

AS I SEE IT

NORMAN THOMAS

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By

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NEW YORK
THE MACMILLAN COMPANY

1932

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Set up and printed. Published March, 1932.

Reprinted April, September, 1932

Reprinted October, 1932

Printed in the United States of America.

PREFACE

THIS collection of essays and papers must speak for itself or not speak at all. No explanatory preface can do much to help or hurt. Nevertheless there is one preliminary word I should like to say to the reader. It is this:

I am fully aware of the danger that a book containing so many references to issues and events current at the time of writing runs the risk of being even more ephemeral than the average book. On the other hand, unless we deal with current events in somewhat more permanent form than in occasional articles and speeches, we are losing still more of the fast diminishing opportunities to arrest the drift to catastrophe. It is true enough that, before this book sees the light of day, events in Manchuria and possibly also at Geneva may have written a definite chapter in terms of war or peace, armament or disarmament, on which I now can only speculate. Yet I cannot imagine any likely events which will alter the lessons I want to draw from the direction of drift in these confused and troublous times. It is, moreover, my very deep conviction that especially in the year of a national electoral campaign it is of the highest importance for any man who wants to speak on politics at all to speak in clear-cut terms concerning present issues. It is in this conviction that

PREFACE

I commit this book to the tender mercies of the public. Will my hoped-for readers please consider that in one important sense this is an effort to bring up to date the position I have set forth in *America's Way Out: A Program for Democracy*?

Much of this material has appeared in articles or has been used in speeches. In every case, however, these papers in their present form represent some degree of revision. In most cases that revision amounts to a very considerable re-writing or expansion of the original article or speech. My thanks are due to the *New Republic*, the *Atlantic Monthly*, the *Forum*, and the *Christian Century* for permission to use material which I had already published in their columns. Two of the papers are revisions and expansion of speeches—one made at the Smith College Commencement in 1931 and the other at the Williamstown Institute of Politics in the same summer. My thanks are also due to my wife for her interested hearing and criticism of these pages in their various stages of production, and to Miss Freda Straus for typing the manuscript, often in the midst of many interruptions.

NORMAN THOMAS.

November 13, 1931.

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RECONSIDERATIONS

A YEAR or more ago I wrote a book—not an uncommon offense in America—less as a final, magisterial program for our times than as a stimulant to a discussion of a more comprehensive philosophy and plan than Americans generally had considered. This book with the confident title *America's Way Out: A Program for Democracy* was, on the whole, better received than I had hoped; that is, there were more reviews and more friendly reviews than I had expected. Nevertheless I was disappointed by the nature of the reviews, and such of the more informal discussion of the book as reached my ear. Briefly, it seemed to me that the discussion missed the mark because it went off in broad generalizations, favorable or unfavorable to this or that position of mine, rather than in argument about the basic and desperately important issues I was discussing. Yet that very fact is significant and has weight in any reconsideration of the American scene.

The reviews I saw dated themselves and the book with a vengeance. They were written in the midst of an economic depression which was getting worse and not better. A criticism of the existing order which would have been ignored or laughed at by men who

thought that they and everybody else could get rich by taking a flier in Wall Street (even if they couldn't find work) was assured a respectable hearing by the depression. Indeed if I were a captain of industry concerned for the intellectual defense of capitalism, I should worry about that portion of our intelligentsia which reviews books. The best that any reviewer could say for the system I criticized was a more or less formal disclaimer of complete agreement with my criticisms. Some of them seemed annoyed that I did not curse the capitalist devils harder or at any rate louder. One suspects, however, that if the turn of the business cycle brings even a moderate boom some reviewers will want to do a little reconsidering on their own account of an attitude that is largely emotional, born of the immediate situation rather than any real conviction.

In the run of papers and magazines the reviewers fell into two classes, both of which for different reasons found my remarks "mild" or "moderate," not "genuine Socialism"—at least of the pre-war brand—or just "common sense." The first of these groups, and much the larger, illustrated the abysmal ignorance even of literate Americans concerning socialism. Socialism, these reviewers seemed to think, always shrieks. If a socialist talks less than bloody revolution around the next corner, virtue has gone out of him. The exceedingly moderate record of the German Social Democrats or the British Labor Party—too lacking

in boldness of plan and vigor of execution—is wasted on them. For them Henri de Man, the Webbs, the Shaw of *The Intelligent Woman's Guide to Socialism and Capitalism*, the most recent G. D. H. Cole, and Kautsky, the critic of communism, have not written. Otherwise their astonishment at the moderation of a program at many points much in advance of what British and continental socialists have said and done would have been impossible.

The second group, smaller in number, was more sophisticated. Its members know more about socialism and communism, but some of them belong to that particular brand of parlor radicals who found esoteric reasons for voting for Al Smith (if they voted at all) in 1928, who hold down the best jobs they can get, and then occasionally talk a vehement or cynical radicalism. Naturally they rationalize their position by finding socialism too tame, and by discovering agreements between my program and the position of such diverse citizens as Al Smith, George W. Norris, and Owen D. Young which these gentlemen have carefully concealed from the world.

