Socializing capitalism: The Century during the Great Depression

by Mark Toulouse in the April 12, 2000 issue

In the decade following World War I, Americans confronted a rapidly changing cultural context. Prohibition took effect in 1919 and gave birth to an era characterized by the frustrations of law enforcement and a booming business for "bootlegging" and organized crime. Throughout the decade, the *Century* underestimated the strength of voices opposing prohibition. Editors condemned the evil of liquor without much recognition of the social circumstances that might drive some people to drink. Though, in principle, they condemned single-issue politics, they came perilously close, on occasion, to modeling its worst features. Presidents Harding and Coolidge were too soft on enforcement issues to satisfy either Charles Clayton Morrison, the *Century*'s editor, or columnist Alva Taylor. When Al Smith faced Herbert Hoover in the presidential campaign of 1928, his open support of the "wet" position occasioned even more criticism in the *Century*'s pages than the fact of his Catholicism. Editorial discomfort in these two areas made it difficult for editors to appreciate just how much they agreed with Smith on most other important issues. On other fronts throughout the 1920s, the editors attacked racism and the resurgence of the Ku Klux Klan, preached peace, opposed U.S. intervention in Central America, urged the diplomatic recognition of the Soviet Union, supported Protestant ecumenism, and waged a battle against the fundamentalists.

The extent of rapid industrialization and urbanization troubled many Americans, including editors at the *Century*. Editorials attended to labor unrest and supported activities meant to reduce injustice in the workplace. More interesting, considering later developments, was the analysis given to the new economic practices associated with Wall Street. Beginning early in the 1920s, the magazine began to note the excesses of the capitalist system. "The desire for quick and unearned results," concluded one editorial, "is a national disease" (June 7, 1923). Editors regularly attacked the notion of getting "something for nothing." They condemned the "speculative mania in America" that allowed an accumulation of wealth without the "accompanying trust to be carried on for the welfare of the whole people"

(December 27, 1923). Too much wealth landed in the hands of too few people. An article by Ross L. Finney offered a dire prediction in early 1924: “Unless we shift our weight Western civilization will enjoy an illusive prosperity and greatness for a time, but will then stagger, stumble and eventually collapse” (January 24, 1924).

Some 19 months before the crash of the market, editorials scrutinized the problem of unemployment with a growing sense of urgency. In the face of this “orgy of speculation,” editors argued, religion must “protest a social or industrial order in which men wallow in sudden wealth which they have not created while their fellows by the million face want” (March 22, 1928). The speculation of the capitalist market allowed for an accumulation of “undigested wealth” and the separation of means from ends (November 1, 1928). Wall Street had divorced wealth from activities that led to employment. In addition, machines had invaded the workplace and massively displaced human labor. These developments confronted “the church and civilization with moral issues as important as the elimination of war” (June 21, 1928).

When a well-known Methodist bishop, in a highly publicized situation, lost all his possessions as a result of speculation, the tendency to condemn him for his activities surfaced in many Christian circles. In response, the *Century* intoned, “Let him who is without dividends cast the first stone.” While *Century* editors cursed speculation, they also recognized that it was only part of the problem. Christians who pinned all the blame on speculation missed the most important point. Capitalism, rather than speculation, was the real culprit.

Instead of joining in a hue and cry against a churchman for engaging in this system in which every one of us is implicated, from which even the bishop’s salary is derived, or hiding our Christian faces in shame because his hypocritical enemies hold him up as a “horrible example,” the clear call of Christ is that his followers should make a frontal attack upon the pagan system itself, and demand that our economic order shall give way to an economic order embodying the principles of the kingdom of God (July 17, 1929).

