



BY THE
Unofficial Observer



WALLACE

ROPER



JOHNSON



SMITH



SHIRLEY



JONES

S. F. D. R.



HULL

SWANSON



MORGENTHAU



HOWE



HOPKINS



FRANKFURTER



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PERKINS



MOLEY



SWOPE

DOUGLAS



F. D. R.



CKERSHAM



ICKES



CUMMINGS



BARUCH



WARREN



WOODIN



RICHBERG

THE NEW DEALERS

The
NEW DEALERS

by
Unofficial Observer

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AN APOLOGY

AFTER twelve years of rule by political taxi-dancers and financial muscle-men, this country took the desperate step of electing in 1932 a President who did not believe that statesmanship consisted of crossing his fingers or double-crossing the voters.

As a result of the New Deal, Washington finds itself a world center for the first time since the World War and the capital of the United States for the first time since "the Illinois gorilla" stopped splitting rails and began to split the Union. New men, new measures and new necessities have crowded the back-slappers and stand-patters off the stage and are giving the public a political fan-dance of mammoth proportions.

This book attempts to tell who's who and why in this last round-up of American Democracy. Apologies are in order to the corps of writers who have been nobly trying to dance to the Rooseveltian tunes. Men like Mark Sullivan, Frank Simonds, Frank Kent, Ernest Lindley, William Hard, Jay Franklin, Paul Mallon, Ludwell Denny, Walter Lippmann and the journalistic homicide-squad who ride the Merry-Go-Round like a patrol wagon have been telling us all about the New Deal for many, many months.

Yet they have all failed or been too busy—to tell us about the New Dealers. I think it's about time somebody looked behind the measures for the men who make them. And I think that the people want to know the facts about these men—not to hear them praised or slammed, according to the

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technique of partisan skullduggery or the brain-storm of the moment.

We are having a revolution and the revolutionary process will take from ten to twenty years. Nobody knows what it will lead to and nobody seems to care, which is perhaps a good thing. For revolutions have a habit of behaving pretty much as they please and of reaching their final goal against the announced will of all concerned. Revolutions, in fact, seem to be the product, not of plans, but of glands, and so follow the lines of personality rather than policy.

So I have tried to set down, as fairly as I can, the chief facts about fifty-odd important personalities in the New Deal: how they got into it, how they got that way in the first place, what they have done about it, how they get along with each other, and what they're like as human beings. In other words, I have tried to give the low-down on the up-and-ups in this wild political free-for-all at Washington.

For this reason, I have departed from a custom of many years standing and have concealed my identity from the public. This is because these men are, in the mass, my friends and associates. I believe in what they are trying to do. I am in frequent contact with them, argue their policies with them, assist them in their work when I can, and warn them of possible dangers both to their policies and to the country. Yet in a world ruled by ingrained endocrinology it is impossible to write candidly of even your best friend without losing him, and I have no desire to lose the friendship or cooperation of the New Dealers.

Several years ago, G. K. Chesterton neatly paraphrased this aspect of modern politics by his contrast between the "gagged press" in the 18th Century and the "free press" of the 20th Century. In the 18th Century, he observed, the gagged journalist was allowed to write: "The Pr*nc* *f

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W*I*s is a profligate and a liar”, whereas in our present liberal era the free journalist can boldly announce that “The Prince of Wales is a model family man”.

As a practical politician, I have been guided accordingly, for we have not yet reached the point in this revolution where it is fair to pull punches or safe to exhibit intellectual independence in public life. Every man—even the New Dealers—will tend to confuse criticism with hostility and praise with party loyalty. While I have not taken to the keyhole of a political Winchell, to the muckrake or the bludgeon, I have not, in this book at least, hesitated to stick pins into toy balloons or to set off fire-crackers under political tin cans. Hence I elect to follow the course of safety and not expose myself to the activities of the volunteer political lynching-parties which always operate in the first two years of a new Administration to punish anything less than 100% endorsement of the new guy and all his works.

However, I have the great comfort of knowing that, whatever I say about the New Dealers and whatever they feel about me for saying it, their revolution will succeed both because of and in spite of the men and measures which began it. If I felt otherwise, I should remain silent. As it is, I simply await the moment when the revolution will get ahead of the current revolutionaries and either leave them behind as embarrassed conservatives or rush them headlong into real radicalism. When that time comes, I shall be on top, if I have guessed right. For revolutions are above all a matter of guess-work. This book, in part, is my guess.

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THE NEW DEALERS

I

CHIEF CROUPIER

I

FRANKLIN DELANO ROOSEVELT did not invent the New Deal; he does not own it; it is only by chance that he administers it; it would have come without him and it will go on even if he should cease to be its greatest advertisement.

His relation to the New Deal is not generally understood. He is its master-of-ceremonies, not the manager of the theater; its chief croupier, not the owner of the casino. He calls the numbers, guides the play and apportions the winnings and the losses. He is not responsible for the run of the luck or for the rules of the game. He is the agent rather than the director of events, the executor rather than the author of destiny.

So heretical will be this view of the New Deal to most people that probably only one man in America would agree unreservedly with these statements. That man is Franklin D. Roosevelt.

For the New Deal is no cunningly contrived brain-storm cooked up in the great Roosevelt study at Krum Elbow. Its measures are the result of neither spontaneous combustion nor immaculate conception. Its roots, like those of Roosevelt, go back rather far into our unwritten history.

The New Deal was necessary. When the American frontier disappeared in the 1890's, it was conceived. The growth of industrial power, of mass production, the fall of the birth-

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rate and the end of mass-immigration were signs that it was coming. Theodore Roosevelt, who knew little or nothing of economics, sensed it; Woodrow Wilson, who knew little or nothing of finance, strove to anticipate it; the World War attempted to postpone it; Harding and Coolidge tried to destroy it, and Hoover to ignore it. But it came and when Wall Street crashed permanently in October 1929, the New Deal was born.

It was caused by one very simple fact: that we can produce more than enough for everybody in this country. This is something new in human history and is a force as explosive as the gunpowder and the printing-presses which wrecked Mediæval Europe. The Roosevelt election of 1932 was simply one of a series of psychological explosions involved in adjusting our civilization to the fact of permanent plenty.

The ideas on which Roosevelt rode into office were not new. They were the ideas of Henry George and the tax-reformers of the 1880's, the ideas of Edward Bellamy and his inspired dream of a mechanical Utopia, the ideas of the Populists and Free Silver crusaders of the 1890's, who protested against pauperized farmers in the midst of abundant harvests. They were the ideas of Samuel Gompers and the organization of labor as something more than one of the raw materials of industry, the ideas of Phillips Brooks and the cult of Christian chivalry. In fact, the New Deal consisted largely of the ideas which encouraged our forefathers to survive the crude hurly-burly of the 1880's and '90's and which sent generations of idealistic young men to Yale, Harvard and Princeton to prepare themselves to serve as the moral aristocracy of the then distant future.

The methods by which Roosevelt applied the ideas of the New Deal were also old stuff. They were the methods of Grover Cleveland and the Civil Service reformers, the meth-

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ods of Theodore Roosevelt and "the Square Deal", the methods of Woodrow Wilson and "the New Freedom". Above all, they were the methods of the World War, with its truce on partisan politics, its enlistment of non-political experts in responsibility for national reconstruction, its spawning of emergency inter-Departmental Committees, Boards and Administrations, and its wholesale use of publicity and propaganda to win and hold popular support for a prolonged national effort.

In addition to these, Roosevelt had the benefit of several other great national experiments as useful points of reference for the American New Deal. He had before him the spectacle of the Soviet Union with its recent dramatization of economic reorganization through the Five-Year Plan. He had before him the example of Fascist Italy with its regimentation of business, labor and banking in the "Corporate State". He had before him the instances of Kemal, Mussolini and Hitler in restoring national pride and self-confidence to beaten or dispirited peoples. He had, moreover, the highly suggestive example of England's abandonment of the gold standard and her resort to a managed currency, as well as the demonstration by Japan that even an economically weak nation can afford to go it alone in the face of solemn international disapproval.

He invented nothing in the New Deal.

This is his greatest achievement. He combined these familiar elements so calmly and with so friendly a smile, that even after a year of the New Deal there are still people who do not realize that a revolution has taken place. You do not demand of an inventor that he shall ignore the wheel, the pivot and the lever and all the other achievements of his predecessors. His art is the combination of the familiar in such a manner as to produce the new.

