Marker Text

McNutt, born July 19, 1891 at 200 N. Walnut, was Indiana’s 33rd Governor (1933-1937), state and national American Legion Commander, I. U. Law School Dean, High Commission and first U. S. Ambassador to Philippine Republic. Died March 24, 1955; buried at Arlington National Cemetery.

Report

The text of the marker is correct, but context is needed concerning Paul McNutt’s extensive career in public office. Also, his time as a contender for the Democratic Presidential nomination in 1940 of the United States is central to understanding his statewide and national significance. This report explains McNutt’s career and his ambitions for higher office, specifically the Presidency. It additionally provides political context for understanding McNutt’s role during the New Deal (1933-1940) and early Cold War (1945-1950) periods.

Paul Vories McNutt was born on July 19, 1891 at 200 North Walnut in Franklin, Indiana. He was the only child of John Crittenden and Ruth Neely McNutt. An early exposure to law and politics came from his father, who was an attorney and served as the librarian for the Indiana Supreme Court. When Paul was seven, the family moved to Martinsville, Indiana, where he graduated from Martinsville High School in 1909. He attended Indiana University from 1909-1913 and graduated with a BA in English with the “highest distinction.” During his time at IU, McNutt strengthened his leadership skills as the president of Indiana Student Union. McNutt, like his father, pursued a career in law and attended Harvard University from 1913-1916 and graduated with a LLB (Bachelor of Laws).

After a year with his father’s private law practice, McNutt joined the Indiana University law school faculty in 1917. However, his teaching plans were disrupted by national service. The United States formally entered into World War I in April of 1917, when Congress declared war on Germany. A few months later, on June 5, 1917, McNutt registered for military service and a South Bend News-Times article from November 28, 1917 reported his rank as Captain. He spent most of his time during the war at various military bases in Texas, and while he “exuded pride in his contribution,” the war’s end precluded the chance to fight in Europe.

McNutt returned to the IU Law School faculty in 1919 and continued teaching classes and helping with administrative duties. In 1924, Professor Charles Hepburn, the long-serving dean of the IU Law School, asked the trustees if an “acting dean” could help him with responsibilities. When a Harvard University visiting scholar appointment fell through, McNutt suggested he help Hepburn with administrative duties. On August 1, 1925, after Dean Hepburn’s appointment to research scholar, the IU Law School formally installed McNutt as Dean. Under his tenure, the Law School streamlined its administration, expanded its enrollment, and oversaw the launch of the Indiana Law Journal. He held this position until his inauguration as Governor in 1933.

The marker is correct in stating that he served as State and National Commander of the American Legion, but context is needed to explain the importance of these positions to McNutt’s public life. In
some respects, McNutt began his political career through the Legion and used its infrastructure to win the governorship. He joined the Bloomington post of the American Legion shortly after its founding in 1919. In the years leading up to his role as State and National Commander, McNutt had little interest in the Legion other than as a social club. This changed after becoming Dean of the IU Law School; McNutt’s desire for higher office motivated his involvement in Legion leadership.9

He was elected State Commander in 1926. As State Commander, he helped organize the 1927 national meeting in Indianapolis. He also lobbied for veterans, urging state banks to provide loans to WWI veterans based on their future retirement compensation. The Indiana Legion expanded its membership dramatically during his tenure; a January 1929 American Legion Monthly piece credited McNutt with growing the Indiana department of the Legion from 18,336 to 25,505.10

After rigorous campaigning and substantial support at the American Legion’s National Convention, McNutt was elected National Commander on October 11, 1928. After his election, he called for the reelection of several key officers of the Legion’s membership.11 As National Commander, McNutt expanded national membership, organized events, and offered advice on foreign policy and veteran’s affairs. McNutt’s outspoken views ignited a very public feud with President Herbert Hoover. In 1929, the Hoover Administration agreed to scrap two British Naval Ships and McNutt forcefully displayed his disagreement through a telegram published in the New York Times. McNutt believed it made America more open to attack if “naval parity with Britain” was lost. McNutt’s internationalist view of foreign policy, which would serve him well during the 1940s, clashed with the isolationist current of the 1920s.12

In July 1929, McNutt traveled to France, Hungary, and Yugoslavia on a trip as National Commander. He visited the Legion’s world headquarters in Paris and visited gravesites for those killed in World War I. On October 3, 1929, O. L. Bodenhamer of Eldorado, Texas was elected to succeed McNutt as Legion National Commander. After serving as National Commander for the one year term limit, the Legion appointed McNutt as “legal advisory council of the [U. S.] Veteran’s Bureau,” which furthered his policy experience. Overall, McNutt’s time in the American Legion provided the logistical tools and political network he needed to run for higher office.13

