history. While serving as dean, McNutt began his political career. In 1928 he was elected national commander of the American Legion. Subsequently, a group of his supporters encouraged him to run for governor. At this point, he considered his chances were too low. Four years later, however, McNutt felt the time was right, and in 1932 he won the governorship. In his single term, McNutt proved himself a powerful leader, ushering in sweeping change at the height of the Great Depression.

McNutt's "Little New Deal"

McNutt promised immediate action—and he delivered. The only other governor in Indiana history to wield as much power as McNutt had been Oliver P. Morton, governor from 1861–67. Instead of waiting for the legislature to send him its agenda, McNutt and his advisors got to work drafting bills and pushing them through the general assembly. Helping Hoosiers was McNutt's top priority. He began working on relief through his “Little New Deal” two months before Franklin D. Roosevelt became president and created the federal New Deal program that he had mentioned
Governor McNutt and President Roosevelt

Governor Paul V. McNutt, second on left, and President Franklin D. Roosevelt, to the right, ca. 1933–37. McNutt supported Roosevelt’s New Deal policies and implemented them in Indiana as well as initiating reforms of his own.

McNutt Takes on Taxes and State Government

Taxes were always a hot potato for Hoosier politicians—each one trying to avoid the issue as much as possible—but McNutt grabbed the issue with his bare hands and did not let go. He was determined to reform the state’s tax system. Before 1933 when Governor McNutt introduced the Gross Income Tax, much of Indiana’s income had been from property taxes. Because there were more people than property holders, this meant that the tax base—the people who paid taxes—was very small. This tax system overburdened the property owners and ignored most potential income from other citizens. The Gross Income Tax, however, taxed everyone who had an income from salaries, wages, and commissions. It also included a pre-cursor to what is now a sales tax. Retailers such as clothing stores had to pay a tax on each sale. Property taxes...
Ouabache Lodge

This lodge in Ouabache State Park, in Bluffton, Indiana, was built by members of the Civilian Conservation Corps (CCC) during the 1930s. Many state parks in Indiana benefitted from the labor of the CCC.
were lowered. Indiana was able to balance its budget in 1933 and to increase state aid to struggling public schools.

McNutt also reorganized state government to be more effective and efficient. Both Democrats and Republicans had long complained about the state’s bureaucratic disorder and inefficiency. More than one hundred departments and agencies existed in a patchwork quilt of uncertain authority and procedures. McNutt’s Executive Reorganization Act of 1933 placed them in eight new departments, each with a clearly defined purpose: executive, state, audit and control, treasury, law, education, public works, and commerce and industry. The reorganization strengthened the governor’s power over state bureaucracy, which many believed was essential to efficient management.

**Governor McNutt Letter**

Governor Paul V. McNutt wrote a two-page letter to Mrs. Lee K. Amsden, chairwoman of the Shelby County Women’s Democratic Club, on June 18, 1935. In the letter McNutt explains his beliefs regarding subsidies and the role of government, stating that he prefers the title “A Subsidy to Humanity” to “The New Deal,” because it is more descriptive. He goes on to state that the government’s primary obligation is “to protect the humanity it serves.”
Governor
Paul V. McNutt

This portrait of Paul V. McNutt was painted by noted Hoosier artist Wayman Adams in 1933.
McNutt’s Critics

Not everyone was in favor of McNutt’s changes. Some feared that the relief programs would “contravene the spirit of Anglo-Saxon traditions, encourage laziness, and create a class of permanent dependents” or “bring about a state of communist or socialist government.” Congressman Charles Halleck, a conservative Republican, criticized McNutt for his “wild orgy of spending,” stating that it was making Indiana’s government “into a Santa Claus.” Some Democrats worried that the federal government’s programs would weaken states’ rights. These Democrats were also concerned that McNutt’s centralization program might end local government by township trustees.

McNutt did not always win the approval of labor. Although his policies strongly supported the workers, he declared martial law—in which the military replaces local government—in eleven counties during a violent coal mining strike in 1935 and forced the resignation of a union leader. Socialist leader Norman Thomas called him a “Hoosier Hitler” for his intervention in labor disputes.

Another McNutt initiative, the Hoosier Democratic Club (also known as the Two Percent Club), raised hackles in both parties. McNutt required Democratic state and local employees to pay two percent of their salaries to the club to fund Democratic Party campaigns. It was rumored that to refuse joining the Two Percent Club meant giving up one’s job. The Two Percent Club carried with it the whiff of corruption through patronage—appointing people to government offices out of favoritism. This haunted McNutt for the rest of his political career. Republicans were sharply critical—until they won the governor’s office and then began their own version of the Two Percent Club.

In 1936, having gained national attention for his accomplishments in Indiana as well as for his movie star good looks, McNutt hoped to make a run for the White House. Appointed by FDR in 1937, McNutt served for two years as high commissioner of the Philippines as he harbored hopes of running for president in 1940.

