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AN ANALYSIS OF THE CAMPAIGN

OF 1928

BY

GRACE R. CONANT

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF

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INTRODUCTION

The campaign of 1928 took place one year before the most feverish and extensive period of industrial and financial consolidation in the history of American industry came to an abrupt close.¹ As combination in ownership grew, leadership in business policies came more and more to be concentrated in the hands of finance. It is not stretching the facts too far to say that a few dominant finance-capitalists groups were controlling the destinies of a great part of the country's business life by the end of the nineteen-twenties.² The warnings of Woodrow Wilson were unheeded;³ the government support to industry, under President Coolidge, was pushed to extremes, and the high plateau of the prosperity of the twenties was attained. Under his regime the function of the government, as interpreted by the Republican Party, was no longer limited to the task of guarding the rights of the citizens, but was directed to the task of encouraging the development of business.⁴ It is of social significance that the standards and ideas of the financial and industrial leaders permeated the whole population.

¹Laidler, Harry W., Ph.D., Concentration in Control in American Industry, Thomas Y. Crowell Company, New York, 1931, vii.

²Hacker, Louis M. and Kendrick, Benjamin B., The United States Since 1865, F.S. Crofts and Company, New York, 1941, 674.

³Laidler, 315.

⁴Morrison, Samuel Eliot and Commager, Henry Steele, The Growth of The American Republic, Oxford University Press, New York, 1937, II, 521, 530.

There was little difference between the platforms of the two parties.⁵ Both parties had ample financial backing, consequently the campaign drew its life from the personalities of the two candidates.⁶

Under the two party system there are numerous factions with conflicting interests within each party, one or more of which may feel that their cause will be better represented by a candidate of the other party. The result of the election proved that factional questions cut across party lines. In order of importance the issues seem to have been: (1) the belief that prosperity and the Republican Party were synonymous, (2) the prejudice of rural America against a city machine politician, (3) the opposition of the Protestants to electing a Catholic to the Presidency, and (4) the determination of the Evangelical Protestants to retain prohibition.⁷

One may ask whether: (1) the amount of money spent by either party was a determining factor, (2) what part the press played in influencing the voters, (3) how did the farmers and the large numbers of workers who were not prospering vote, and (4) why didn't the Socialists make a better showing?

⁵Hacker, 554, also Odegard, Peter H., and Helms, E. Allen, American Politics, Harper and Brothers, New York, 1938, 75.

⁶Hicks, John D., The American Nation, Houghton Mifflin Company, New York, 1941, 606.

⁷Ibid., 608.

The result of the election of 1928 can be understood only if one has a grasp of the forces at work during the preceding years. Research in this field has been endless. Almost every phase of American life, economic and social, during the twenties has been the subject of books, pamphlets, and articles. Much must be omitted; a great deal dismissed because of its obvious bias. The parts retained depend upon the judgment and viewpoint of the writer. An honest attempt has been made to present the material in an impartial manner.

CHAPTER I

ECONOMIC CONDITIONS FROM 1921 to 1928

Never in the history of the United States has there been a period comparable to the one which this study covers. It seemed a golden age of opportunity to the vast majority of Americans. Industrial progress had made possible a new and brighter life to those fortunate enough to be employed in the world of business.

The results of the election of 1928 can be understood only by exploring the main currents of the period. The phenomenal growth of industry during the nineteen-twenties caused great changes in the material and spiritual views of the people. Frederick L. Allen, in Only Yesterday, gives this searching analysis of the post-war period:

A graph of business activity for the years 1923-1929 shows a jagged upward climb to an unheard of high plateau in 1929. That plateau represents nearly seven years of unparalleled plenty; nearly seven years during which men and women might be disillusioned about politics, religion, and love, but believed that at the end of the rainbow there was at least a pot of negotiable legal tender consisting of the profits of American industry and American salesmanship; nearly seven years during which the business man was the dictator of our destinies, ousting the statesman, the priest, the philosopher, as the creator of standards of ethics and behavior. He was the final authority on the conduct of American society.¹

¹Allen, Frederick Lewis, Only Yesterday, Blue Ribbon Books, Incorporated, New York City, 1931, 160.

Writing for Harper's Monthly Magazine in 1929, James Truslow Adams States:

"Since the Industrial Revolution in the business classes have exercised political power and influence all out of proportion to their numbers.... Ours is a business civilization. Our economic and social life has been dominated by the business man's point of view. It has influenced profoundly our moral, intellectual, and even religious life."²

Americans have always respected the "hard-headed" and practical man who "gets things done". Any politician who puts his administration on a business basis wins the respect of his constituents. Proposals for governmental reform by college professors or students of government must be approved by prominent business men before the public will accept them. "Governmental policies are judged according to how they affect business. If they undermine business confidence they are regarded with suspicion ... 'What's good for business is good for the country' is more than a slogan for the Chamber of Commerce, it is in a very real sense our national motto."³

The artificial prosperity of the war years was sustained until 1920 and when a decline did set in it was short lived. There were many reasons for the prosperity of the twenties. The war had impoverished Europe and had scarcely damaged the United States. Americans were the economic

²Adams, James Truslow, "A Business Man's Civilization", Harper's Monthly Magazine, Harper and Brothers, Publishers, New York and London, July, 1929.

³Odegard, Peter H., and Helms, E. Allen, American Politics, Harper and Brothers, New York, 1938, 249.

masters of the world, with vast resources in material and human energy and a wide domestic market.⁴ Furthermore, the foreign market for American commodities was temporarily resuscitated by loans abroad, amounting during the twenties to over \$7,000,000,000. As long as these loans could be maintained, American goods could be sold.⁵

As to governmental responsibility for the amazing prosperity, Hicks states:

Whether because of the administration's policies as the defenders claimed, or in spite of them, as a few critics contended, the recovery of business from the depression that had gripped the country when Harding was inaugurated was phenomenal. By the time Coolidge became President the tide had turned, and when the campaign had to be faced the Republicans could count on prosperity as their best talking point. Steady gains were reported in iron and steel, in the automobile industry, in the building trades, and among wholesalers and retailers. Dividends that had vanished during the depression were resumed by a large number of corporations in 1923 and 1924, while occasional stock dividends demonstrated still more conclusively that times had changed. Even the railroads began to increase their earnings, and all signs pointed to brighter economic skies.⁶

Paul M. Mazur, a banker with Lehman Brothers, New York, was a spokesman for the American business man. He wrote; "American prosperity in the

⁴Allen, 167.

⁵Faulkner, Harold Underwood, American Political and Social History, F.S. Crofts and Company, New York, 1941, 671.

⁶Hicks, John D., The American Nation, Houghton Mifflin Company, Chicago, 1941, 584.

special sense --and from the point of view of business, the correct sense --in which it is to be used here is practically unquestioned, and requires no proving on my part. No matter if one or more industries are suffering from a temporary relapse, industry as a whole flourishes on a larger scale than ever before. Buying power is greater now than ever.... Business history is American history."⁷

There is concrete evidence of this prosperity; between 1914 and 1929 savings bank accounts increased nearly fourfold, from \$11,000,000,000 to \$43,000,000,000 and the amount deposited increased from \$8,000,000,000 to \$23,000,000,000. Building and loan policies increased in ten years from \$3,103,935,000 to \$8,554,352,000 by 1924. Over 11,000,000 families owned their homes. While a good proportion of this prosperity was enjoyed by the middle class, there is plenty of evidence of large wage-earner participation. The latter group was buying second-hand cars and, in some cases, even buying shares of stock.⁸ There was an increase of 2 per cent in real wages from 1920 to 1927,⁹ while the number of Americans who paid taxes on incomes of more than a million dollars a year increased from seventy-five in 1924 to two hundred and eighty-three in 1927.¹⁰

⁷Mazur, Paul M., American Prosperity, Its Causes and Consequences, Viking Press, New York, 1928, 3.

⁸Faulkner, 652, 653.

⁹Douglas, Paul H., The Theory of Wages, The Macmillan Company, New York, 1934, 276.

¹⁰Allen, 160.

There was, unfortunately, another side to this picture; prosperity for the greater part of the population did not necessarily mean comfort or even a decent living standard for the rest. Faulkner tells of the condition of the less fortunate;

In 1921 and 1922 The United States Department of Labor worked out a "minimum health and decency budget" for income sufficient, as it said, to purchase the minimum quantity of commodities necessary to maintain a family of five at a level of health and decency for one year. As estimated for ten cities, it varied from a little more than \$2,000 to somewhat above \$2,500, yet studies of wage-earner's incomes quickly revealed the fact that nine-tenths of our wage-earners failed to achieve such a minimum. Income tax statistics for 1920, a typical year, showed that 83 per cent of those over ten years of age gainfully employed did not receive an income amounting to \$1,000. Even more sobering was the fact that the lives of few wage-earners were adequately covered by insurance, that there was practically no security of employment, and that after 1920 there was an actual increase in child labor. In June, 1924, The National Child Labor Committee estimated that 2,000,000 boys and girls under fifteen were at work, the majority as farm laborers.¹¹

Hacker agrees that in spite of the fact that never before had any people possessed so much of this world's goods, the pattern was not uniform.

"While the new industrial cities hummed with activity, a short distance to the east or west of every Fifth Avenue in the land there was still to be seen a wretched slum. New England's mill towns were the helpless victims of a growing dry-rot; America's new industries were keeping

¹¹Faulkner, 652.

steadily employed millions of the working population, yet the share-cropper of Arkansas, the bituminous coal miner of West Virginia, and the wheat farmer tilling the submarginal lands of the Far West lived in a round of abject poverty and mute despair."¹² The process of standardization had not benefited the non-manual laborers who, with the exception of teachers, suffered a decline.¹³

Certainly there was an improvement in the standard of living throughout the country. Notwithstanding the depressed condition of agriculture, even on the farm, automobiles, improved roads, telephones and radios broke down isolation, improved machinery decreased the drudgery, and better schools afforded greater opportunities for rural children.¹⁴ The young people, in spite of these improvements, migrated to the great industrial cities as industry became centralized. These cities grew by the hundreds of thousands. "People came to the city not only for higher wages, but for the advantages it offered --the modern apartment buildings, the amusements, the educational facilities, outlets for aesthetic enjoyment, and the excitement and movement of crowds."¹⁵

The city was particularly attractive to women, for it offered them economic independence. Many occupations that had traditionally been filled

¹²Hacker, 651.

¹³Faulkner, 650.

¹⁴Ibid., 652.

¹⁵Ibid., 652.

by men had been taken over by women during the World War, and as men entered new fields in the twenties, the range of opportunities for women widened. The census of 1920 showed eight and one-half million women and girls over ten years of age 'gainfully employed', of whom almost one in four was married.¹⁶ The Magazine of Business calls attention to this situation and states that new people are entering the moneyed class by means of the combined earnings of husband and wife with only one home to maintain.¹⁷ Although women workers were seldom accorded the same wage scale as men workers, they filled positions previously occupied by them. This tended to increase the numbers of unemployed men workers.¹⁸ The demand for labor declined sharply during the twenties also, because of the great advance in labor saving machinery. Between 1923 and 1929 factory output increased by 46 per cent, but the number of factory workers declined by 4 per cent. Technological changes in industry increased tremendously the per capita output of labor.¹⁹ This resulted in the displacement of vast numbers of workers who found it difficult to secure employment in other fields.²⁰ Three industries may be briefly cited to illustrate the way

¹⁶Ibid., 654.

¹⁷The Magazine of Business, W.A. Shaw, Editor, Chicago and New York, January, 1928.

¹⁸Odegard, 310.

¹⁹Ibid., 295, 296.

²⁰Dumond, Dwight Lowell, Roosevelt to Roosevelt, Henry Holt and Company, New York, 1937, 291.

in which science and labor saving machinery entered into the picture to slow up re-adjustment and in some cases, actually displace men already employed. By 1930, the average coal miner was producing twice as much coal as he had thirty years earlier. There were only 125 loading machines in the coal fields in 1923. That number had increased to 3,089 by 1934. Improved engines and methods of replacement had affected the railroad workers, also. 250,000 coal miners and 535,000 railroad men lost their jobs between the close of the World War and 1930. The efficiency of the automobile worker increased 300 per cent.²¹ No unemployment figures were recorded by a public agency, but it was estimated that the average annual figure, during the years 1922-1929, was between two and two and one-half million workers. Industries employing 40 per cent of the country's wage-earners were using 900,000 fewer workers. In manufacturing, in that single decade, productivity had increased 30 per cent, while the number of workers had declined 546,000. In the same period the country's population had increased seven millions; consequently almost eight million new job seekers were compelled to look for work in lines outside of manufacturing.²² The rapid strides in mechanization caused discrimination against older workers. Young men were replacing them, "and age forty-five, for the unemployed worker verged closely on superannuation."²³ Industries

²¹Dumond, 291.

²²Hacker, 601, also Odegard, 296.

²³Hacker, 601.

were adverse to giving, even temporarily, employment to men over forty-five. As a result, the burden of the idle worker fell upon other members of the family, causing a lowering of living standards. Hacker states succinctly; "Displacement by a machine meant a loss to society of skills built up by years of application. Finally a worker thus displaced was forced to learn, laboriously, a new craft or to accept work at lower wages as an unskilled laborer."²⁴

It was accepted as a fact, during this period, that the question of technological employment could be dismissed because other enterprises, made possible by invention, took up the displaced workmen, but this does not seem to be the true picture. The lack of organization, and consequent lack of strength among workers, left them at "the hiring and firing policies of employers."²⁵ Dumond, discussing technological unemployment, asks these pertinent questions:

How many blacksmiths became garage mechanics when automobiles replaced horses? How many piano tuners went into the radio business? How many operatives in New England textile mills moved south into the Piedmont Crescent when the manufacturers shifted their field of operations? How many employees of the shoe factories of New England moved to St. Louis? ...The answer in any case is: precious few. ...Who provided for the aged and infirm when young men and women left the farms for distant manufacturing centers? ...One does not have to dig very deep into the life of any community in the twenties to find men whose experience and skill

²⁴Ibid., 601.

²⁵Odegard, 296.

in a particular trade became useless to them when they were past the age of adaptation; men who lost their jobs in periods of seasonal or cyclical unemployment and walked the streets for months before they found someone who would risk employing persons above the age of forty-five; men whose factory or mine or oil field was moved away from them overnight and were unable to follow because of age, or homes, or other local attachments. No one can say how many there were at any time because those who suffered these reverses usually found temporary or less desirable employment after using their savings and passing through a period of despondency, perhaps under-nourishment and despair.²⁶

The new scientific knowledge made changes in industry and in the ordinary lives of the people. Tractors and other new machinery displaced both men and work animals on the farm. Silk and rayon displaced cotton. When people bought automobiles, radios, electrical appliances and other modern conveniences, unless their incomes increased proportionately, they purchased less of food, clothing, and other commodities.²⁷ Despite this, it seems there were those who were prospering: the dairy men, fruit-growers, truck gardeners, producers of vitamins, motion pictures, rayon products, manufacturers of automobiles, cigarettes, chemical preparations (cosmetics), and electrical appliances.²⁸

The industry that pumped new life into other businesses and most profoundly affected the prosperity of the twenties was the automobile industry. In 1919 there had been 6,771,000 passenger cars in service in

²⁶Dumond, 292, 293.

²⁷Odegard, 237.

²⁸Allen, 163, also Hacker, 597.

the United States; by 1929 there were no less than 23,121,000.²⁹ The manufacturers upon whom this industry depended for iron and steel, for fabrics, plate glass, and tires became correspondingly prosperous. In addition, an unending number of new establishments for sales and service came into existence; it was the making of the oil industry, from oil well to filling station; it provided the wages and profits to promote a building boom that extended all the way from the humble dwellings of the workers to the magnificent skyscrapers where the industrial leaders had their offices.

The mass-production methods of Henry Ford were adopted by the other manufacturers. Every process was routinized and the men performed their single operations with the precision of automaton. "Ingenious machines fashioned standard parts and assembled them into cars with the maximum of speed and a minimum of human labor."³⁰ This allowed the completed product to be sold at a low price with profits for manufacturer and dealer dependent upon a large volume of business. Until the twenties, when the Ford way³¹ or installment plan was introduced, because of the price of the automobile, the sales were restricted to the well-to-do people. This had become the accepted method of selling in practically all business fields by 1926, when The Annals devoted almost an entire issue to a discussion of the problem. They found that installment buying was not confined, as formerly, to the

²⁹Hicks, 584.

³⁰Hicks, 584.

³¹Ibid., 586.

poor, but that all classes were using credit.³² At that time 15 per cent of the goods sold retail were bought on installment. The installment debt outstanding was greatly in excess of \$130,000,000,000; 75 per cent of the automobiles were bought on that plan.³³ They warned that the automobile industry was overexpanded and that manufacturers were under great inducement to depart from standard terms of automobile financing in order to secure increased sales, and thus distribute the overhead expense over a still larger number of units. Competition in business was another factor in introducing easy sales methods.³⁴ They found it costs the buyer as much more to buy on the installment plan as it would if he borrowed the money at an interest rate of from 11 per cent to 40 per cent, and paid cash.³⁵ Automobiles purchased on this plan cost 11 per cent to 23 per cent more, depending upon the amount borrowed.³⁶ Although the writers came to no definite conclusion as to whether this was really an aid to business in the long run, they asked what would happen to these goods, so bought, in times of unemployment, and what effect would such spending have

³²The Annals of the American Academy of Political and Social Science.
Thorsten Sellin, Editor, 4357 Walnut Street, Philadelphia,
Pennsylvania, November, 1926, 11.

³³Ibid.,

³⁴The Annals, 7.

³⁵Ibid., 23.

³⁶Ibid., 51.

upon the character of the individual.³⁷

The Lynds came to the following conclusion in 1924:

Today Middletown lives by a credit economy that is available in some form to nearly every family in the community. The rise and spread of the dollar-down and so-much-per plan extends credit for virtually everything-----homes, \$200.00 over-stuffed living-room suites, electric washing machines, automobiles, fur coats, diamond rings-----to persons of whom frequently little is known as to their intentions or ability to pay.³⁸

The Lynds and their investigators interviewed one hundred and twenty-three working class families of "Middletown" and found that sixty of them had cars. Of these sixty, twenty-six lived in such shabby-looking houses that the investigators asked if they had bathtubs, and discovered that twenty-one of the twenty-six had none. The automobile came before decent living standards.³⁹

The editors of The Annals studied installment buying again in 1928, and their findings at this time were more critical of the method than they had been in 1926. They found that the automobile manufacturers wanted the installment plan because it stabilized production by having payments made the year round. Producers claimed that if automobiles were sold for cash, only 35 per cent of the present volume would be sold. To facilitate

³⁷ Ibid., 57.

³⁸ Lynd, Robert S., and Lynd, Helen Merrell, Middletown, Harcourt, Brace and Company, New York, 1939, 46.

³⁹ Lynds, 47.

installment buying finance companies were set up which necessitated that prices be raised. In a period of increasing productivity industry turns out more goods than consumers can buy with their income. Misdirected overproduction causes a depression; then products have to be sold at a loss. If extended credit is increased during a depression period, it may prove to be a real stabilizer of business. However, it is a potentially dangerous phenomenon which, without control, tends to cause crises, panics, and depressions.⁴⁰

Various changes in the process of marketing took place during these years, 1920-1929. Hacker states that the amount of installment buying was estimated to be in the neighborhood of five billions of dollars annually.⁴¹ Allen claims that: "People were getting to consider it old-fashioned to limit the amount of their purchases to the amount of their cash balance; the thing to do was to exercise their credit---It is probable that hundreds of thousands of people were buying goods with money which represented essentially, a gamble on the business profits of the nineteen-thirties."⁴²

Retailers had been overstocked at the time of the slump in 1921 and during the succeeding years they instituted the practice of hand-to-mouth buying, which increased the marketing costs and had a profound effect on

⁴⁰The Annals, September, 1928.

⁴¹Hacker, 598.

⁴²Allen, 168.

style changes. The volume of advertising mounted rapidly. It was estimated that a billion and one-half dollars were being expended annually on this form of marketing.⁴³ During the twenties the newspaper reader seemed to be regarded mainly in his capacity as a purchaser, for he got only two columns of reading matter with three of advertising. In 1926, in some large evening papers, a 70-30 basis became not uncommon, while on prosperous Fridays there were four columns of advertising to every column of reading matter—news, editorials, features, and all.⁴⁴ Newspapers are reticent about their finances, but figures are obtainable on two New York newspapers of widely different character, Hearst's Evening Journal and Ochs's New York Times. The Journal, during the first ten months of 1926, with a circulation of 640,000 took in almost four millions from the sale of the paper, and more than seven millions from advertising. The Times, with a circulation of nearly 400,000, took in about \$3,250,000 from the sales of the paper, and about \$22,500,000 from advertising. Thus advertising constituted about 64 per cent of the Journal's income while more than 87 per cent of the Time's revenue came from this source.⁴⁵ It is obvious that a newspaper publisher who derives seven-eighths of his revenue, or even two-thirds of it, from advertisers, cannot ignore the interests of advertisers as a class.⁴⁶

⁴³Hacker, 598.

⁴⁴Bent, Silas, Ballyhoo, The Voice of the Press, Boni and Liveright, New York, 1927, 214.

⁴⁵Bent, 215, 216.

⁴⁶Ibid., 220, also Hacker, 657.

Nor was the news presented to the public on a very intelligent level; crime, sex, sports, and trivia were given a conspicuous place, while thought provoking discussions of pertinent topics were consistently absent.⁴⁷ That condemnation of the newspapers of that day is general among historians. We quote Hacker merely as an example:

The owners of newspapers during the twenties were commercial entrepreneurs first, and journalists, in a limited sense, second. They banded newspapers together in great chains; they depersonalized editorials and toned down opinion until it was scarcely possible to discern where a newspaper stood on the leading political, economic, and social questions of the day. More and more the American newspaper of the modern era came to regard itself as an agency for informing and amusing its readers rather than as a public tribune.⁴⁸

Silas Bent, in 1928 asserted: "Our newspapers, thoughtful only of mass circulation considered necessary for the promotion of Big Business, endanger foreign relations and stultify our domestic news."⁴⁹

During the World War home-loan associations made a beginning. People invested their savings, feeling not only that they were safe, but with the added satisfaction of helping in the building of the country. There was little building during the war and with the rapid increase in city population, housing proved to be inadequate. A building boom was soon

⁴⁷Allen, 187-188.

⁴⁸Hacker, 657, also Faulkner, 665.

⁴⁹Bent, Silas, Strange Bedfellows, Boni and Liveright, New York, 1928, Introduction, xvi.

under way. The price of real estate rose rapidly. Every city had its horde of real estate speculators who reaped their harvest from the unearned increment produced by concentrating populations.⁵⁰ Both phases of the building boom, suburban and city, were unrealistic. Many of the city new-comers were from the farm, and a rural-urban home within commuting distance had an especial appeal to them. The automobile here helped to make regions that a few years before had seemed remote within easy range of the suburban railroad station. Attractive suburbs grew with amazing speed, but slums, also, developed on the immediate outskirts of many great cities such as New York, Chicago, Los Angeles, and Detroit. Outside Chicago immense districts were subdivided and whole sections in them were bought by people so poor that they secured permits to build "garage dwellings", temporary one-room shacks, and lived in them for years without ever building real homes.⁵¹ However, these homes were occupied while the subdivisions with "improvements" had many untenanted homes, apartment buildings, and vacant stores. Buildings changed hands again and again as mortgages were foreclosed, while householders in uncompleted subdivisions groaned under an unexpected burden of taxes and assessments.⁵² There was a real need for suburban dwellings, but values were fictitious, and in the furious competition among developers the actual needs of the public

⁵⁰Dumond, 297.