He served as the 33rd Governor of Indiana from 1933-1937. He was nominated for Governor by the Democratic Party in June 1932 and elected in November, the same year Franklin Delano Roosevelt first won the Presidency.14 In his inaugural address on January 9, 1933, McNutt advocated for broad political reform, including care for those hurt by the Great Depression, brought on by the Stock Market Crash of October 29, 1929. He called for investments in public education and infrastructure, care for the elderly and infirm, and a reorganization of government functions, including taxes.15 The next day, McNutt gave another address to the General Assembly to detail some of his proposals, which included consolidation of government agencies, the levying of a personal income tax, tighter regulation of public utilities, the end of alcohol prohibition, and balancing of the state budget.16

During his four years as Governor, Paul McNutt achieved many of his policy proposals. According to historian Linda C. Gugin, his signature achievement during his first year of office was the Executive
Reorganization Act, passed by the General Assembly on February 3, 1933 and subsequently signed by him. It reorganized more than 100 separate divisions of government into eight departments, directly overseen by the Governor. He also advocated fiscal discipline. While bank runs ravaged the country’s financial health, McNutt argued against a bank holiday for the state, despite states like Michigan had already passed one. This move ensured more stability to the banking system in the state. He also kept his promise on prohibition. On February 25, 1933, the General Assembly repealed the state’s prohibition law, and Governor McNutt “recommended pardons for those convicted of liquor law violations other than public intoxication and driving while intoxicated.”

Governor McNutt proved to be an early champion of human rights for European Jews during the rule of Adolf Hitler. He gave the keynote speech at a Chicago anti-Hitler meeting, showing his opposition to the German leader’s treatment of Jewish people in Germany. In his address, he stresses the need for battling Germany’s injustice:

“This Indiana joins the protest against persecution...This is a prayer for the freedom of the world. Are we to join with the traitors of brotherhood, or to enlist in the war of justice? What nation would deny its pioneers and a people who have made such contributions to culture? No government can long endure that fails to guarantee to its people the right to live as human beings. The present government of Germany thus writes its own destruction.”

Furthermore, he advocated for Americans ravaged by the Great Depression. On June 24, 1933, he gave a speech at the National Governor’s Conference in which he touted his reforms and argued that in times of instability, the executive must take action to avoid widespread economic and social disruption. Like Roosevelt, McNutt’s progressive policies highlighted his belief in “economic security for Americans at home as well as national security for America abroad.”

McNutt often used his political power as Governor to oppose organized labor, crime, and even political candidates. In the fall of 1933, Governor McNutt ordered Sullivan County under martial law and sent National Guard Troops to deal with unrest at the Starburn Shaft Mines following a labor contract dispute. In 1934, notorious bank robber John Dillinger escaped out of a Lake County, Indiana jail with a wooden gun and then proceeded to Chicago. Governor McNutt “ordered a thorough investigation and an Assistant Attorney to Lake County to conduct it.” In the 1934 midterm elections, he used his influence within the Democratic Party to insure that Sherman Minton was the Democratic nominee for Senate, rather than R. Earl Peters, a vocal opponent of the McNutt administration and its policies.

In late 1934, McNutt gave a policy speech in defense of his state’s old age pension program and for a broader national plan for unemployment benefits and old age pensions, which paralleled President Roosevelt’s campaign to create a national old age and infirm pension program, Social Security. Once the Social Security Act was passed in 1935, McNutt’s administration aligned Indiana’s policies with the national program through the “Unemployment Compensation Act, the Public Welfare Act, and the Child and Maternal Health Act.”
He spent the later years of his term championing his reforms and maintaining a progressive agenda. His second legislative message to the Indiana General Assembly called for the expansion of relief efforts within state government and new reforms for taxes, highways, and the sale of alcohol. Crime was another key issue at the time; Governor McNutt outlined a “nine-point plan” for curbing crime.\textsuperscript{22} In a 1935 address, McNutt championed the new Utilities Commission, whose tighter regulations on energy companies saved the Hoosier public over $5,000,000 in just two years.\textsuperscript{23} In his final weeks of office, McNutt was the recipient of a dinner by Democratic Party leaders, who had begun to see him as a presidential candidate. Senator Sherman Minton said to McNutt that, “As we bid you good-bye to the State House, we bid you godspeed to the White House.” As historian James Madison emphasized, McNutt’s governorship was one of the most influential, and controversial, administrations in Indiana history.\textsuperscript{24}