Whatever the reasons for the tone of the reviews it must be said that evidently most editors give their reviewers a free hand—perhaps they don't read their columns. At any rate only a few short days after the literary lady who does books for that strong tower of conservatism, the *Chicago Tribune*, had discovered me surprisingly sensible and not very "subversive,"

the good old editorial columns thundered once more against one of the smaller parts of the program outlined in my book. I was denounced for my internationalism as I had been denounced for my opposition to the power trust. Thus may an author be moderate to reviewers when his principles and program excite owners and editors to a great rage in defense of "our American institutions" of which the most sacred is private profit. It is a fair conclusion that it will be a long time before the reviewers' conception of what is "mild" and "moderate" weakens the resistance of editors and other propagandists of the status quo to all but trifling and belated concessions to the needs of the masses.

Among many socialists and radicals there was, as I expected, some disapproval of my lack of orthodox Marxism which so far, with few exceptions, has found expression in general reaffirmation of faith rather in specific answer to the points I raised. Some critics took occasion, again in terms of affirmation rather than argument, to deride all hope of comparatively orderly and peaceful social revolution. One of these, writing in an excellent journal of exceedingly limited circulation among the intelligentsia, a paper now unfortunately dead, was especially sure that what I said could have no appeal to the producing masses, his own contacts with the aforesaid masses being largely derived from lectures before women's clubs on life and literature, with especial reference to sex. It is fair to

add that the limitation of space at a reviewer's disposal doubtless explains in part the deficiency of argument of which I have complained. All of which is by way of explaining my comparative disappointment at the quality of discussion which I evoked. Nevertheless, as a result of that discussion, and of my own thinking in the light of the development of the last twelve months, there are certain considerations and reconsiderations of the way out for America—and the world—which I should like to set down.

1. First of all, if I were writing to-day I should add an even stronger note of urgency. If we are to avoid catastrophe there is no time to lose. Each month that we drift increases the likelihood of a confused, violent catastrophic breakdown of a politico-economic system already creaking under heaped-up strains. It will not do to tell us that America lived through as bad an economic depression in the seventies and the nineties. There were for us fewer foreign complications then, there was no Russian Five-Year Plan and there was a less general conviction of the utter needlessness of poverty in a world of such actual and potential producing power. We may, probably we shall, if Europe is kept from complete collapse, come out of this periodic crisis of overproduction, or rather underconsumption, into better times, without, however, getting real prosperity or economic security for the workers. The kind of comfort which assures us that having survived the measles, whooping cough and scarlet fever, we shall

probably survive diphtheria only to have the smallpox seven years later is cold comfort indeed.

In the face of a situation even worse than it seemed a year ago there has been a greater paralysis of effective action. The British financial crisis, even more than the German, has brought home to us how near is Europe to the brink of ruin. The catastrophe we fear will not be a brief prelude to something as relatively orderly or hopeful as the Russian dictatorship now affords. It is more likely to mean at least a generation of utter confusion, of foreign and civil wars fought with all the devilish ingenuity of science, of strife between bewildering and shifting alignments of men basically loyal to conflicting ideals of nationalism, internationalism, the older capitalism, fascism, socialism and communism. Hence the urgency of stressing constructive forces and a program.

2. If I were to-day rewriting a program for our American democracy I should give more space and emphasis to the immediate emergency at hand. We face a third winter of unemployment, involving if not an increase, certainly no great diminution of a tragic army of the jobless now estimated at some 10,000,000 adults, a great many of them with children for whom they are responsible. Farming, especially wheat farming, is in the doldrums. Wheat last summer was selling at twenty-five and thirty cents in Kansas, so much less than the cost of production for most farmers that some of it was not harvested. There is

every sign of an actual overproduction of wheat in the world, at least in relation to effective demand. The success of the collectives in Russia may spell the ultimate doom of individual, small-scale wheat farming even in the United States. But the wheat or cotton grower who gives up and goes to the city runs the hazard of joining the jobless without even a patch of ground to raise foodstuffs or a shelter over his head. The decline in the price level, especially in agriculture, means that the farmer is paying back his mortgages with dollars worth at least twenty to twenty-five cents more than when he borrowed his money. The tenant farmers who are the most miserable and the most ignored of all farmers could not survive at all save that the emergency has forced an uneven and informal moratorium on rent. But then debts pile up!

Still worse is a condition of a third great group of producers: the coal miners. Thousands of them live under feudal conditions in lonely camps where their only shelter is company-owned shacks, in many of which a self-respecting farmer would hesitate to keep a cow. For these shacks and for provisions bought at company stores at prices from fifteen to fifty per cent above the average, pay is deducted out of wages for the part-time work which is all the miners can get. I have seen stacks of pay slips showing no balance at all in cash for the worker at the end of two weeks and sometimes even a deeper indebtedness to the company. For these miners there is added to the semi-starvation

which they share with the unemployed or irregularly employed, a serfdom unmatched in America save possibly in some textile villages. No wonder there are strikes which will grow grimmer and more violent.