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Roosevelt's art is that he has combined familiar ideas with familiar methods in such a way as to produce something so unfamiliar that we have no word for it. It is creative statesmanship—to produce a revolution of minds without a conflict of bodies, to usher in a new era without bloodshed, disorder or despair.

The New Deal would have come anyhow but it could not have come so peacefully in any other way. Had Hoover been reelected in 1932, we would have had chaos, revolution or a popular despair so profound that war would have been the only possible stimulant. If Roosevelt fails of reelection in 1936 or if Zangara's bullet had not missed, the country would resist any Old Deal attempt to ignore its sufferings. Whatever happens, the New Deal will go on—as either a peaceful revolution or a bloody one—for ten, twenty or fifty more years, until it has achieved its purpose. It may be halted again for half a generation, as it was halted by the World War. It may move so rapidly as to astound all save those who have studied the acceleration of our physical machinery and technical invention. Slow or fast, the New Deal is moving to establish a better distribution of American abundance, and Roosevelt is simply a symptom of that process and not its cause.

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In Roosevelt, however, the New Deal has found its best advertisement. He is its Barron Collier and its Ivy Lee. His personality fits it as a hand fits a glove. At the moment, he is the New Deal, by one of those psychological coincidences which are rare in history but which, when they occur, give us an Augustus or an Andrew Jackson.

Let's look at the record!

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Roosevelt is essentially the product of four very important factors: a good family, a good digestion, a good education and a bad illness. In addition, he was born at the right time and in the right place for all of these factors to work together to the greatest advantage.

He was born in Hyde Park, N. Y., on January 30, 1882. Eighteen months later the volcano Krakatoa blew up in Java. There was no connection between the two events but there should have been, for the ashes of the dead mountain colored the sunsets of the entire globe for months thereafter, and the ashes of a dead civilization were to color the sunrise of a new era within his life-time. The civilization which produced him is to-day as dead as Ninevah and Tyre and can scarcely come again within our time.

He was the only son of wealthy and respected parents of the old New York Dutch "aristocracy": James Roosevelt and Sara Delano. It was a good family and the comparatively novel device of stock ownership and bonded investment enabled it to live in style on estates which could not support them without this industrial subsidy from distant mines and railroads. Behind the family lay a few generations of inherited wealth and solid middle-class culture, with a tradition of adventure and profit, in railroads, in clipper ships and in land. Tenacity and success, self-respect and self-confidence: this was a fortunate tradition to inherit. More fortunate still was the fact that before young Franklin was fairly out of his pinafores, his fourth cousin had joined the Cleveland Administration in the first effort to reform the Federal Civil Service. This fact was later to make the family name of Roosevelt the best trade-mark in American politics, as the great T.R. shot up from the ranks and attained the Presidency of the United States. Yes, Franklin Roosevelt was born of the right family.

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This is particularly true when his digestion is considered. Historians rarely pay attention to this neglected fundamental in politics. There is a tendency to assume that a few generations of inherited wealth constitute an aristocrat. Fortunately for F.D.R., this is not so, for he is something much more durable. His ancestry, in early colonial days, goes back to a man to whom he and T.R. referred as "a very common ancestor". He comes, in fact, of the Dutch peasant stock and, through his mother, of the Flemish peasant stock, cross-bred on both sides with the English yeoman stock which is conspicuous for its strength, health and endurance. Strong muscles, strong teeth, strong digestions and strong heads have been bred into the Dutch and Flemings for centuries. Roosevelt has inherited from them a physique and a metabolic equipment which is worth far more than the in-bred delicacy of the true aristocracy.

A good digestion is like Caesar's wife—*honi soit qui mal y pense*. It is above rubies. As a preparation for public life, with its irregular hours, its heavy banquets, its nervous strains, it is priceless. Those who have seen Roosevelt at the dinner-table and have caught the spirit of Low Country gusto with which he addresses himself to his victuals can understand the enormous energy, enthusiasm and zest for life which characterizes him. They can understand, too, his good humor, equanimity and boundless self-confidence, for the man who can enjoy all things in life is the man whom people trust and admire. The starveling saints may win shrines from posterity, but the full-blooded, hearty man is the hero of his own times. Not that Roosevelt is a sensualist but simply he has a healthy trend away from the ascetic, tempered by a self-discipline which is both natural and strong. A dyspeptic Roosevelt would be a contradiction in terms. His physique is the gift of his ancestors.

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His education was calculated to make the most of this physique. This is a fact which baffles democracy. If you take any healthy animal and provide it with superior training and environment, you get superior results. The advantages of wealth and breeding are real advantages, in that they make possible the production of a superior human animal. The mob may sneer and snort; the mob may rush into the schools and colleges, as though the spirit of true superiority could be caught from books; the mob may level down and destroy, but the mob cannot produce superior types, save by accident, for superiority is a matter of mind, body and spirit, and expresses itself in a culture which is greater than any isolated expression of strength or intelligence. The result, for want of a better term, has been called a gentleman. Roosevelt was not an aristocrat, but he was a gentleman, and gentlemen must be made as well as born.

He learned to shoot and ride, to interest himself in birds and boats, to swim and sail in the chill treacherous waters of the Maine coast. He tramped and travelled in Europe with a tutor and shared in the informal social intercourse of his father's country home—in itself an education which no books or tutors could impart. No one who has ever experienced that vital, cultivated country life of 19th Century America—that rural America which descended from the corn-huskings and spelling-bees of Currier & Ives to the buggy-rides and house-parties of the early 1900's—can forget that strange joy and magic in social and intellectual contacts, that security, ease and effortless culture which gave its predominant charm to our pre-citified era.

Formal education could only flow along the parallel channels to this country life: the Church school and the private college which were the birthright of a Roosevelt of Hyde Park. In 1896, he entered Groton, that school which shares,

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with St. Paul's and St. Mark's, a reputation for fine New England education. For the Episcopal Church school of the day was itself a very important institution—it was a deliberate attempt to create in America that cult of Christian chivalry which Eton and Harrow had spread throughout Victorian England. The Church School has survived and multiplied and young Roosevelts to-day are at Groton, but its original impact and mission have been lost in the great welter of popular education.

From Groton, he went to Harvard in the fall of 1900, at the age of eighteen. In those days, Harvard, Yale and Princeton were still the great institutions of learning for an American gentleman. A college education was still a privilege for the wealthy and not, as it later became, a passport into the bond business and other avenues to the achievement of wealth. To enter Harvard was something real and to be a Harvard graduate was the highest academic distinction for a well-bred American. Yale and Princeton were already infected with the bustle of American life, clamorous, rowdy and rah-rah, but Harvard preserved something of the spirit of Oxford and Cambridge and, under the guidance of Charles W. Eliot, was America's only really liberal institution of the higher learning.

The spirit of Phillips Brooks and Bishop Lawrence had deeply colored the inner life of Cambridge with the chivalrous tradition of a gay and eager sacrifice of self in any cause which appeared to its advocate to be really great. Such teachers as William James, Josiah Royce, A. Lawrence Lowell, Albert Bushnell Hart, Charles Eliot Norton, Dean Shaler and Dean Briggs were lecturing in philosophy, history and government, and it was in history and government that young Roosevelt specialized. But above all it was the spirit of Phillips Brooks and of William James, with his

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dramatic theory that humanity might discover "the moral equivalent of war" and use it to remodel social institutions, that colored Roosevelt's philosophy.

He completed his undergraduate course in three years, but returned for a fourth, to edit "The Crimson", before going on to law school. On second thoughts, after graduation, he passed over Harvard Law School and elected to study for his bar examinations at Columbia, in order to be free to marry his cousin, Anna Eleanor Roosevelt, the President's niece. In 1907, he was admitted to the bar of the State of New York. He had completed the formal education of a Christian gentleman and was ready to make or administer a fortune.

Instead, he resumed his informal education. As the husband of a charming and intelligent woman and the father of a large and lively family, he had, of course, never really laid it aside. However, the education of family life is not unique. Rarer is the education of American politics. In 1910 he entered State politics on the Democratic side, and has been in politics ever since. Politics afford a liberal education to the politician, and in Roosevelt's case, politics gave him a position of formal responsibility for our naval defense before and during the World War. This War gave to its survivors the most expensive but most complete education in political economy in modern times. As Assistant Secretary of the Navy under Wilson, Roosevelt had a ring-side seat at the most instructive spectacle in history. World War experience, psychology, and methods are bound up with every phase of the New Deal as he is applying it.