After his time as Governor, McNutt served as High Commissioner to the Philippine Islands from 1937-1939, and then again from 1945-47, becoming their first Ambassador the United States after they gained independence in 1946. The position of High Commissioner was mainly a ceremonial one. McNutt served as the personal representative of the President of the United States to the government of the Philippines during the period of transition from U.S. colonial rule to Philippine independence.\textsuperscript{25}

He was nominated for the position on February 17, 1937, roughly a month after he finished his term as Indiana’s Governor. His nomination surprised the Philippine public, to whom McNutt was relatively unknown. However, his record reportedly earned their trust. His nomination also drew criticism in the United States. Frederick J. Libby, executive secretary of the National Council for the Prevention of War, saw McNutt’s use of force in labor disputes as a concern which he addressed in a letter to President Roosevelt. Regardless of criticism, McNutt proved to be a loyal lieutenant to President Roosevelt, and the office became a political asset.\textsuperscript{26}

Much like during his governorship, McNutt’s commitment to the protection of European Jews extended to his role as High Commissioner. McNutt denounced the horrific policy of Kristallnacht (a night in the fall of 1938 where Nazi soldiers attacked Jewish homes and destroyed their belongings) and ensured the escape of “1,200 German and Austrian Jews” to the Philippine Islands in 1938-39. These policies stood as an outlier for American policy during the 1930s; entering the United States was often difficult for Europeans fleeing fascism. Nevertheless, as acts of political conscience, these policies remain one of McNutt’s most enduring legacies.\textsuperscript{27}

In February 1938, McNutt traveled back to the U.S. for Indiana Democratic Party functions and a private meeting with President Roosevelt.\textsuperscript{28} Due to increasing tensions between imperial Japan and the Philippine Islands, Americans largely opposed (76%) a plan for independence and pollsters argued that McNutt’s meeting with Roosevelt added to this unease. On February 24, 1938, McNutt met with President Roosevelt to discuss the situation in the Philippines, his plans for the 1940 election, and the economic situation in Indiana. Their meeting resulted in no major changes with Philippine policy at that time.\textsuperscript{29}
In reinforcement of Roosevelt and McNutt’s plan, Philippine President Manuel Quezon agreed to the terms of the Tydings-McDuffie Act (a law for independence passed in 1934) and abandoned an expedited plan for independence before 1946. Both McNutt and Quezon reaffirmed their commitment to the policy set forth by President Roosevelt but Quezon did disapprove of McNutt’s private suggestion (which differed from Roosevelt) that independence should be put on indefinite hiatus. These tensions may have influenced McNutt’s decision to resign as High Commissioner in 1939, accepting a position as the administrator of the Federal Security Agency.\(^{30}\)

While his potential candidacy for President in 1940 is not expressly stated on the marker, it is important for understanding McNutt’s state and national significance. Franklin Roosevelt, nearing the end of his second term as President, displayed ambivalence about a third term. This forced many within the Democratic Party to seek out a candidate, and McNutt received serious consideration. During his 1938 visit to the U.S., the Indiana Democratic Editorial Association and a meeting of 300 Democratic leaders in Washington, D.C. endorsed him for President. If Roosevelt did not seek a third term, McNutt believed he had the political resources to win the Democratic nomination.\(^{31}\)

Two major publications profiled McNutt’s presidential ambitions. Jack Alexander’s piece in Life magazine highlighted the Indiana Democratic Party’s use of “McNutt for President Clubs,” local organizations that campaigned for the former Governor, as integral to his electoral success. Alva Johnston’s piece in the Saturday Evening Post highlighted his prominence next to Roosevelt and saw his chances of election as fairly strong.\(^{32}\)

However, when Roosevelt decided to run for a third term, McNutt dropped out of the race for the Democratic Nomination in the hopes that he would be considered for the Vice Presidency. When Henry Wallace, Secretary of Agriculture, became Roosevelt’s choice for the Vice Presidency, McNutt conceded again to the wishes of the President. With a nomination for the presidency or vice presidency out of his grasp, McNutt ended his ambitions for the White House and he never held another elected office.\(^{33}\)