FDR’s decision to seek a third term in 1940 ended McNutt’s presidential aspirations, but he continued in public service. From 1939 to 1945 he was administrator of the Federal Security Agency, which later became the Department of Health, Education, and Welfare. During the war, he acted as chairman of the War Manpower Commission. After the war McNutt returned to his post as high commissioner to the Philippines and helped the Philippine Commonwealth negotiate for its independence. For his final government posting he became the first United States ambassador to the new Philippine Republic.

After retiring from public life in 1947, McNutt established residency in New York City where he had a law practice, but he remained a partner in his father’s old law firm in Martinsville. In 1955 he died at age 63 after a brief illness. Tributes poured in from around the globe, but perhaps the most meaningful was the eulogy delivered by Indiana University President Herman B Wells, another legendary Hoosier. At McNutt’s graveside service at Arlington National Cemetery, Wells stated, “As it is with mountains, so it is with men. Some dominate their scene even though they walk with giants. Such a man was Paul Vories McNutt.”

Today, the Paul V. McNutt Quadrangle, a residence complex comprised of a half dozen five-story buildings at IU in Bloomington, bears his name and features a bust of him in the front foyer. The campus home to around 1,350 undergraduates, McNutt quad is one of the largest student residences among the Big Ten universities.
New Deal Projects in Indiana

Government is competent when all who compose it work as trustees for the whole people.
— Franklin Delano Roosevelt, second presidential Inaugural Address, January 20, 1937

President Franklin Delano Roosevelt responded to the Great Depression by creating major federal programs designed to put unemployed Americans to work, modernize the nation’s infrastructure, and revive the economy. For Hoosiers hit hard by the depression, one of the FDR administration’s most visible initiatives was the Works Progress Administration (WPA), which provided jobs for the unemployed.

The WPA began to operate in Indiana in July 1935. By October, nearly 75,000 Hoosiers were on its employment rolls. Between 1935 and 1940, the percentage of Indiana residents working on WPA projects was considerably higher than the national average. The majority of Hoosiers working for the WPA built infrastructure such as roads, bridges, and sewers. Others worked on public buildings and recreational facilities. Nearly every Indiana community enjoyed some physical evidence of the program. The WPA also hired artists and writers to document and create tributes to Hoosier culture that the general public could enjoy and are still enjoying today.

Indiana: A Guide to the Hoosier State

Every Hoosier believes that Indiana has made a great contribution to culture in the United States, and that the story of this peculiarly distinctive State is worthy of the closest scrutiny by all Americans.


One white collar WPA program was the Federal Writers’ Project, which employed writers in each state to produce a comprehensive book on that state’s unique culture and history. These volumes, produced between 1935 and 1943, became part of the American Guide Series. Hundreds of Hoosiers from all walks of life worked on the book—historians, sociologists, novelists, librarians, naturalists, geographers, photographers, college and university presidents, and public administrators. In 1939 oversight of the Guide Series
shifted from the federal government to the states. Indiana State Teachers College, now Indiana State University in Terre Haute, sponsored *Indiana: A Guide to the Hoosier State*, which first appeared in 1941.

*Indiana: A Guide to the Hoosier State* offers a window through which to view Indiana in the 1930s. It remains an invaluable primary source for today’s historians, teachers, students, and the general public. The original edition was about 550 pages long and included dozens of historic and then-contemporary images, as well as a state map. In Part One, “Indiana’s Background,” the editors provide succinct summaries of general topics, including Indiana’s natural setting and archaeology, Indian tribes, history, agriculture, industry and labor, education, media, folklore, and the arts. Part Two covers fourteen “principal cities”—Gary, Hammond, East Chicago, Whiting, Corydon, Evansville, Fort Wayne, Indianapolis, Muncie, New Albany, New Harmony, South Bend, Terre Haute, and Vincennes. Part Three contains twenty driving tours that cover sites of interest across the entire state.

**Interviews with Former Slaves**

“I am 110 years old; my birth is recorded in the slave book. I have good health, fairly good eyesight, and a good memory, all of which I say is because of my love for God.”

— Rosaline Rogers, Indianapolis resident, December 29, 1937

The WPA Federal Writers’ Project saved a remarkable piece of history when fieldworkers interviewed former slaves. The freed slaves who told their stories in the Indiana interviews had been held in slavery in any of eleven other states. While some of the former slaves interviewed had gone on to successful lives in Indiana as ministers or teachers and one as a doctor, many ex-slaves lived in poverty. Writers’ Project interviewers spoke with sixty-two former slaves in Indiana between 1936 and 1939; the interview transcripts are located with other Indiana Federal Writers’ Project files in the collections of the Cunningham Memorial Library at Indiana State University, and many are published in a recent book by Ronald L. Baker.

**Former Slave Mary Crane**

When this photo was taken, Mary Crane was 82 years old and living in Mitchell, Indiana. She was born into slavery and was one of many former slaves interviewed as part of the WPA Federal Writers’ Project between 1936 and 1939.

**New Deal Recreational Landmarks and State Parks**

“Our parks and preserves are not mere picnicking places. They are rich storehouses of memories and reveries. They are guides and counsels to the weary and faltering in spirit. They are bearers of wonderful tales to him who will listen; a solace to the aged and an inspiration to the young.”