⁵¹Allen, 285, 286.

⁵²Ibid., 287.

were disregarded.

The final phase of the real estate boom of the nineteen-twenties centered in the cities, with speculation in city real estate and a phenomenal construction in city buildings. Building in one hundred and twenty cities reached the high point of \$3,399,000,000 in 1925, almost four times the amount expended in 1916, the highest amount in prewar years, while total building construction in 1925 amounted to over \$6,000,000,000.⁵³ The mania for skyscrapers—since towers in the metropolis are a potent advertisement—was the most intense in New York and Chicago. New pinnacles shot into the air forty stories, fifty stories, and more; between 1918 and 1930 the amount of space available for office use in large modern buildings was multiplied approximately by ten. Because of excessive confidence skyscrapers were over-produced.⁵⁴

The optimism of the period may explain the fact that so many men who failed to find employment in industry turned to selling. The time when producers of goods expected to sell them on their merits was past.⁵⁵ Across the pages of newspapers and magazines was spread a new type of advertisement. The public was threatened and cajoled into buying. "Keeping up with the Joneses" became one of the real aims of a large proportion of the people. All sorts of appliances for the home, insurance, and

⁵³ Faulkner, 671.

⁵⁴ Allen, 287, 288.

⁵⁵ Ibid., 169.

clothes were sold on the installment plan by door-to-door salesmen from dawn to late evening. Instead of resenting this business... "The public, generally speaking, could be relied upon to regard with complacency the most flagrant assaults upon its credulity by the advertiser, and the most outrageous invasions of its privacy by the salesman; for the public was in a mood to forgive every sin committed in the holy name of business."⁵⁶ Salesmen were put on quotas and ruthlessly pushed to increase sales. A new term, obsolescence,⁵⁷ was used to make people dissatisfied with all sorts of goods—cars, homes, furniture, and clothes. To some extent this sunshine of approval was an artificial product. In part due to the work of publicity men—or, as they were styled, public relations counselors—who flooded the newspapers with ingeniously devised news-stories designed to present their clients, and their clients' opinions in a favorable light.⁵⁸ Mazur, speaking for business, defends pressure selling by saying that no person can really look at himself objectively and that everyone expects a bit of exaggeration from a manufacturer when describing his own product.⁵⁹

This materialistic viewpoint had a lowering effect on morals. The go-getter was emulated in all walks of life. To a certain extent the

⁵⁶Allen, 169.

⁵⁷Mazur, 96, 99.

⁵⁸Allen, Fredrick Lewis, The Lords of Creation, Harper and Brothers Publishers, New York, 1936, 229.

⁵⁹Mazur, 93, 94.

vast prestige of business brought pressure of majority opinion upon those who resisted. The orthodox thing to do was to boost the town, to follow the lead of the Rotary and the Chamber of Commerce, to accept unquestioningly the policies of the economic masters of the community. To question the soundness of a local real estate development, or the rates set by the utility company, or to believe in labor unions, was in many communities to be considered queer, or even "un-American". Perhaps such a person would have trouble in getting a job, credit at the bank, or meet opposition when he sought admission to clubs. At any rate he would be at a disadvantage in the great race for success and prestige.⁶⁰

The significance of the movies in American life can scarcely be overemphasized. Practically everyone attended the movies at least once a week⁶¹—and for the rising generation the lessons they taught were doubtless far more effective than the precepts of the schoolroom. The suggestions of the screen as to styles, manners, taste in furniture and art, and even morals, did not go unnoticed.⁶² A storm of criticism from church organizations led the motion-picture producers, early in the decade, to install Will H. Hays as their arbiter. The result of Mr. Hays' efforts was to make the moral ending obligatory while there was still the same lax

⁶⁰ Allen, The Lords of Creation, 231.

⁶¹ Lynds, 264.

⁶² Hicks, 263.

moral situations and the same vulgar tone of uniformity. The Forum condemns the boldness and questionable scenes in many movies which they state are suitable for only adults, if for anyone, and should not be paraded before the eyes of the young. They conclude that the recreation of the young can never be safely left to commercial exploitation, while deploring the lack of state or community supported circulating libraries of approved standard films.⁶⁴

The public did not condemn the movies enough to boycott them; in fact, the adults were as much under their spell as were the youths. The Lynds describe the meeting of a club that attempted the discussion of the "problem" of the movies in Middletown, "a subject of vital interest from a moral as well as commercial aspect." A paper, "Tendencies of Movies and Their Possibilities" was presented, after which the meeting shifted into a "chatty round-table discussion of favorite screen stars, best plays, and why certain ones were chosen club members."⁶⁵ Thus the insidious corruption of morals seems to have proceeded without any great protest from the average citizen.

It is as difficult to assess the influence of the radio on American society as it is to assess the influence of motion pictures. Advertisers discovered that they could reach an audience that was not

⁶³ Allen, Only Yesterday, 102, 103.

⁶⁴ Forum, Henry Goddard Leach, Editor, Forum Publishing Company, 10 Ferry Street, Concord, New Hampshire, November, 1929.

⁶⁵ Lynds, 292.

touched by other mediums of advertising.⁶⁶ It stimulated an interest in good music, but many of the serials were vulgar, following the pattern of the sex magazine. A host of able commentators interpreted the news; radio orators could build up nation-wide followings, and promoters of almost any cause, good or bad, could get a hearing. Thus it provided a powerful means of swaying public opinion.⁶⁷

Education, too, felt the pressure of the changing spirit of the times. John Dewey and his disciples argued that the aim of education was not mere knowledge but social efficiency. As a result, courses in vocational training, commerce, and the mechanical arts were offered, with a shrinking in the numbers of those who took the liberal arts course. High school was no longer considered solely as preparation for college. Vast sums were spent on new buildings and material equipment made possible by the machine age; these plants were manned by better trained teachers. Public school enrollment almost doubled from 1900 to 1928, (15,500,000 to 29,000,000) with the result that the number of pupils attending high school increased from 500,000 in 1900 to 4,000,000 in 1928. College education also increased more than five times as much during the three decades of the century, until one-eighth of the nation's population between eighteen and twenty-one were in college.⁶⁸

⁶⁶Bent, Ballyhoo, 295, 296.

⁶⁷Hicks, 626.

⁶⁸Hacker, 656.

"Lay boards almost entirely supplanted the earlier clergymen who had directed the destinies of higher education in nineteenth-century America."⁶⁹ Business men thus directed the type of education being given, not without protest from the teachers. Florence Curtis Hanson, Secretary-Treasurer of the American Federation of Teachers, goes on record as unalterably opposed to all efforts of private and public service corporations, such as the National Electric Light Association, to inject covert propaganda into the public schools:

...One of the chief propaganda agencies is the Harvard School of Business Administration which is subsidized to the extent of \$30,000 a year, and another, Dr. Ely's Institute at Northwestern, subsidized by \$25,000 a year. ...Dr. Ely asked the National Electric Light Association of February 16, 1928, to give additional support to finance a study of municipal ownership of utilities in California. It is known that the power interests are attaching public ownership in that state with especial bitterness.... By a camouflage of academic prestige; in a number of states their records show that they have had every text on economics, used in the schools, examined and, where statements detrimental to their interests were found, pressure was brought to bear on school authorities to take the book out, or to place it on the shelves as a reference book. They boast that they overlook no opportunity in our educational system from the eighth grade up. ...Business masquerades under false colors. 70

⁶⁹ Ibid., 657.

⁷⁰ Editorial in The Nation, "Teachers and the Power Trust", The Nation Incorporated, 20 Vesey Street, New York, Oswald Garrison Villard, Editor, August 29, 1928.

Industries spent large sums on research each year. It was estimated, in 1928, that \$200,000,000 a year was being spent in this country, with the government spending about one-third of the sum, the government and eleven hundred concerns sharing in the expense.⁷¹ This is not only a search for discoveries in "pure science", but is a race for markets.⁷² Whether education would be better without the aid of business is still an unsolved question; however, the Chamber of Commerce of the United States has consistently recommended a reduction in educational expenditures, and in some localities has tried to keep a check on the type of education that is disseminated.⁷³

Most pressure groups carry on activities to influence the kind of education that is given. In the twenties a careful study was made of textbooks in the public schools, and every effort was made to eliminate those which were at all friendly to public ownership.⁷⁴

In spite of this interference, and in the face of steady criticism, new principles of education emphasizing the development of socially useful adults permeated nearly every classroom.⁷⁵

⁷¹Bent, Silas, Strange Bedfellows, 328.

⁷²Ibid., 336.

⁷³Odegard, 276.

⁷⁴Odegard, 775.

⁷⁵Hicks, 636.

During this decade the Protestant churches, at least, were on the defensive. The new scientific knowledge, the automobile, golf clubs, the radio, movies, and commercialized sports offered severe competition. "The younger generation made open sport of the old morality; styles in feminine apparel left little to the imagination; and flippancy in speech and manners became almost a national obsession."⁷⁶ It was not easy for the churches, under these conditions, to resist the tide of business enthusiasm. The association of business with religion was one of the most significant phenomena of the day. Rivalry in church building and attendance increased, with men who were leaders being sought as ministers. Dr. S. Parkes Cadman preached to the National Association of Credit Men on "Religion in Business", and then to the Associated Advertising Clubs on "Imagination in Advertising". So frequent was the use of the Bible to point the lessons of business and of business to point the lessons of the Bible, that it was sometimes difficult to determine which was supposed to gain the most from the association.⁷⁷ The highest praise was thought to be given a clergyman when he was called a good business man.⁷⁸

The effort to curb the liquor trade had been pushed sporadically since the latter years of the eighteenth century, but until the decade of the

⁷⁶Ibid., 632.

⁷⁷Allen, Only Yesterday, 179.

⁷⁸Ibid., 177.

twenties, it had been without organization.⁷⁹ By the end of 1914, state-wide prohibition existed in eleven states; by the end of 1918, thirty-two states had adopted prohibition. In 1917, Congress adopted a resolution submitting to the states, for their ratification, a Constitutional amendment aimed at the establishment of national prohibition under the aegis of the federal government.⁸⁰ When, in a little over a year, the legislatures of three-fourths of the states had adopted the amendment, the Volstead Act became a law.⁸¹ The difficulty experienced in enforcing this law will be discussed in another section of this paper, but its effect upon the mores of the people may be considered here. Prohibitionists had expected that once drinking was outlawed it would stop but, unfortunately, this was not the case. In place of the saloon there sprang up a group of vicious institutions... "—the speakeasies, beer flats, and blind pigs which, being illegal, could flourish only because they were founded on an open contempt for the law by their proprietors and patrons, and because they had the protection of a corrupt local officialdom, were found in homes, office buildings-anywhere."⁸² It seems probable that had there been no Eighteenth Amendment the country might have been spared the bootlegging gangster and perhaps, also, the racketeer, few of whom were ever brought

⁷⁹Faulkner, 267.

⁸⁰Ibid., 615.

⁸¹Hacker, 616.

⁸²Ibid., 615.

to justice. These outlaws, as written up in the newspapers,...furnished adventure and splendor and romance⁸³ to too many people. For people had discovered that... "the manufacture of alcoholic drinks is a comparatively simple process and can easily be done at home beyond the eye of the law."⁸⁴ What the average citizen was doing in a small way, the Capones were doing in a big way. Many people resented what they considered to be a violation by the government of their personal liberty; for this reason or because it now seemed smart to drink, many began to use alcohol for the first time in their lives. Cocktail parties for middle-age and even for young people became fashionable. To say the least, deportment became less formal. The advocates of this new freedom claimed that there was less hypocrisy and a more honest facing of facts. At any rate, there was a change in the social conventions.

Among the writers of the period there was a reaction against sentimentality and romanticism; there was much satire and ridiculing of contemporary life and morals.⁸⁵ Popular music, especially jazz, was accepted by most people, perhaps because its "nervous, hectic and rapid style"⁸⁶ so suited the time.

Where were the intellectuals during this period? "The Red Scare of

⁸³Faulkner, 662.

⁸⁴Ibid., 662.

⁸⁵Ibid., 667.

⁸⁶Ibid., 668.

1919 and 1920 had silenced many; they seemed to feel that politics was a vulgar mess, welfare work presumptuous, and Socialism an impossibility.⁸⁷

"Instead of leading, they held aloof from the vulgar crowd, associated only with their kind, and, if possible escaped to France where they viewed from afar the doing of the money-mad populace with derision and dismay."⁸⁸

Historians now agree that the greatest concern of the people during the twenties was business. "In their moments of relaxation the typical American talked about the booming stock market, drove his automobile an incredible number of miles, witnessed baseball games, played golf, or went to the movies."⁸⁹ In the scramble for wealth there was no real leisure to enjoy beautiful things, nor did there seem to be the mature balance that should be found in an adult society. "Until there is a sense of security, a feeling of the permanence of most essential things,...no civilization can rightly lay claim to a true success."⁹⁰

Dr. Franz Alexander, the noted psychiatrist, in discussing this period says, in substance: Democracy requires maturity of its citizens. Ideally, they should have a clear judgment of their own interests and express them through the channels of representative government. The capitalist should be ready to renounce profits, when they upset economic balance, and should

⁸⁷ Allen, Only Yesterday, 227.

⁸⁸ Allen, Lords of Creation, 227, 228.

⁸⁹ Faulkner, 668.

⁹⁰ Hacker, 670.

increase wages to encourage internal markets, putting interests of society above those of his own class. The wage-earner in a democracy should moderate his demands where they endanger production on which his living ultimately depends. Each person must have enough consideration for the interests of others to recognize that his own welfare depends on that of others. A responsible member of a democracy should have society in mind and subordinate his own immediate interests to the welfare of the community.⁹¹

⁹¹Alexander, Franz, M.D., Our Age of Unreason, J.B. Lippincott, Company New York, 1942, 276-279.

CHAPTER II

EVIDENCES OF NATIONAL DISSATISFACTION

Until about 1870 agriculture was the leading industry in the United States, but it has had even less stability than manufacturing and extractive industries.¹ Land ownership lacked permanence; virgin lands were so plentiful until 1890 and so easily obtained by preemption or purchase that men did not hesitate to abandon land and seek their fortunes elsewhere. So many fortunes were made from unearned increment that land speculation frequently became as general as the speculation in corporate stocks of the twenties.² The Federal Farm Loan Act (1916) establishing: (1) federal land banks in twelve cities, to loan money to National Farm Loan Associations, and (2) joint-stock land banks established to deal directly with the individual farmer, provided the machinery for obtaining the credit so greatly needed.³ Assured of high profits and urged on by the government, the farmer expanded his production to the limit during the first World War, even opening marginal and sub-marginal lands and using expensive methods to overcome inadequate rainfall. Seeming to think that prosperous conditions were permanent, he gambled on the future; bought machinery on a large

¹Odegard, 225.

²Dumond, 320.

³Faulkner, 682.

scale, purchased an automobile and auto trucks, installed a telephone and electricity, farm bureaus, and university extension activities—all of which raised his tax rate.⁴ He became accustomed to living on a better scale than he had ever experienced before.

Regardless of what the farmer may have expected, there was a drop in the prices received by the farmers for cotton, wheat, hogs, and cattle in 1921 to but half the prices of 1919, while the price of corn was but a third.⁵ Fifty million acres of land had been taken out of production in Europe during the war, and, because the United States was extending loans and credits to the allied nations, 37,000,000 additional acres had been put into production in this country to supply the deficiency. Because of post-war loans for rehabilitation purposes, sales from this country continued until 1921 when land in Canada, Australia, and Russia again came into cultivation.⁶ Our high tariff made it difficult for the nations of Europe to exchange manufactured goods for agricultural products, while the quickest way to rehabilitate the economy of these countries was to raise their own food.⁷ American farmers thus lost the European market at a time when domestic consumption of farm products was an impossibility for the following reasons: (1) because of immigration restriction and birth control, our population growth was slowing down, (2) people had conserved food

⁴Hacker, 626, 627

⁵Faulkner, 682, 683.

⁶Dumond, 325.

⁷Ibid., 325.

during the war, and did not eat so much as formerly, (3) the new knowledge of vitamins and varied diet, and the invention of better shipping methods caused less meat, wheat and potatoes to be consumed, (4) more people worked indoors at easier labor, thereby requiring less food of high caloric content, (5) women were dieting, and thus eating less calories, (6) cotton was being displaced by rayons and other chemically produced fabrics, and finally, (7) agriculture itself had become more mechanized and efficient, and the output of American farmers had increased, since 1919, more than 20 per cent.⁸

The sentiment of the country was strongly in favor of isolation. Hicks explains the effect of this stand upon the farmer:

The contradiction that existed between the American doctrine of isolation and the economic realities was well illustrated by the agricultural problem that confronted the United States throughout the decade of the twenties. The Republican formula for recovery worked well for a while in industry, but failed to achieve results for the farmer primarily because the price of his principal products depended upon world-wide conditions of supply and demand.⁹

There had been a rapid increase in the sale price of farms during the war. The farmer as well as the business man gambled on the future. As Paul Douglas points out:

The price of American farm lands has notoriously been based not only upon the capitalization of

⁸Allen, Only Yesterday, 160, also Hacker, 630, 631.

⁹Hicks, 599, 600.

existing rentals, but also upon that of expected future increases. It should not, therefore, be expected that the farmer's investment should yield in the present the market rate of return.¹⁰

The price in the North Central states rose to about \$125.00 per acre by 1920, with much of the better land selling for \$300.00 or more.¹¹ Men who purchased at this price had a capital investment ranging from \$10,000 upward on a one hundred acre farm.¹² Since the majority of farms carried not only a first, but an additional second mortgage, the annual payment of interest amounted to usurious sums and, during a period of deflated prices the owner's equity was wiped out faster than it accumulated.¹³ Stated in simplest terms, farm prices had been deflated, while farm costs --operating expenses for home and field, mortgage debt, taxes-- were still highly inflated.¹⁴ Manufacturers, when confronted with a similar situation, either reduced their output, came to an agreement with other manufacturers as to prices or, with the help of the protective tariff, sold their excess product abroad at a loss, while keeping the American price high.¹⁵ The farmer had no nation-wide organization to enable him to do any of these things. "With few exceptions the high tariff on farm products did him no good. The prices brought by the exportable surplus, and not the duties

¹⁰Douglas, Paul H., The Theory of Wages, The Macmillan Company, New York, 1934, 10.

¹¹Faulkner, 683, also Hacker, 630.

¹²Dumond, 323.

¹³Ibid., 323.

¹⁴Hacker, 627.

¹⁵Dumond, Dwight Lowell, A. History of the United States, Henry Holt and New York, 1942, 788, also Hicks, 600.

on mythical imports, set the price for whatever he had to sell."¹⁶

The farmer could not take land out of production for even one year, for he lacked the capital surplus to carry him through such a period of non-production. Nor could six million farmers be brought into agreement so easily as a half dozen manufacturers of a particular commodity.¹⁷

The farming industry covered many fields of production which spread to all parts of the nation. While wheat, corn, and pork were produced largely in the North-central states, cotton, the most important single cash crop in the United States, was the staple crop of the South. Here, from 1920 to 1924, over one-half of the world's cotton supply was produced. This occurred at a time when rayon was replacing cotton and when England, which had been taking one-third to one-half of the crop, decreased her purchases sharply.¹⁸

When the farmer tried to borrow at the banks, whose easy lending policy had encouraged him previously to expand, he found that the banks were in trouble. Until 1920, the Federal Reserve Banks had loaned so freely to banks that they had used not only their own resources, but had borrowed all that was possible. In that year the Federal Reserve Board decided to bring credit under more effective control, and the banks struggled

¹⁶Hicks, 600.

¹⁷Dumond, Roosevelt to Roosevelt, 323.

¹⁸Engberg, Russell C., Industrial Prosperity and the Farmer, The Macmillan Company, New York, 1928, 234.

frantically to collect enough money to meet their obligations.¹⁹ Bank after bank failed in the West while farm mortgages were foreclosed. The farmer, in many cases losing ownership of the land, became a tenant.²⁰

Between 1920 and 1930, two million farmers abandoned their homes and sought refuge in the cities. The social effects of this migration are difficult to measure. An editorial in The New York Times quotes Professor Mary Campbell of the Iowa State Teacher's College, who pointed to the devastating effect this migration was having on the character and quality of the farm population. Investigations which she had made in nineteen states ... "show that of the young people from farm homes who have intelligence and spunk enough to get a high school education, from eighty to ninety-five per cent quit farming because they can find better opportunities in other lines."²¹ Farms became run down; as the farmer's purchasing power declined he was apt to abandon the use of fertilizers and postpone repairs on building.²² Dumond, in speaking of the farmer's plight states: "The farmer's portion of the total national income dropped from 15 per cent in 1920 to 9 per cent in 1929. Taxes increased during this period until tax delinquency on 40,000,000 acres of farm property forced many states to resort to general sales taxes to meet ordinary revenues of the government."²³

¹⁹Hicks, 572.

²⁰Engberd, 137.

²¹The New York Times, January 2, 1927.

²²Engberd, 234.

²³Dumond, Roosevelt to Roosevelt, 324.

Farmers demanded that the federal government come to their aid. The farmer tends to seek help from Congress rather than local governments for several reasons; first, because of diversification and size of the country it is hard to find a common ground, second, because the central government levies no direct taxes upon farm property, thus cost may be shifted from the farmer to other classes in the population, and third, because he believes that his problems, such as marketing, tariffs, railroad rates, storage charges, and so forth, are susceptible to political regulation. He hoped to force Congress to aid him in marketing his produce, for it is in marketing that the farmer comes to grips with, and feels the effect of tariffs, railroad rates, storage charges, and such.²⁴

The most important organizations that were to push this fight for the farmers were the Farmer's Union and the American Farm Bureau Federation. The Union, a leftist organization, in the twenties, demanded a fundamental change in the economic structure of society and was militantly active politically. Its main energies went into the establishment of cooperative enterprises of various sorts.²⁵ The nuclei of the Farm Bureau were the groups called into being through the work of the county agricultural agents. In 1928 the Farm Bureau claimed a membership of nearly a million farmers.²⁶ At its instigation ... "the creation of a 'Farm Bloc' in both

²⁴Odegard, 238, 239.

²⁵Odegard, 244.

²⁶Ibid., 244.

houses of Congress was undertaken. In the Senate, the Bloc came to consist of fourteen Republicans and twelve Democrats, all from the West or the South. ... In the House, the membership of the Bloc was less clearly defined, but its existence was nonetheless real. For three or four years the Farm Bloc held together, and during this period it exerted a powerful influence upon the course of legislation."²⁷

The Capper-Volstead Act of 1922 exempted all cooperative associations from the penalties of the anti-trust acts. A bill sponsored by Senator Norris of Nebraska, in 1923, which would have created a corporation to build warehouses, and buy, sell, and export farm products in an effort to stabilize prices, was rejected as socialistic, and Congress passed the Federal Intermediate Credit Act, adding \$60,000,000 for short-term loans to the amount available through the National Banks, Farm Land Banks, and Joint Stock Land Banks. The act authorized the establishment of agricultural credit corporations, and extended the facilities of the Federal Farm Loan Banks and Federal Reserve Banks by increasing the maximum loans permitted and the period of the loans.²⁸ All of the acts passed by Congress during this period were more or less fruitless.²⁹ Panaceas were plentiful, however. In 1925 The Annals published a plea that the United States Agricultural Department set up a statistical department giving information

²⁷Hicks, 576, 577.