His final education was a serious illness—infantile paralysis—which attacked him in August 1921 and as a result of which he has never fully recovered the use of his legs. He was badly crippled for seven years and must still walk

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slowly and with braces. No man who has suffered such an illness and has thrown it off can fail to emerge from the ordeal stronger in every way. His physique was already robust; it is now as massive as a mat-man's. Forced by necessity to learn infinite patience, infinite hope and infinite courage, he has behind him an experience which is beyond price. It has left him literally afraid of nothing. It has left him with a physical and mental energy which is phenomenal. It has taught him to know himself and to study people. It has lifted him from the sphere of physical to moral action and has preserved intact all of his inborn energy. It has canalized his life in the sphere of statesmanship. It is the secret both of his good humor and his calm.

So marked was its effect that when the Presidential campaign of 1932 began, the public began to wonder whether not Roosevelt but Hoover was the real victim of paralysis, and the events of Roosevelt's first year in the White House confirmed the amazement of a nation which was used to physical energy but sadly ignorant of the very existence of moral energy.

For, above all, Roosevelt had been born at the right time and place for all of these gifts of the gods to work to the greatest effect. The best family in the world would not have helped him if he had been born in the West, the South, or even over the line in Connecticut. If he had been born twenty years earlier or later, he would have missed his opportunity. The best physique in the world would have lacked political importance if he had not come from a traditionally Democratic wealthy New York family in the 1880's. The world is full of well-educated men who have accomplished little in the world of politics and the legion of our paralytics is a melancholy monument to our primitive intolerance of deformity. Roosevelt was compelled to use two-thirds of his

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private fortune to establish at Warm Springs, Georgia, an adequate center for the rehabilitation of victims of infantile paralysis, in the midst of efficient, 20th Century America.

The place was scarcely less important than the time of his birth. New York is not only the most populous State in the Union, it is its financial and business center, and it was a political asset of the first importance to be born in New York at a time when the old custom of placating the West by nominating a Presidential stooge from Ohio was playing itself out. Cleveland was a New York man, as was Theodore Roosevelt, and Woodrow Wilson came from New York's suburban satellite of New Jersey. Coolidge came from Western Massachusetts and Al Smith was from the East Side. To be a native son of New York was good Presidential politics. If Roosevelt had come from Maine, Nebraska or Tennessee, he would never have made the grade.

The time of his birth was decisive. To be born in 1882 was to be born on the eve of the great moral upheaval which fifty years later was ratified as the New Deal. It was to be born at the time when Marx and Darwin between them had challenged, without convincing answer, the moral foundations of civilized society and at a time when the Dynamo was supplanting the Virgin as the true shrine of man's daily devotions. It was to be born in the van of that magnificent surge of idealism which rose from the strikes and frauds and lootings of the post-Civil War era, and which carried our fathers on in hope past the turn of the century. The '80's heard the "view halloo" of the greatest hunt in the experience of the gentry who rode to hounds at Hyde Park. They were hunting the fox and probably mistook the noise for the whistle of the New York Central trains rolling north from Poughkeepsie, but the real quest of the age was for the permanent prosperity of the people in the world's richest Con-

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continent, and Franklin Roosevelt was to be the master of the hounds.

The half-hearted gestures of political reform under Grover Cleveland were but the breath before the storm. The first wave crashed in the '90's when Bryan, under the banner of "Free Silver", fought for the right of the common people to a share in the abundance which all could see. The wave of idealism was diverted by the clever argument that it was our moral duty to free the Cubans from Spain. The next wave broke with Theodore Roosevelt and Woodrow Wilson, and was diverted by the clever argument that it was our moral duty to make the world safe for Democracy. Even the World War could not check or destroy the fact of permanent plenty. European monarchies which had stood for centuries crashed in the dust and the staggering fact of political and economic communism in Russia challenged the beneficiaries of the old order to put up or shut up. There was a lull, during which our business and banking leaders played hot-hands for the savings of our people, then the game was up. The Stock Market crashed and with it died the old dream that any American might become a millionaire. That dream was the only wraith which stood between us and the New Deal.

The third wave broke in thunder on the ruins of an outworn economic organization and for the first time it washed over the legal dykes which had stood between the people and the prosperity which their efforts had created. This was the wave which carried Franklin Delano Roosevelt into the White House. He was part of it; it had forged his career into a weapon for the winning of economic liberty. He was the first practical expression of the physical and moral forces which had been working beneath the smug surfaces of American politics for fifty fateful years.

Politicians who begrudge him his phenomenal success have called Roosevelt an opportunist and a schemer. So are all politicians, but Roosevelt does not owe his career to his splendid talents as a wirepuller and his uncanny instinct for timing. The explanation is much simpler: his likeability.

This, in turn, has led to a general popularity which has been the most baffling element in his long political career. Time and again he has been put on the spot, and time and again the embarrassing fact that he is tremendously popular has rescued him from defeat and oblivion. He is the only man in our history who has survived an unsuccessful campaign for the Vice-Presidency with greater influence than he possessed before.

Popularity is the sex-appeal of politics. If you have it, nothing can hold you down on the farm. The basis of the Roosevelt career is the illogical fact that a lot of people like him a lot. Why? God only knows, for popularity is something which defies analysis. Either you are or are not quickly and easily liked by your fellow-men.

Possibly, in his case, its roots go back to the fact that, in addition to being an exceptionally fine physical specimen of the human being, as well as a conspicuously successful family man (these are basic biological factors which lie at the heart of popular politics), he has deliberately espoused the popular side of our economic and social problems. One of the "haves," he has always sided with the "have-nots" and the fact that his college and business associates damn him as "a traitor to his class" simply reinforces the moral strength of his position as a man who is willing to sacrifice his own privileges for the general good.

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This adoption of the popular side in politics is probably a psychological accident. Until Theodore Roosevelt suffered the loss of his first wife, he lacked the moral energy which distinguished his later career. In Franklin Roosevelt's case it was probably the snapping of the silver cord which bound him to the life of a well-bred "gentleman farmer" that sent him into politics against the narrow interests of such gentlefolk as inhabited Hyde Park. His marriage, after his mother had sought to defer it, probably intensified his determination to raise a tempest against the tea-pots of gentility.

At any rate, he began his career in politics in 1910 by accepting the Democratic nomination for State Senator from the twenty-sixth district, which consisted of Dutchess, Columbia and Putnam Counties. It was a rock-ribbed Republican district, having elected no Democrat in any straight two-party contest since 1856. In other words, young Roosevelt was a push-over and the local Democratic bosses were only too glad to find somebody who would undertake the thankless job of being licked by the Republicans. Taft was in the White House and the bosses were not yet conscious of any great State or national issues which might come to the aid of such a hopeless candidacy. Roosevelt had only his name and an automobile—then considered a daring political innovation—to contest a district of dirt farmers who disliked automobiles and rich men on general principles. To the astonishment of all concerned, Roosevelt won by a margin of 1,140 votes; his fatal popularity had appeared.

He entered the New York Legislature on January 1, 1911, a Democrat, and proceeded to commit the perfectly idiotic and asinine blunder of breaking with the undisputed boss of the Democratic Party in the State of New York, Charles F. Murphy of Tammany Hall. The issue was the selection by the State Legislature of a Senator to replace

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Chauncey M. Depew at Washington. The Tammany crowd had selected "Blue-Eyed Billy" Sheehan, a stand-pat politician and utilities director from Buffalo, one of those "safe men" whom Wall Street tosses into our public life like monkey-wrenches in machinery. The Democrats controlled the Legislature and Tammany controlled the Democrats, with the aid of able men like Big Tim Sullivan, Alfred E. Smith, Robert F. Wagner and James A. Foley. The Sheehan election was a foregone conclusion.

Roosevelt simply decided that Sheehan was not the right man to represent the State at Washington—in those days Senators were not elected by popular vote, a fact which added enormously to the dignity and stupidity of the upper house—and proceeded to deadlock the Legislature by the simple device of tying up enough votes to prevent a majority for Sheehan. After three months, he won his point and secured the withdrawal of Sheehan and the election of O'Gorman on the sixty-fourth ballot.

This fantastic achievement aligned Roosevelt with the progressives who were working for the nomination of Woodrow Wilson in 1912, against the will of the party bosses. Wilson's rival and the "safe man" of the "Wall Street Democrats" was Champ Clark of Missouri, the Garner of his day. In the successful battle at Baltimore which made Wilson the choice of the Democratic Party, Roosevelt played an active but unimportant part. He was reasonably sure of some reward. In the Bull Moose election which followed, Roosevelt, though prostrated with typhoid fever, was reelected State Senator by a plurality of seventeen hundred votes, running far ahead of the State and national ticket. His popularity was apparently a permanent fact, and he was "available" for national politics.