This antagonism toward capitalism surfaced regularly after October 1929. Given its socialist sensibilities, the *Century* interpreted the crash of the stock market as an opportunity to begin “the process of a national sobering up” (November 6, 1929). Americans could no longer ignore the growing and devastating problem of unemployment. This awareness opened the door to social solutions most Americans would have rejected as unacceptable only a few years before. Editorials supported

legislation designed to account for the unemployed, to establish public works projects to enable their return to work, to provide for newly unemployed through a national unemployment insurance program, and to create a national bureau of unemployment to stay on top of the problem.

The crash of the market also offered Americans the opportunity to reflect on a new understanding of the problem of greed. Americans, the *Century* said, have been too quick to condemn racketeering, “the poor boy’s easy road to quick wealth,” while ignoring ways “the son of a comfortable home seeks to make his pile and make it quickly” (August 6, 1930). In addition, the country’s obsession with its “standard of living” had to be balanced against the needs of the rest of the world. Problems like these, the *Century* concluded, would not be solved “by standing pat on the traditions under which the present absurd inequities have grown up” (August 27, 1930).

Editors grew impatient with President Hoover’s unwillingness to use federal means to address the social crisis. Hoover urged private charities, and the organizations of local communities where hunger existed, to step up to meet the need. The *Century* judged the president’s response entirely inadequate. His fear of the dangers associated with the federal “dole,” argued editorials, ignored the fact that poverty emerged more from the defects of the system than from the “personal shortcomings of the sufferers” (February 11, 1931). “Those who bear these miseries are those who contributed least to the excesses of yesterday” (December 30, 1931).

The depth of the depression demanded a federal response, one that would establish a “permanent deposit of advanced social legislation.” Hoover, to the growing dismay of editors, ruled such legislation out of bounds. “How bad must things become,” asked one editorial, “before the nation is ready” to enact legislation (March 4, 1931)? One week later, the *Century* challenged politicians to develop “an adequately planned national economy” (March 11, 1931), one that would enable federal policies to curb the excesses of capitalism. A national disaster deserved a national response. Hoover’s local-community approach would “prove to be not only tragically inefficient but scandalously inequitable” (October 28, 1931).

The crowning irony of these years, therefore, is the fact that Morrison used the pages of the *Century* to endorse Hoover’s reelection in 1932. He found himself most drawn to the politics of the ever-present socialist candidate Norman Thomas, but those impulses were checked by his belief in the importance of maintaining the vitality of the two-party system (October 19, 1932). As he examined the

alternatives, Morrison reckoned the Roosevelt of the campaign trail too tentative and completely uninspiring when speaking about the economy. Roosevelt also pursued unfortunate alliances with the “corruption of Tammany” (April 13, 1932), “the sinister figure” of William Randolph Hearst (October 26, 1932) and the “hierarchy” of the Catholic Church (April 20, 1932).

Perhaps more determinative for Morrison than any other consideration, Roosevelt fully supported the “wet plank” of the Democratic platform. “So far, then, as the liquor issue may figure in the campaign,” the *Century* editorialized, “the drys can have nothing but opposition to the Democratic campaign” (July 13, 1932). Hoover’s vacillation on the issue just before the election did not score many points with editors either (September 21, 1932). In the end, since both candidates seemed to support a capitalist economy, the *Century*’s editors uncovered no reason to replace the overly cautious capitalist they respected with the “looseness and inconsistency” of the capitalist they did not trust (October 26, 1932).

Roosevelt’s landslide victory eased the magazine’s anxiety that he would be beholden to the vested interests of his initial supporters. Once elected, and once the extent of his program to deal with the depression became evident, Roosevelt quickly gained the editor’s enthusiastic endorsement. With 16 million people out of work, editors declared Roosevelt’s “readiness to experiment with new policies his greatest asset and the nation’s greatest ground of hope” (March 1, 1933). As Roosevelt exercised emergency power to deal with the banking crisis, revise the relationship between American currency and gold, and establish the Tennessee Valley Authority, editors hailed the arrival of “a new United States.” “As a plain matter of fact, he has done more to start the nation toward a socialist order than all the agitation carried on by all the avowedly socialist agents in our national history” (March 22, 1933). Editors interpreted the administration’s orchestration of the national recovery act as a commitment to graft socialistic principles into the American capitalist system.