Yet deep as may be the crimes and blunders of the operators the trouble essentially is with a sick industry which must adjust itself to the advance in machinery, to the use of oil, and to increasing electrification, without plan, without the stabilizing influence of a strong union, under a system of chaotic competition.

Let us add, to complete the picture, that the railroads, having reduced the number of their employees to the limit of safety, sought a fifteen per cent increase in freight rates on goods which at present prices scarcely can find buyers. They did not get this increase but got from the Interstate Commerce Commission some rate increases to form a pool to be shared in communistic fashion by the roads.

The approach to these diverse yet interrelated miseries is haphazard. There is no general plan. No one in authority discusses a way to bring order and health to the coal industry. That would mean socialization of coal as a condition, and the very word is anathema to all except those operators who want to palm off on the public their unprofitable properties at high prices. Only here and there do a few bold voices, echoing Commissioner Eastman, point to the plight of the railroads as showing the need of a unified social control going beyond regulation and rate tinkering.

The farmers, to be sure, have the Farm Board to relieve them either of their poverty or their farms—they are not sure which—but suspect the latter, and rend the heavens with their well-grounded complaints. Yet neither they nor their political friends have as yet proposed a plan to meet this emergency which will not commit us to subsidizing uneconomic production, or to dumping wheat and cotton abroad at grave danger to world trade and world peace, or simply destroying part of these crops. Now, however, the farmers are beginning to say, with justice, that if it is to the interest of the world to wipe out, scale down, or, at any rate, postpone the payment of German government debts, a somewhat similar moratorium might be arranged on farm rents and mortgages or, still better, they might be readjusted in the light of the increased purchasing power of the dollar.

The best plan of all would be to restore the price level of 1927. The price level is affected by international forces and could best be raised by international action, but I think action by the Federal Reserve Board, loans for unemployment relief and other measures of carefully guarded inflation here in America, are definitely in order and alone promise help to the farmers. Certainly any plan which would intelligently lighten the burden of debt on agriculture and industry is preferable to any scheme of debentures which would only work by encouraging dumping; that is, the sale of American grain cheaper abroad than at home.

Europe, if she had a shortage of wheat might welcome such an arrangement, but in the intense competition for wheat markets since the recovery not only of Russia but of other wheat areas such dumping would seriously affect good relations between nations. Witness our own excitement about Russian dumping!*

But more important even than help for branches of agriculture, going through a difficult period of readjustment owing to the combination of mechanical improvement and a declining rate of increase in population, is help for the unemployed. Already public funds are estimated to bear about 70 per cent of the cost of organized relief. Some cities—by no means all—have come dangerously near the line of increasing their tax rates to a point which threatens small house owners with foreclosure. Since our cities can only raise funds by an unscientific tax on real estate which does not discriminate between land and improvements, the city is about the worst taxing agency on which to depend for emergency relief. The federal government is the best, first, because it has power (which many states and all cities lack) to tax incomes and inheritances, and do it equitably for the whole country; and second, because the depression is nationwide and should be dealt with on that basis.

*The months since these paragraphs were written have seen a growth of sentiment among farmers for government agencies to purchase and market at a fixed price commodities necessary for domestic use. The plan has difficulties, but also possibilities under proper administration. Like most plans for the help of one group it will work hardship to others unless it is part of a plan for general socialization of production and marketing. Unless it is accompanied or rapidly followed by proper taxation of land values it will start new land booms and pour most of its benefits in the laps of the land owners.

In the unnecessary war against Germany, from the disastrous consequences of which we still suffer, the nation raised some \$21,500,000,000 in "liberty" loans. This went to the work of destruction. No banker or economist offered objection. Yet the propertied classes are desperately afraid of a \$5,000,000,000 hunger loan—such as the Socialists proposed long before William Randolph Hearst! This loan should be repaid out of income and inheritance taxes (or if necessary out of a capital levy) and the proceeds of it be used for a larger program of public works. First place in such a program I should give to a frontal attack on the "sub-standard" housing in which one-third of our people live. Most of the great loan should be reloaned to public housing authorities, federal or municipal, to provide low price housing at cost. Public credit would be behind these loans, but most if not all of them could be repaid under a proper plan. Another part of the loan might well be spent on such a productive enterprise as the electrification of rural areas under a public authority. In every possible way the loan should be so administered as to fit into a program of socialization. If it is only regarded as oxygen for a dying capitalism it will merely postpone the day of reckoning. It can be used to remove the worst of our menacing slums, to provide work and to stimulate enterprise.

No serious argument has been advanced against this plan. It would not cause unwholesome inflation. If it helped restore the price level of 1925-1927 that would