When the Democrats came back to power in 1912, they

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were pretty hairy behind the ears and pretty wild above the Adam's-apple. They needed a social "front" very badly and Roosevelt fitted the specifications of a political show-girl. He was wealthy, handsome, well-bred, cultured and attractive; a Harvard man and, above all, a Roosevelt. He was appropriately offered the post of Assistant Secretary of the Navy, a post which he filled very acceptably for eight years, showing independent originality of thought and willingness to accept innovations. He did his job well, the Navy was prepared when war came and, under Roosevelt's prodding, adopted the 110-foot submarine chasers and laid down the gigantic North Sea mine barrage against the German submarines, when orthodox naval opinion had said that both were impractical. He was intrusted with a mission to persuade the Italian Government to undertake a naval offensive in the Adriatic. He failed completely and charmingly to overcome Italian reluctance to end the unwritten understanding between the Italian and Austro-Hungarian fleets to do nothing in particular throughout the war. He looked in at that tragic scramble at Paris for the world's loose real estate and negotiable assets, and then returned home to face military demobilization and political collapse.

The downfall of the Wilson Administration was the Waterloo of the second wave of American idealism in politics. The Wall Street Democrats, who had slowly wriggled back into control, dictated the nomination of a "safe man," Cox of Ohio, and allowed Roosevelt to take the short end of the ticket as a sop to the Wilson men. Everyone knew that the election would be a Republican landslide. It was. Cox was hopelessly defeated by the Republican "safe man" and Roosevelt went down to oblivion with the other political safe-crackers.

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A year later he was crippled by paralysis and his political career was over.

Then came the fight of 1924, when it looked as though Coolidge were slipping. McAdoo and Al Smith thought the nomination was worth fighting for and as a pleasant bit of sentimentality, Smith allowed Roosevelt, still walking on crutches, to place his name in nomination. On Roosevelt's part, this represented a definite commitment to the idea of Eastern liberal leadership for the Democratic Party. The net result was, of course, the deadlocked convention which finally selected in despair another "safe man," John W. Davis, a New York corporation lawyer. Davis was just another push-over for the Republicans and when Davis went down he stayed down.

Four more years of rule by "safe men" successfully incubated the forces which were going to blow up the next President. Coolidge sensibly did not choose to run in 1928 and Hoover was enthusiastically rushed onto the spot where the accident was about to occur. Once again Roosevelt, now able to walk without crutches, placed Al Smith in nomination. Al won it this time and was, of course, terribly beaten by the Great Engineer.

At the time, however, Al thought he was winning. He wanted to have a governor in Albany who would help hold the State safe for Tammany while it went solid for Smith. A quaint idea! The boys at headquarters had it all doped out. Roosevelt was a sick man, see? So he couldn't spend too much time in Albany, see? Had to stay down at Warm Springs, see? Bob Moses, Smith's Secretary of State at Albany, could run the State for Al & Co., while Roosevelt had the public responsibility. On October 1, 1928, Smith arrived at the State Democratic Convention at Syracuse, to find that nobody could agree on a candidate strong enough to beat

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Al Ottinger, the Republican candidate. Roosevelt was consulted on long-distance telephone, was dragooned into saying he would run if he was drafted, and was thus pitchforked into the Governorship of the State of New York at a time when he wanted to complete his cure.

The political wise guys were, as usual, dead wrong. Far from carrying the State, Smith lost it by 100,000 votes, while Roosevelt won by 25,000. The Roosevelt popularity could still work political miracles.

The rest was easy. At Albany, Roosevelt kicked out the Smith gang and installed one of his own. He broke the Tammany strangle-hold on the State and on the city of New York. He embarked on policies for farm relief, conservation, power development and social relief which made the State a miniature battle-ground for the ideas which were struggling under the Hoover national straight-jacket. He developed the radio technique and the system of press and personal contacts which were later to be employed at Washington, and always he worked to pick up delegates at the next Democratic National Convention.

He was reelected Governor in 1930, this time by the unprecedented plurality of 725,000 votes—Al Smith's best had been only 385,000—and his Presidential "availability" as the popular governor of the most populous State in the Union was confirmed.

He was nominated at Chicago after a bitter but futile struggle by Al Smith and the Wall Street Democrats to put Newton Baker, another "safe man," in the limelight.

He was elected to the Presidency of the United States, by unprecedented electoral and popular majorities, despite another bitter and futile struggle by the conservatives to ballyhoo Hoover into a semblance of popularity.

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Franklin Roosevelt entered the White House on March 4, 1933, as the best liked man in America. The miracle is that, after a year of none too successful administration, he is more popular than when he was elected.

He has "it."

4

His greatest contribution to the New Deal has been moral energy.

His experiments have not been good ground-gainers, but his broken-field running has been phenomenal. Some of his measures have been flat failures, and his judgment both of men and methods leaves much to the imagination.

Partisan tub-thumpers will deny this. They will say that Roosevelt is always right. They will point to the long series of new laws, to the bold experiments masquerading as conservatism, to the conservative measures dressed up as radical hussies, and all of the legislative pots and panaceas of the New Deal. Men do not win fame on the basis of legislation, alone, and the proof of the pudding may set the children's teeth on edge.

Roosevelt has accomplished three magnificent things, for which he deserves—and will doubtless receive—his due of hero-worship, long after his measures have been amended beyond recognition and the men of his choice slip back into the comfortable pygmy stature which is natural to most men.

He has given the people hope.

The country under Hoover was in utter despair, sunk in a moral apathy so profound that it was practically a coma. Unemployment was increasing, banks were failing, suffering and want were on every side and *nothing could be done about*

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anything. Crime, kidnapping, liquor lawlessness, moral disintegration coming on the heels of economic collapse, had made America a social shambles, in which the looter and the lawyer were kings. For nearly a generation the public had been taught that it was criminal folly to believe that political action offered any direct relief from economic distress. Our economists had taught that there was a tragic necessity for our economic breakdown and that it was impossible for human brains to invent a means to distribute the wealth which human bodies could produce. Technocracy had proposed one solution and had been promptly howled down by the conservatives. The underworld of politics was—and still is—crawling with ideas, but these ideas were insignificant in the face of the gigantic indifference of a press and public opinion which thought in terms of the ideas which had produced Hoover.

When Roosevelt came in, it was as though a door had been opened, or rather, it was as though a door had been open all the time but we had not noticed it. He proved that it *was* possible to try to do something about conditions. That was enough. We proceeded—and he helped us—to lay disrespectful hands on every single one of the idols of the past: the gold standard, the open shop, free competition, private banking and private profits. To know that there was no human institution which could not be altered or outlawed by political action was to give us hope. In effect, it gave us life, a collective life which had been paralysed by the doctrines and policies of the past. By putting himself and his office at the service of the public will, Roosevelt entered the ranks of the political prophets.

His second great achievement was to give us action. It is an axiom of military tactics that a mistaken action is safer

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than no action at all. Roosevelt has applied that principle to American politics.

In fact, it is extremely doubtful that any of his measures will be worth a damn in the long run. N.R.A. has led to a certain amount of reemployment, at the expense of those already employed and of the consumers. As a form of industrial mobilization it will probably make it possible for the government to act more rapidly in the future, if we are faced with a further breakdown, but it is no final solution of our industrial problems. The Agricultural Adjustment Administration has conspicuously failed to bring about that "parity" between farm prices and industrial prices which it promised to do. The Public Works Administration failed to make an appreciable dent in unemployment by the winter of 1933-34, with the result that 4,000,000 men had to receive employment through a brand-new Civil Works Administration which boldly offset the fact of a camouflaged dole by announcing the principle that it was the duty of government to give employment to all men who were willing and able to work. His banking and money policy has not yet penetrated to the heart of the problem involved in allowing private bankers to control the country's credit. In fact, about all that can be said in favor of the recovery measures—in themselves—is that they have given the Government a direct grip on every phase of our business life, which it did not have before.

But the recovery program, as a whole, is action as opposed to stagnation, and its moral effect has saved us from chaos or revolution.

And finally, Roosevelt has given us national and international self-respect. Twelve years of administration by "safe men" had frittered away the power and influence of

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this country to the vanishing point. Neither in Europe, Asia nor South America could we say that we were either liked, admired or respected. In a series of swift, practical moves, Roosevelt restored us to our natural position as one of the world's great powers.