²⁸Dumond, A History of the United States, 789, 790.

²⁹Hicks, 578.

on the amount of each crop under way, and the condition of world stocks and world markets so that farmers could control their output.³⁰

Senator Norris asked that the government take over the railroads:

The railroad is the greatest of all middle men. Its revenue is acquired by a levy upon the products of human consumption as they travel from producer to consumer. ... Nothing in our modern civilization escapes its charge. It ought, therefore, to be given to the people at cost, or as near cost as possible. ... The railroads are now, and always have been, in politics, and the best way to take them out is to operate a government owned system.³¹

The farmers, realizing the futility of tariff duties on crops of which there was an exportable surplus, of additional credit so long as prices continued to decline, and of cooperative enterprises among 6,000,000 persons, designed two subsidiary schemes to make the tariff effective on agricultural products. The first, known as the equalization fee program (The McNary-Haugen Bill), had the active backing of Henry A. Wallace, Frank O. Lowden, and Charles G. Dawes. It was introduced in Congress in 1924, was passed twice, and was vetoed both times by President Coolidge. The farmer is usually unwilling to join in cooperative regimentation, but the year 1926 marked the union of the South with the West in backing a farm-relief program. The first conference with the Southern farm leaders took place in Memphis, Tennessee, in March of that year, after which heads of Southern commodity cooperatives, first cotton, then tobacco and rice,

³⁰The Annals, "A Balanced Agricultural Output in the United States", January, 1925.

³¹The Nation, "The Tariff and the Farmer", July 7, 1926.

joined the Western farm leaders in Washington. These cooperatives sponsored the McNary-Haugen Bill. Mr. Lowden toured the country speaking in its favor.³²

A study of the bill, and President Coolidge's veto of it, reveals points that are not made clear in the arguments for or against the bill. Section I seeks to promote orderly marketing of agricultural commodities in interstate and foreign commerce, and to that end provides for the control and disposition of surpluses, stabilizes market against undue fluctuations, minimizes speculation and waste, and encourages the organization of producers of such commodities into cooperative marketing associations. Section 2 creates a Federal Farm Board (the Secretary of Agriculture to be a member ex officio) of twelve members, one from each of the twelve Federal Land Bank districts. Members were to be appointed by the President, selected from a list of eligibles submitted by the nominating committee for each district, and approved by the Senate. Cotton, wheat, corn, rice, tobacco, and swine^x are referred to as basic agricultural commodities. Other articles may be added as the committee submits its report to Congress.

Under section 3 the board would make agreements with cooperatives whenever a surplus in any commodity occurred, finance the purchase, storage, and sale of any commodity. Each community would get its equitable share

³² A Historical Survey of American Agriculture, "The Farmer's Changing World; A Brief Chronology of American Agricultural History", Reprint from the 1940 Yearbook of Agriculture, United States Printing Office, Washington, D.C., 103-126.

^x The underlining is the writer's.

out of the revolving fund --never over \$25,000,000-- loans to carry 4 per cent interest. The United States Treasury was to appropriate a fund of \$250,000,000 to initiate the act.^x

President Coolidge, in his veto, admitted the farmer's low prices, but claimed the bill would not aid farmers as a whole. It would discourage diversified farming, protecting one crop "safe" farming; it would, he said, give special favors to some and discriminate against producers of cattle, sheep, poultry, dairy products, fruit, vegetables, grains, (except wheat) potatoes, and other important agricultural lines. "This measure", he contended, "is not for farmers as a whole."³³ Under the bill, profits were guaranteed to exporters, packers, millers, cotton spinners and other processors. This involved government price fixing which eventually would have to extend to other commodities. "Government price fixing, once started, has alike no justice and no end",³⁴ argued Coolidge. He claimed the equalization fee was not a tax for purposes of revenue, but a tax for the special benefit of special groups who would profit at the expense of others. This would place a direct tax on the necessities of life. Twelve men would be granted almost unlimited control over the agricultural industry, which would threaten the very basis of our national prosperity through dislocation of the farmer's home market which absorbed about 90 per cent of

^xThe underlining is the writer's.

³³Documents of American History, Edited by Commager, Henry Steel, F.S. Crofts and Company, New York, 1940, 390.

³⁴Ibid., 391.

his products. Coolidge feared that the bill would stimulate production and pile up surpluses to be dumped on foreign markets of countries with agricultural markets of their own to protect. He denounced it as being counter to the principle of conservation, undermining competition, establishing legalized restraint of trade, and a species of monopoly under government protection. Although the act, in his opinion, had some good features intended to aid cooperatives, these were subordinated to the main objectives which were to have the government dispose of exportable surpluses at a loss and make some farmer taxpayers foot the bill. It would eliminate the very conditions of advantage, he maintained, that induced farmers to join together to regulate and improve their own business.³⁵

The attitude of the Socialists is expressed in The Nation:

Economically unsound as The Nation believes the measure to be, there was no legitimate reason why it should have been rejected by the Republican Party which has long been committed to the principle and practice of subsidies in the form of the protective tariff. Yet the Republican Party, as the watch-dog of big business, obviously could not afford to let the bill pass. ... Subsidies were ordained for the few, not the many. A revolt of the farmers would be unpleasant, but it is impossible to risk a revolt of big business, East or West, for big business spells the Republican Party itself.³⁶

The Literary Digest backed President Coolidge's veto of the bill, summarizing his objections. It stated that farm papers --on the whole--

³⁵Commager, 392-396.

³⁶Editorial in The Nation, "The McNary-Haugen Bill", July 7, 1926

agreed with the President. Most farmers distrusted the equalization fee. Only mid-west papers regretted the veto. It quoted The New Republic which said: "The President reserves the special providence of God for the interests nearest his heart, while denying it to others. He takes, as a matter of course, the use of governmental powers to aid business' profits, while naively denying the possibility of so using them for agriculture."³⁷

An interesting analysis of the McNary-Haugen Bill is given by James C. Malin of the Department of History, University of Kansas, in 1943 when the facts could be observed dispassionately:

The problem of adequately financing any type of farming must necessarily lead to the question of the pricing of agricultural commodities based either on competitive world prices, national cost-of-production prices, or on direct subsidies. The parity formula was an absurdity which had its beginnings in the equality for agriculture, the slogan of the McNary-Haugen movement. ... It was a notorious example of agricultural politics, not policy. If the idea of parity meant only that each one of the component elements of society is entitled to a fair share of the total social income, then no one could challenge it. But the issue was not so simple, because the legal definition was based upon the rural-urban conflict hypothesis as well as upon the specific statistical ratio of 1909-1914 prices of farm products sold to the prices of commodities the farmer bought. This was a horse power era compared with a mechanical power era. ³⁸

³⁷An Editorial. The Literary Digest, Funk and Wagnalls Company, Publishers, 354-360 Fourth Avenue, New York, June 9, 1928.

³⁸Agricultural History, published quarterly by the Agricultural History Society, Washington, D.C., Volume 17, Number 4 October, 1943, "Mobility and History", by James C. Malin, Department of History, University of Kansas.

By 1928 most farm leaders believed the McNary-Haugen Bill to be hopeless. Accordingly, they dropped it in favor of an export debenture scheme, by which exporters were to be reimbursed to the amount of half the tariff on all quantities exported; the cost to be borne by the government from the general tariff revenues.³⁹

The mid-west farmer's choice for Presidential candidate was Frank O. Lowden. The Nation said: ... "He would be an improvement in the White House. He had a good record as Governor of Illinois. There would be no disgrace, since he is the old-type, honest, careful, and dignified administrator." The article reveals... "He is rich by marriage and through his own efforts. He is a gentleman farmer on a huge scale, with extensive holdings in Illinois, Kansas and Texas, and is allied to some of the greatest capitalistic enterprises in the country such as the National Biscuit Company and The American Radiator Company. The fact that Mr. Lowden is sixty-eight years old lessens his chances for election."⁴⁰

During the primary campaign on the Republican side, Herbert Hoover, Frank O. Lowden, Senator Charles Curtis of Kansas and Senator F. B. Willis of Ohio were prominently brought before the public. As the state primaries followed each other, Mr. Hoover became the dominant figure. Supporters of Mr. Lowden, late in May, felt this so keenly that they organized a "Corn Belt Committee" to influence the convention in favor of the agricul-

³⁹Dumond, A History of the United States, 790.

⁴⁰An Editorial in The Nation, April 25, 1928.

tural group and thus, if possible, avert the nomination of Mr. Hoover. At the beginning of the convention in Kansas City (June 13), a determined group of 'Lowdenites', dressed as dirt-farmers, formed a procession of Fords, presented themselves at the doors and struggled for admittance which was denied them. News accounts say there were scarcely over five hundred "farmers". The failure of the demonstration made them weaker than ever.⁴¹

Senator George W. Norris of Nebraska received twenty-four votes during the early balloting. He had fought for the Farm Bureau and subsequently bolted the party. Lowden, on the contrary, who received seventy-four votes, remained with the party.⁴²

The Republican plank on agriculture ascribed the depression to belated readjustment following the war. It cited as effective aids, the advances made to farmers through the Federal Farm Loan System and the Intermediate Credit Banks, likewise the raising of tariffs on farm products under the flexible tariff provision. "Without putting the government into business", a phrase suggesting possible allusion to the McNary-Haugen Bill, the platform favored a federal system of organization for farm marketing.⁴³

Mr. Hoover met the outcry of the agricultural malcontents by declaring, October 27, that he would call a special session of Congress upon his inauguration, to make enactments for farm relief. November 2, he said his party intended to create a Federal Farm Board with power to determine

⁴¹Treadwell, Herbert, The New International Yearbook, 1928, Dodd, Mead and Company, New York, 1929, 779.

⁴²Ibid., 783.

⁴³Ibid., 780.

"facts, causes and remedies" in regard to the farm problem. He said the problem of agricultural depressions must be solved and he pronounced "an adequate tariff the foundation of farm relief". He recommended inland waterways as bound to raise the farm price of export products and cited the Republican pledge to organize the farm marketing system and create a Federal Farm Board with resources to build up farmer controlled stabilization corporations.⁴⁴

In his Omaha speech, September 18, Mr. Smith declared he was in favor of the principle of the McNary-Haugen Bill, but claimed he would not be limited by the methods that the bill provided. However, the "whispering campaign" started by a few individuals such as Senator Heflin, had grown to alarming proportions.⁴⁵ The "city versus rural" argument was used to good advantage, also.

William Allen White, editor of the Emporia Gazette, in July, issued an attack on Mr. Smith. He enumerated a series of votes in the New York Legislature recording Mr. Smith, then a member of that body, as in favor of saloons and tolerant of commercialized vice. Mr. Smith, August 20, issued a statement explaining his vote case by case, as affecting saloons, after which Mr. White withdrew both charges.⁴⁶

Senator Borah toured the agricultural states speaking for Mr. Hoover. In his Fargo, North Dakota, speech, he asked: "Farmers of North Dakota,

⁴⁴Treadwell, 780.

⁴⁵Ibid., 782.

⁴⁶Ibid., 782.

has Herbert Hoover ever broken a pledge he has made?" He declared that Mr. Hoover had pledged a solution of the farm relief problem, the one major problem of his campaign. He denied that Mr. Hoover had fixed prices, declared it was President Wilson, acting conscientiously, and at the instigation and with the approval of agricultural experts. He continues, "When the 1920 deflation occurred it was Wilson - this time over the protests of Herbert Hoover - who carried through 'the most damnable' program ever inaugurated as far as the farmers of the nation are concerned."⁴⁷

The Saturday Evening Post explained the farmers' position to them:

The price of wheat is relatively low but the price of corn, cattle, sheep, and hogs is relatively high. Farmers are gradually coming to pay less attention to selling price and to give more attention to income purchasing power. Even a relatively low price gives remunerative gain if the crop is large. The purchasing power of farm products was the highest since the collapse of prices in 1920. Farmers are learning to pay less attention to short-time price fluctuations and more attention to long term trends. Popular notions to the contrary, we take it that the farmers will vote on the basis of long-standing political convictions and opinions on candidates, rather than the basis of the seasonal prices of particular farm products.⁴⁸

The above article may serve as an example of the campaigning that almost all of the newspapers and magazines were doing for the Republicans.

⁴⁷Chicago Daily Tribune, October 4, 1928.

⁴⁸An Editorial in the Saturday Evening Post, "Farm Prices and Elections", The Curtis Publishing Company, George Horace Lorimer, Editor, Philadelphia, Pennsylvania, October 20, 1928.

It can be seen that the McNary-Haugen Bill did not represent the interests of all farms, consequently leaving them disunited. The Southern planters were not whole-heartedly behind Mr. Smith, while the poorer classes of the South, when voting, adhere to the Republican Party. At any rate, the farmers did not leave the Republican Party in any great numbers. William Allen White in 1939, gives his analysis of the reasons the farmers did not follow Senator Norris when he went over to the Democratic Party:

The farmer is slow to wrath politically and is curiously cautious about leaving the Republican Party. ... He pushes his party leaders in the State and in Congress but sticks to his party friends in the courthouse. In rural regions west of the Alleghenies and north of the Ohio, where the farmer is a majority in any state, he is consistently and stubbornly anchored to the Republican faith. He has voted the Democratic ticket for only three men, Cleveland, Wilson, and F. D. Roosevelt. ... The United States farmer has always refused the peasant's economic status. The fact that he could use his ballot to effectively control legislatures and Congress 'Farm Bloc' gave him a sense of power, a self-reliant dignity, which made him feel his essential equality with the capitalist and industrial worker. ... No one knew better than the farmer that his cooperatives failed when they had to meet the hard realities of a world market.⁴⁹

It would seem that it took the depression and the failure of the Republican President to alleviate his economic distress, to make the farmer leave the Republican Party.

⁴⁹The Yale Review, New Series, Edited by Wilbur L. Cross, Volume 28, Yale University Press, New Haven, Connecticut, "The Farmer's Votes and Problems", Edward Allen White, March, 1939, 433-436.

Like the American farmer who would never accept the status of a peasant, the American laborer has felt that he was any man's equal. There is little class consciousness among native Americans. There are several reasons for this: our social order is simple; there is no real leisure class here; prosperity was so general that every man is a potential capitalist.⁵⁰ Consequently, when labor unions were organized there was no distinct laboring class from which they could draw. Even the immigrants soon became imbued with the American spirit. The most successful unionizing was accomplished by the American Federation of Labor in the building trades, and the railway unions who put over an aggressive program for higher wages, but displayed little political activity when they had accomplished their goal.⁵¹ The railway unions usually cooperated with the A. F. of L., but their refusal to affiliate with the Federation meant a loss of strength for both. The A. F. of L. excluded not only all unskilled workers but all skilled workers who did not belong to a union.⁵² This selfish policy of looking out for oneself alone has been a divisive factor rather than a uniting factor. As Odegard says:

Organized bricklayers, carpenters, metal workers, etc., not only have had to meet the growing pressure from the unorganized unskilled,

⁵⁰ Bassett, John Spencer, Ph. D., A Short History of The United States, 1492-1938, The Macmillan Company, New York, 1939, 870.

⁵¹ Bassett, 870.

⁵² Hicks, 187.

a pressure increasingly great as mechanization and division of labor progress, but they have also competed bitterly among themselves. Out of this situation has arisen those so-called "jurisdictional" disputes which have plagued American trade unions and given it the appearance of "organized anarchy". The labor movement in the United States ... has been torn by internal dissention, making for weakness not only in its struggle with employers but even more so in the field of political action. It has not been difficult to play one union against the other to the common hurt of all. ... As a consequence the unskilled workers are rendered both politically and economically impotent. 53

The conservatism of Samuel Gompers, early organizer and almost continuous president from 1886 until his death in 1924, has dominated the organization. "The leaders of the craft unions have been, in general, men of conservative temper with the outlook of business executives seeking to get more and more for the unions they represent and bitterly hostile to anything smacking of radicalism or working solidarity."⁵⁴

In 1917, Samuel Gompers as a member of the Advisory Commission of National Defense, insisted that the war must not be used to depreciate wages or labor standards. This became the government policy.⁵⁵ The draft took many men out of the labor market and immigration ceased, leading to a labor scarcity that shot wages up to unheard of heights. Wages for the

⁵³Odegard, 312, 313.

⁵⁴An Editorial in Harper's Monthly Magazine, "Sabotage", by Louis Adamic, January, 1931.

⁵⁵Hicks, 516.

average worker doubled, and even with the increased cost of living he was fully twenty per cent better off than he had been before the war. The A. F. of L. membership increased thirty-seven per cent,⁵⁶ from 2,000,000 in 1913 to 3,045,000 at the close of the war. The friendliness of the Wilson Administration for organized labor provoked stubborn opposition from capital. As long as the war lasted, disputes were suppressed, but with the close of the war long stifled animosities flared up. The Executive Council of the A. F. of L. adopted a program calling for government ownership of utilities, public employment agencies, freedom of speech, etc. A series of strikes were undertaken by unions affiliated with the Federation.⁵⁷ As unionism had spread somewhat from the skilled to the unskilled worker: in the textile, food and clothing industries, the existing unions, limited to highly skilled craftsmen were converted into large and representative industrial unions. In these and other organizations, the growth of unionism among women and the unskilled, made them for the first time a factor in the counsels of the labor movement.⁵⁸

The Industrial Workers of the World, (I.W.W.) a radical labor organization, was organized about 1906. Its strength was in the Western states among the transient laborers of the mines, lumber camps, and farms. Its

⁵⁶ Ibid., 516.

⁵⁷ Dumond, Roosevelt to Roosevelt, 361.

⁵⁸ Recent Social Trends in the United States, Committee on Social Trends, One Volume Edition, Whittlesey House, The Maple Press Company, York, Pennsylvania, 1934, 807.

object was to overthrow capitalism. It was partial to industrial unionism and the general strike rather than to craft organization and the conservatism of the A. F. of L.⁵⁹ The I. W. W. was the first to organize the Negro. It was an American expression of revolt against moderate socialism which developed in all sections of the international socialist movement.⁶⁰ It did not advocate destruction of property since that, they claimed, belonged to the people. Their chief weapon was sabotage. Wherever employed, an I. W. W. wilfully soldiered on the job, put machinery out of order, and generally made himself a disrupting influence.⁶¹ Neither the I. W. W. nor its successor, the Communist Party, ever attained a membership of 100,000 but nevertheless, the mere fact of their existence has vitally affected the course of American history.⁶²

After a long career of violence in the west the I. W. W. came East in 1912 to participate in the textile strikes at Lawrence, Massachusetts, Paterson, New Jersey, and in other cities.⁶³ During the war the I. W. W. took an anti-militarist position and harassed the government through strikes, sabotage, and violence.⁶⁴

⁵⁹Dumond, Roosevelt to Roosevelt, 265.

⁶⁰Frankfurter, Felix, and Greene, Nathan, in Encyclopedia of the Social Sciences, Volume VIII, "The Injunction", Editor-in-chief Edwin R. A. Seligman, The Macmillan Company, New York, 1937, 655.

⁶¹Harpers, Adamic, January, 1931, 216.

⁶²Dumond, Roosevelt to Roosevelt, 265.

⁶³Hicks, 456.

⁶⁴Odegard, 316.

During the war there was strong feeling against German-Americans. This feeling was intensified for many reasons, chiefly economic, against immigrants from Russia, Poland, and Southern Europe. These aliens, mostly unskilled laborers, were excluded from the A. F. of L. but provided a field in which the I. W. W. worked vigorously.⁶⁵ The arrest and conviction of ninety-three members of the party in Chicago in 1918 including the head of the organization, W. D. Haywood, who escaped to Russia, virtually destroyed the I. W. W.⁶⁶ The organization was consequently outlawed, and under the criminal and syndicalism statutes of the post-war years, it has been driven underground where it leads a more or less precarious existence.⁶⁷

During the year 1919 there were serious strikes; the Boston police strike, followed by the steel-workers. The latter tied up the steel industry from September, 1919, to January, 1920. Though most people sympathized with the workers, the public was in no mood to accept disturbances.⁶⁸ Copies of a syndicalist pamphlet by William Z. Foster, the most industrious of the strike leaders, appeared in newspaper offices and were seized upon avidly to prove that he was a revolutionist. Foster was trying to substitute industrial unions for the ineffective craft unions. Therefore,

⁶⁵Dumond, A History of the United States, 779.

⁶⁶Dumond, Roosevelt to Roosevelt, 265.

⁶⁷Odegard, 316.

⁶⁸Hacker, 541.

according to the newspapers, he was a "borer from within" and the strike was part of a radical conspiracy.⁶⁹

The great steel strike had been in progress only a few weeks when a coal strike impended. The workers had voted for the nationalization of the mines; thus it was easy to depict them as communists, socialists, anarchists, and generally in favor of overthrowing the government.⁷⁰ During 1919 more than four million workers engaged in industrial conflict.⁷¹

The prosecution of socialists and pacifists during the war was followed by government action against aliens suspected of communist sympathies.⁷²

In 1918 Congress passed the Alien Act, ... "authorizing the Secretary of Labor to take into custody and deport any alien who advocated, or who belonged to any organization which advocated the overthrow of government by force, assassination of public officials, no human government, or the unlawful destruction of property."⁷³ This Act had two distinctive features: (1) it gave the Secretary of Labor plenary power to deprive aliens of their property and deport them without appeal to the President of the United States or the safeguards of court procedure; and (2) any individual who had become affiliated with such aliens, whether or not he had

⁶⁹ Allen, Only Yesterday, 54.

⁷⁰ Allen, 54, 55.

⁷¹ Hacker, 541.

⁷² Dumond, A History of the United States, 766.

⁷³ Dumond, Roosevelt to Roosevelt, 266.

committed an overt act, or endorsed such principles, might be subjected to the possibility of the same punishment.⁷⁴

President Wilson was ill from September 1919 on, and never recovered his powers. His administration program broke down ... "the government of the nation was actually leaderless. The United States drifted- and because there were no wiser counsels to prevail, reaction seized the helm."⁷⁵ The Secretary of Labor, William B. Wilson, was ill and Attorney-General A. Mitchell Palmer vigorously pressed actions against aliens, turning the industrial unrest into class warfare. Dumond gives this critical analysis of the temper of the times:

It is perfectly clear that the Alien Acts and the deportations were popular throughout the country. In the South, much was said and believed about the danger of communist agitation among the Negroes. The American Federation of Labor was not sympathetic to radical labor groups which sought to penetrate their organization and discredit their policies. Industrialists were satisfied to see their adversaries clapped into jail for long terms under the state syndicalist laws or deported to foreign lands. Returned soldiers were unfriendly to a radical labor group which had been so actively identified with opposition to the war. The exhilaration of silencing economic dissenters by suppression was as pleasurable as silencing pacifists and German sympathizers had been, especially when the victims were foreigners against whom there was a prevailing though perhaps subconscious dislike. Many people agreed with Attorney-General Palmer and his successors that free expression of opinion was dangerous to American institutions, and a great many more preferred not

⁷⁴ Ibid., 266.