— Richard Lieber, director of the Department of Conservation, 1928

Hoosiers love their state parks, which had their origins in Indiana’s centennial celebration in 1916. There were twelve state parks by 1933, and in the following decades, the state continued to add new parks to its state park system. In 1930 total state park attendance was nearly half a million people.
A decade later attendance had more than doubled. In the years since, generations have enjoyed the park improvements and recreational facilities created by the New Deal. The parks as we know them today owe a great deal to the Civilian Conservation Corps (CCC), a program that put unemployed young men to work building recreational structures such as cabins, picnic tables, shelters, saddle barns, hiking trails, band shells, and swimming pools at state parks and other public recreational sites. CCC camps, supported by Governor

**Civilian Conservation Corps**

These photographs depict life at segregated Civilian Conservation Corps (CCC) camps in Worthington and Corydon, Indiana, and come from photo albums of former CCC workers. Young men struggling to find jobs came from across the country to build infrastructure throughout Indiana, often in natural areas such as the Harrison County State Forest. Some could also gain an education and receive high school diplomas if they had not yet graduated. CCC workers constructed the camps they lived in, as well as roads, bridges, and park structures.
Paul V. McNutt and the state’s Democratic legislature, emerged in Indiana shortly after Roosevelt instituted the program in 1933.

Indiana’s first CCC camp was located in Morgan–Monroe State Forest. Camps soon sprang up in Spring Mill, Lincoln, Turkey Run, McCormick’s Creek, and Indiana Dunes State Parks. Each camp had approximately two hundred male workers living in racially segregated accommodations. The workers used native materials such as timber and split rock to build handsome, solid structures, many of which are still in use today. Among the finest are Lower Shelter at Brown County State Park, Pokagon’s CCC Shelter, and the saddle barn at Clifty Falls.

CCC projects included protecting and restoring natural resources. Workers planted thousands of native trees, mostly black locust and white pine, to reforest parks such as Pokagon and Shakamak. New dams and spillways aided in flood control and created new bodies of water, especially welcome in southern Indiana where natural lakes were rare.

No new Indiana state parks were created during the New Deal era, but two Recreation Demonstration Areas (RDAs), at Winamac and Versailles, became state parks soon after. The New Deal created RDAs to show the recreational value of land unsuitable for farming. For example, the Winamac area in Pulaski County was mostly marshy floodplain, and Versailles in Ripley County was primarily stony hills and wetlands. The areas became Tippecanoe River and Versailles State Parks, respectively.

During the New Deal, the state’s Department of Conservation educated Hoosiers about responsible stewardship of natural resources and the conscientious enjoyment of state parks. In 1934 the department published the first issue of Outdoor Indiana. The magazine proved very popular; it was still in print in 2014 and even had its own Facebook page.

Murals of Indiana

Colonel Lieber’s quick understanding of my desire to represent a social progression made it possible for me to transfer my original historical plan from the United States as a whole to the State of Indiana, the context of whose history is symbolical of the entire country.

— Thomas Hart Benton, “A Dream Fulfilled” in Indiana: A Hoosier History (1933)

Starting in 1934 and 1935, respectively, the Section of Painting and Sculpture (a division of the U.S. Treasury renamed the Section of Fine Arts in

Suburban Street

The mural Suburban Street by New Deal artist Alan Tompkins, graces the walls of the post office in Broad Ripple, Indiana. Tompkins wrote that the mural depicted “the atmosphere of mutual trust and friendliness, of peace and security, that is the essence of life in a democracy” when he finished it in 1942.
Benton Mural

Thomas Hart Benton painted this mural, *Parks, the Circus, the Klan, the Press*, for Indiana's exhibit at the 1933 Century of Progress Exposition in Chicago. Some have objected to depicting the Klan with their burning cross and American flag, but Benton's panel actually condemns the Klan and celebrates, in the foreground, a white nurse tending to an African American child and the press, which played a role in the Klan's downfall.
1938) and the Federal Art Project (FAP) put to work hundreds of artists who applied their talents to beautifying public buildings. Many public buildings, especially post offices in Indiana, contain beautiful murals created by these programs. These remarkable murals depict scenes from Indiana history and Hoosiers engaged in daily activities. Attica’s post office mural, *Trek of the Covered Wagons to Indiana* by Reva Jackman, shows pioneers seeking their new home. *Gas City in Boom Days*, painted on the wall of that town’s post office by William A. Dolwick in 1939, illustrates a prosperous time during the natural gas boom of the 1890s. In *Indiana Farm—Sunday Afternoon*, painted by Alan Tompkins in 1938 and mounted on the walls of the North Manchester post office, a Hoosier family relaxes outside on their day of rest.

