

Is the 'New Deal' Socialism? A Socialist Leader Answers

[TRANSCRIPTION; EXCERPTS]

Norman Thomas Says No - That What Roosevelt Has Done Is To Lay the Foundations for a Structure of State Capitalism

From many sources comes the question whether the nation is moving toward socialism. Here is an answer formulated by the Socialist candidate for the Presidency in the last campaign.

By Norman Thomas.

The passage of the administration's bill for the control of industry is the capstone of a legislative performance which in three months has worked out, to a chorus of almost universal approval (except for economies affecting veterans), a genuine revolution on Americans economic and political life. It is with the nature, the significance and the degree of adequacy of that revolution that this article is concerned.

[W]hat Mr. Roosevelt has done has been to lay the foundations for an immense structure of State capitalism. He has carried the control of government over business to extraordinary lengths. He has shown an enlightened concern to correct some of the most notorious abuses of the old capitalism. He has recognized that the United States has to exist in some sort of world order, and newspaper headlines rather prematurely have shouted the fact that he has ended American isolation. Nevertheless, in all this has not ended, but has rather strengthened, the basic principle of capitalism, which is not and has not been for a long time economic individualism, but the right to private ownership of productive goods and their operation for private profit.

Pointed Questions.

The questions that concern us are such as these: How far can Mr. Roosevelt's State capitalism go in bringing genuine prosperity? To what extent may we expect to have the economics of fascism without its politics? How long can the President hold the rather incongruous elements now supporting his program in effective unity behind him?

Before we consider these questions, let me review the facts which justify my insistence that Mr. Roosevelt's revolutionary achievement is emphatically in the direction of State capitalism and not socialism. An enlightened State capitalism coming to power in times like these for its own sake may have to clean up the worst abuses of the chaos which it founds and give some degree of consideration to labor such as socialism would use under such circumstances. The difference lies in the all-important field of purpose.

Socialism would capture the power of the political State and use it to end the predatory society and establish the cooperative commonwealth. State capitalism would use the power of the political State to bring order out of our present chaos to stabilize it. It is the latter which is obviously the purpose of the acts which an obedient Congress has passed.

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Nothing in the slow development of the banking program modifies what I have previously written concerning the capitalistic nature of a program which saved the banks only to return them to private owners. ... I see no reason to modify my earlier prediction that sooner or later once more [the big bankers, like Mitchell, Mellon, and Morgan] will own the temple. Even the laws avowedly for the relief of farmers and home owners from the weight of their mortgages seem more likely to help the money lenders out of a very tight box.

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The Farm Bill was finally passed too late to be of much effect this Spring, and its most important provisions are necessarily suspended, because of their adverse effect on the tariff truce which the President promised as a preliminary to the London Economic Conference. ... I am certain that if [the Farm Bill] works at all to help the farmers it will be at the price of artificially stabilizing a chaotic capitalist agriculture. Indeed, there is nothing more utterly damning in our whole capitalist system than that in a starving world and a hungry America the government can think of but one way to help the farmers, and that the way of subsidizing an artificial scarcity.

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[T]he President has ... bargained with industry for a semi-dictatorial control of it which Mussolini might honestly applaud. Industry's own bitter necessity and the great boon of the mitigation of the anti-trust law seemingly make this act acceptable to the most conservative industrialists. ... By their greed and incapacity oil and coal owners have lost their right, if they ever had it, to the privilege and profit in that which they did not make and cannot administer save under some drastic scheme of regulation. All the logic of the act points to regulation of industry by the more powerful, under supervision of a government which they basically will control. ...

President Roosevelt and his advisers, seeing the need of spending power, are trying to provide it by a \$3,000,000,000 program of public works. The amount is only about half of what would be necessary to raise the constructions level to the level of the boom years and it does not begin to provide for a genuine war on the shocking housing of America. ... In short, the whole public works program is an example of that timidity of capitalism which cannot bear to do the bold thing which might save it for a while longer. That same timidity will be even more in evidence when it comes to trying to save the coals or the oil industry....

In short, we shall not long have the economics of fascism without a considerable dose of its politics. ... It is immensely to my present point that both Congress and the country, which have easily made the President a temporary dictator over agriculture and industry, will almost certainly not give him the minor power to forgive the debts of our former allies and will put up a great fight against granting him further power to lower tariffs. To get power to raise them may be easier!

In truth, the factors making for an American fascism have if anything increased ... We have our vehement nationalism, our violent racial prejudices, our unthinking contempt for the ideals and institutions of democracy, our organized minorities willing to try any kind of pressure politics, and of late our disposition utterly to betray democracy by economizing on the education of the masses, partly on the openly expressed grounds that they are incapable of the choice of policies and leaders under which they are to be governed.

***Bio: Norman Mattoon Thomas** was an American Presbyterian minister who achieved fame as a pacifist and six-time presidential candidate for the Socialist Party of America. He was born on November 20, 1884 in Marion, Ohio; he graduated magna cum laude from Princeton University in 1905 and then from Union Theological Seminary. Thomas was ordained as a Presbyterian minister in 1911; he preached against American participation in the First World War, which brought him some notoriety. Thomas resigned his pastorate, then formally left the ministry in 1931. He was a member of the Socialist Party of America (SPA). Thomas was the secretary (then an unpaid position) of the pacifist Fellowship of Reconciliation before the war; when the organization started a magazine called "The World Tomorrow" in January 1918, Thomas was employed as its paid editor. In 1921 Thomas moved to secular journalism when he was employed as associate editor of "The Nation" magazine. In 1922 Thomas became co-director of the League for Industrial Democracy; later, he was one of the founders of the National Civil Liberties Bureau, the precursor of the American Civil Liberties Union. Thomas ran for office five times in quick succession on the Socialist ticket. He wrote several books, among them a defense of World War I conscientious objectors "Is Conscience a Crime?" and his statement of the 1960s social democratic consensus "Socialism Re-examined," Norman Thomas died December 19, 1968 in Cold Spring Harbor, New York. [Bio source: TrCollege Libraries, Archives and Manuscripts]

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