⁷⁵ Hacker, 540.

to have to think about the social and economic injustices which agitators were constantly bringing to their attention. ... It was a decade of racial and class hatreds, of open and defiant lawlessness, of religious bigotry, of intolerance and intellectual dishonesty.⁷⁶

The day before the coal strike was due to begin, the Attorney-General secured from a federal judge an order enjoining the leaders of the strike from doing anything whatever to further it. This was contrary to the law, although the public did not know it. The press applauded the injunction. Only one paper, the New York World had the courage to say there was no Bolshevik or I. W. W. menace in the United States that an ordinarily capable police force was not competent to deal with.⁷⁷

Mr. Palmer next directed a series of raids in which Communist leaders were rounded up for deportation to Russia on the ship Bufford. In scores of cities on New Year's Day of 1920, when the Communists were simultaneously meeting at their various headquarters, Mr. Palmer's agents and police fell upon everyone in the hall and hurried them off to jail, with or without a warrant.⁷⁸ Six thousand were arrested, approximately fifteen hundred convicted. Many petitions were sent to the Department of Justice, to Congress, and to the President in an effort to secure a general amnesty for them. Later, Congress refused to act; President Coolidge insisted upon individual petitions for pardon, and President Hoover refused to discuss the

⁷⁶Dumond, Roosevelt to Roosevelt, 266.

⁷⁷Allen, Only Yesterday, 55, 56.

⁷⁸Ibid., 57.

matter. No action was taken in their behalf until President Roosevelt issued a blanket amnesty restoring citizenship and civil rights to all of them at Christmas time, 1933.⁷⁹

The Harding administration brought no change in governmental attitude toward the injunction. Four appointments were made to the United States Supreme Court; all were given to men of extreme conservatism. Mr. Dougherty, Attorney-General, saw that all appointees to the lower courts and to subordinate positions in the Department of Justice were men of the same type. Thus he was able ... "to make an indelible imprint upon the administration of justice in the United States."⁸⁰ The Clayton Act that labor had hailed as its Magna Charta was flaunted. During the twenties blanket injunctions were issued which prohibited any sort of union activity, ... "While the Supreme Court ruled that injunction proceedings could be brought against trade unions by individuals (instead of by the Federal Department of Justice alone, as under the Sherman Law)."⁸¹

It is difficult to estimate the number of injunctions issued during the twenties because it is judged that the unreported injunction cases outnumber the reported cases in the ratio of five to one. Senator Pepper of Pennsylvania stated that of the three hundred injunctions granted in the railway shopman's strike of 1922, only twelve were officially

⁷⁹Dumond, Roosevelt to Roosevelt, 266.

⁸⁰Hicks, 583.

⁸¹Hacker, 605.

reported.⁸² Nor were these injunctions issued solely to restrain violence.

They have restrained conduct that is clearly permissible like furnishing strike benefits, singing songs, maintaining tent colonies. Others, like that issued in the railway shopman's strike of 1922, forbade "loitering about the premises of the railroads, inducing or attempting to induce by the use of threats, violent or abusive language, opprobrious epithets, ... intimidation, display of numbers of force, jeers, entrieties, arguments, persuasion, rewards or otherwise, any person to abandon the employment of said railway companies or to refrain from entering such employment. ... "83

After the strikes in 1919 craft unions lost interest and the strike committee admitted defeat.⁸⁴ The business depression of 1921 became the signal for a radical revision in prevailing attitudes toward organized labor. It is true that general unemployment, wage reductions, and injunctions played a part in weakening the position of organized labor, but the apparent determination of business men to free themselves from union control was a factor of equal, if not of greater, importance.⁸⁵ Capital was in the ascendancy and held out tempting opportunities to wage earners. "Consolidating their advantages, employers drove wedges into the ranks of organized labor by means of company unions, and benevolent schemes to

⁸²Odegard, 303.

⁸³Frankfurter, Felix, and Greene, Nathan, in Encyclopedia of the Social Sciences, Volume VIII, 655.

⁸⁴Levinson, Edward, Labor on the March, Harper and Brothers, New York, 1938, 46.

⁸⁵Commings, E. E., Ph. D., The Labor Problems in the United States, D. Van Nostrand Company, Incorporated, New York, 1935, 207.

promote the loyalty of employees, such as stock subscription plans, community centers, and pensions or group insurance projects."⁸⁶ When the business revival came, in 1926, the unions had lost their post-war gains, and, with rare exceptions, had surrendered all pretense of striving for the control of industry in which they had won recognition since the beginning of the war.⁸⁷ The fact that the Federation never gained the smallest toehold in the auto industry proves its inefficacy.⁸⁸ From 1923 to 1933 was the Federation period of sterility. The A. F. of L. offered itself to employers as a bulwark against radicalism or as an "efficient influence" in industry.⁸⁹ Odegard discusses this curious attitude:

It is this psychology which helps to explain the curious mesalliance between the A. F. of L. and the National Civic Federation sponsored and financed by the employers. Samuel Gompers was an official of the Civic Federation and Mathew Woll, A. F. of L. vice-president, was until 1935 intimately associated with it. ... In recent years Mr. Woll and other A. F. of L. officers have become outstanding 'red' baiters, surpassing even reactionary employers, in their denunciation of radicals. In adopting such tactics they have given aid and comfort to one of labor's worst foes- the company union.⁹⁰

Allen also paints the same picture, but adds that some were ... "managing

⁸⁶ Bassett, 927, also Faulkner, 676.

⁸⁷ Cummins, 336.

⁸⁸ Levinson, 46.

⁸⁹ Ibid., 47.

⁹⁰ Odegard, 315.

their unions virtually as profitable rackets in collusion, sometimes, with gangsters and gunmen. The heart was going out of the radical movement, both within the ranks of labor and without it."⁹¹

It would seem that the policy of the A. F. of L. is in no small measure to blame for the limited membership of the organization. The political power of labor is vitiated by the fact that less than 25 per cent of the nation's workers were organized. As late as 1935 of the 22,000,000 persons gainfully employed 76.7 per cent were without organization.⁹² No doubt a great many salaried employees could not have been reached by an organization. "For example, salaried employees in managerial positions, ... engineers, architects, designers, and to a lesser extent, perhaps, salesmen, teachers, clerical workers and those engaged in domestic and personal service are all in closer contact with their employers than are factory workers, miners, etc.; ... consequently they find less need for the psychological compensations found in group organizations."⁹³ These people know the "boss"; their fields have not, until lately, been overcrowded, they have consequently felt more secure; as a result they are more likely than not to share the political attitudes of their employers.⁹⁴ Since business men in the twenties were predominantly Republicans, it follows that the

⁹¹Allen, Lords of Creation, 228.

⁹²Odegard, 311, 312.

⁹³Ibid., 293.

⁹⁴Ibid., 293.

white-collar workers and salaried workers voted the Republican ticket.

During the twenties studies show a continuous and radical decline in the proportionate expenditures for food and rent for all classes of workmen, with appreciable increases in expenditure for clothing and even greater increases in the relative consumption of a variety of commodities, such as telephones, automobiles, and new appliances.⁹⁵ In the prosperous year of 1926, the average earnings of employees were \$1,375 a year. Eliminating women, children, and young persons, it is still doubtful whether the average earnings of male adult employees, allowing for the frequent losses in time, have in recent years greatly exceeded \$30 a week.⁹⁶ So the expenditures for extra goods must have come through the combined earnings of the family. The workers never had the savings that were claimed for them in the golden age of the twenties.⁹⁷ The wage-earner's greatest fear is that of unemployment. The Republicans could boast that they were responsible for the prosperity, and it probably seemed that a continuation of Republican rule meant the continuation of prosperity.

Since the organization of the Socialist Party in 1898, its platform in broad outline has remained the same. "Capitalism, the private ownership of the means of production, is responsible for the insecurity of subsistence, poverty, misery, and degradation of an ever-growing majority of our people;

⁹⁵Recent Social Trends, 825.

⁹⁶Ibid., 824.

⁹⁷Douglas, 10.

but the same economic forces which have produced and now intensify the capitalist system will necessitate the adoption of socialism, the collective ownership of the means of production for the common good of man."⁹⁸ Convinced that no basic changes could be accomplished through the regular parties, the Socialists bent their energies toward the organization of the working class into a political party to conquer the public powers now controlled by the capitalist class. In 1900, the first election in which they placed a candidate, they advocated reduction in the hours of labor, public works in time of economic depression, and state and national insurance of working people against accident, lack of employment, and want in old age.⁹⁹

The history of the Socialist Party, like that of the Farmer and Labor Parties in the United States, is that of failure after failure, one split after another.¹⁰⁰ Nevertheless, from 1900 to 1917 the proponents of the socialistic point of view directly influenced the social views of a great number of Americans. A host of writers and artists produced a flood of essays, poems, and cartoons. Scores of magazines, weeklies, and dailies were being issued; the Appeal to Reason, a magazine with a half-million subscribers, leading in circulation. "The Rand School of Social Science and other schools were serving as educational centers for the movement, and the Intercollegiate Socialist Society, formed in 1905 'to promote an intelligent

⁹⁸Odegard, 103.

⁹⁹Odegard, 103, 104.

¹⁰⁰Fine, Nathan, Labor and Farmer Parties in the United States, 1828-1928, Rand School of Social Science, New York City, 1929, 437.

interest in socialism among college men and women', was spreading a knowledge of socialism among college and professional groups."¹⁰¹

Before the outbreak of the World War Socialism appeared to be occupying a firm place in the American party system and its adherents looked to the future with confidence.¹⁰² When war broke out in Europe in 1914, the Socialist Party urged that the United States remain neutral. The party candidates, in 1916, campaigned on a platform against war and militarism. The entrance of the United States into the war caused the most serious split that the party had experienced. Debs and his adherents took a vigorous stand against participation in the war while the "intellectuals" who left the party because of its anti-war stand formed the short-lived Social Democratic League of America.¹⁰³ The opponents of war were silenced by intimidation and legal coercion under the Espionage and Sedition Acts. Eugene V. Debs was sentenced to ten years in prison for an anti-war speech he delivered in Canton, Ohio, and leading members of the national executive committee were also convicted, although the United State Supreme Court later set their convictions aside.¹⁰⁴ There was still another, a left-wing group which leaned toward Communism. This group also split into two factions; one faction urged the immediate organization of a Communist Party; the

¹⁰¹Laidler, Harry W., Social-Economic Movements, Thomas Y. Crowell Company, New York, 1944, 589.

¹⁰²Hacker, 430.

¹⁰³Laidler, Social-Economic Movements, 590, 591.

¹⁰⁴Odegard, 111.

other faction favored the continuance of the policy of boring from within until they could capture the Socialist Party.¹⁰⁵ Thus in 1919, two new parties were organized; the Communist Labor Party and the Communist Worker's Party.- No sooner had these two parties organized, than many of their members were arrested, imprisoned, and deported. The splits in the Communist movement were so numerous that one writer in 1924 listed sixteen different societies, each claiming to be possessed of the true gospel. In time most of these elements came to the support of William Z. Foster, who, as presidential candidate of the Worker's Party, secured 33,360 votes in 1924 and 48,770 votes in 1928.¹⁰⁶

By 1920 the Socialist Party, weakened by the withdrawal of the right wing during the war and of the left wing in the post-war years, knowing the unrest among the organized workers of the country, turned their attention to the formation of a Labor Party. A progressive movement had developed in the Railroad Brotherhood Union, the United Mine Workers of America, and a farmer organization under the leadership of the Nonpartisan League of North Dakota. In 1924 the Conference for Progressive Political Action called a nation-wide convention at Cleveland for the purpose of taking action on the nomination of candidates for the offices of President and Vice-President of the United States. The Railroad Brotherhoods dominated this meeting which represented trade-union, farmers' co-operative, and

¹⁰⁵Laidler, 591.

¹⁰⁶Shannon, Fredrick A., Economic History of the People of the United States, The Macmillan Company, New York, 1934, 819.

socialist groups. The Socialists fought for the establishment of a third party; the Brotherhoods objected. Finally the convention endorsed Senator Robert M. La Follette for President. Thus, for the first time in its history, the Socialist Party departed from its established custom of supporting socialist candidates only.¹⁰⁷ The American Federation of Labor likewise took the same step.¹⁰⁸ Senator La Follette and Senator Burton K. Wheeler, candidate for Vice-President, received 4,822,856 votes. This did not comprise all of the liberal votes; the Socialist Labor Party that year received 38,958 votes; The Workers Party (Communist), 33,361 votes.¹⁰⁹

The Socialists were anxious to launch a permanent Farmer-Labor or Progressive Party after the election. Socialists and Brotherhood representatives met in Chicago February 21-22, 1925. The Brotherhood representatives insisted that they had no mandate to commit their organization to independent political action, and urged the continuation of the Conference for Progressive Political Action along non-partisan lines. The convention adjourned without taking a vote, and the C.P.P.A. passed out of existence.¹¹⁰

From 1925 to 1928 the Socialist Party put all its resources into the uphill fight to rebuild its organization which had lost instead of gained members because of joining forces with the Progressives in 1924.¹¹¹ Speak-

¹⁰⁷Laidler, Social-Economic Movements, 594, 595.

¹⁰⁸Dumond, Roosevelt to Roosevelt, 365.

¹⁰⁹Laidler, 595.

¹¹⁰Laidler, Social-Economic Movements, 695.

¹¹¹Fine, 427.

ing at the Socialist National Convention in 1928, Victor Berger, Congressman from Milwaukee, summed up the situation:

The program that had received the endorsement of 5,000,000 people was not heard of further, so far as the progressive group was concerned. The death of Senator La Follette several months later marked the definite standstill of a movement which had given promise of a better era in American political life. With the Republican and Democratic Parties acting practically as a unit on most questions -and with the so-called progressives contenting themselves with occasionally assuming a negative attitude instead of one that would be constructive- the minority views in Congress were expressed at random by a few individuals, but without organization or direction.¹¹²

Much time was spent on the discussion of ways to obtain the money to maintain the organization. Mr. Berger lamented the lack of funds and organization that both old line parties had.¹¹³ The Socialists depended upon the minimum dues of one dollar a year from each member. This was criticized by Comrade Weil who claimed: "We are simply selling labels for a dollar; many an ambitious labor leader would like to be known as a Socialist if only to double cross us."¹¹⁴ A perusal of the record of the meeting clearly shows that the Socialists knew that they had not the slightest chance of winning the election.

¹¹² National Convention of the Socialist Party, New York City, April 13 to 17, 1928, Verbatim Report by Convention Reporting Company, 42 Broadway, New York, 33b.

¹¹³ Ibid., d21.

¹¹⁴ Ibid., d48.

Norman Thomas and James H. Maurer were unanimously nominated standard-bearers. Norman Thomas, a former minister in the Presbyterian Church, joined the Socialist party in 1917. Resigning from his pastorate, he became the editor of The World Tomorrow, and secretary of the Fellowship of Reconciliation. In 1921 he became associate editor of The Nation and in 1922 was appointed co-Executive Director with Harry W. Laidler of the League for Industrial Democracy, which position he held until the middle thirties.¹¹⁵ Thomas was the representative of the middle-class liberal.

James H. Maurer was a veteran trade-unionist. Born in Reading, Pennsylvania in 1864, he had been a member of the Knights of Labor and joined the Socialist Labor Party in 1898 and the Socialist Party in 1902. From 1912 to 1928 he served as president of the Pennsylvania Federation of Labor. From 1912 to 1916 he was also a member of the Pennsylvania House of Representatives, where he introduced Workmen's Compensation and other labor legislation. For over a decade he served as chairman of the Old-Age Pension Commission of Pennsylvania. He was one of the most popular and beloved leaders in the trade-union movement.¹¹⁶ It was evidently hoped that the laborer and the A. F. of L. would support Maurer. However, since Thomas and Maurer both defended Russia, many Socialists refused to support them.¹¹⁷

¹¹⁵Laidler, Social-Economic Movements, 596.

¹¹⁶Ibid., 596.

¹¹⁷Fine, 427.

The Socialist platform was concise. It denounced imperialism, the use of injunctions, demanded justice for workers, strikers, radicals, aliens, and Negroes. On the issue of plenty it states- "We do not even know how many men and women in this country of stock-market prosperity are looking for a job. Probably four million, or one in every five workers. In what we call normal times one in nine or ten comprise a sorrowful army of unemployed."¹¹⁸ While both parties advocated public works in dull times, the Socialists proposed specific remedies:

- A census of unemployment to be taken.
- A nation-wide system of non-profit employment bureaus to be set up.
- A properly planned public works program.
- Unemployment insurance.
- The five day week.¹¹⁹

Norman Thomas made a vigorous campaign which was almost entirely ignored by the press. The following reprint of a typical excerpt from one of his speeches illustrates his scathing denunciation of the Republicans:

Mr. Hoover calls his capitalism "rugged individualism" and professes to find some peculiar virtue in wasteful and chaotic mismanagement of coal, in our frantic real-estate speculation, and in our gigantic corporations owned by irresponsible absentee stockholders. He ignores the waste, the poverty, the tyranny, the threat of war which arises out of our attempts to control the essentials of modern life for us all under the law of the jungle.¹²⁰

¹¹⁸ The Nation, "The Socialist Platform", August 15, 1928.

¹¹⁹ Ibid.,

¹²⁰ Ibid.,

If the Socialists expected the support of labor and the middle-class Americans, they were disappointed. Odegard presents the reasons:

The Socialist Party, almost alone, has had a comprehensive and consistent program of economic and social reconstruction. But it has been handicapped by the individualistic and almost anarchic tradition of American labor, as well as by the conservative and anti-political attitudes of labor leaders. ... "The comparative absence in America of hereditary class lines and the tradition of equality have tended to obscure class antagonisms growing out of the economic struggle, and consequently have delayed, if not prevented, the development of that class consciousness which looms so large in the theory and dynamics of a Socialist movement.¹²¹

Neither the Socialist nor the Communist Party made much impression in the boom months of 1928.¹²² The extreme weakness of the Socialist Party is shown in a comparison of votes cast in 1928 and former years, when ... "despite the doubling of the electorate through woman suffrage, the Socialists received only 267,400 votes as compared with 919,800 in 1920 and 897,000 in 1912."¹²³ The Worker's Party, with William Z. Foster, as Presidential candidate, received 48,770 votes; the Socialist Labor Party, 21,603; the Farmer-Labor Party, 6,390.¹²⁴ This makes a total of 344,093 votes being cast by the "left" as against 21,392,000 votes for Hoover and

¹²¹Odegard, 794.

¹²²Faulkner, 636.

¹²³Hacker, 606.

¹²⁴Laidler, Social-Economic Movements, 596.

15,016,000 votes for Smith.¹²⁵ These figures would seem to prove that the liberals' appeal did not reach either the laborer or the "middle class", the groups to which their appeal was aimed.¹²⁶

¹²⁵ Hacker, 556.

¹²⁶ Odegard, 247, 248.

CHAPTER III

THE MEN AND THE ISSUES INVOLVED

"The study of politics", says Harold Lasswell, "is the study of the influential. ... The influential are those who get the most of what there is to get."¹ What there is to get is power. "The fruits of power are economic advantage, social prestige and security for those who possess it."² Political parties are chiefly concerned with who shall exercise power. We have a two party system, but by 1924 there was little difference in the objectives of either party.³ Within each party there were pressure groups struggling for special privileges. These groups rarely put forth candidates of their own, but threw their support to friendly candidates of either party. While party platforms were vague, the platforms of pressure groups were specific in character and were confined as a rule to relatively few issues that directly concerned their interests.⁴ The major parties then presented the candidates for office while the pressure groups strove to determine their policies.⁵

¹Lasswell, Harold, Politics, Whittlesey House, New York, 1936, 54.

²Odegard, 1.

³Hacker, 555.

⁴Odegard, 2.

⁵Ibid., 2.

The House of Morgan was the principal financial power, but it was no longer a dictator as it had been up to 1920. The American capitalistic system ... "was not really a system at all; not a hierarchy, but a free-for-all-insiders; not an order, but a disorder of irresponsible forces."⁶ While these men could agree on the defense of their common perogatives against radical assault, they could not have agreed on a policy to stop the mad speculation of the twenties.⁷ Without hindrance from either government or business leaders, there took place the most feverish and extensive industrial and financial consolidation in American history. The men who were scrambling for financial power were, at the same time, seeking to control the policies of the government.⁸

Herbert Hoover, in his presidential campaign of 1928, described the economic system of the United States as a system of "rugged individualism". He stated that there was no domination by any group or combination in the republic, whether it be business or political.⁹

The following year James W. Gerard, former Ambassador to Germany, declared that sixty-odd citizens of the United States -chiefly leaders in finance and industry- were the real rulers in America.¹⁰ The giant

⁶Allen, Lords of Creation, 347.

⁷Ibid., 348.

⁸Laidler, Harry W., Ph. D., Concentration of Control in American Industry, Thomas Y. Crowell Company, New York, 1931, vii.

⁹Ibid., 3.

¹⁰New York Times, August 21-22, 1930

corporation was the device used to maintain control. Corporate enterprise is no new institution. The joint stock trading companies which built up the merchant empires of England and Holland in the seventeenth century were the original quasi-public corporations.¹¹

In the modern corporation, with the Ford and Mellon interests¹² as the exceptions, ownership rests with the public. Direction of the corporation rests with a management which owns a relatively small proportion of the stock.¹³ Following the lead of the railroads, in the last part of the nineteenth century and the early years of the twentieth, one industry after another has come under the corporate sway.¹⁴ Big business was viewed with alarm during the first decade of the century. The Federal Reserve Act, the Clayton Anti-trust Act, and the creation of the Federal Trade Commission, it was hoped, would prevent monopoly, restore competition, and create a more rational control of the nation's finances.¹⁵ As the twenties drew to a close, it was obvious that this legislation had failed to accomplish its objectives. "When the Supreme Court, in 1920, refused to dissolve the United States Steel Corporation on the ground that neither size, short of monopoly, nor the possession of potential power to restrain trade was

¹¹Berle, Adolf A., Jr. and Means, Gardiner C., The Modern Corporation and Private Property, The Macmillan Company, New York, 1935, 18.

¹²Laidler, Concentration in American Industry, 74.

¹³Berle and Means, 11, 12.

¹⁴Ibid., 13.

¹⁵Faulkner, 672.

necessarily a violation of the anti-trust acts, it seemed clear enough that big business had nothing to fear from the courts."¹⁶

The ways in which men could control without owning a business is explained by Laidler:

The post-war movement toward concentration of control has been aided and abetted by the holding company, by the investment trust, by the great banking houses, by the corporate devices of inter-locking stock-holding and directorates, by voting trusts, and by non-voting stock. It has led to the development of combinations and trusts -vertical, horizontal and circular- with vaster ramifications, with greater resources than any combinations that have previously appeared.¹⁷

This concentration was notable in those new industries that have developed during this era ... "automobiles, chemicals, aluminum, moving pictures, radios, and utilities."¹⁸

The two hundred largest non-banking corporations in the United States have seen a phenomenal growth, and no limit to that growth is yet in sight. These giants are not the one million dollar corporations of the previous decade. The assets of the smallest, Deere and Company, is 94.6 millions while the largest, the American Telephone and Telegraph Company, is 4,228.4 millions. The combined assets of Standard Oil are 3,930.7 millions, five railroads are worth 1,134.4, 1,600, 2,156.7, 2,250, and 2,600 millions each. In the Gas and Electric companies there are four companies with

¹⁶Ibid., 674, also Bassett, 926.

¹⁷Laidler, Concentration in American Industry, 10, 11.