One of the New Deal era public mural projects stirred major controversy—Thomas Hart Benton’s Indiana Murals. Not directly part of the FAP, the murals were commissioned by Richard Lieber, director of Indiana’s Department of Conservation, for the state’s exhibit at the 1933 Century of Progress Exposition in Chicago. Lieber granted Missouri-born Benton complete artistic control for his ambitious plan to depict “The Social History of Indiana” from “the Savage Indians to the present days of our machine culture”—with one exception. Lieber questioned Benton’s inclusion of a Ku Klux Klan rally in a panel titled “Parks, the Circus, the Klan, the Press,” which illustrates scenes of Hoosier life in the 1920s. Benton insisted that the Klan’s rise and fall was significant and needed to be included. His wishes prevailed. Controversy over the “KKK mural” continues to this day.

In 1938 Governor M. Clifford Townsend presented Benton’s Indiana murals as a gift to Indiana University after IU President Herman B Wells expressed an interest in them. Today, they grace the walls of three buildings on the Bloomington campus and are seen daily by the people they represent—the men, women, and children of Indiana.

Many New Deal era works of art have been restored, but sadly others have not. In towns and cities throughout the state, Hoosiers should be on the lookout for amazing work of 1930s public art the next time they go to buy stamps or mail a package.
World War II: Hoosiers on the Home Front

“America became very patriotic, everyone pitching in to get the job done so there would be no more, ‘too little and too late,’ supplies like there had been for months.”
— Lovilla (Horne) Greene, Indianapolis, Lukas–Harold plant employee during World War II, reminiscing ca. 1991

No bombs fell on Indiana. At first the violence of World War II was far removed from the state. But in the end, almost every Hoosier had friends and relatives in uniform. No generation had experienced such enormous change in such a short time since the Civil War. Hoosiers waited anxiously for letters and read about the war in newspapers, particularly reports from Hoosier correspondent Ernie Pyle. For the people left on the home front, these letters and newspaper reports were constant reminders that victory over Germany and Japan would require more than soldiers fighting in foxholes, fighter planes, tanks, and battleships. On the home front they were fighting an economic war, and the decisive battle was one of production. America’s ability to produce everything from weaponry to food would decide who won the war, and Indiana was on the front lines of that battle.

Hoosiers Working for Victory

No one in Evansville on 7 December 1941 could have anticipated the degree to which the war would alter the way they existed.
— Darrel E. Bigham, “The Evansville Economy and the Second World War,” Traces of Indiana and Midwestern History (Fall 1991)

The industries and companies that contributed most to the war were at the center of Indiana’s economy even before the war. Factories switched from producing for peacetime to producing the necessities of war. The automobile industry, for example, manufactured everything from trucks and other military vehicles to shell casings and electrical equipment for tanks, planes, and ships. The growing industrial cities received most of the war supply contracts. Indianapolis, South Bend, Gary, Hammond, Fort Wayne, and Evansville led the list.

Shipbuilding in Evansville

During the first three months of 1942, Evansville secured several huge War Department contracts for the national defense effort. The city’s inland location on a major waterway—the Ohio River—made it ideal for large-scale war production. In early January Chrysler began operating under an ordnance works, a service of the army tasked with making military supplies, and announced that it would hire five thousand workers to assemble airplane wings and tail surfaces. February brought an announcement by the Navy Department that a forty-acre site on the city’s west side would be cleared for the building of a shipyard for producing landing craft. Then in March, the Republic Aviation Company released news that it would build a massive aircraft factory on the city’s north side to build P-47 Thunderbolts to be used as fighter planes and bomber escorts.

Production boomed. Chrysler was busy cranking out plane parts and ammunition. Its huge ordnance works produced more than three billion rounds of .45 caliber ammunition, 96 percent of what was used in the war. In February 1942 site preparation for the Evansville Shipyard began. Shipbuilders at the yard began building the first landing ship and tank (LST) in June. The largest inland shipyard in the nation, Evansville Shipyard produced around 170 LSTs and 31 smaller craft. The Republic factory broke ground in April 1942, and the first P-47 Thunderbolt rolled off the line in September. By the war’s end, the factory had built approximately 6,000 Thunderbolts.

The war brought Evansville an economic reversal of fortune. By 1944 Vanderburgh County had received nearly $580 million in war defense contracts, the highest of any southern Indiana county and fourth highest in the state. Employment went from 18,000 in 1940 to approximately 60,000 by midwar. By the war’s end, about 75 percent of Evansville’s factories were involved in war production.
World War II greatly affected Hoosiers on the home front, as this poster from 1943 shows. In order to save resources for soldiers, the government rationed how much food people could buy as well as rationing gasoline, rubber, and shoes. Hoosiers adapted by carpooling, planting “victory gardens,” and in other ways. However, some also bought gasoline or meat on the black market, defying the government rationing system.
War production also brought some long-term growth to Evansville. For instance, International Harvester bought the Republic plant; the factory that had turned out thousands of Thunderbolts began to manufacture refrigerators after the war. However, the end of the war also brought some returns to the status quo. After the war most women left their factory jobs and went back to work in their homes, some more willingly than others. Racial tension and segregation remained. Labor and management, which had been on good terms during the war, were again at each other’s throats. In addition, unexpectedly on January 26, 1946, the largest fire in the city's history destroyed the Evansville Shipyards.