This philosophy of “socialized capitalism” encouraged the idea that “business exists for the community” instead of “the principle that a business exists for itself, that is, for the profits it can make for its owners.” But editorials simultaneously noted that the National Recovery Administration (NRA) depended too much on voluntary compliance. Ultimately, Roosevelt’s new system set no restrictions upon profits. And here it necessarily faltered. “Can human nature which has been so long conditioned by the stimuli of capitalism,” asked the *Century*, “discipline itself while still subject to the same stimuli, to the point of curtailing its greed for profits when profits are to

be had?” The editors were pessimistic (August 30, 1933).

Therefore, even though the magazine displayed the NRA eagle on its second page for months, the editors were not unacquainted with the weaknesses associated with the NRA. In addition to anxiety about the overwhelming influence of the profit motive, editors also worried about whether the power of labor organizations could develop rapidly enough to counter the autonomous industrial associations created by the NRA (January 3, 1934). Small businesses also tended to suffer under self-regulation provisions that favored the efficiency of the mass-producing abilities of larger businesses (January 31, 1934). This weakness surfaced more clearly as time passed. Editors also knew that the extension to the South of NRA codes mandating minimum wages would likely cause displacement of black workers without creating an effective remedy (September 20, 1933).

> There is ground for the belief that capitalism is capitalism, that it will not mix with socialism, and that Mr. Roosevelt’s system, therefore, like Nebuchadnezzar’s image, will prove to have feet of iron mixed with clay. On our own part, we may say that we are about 20 per cent optimistic and 80 per cent pessimistic. But doctrinaire doubts are out of place if they hinder our wholehearted cooperation with this new deal (January 17, 1934).

At a time when the vast majority of clergy in America disapproved of Roosevelt’s New Deal reforms, the *Century* endorsed his 1936 bid for reelection because of them. Editorials recognized the complicity of the church in the economic crisis that faced the nation. Nine months before the crash of the market in 1929, editors criticized the trend in American Protestantism toward “the skyscraper church.” Many features of Christian practice represented a capitulation to the success-oriented and materialistic standards of American business. “To put the matter bluntly,” editors asked, “how far will a church, involved in the obligation to supply profits, question or disturb the premises and practices of a profit-seeking, profit-taking society?” (February 7, 1929).

Throughout the depression, editors challenged the church to address the moral dimensions of the crisis. “Is the church a genuinely creative source of human welfare, or does it merely share in and decorate the goods created by economic and other secular forces?” (November 11, 1931). Editors were not too sure about the

answer. As they sought clarity in the matter, they helped to usher American Christianity into a more critical assessment of the relationship between Christ and culture.

By 1937, many aspects of Roosevelt's New Deal had successfully taken root. Labor gained strength. Legislative checks against the worst abuses of big business seemed securely in place. Social Security provided unemployment and pension insurance. Welfare programs eased the suffering of the poor. Roosevelt's domestic policy had produced a reformation of American capitalism. Morrison appeared to settle more comfortably into the notion that this reformed capitalism would remain solidly entrenched in American culture. While editors continued to commend Roosevelt for his courage in producing a reformed economic order, they also began to distance themselves from him within a year after his reelection. Morrison feared Roosevelt's foreign policy might draw Americans into another world war.

As if the depression had not been difficult enough for the liberal theologian to process, the ascent of both Hitler and Mussolini heralded a new totalitarianism that shattered whatever self-confidence remained. When the vestiges of depression combined with the rise of fascism and the threat of world war, liberals found themselves, in the words of John C. Bennett, "left with a feeling of theological homelessness." This "disintegration of liberalism" (November 8, 1933) emerged as one of the most important developments within American Christianity in the century. It also inspired *Century* editors to inaugurate the well-known "How My Mind Has Changed" series at the end of the decade.