¹⁸Faulkner, 673.

assets of between 1,100 and 1,200 millions each. The assets of the thirty-six remaining companies range from 108.7 millions to 989.6 millions, with the average about 376.5 millions.¹⁹

From 1924 to 1928 these great corporations increased in wealth, over 50 per cent faster than all other corporations.²⁰ The small corporations reporting an income under one million dollars accounting for 37.5 per cent of all corporation income, but this was due to the large number of smaller units. It is difficult to estimate the total business wealth of the country. As Berle and Means point out, it is an impossibility under our democratic system. A very rough estimate, however, indicates that at least 78 per cent and probably a larger proportion of American business wealth is corporate wealth."²¹ The two hundred largest corporations controlled approximately 49 per cent of all corporate wealth, or about 38 per cent or more of all business wealth.²² The largest corporations increased their proportion of the wealth and income of all corporations through interlocking directorates and other devices.²³

It must be remembered that the influence of each one of these huge corporations extends far beyond the assets under its direct control. Smaller

¹⁹Berle and Means, 19-24.

²⁰Ibid., 31.

²¹Berle and Means, 31.

²²Ibid., 31.

²³Ibid., 39.

companies which buy from or sell to the larger companies are likely to be influenced by them to a vastly greater extent than by other smaller companies with which they might deal.²⁴

By the device of raising new capital through the sale of securities in the public market, the corporations have gained a powerful hold over the public. The passing of the ownership from the hands of the managing few to the hands of the thousands of investors has strengthened the power of management, while the investor has no control over the conduct or policy of the business and simply accepts his profit.²⁵ The investors' position was further weakened by special devices such as pyramiding, by a special class of voting stock, or by a voting trust, none of which required great ownership interest to maintain absolute control by a few men.²⁶

This concentration of power in the hands of a few has had a deleterious effect upon the wage-earner. Consolidation and mass production have been followed by the ruthless discharge of men, and the insecurity of workers has become increasingly great. The policy of Ford, for instance, has been conspicuous for its disregard of human values. In periods of depression the larger corporations are more inclined than are the smaller concerns to shut down their plants, discharge their men, and accept the losses from idleness

²⁴Ibid., 32.

²⁵Ibid., 72.

²⁶Ibid., 78.

rather than from greatly reduced prices.²⁷ Great combines were active during the twenties in seeking special favors from the public. The campaign funds in Illinois, Pennsylvania, and other states show the hold of large corporations on politics.²⁸

One of the grave dangers of concentration lies in the fear on the part of all classes of our population of offending those at the helm of the giant industries. The individual must come in contact with the great companies, such as the electric and telephone companies, every day. He may own an interest in one or more of them, he may be employed by one of them, but above all he is continually accepting their services. To a large number of men and women as well as to unskilled workers, the displeasure of a great corporate unit means their economic disfranchisement and the utter loss of their livelihood, even perhaps the starvation of their family.²⁹

As to the government's position toward big business, Bassett has this to say:

Harding's administration had pointed the way to the policies which the Republican Party steadfastly maintained for 12 years. It was to take government not only out of business, but out of regulating business, to give the captains of industry and finance free reign in the economic field, and to bring them into the government to formulate its policies. Unprecedented prosperity was to be achieved (1) by maintaining a high protective; (2) by reducing high income and corporation taxes; (3) by delivering the regulatory commissions into the hands of the

²⁷Laidler, Concentration in American Industry, 459.

²⁸Ibid., 459.

²⁹Ibid., 460.

corporations; (4) suspending the anti-trust laws; and (5) encouraging large scale combinations. The principle of enforced competition was abandoned in favor of cooperation in the business world and between business and government. ... The consequence was a period of great corporate prosperity in which neither labor nor agriculture shared, which produced an increasingly unequal distribution of wealth, an orgy of inflation and speculation, and a perfect network of trade cartels, holding companies, and industrial monopolies.³⁰

Historians speak of Coolidge's "luck"³¹ as the reason for his advancement over more able men in politics. It would seem, however, that he had influential backing. The Nation, in an editorial, "Silent Cal's Silent Partner", states that Coolidge received his political training and advancement under the political banner of the late Senator W. Murray Crane, millionaire manufacturer and political boss. William M. Butler, textile manufacturer, was chairman of the Republican National Committee in 1924. Upon Senator Lodge's death Butler was appointed Senator. As Senator, he voted against the Walsh report on the oil scandal and in favor of whitewashing Teapot Dome. He also voted against the motion for senatorial investigation of Mellon's Aluminum Company and against a resolution for the investigation of the alleged monopoly of electric energy by the General Electric Company. He voted to untax wealth right down the line, and he voted to lease the \$50,000,000 government plant at Muscle Shoals to private industry.³²

³⁰ Bassett, 784.

³¹ Morison, Samuel Eliot and Commager, Henry Steele, The Growth of the American Republic, Oxford University Press, New York, 1937, 520.

³² The Nation, October 27, 1926, also Laidler, Concentration in American Industry, 245

Senator Curtis of Kansas said, in 1924, that Mr. Butler was the political boss and continually dictated the President's actions.³³ Colonel George M. Harvey stated: "The politicians do not like Coolidge personally, but he is a strong party man and since 1899 has held public office, and is always with the organization."³⁴ Yet Coolidge became one of the most popular presidents. Commager gives an analysis of his popularity and his policy while in office:

The Coolidge significance is a symbol, and the most significant thing about that symbol is that it was not recognized to be a counterfeit. For the adulation which was poured upon this dour, unimaginative and uninspiring politician who inherited the White House was itself counterfeit, a form of vicarious atonement. Throughout his career he evaded problems, and when he could not evade them he smashed them; it is not on record that he solved any. ... The larger problems of the economic morals of Babylon he blinked completely. Coolidge was the window dressing for the era of "normalcy". ... He bolstered the stock-market. ... He cleared the White House of the Harding gang but let in white-collared, smartly frock-coated, bespatted, and smugly proud men; another crew which was to devastate his country more terribly than Harding's ... playfellows.

All day long friends and emissaries of Kreuger, the match king, Insull, the utilities king, Wiggin, the wizard, Mitchell, the manipulator, Doherty, the monarch of gas, the Morgans, the Rockefellers, and Mellon in person, the bad and the good, unchecked and unidentified sat at his council table.³⁵

³³Odegard, 442 quoting the New York World.

³⁴Barron, Clarence W., They Told Barron, Harper and Brothers, New York, 1930, 287.

³⁵The Yale Review, "The Era of Normalcy", a review of A Puritan in Babylon, by William Allen White, by Henry Steele Commager, June, 1939, 839-841.

Coolidge's main objective seemed to be economy in federal expenditures. "Budget directors took their duties seriously. ... Considerable saving was accomplished by cutting down on the naval and military appropriations, but all such gains were seriously discounted by the mounting bill for pensions and veteran's relief. ... Throughout the early twenties state and local expenditures mounted even more rapidly than federal spending declined. It is difficult to believe, therefore, that there was the direct relationship between "Coolidge economy" and the return of prosperity that Republican politicians were wont to claim. After 1925 even federal expenditures began to mount again."³⁶

Business men were gratified to see the wealthy banker and aluminum king, Andrew W. Mellon, take the portfolio of the Treasury under Harding.³⁷ For years Mellon had been the political boss of western Pennsylvania,³⁸ while Joseph R. Grundy, president of the Pennsylvania Manufacturers' Association was the boss of eastern Pennsylvania.³⁹ Although the office went to Mr. Mellon, Mr. Grundy was "scarcely less influential".⁴⁰ The significance of Mellon's presence in the Cabinet is summed up by Allen in the following statement:

³⁶Hicks, 579, 580.

³⁷Morrison and Commager, 518.

³⁸Overacker, Louise, Money in Elections, The Macmillan Company, New York, 1932, 118, also Odegard, 286.

³⁹Odegard, 286.

⁴⁰Morrison and Commager, 518.

Mr. Mellon typified in striking degree the unifying principal of those seven years- Secretary of the Treasury, banker, super-capitalist, multi-millionaire, suave and gracious exponent of the economic and political philosophy of Wall Street and the great industrialists. Throughout that time, business and especially financial business was king. The majority of the American people believed with increasing certainty that business men knew better than anyone else what was good for the country, and that the government had better keep its hands off their affairs. ... Defenders of this principle were not consistent in their views and actions. Most of them looked with complete equanimity upon government intervention in business affairs when this took the form of tariffs, subsidies, and other favors of the traditional American sort. Even the rugged individualist would take the train to Washington or his state capital to support a bill which might increase his profits by restricting his competitors. Thus the process of legislation became a tug-of-war of lobbies; each pulling for special advantages. ... Pressure was exerted in this way by groups of business men who professed to hate interference.⁴¹

Clark aptly says that private business tends to offer those at the top more than they need to stimulate them to their best efforts, while it tends to pay those at the bottom less than they need to maintain their working efficiency. "The salary of a member of the Cabinet is not enough to command the services of an outstanding man for an indefinite time." Yet one of the wealthiest men in the United States remained in the Cabinet for more than eight years.⁴²

⁴¹ Allen, Lords of Creation, 222, 223.

⁴² Clark, John M., Social Control of Business, Whittlesey House, New York, 1939, 44.

Mr. Mellon is credited with saying informally that 5 per cent of the American population supports the remainder. That the 95 per cent subsist by the grace of a few, whose concentrated wealth affords a means of livelihood, was a thought entertained not only by the few but by the majority of the people. Mellon's presence in the Cabinet was an acknowledgment of the interrelation between Big Business and the political machinery; for the time had come when Big Business dominated the entire scene.⁴³

Secretary Mellon was convinced that high taxes would discourage business, and he embraced the policy of tax reduction. The act of 1924 raised the exemption in the lower brackets, reduced the normal rate of taxation from 50 to 40 per cent, and permitted rebates on so-called "earned income."⁴⁴ The act of 1926 did away with most of the wartime excise taxes, radically reduced the normal income tax rates, modified the real estate tax, and abolished the gift tax. In 1921, a man with a million dollar income paid a federal tax of \$663,000; by 1926, he paid less than \$200,000. Unfortunately the national debt was not reduced greatly, and a considerable proportion of the funds thus released for private use seems to have gone into speculation.⁴⁵

The Mellon tax plan was opposed by Senator Robert M. La Follette. He was presidential candidate in 1924 with the backing of the Socialists, the

⁴³Bent, Strange Bedfellows, Introduction, xi.

⁴⁴Morrison and Commager, 531.

⁴⁵Hicks, 580.

Progressives, the railroad brotherhoods, and organized labor.⁴⁶ After his defeat the Republican policies met with no organized opposition.⁴⁷ The fact that only 51.1 per cent of the eligible voters went to the polls⁴⁸ would seem to show a lack of interest in governmental affairs by public or else a satisfaction with the state of affairs. The fact that there seemed little difference between the Republican and Democratic platforms and candidates⁴⁹ may have been a reason for the light vote. Whatever the reasons ... "henceforth, for six years, the party par excellence of Big Business would wield complete control over the country's destinies."⁵⁰

Herbert Hoover had become well known as Food Administrator during the World War. He signified his willingness to become presidential candidate in 1920.⁵¹ When his nomination seemed unlikely, he donated \$173,542 to the campaign of General Lenard Wood.⁵²

As Secretary of Commerce he inaugurated the policy of government encouragement of an alliance with the great trade associations and the powerful corporations. His sense of engineering efficiency was outraged

⁴⁶Odegard, 116.

⁴⁷Hacker, 552.

⁴⁸Ibid., 553.

⁴⁹Odegard, 75.

⁵⁰Hacker, 553.

⁵¹Hicks, 545.

⁵²Overacker, 69.

at the spectacle of competition with its inevitable waste. In his first report as Secretary of Commerce he proposed modifications of the Sherman Act to permit business organizations to combine for the purposes of information, standardization, transportation, research, elimination of unfair practices, uniform credit policies, and the arbitration of industrial disputes.⁵³

Unwilling to wait for congressional sanction, Hoover began to foster trade organizations, and during his eight years in the Commerce Department over four hundred such trade associations were established. The Supreme Court declared these associations palpable violations of the Sherman Act - "an old evil in a new dress with a new name. The gentlemen's agreements of former days, skillfully devised to evade the law."⁵⁴ Hoover countered by placing the Commerce Department at the disposal of business, as a clearing house.⁵⁵ The Federal Trade Commission denounced this as open price-fixing. But one by one the regulatory bodies were packed with the friends of the very business they were to regulate. Hicks says:

The Interstate Commerce Commission was in effect handed over to the railroads, the Federal Trade Commission over to the trusts, and the Federal Reserve Board to the bankers. For good measure the Tariff Commission was delivered into the custody of the protectionists.⁵⁶

⁵³Morrison and Commager, 583, also Dumond, A History of the United States, 788.

⁵⁴American Column and Lumber Company Versus the United States, United States 257, United States 377 (1921).

⁵⁵Morrison and Commager, 535.

⁵⁶Hicks, 582.

During these years the effective operation of the Sherman Act was practically suspended. The Federal Trade Commission made a number of investigations, but few were pressed to a conclusion. The Woolen Institute was dissolved, but adverse reports on the Sugar Institute and the Aluminum Trust were ignored.⁵⁷ The Supreme Court did not encourage the Commission in its efforts to enforce the anti-trust laws. Of forty cases carried into the circuit courts between 1920 and 1925, twenty-eight were reversed: of nine carried to the Supreme Court, seven were reversed.⁵⁸ Laidler claims that -"judicial interpretation of the anti-trust law has had the effect of legalizing almost any degree of concentration of economic power if certain legal formalities are observed."⁵⁹

In part as a result of this official encouragement, the concentration of control in American industry and banking, once regarded as dangerous to the common welfare, became an accepted condition. The decade of 1919 to 1929 saw combinations in manufacturing and mining involving the merging of some 4,000, and the disappearance of some 6,000 firms.⁶⁰ The same trend was discernible in the field of utilities, finance, and transportation.⁶¹ During this time radical changes also took place in the selling and distri-

⁵⁷Morison and Commager, 535.

⁵⁸Ibid., 536.

⁵⁹Laidler, Concentration in American Industry, 410.

⁶⁰Berle and Means, charts 110-117.

⁶¹Ibid., charts 99-110.

bution of food with ordinary staples sold under brand names at increased prices.⁶²

The inevitable result of this process of combination and consolidation was the domination of American industry, transportation, and finance by giant corporations, each capitalized at ninety millions or more. Five hundred and ninety-four corporations owned three-fifths of all the corporate wealth. The three largest automobile manufacturers made nine-tenths of all automobiles; the four largest tobacco companies produced nine-tenths of all the cigarettes, while the four largest typewriter concerns made ninety-five per cent of all typewriters.⁶³

Thru the holding company device, the control over power production was concentrated in the hands of six giant financial groups -- the General Electric, Insull, Morgan, Mellon, Doherty, and Byllesby. The National Electric Light Association was spending enormous sums of money for propaganda against public ownership in order that they might retain their power.⁶⁴

Although labor was divided during the twenties, business men were well organized. According to The Annals, in 1931 over nineteen thousand business organizations were listed, with membership ranging from two members to over four million.⁶⁵ Under the section "The Politics of Business", Odegard

⁶²Laidler, Concentration in American Industry, 376-379.

⁶³Ibid., 134, 193, 289.

⁶⁴Morrison and Commager, 537.

⁶⁵The Annals, "The Evolution of Business Groupings", by Clarence Bonnet, May, 1935.

describes the power and unity of these organizations:

The big brother of all business associations is the Chamber of Commerce of the United States. With a membership of more than a million corporations, firms and individuals, it reaches every sizable community in the country. Its national officers are regarded as the authentic spokesmen for the business interests of the nation, and its state and local branches play a prominent part in the political life of their respective communities. Most of these organizations have state and regional subsidiaries whose significance must not be overlooked in interpreting state and local politics. With its twin, the National Association of Manufacturers, the Chamber of Commerce constitutes a powerful political force. More than any other organization it represents the political interests of business. In party committees, conventions and conferences its voice is heard. In 1927 the president of the Chamber declared, "The time is past when it is enough for business to assemble facts for the use of the government ... the American nation must be aroused to insist that business facts shall be translated into national action."⁶⁶

The aims of industrial leaders are reiterated in The Nation's Business which states: "We object to any increased governmental control of, or interference with the functions of business."⁶⁷

The first effective proposal that the manufacturers of the country organize came from the editor of a Southern industrial journal, the Dixie Manufacturer of Atlanta, Georgia, in 1893. The National Association of Manufacturers came into being before the turn of the century when the leading manufacturers of the country met in Cincinnati, Ohio in January, 1895.

⁶⁶ Odegard, 269, 270.

⁶⁷ Ibid., 270.

Among those who helped organize the N.A.M. were President William McKinley and Senator Foraker of Ohio. There is scarcely a note of hostility toward organized labor to be found in the records of the meeting of these early leaders. However, by 1902 the N.A.M. was actively opposed to the methods of organized labor.⁶⁸ In that year it launched an anti-union program which has since varied only in the methods employed in its execution. This labor policy has since that date come to occupy the center of the stage of its activities.⁶⁹

The work of the N.A.M. has been organized under four departments: Trade, Law, Publicity, and Industrial Relations. The Trade division and its numerous subdivisions is headed by a staff of experts who are in constant communication with a corps of over two thousand correspondents located in every city and town of commercial importance in foreign lands.⁷⁰

The Law Department sponsors all legislation favorable to the manufacturers and obstructs the passage of all bills thought to be unfavorable to their interests.⁷¹ The N.A.M. maintains one of the most powerful lobbies in Washington, D. C.

⁶⁸ Faulkner, 565.

⁶⁹ Taylor, Albion Guilford, Ph. D., Labor Policies of the National Association of Manufacturers, Published by the University of Illinois, Urbana, 1928, 14, 15.

⁷⁰ Ibid., 13.

⁷¹ Ibid., 22, 23.

The most important department is that of Publicity, for this department is in constant contact with the daily newspapers, with press associations, and with special correspondents arranging for the publication of feature articles in leading magazines. It provides material for editorials, arranges for speakers for the conventions of the Association and those of affiliates, such as Chambers of Commerce, and directs the publication of the periodicals and special bulletins of the organization.⁷²

Labor seemed to make progress during the First World War, but employer opposition became vigorous at the expiration of the Federal war-time measures. In 1921 an official of the N.A.M. stated that 500 organizations in 250 cities had endorsed their "American-Plan" for open shop. An Open-Shop Conference, attended by representatives of some 100 employer's organizations met semi-annually during the 1920's. Membership was held by large firms in such industries as the metal trades, railroads, rubber, oil, and public utilities.⁷³

The operation of employers' associations generally are not known to the public, partly because economists have been more prone to study labor organizations than employers' associations, and partly because the associations themselves have preferred, for the purpose of more effective propaganda, to remain obscure. Unlike European associations of employers, industrial

⁷²"The Functions of the National Association of Manufacturers, 1895-1925", N.A.M. Bulletin, 1925, 15.

⁷³Lester, Richard A., Economics of Labor, The MacMillan Company, New York, 1945, 556.

associations in this country have operated, to a large degree, in secret.⁷⁴

When Coolidge, on August 2, 1927, announced that he did not choose to run for President in 1928, other aspirants for the Republican nomination immediately made their candidacy known.⁷⁵ They were Frank O. Lowden, Vice-President Charles E. Dawes, Senator William E. Borah, and Herbert Hoover. Hoover was the strongest candidate with Lowden second. When Hoover entered the primaries he said, "If the greatest trust which can be given by our people should come to me, I should consider it my duty to carry forward the principles of the Republican Party and the great objective of President Coolidge's policies -all of which have brought our country such a high degree of happiness, progress, and security."⁷⁶ It is doubtful whether his stand had much to do with the nomination. It was the sequel to years of planning and skillful publicity.⁷⁷ His work in the Department of Commerce had given him more intimate contact with more people in the country than any other man in public life. "Time after time he wrested the front page from President Coolidge."⁷⁸ That, plus his career as Director of Belgian Relief and as Food Administrator, was sufficient in itself to make him the Presidential nominee.⁷⁹

⁷⁴Ibid., 128-129

⁷⁵Hicks, 604.

⁷⁶Dumond, Roosevelt to Roosevelt, 383, 384.

⁷⁷Ibid., 384.

⁷⁸Ibid., 385.

⁷⁹Ibid., 384.

Charles R. Crane, former ambassador to China, stated on September 1, 1927:

All that Hoover has got to do is to make one issue and swing the country- the issue of American principles and the continuation of American independence. The issues of this campaign are not yet set forth, but this issue alone should elect Hoover by a big plurality.⁸⁰

Hoover had the support of the Chicago Tribune and when the Scripps-Howard papers declared for him in January, 1928, in preference to Dawes and Lowden, there was no question about his nomination.⁸¹ The Republican convention at Kansas City nominated him on the first ballot and named Senator Charles Curtis of Kansas for the Vice-Presidency.⁸²

In 1928 the Democrats had several possible candidates. Albert C. Ritchie of Maryland had been an efficient state governor. Thomas Walsh of Montana was the most liberal man in the party, with a splendid record; but he was a Catholic and from an unimportant state. Governor Vic Donahey of Ohio was much the same type as Smith as to origin and human interests. There was little contest, however, in the pre-convention stages of the campaign. Smith made a splendid showing in the primaries, and he was nominated on the first ballot with Senator Joseph T. Robinson of Arkansas, a Southerner and a "dry", as his running mate. Thus an attempt was made to

⁸⁰ Barron, Clarence W., More They Told Barron, Harper and Brothers, 1931, 317.

⁸¹ Dumond, Roosevelt to Roosevelt, 384.

⁸² Hicks, 604.

bridge the deep chasm between the several divergent elements in the party.⁸³

In the 1924 convention Al Smith and William G. McAdoo were bitter contestants for the Presidential nomination. After the one hundred and third ballot a compromise candidate, John W. Davis, Morgan lawyer, was nominated.⁸⁴ Thus both major parties represented the conservative interests of the country.⁸⁵ The progressives united and chose Senator LaFollette as their candidate. With Coolidge's decisive victory the progressives lost the balance of power which they had previously held in Congress.⁸⁶ Davis' vote had come from the Solid South and Oklahoma,⁸⁷ but with the nomination of Al Smith, a Catholic and anti-prohibitionist, the cleavages in the Democratic Party became pronounced. Smith had striven to have an anti-Klan plank inserted in the 1924 Democratic platform. Although the rapid decline of the Klan dates from that time,⁸⁸ its leaders were able to wage a bitter fight against the man who had dared to denounce them.⁸⁹

The campaign became a contest between Mr. Smith and Mr. Hoover who seemed to be decidedly unlike each other.⁹⁰ Hacker claims that there was

⁸³Dumond, Roosevelt to Roosevelt, 553.

⁸⁴Hacker, 551, 552.

⁸⁵Ibid., 552.

⁸⁶Ibid., 553.

⁸⁷Ibid., 553.

⁸⁸Dumond, Roosevelt to Roosevelt, 555.

⁸⁹Hacker, 542.

⁹⁰Faulkner, 636.

really no great difference between the two men:

However, what seemed to be a striking disparities resolved themselves into only superficial differences: on the points of heritage, training, and career the two men furnished interesting contrasts; with regard to their social and economic views, there was in reality little to choose between them.⁹¹

Hoover was born on an Iowa farm and Smith in New York City's slums. Hoover, orphaned in childhood and aided by well-to-do relatives, had studied at Stanford University. Making his headquarters in London he had, while still young, accumulated a fortune as a mining and railroad expert and promoter. His work had taken him to many parts of the world. As Belgian Relief head, Food Administrator, Chairman of the American Relief Administration,⁹² he had been called "The Great Humanitarian". "His life-history was the typical American success story; with variations it could be made to fit the hopes of every normal American youth."⁹³

Smith's biographer, Henry F. Pringle states; "Boyhood poverty is always an asset to the American in public life. This is because the United States, being a young country, takes its democracy very seriously and cultivates the snobbery of poverty."⁹⁴ Early in life Smith drifted into politics under the banner of Tammany Hall. He rose steadily until in 1918 he was

⁹¹Hacker, 555.