The Calumet Region Gears Up for War

World War II also turned around the economy of the Calumet Region. The lean depression years were gone. Jobs were plentiful, with the mills operating three shifts a day, seven days a week, to meet the needs of defense production. The Region's industrial might played a major role in the Allied victory. Led by U. S. Steel’s Gary Works and Inland Steel’s Indiana Harbor Works in East Chicago, steel was used to build ships, tanks, trucks, jeeps, bombs, ammunition, and even mess kits.

Standard Oil refineries in Whiting stepped up production to provide the government with millions of gallons of high octane aviation fuel, diesel fuel, and gasoline for military planes and vehicles. Home front industries developed a great demand for lubricants and grease to keep their overworked machines running smoothly.

Industries in Hammond met the government’s demand for other items. American-Maize Company turned forty thousand bushels of corn into sugars each day. The W. B. Conkey Company supplied essential
Women Workers
In this photograph, women are making turbine blades for military planes in 1944. During World War II, women took on new jobs in factories such as this one in Kokomo, Indiana.

printed materials such as manuals for pilots and tank operators. Another Hammond company made army and navy pennants.

Work Place Inequality—
A Home Front Battle Continues

Round-the-clock production meant a need for more workers. The iconic image of Rosie the Riveter represents the women workers who flooded into the factories during wartime. But the war did not bring gender equality. Many women took a “man’s job” at lower pay than the man who had done the work before the war. After Victory Day in Europe, known as V-E Day, women’s jobs vanished almost as quickly as they had appeared. Factories replaced women with men, many of them returning veterans.

Wartime necessity also resulted in unprecedented hiring of Mexican American and African American workers, but they generally had the lowest-paying and least desirable jobs. Many black workers commuted from Gary to the Kingsbury Ordnance Works in La Porte County, one of the nation’s largest shell-loading plants, for difficult and dangerous work. Kingsbury managers designated jobs as male or female and white or black, with separate assembly lines for African American workers. Racial tensions appeared in several plants. Some unions shut out black workers. A bill to lessen discrimination in defense employment met strong opposition in Indiana’s General Assembly.

In a war for freedom, African American Hoosiers continued to experience segregated jobs, housing, and schools. This was a bitter pill to swallow for black veterans returning home after fighting for their country. Fed up with inequality, many became part of what would later be called the Civil Rights Movement.
World War II: Myth vs. Reality

“You know—we’ve had to imagine the war here, and we have imagined that it was being fought by aging men like ourselves. We had forgotten that wars were fought by babies. When I saw those freshly shaved faces, it was a shock. ‘My God, my God’—I said to myself, ‘It’s the Children’s Crusade.’”

— Kurt Vonnegut, dialogue in Slaughterhouse-Five (1969)

Benjamin Franklin said there never was a good war or a bad peace. Yet, many considered World War II a “good war,” for reasons that are complex and provoke animated discussion. Hoosier novelist Kurt Vonnegut was an American POW in Germany and survived the devastating bombing of Dresden. He fictionalized part of his traumatic war experience in Slaughterhouse-Five, arguably one of the greatest war novels ever written. Vonnegut would probably agree with Franklin and have a colorful (and likely unprintable) comment if he heard someone call World War II “good.” Good or bad, the war certainly never ended for Vonnegut and his generation, who marked segments of their lives as “before the war” and “after the war.”

In 1945 Hoosiers were thinking about jobs, homes, babies, going to college on the GI Bill, and the possibility of another depression. Little did they know, they were living at the beginning of America’s longest period of economic growth. Few imagined that they would come to be called the Greatest Generation for having lived through and survived the Great Depression and World War II.

Kurt Vonnegut Jr.

Kurt Vonnegut Jr. served in World War II, where his experiences as a prisoner of war in Dresden, Germany, profoundly influenced him and provided the basis for his novel Slaughterhouse-Five.
Eli Lilly and Company: A Hoosier Family Business Goes Global

“My whole existence has been rather humdrum, and I can’t imagine who on earth would want to read even the best possible sketching of my life.”

— Eli Lilly to C. W. Hackensmith, April 21, 1972

Eli Lilly and Company, the phenomenally successful Indianapolis pharmaceutical company, has produced medicines that have saved millions of lives since Colonel Eli Lilly, a Civil War veteran and chemist, founded it in 1876. Successful from the start, the company’s innovation, productivity, and impact exploded during the 1920s and continued after World War II. Today Eli Lilly and Company is one of the world’s largest drug manufacturers.

Eli Lilly (1885–1977), the Colonel’s grandson, was key in transforming a family business into a global corporation. To the casual observer, Lilly was a typically modest Hoosier who once called his existence “humdrum.” His unassuming manner belied the intelligence and vision that made him one of Indiana’s greatest business leaders.

A Remarkable Leader for Remarkable Times

Born on April 1, 1885, Lilly grew up in Indianapolis near his paternal grandparents. His family and his Indiana roots were extremely important to him throughout his life. After graduating from Shortridge High School, Lilly earned a degree in pharmaceutical chemistry from the Philadelphia College of Pharmacy, as had his father, Josiah K. Lilly. In 1907 he returned to Indianapolis and joined his family’s business on McCarty Street. He once said that he never thought of doing anything else.