At the London Conference, he declared, somewhat clumsily, but unmistakably, our economic and financial independence of the European Central Banking systems. At the Disarmament Conference, he detached us from a dangerous entanglement in European politics, embodied in the effort of the victors in the World War to gang up on Hitler's Germany. In Asia, he adopted the policy of silence where Stimson and Hoover had issued loud and self-righteous criticisms of Japanese expansion; he authorized the building up of our Navy to treaty strength where his predecessors had been content to express our naval power in "paper ships" which had lost even the merit of being a good bluff; and he recognized the Soviet Union where Hoover had tried to solve the Manchurian mess by wheedling the small powers at Geneva, while ignoring the only country which had a direct and legitimate interest in resisting Japanese aggression. In other words, Roosevelt restored the world balance of power, on a practical basis, stopping the drift towards war in Europe and checking the irresponsible surge of Japan in Asia and the Pacific. And at the same time, he cleaned up the shocking mess which our banking and intervention policies had made of our Latin American relations. For the first time in fifteen years, it is possible for Americans to take a natural pride in their country's foreign policies.

Whether all of his methods and measures are right or wrong in detail, does not matter. His contribution to the New Deal is hope, action and self-respect, the holy trinity of political progress.

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5

This achievement is the result of no trickery. He has not done it with mirrors. It is based on his personality. That is to say, his methods are entirely natural to him, they have no element of insincerity, and oppose no barrier of trickery between himself and the public.

On the surface he is friendly, flexible and accessible; underneath he is a man of remarkable resolution, who has learned that earnest purposes are most effective if they are clothed in a smile. He is fully aware that what he is doing is revolutionary, but he is determined to make this a laughing revolution, to dissolve opposition by disarming it, to restore to politics its essential meaning: a peaceful process of reconciling conflicting interests.

For this reason, every man who talks with Roosevelt comes away with the belief that he has convinced the President. Actually, all that has happened is that Roosevelt has explored the dimensions and character of the interest which that man represents and which the President must reconcile with other national interests. This is not weather-cock politics; it is honest brokerage.

Roosevelt is essentially a broker. He has neither the will nor the power to move against the political currents of the day. He does not and cannot invent his policies. Instead, he listens to everyone and reduces what he has heard to an action calculated to represent the public will. There is no man who enjoys his exclusive confidence. The usual attempt to "air-condition" the President, by surrounding him with an impermeable wall of men and ideas, has failed. The doors of the White House are wide open. The President does not engage in stodgy hand-shakings or baby-kissings, but the

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wildest radical in America can win a hearing for his ideas just as well as the most powerful banker.

The only condition is that whoever desires a hearing must adopt the political method. The old avenues of special pleadings, special influence and special consideration are blocked. Roosevelt wants public discussion, public criticism, public agitation. He likes people to start things, politically. Once they are started, he can weave them into the pattern of national politics. He has no use for a nation of yes-men and has been seriously handicapped by the pathetic "loyalty" of the press in refraining from real criticism and real opposition to the ideas and policies of the New Deal.

His circle of advisers is constantly shifting. At one time it was Professor Moley, at another Henry Morgenthau, Jr., who was supposed to have the inside track. The fact is that, as the basis of political action shifts, those men who are most concerned with the immediate problems of the day achieve a temporary prominence. Americans have discovered that the only way to win attention, out of their turn, is to make their existence an immediate problem for the White House. Roosevelt welcomes political action, agitation and discussion. A democracy can function in no other way. The only alternative to this psychological struggle is the bribery and assassination and dragooning of a State in the process of decomposition. Roosevelt does not believe that America is in a state of decay and does not propose to erect artificial barriers to the free play of political forces. He is running a brokerage office and not a bucket-shop.

He is a political croupier and not a political card-sharper. His personality is perfectly adapted to maintain this position of neutrality as between the contesting forces. He follows the play rather than any system.

Nothing could better illustrate this fact than his relations

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with the Wall Street men who tried to block his nomination, who branded him as a dangerous radical, and who regarded his election with horrified misgivings. Far from being outcasts, they enjoy exactly the same right to urge their views and policies as are enjoyed by the F.R.B.C. men. He regards them less as political enemies or as enemies of the people, than as representatives of an obsolete mentality and dying economic order. He treats them as simply one of the major political factors in the country—which they are—that must be brought into balance with the other forces in politics.

After the Chicago Convention, General Hugh Johnson, who had worked hard with Barney Baruch to stop Roosevelt, was asked what he thought of his nomination. Johnson replied by recalling a story of a county convention of Democrats in which the wrong man had been chosen. Driving home from the meeting, two politicians were comparing notes. Both had opposed the successful candidate. One said to the other, "Damn it all! we should never have let them put Blank over. He's a son-of-a-bitch!" The other man sighed and said nothing for a long time. Then he cheered up. "After all," he observed, "Blank isn't so bad. He's *our* son-of-a-bitch!" A year later, Johnson was one of Roosevelt's principal administrators, leading the fight for the N.R.A. against the embattled heavy industries which had wrecked the policies of Theodore Roosevelt and Woodrow Wilson.

Roosevelt's personality is the answer to this amazing somersault. With any other man, it would have been a miracle. It is not with F.D.R., for it is entirely natural to him. He has the instinct for power and the intuition to realize that political power is nothing but the focus of forces which are far greater than the man who handles them. His leadership is the art of not leading, but following the crowd. He has sense enough to trust the people. He likes them.

II

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I

WHEN Roosevelt assumed office the sorest point in our whole business system was the industrial set-up. For generations, we had been piling factory on factory, machine on machine. Trusts and monopolies had developed, spread, been loudly dissolved and then quietly reestablished. The Anti-Trust laws and the Federal Trade Commission had proved incapable of halting the process and had succeeded only in exposing the smaller industrial units to cut-throat opposition. The great bankers, through whom the necessary processes of industrial coordination had been effected, by means of holding companies and interlocking directorates, had been seduced by the hope of easy profits into a flagrant debauchery of both industry and the investing public. The result, when the crash came, was a monstrous system of frozen high prices, bloated "fixed charges," fantastic unemployment, and ruined investors. Child labor was multiplying, sweat-shops were the rule rather than the exception in many lines of work, and the organized labor movement had been crushed until in only four fields—printing, the theatre, rail transportation and the building trades—was there anything like complete unionization, with its many evils but also with its assurance of relatively high wages.

With the multiplication of capital and the advance of technique, only two means existed for distributing purchasing

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power: wages and dividends. Wages were mercilessly cut by the depression while dividends on watered capital merely returned the lion's share of purchasing power to the very capitalists who required it least if the market for their wares was to be stimulated.

Something had to be done at once, if the whole of our economy was not to collapse into complete paralysis. The answer was the establishment—not of a planned economy, as many had hoped—but of an industrial G.P.U., a Federal mobilization and policing of industry in the interest of continued operations, through the N.R.A. The National Industrial Recovery Act itself was the result of many conflicting parentages. American industry had long wanted the abolition of the Anti-Trust laws. Gerard Swope of the General Electric Company had already proposed the self-regulation of industry and the elimination of unfair trade practices through the powerful trade associations which had been built up under Coolidge and Hoover. Bob LaFollette of Wisconsin wanted a huge program of public works and a central planning council. The Federation of Labor wanted a "spread work" system, through shortened hours, and bills for that purpose had already been presented to the special session of Congress. Senator Wagner of New York wanted a permanent system established to deal with unemployment. These elements were rolled into one huge bill and passed in a lump in June, 1933.

The execution of the N.I.R.A. was entrusted to an extraordinary team of human beings, which included the professional "bad boy" of American life, General Hugh S. Johnson; that versatile, cultured attorney for the railway brotherhoods, Donald Randall Richberg of Chicago; a gang of business-minded administrators such as Whiteside, Simpson, and Muir; the god-parents of the measure—Senator

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Wagner and Gerard Swope; the union labor leaders, Lewis, Green and McGrady; industrial economists like Wolman; and those who wanted to protect the consumer against the unconscionable extortions and gouging which were traditional in any agreement between capital and labor: Fred Howe, Mary Rumsey and the newer sociologists who held that the key to the future lay in the direction of consumption rather than production.

The N.R.A. started with a bang, with rosy hopes and magnificent promises, but it soon became apparent that General Johnson's task was no joke. He had to assure the public that this would be the greatest show on earth at the same time that he endeavored to persuade the blood-stained coal industry, the anthropoidal steel trust and the neolithic automobile business to pose as Miss America in the grand tableau at the end of the first act.