⁹²Ibid., 555.

⁹³Hicks, 607.

⁹⁴Pringle, Henry F., Alfred E. Smith, A Critical Study, Macy-Masins, New York, 1928, 89.

elected Governor of New York. While Governor he was widely heralded as a liberal.⁹⁵ Most people agree that Smith's liberalism was due to the influence of Mrs. Henry Moskowitz; a graduate of Teachers College of Columbia University who went into social welfare work. Her admiration for Smith was unbounded. She gave him such excellent advice the first time they met that in five years she was called "the Colonel House of the Smith Administration".⁹⁶ From the first she had hoped that he would be President some day, and continually worked for his improvement.⁹⁷

As Governor, Smith had advocated a minimum wage law; an eight-hour day for women in industry; maternity insurance; state medical service; state ownership and operation of water power; municipal ownership of public utilities; and classification of the production and distribution of milk as a public utility service.⁹⁸

He had early mastered the fiscal problem of running the State of New York thereby saving millions of dollars in taxpayers' money.⁹⁹ For this reason thousands of Republicans voted for him. He could have doubtless maintained his position in the state indefinitely. George Harvey told Barron: "The same people in Wall Street who backed Coolidge want Al Smith

⁹⁵Faulkner, 636.

⁹⁶Pringle, 61.

⁹⁷Ibid., 62.

⁹⁸Dumond, Roosevelt to Roosevelt, 375.

⁹⁹Morison and Commager, 522, also Bent, Strange Bedfellows, 40.

as Governor of New York, but they do not want him in the White House because it is unsafe to put the Democratic party in power nationally.¹⁰⁰ The facts seem to prove that Al Smith wanted the nomination and felt that he was the titular head of the party. Bassett states: "He was not universally popular in the party but it was no longer possible to deny his claim."¹⁰¹

Although historians agree that except for the denunciation of Republican policies, the Democratic platform differed little from the Republican and was, in fact, even a little less forthright,¹⁰² a careful reading of the platforms does not entirely confirm that impression. The Republicans praised the achievements of the Coolidge administration. They made the tariff their chief plank, claiming that the protectionist policy was "a fundamental and essential principle of the economic life of the nation".¹⁰³ They argued that the ... "manifest benefits are not limited to one sect or group but are enjoyed directly or indirectly throughout the land".¹⁰⁴ The Democrats differed from the Republicans on only one point, the method of administering the fact-finding tariff commission.¹⁰⁵ Hicks explains this about face:

¹⁰⁰Barron, They Told Barron, 287

¹⁰¹Bassett, 947.

¹⁰²Faulkner, 635, Hacker, 554, Hicks, 605.

¹⁰³New York Times, June 15, 1928.

¹⁰⁴Ibid.,

¹⁰⁵Ibid., June 6, 1928.

Perhaps in part because of the close relationship between tariff protection and the various plans of farm relief before the country, the Democrats retreated from their historic low-tariff position, and in language that might well have been borrowed from the Republicans urged tariff rates to equal the "actual differences between the cost of production at home and abroad".¹⁰⁶

At any rate the Democrats relinquished one of their basic tenets. The New Republic corroborated Smith's avoidance of meeting the tariff issue by stating in his acceptance speech that he intended to avoid Congressional tariff revision and asserting that there would be no "wholesale changes" which business feared.¹⁰⁷

The planks of both parties were in agreement on tax reduction, foreign policy, and debt reduction by European countries. Traditionally the Democrats have decried imperialism so they denounced the intervention in Nicaragua, which at that time was much in the papers, in no uncertain terms. The Republicans asserted that the marines were in Nicaragua "only to protect American lives and property and to aid in carrying out an agreement whereby we have undertaken to do what we can to restore and maintain order, and to insure fair and free elections".¹⁰⁸ They claimed they were actuated only by a desire to assist a friendly and neighboring state.¹⁰⁹

¹⁰⁶ Hicks, 605, 606.

¹⁰⁷ The New Republic, Published by New Republic, Incorporated, New York, New York, June 16, 1928.

¹⁰⁸ New York Times, June 29, 1928.

¹⁰⁹ Ibid.

There was little difference between the two parties' planks on immigration,¹¹⁰ but Smith argued the fairness of establishing quotas on the basis of the 1890 census thus freezing the nationality combination of the United States.

The Saturday Evening Post attacked Smith on the tariff, taxation, and, in fact, on every issue that he mentioned. The following excerpt in which his stand on immigration is criticized will serve as an illustration:

Such a stand is not worthy of so acute a mind as that of Governor of New York. He knows as well as the rest of us that our immigration laws do not separate families. He knows that whatever separation occurs is almost always brought about by the immigrant himself who leaves his family overseas and who does not want to give up economic advantages here by rejoining them. He knows as well as we that any newcomer can go home at will. He knows as well as we that if we let in the relatives of an immigrant we let in a shipload. ... Of course the device is discriminatory the same way any sane man discriminates when he buys an apple or hires an office boy. This is merely an application of common sense, accept the best, reject the poorest.

No remarks the Governor may make about the tariff will allay the fears of large manufacturers and its immediate beneficiaries; but the workingman's tariff is protection from side-by-side competition from cheap foreign labor. He finds small satisfaction in a protection that enables his boss to keep out cheap goods made abroad and at the same time scales down wages because he can get low-grade labor in an European slum that has grown up by his factory gates.¹¹¹

¹¹⁰ Ibid.

¹¹¹ An Editorial in the Saturday Evening Post, "Governor Smith on Immigration", October 13, 1928.

Al Smith had advocated state ownership and operation of water-power and municipal ownership of public utilities while Governor of New York.¹¹² The Democratic plank on power was that they would see that "the United States Government maintains its control over enormous amounts of water power so that the people are protected against exploitation of this great resource and to insure the people reasonable rates and equitable distribution".¹¹³ Mr. Smith had said that he meant to carry out the promise even if it meant government purchase of the utilities. The Chicago Tribune expressed the attitude of the Republican press:

Governor Smith's insistence upon government ownership of water-power sites and generating machinery is based on the assumption that water turbines will always be the cheapest and the best means of generating electricity. Today this is true but this situation may not always obtain. The time may come when the Government will find itself saddled with antiquated equipment in which it has invested colossal sums. ... Evidence is the millions spent upon Muscle Shoals, and the millions asked for Boulder Dam; both of which are white elephants.¹¹⁴

It is doubtful whether Smith's stand on the utilities won him many votes because at that time so many people owned, or hoped to own stock in the utility companies.

The Democrats announced that they would insist upon equality of treatment between agriculture and industry. They promised to make favorable

¹¹²Dumond, Roosevelt to Roosevelt, 375.

¹¹³New York Times, June 29, 1928.

¹¹⁴The Chicago Daily Tribune, October 1, 1928.

loans to co-operatives, to cut the profits of middle-men for the benefit of farmer, stock-raiser, and consumer, and to administer the Federal Loan System so as to benefit the farmers.¹¹⁵

The plank on agriculture was the longest one in the Republican platform. After citing the reasons for the farmer's plight they claimed that they had settled many of the distressing problems and had the "strength and energy to work out a solution".¹¹⁶ Their final promise was ... "to create a Federal Farm Board to establish a farm marketing system, owned and controlled by farmers to prevent and control surpluses through orderly distribution."¹¹⁷

The Republicans pointed to their labor record with pride. Both they and the Democrats condemned the too frequent use of the injunction. The Democrats recognized the presence of unemployment and promised to improve conditions;

Unemployment is present, widespread and increasing. We spend vast sums to protect our people against the evils of war, but there is no government provision to prevent awful suffering and economic losses of unemployment. It threatens the wellbeing of millions of our people and endangers the prosperity of the nation.

We favor the adoption by the government, after a study of the subject, of a scientific plan whereby during periods of unemployment appropriations be made available for the construction

¹¹⁵New York Times, June 29, 1928.

¹¹⁶Ibid.

¹¹⁷Ibid.

of necessary public works and the lessening of government work when labor is generally employed in private enterprise.

A study will also be made of modern methods of industry and a constructive solution found to absorb and utilize the surplus human labor released by the increasing use of machinery.¹¹⁸

The New Republic praised Smith for condemning injunctions,¹¹⁹ and the Commonweal printed an editorial on unemployment:

Current reports of the United States Bureau of Labor statistics show that there are but 87 factory jobs for every 100 five years ago, and that only a few industries - printing, automobile, auto tire, agricultural implement and pottery - hire more men than in 1923.

Wages have remained stationary while an increase of 4-1/2 cents on the dollar per week is being cancelled by a decrease in the working hours.

These figures on unemployment reveal a situation of alarming proportions which cannot be explained by the slump in food products and textiles.¹²⁰

This plank, in fact, the whole Democratic platform, was ignored by the press in general. As has been stated, the main issues were obscured and subordinated to the attack upon the Democratic candidate.

Presidential campaign costs should properly include not only the money spent between the nominating convention and the November election, but also

¹¹⁸ Ibid., June 28, 1928.

¹¹⁹ The New Republic, August 29, 1928.

¹²⁰ An Editorial in The Commonweal, "Labor", Michael Williams, Editor, New York, November 1, 1928.

the bulk of expenditures made by the national committees in the years between conventions and those made by the rival aspirants for the nomination.¹²¹ Prior to 1928, the activities of the national committees between presidential years were confined to fund-raising, consolidating and perfecting organizations, and giving assistance to congressional and senatorial campaign committees.¹²²

Pre-convention campaigns of candidates are often costly affairs. As in 1928, where there was a real contest among factions for the position, the pre-convention becomes important and costly. In that year Hoover spent \$393,254 and Smith, \$152,622 to gain the nomination,¹²³ while \$900,000 was spent by the parties in rounding up delegates.¹²⁴ Reports show expenditures of over \$6,000,000 for the election of 1928 by the Republican National Committee, while the Democratic Committee spent \$5,342,000.¹²⁵

Since it is big business in general upon which the parties depend for funds, it is but natural that the party leaders should listen to big business leaders.¹²⁶ This perhaps was never more true than in 1928. In that year the Democratic contributions of less than \$100 was slightly over

¹²¹Odegard, 641.

¹²²Ibid.

¹²³Overacker, 69, from a Report of Special Committee Investigating Campaign Expenditures (Steiner Committee) Senate Report, 70th Congress, 2nd Session, 1118-1131.

¹²⁴Ibid., 63.

¹²⁵Ibid., 70.

¹²⁶Odegard, 290.

12 per cent, the Republican contributions were less than 12 per cent. In 1928 nearly 70 per cent of all contributions to the Democratic National Committee came from 600 persons, and about 70 per cent of Republican donations came from some 1,300 individuals. An analysis of contributions by economic interest reveals that, in 1928, 25 per cent of the large Democratic contributions and 28 per cent of those to the Republican Committee came from bankers and brokers; 16 and 24 per cent, respectively, from mining and oil interests; and 9.7 and 4.2 per cent, respectively, from railroad and public utility magnates. Thus nearly 60 per cent of the large contributions to both parties came from these major business groups.¹²⁷

The congressional investigating committee has been a very useful adjunct to legislative regulation of campaign funds. Professor Overacker describes the work of these committees:

Since 1912 a long line of committees have delved into the financing of state and national campaigns. The Reed Committee was of inestimable service in its investigation of the senatorial primaries of 1926; the Steiwer Committee which probed the financing of the 1928 campaign; the Caraway Committee, whose activities included investigation of the financing of non-party organizations in 1928; and finally the Nye, which persued the activities of certain organizations in 1928 and drafted a comprehensive bill to regulate election expenditures. ...

These investigations have not been as thorough as they might have been. ... The information

¹²⁷Overacker, 162.

published is too late to have any effect upon the election.¹²⁸

Both parties are required to file regular reports in the office of the Clerk of the House of Representatives, but state and local party committees are not affected. The Steiwer Committee, however, filed state reports. The Democrats always file totals while the Republicans file carbon copies of its own ledger sheets, which include the name and address of each donor regardless of contribution. This provides an absolutely complete record but it means, also, that one person can make a donation on several different dates and one would have to turn through literally hundreds of pages to report large contributions.¹²⁹

The Reed Committee discovered that in the 1926 campaign in eastern Pennsylvania, Joseph R. Grundy, President of the Pennsylvania Manufacturers Association, made an outright contribution of \$312,000 to the Pepper State Committee. His gifts to the Republican Citizens Committee and various other committees totaled about \$600,000. He supplied about two-thirds of the total amount spent in the state election. In western Pennsylvania the Mellon family made the following contributions:

A. W. Mellon and brother R. B. Mellon each.....	\$25,000
W. L. Mellon.....	\$40,000
W. L. Mellon guaranteed a loan of.....	\$83,000
W. L. Mellon's bank made a loan of.....	\$75,000

A. W. Mellon later admitted to \$40,000 instead of \$25,000. Overacker says:

"Since Mr. Grundy and the Mellons were as close as Tweedledum and Tweedledee

¹²⁸Overacker, 286.

¹²⁹Ibid., 249, 250.

at this time, the financial control of the campaign was closely centralized."¹³⁰

Mr. Grundy, when called before the Senatorial Investigating Committee admitted that he had raised \$1,228,193 in the Pepper, Fisher campaign because he and his backers wanted to preserve the Coolidge-Mellon line of thought dominant in the administration. Mr. Grundy did not mean the Mellon financial interests, but Andrew Mellon's economic slant on the policies of the government. He explained this, saying that if a man put his money into a Pennsylvania corporation, he was tax free except for the federal tax.¹³¹

It seems incontrovertible that if a party is forced to rely upon large contributions from prosperous business interests, the program of the party will be dictated by those interests whether party members wish it or not. These groups demand special privileges which usually consist of state and city franchises, contracts, etc.. The party with no funds, unfortunately, is limited in its usefulness.¹³²

Although the per cent donated to the funds of the major parties by various groups has been stated, the following table which shows their contributions is interesting.

¹³⁰
Overacker, 250.

¹³¹
Ibid., 185-187, taken from Reed Committee Hearings, 237.

¹³²
Ibid., 195.

ECONOMIC GROUPS	DEMOCRATS	Per Cent	REPUBLICANS	Per Cent
	Amount		Amount	
Bankers and Brokers	\$526,290	25.8	\$853,421	28.2
Manufacturers	335,000	16.1	740,000	24.4
Mining and Oil	92,000	4.5	274,000	9.0
Railways and Public Utilities	201,500	9.7	125,370	4.2
Retail stores	50,000	2.4	151,000	5.0
Unclassified	569,000	27.5	376,500	12.5
Not Ascertained	300,045	14.0	503,500	16.7
TOTAL	\$2,073,835	100.0	\$3,023,791	100.0

The above table was compiled from official records in the office of the Clerk of the House of Representatives. Information concerning economic interests was obtained in Who's Who for 1928-1929, the Directory of New York, and the directories of various cities.¹³³

Under the unclassified were the following publishers who were all for Hoover: Ogden Reid - New York Herald Tribune, Conde Nast - Vogue, George H. Lorimer and Cyrus H. K. Curtis - Saturday Evening Post, Edward W. Bok - Ladies Home Journal, Harry Chandler - Los Angeles publisher, and Robert M. McCormick - The Chicago Daily Tribune.¹³⁴ Movie and radio people are also well represented in the unclassified group. It will be seen that Hoover had the aid of some of the most influential publicity organs in the country.

It is impossible to learn all of the organizations which entered the campaign, but a partial list with their listed amounts follows:

¹³³ Overacker, 162.

¹³⁴ Ibid., 163.

Campaign Committee of the Anti-Saloon League.....	\$172,468	
Hoover for President Engineers Committee.....	104,377	
National Democratic Constitutional Committee (anti-Smith).....	90,818	
Anti-Smith Democrats.....	34,707	
National Womens Committee for Hoover.....	89,011	
Association Against the Prohibition Amendment, and the Anti-Saloon League.....	478,038	
Citizens Committee of Illinois (pro-Smith).....	257,639	
Independent Citizens Committee.....	303,860	135

John J. Raskob, a vice president of General Motors, was named chairman of the Democratic National Committee. The organizer of the group of Smith supporters was William F. Kenny, Smith's personal friend, and president of the W. F. Kenny Contracting Company. He operated in collaboration with the wealthy Bradys as contractor for the New York Edison, Brooklyn Edison Company, and the Consolidated Gas Company of New York. Mr. Brady contributed \$125,000 to the 1928 Democratic slush fund while Thomas Fortune Ryan and Herbert H. Lehman each gave \$110,000. John D. Ryan of Anaconda Copper gave \$27,000 and Harvey J. Firestone gave \$25,000. Jesse Jones gave \$75,000; his wife \$60,000; Bernard M. Baruch, \$37,590. Besides this Mrs. Lehmann, Schenk, the movie magnate, E. B. Smith (Duesenberg Motor Sales Company), and twelve others made up \$1,164,590 of the total Smith fund.¹³⁶ John J. Raskob's total contribution of \$110,000 to the Democratic fund was given in three donations; \$50,000 on September 12, \$50,000 on October 3, and \$10,000 November 5, 1928.

¹³⁵ Overacker, 165 from the Steiner Committee Report, Number 2024, 26.

¹³⁶ Ibid., 162.

This does not cover the amount "loaned". During the closing days of the 1928 campaign some eight or nine "substantial citizens" went to a New York bank at the invitation of its president and were asked to go on a blanket note for \$200,000 for the purpose of guaranteeing money for the Democratic National Committee. At a later meeting with the bank's president a blanket note was made out for \$225,000. A number of individual notes were made, endorsed by Raskob, three for \$50,000 each, two for \$25,000 each, and one for \$10,000. Mr. Kenny and the others present made out these notes with the understanding that they were to serve merely as a device by means of which the bank could pass the money to the Democratic National Committee. The transaction might never have come to light had not the bank president, O. P. Kelly, brought suit to collect, in March, 1932.¹³⁷

One reason for lending rather than giving money to party committees may be that such gifts are not deductible under the income tax law, but loans which are not repaid may be sworn to as losses and deducted. Another reason may be that men who have already given large sums do not want the record to show them as giving more. This is somewhat similar to the device of giving amounts at different times. In 1928, Julius Rosenwald contributed \$50,000 to the Republican National Committee. The largest amount given at any one time was \$15,000.¹³⁸

¹³⁷ New York Times, April 8, July 2, October 14, and November 10, 1932.

¹³⁸ Overacker, 169.

So great were the Democrats' obligations to John J. Raskob after 1928, that Frank Kent said that Raskob virtually owned the Democratic Party, or at any rate he had a first mortgage on it. Raskob denied this, and Kent replied that the Democratic Party ought not let a rich man ... "who had not yet scratched the Democratic ticket so completely finance its activities and pay its bills. It isn't democratic and it isn't good."¹³⁹

An editorial in the July 25, 1928, issue of the Nation comments upon Raskob's being named chairman of the Democratic National Committee:

Raskob is listed in "Who's Who" as a Republican. By sheer ability he lifted himself from a \$5 a week clerkship to his present position as a millionaire chief of the General Motors Corporation. His organizing talent which made history in the automobile world can adapt itself to a political campaign.

Presumably Raskob's friends will help grease the wheels of the Democratic campaign. He is vice-president of the E. I. duPont de Nemours Company - Irenie du Pont, president of the great Delaware munitions firm, already has announced his support for Smith. Raskob can do much to stifle business' fear of a Democratic President, and start the flow of campaign contributions. Raskob is an open, avowed 'Wet' and Prohibition is the dominant issue with Smith.¹⁴⁰

Two weeks later they commented upon the fact that a man can no longer have interests aside from his business since Raskob had been forced, it was reported, by Hoover backers and banking interests in the General Motors

¹³⁹New York Times, January 13, 14, 1929

¹⁴⁰An Editorial in The Nation, "Democracy and Big Business", July, 1928.

Corporation, to resign as vice-president. In accepting the registration the president of General Motors suggested that he would be welcomed back after the campaign.¹⁴¹

The Republican candidate scarcely admitted that he was conducting a campaign. "Hoover gave a new dignity to the doctrines in which Republicans had long believed, but had not quite known how to defend."¹⁴² He cited the advantages of capitalism, ... "with its constantly turning factory wheels, its high wage scales and its widespread ownership." He was opposed to anything savoring of socialism, claiming that ... "individual enterprise, unhampered by government interference, had built the American nation, and through the same effective leadership the problems of the future could best be solved."¹⁴³

In a forceful statement, Dumond depicts the actual condition of the country:

The stage was set for the crucial test of an ingenious theory of political economy - the omniscience of the modern industrialist as a determining influence in governmental policies. ... There were nefarious holding companies, gambling on the stock market by the directors of corporate management, an alliance between investment and commercial banking, and a tremendous distribution of stocks to the investing public at fictitious values. Nothing had been done about reducing foreign debt on the principle of capacity to pay. Nothing had been done about

¹⁴¹An Editorial in the Nation, "Religion of Business", August 8, 1928.

¹⁴²Hicks, 608.

¹⁴³Hicks, 608.

the tariff except to increase it to the point where foreign nations were forced to repudiate their debts and enact retaliatory tariffs, and American manufacturers, in turn, were forced to establish their branch factories in foreign lands. Nothing had been done to relieve the unequal tax burden ... to counteract technological unemployment, ... to maintain an even economic balance between industry and agriculture, ... to promote flood control and soil conservation.

This policy of inaction was no more the fault of Mr. Hoover than countless other men in public life ... but he did more than any other man to popularize the idea that prosperity would go on and on if the policies of his predecessors were adhered to.¹⁴⁴

Mr. Hoover, in a speech in New York City, October 22, 1928, said:

I intend to discuss some of the fundamental principles and ideals upon which I believe the government of the United States should be conducted. ... During one hundred and fifty years we have builded up a form of government that is peculiarly our own. It differs from all others in the world. It is the American system. When the war closed, the most vital issues both in our country and throughout the world was whether governments should continue their wartime ownership and operation of many instrumentalities of production and distribution. We were challenged with a peacetime choice between the American system of rugged individualism and a European philosophy of diametrically opposed doctrines - doctrines of paternalism and state socialism. The acceptance of these ideas would have meant the undermining of the individual initiative and enterprise through which our people have grown to unparalleled greatness. ... I should like to state to you that the effect of projection

¹⁴⁴ Dumond, Roosevelt to Roosevelt, 386, 387.

of government in business ... would impair the very basis of liberty and freedom not only for those left outside the fold of expanded bureaucracy but for those embraced within it.¹⁴⁵

The Nation reported that Mr. Hoover's speech in New York turned out to be the dullest and most wearisome of statistical essays. Although there was cheering for twelve minutes before he spoke, people started leaving before he had talked three minutes and before the speech ended several thousand of the twenty-two thousand in attendance had left.¹⁴⁶ In every speech Mr. Hoover recommended the close cooperation of government and business and defended big business, saying: "Our people know that production and distribution of goods on a large scale is not wrong."¹⁴⁷

The popular magazines campaigned for Hoover in practically every issue. Business leaders were interviewed. A typical example is the November issue of the Forum Magazine in which there is an editorial introduction which asks whether prosperity will be continuous if a Democratic President were elected. Several well-known business men gave their opinions. Roger W. Babson who thought he could chart the future stated:

The spread of prosperity during the past four years has been general. That is not a statement, it is a fact, Babson's charts prove it. Both Mr. Smith and Mr. Hoover are men of integrity and outstanding ability. There is little choice between

¹⁴⁵New York Times, October 23, 1928.

¹⁴⁶The Nation, October 31, 1928.