Lilly had worked at Eli Lilly and Company since he was ten years old. As a young man out of college, qualified and eager for a challenge, he headed the new Economic Department. His task was to increase efficiency and production. To accomplish this, Lilly embraced research and new technologies. He even designed a bottle-filling machine that saved the company $7,500 in its first year of implementation. He also educated his workers to be mindful of wasteful practices. By 1917 the McCarty Street complex had four new buildings, one housing the largest capsule factory in the world, which was capable of producing 2.5 million capsules per day.

Mass-Producing a Miracle Drug

In 1922 the Indianapolis pharmaceutical company acquired an exclusive license to produce and sell insulin in the United States. The drug’s Canadian inventors had difficulty mass producing the medicine, which had proven to be a virtual miracle treatment for diabetes, a deadly disease that previously had no effective
treatment. Led by brilliant British chemist George Henry Alexander Clowes, whom Lilly had hired as director of biochemical research, Eli Lilly and Company began to produce insulin in large quantities. It was a win-win situation for the company and for diabetics. By late 1923 nearly half of the company’s profits came from insulin sales, with nearly 25,000 Americans taking the drug.

Insulin’s success encouraged Lilly to expand the company’s research capabilities by working with academic researchers around the globe. In the 1920s the company introduced many important new products including Amytal (the first American barbiturate/sedative), Merthiolate (an antiseptic/germicide), ephedrine (for asthma and allergies), and liver extract (for anemia). The company continued to grow, and Eli Lilly took over as president in 1932.

**More, Better, Faster—Supplying the War Effort**

Like many other businesses, Eli Lilly and Company supported the war effort during World War II. The war increased the need for the company’s products, especially typhus and flu vaccines and Merthiolate.

There was also a huge demand for blood plasma and penicillin. Even with a shortage of trained personnel, the company managed to ramp up production of those products essential for treating war casualties. A year after Pearl Harbor, it manufactured ten thousand packages of blood plasma a week. By the war’s end, Eli Lilly and Company had supplied nearly twenty percent of the United States’ total plasma production. The company earned no profit from the blood because Lilly believed it would be wrong to make money on blood that individuals donated. Mass producing penicillin, an antibiotic discovered in 1928 and not produced or used on a large scale until the war, proved very challenging, but it was worth the effort, given the drug’s life-saving capabilities. The penicillin produced in 1943 was grown in thousands of milk bottles using a painstaking surface culture method. A year later, due to research breakthroughs, the company made the drug in eight 1,000-gallon tanks.

The post-war years brought prosperity to Eli Lilly and Company. It expanded again in order to keep up with demand, building a new plant and shipping department on Kentucky Avenue. By 1948 the company was a global corporation with employees in thirty-five
countries. That year, Lilly stepped down as president of the company and passed the title over to his brother, Josiah K. Lilly Jr., who held the position for five years. Gradually, the company shifted away from family management but continued to play an immense role in central Indiana.

The Legacy of Eli Lilly

*There is nothing so pathetic as the person who keeps his nose so close to the grindstone that when the time comes to adopt an easier mode of life, he has no other interests.*

— Eli Lilly, “The President’s Column,” SuperVision, company newsletter, November 1946

Eli Lilly masterfully guided his family’s business from the first decade of the twentieth century to the middle of the century. But his legacy extends far beyond building an innovative Hoosier corporation with a reputation for treating its employees well. Lilly passionately pursued his interests in Indiana history and giving back to his native state.

Lilly discovered an interest in archaeology in the 1930s and soon employed an aspiring Hoosier archaeologist named Glenn Black to study and map Indiana’s archaeological sites. When Black died in 1964, Lilly encouraged and financially backed the publication of his nearly finished research on the Angel Mounds site. He also established the Glenn A. Black Laboratory of Archaeology at Indiana University in Bloomington to which he donated his extensive archaeology collection and library.

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Lilly Insulin Ad

This advertisement for insulin, ca. 1930, showcases that Eli Lilly and Company was the first commercial producer of insulin in the United States, which it marketed under the brand name Iletin. This treatment for diabetes, which Lilly began producing in the 1920s, earned the company widespread recognition and large profits.
Lilly’s other strong interest was preserving Indiana’s historical sites. In 1934 he purchased the 1823 home of Indian trader William Conner and rescued it from ruin. Along with restoring the Conner house, Lilly wanted to re-create pioneer Indiana on the adjacent property. His vision and money made possible the experiences enjoyed today at Conner Prairie Interactive History Park.

Conner Prairie was Lilly’s largest historic preservation project, but he had many others, including William Henry Harrison’s Vincennes home, various projects in the historic river town of Madison, and the Waiting Station at Crown Hill Cemetery and Lockerbie Square in Indianapolis. All the while he became an active leader and financial contributor to the Indiana Historical Society. Today, the endowment income from his gifts helps continue the historical society’s work. As the state’s major archive of non-governmental records the IHS collects, preserves, interprets, and shares the history of Indiana and the Old Northwest.