This was a difficult job and Johnson did it well. The oldest recipe for rabbit pie begins, "First catch your rabbit." America was fairly crawling with "plans" for industry. You couldn't touch the Department of Economics in any American university without routing out a half dozen schemes for an automatic society. You could even find "plans" in the sacred precincts of Wall Street and the Chambers of Commerce. None of these plans specified how you should catch the rabbit. It was not an easy rabbit to catch.

The railways, the coal and oil men, the iron and steel industries, and their bankers formed a Hindenburg line which had wrecked previous offensives. They had forced Theodore Roosevelt to back down and take the round-about and ineffective route of Trust-busting. They had smashed Woodrow Wilson's efforts at control. They had for bloody generations ruled themselves, shooting down strikers, circumventing laws, buying Governors and State Legislatures, dictating to

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the Federal Government, secure in the knowledge that American life could not go on without steel, fuel and transportation, and that in any showdown Washington would have to "come to Poppa!"

It was a job which called for the services, not of a statesman nor of an economist, but of a lion-tamer and a breaker of wild horses. Later perhaps would come the time for real economic reorganization. The need of the moment was for a combined punitive expedition, hog-calling contest, and torch-light parade. The answer to that need was the combined riot squad, ballyhoo and crusade led by the N.R.A., under the totem of the Blue Eagle and the leadership of Hugh Samuel Johnson and his merry men.

2

Hugh Johnson has been a bad boy all his life, blustering, dictatorial and appealing. Born in Fort Scott, Kansas, fifty-three years ago, the son of an unsuccessful Illinois country lawyer, Johnson was brought up in Alva, Oklahoma, where his father became postmaster by the appointment of Grover Cleveland. At the age of sixteen, he ran away to go to the Spanish-American War but was recaptured by his father and sent to West Point. For four years, Johnson stood at the foot of his class in deportment—cause: chronic insubordination. He emerged in 1903 as a lieutenant of cavalry, and remained in the Army until 1919. His Army career was curiously uneventful. He served in the Philippines, where his only distinction was fracturing the jaw of a drunken private in a bar-room brawl. He accompanied Pershing's "punitive expedition" into Northern Mexico in 1916, as law officer. He drafted and applied the Draft Act when we went to war with Germany in 1917, and was slated to command a brigade

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in France when the Armistice broke out. His Draft Act work earned him a D.S.M. and was one of the miracles of our history—the first popularly accepted and smoothly-running piece of military conscription since the birth of the Republic.

After the war, he jumped out of the Army and into business, joining Peek in the “wrecking crew” which fought over the ruins of the Moline Plow Company and then, in 1929, joined the little group of economic sharpshooters headed by Bernard M. Baruch. With Baruch, he foresaw the crash a year before it hit Wall Street, and if he didn’t make a fortune at it, it was his own fault.

He was heart-and-soul in the “Stop Roosevelt!” movement before the Chicago Convention and, until Baruch made his peace with Roosevelt, was inclined to toy with Napoleonic ideas. Early in 1932, he quietly circulated in Wall Street circles an ironic program, entitled “Muscle-Inny,” for the establishment of an economic dictatorship and the deportation of Congress, and he exchanged ideas with Herbert Hoover’s backer, Mark L. Requa, for the summoning of a Constitutional Convention in order to recast the entire government to meet the needs of the crisis. Shortly thereafter, however, he put aside these childish things and jumped feet first into the Roosevelt campaign brain trust, where he made more than good by his demoniac energy and his mischievous intelligence.

For Johnson is both an elemental force and an artist, unless the two things are identical. Despite his feverish, relentless activity, and his phenomenal capacity for getting things done, he would rather coin a good phrase, make a crackling speech or dash off a magazine article. He is an extremely facile writer, with complete mastery of more than one style. One is the pithy, pictorial style with which the public asso-

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ciates him. The other is the more exact style which used to appear in many of Barney Baruch's speeches and which he contributed to some of Roosevelt's campaign utterances.

Baruch laid Johnson on Roosevelt's door-step much as a truant from school would lay a large red apple on the teacher's desk. It was shortly after Chicago, when Baruch had finally laid aside his dream of a third party headed by Al Smith. Johnson had been Baruch's research man, literary secretary, and general assistant for four years, and he entered the Roosevelt camp in the same capacity. Moley conscripted him into the Brain Trust and Johnson proved to be the most prolific producer of speeches and procurer of data of them all.

It was Moley again who brought Johnson into the Washington picture in the spring of 1933, after the original group working on the N.R.A. had become clogged with unassimilable personalities, ideas and details. Moley met Johnson in the Carlton Hotel, asked him to help and Johnson began in a room adjoining Moley's office in the State Department on the enterprise which later blossomed into the huge N.R.A. organization, with its codes, its eagles and its cracking-down on slackers and industrial draft-dodgers. He revelled in it. It was 1917 all over again and his was the job of conscripting American industry for national service. He started with the viewpoint of an industrialist and an employer who knew something about economics, was familiar with the agricultural problem, and saw that mass purchasing power had to be increased. His viewpoint did not matter, despite the wails of the liberals. The mobilization of industry was the thing. Once that was accomplished, its orientation could be taken out of the hands of the drill-sergeants and put in those of the statesmen.

His job was colossal. He concentrated on getting indus-

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tries under codes. In general, he traded the regularization of competition—which in many cases meant monopolistic price-fixing—for higher minimum wages and reduction of working hours. He opposed price-fixing as such, but he allowed open price agreements, prohibitions against selling below cost or below “average cost,” which led in fact to price-fixing.

The task of getting industry under codes meant “cracking down.” An army is useless without discipline and N.R.A. needed to show its teeth. Johnson directed himself to this one Herculean effort. He saw that merely increasing wages did not help if profits were also increased and the cost of living raised proportionately. He repeatedly emphasized that business must “postpone” profits and instead of raising prices should try to get its return by a larger production at a low price. This was a departure from the traditional economic theory which held that the depression must end by increasing profits before anything else.

However, Johnson took no steps to prevent price-jumping. While the N.R.A. machinery was not completely equipped to deal with the problem, he refused to use what he had. The Agricultural Adjustment Administration, which took perhaps too long-winded a view of the whole economic problem, refused to approve the Johnson type of code with the result that very few codes were adopted under the A.A.A. It was only natural that the food industries should hold back from Wallace, Frank and Tugwell when they saw other industries getting what they wanted from Johnson. They got their wish when their codes were transferred to the N.R.A. as part of the price paid for settling the Peek-Wallace controversy. For the President agreed with Johnson in his belief that the main thing was to get industry in harness before trying to drive it to market.

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From the tactical point of view Johnson was probably right in trying to make the N.R.A. look attractive to business. A measure of oats held out at the edge of the corral is easier to use than a lasso on a skittish horse. In a second drive, you could begin to clamp down on excessive profits and monopolistic tendencies. In any event, you could comfort yourself with the thought that under no circumstances could people buy unless they received sufficient money.

However, Johnson, instead of preparing the way for a second drive, clamped down on his own Consumers Advisory Board, which was supposed to give the public the facts about price-jumping, attacked Tugwell and others who were trying to deal with the whole economic problem rather than only the industrial wing of that problem, and lashed out at Senators Borah and Nye when they complained of the hatching of uncontrolled monopolies under the tail-feathers of the Blue Eagle. Roosevelt, who had given Johnson his code-victory over Tugwell, nullified it by moving to the support of Borah on the monopoly issue.

At one time, a great many people thought that Johnson was "the man on horse-back," the dictator for whom the New Deal was preparing the way. And it is significant that business, which was at first afraid of him and then annoyed by his tough and ruthless over-riding of petty sensibilities, has swung around to pretty whole-hearted support of him. There are, of course, a good many exceptions, including such old-timers as Col. Robert McCormick, publisher of the Chicago "Tribune," and others who confuse the "freedom of the press" with the right to bully their reportorial staffs and employ child-labor as newsboys.

However, business soon discovered that Johnson's bark was many times worse than his bite. He could "crack down" in language but not in action. It is indicative of his mentality

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that the first employer disciplined for violation of the Blue Eagle pledge was a small restaurant proprietor in Gary, Indiana. Meanwhile, the big boys were getting away with murder and they continued to get away with murder.

Johnson is quick on the trigger and by talking too loud, too often, and too soon made a mess of the Henry Ford situation and a fool of himself. He made himself look silly on many occasions, the most notable being the failure of his announced pledge to put five million men back to work by September, 1933. Criticism of him on these grounds is, however, beside the point. He did a magnificent job in leading American business into new fields. He may have landed on the other side of the Atlantic with a crash which ripped off his landing gear and crumpled a wing but he got across and saved enough of his machine to be able to remodel it if he chose, or to permit some one else to remodel it.