¹⁴⁷New International Year Book, 1928, 781.

them. Each understands the significance of American industry so the important question is the complexion of the next House and Senate. If Mr. Smith and a Democratic Congress is elected there will be a depression. If Mr. Hoover and a Democratic congress is elected there will be a depression. If Mr. Smith and a Republican Congress is elected there will be little trouble.

Henry Ford signed his name to the following:

The Country is safe with either candidate. No party any longer opposes successful business. ... Mr. Hoover is expected to be a great forward-leading President not because he is a Republican but because he is a national engineer who understands the functions of national livelihood. Mr. Hoover is the man because of his preparation. He began a long way back, when this new state of things was beginning; and he has come along with it, understanding its tendencies, knowing where it is weak, knowing what it needs - and knowing this in a way that only years of experience can give. ... He is undoubtedly the man destined to be the leader of this time.

Roy D. Chapin, chairman of the board of the Hudson Motor Car Company, Detroit, Michigan, was not too pessimistic:

Prosperity has not been generally diffused throughout the country in the past four years, not will it ever be. There is no way to make agriculture, industry and other occupations equally prosperous in a land so diversified as ours.

It is generally agreed that the Coolidge administration furnished the country a high degree of constructive statesmanship. He created optimism and I believe that Mr. Hoover has a keener sense of the nation's fundamental problems than any man I know. We have not reached the apex of prosperity, if by prosperity we mean a more even distribution in world's goods and a closer approach to the aims of happiness for each individual. Mr. Hoover can carry us farther along the road to happiness than any other man.

Spruille Braden, formerly General Manager of the Anaconda Copper Company, stated flatly that the country's prosperity would not be affected by the way which the election went. Prohibition, which had no relation to business conditions, was the only controversial question.

Harvey S. Firestone, who had donated \$25,000 to the Smith fund said tersely:

Prosperity has been quite general and Mr. Hoover with his native ability as a practical engineer, should assure this country of a continuation of the general prosperity we now enjoy. 148

Colliers ran a series of editorials that could be classed as frank propaganda. The following excerpts are typical statements: "No one believed Mr. Hoover would ever be nominated. ... He is not a politician. ... Big business is against him and the politicians don't like him."¹⁴⁹ The Saturday Evening Post ran articles in a similar vein. These magazines belabored Smith, as can be corroborated by going through the issues of the months preceding the election. The Commonweal magazine which was for Smith showed a balance and restraint which was lacking in the popular magazines.

People were not then skeptical of the press as they became by 1932; consequently the most powerful force in molding public opinion was used to further the election of the Republican candidate. According to the press there was but one issue - prosperity.

¹⁴⁸ An Editorial in Forum Magazine, "Smith, Hoover and Prosperity", November 11, 1928.

¹⁴⁹ An Editorial in Collier's Magazine, published by P. C. Collier and Son Company of Springfield, Ohio. "The 'New Hoover' by the Gentleman at the Keyhole.", July 21, 1928.

CHAPTER IV

REASONS FOR SMITH'S DEFEAT

The four issues that emerged as the decisive factors in the campaign were prosperity, religion, anti-urbanism, and prohibition.¹ It was on the last three issues that the Anti-Saloon League, Ku Klux Klan, Evangelical churches, and other various groups based their opposition to Smith.

One of the great disabilities under which Smith labored was that he had no real economic program of dissent.² The Nation lamented that the poverty of economic thought in the old parties reduced the candidates to expressing petulant attacks upon each other's views. This was never better revealed than in an exchange of unpleasantries between Smith and Hoover concerning socialism. Hoover called Smith's stand for government control of water-power "state socialism". Smith, instead of taking a stand on the Democratic principles merely turned it aside by replying that if he were a socialist, so had been President Roosevelt, Charles Evans Hughes, and Nathan Miller. The Nation drew the conclusion that Smith was not even a progressive.³

¹Hicks, 608.

²Hacker, 555.

³The Nation, November 7, 1928.

From the start of the campaign both Hoover and Smith promised enforcement of the prohibition law.⁴ Norman Thomas said that most Democrats in Congress did not want to make an issue of prohibition, and that Smith's effort to amend the Eighteenth Amendment would be an impossibility under a Democratic regime.⁵ Directly following his nomination, however, Smith denounced prohibition and campaigned for two modifications of the Volstead law: ... "first, an amendment giving a 'scientific definition of the alcoholic content of an intoxicating beverage', each state being allowed to fix its own standard if this did not exceed the standard fixed by Congress; and second, 'an amendment in the Eighteenth Amendment which would give to each individual state itself the right wholly within its borders to import, manufacture, or cause to be manufactured, and sell alcoholic beverages, the sale to be made only by the state itself and not for consumption in any public place'."⁶ Herbert Hoover's declaration that prohibition was "a great social and economic experiment, noble in motive and far-reaching in purpose" was regarded as an endorsement of prohibition.⁷

The strong sentiment of the South in favor of prohibition was shown by the Texas delegation to the Houston convention which declared in favor of the nomination of a candidate who sympathized with the prohibition amendment and enforcement laws and would steadfastly resist any effort to modify

⁴Faulkner, 636.

⁵The New Republic, November 7, 1928.

⁶Allen, Only Yesterday, 256.

⁷Ibid., also Faulkner, 636, 637.

them. Although the Texas State Convention did not mention Smith, Tammany was denounced as a malign political influence. The rebellion against "Rum and Romanism" which started in the Texas convention never subsided during the campaign. The Texans were largely Scotch-Irish Protestants whose antipathies to Catholicism were of long standing.⁸

Al Smith was nominated on the first ballot with Senator Joseph T. Robinson of Kansas, a Protestant and prohibitionist, as his running mate. Thus an attempt was made to bridge the deep chasm between the several divergent elements in the party.⁹

Groups of men and women throughout the South held protest meetings. Ten thousand met in the First Baptist Church of Kansas City and threatened to leave the party if a "dry" plank were not inserted. Mrs. Jessie D. Nicholson, a delegate from Tennessee, who attacked Smith's candidacy from the beginning of the convention declared: "... the women compose one-half the electorate of the country; they will not support a candidate named by Tammany. The millions of women in the Democratic party will vote for Hoover before they will vote for Smith."¹⁰

An article in the Christian Science Monitor showed how prevalent this anti-Smith feeling was in the South. It related that two hundred men and women from all over Tennessee met to say their allegiance was to the Democratic

⁸ New York Times Magazine, June 17, 1928.

⁹ Dumond, Roosevelt to Roosevelt, 383.

¹⁰ New York Times, June 6, 1928.

party, but that they would not support Alfred Smith because of his stand on prohibition. They formed the anti-Smith Club and vowed to support Hoover. On the committee of the club were officials of the Women's Christian Temperance Union, the Anti-Saloon League, an educator of the Southern Baptist church, (who charged that "the record of Smith is opposed to moral progress and is dripping wet"), and John W. Edgerton, president of the National Association of Manufacturers.

They adopted resolutions endorsing the anti-Smith stand taken by the All-South Conference at Ashville, North Carolina on July 18, disapproving of any third party movements, urging defeat of any 'wet' presidential candidate and pledged support to all 'dry' nominees of the Democratic party.¹¹

The church opposition to Smith was organized in Ohio by Mabel Walker Willebrandt who, speaking to the conference of the Methodist-Episcopal Church said: "There are 2,000 pastors here. You have in your churches 600,000 members in Ohio alone. That is enough to swing the election to Hoover." After her address the conference voted, unanimously, to support Herbert Hoover for president. Mrs. Willebrandt was a skillful politician who had been Harry Dougherty's right hand. The Nation charged that she knew well the depth of the prejudice to which she could appeal.¹²

¹¹
The Christian Science Monitor, September 1, 1928.

¹²
The Nation, September 5, 1928.

Old line Democrats of Georgia claimed the Smith modification proposal would cause "virtual anarchy" and "clog the courts with liquor cases ..."
 Hooper Smith, leader of the anti-Smith Democrats of Georgia, published a weekly paper opposing 'wet' Democrats; he claimed Smith's pledges on the prohibition issue would "nullify the law in large communities like New York City".¹³

That the prohibition issue was too controversial for emphasis was noted by Edward S. Martin:

This is the first time the opportunity for any general expression of the prohibition issue at the polls has occurred. It is a question that affects actual physical life in every block in every city yet most politicians on both sides seem to be agreed that it is not a proper subject to discuss. Neither convention dared take any position on its platform that might alienate either the 'wets' or the 'drys' though both talked about law observance.¹⁴

The division of voters according to religious affiliations was discussed pointedly in the Commonweal:

This campaign is being fought on the issue of whether the one-fifth of the population who are called Roman Catholics shall remain a subject class, suffered to perform their mystical incantations under the name of worship as often as they please, but be debarred from any share in the government they support with their blood and money.¹⁵

¹³The Christian Science Monitor, September 1, 1928.

¹⁴An Editorial in Harper's Monthly Magazine, October 1928.

¹⁵An Editorial in The Commonweal by Charles Willis Thompson, November 7, 1928.

The Nation stated that the 'Solid South' would break under the religious question. They wanted no Roman Catholic for President. Prejudice would elect Hoover - prejudice against the Pope, Tammany Hall, Smith's ungrammatical eloquence, his uneducated wife, and the fact that Smith represented the immigrant part of the population.¹⁶

The Chicago Daily Tribune reprinted a Hartford Courant editorial which pointed the finger of scorn at Smith's diction:

The following are examples of Governor Smith's undignified mode of speech, taken from his St. Paul, Minneapolis speech of Thursday night. "Let's give them the low down." "Let them in on the ground floor". "This is not a knitting party, but a debate." "Just feed 'em into the earth."

If criticised the Governor would doubtless reply: "I know my onions" - which he undoubtedly does. Theodore Roosevelt and Woodrow Wilson were never flippant. We hope the cheering that greets Mr. Smith's grotesque English will not tempt Herbert Hoover to imitate him. There is no need to worry, however, for Mr. Hoover wouldn't know how if he tried.¹⁷

The Tribune article is the most scurrilous that was to be found in the papers printed for the general public, but there were organizations that published magazines and pamphlets for special groups, and through these channels the country was flooded with virulent propaganda against the immigrants and the Irish Catholics.

¹⁶An Editorial in The Nation, "The Dirtiest Political Campaign", October 31, 1928.

¹⁷An Editorial in the Chicago Daily Tribune, "Governor Smith's Vernacular" (Hartford Courant), October 7, 1928.

Current History raises an interesting point in an editorial, following the election, which states: "Kentucky and Oklahoma are known to consist in a large part of people thoroughly and hereditarily impregnated with anti-Catholic prejudice - these two states snowed Smith under. The case of Maryland is somewhat different. It must be remembered that Maryland was one of the few states which was swept by the 'Know-Nothing' party. Her rejection of Smith by a majority unparalled in the State can be assigned to no other cause than a revival of 'Know-Nothingism'."¹⁸

A son of Maryland, James Cannon, Jr., Bishop in the Methodist-Episcopal Church, emerged as one of Smith's most bitter foes. The Outlook magazine, in the September 12, 1929 edition, gave an estimate of the man. His lifelong, unyielding devotion to prohibition began in boyhood. "As a foe, Bishop Cannon is entitled to rank with Attila the Hun. A man more ruthless never lived. As a reformer, men place him where they will." The author tells that although the Bishop's body was broken by his life as a missionary in Africa, his spirit was stronger than ever. He was born on the Eastern Shore of Maryland, in an aristocratic district which was Southern in sympathy, and as strongly Protestant as the Western Shore is Catholic. His two great interests were missions and prohibition. Just before the Houston Convention Bishop Cannon said:

¹⁸ An Editorial in Current History by Fabian Franklin, a Monthly Magazine, Published by the New York Times Company, New York, "Analyzing the Election Returns", by Fabian Franklin, March 1929.

Wherever our church has sent out its gospel messengers, they have carried the gospel of temperance, and the disciplinary teaching and legislation is the same in America, Cuba, Mexico, Brazil, China, Japan, Korea, ... Africa. Wherever Methodism goes it joins battle at once with the common enemy of the human race, the liquor traffic. ... To elect a man (as President) who is known to be opposed to the prohibition law, and especially a man who is known to use intoxicants habitually, would deal a staggering blow to the successful proclamation by our missionaries of the gospel of temperance and would render more difficult the work of bringing in the Kingdom of our God.¹⁹

The article continued that Bishop Cannon zealously carried on his work among Southern Democrats, depending little upon oratory, but much on organization. Cannon, who was chairman of the Board of Temperance and Social Service, was chairman also of the newly formed Anti-Smith Democrats.

It is impossible to determine the amount of money Cannon had at his disposal to use in his organizations to fight Smith. The Caraway Committee, in 1931, discovered that Edwin C. Jameson, a wealthy New York lawyer and insurance man, contributed a total of \$172,800 to various anti-Smith groups.

This was divided as follows:

Republican National Committee.....	\$ 2,500
Republican State Committee of Virginia.....	\$30,000
National Constitutional Democratic Committee.....	\$50,000
Republican State Committee of North Carolina.....	\$20,000
Republican State Committee of Indiana.....	\$ 5,000
James Cannon, Jr.....	\$65,300 ²⁰

¹⁹An Editorial in Outlook, An Illustrated Weekly of Current Life, The Outlook Company, New York City, "James Cannon, Jr. Leader of the Dry Revolt in the Democratic Party" by Dixon Merritt, September 12, 1928.

²⁰Overacker, 166. (Report of the Caraway Committee is on file in Senator Steiwer's office.)

Mr. Jameson contributed more to the campaign of 1928 than any other one individual, so far as records show, although only \$2,500 of what he gave appeared in the reports of a national committee. The money which he gave to Bishop Cannon was used, at least in part, in connection with the activities on the anti-Smith Democrats of Virginia and represented over 50 per cent of their resources. Only \$17,300 of the more than \$65,000 which Mr. Jameson gave Bishop Cannon ever appeared in any report, and that report was made after the Steiwer Committee had telegraphed Mr. Jameson for a summary of his contributions.²¹ Rumor persists that Bishop Cannon handled large funds of which the Jameson money was but part, and the activities carried on with known Republican National Committee men and persons close to Republican headquarters put Bishop Cannon in touch with persons who could give financial support.²²

Not all of the money contributed to the campaign of 1928 was received by the National Committees, State Committees, or non-party organizations. Funds were given directly to individuals to get out the vote and to county budgets to be used by members for the same purpose. Investigation committees can only guess at the size of these contributions.²³

The Ku Klux Klan had control of the political machinery in many states in 1924. It claimed after the election that it had elected its candidates

²¹Ibid., 166.

²²Ibid., 167.

²³Overacker, 165.

for Governor in Indiana, Maine and Colorado, and had prevented the nomination of Governor Alfred E. Smith of New York, for President.²⁴ Revelations of D. C. Stephenson, former Grand Dragon of the Klan in Indiana as to the graft, bribery, and trafficking in offices shocked the people of the North and West so greatly that the Klan seemed to be disintegrating in 1927.²⁵

Although the Klan was discredited, its membership low, much of its political power gone, it could still mold masses of voters by propaganda. It was the power behind numerous publications and organizations that were anti-Jewish and anti-Catholic. The following is a partial list: The Kourier Magazine of Atlanta, The New Menace, The Fellowship Forum of Washington, D.C., The National Methodist Press, The Rail-Splitter, Milan, Illinois, The Yellow-Jacket, North Carolina, and The Protestant, Washington, D. C. These papers each claimed a large circulation, but in addition books and papers were published at bargain prices and the publication offices made every effort to sell them. All the hoary, discredited anti-Catholic myths were trotted out, and in addition among the leaflets published (selling from two to seven cents each) were Conquest of the United States, Popery in the Public Schools, Platform and Program of the Roman Catholic Political Machine and Hoover's Speeches. The aforementioned magazines advocated the nomination of Hoover for President.²⁶

²⁴Meyers, Gustavus, History of Bigotry in the United States, Random House, New York, 1943, 296, 297.

²⁵Ibid., 307.

²⁶Meyers, 314, 316.

One of the loudest and most irresponsible of the bigots was the United States Senator Thomas J. Heflin of Alabama. Time after time, on the floor of the Senate, the Senator would rant for hours at a time attacking the Catholic Church and the Knights of Columbus. On February 17, 1927 he spoke for three hours and ten minutes. The following day he spoke for seven hours assailing Catholics as the most narrow-minded, intolerant, bigoted people in the United States, and claimed they were trying to "terrorize" him by showing how dangerous it was for any Senator to incur the displeasure of the Roman Catholic hierarchy. He told the protesting Senators that he spoke "the language of nine-tenths of the people of Alabama".²⁷ In January he represented the Roman Catholic Church "as conspiring against free press and free speech". At the close of his speech he stated that he "endorsed many of the things that the Ku Klux Klan stands for", and said that "it has some of the noblest principles that ever were embodied in any secret order".²⁸ Senator Bruce of Maryland declined to answer Heflin because, he claimed: "to do so, I should have to transport myself backward at least to the fifteenth or sixteenth century".²⁹

Various Senators took Heflin to task about his rantings, his statements were proven false, the House was deserted soon after he began to speak, but his speeches were printed in the Congressional Record and reproduced in the

²⁷ Ibid., 308.

²⁸ Ibid., 309.

²⁹ Congressional Record, 69th Congress, 2nd session, Volume, 68, Part 4, 4115-4146.

newspapers throughout the country. All summer he toured the country holding meetings. On May 31, 1929 William N. Zumbrunn, chief counsel of the Klondium of the Ku Klux Klan told the Senatorial investigating committee that Heflin received from \$150.00 to \$250.00 for each speech. Heflin equivocated on the witness stand by saying he was paid for "lecturing" not for making speeches. At this hearing proof was submitted from the Government Printing Office that Heflin had franked broadside 556,600 copies of his Senate speech denouncing the Catholic Church, Catholic propaganda, as he termed it, and Alfred E. Smith. Nor was this the only distribution of Heflin's speeches. They were published as leaflets by the anti-Catholic publication, The New Menace (successor to the former weekly of that name) at Aurora, Missouri, and in that form were widely used in the Presidential campaign.³⁰

No one needed to be in doubt as to Smith's broadmindedness as to religion, for in the April issue of the Atlantic Monthly, 1927, the editor asked Mr. Smith certain questions about how his religious belief would influence him, were he to become President of the United States. Smith answered in the May issue stating that he knew no power in the Catholic Church to interfere in the operation of the constitution of the United States or the enforcement of the law of the land. He believed in absolute freedom of conscience for all men, and equality in all churches, all sects and beliefs as a matter of right and not of favor. He believed in the absolute separation of church and state. He believed in the support of the public schools as one of the foundations of

³⁰ Meyers, 312, 313.

American liberty, and in the right of every parent to choose whether his child should be educated in the public schools or in a religious school by those of his own faith. He believed in the common brotherhood of man, and he "fervently prayed that never again in this land will any public servant be challenged because of the faith in which he has tried to walk humbly with his God".³¹ The editor was so pleased by Smith's straightforward reply that he inserted a comment stating that he was sure that the whispering campaign was silenced and that the people would be governed by reason.

Most of the people who were against Smith never read such magazines as The Atlantic Monthly, so Smith's earnest denial had not the slightest effect upon his opponents.

The Anti-Saloon League was intensely antagonistic toward Smith. It ignored the bootleggers, racketeers, and tens of thousands of illicit stills, the crime wave and killings, and the obvious fact that the government was unable to enforce prohibition and hailed it as a great Protestant reform. They attempted to picture Smith as a drunken tool of the rum forces.³²

Meyers describes the method the Klan papers used against Smith. A typical cartoon displayed in The Fellowship Forum was headed, "Will Dry Protestants of the South Put Their Worse Foe in the White House?" It depicted Smith as a ruffian driving a beer-laden truck on which was the placard: "Make America 100% Catholic, Drunk, and Illiterate." Running after

³¹The Atlantic Monthly, May, 1928, The Rumford Press, Concord, New Hampshire, "Catholic and Patriot: Governor Smith Replies".

³²Meyers, 320.

the truck was a priest shouting to Smith: "Mr. President, allow me to suggest that I receive your confession and advise you."³³ Beside this cartoon was a leading article warning readers that the country's newspapers had been intimidated and bribed by the Jesuitical steering committee of the Roman Catholic Church party. Protestants were urged not to be lulled to sleep by "these machinations of Papal minds".³⁴

Church opposition to Smith's candidacy, while general throughout the country, was concerted and consolidated as an organized crusade in the South. Methodist bodies in some Northern sections opposed him on the ground of his attitude toward prohibition, but in the South the demand by Baptist, Methodist, and some Presbyterian groups for his defeat was because of his Catholic faith as well. There was a mutual aim to keep a Catholic from becoming President, to "prevent the Pope from governing America".³⁵ Bernard Nixon, a Democratic leader at Charlotte, North Carolina, declared that the church had degenerated into a "political machine" and he named several bishops as proclaiming, in the name of the church, their stand for or against certain candidates.³⁶

The Outlook, October 3, 1928, took notice of the whispering campaign and the ministerial opposition to Smith throughout the country. The writer believed that Smith took too much notice of the slanders against him. While

³³ Meyers, 320.

³⁴ Ibid., 321.

³⁵ Ibid.

³⁶ Ibid., 318.

disapproving of the story circulated about him in West Virginia alleging that he was drunk at a State Fair in New York, and the attacks made upon him by William Allen White, the Reverend Doctor Straton, and others, the writer believed that repeated answers constituted a sign of weakness. Other papers, the writer claimed, held the same view; even the New York World, a staunch supporter of Smith, called a halt on his replies and said that the real way to handle "this kind of thing is to transcend it".³⁷

Beginning with the October 19, 1928 issue The Outlook published a succession of articles entitled "Vernon Kellog Tells What Hoover's Friends Think of Him" which were extremely laudatory, i.e., governments hired him to take charge of engineering jobs in Australia, Russia, and China. Not a word was said about stock promotions. He was the great engineer and the great humanitarian.³⁸ At the same time "Al Smith and the Solid South; What They Think in Tennessee and Kentucky" by Dixon Merritt, a Southerner who interviewed the plain farmers and small merchants, found little good to say of Smith.³⁹

On October 2, 1928, William H. Crawford stated his opinion that Smith could not carry a single Southern state and if elected would split the Democratic Party.⁴⁰

³⁷An Editorial in Outlook, "A Review of Editorial Opinion" by Ernest Hamlin Abbot, October 3, 1928.

³⁸Ibid., "What Hoover's Friends Think of Him" by Vernon Kellog, October 19, 1928.

³⁹Ibid., "Al Smith and the Solid South; What They Think in Tennessee and Kentucky" by Dixon Merritt, October 19, 1928.

⁴⁰Ibid., "What Will the South do to Al Smith" by William H. Crawford, November 2, 1928.

Up to this time the belief had been prevalent that no matter who the candidate might be, a Southerner would vote the Democratic ticket. The anti-Smith papers flooded the South with 10,000,000 anti-Catholic pamphlets, leaflets, hand-bills and cartoons. In addition to this there was the actual "whispering campaign" about Smith's drunkenness and depravity. The following quotation shows the low level of ethics that was displayed in the fight against Smith. The Rail-Splitter, September, 1928 stated:

This country is not ready for a President who was educated in the barrooms of Greenwich Village, graduated from the sidewalks of New York, ... Smith will get the united wet and Papal vote ... in a large measure the Jew and Negro vote ... He will get the vote of the vice trust, the gamblers, the red-light, and the dope-ring vote. 41

Other anti-Catholic publications were on the same level. The Fellowship Forum in "Watch These States Rebuke Romanism", named nine states that Smith would not carry and went on: "These old rock-ribbed Anglo-Saxon aristocratic states of our country have always stood for the highest ideals of Americanism. They never have and never will stultify their conscience by voting for any man, or group of men, who represent a foreign potentate. This historic and glorious old Southland will never swallow the Pope of Rome. November 6, 1928, will witness a rebuke to the Papacy that will be remembered through the ages." 42

The whispering campaign was not all directed against Smith. People said

41 Meyers, 323.

42 Ibid., 321, 322.

that Hoover was still a British citizen,⁴³ that he was no more a Republican than a Democrat.