Giving Back to Indiana

Like his grandfather and father, Eli Lilly believed in charitable giving, and he gave generously to causes he believed in, such as archaeology and history. In 1937 Lilly joined with his father and brother to form the Lilly Endowment to support good work, especially in religion, education, and community development. For example, the Lilly Endowment supplied most of the funding for the Glenn Black Laboratory’s handsome building.

Today, in keeping with the founders’ wishes to give back to the city and state that were so good to them, about seventy percent of the Lilly Endowment’s funds go to Indianapolis and Indiana non-profit organizations, including community foundations in each county in the state. As of January 2014, the Lilly Endowment ranked sixth on the list of top U.S. foundations, with assets exceeding more than $7 billion.
Selected Bibliography


Essential Questions

1. How did the Great Depression affect Hoosier families?*

2. What "Little New Deal" programs did Paul McNutt enact as governor? Describe how these programs were intended to provide emergency help for unemployed Hoosiers in need.

3. What was the goal of the 1933 gross income tax?

4. How and why did Governor McNutt reorganize the state government?

5. What criticisms did McNutt's opponents offer of him?

6. What projects did the Works Progress Administration (WPA) undertake in Indiana between 1935 and 1940? What were/are some products of these projects?

7. How did the Civilian Conservation Corps (CCC) leave a lasting impression on Indiana's landscape?*

8. Describe the experiences of African Americans and Mexican Americans during the Great Depression and World War II and compare their experiences to those of white native Hoosiers.

9. How did Indiana businesses aid the World War II effort to make the home front the "arsenal of democracy"?

10. How did World War II transform the lives of many Hoosier women? What happened to them following the war?

11. How did the production of insulin propel Eli Lilly and Company to international success in the pharmaceutical industry?

12. What role did Eli Lilly and Company play in the war effort?

*See student activities related to this question.

Activity 1: Unemployed in Bloomington

Introduction: Prior to the Great Depression, economic aid programs were organized at the local level. However, the stock market crash of 1929 brought on circumstances so severe that local aid could not fill the need. The desperation of the situation is evidenced in a letter written in February 1931 by a Mrs. Jess Beyers of Bloomington, Indiana, to Thomas W. Rogers, chairman of the Bloomington Citizens Committee on Unemployment Relief. The committee was a local agency that sought work for those in need and held fund drives, appealing to those still able to help. A brochure for this committee states, "This community is being called upon to aid in relieving the distress existing among a number of our own citizens due to prolonged unemployment." (Citizens Committee on Unemployment Relief Records)

In her letter, Beyers points out that the aid her family receives through this committee does not bridge the gap caused by chronic unemployment and leaves her family helpless to buy food or fuel for heat. Ultimately, the State of Indiana and the federal government stepped in to help families like that of Mrs. Beyers. In 1935 President Franklin D. Roosevelt signed the Social Security Act, establishing federal old age insurance (that is, Social Security), welfare, and unemployment insurance programs. A year later, Indiana established a Department of Public Welfare as part of Governor Paul V. McNutt’s "Little New Deal" programs.

Read the following excerpt from the February 1931 letter from Mrs. Jess Beyers to Mr. Thomas W. Rogers:

*I know there is some people in the world that follows begging [begging] for a living but that [is] not me. Now here I set this afternoon with two sick children and ½ bucket of coal and nothing to eat. I can buy $1.00 worth of coal and one dollar worth of groceries and that will last maby [maybe] until Thursday. I feel like it is up to you to see to things like this as you are one at the head of the unemployment releaf [relief] work, you know as well as I do that this town does about the lease [least] of any town close around for there [their] unemployed. Terre Haute payes [pays] there [their] men...
$10.00 for three days a week and many other places the same. You know a family of nine can’t live on $7.00 a week and our new trustee things [thinks] 9 people ought [ought] to live on $1.50 for two weeks.

With your classmates, divide the class into three groups:

- One group should budget $0.75 for a week’s worth of groceries and coal
- The second group should budget for $7.00 a week
- The third group should budget for $10.00 a week.

Use the prices on the chart below that lists the average retail price of many common foods for the years 1928–36 (Retail Prices of Food; Retail Prices and Cost of Living).

Now answer the following questions based on your budgeting experience:

1. Was it difficult to create your budget? Why or why not?
2. Do you believe that the supplies of food and heating fuel you can purchase with $0.75 would be enough to last a family of nine for one week? What about with $7.00 or $10.00? Explain your answer.
3. How much more money do you estimate it would take to realistically sustain a family of nine for a period of one week?
4. How do you think situations like that of Mrs. Beyers in Bloomington affected the push to create federal aid programs such as the unemployment insurance provision of the Social Security Act of 1935?