After his time in the Philippines and his unsuccessful presidential campaign, McNutt continued serving in Federal administration positions. He served as the Administrator for the Federal Security Agency from 1939-41, overseeing war efforts in infrastructure, health, and education, as well as the implementation of Social Security.\(^{34}\) In 1942, he was the Director of the Office of Defense Health and Welfare Services, part of the larger Office of Emergency Management. His final war post was as Chairman of the War Manpower Commission from 1943-1945. During his tenure, McNutt became an advocate for agricultural issues and their impact on the war effort, urging the need for food preparedness and the importance of student agricultural sciences.\(^{35}\)

At President Harry Truman’s personal request, McNutt returned as High Commissioner to the Philippines in 1945 and, in anticipation of their independence, was appointed their first U.S. Ambassador in 1946. McNutt represented President Truman at the Philippine Independence ceremony on July 4, 1946. He shared the ceremonial duties with Philippine President Manuel Roxas and General Douglas MacArthur. He retired from this post in 1947.\(^{36}\)
McNutt moved to New York City in 1947 and began a law practice. In 1949, he served his final governmental post, as a member of the China Advisory Committee for the Economic Cooperation Administration. McNutt unsuccessfully worked as chairman for United Artists Film Corporation in 1950-51. He was unable to save the company from losses and was eventually bought out by movie mogul Arthur Krim. He formally retired from the military on January 31, 1953, with the rank of Colonel.

Paul V. McNutt died on March 24, 1955 in his Manhattan apartment of a prolonged illness, most likely a complication from surgery on a “throat ailment” in February 1954. Weeks before his death, he and his wife Kathleen visited Manila, Philippines, as a recovery aid from surgery complications, but his condition worsened and he returned to the United States. He was interred at Arlington National Cemetery on March 28, 1955 with full burial rites. Herman Wells, then president of Indiana University, performed the eulogy.


3 He also served as the recording secretary of the IU YMCA, a member of the English Club, and a member of the Beta Theta Pi Fraternity (Indiana University Arbuts, 1910-1913, Ancestry.com).

4 Harvard University Register, 1914, 75, 139, Ancestry.com. Like at IU, McNutt was also active in leadership organizations, such as the Harvard Legal Aid Bureau and Acacia, a national fraternity based on Masonic traditions. Also, the index has him attending Harvard by way of Martinsville, Indiana (Ibid., 213).


6 Dean J. Kotlowski, “Launching a Political Career: Paul V. McNutt and the American Legion, 1919-1932,” Indiana Magazine of History 106, no. 2 (June 2010), 123, Indiana Magazine of History Online. He also met his future wife, Kathleen Timolat, during his time in Texas. He proposed marriage to Kathleen in 1918 and they married three months later. His only child, Louise, was born in 1921 (“Indiana Marriages,” Indianapolis News, April 12, 1918, 12, IUPUI Digital Collections; “Handsome Couple Met at Texas Dance, Wed 3 Months Later,” The Indianapolis Sunday Star, November 1, 1964, n.p., Indiana Clipping File, Indiana State Library).


14 “Young Democrats Control in Indiana,” *New York Times*, June 26, 1932, 7, Historic New York Times/ProQuest; “Republican Party Goes Down in Bitter Defeat; Van Nuys Sweeps Watson off Political Map,” *Post-Democrat* (Muncie, IN), November 11, 1932, 1, Indiana Memory. A 1934 Indianapolis City Directory lists him as the Governor, with his address at 101 E 27th (Governor’s Mansion) (1934 Indianapolis, Indiana City Directory, Ancestry.com).


“Governor Paul V. McNutt, In Stirring Radio Address, Sets Critics on Their Heels,” Post-Democrat (Muncie, Indiana), April 26, 1935, 1, 6, Indiana Memory. These new regulations ensured that rural areas of the state received electricity for the first time, something McNutt counted as one of his greatest accomplishments as Governor (“McNutt Hails Rural Power Aid,” New York Times, December 6, 1936, 8, Historic New York Times/ProQuest).


Even though he had Presidential ambitions, and used his federal position for such an opportunity, McNutt gracefully dodged this in a radio interview when he traveled to the United States in February of 1938. “I am not a candidate for office . . . I am giving all my time, attention, thought, and energy to the American-Philippine Situation,” McNutt argued (“Canapé and Caviar Set M’Nutt on Way,” New York Times, February 23, 1938, 20, Historic New York Times/ProQuest).


41.1992.1 Birthplace of Paul Vories McNutt
Johnson County
Marker Text Review Report
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