The Christian Science Monitor reported that:

A Smith League had been formed in the north to get the negro vote. The Democrats in the South said that a Democratic victory would insure 'white supremacy'; in the north they said that a Democratic victory would bring new political and social opportunity for the Negro voter. In other words the Democratic 'campaign strategists' tried to get the Negro vote in the north and still keep from giving offense to the white voter of the south.

Among these efforts of the Democrats is a whispering campaign in the south that Hoover did not favor segregation for Negroes in the Department of Commerce. In the north Negro voters were told confidentially that Hoover brought about the segregation in his department. Investigation reveals that Secretary Hoover actually had taken no action whatever on segregation in his department. 44

The Democrats had no negro plank but the Republicans' plank read thus:

We renew recommendation that Congress enact at the earliest possible date a Federal anti-lynching law so that the full weight of the Federal Government may be wielded to exterminate this hideous crime. 45

Because of southern animosity the Democrats were silent on the negro question in their platform. The Negroes in the North were largely Republicans

⁴³ The Nation, October 31, 1928.

⁴⁴ An Editorial in The Christian Science Monitor, "Negro Vote Proves Puzzle to Democrats", September 1, 1928.

⁴⁵ New York Times, June 15, 1928.

because the Republicans never failed to remind them that it was Lincoln who had freed them.

An analysis of the campaign funds shows conclusively that primary and final election campaign funds are drawn from relatively few individuals. The role of the small contributor actually decreased, rather than increased, in the campaign funds of both parties in 1928. Funds which came from those who gave \$100 or less amounted to 12.5 per cent of the Democratic and 8.2 per cent of the Republican fund.⁴⁶ The parties' funds came largely from banking and manufacturing interests and, in the case of the Democratic party, financial support was very narrowly localized in the Northeast.⁴⁷

It is probably true that without the generous backing of John J. Raskob and his associates that the Democrats would have been financially embarrassed, but it seems equally true that with their backing they lost the right to campaign as the "poor man's party".⁴⁸ The candidate, Mr. Smith, must have had to consider the interests of these men at all times.

The Nation was not actively antagonistic toward Smith yet it criticized him on this score in the following manner:

Al Smith has not considered specific charges against the mayor of New York - nor helped by one least effort in the struggle for an honest count in New York City elections. And to cap the climax he has chosen as his chief of staff, John J. Raskob, 'capitalist', vice-president, and chairman

⁴⁶Overacker, 124.

⁴⁷Odegard, 165.

⁴⁸Hacker, 555.

of the finance committee of the General Motors Corporation, vice-president of the General Motors Acceptance Corporation, vice-president and member of the finance committee of the E. I. duPont deNemours Company, director of the Bankers Trust Company, the American Surety Company, and the Country Trust Company of New York, and reputed inspirer of the bull forces behind General Motors. Raskob, the open-shopper, the profiteer on every war, a member of the group which sought the St. Laurence water-power franchise. ... As for farm relief, the Governor has nothing to offer radically different from the Republicans. On labor Smith opposes 'unwarranted' injunctions, while Hoover opposes 'excessive' ones. 49

If liberal magazines brought such charges against Smith, the conservative papers belabored Raskob and his associates in the same manner and added that they were attempting to place the United States government under the domination of the Catholic Church.⁵⁰

A perusal of the magazines and the available newspapers of the years 1927 and 1928 shows that the main object of the publishers seemed to be sales. Adolph S. Ochs, owner of the New York Times declared publicly, when revealing that he had known about the Teapot Dome deal for months before he published a word about it, that he did not count it a part of newspapers' responsibility to protect the public against such transactions.⁵¹ Newspapers did not crusade; they were commercial enterprises. When Ochs bought the New York Times, the paper was chiefly famous for having smashed the corrupt Tweed ring in Tammany,

⁴⁹The Nation, September 5, 1928.

⁵⁰Meyers, 320.

⁵¹Bent, Ballyhoo, 90.

... "it has smashed no corruption since he assumed ownership".⁵²

After the nomination of Mr. Smith and Mr. Hoover the New York Times, by an actual count of editorials and articles, gave the Republicans as much space as the Democrats, usually running the articles side by side.⁵³ It showed great loyalty to President Coolidge by writing about him more often than either of the two contenders for the office.⁵⁴ At no time did it denounce the principles for which the Republicans stood or actively support Smith.⁵⁵ The Chicago Daily Tribune applauded Smith's stand on prohibition calling him the most "forthright candidate the country had seen in years".⁵⁶ It urged the Republican national committee not to spend money trying to break the 'Solid South'. The article continued:

There is a serious principle involved. No thinking American can afford to ignore the issue which the political activities of preachers and sectarian organizations have thrust into our politics. Thousands of Republicans are not in favor of Prohibition. These party members will resent and repudiate a Republican alliance with funds given to the Anti-Saloon League and the Ku Klux Klan. 57

Not until Al Smith stated that he favored governmental control of the utilities did the Tribune turn against him. On October 24, there appeared an

⁵² Ibid., 96.

⁵³ New York Times, July 2 - November 6, 1928.

⁵⁴ New York Times, July 2 - November 6, 1928.

⁵⁵ Ibid.

⁵⁶ The Chicago Daily Tribune, July 3, 1928.

⁵⁷ Ibid., July 24, 1928.

editorial stating that because of Smith's stand on this question, his election would mean "the ruination of the country".⁵⁸ From that date on the editorials and articles definitely lauded Hoover as the man eminently fitted for the Presidency while it depicted all of the shortcomings of Smith.⁵⁹

The Christian Science Monitor was opposed to Mr. Smith because of his stand on Prohibition and because of his Tammany affiliation. The editor declared that Prohibition was the greatest campaign issue.⁶⁰ A cartoon showing the Democratic donkey walking a tight-rope endeavoring to maintain a balance while carrying Al Smith on one shoulder and the Dry Plank on the other was given prominent space.⁶¹ An editorial, "Prohibition Fruitage" was run daily. The advantages of Prohibition were stated by prominent men or, on other days, were summed up as a result of studies made among the laboring classes such as miners or steel workers, or the gratifying results of prohibition were described in the improvement of certain localities after the saloons were closed.⁶² This stand is not surprising in view of the fact that one of the rules laid down by Mary Baker Eddy is that no intoxicating liquor may be used by a member of her church.⁶³ However, the venom against Smith

⁵⁸Ibid., an Editorial, "The Ruination of the Country", October 24, 1928.

⁵⁹Ibid., October 24 - November 6, 1928.

⁶⁰The Christian Science Monitor, July 2, 1928.

⁶¹Ibid.

⁶²Ibid., July 2 - November 6, 1928.

⁶³Eddy, Mary Baker G., Prose Works, Published by the Trustees under the Will of Mary Baker G. Eddy, Miscellany, 1925, 114.

which appeared daily seemed out of keeping with the general policy of the paper. Cartoons appeared almost daily which stressed Smith's 'wetness'; each one invariably showed the Tammany tiger in relation to the theme depicted. On July 2, an editorial claimed that the Republicans were united while the Democrats were divided, since Smith was at odds with the platform over Prohibition. The article stated further that Southern Democrats would not vote for Smith. Unnumbered thousands of Democrats and Western states would refuse, it was predicted, to support a candidate openly and avowedly opposed to prohibition. The prediction was made that ... "Millions of Democrats will carry to the polls their determination to prevent the final and absolute surrender of their party and the executive branch of the government to domination by Tammany Hall".⁶⁴ The following day the moral issues involved in electing a 'wet' president were stressed.⁶⁵

While Smith was being shown in a most unflattering light Mr. and Mrs. Hoover were lauded daily. Many articles were sent by "disinterested" admirers of the Hoovers.⁶⁶ The splendid financial condition of the country under Republican rule was emphasized.⁶⁷ Day after day the organizations fighting Smith's nomination were mentioned as carrying on a noble work worthy of generous contributions.⁶⁸

⁶⁴An Editorial in the Christian Science Monitor, "The Outlook for November, July 2, 1928.

⁶⁵Ibid., "Right Partisanship", July 3, 1928.

⁶⁶Ibid., August 22, 1928.

⁶⁷Ibid., July 24, 1928.

⁶⁸Ibid., July 4, 1928 to November 6, 1928.

The way in which the Chicago Daily Tribune and the Christian Science Monitor handled Al Smith's letter on Roman Catholicism is interesting. The New York Times headlined the story,⁶⁹ but the Monitor printed it on the first page in its "Pacific" and "Central" editions;⁷⁰ thereafter it was shoved over to the fourth page. In the "Atlantic" edition there was printed, on the first page, a retort to it written by the lawyer whose challenge had provoked the Governor's statement. On that day there was no editorial comment. Two days later a news story was published, quoting a Texas politician, to the effect that no 'wet' could be elected President;⁷¹ and another two days later there were two editorials, one to show the strong 'dry' sentiment of the United States, the other attacking Tammany's ambition to elect a favorite son to the Presidency. In neither case was Al Smith's name mentioned.⁷²

The Chicago Tribune went even further. It cut the Governor's statement to four hundred words and ran it inside the paper without editorial comment.⁷³

The newspapers and magazines were filled with "canned" editorials, written chiefly by public relations counsels - "who flooded the newspaper city-desks with ingeniously devised news-stories designed to present their clients and their clients' opinions in a favorable light - who prepared 'ghost-written'

⁶⁹The New York Times, July 1, 1928.

⁷⁰The Christian Science Monitor, July 1, 1928.

⁷¹Ibid., July 3, 1928.

⁷²The Christian Science Monitor, July 5, 1928.

⁷³The Chicago Daily Tribune, July 1, 1928.

interviews and magazine articles and brochures and books in which they set forth virtuous principles over these clients' signatures; and who on occasion directly or indirectly subsidized lectures, text-book writers, and professors".⁷⁴ This mass of material was read by the unsuspecting American public. Since the newspapers and magazines depended upon advertising, the owners knew that a friendly attitude toward big executives and financiers and their policies would help in the sale of advertising space, and that a critical or skeptical attitude might have the opposite effect. It was good business to print success stories.⁷⁵

The Hoover-for-President Committee of New York furnished cartoons, pictures, and printed material to over 700 newspapers, free.⁷⁶ The Republicans inserted full page advertisements in newspapers. The cost of one such page in either the New York Times or the Chicago Daily Tribune was \$3,000.⁷⁷ During the last few days of the campaign the Democrats spent over \$36,000 on advertising in the foreign-language newspapers of America.⁷⁸ The Republicans flooded the country with placards to be placed in windows - "This Home is for Hoover Because Hoover is for This Home"- was one of several.⁷⁹

⁷⁴Allen, The Lords of Creation, 229.

⁷⁵Ibid., 229, also Bent, Strange Bedfellows, 274.

⁷⁶Overacker, 25.

⁷⁷Ibid., 25.

⁷⁸Ibid., 25.

⁷⁹Ibid., 26.

By the latter half of 1927 the business analysts and forecasters were anything but optimistic. Moody's Investor's Service, the Harvard Economic Society, and the Standard Statistics Company all warned of a business depression unless prices of stocks could be readjusted. The financial editor of the New York Times stated that industrialists felt hesitant.⁸⁰ The director of the Charity Organization Society in New York reported that unemployment was more serious than at any time since immediately after the war.⁸¹ While stock prices had been climbing, business activity had been subsiding. In January, 1928, the President had publicly stated that he did not consider brokers' loans too high, thereby giving the impression that the financial condition was sound.⁸²

Throughout 1927 speculation had been increasing. The amount of money loaned to brokers to carry margin accounts for traders had risen during the year from \$2,318,561,000 to \$3,558,355,000. During the first week of December, 1927, more shares of stock had changed hands than any previous week in the whole history of the New York Stock Exchange. All sorts of people were buying on margin.⁸³ Mr. Smith probably did not realize the danger of the situation, but even if he had done so, he was in no position to discourage speculation for he, as well as Hoover, had the backing of influential business men. The

⁸⁰ Allen, Only Yesterday, 292.

⁸¹ Dumond, Roosevelt to Roosevelt, 385.

⁸² Allen, Only Yesterday, 291.

⁸³ Ibid., 291.

best the Democrats could do was to insist that they too could guarantee prosperity.

The radio was used in a Presidential campaign for the first time in 1928. Smith was a good orator but a poor speaker on the radio, while Hoover was a poor orator but ... "he poured what he had to say directly into the microphone, and it came out better than it went in".⁸⁴ Hoover's pronunciation was no better than Smith's, but it seemed more natural to most Americans than Smith's New York accent.⁸⁵ It branded Smith as a city man and intensified the urban-rural issue. Silas Bent shrewdly states the part subconscious prejudices play in any political battle:

Immigrants and sons of immigrants have ruled our cities, ... have become governors, ... have become cabinet members, but the chief prize has been withheld from them. ... This strikes a deeper prejudice than is often acknowledged. Al Smith's leadership brings into play not only an agrarian hostility to the city man but a deeper-seated hostility against those who are newcomers to our soil.⁸⁶

No one decisive reason can be given for Al Smith's defeat. In any election every effort to Satanize the opposition and to identify it with the "foes of freedom" is made.⁸⁷ The Democrats were quite evidently not in a position to use vituperation against the Republican candidate. In the election of 1932, after President Hoover had been unable to prevent or alleviate the

⁸⁴Hicks, 607.

⁸⁵Ibid., 607.

⁸⁶Bent, Strange Bedfellows, 48.

⁸⁷Overacker, 69.

depression the Democrats could campaign as the "peoples' friend" in a crusade for "good government" and against "special interests".⁸⁸

In 1928, however, Mr. Hoover's position was unassailable. From 1917, when Hoover had become supervisor of the Food Administration Board, after being in charge of Belgian relief, he was the most respected man in the government. It had been difficult to bring the production and distribution of agricultural products under control. With the cooperation of the public he had raised the production and prices of foodstuffs and had insisted upon "Hooverizing". Unprecedented prosperity was the result of this planning, and Mr. Hoover received much of the credit for it.⁸⁹ As Secretary of Commerce during the twenties, he had become identified in the public mind with the prosperity of the period;⁹⁰ consequently, when he promised that, ... "given a chance to go forward with the policies of the last eight years, we shall soon, with the help of God, be within sight of the day when poverty will be banished from the nation", there were few who doubted the validity of the statement.⁹¹ There is always a certain amount of political distrust in this country, and this was skillfully turned toward the Democrats, and Mr. Smith, in particular.

A realistic survey of the political situation would lead to the conclusion that patronage was one of the decisive reasons for Mr. Smith's defeat.

⁸⁸Ibid., 69.

⁸⁹Dumond, Roosevelt to Roosevelt, 223.

⁹⁰Hicks, 604.

⁹¹Ibid., 608.

The Republicans had been in power for eight years; during this time they had had at their disposal thousands of public jobs with which to bargain for support or use as a bludgeon to compel it.⁹² From Washington down to 1928 the Presidents had all appointed men of their own political beliefs to the Supreme Bench.⁹³ This policy is carried out in all of the lesser federal courts. "Federal judges have at their disposal important patronage and it is not surprising therefore that partisan considerations should influence their appointment."⁹⁴ The courts are used here merely as an example for political considerations to determine the appointments to the federal commissions, and from these down to all local jobs outside civil service.⁹⁵ As a consequence thousands of political workers were available for the Republicans.

Smith had been a popular Governor of New York for four successive turns, but he had never held a national office and, in the 1928 election, he failed to carry his own state. He had been outside the national government, consequently, his statement that the Republicans had no monopoly on prosperity made little impression upon the public. Dumond describes the campaign and another reason for Smith's defeat:

... The campaign which followed is indescribable.
... Hoover and Curtis did not say much about anything.
It was not necessary. They simply remained silent
and rode into office on the most powerful whispering

⁹²Odegard, 135.

⁹³Ibid., 169.

⁹⁴Ibid., 176.

⁹⁵Ibid., 180.

campaign ever set in motion. It was the final flare-back of a dying post-war intolerance which gathered race, religious and moral prejudices into a torrent of opposition to Alfred E. Smith, the Catholic, anti-prohibition representative of Tammany Hall. ... It was a situation which called for vigorous discussion of governmental policies touching social and economic questions; yet the most important topics in the world seemed to be Smith's grammatical errors, the exact degree of culture possessed by his family and the depravity of the Catholic Church. 96

Odegard speaks of the "cult of hate" that was developed by the Ku Klux Klan⁹⁷ and in discussing this Dumond succinctly charges the Klan with the onus of the propaganda. He says: "Religious and social hatreds are peculiarly sensitive to sly propaganda, and propaganda has developed into an esoteric art".⁹⁸ This propaganda shattered the 'Solid South' for the first time since reconstruction. The Republicans carried five states: Virginia, North Carolina, Florida, Tennessee, and Texas where "Hoover Democrats" voted the Republican tickets.⁹⁹ Hoover carried forty-five states. His popular vote was twenty-one millions to fifteen millions for Smith. Nevertheless Smith received six million more votes than any candidate of the Democratic Party had ever received previously.¹⁰⁰

⁹⁶ Dumond, Roosevelt to Roosevelt, 384, 385.

⁹⁷ Odegard, 120.

⁹⁸ Ibid., 273.

⁹⁹ Hicks, 608.

¹⁰⁰ Dumond, Roosevelt to Roosevelt, 385.

Independent progressives were elected by tremendous majorities in Minnesota, Wisconsin, Nebraska, North Dakota, Washington, and Arizona while Smith was being repudiated.¹⁰¹ This proves that there was genuine dissatisfaction and leads to the belief that in spite of the prosperity Smith would have come close to winning the election if he had had a really constructive platform; had not aroused the hatred of the Klan and the Evangelical churches; and had not been a Catholic and a Tammanyite.

¹⁰¹
Ibid., 385.

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In the preliminary reading on this topic, three newspapers and many magazines were read in search of material on the subject. Both newspapers and magazines seemed to be not only biased but limited in regard to the information presented. A good biography of Al Smith was available, but the several biographies of Herbert Hoover were not in print until after 1928. The bibliographies of standard histories of the United States furnished a wealth of material upon the topic. Only the books mentioned by two or more of the reputable historians were used in the thesis.

NEWSPAPERS

The writer studied every issue of the newspapers from the time of the conventions until the close of the election, taking note of the news items, editorials, special articles, cartoons, and advertisements. The following newspapers were available:

The New York Times

The Chicago Daily Tribune

The Christian Science Monitor

The New York Times, listed as an Independent Democratic paper,¹ never gave Al Smith more than half-hearted support. It was quite evident that the

¹N.W. Ayer and Sons, American Newspaper Annual and Directory, N.W. Ayer and Son, Philadelphia, 1928, 781.

editor was bitterly disappointed because Mr. Coolidge was not the candidate.

The Chicago Daily Tribune, Independent Republican,² seemed not to care whether Smith or Hoover were elected until September 24, 1928. After this time it worked earnestly for Hoover's election without showing any great amount of venom toward Smith. At no time did it publish such caustic cartoons as were to be found in other newspapers.³

The Christian Science Monitor, Independent, worked vigorously against Smith's nomination, while it marshalled every argument in favor of Hoover.

PERIODICALS

The following periodicals were carefully studied, issue by issue, from January 1928 through November 1928. All material pertinent to the topic of this thesis such as editorials, news items, articles on foreign affairs, special articles, letters from subscribers, and cartoons were noted and evaluated.

Although a few of the magazines seemed to pay no attention to actual politics, as a general rule, they were all extremely interested in maintaining the status quo. Only a few were liberal.

The periodicals are grouped as weekly or monthly. The weekly magazines reported the political activities week by week, stressing the high points in the campaign, and in the speeches of the candidates.

²Ibid., 260.

³Current History, September, 1928, 1018.

The Nation, The Nation Incorporated, 20 Vesey Street, New York, Edward Garrison Villard, Editor. A liberal weekly that made every effort to present and discuss the issues of the day from the liberal view point. Space was given to both Democratic and Socialistic speeches.

The New Republic, published by the New Republic, Incorporated, 40 East 49th Street, New York, New York. Liberal view point but with little space devoted to political questions.

The Commonweal, Michael Williams, Editor, New York, New York. A Catholic publication that worked vigorously for Smith's election. It showed a keen understanding of the economic inequalities of the nation.

The Literary Digest, Funk Wagnalls Company Publishers, 354-360 Fourth Avenue, New York, a weekly that seldom reported on the activities of the campaign, but supported the Republican administration.

The Saturday Evening Post, The Curtis Publishing Company, George Horace Lorimer, Editor, Philadelphia, Pennsylvania. This magazine worked for the election of Mr. Hoover in every issue. Editorials, articles, and cartoons were used in a strident effort to destroy all opposition to the Republicans.

Collier's Magazine, published by P. F. Collier and Son Company of Springfield, Ohio, employed the same method as did the Saturday Evening Post in working for Mr. Hoover's nomination.

The Outlook, an Illustrated Weekly of Current Life, The Outlook Company, New York City, leaned heavily toward the Republican cause.

The Magazine of Business, W. A. Shaw, Editor, Cass, Huron and Erie Street, Chicago, 1 Park Avenue, New York City, was a spokesman for big business.

It offered methods of dealing with obstreperous employees and for increasing sales, while it prophesied increasing prosperity if Republican policies were continued.

The monthly magazines did not do any close reporting on the progress of the campaign, yet most of them seemed to consider the outcome of vital importance.

Harper's Monthly Magazine, Harper and Brothers, Publishers, New York and London, devoted a rather limited amount of space to a serious, critical analysis of the campaign.

The Atlantic Monthly, The Rumford Press, Concord, New Hampshire, was one of the least biased, intellectual, and interesting of the magazines. It deplored the unfair manner in which the contest was being waged.

Forum, Forum Publishing Company, 10 Ferry Street, Concord, New Hampshire, was definitely a Republican organ. Prosperity was the principle issue.

Current History, a Monthly Magazine, Published by the New York Times Company, New York, published many articles in praise of Hoover. In the September, 1928 issue, an article extolling Hoover showed two or three abusive cartoons of Al Smith, chosen from newspapers in scattered parts of the country, on each page of the article.⁴ This seemed strange considering the publisher.

The Yale Review, New Series, Edited by Wilber L. Cross, Yale University Press, New Haven, Connecticut, March 1939. Only one issue of this magazine, which

⁴ Current History, "Hoover States His Policies", September, 1928.

contained two pertinent articles, was used.

The Annals of the American Academy of Political and Social Science, Thorsten Sellin, Editor, 4357 Walnut Street, Philadelphia, Pennsylvania, presented objectively written criticism of business methods of the day, especially of investment.

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APPROVAL SHEET

The thesis submitted by Grace R. Conant has been read and approved by three members of the Department of History.

The final copies have been examined by the director of the thesis and the signature which appears below verifies the fact that any necessary changes have been incorporated, and that the thesis is now given final approval with reference to content, form, and mechanical accuracy.

The thesis is therefore accepted in partial fulfillment of the requirements for the Degree of Master of Arts.

Aug. 11, 1947
Date

Paul Finney
Signature of Adviser