### Expenses, 1928–36

<table>
<thead>
<tr>
<th>Grocery Item</th>
<th>Price/unit</th>
<th>Grocery Item</th>
<th>Price/unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat flour</td>
<td>3.3¢/pound</td>
<td>Cabbage</td>
<td>3.6¢/pound</td>
</tr>
<tr>
<td>Wheat cereal</td>
<td>24.9¢/28 oz. package</td>
<td>Onions</td>
<td>4.5¢/pound</td>
</tr>
<tr>
<td>Corn flakes</td>
<td>9.0¢/8 oz. package</td>
<td>Potatoes</td>
<td>2.2¢/pound</td>
</tr>
<tr>
<td>Chuck roast</td>
<td>22.5¢/pound</td>
<td>Canned beans with pork</td>
<td>8.1¢/16 oz. can</td>
</tr>
<tr>
<td>Pork chops</td>
<td>28.3¢/pound</td>
<td>Canned corn</td>
<td>12¢/no. 2 can</td>
</tr>
<tr>
<td>Roasting chickens</td>
<td>32.1¢/pound</td>
<td>Peas</td>
<td>12.8¢/no. 2 can</td>
</tr>
<tr>
<td>Butter</td>
<td>34.6¢/pound</td>
<td>Tomatoes</td>
<td>10.5¢/no. 2 can</td>
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<tr>
<td>Cheese</td>
<td>28.1¢/pound</td>
<td>Coffee</td>
<td>31.6¢/pound</td>
</tr>
<tr>
<td>Milk, fresh delivered</td>
<td>10.1¢/quart</td>
<td>Tea</td>
<td>85.4¢/pound</td>
</tr>
<tr>
<td>Milk, evaporated</td>
<td>8.2¢/14½ oz. can</td>
<td>Lard, pure</td>
<td>11.8¢/pound</td>
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<tr>
<td>Eggs</td>
<td>26.9¢/dozen</td>
<td>Vegetable shortening</td>
<td>25.5¢/pound</td>
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<tr>
<td>Bananas</td>
<td>8.7¢/pound</td>
<td>Oleomargarine</td>
<td>20.1¢/pound</td>
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<tr>
<td>Oranges</td>
<td>37.8¢/dozen</td>
<td>Sugar, granulated</td>
<td>5.8¢/pound</td>
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</table>

<table>
<thead>
<tr>
<th>Energy Item</th>
<th>Price/unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>$1.00/week (“Average Retail Prices of Coal Per Ton of 2,000 Pounds”)</td>
</tr>
</tbody>
</table>
Activity 2: The Civilian Conservation Corps in Indiana

Introduction: President Roosevelt championed a host of New Deal programs that were designed to provide aid for those hit hard by the depression. Some of these programs, such as the Civilian Conservation Corps (CCC), provided employment for out-of-work young men. CCC workers built recreational structures at state parks and completed projects protecting and restoring natural resources. The fruits of CCC labor remain today in the form of park structures, such as shelters, cabins, dams, and spillways, passages for surplus water from dams. CCC workers also planted trees to reforest land. Planting trees helped to prevent erosion, in which the rich top soil is washed away by wind and rain.

CCC camps were located at more than fifty places around Indiana, including the Morgan-Monroe State Forest and Spring Mill, Lincoln, Turkey Run, McCormick's Creek, and Indiana Dunes State Parks. The camps were segregated, each with approximately two hundred workers living in separate accommodations according to their race.

The Indiana Historical Society collections contain the letters of W. E. Mayo, an African American member of the CCC, to Ruth Greathouse in Indianapolis. Mayo began his time in the CCC at Camp Knox in Kentucky and was later stationed at the CCC camp near Cromwell, Indiana. He mostly performed office work, scheduling workers and administering projects, so he does not write much about the physical work itself. However, his letters offer a glimpse into daily camp life. For example, in his letter of April 4, 1935, to Greathouse, Mayo describes one of his CCC projects: “I went out with a group of leaders today and planted some trees as a part of a National Conservation Program. We had a lot of fun and planted 850 trees in two and one-half hours.” (Ruth Greathouse Collection)

A national group called CCC Legacy maintains a list of all the CCC Camps in each state. Visit the group’s website, http://www.cclegacy.org/CCC_Camp_Lists.html, to view a list of Indiana’s camps.

1 Using Google Maps or other mapping software, mark the locations of Indiana’s camps on a map of the state.

2 On this same map, mark the locations of state parks and state forests.

Answer the questions below based on your map:

1 What camps were located at the site of a state park or forest?

2 What do you notice about the locations of other camps?

3 Identify the presence of natural resources such as trees, rivers, lakes, or wetlands near the camps. Label these natural resources on your map.

Study the four CCC photos in Section 9.2. These photos were taken at the Indiana CCC camps at Worthington and Corydon, Indiana. The images depict daily life and labor at the camps. Select a photo and imagine camp life from the perspective of one of the young men pictured or who you imagine resides at the camp. Compose a letter home from this young man’s point of view. Consider the following questions to help guide your writing:

1 What kind of work do you do at or around the camp? How does the work make you feel physically and mentally?

2 What are some of the sights, sounds, and smells you experience at camp?

3 Would you rather be working at the camp or be back at home? Explain.

4 What, if any, do you see as the long-term impacts of your work?

5 What activities do you engage in when you are not at work?
Activity References


Ruth Greathouse Collection, M622. Indiana Historical Society.