For he has preserved some of the boyish charm associated with Lindbergh. He is loud-mouthed and aggressive but just a mischievous boy who is having a great time playing train-robbers or pirates. On any real call-down for insubordination, he is friendly and swift to apologize, and he has won and held the affection of most of his colleagues. Fundamentally, he is extremely naive. When the press began nagging him about the high salary paid Miss Frances Robinson—or "Robbie," as she is generally known—his pretty, confidential secretary, he begged the newspapermen to lay off, saying that she was no "mere stenographer or secretary." When the newspapers headlined this as "more than a stenographer," Johnson growled, "Boys, you're hitting below the belt"—an observation with which the wise-guys of the tabloids made merry.

With the red face, thick neck, hulking shoulders and barrel-chest of a professional wrestler, Johnson has worked

himself unsparingly. His eyes are frequently baggy from fatigue, his clothes unpressed and his nerves a-twitter. His son Lieutenant Kilbourne Johnston, who spells his name with a "t"—as did the General's father before he discovered that the only other lawyer in Pontiac, Illinois, was a negro named Samuel Johnston—works in the N.R.A. compliance board on Army pay and the General's wife works on the Consumers Board of the N.R.A., for no pay at all.

The detonating brigadier who heads the New Deal's attack against the Old Guard industrial entrenchments illustrates one unsuspected side of Roosevelt's strategy. In any community, function rather than opinion determines policy. Soviet Russia is committed to the social dogma that you cannot teach a bourgeois dog proletarian tricks. Italy and Germany are committed to the opposing thesis that you cannot utilize radicals in the operation of a conservative society. In democratic countries, like France and England, the theory has always been held that the way to convert a radical to conservatism was to give him power. Roosevelt is reversing this theory. He is taking our conservatives and putting them in charge of radical experiments, secure in the knowledge that the exercise of radical functions will moderate the Tory psychology without need of bloodshed or political proscription.

For this reason, liberal fears as to the future of the N.R.A. are misplaced. The experiment itself is radical in origin, in philosophy and in purpose. It may teach its administrators to behave radically without demanding that they profess radicalism. And when you get the coal, iron and steel barons marching in the N.R.A. pageant you have done something of epochal significance. For Hugh Johnson knows—as all military men know—that the original attitude of the conscript does not particularly matter. Once he is marched to

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the front, with a rifle in his hand, he will fight the enemy in preference to his commanding officers.

3

Donald Randall Richberg, counsel of the N.R.A., is one of the enigmas of the New Deal. A progressive lawyer, labor advocate, writer, song-composer and fighter against special privilege, he made his mark in Chicago, first as a member of the University of Chicago track-team, then as the author of the Phi Gamma Delta song, "Smoke Dreams," next—after acquiring a Harvard law degree—as counsel for the Chicago City Treasurer and Board of Assessors, then as a candidate on the Progressive ticket in the 1912 Bull Moose campaign, and finally as attorney for the Railway Brotherhoods.

This versatile career made him the candidate of Senator Norris and the Republican Progressives for Attorney General in the Roosevelt Cabinet. But Roosevelt picked Walsh and, when Walsh died, Cummings. The Illinois progressives were already represented in the Cabinet by Ickes who, as it happened, had at one time been Richberg's law partner in Chicago. Probably Richberg would not have received the job in any case, as Roosevelt wanted for the post a man whom he knew intimately, and he was barely acquainted with Richberg.

However, when the N.R.A. was being drafted and organized, Richberg was the obvious man to be its counsel: he was a progressive, a clever attorney, the best-known labor lawyer in the country. He was called in on the final draft of the National Industrial Recovery Act and Johnson immediately took him on as counsel of the new industrial set-up.

Almost at once he threw a bad scare into the conservatives, by announcing that the long-expected "revolution"

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had arrived and was in process. His trenchant speeches terrified the Old Guard and although his language is not as picturesque as Johnson's speech, he "cracks down"—verbally—with ease.

Next to Johnson, Richberg was the strong man of the N.R.A. He and his assistants had a really gargantuan task in eliminating legal jokers from proposed codes, as most of the codes submitted for the big industries were craftily drawn up by the highest-paid corporation lawyers in the country. On the whole, Richberg did splendidly in showing up and eliminating this legal sabotage, but he was not always successful. He let the Administration in for trouble on the captive coal mine problem by failing to make the initial agreement sufficiently explicit; and there were other bits of boggling. However, he has done a good job in the main and has expounded convincingly the constitutionality of the National Industrial Recovery Act, which he may yet have to defend before the United States Supreme Court.

Born in Tennessee fifty-two years ago, his active career has been associated with Chicago. In 1922 he entered national labor politics, appearing as chief counsel for the railway unions in their government injunction suit and has since then appeared before the Supreme Court on the liberal side in many notable cases, including the O'Fallon railroad valuation case, in which he appeared as *amicus curiae*. For many years he also represented the City of Chicago in gas litigation. This brought him up against Sam Insull. With Ickes and a few others, he fought Insull openly at a time when to fight Insull meant social ostracism and even endangered one's physical safety.

Always a progressive, Richberg was chairman of the resolutions committee at the Progressive National Convention of 1924, at which Bob LaFollette the elder was nominated for

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the Presidency. He has represented the railway brotherhoods for years and was co-author of the railway labor act of 1924. His utterances in behalf of labor have been intelligent as well as vigorous; he knows economics as well as law, and is a fighter. In the opening stages of the New Deal he was almost continuously in Washington, representing labor in connection with the emergency railway legislation. As the A. F. of L. had no counsel comparable to him, he was naturally drawn into the drafting of NIRA, although it did not apply to the railway workers.

Richberg has a distinct literary bent, having written a couple of novels and a play: "The Shadow of Men," "A Man of Purpose," "Tents of the Mighty." His speeches betray this characteristic, although they are less literary than the speeches of that other Chicago liberal lawyer, Jerome Frank of the A.A.A. Large of build, a fluent and direct talker, Richberg gives the impression of great physical strength and endurance. He has plenty of both but nothing to compare with Hugh Johnson. The terrific grind under the N.R.A. broke his health and for weeks he had to limp along on part time.

His health was not the only thing which weakened. After nine months of the N.R.A., his militant liberalism also began to wobble. Suave industrialists began to tell him that he was really not such a dangerous radical as they had been led to believe; why! he was really a scholar and a gentleman and not an uncouth, hairy agitator. Richberg repeated these remarks to his colleagues and laughed in his peculiar falsetto, but eventually they began to have their effect. He astounded the liberals by issuing a sharp rebuke, to Henry Hunt, an aide of his former partner Ickes, who had attacked the proposed code for the public utilities; he became a member of the Steel Code Authority and did nothing to mitigate

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the flagrant monopolistic practices which the steel code had legalized; he did nothing to encourage the consumer's advisory board to put the damning facts of profiteering before the public.

At one time, Richberg's friends were boosting him for the United States Supreme Court, but some of them began to wonder whether his real ambitions were not for a partnership in J. P. Morgan & Co. Perhaps their fears were unjustified, but Big Business had swallowed Newton D. Baker, who in his salad days was as liberal as Richberg. The latter may be of sterner stuff, but in general he illustrates the almost inevitable tendency of the aging radical, when entrusted with responsibility and power, to go conservative. If he should opt for the flesh-pots after a life with the crack-pots, liberalism need not mourn him as a lost soul. He has done as much as any one man, not entrusted with political power, could do to advance the principles of liberalism in his day and age. His contribution to the movement which produced the New Deal and to its initial application has been invaluable. After all, he is over fifty years of age and if any man has earned a vacation from progressivism, he has. Perhaps, in the ideal commonwealth which may arise from Richberg's New Deal, there will be a constitutional provision by which a man is permitted to change his political opinions and social philosophy, without obloquy after passing the age of forty-five.

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However, one of the amazing and disheartening effects of the old economic order was its success in breeding generation after generation of young conformists and juvenile reactionaries. The private schools and better universities of America—far from being the hot-bed of revolution or even

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the cradle of intellectual curiosity concerning the social order—were part and parcel of the industrial plant. They turned out unimaginative and unquestioning business men stamped in the mould most suited to operate the business machinery as it existed and to dread economic radicalism as they would dread the plague. The worst of it was that they were really nice men, well-dressed, pleasant-mannered and attractive. For one Franklin Roosevelt there were thousands of vice-presidents of banks, stockbrokers and bond-runners, neatly tailored and with well-pressed minds, ready to serve as officers in the industrial army.

Hence no lieutenant in the New Deal faced the problem in finding suitable personnel that Johnson faced. The Treasury had a hard enough time to find able financial and monetary people outside of Wall Street. Johnson had the infinitely more difficult job of locating social-minded people anywhere in industry and finance. He had to select his men in a tremendous hurry and they had to be men of ability, whom industry would respect, with whom labor would cooperate, who would understand the purposes of the N.R.A., and be loyal to an Administration which was damned at birth by the bigger bankers and industrialists.

Johnson's responsibility was complete, and naturally he turned to his personal friends, men who he knew would be loyal to him and, through him, to the N.R.A. Thus at the outset, the N.R.A. was almost entirely a Johnson organization, as it still is to a large extent. It is not a good organization, however. Some of its leaders possess ability but are unsympathetic to labor or too immature in their economic thought to understand what the N.R.A. must accomplish if it is to succeed. Some are simply mediocre, some are chisellers from within, and most of them are too conservative.

As Assistant Administrator for Industry, Johnson picked

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Col. Robert W. Lea, an old friend and associate. During the war, Lea was in the Purchase, Storage and Traffic Division of the General Staff, in charge of animal-drawn transport vehicles. Then he became president of the Moline Implement Company and later proprietor of a small textile factory in Newark. For three weeks prior to coming to Washington he was an officer of the Continental National Bank and Trust Company of Chicago. Lea and Johnson have been friends for years, and he is a useful officer in the N.R.A. A shrewd, suave and diplomatic man of about fifty, he serves as a good buffer for his impetuous Administrator.

Alvin Brown is Johnson's Assistant Administrator and executive officer. Brown, a man of forty-one, is a graduate of the George Washington University and Law School who served under Johnson as chief clerk in the Provost Marshal General's office during the early part of the World War. Then, after service with the army air force, he went to the Moline Plow works under Peek and Johnson. After Johnson had shot the works, Brown returned to government service, being appointed Assistant Director of the Budget under Lew Douglas in March, 1933. Johnson drafted him for the Blue Eagle campaign in August, but Brown returned to the Budget Bureau when that bird laid an egg, and only returned to the N.R.A. when John Hancock, the former navy officer and Wall Street banker, resigned from the staff in the autumn of 1933. Then the General yanked Brown back and made him his executive officer. Brown is a typical bureaucratic efficiency expert and nothing more.

The Assistant Administrator in charge of Labor is Edward F. McGrady, the A. F. of L.'s veteran legislative agent, the most effective lobbyist at the service of organized labor. A fighter for the unions, he has little concern with the ultimate economics of the New Deal industrial experiment.

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Between the General and this trio hovers Miss Frances M. Robinson, "Robbie," the erstwhile stenographer whom Robert K. Straus (son of the New Deal Ambassador to France) brought into the N.R.A. at the beginning. "Robbie" quickly made a place for herself and has been Johnson's shadow for nine months. Hard working and self-assertive, she has become an efficient part of the N.R.A. machinery.

It is when you examine the Division Administrators—the big men of the alleged government supervision of industry—that you see the real difficulty of finding suitable recruits for the management of a planned economy.

Take, for example, Kenneth M. Simpson, who is in charge of mines and mining, utilities, automobiles, rubber and various other industries. "Simmie" is another old friend of Johnson's, a man in his late forties who holds advanced degrees in geology and mining engineering from Columbia University. After a short term with the Pennsylvania Railroad, he went west as a miner, prospector, mining superintendent, and manager of mining and metallurgical plants. He was for a time general manager of Commercial Solvents. During the war he served as a technical adviser in the War Department while for the last ten years he has been a consulting engineer in New York and has done research work in the development of new alloys of iron and copper at the Columbia School of Mines. Baruch and Johnson used to consult him in the course of their search for profitable investments for Baruch.

Johnson brought him to Washington in the early days of the N.R.A., a hitherto unknown figure who was put in charge of the toughest codes of all: bituminous coal, oil and steel, to mention no others. He has remained a Division Administrator with vast powers.

"Simmie" is short, stocky, quiet, shy, stolid and sleepy,

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and gives the impression of having been in a daze ever since he arrived in Washington. Perhaps he has been. Perhaps he is one of those quiet, strong men, who confides his best thoughts to his boss. Certainly he has not impressed anyone else as possessing brilliance. Apparently he had little to do with whipping into shape the codes confided to him. As a matter of fact, he was entrusted with the coal code only because the quarreling coal magnates objected to every proposed individual who knew anything about coal. "Simmie" was unknown to the industry so he got the job. "Simmie" was a dark horse. Nobody had anything on him or against him when he came to the N.R.A. and nobody has got anything on him or against him since then. With his mining background, his stolid demeanor and his air of costive reserve, he is a little reminiscent of Herbert Hoover. Perhaps a really good press agent could build him up to another Hoover, but it is probable that he would prefer to remain Hugh Johnson's "Simmie" and thread his way inoffensively through the clashing Titans of American industry.

William Averell Harriman, son of the late railroad magnate, has succeeded Malcolm Muir, President of McGraw-Hill Publishing Company, who did an unimaginative but reasonably good piece of work as administrator in charge of construction, machinery and other heavy industries.

Harriman is not a Johnson man; he is a Roosevelt man. In his early forties, Harriman has inherited an important place in the industrial and banking world. He is powerful in shipping and air transport circles, Chairman of the Executive Committee of the Illinois Central and of the Board of the Union Pacific. Tall, dark, slender, quiet but determined, he has a taste for experiment and adventure unusual in a business man. At one time he had a manganese concession in

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the Soviet Union and is now experimenting with a high-speed motor train on the Union Pacific.

He is essentially very conservative but he is a personal friend of F. D. R.'s and Roosevelt consulted him on railroad policy during the 1932 campaign. Roosevelt recognized him as a man of intelligence and took him in tow, giving him several special jobs to handle in 1933, one of which was to draft legislation for the relief of bankrupt municipalities. When the N.R.A. was first organized, Harriman was put in charge for the State of New York, where he did a pretty good job. Then, late in 1933, he was put on the Industrial Advisory Board and when Muir left, became Divisional Administrator in charge of heavy industry.

With his sister, Mary Rumsey, and Vincent Astor, another rich young ruler into whose head F. D. R. has smuggled some progressive ideas, Harriman is a financial backer and associate editor of Moley's pro-New Deal weekly magazine, "Today." He even takes an active part in the editorial work of the magazine. Harriman is a young man of brains, and happens to be one of the few men in the railroad business who is willing to experiment with new devices. He is not yet a liberal but if exposed sufficiently long to the Roosevelt influence, he may become a pretty enlightened conservative. There are many in Washington who frankly prefer the enlightened self-interest of the progressive capitalist to the somewhat irresponsible doctrines of the professed radical. Fortunately, there is plenty of room for both in the New Deal.

Another Johnson man in the N.R.A. is young Sol A. Rosenblatt, whom Johnson brought down from a Broadway law office to take charge of amusements and various industrial odds and ends. Rosenblatt is a native of Omaha who graduated from Harvard and Harvard Law with honors.

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He immediately settled down in New York and began specializing in copyrights, motion picture and anti-trust cases, in partnership with Nathan Burkan, the well-known Tammany district leader and Broadway lawyer. In New York Rosenblatt became a personal friend of Johnson, who is himself an effective if somewhat unconventional lawyer. Rosenblatt is bustling and dynamic. He knows more about law and negotiation than about economics, but he does know the amusement business and Johnson needed a specialist for that purpose.

Another old friend of Johnson's—crusty old Major General Clarence Charles Williams, former Chief of Ordnance of the U. S. Army, was originally put in charge of chemicals, leathers and similar industries. Hard-boiled but popular, he knew the chemical industry inside out and, as an old army man, could think in terms of the government interest.

His job was taken over by Major George L. Berry, president of the International Pressmen's and Assistant Unions, a man whom New York City publishers consider a "reasonable" labor leader. A Major of Engineers in the A.E.F. and one of the founders of the American Legion, Berry was once pretty reactionary. However, he is regarded as liberal in the American Federation of Labor. He has not been on his new job long enough to show his real temperament, although he previously served acceptably on the Labor Advisory Board and the National Labor Board.

Another of Johnson's friends, Arthur D. Whiteside, president of Dun & Bradstreet, is in charge of textiles and the wholesale and retail business. A Princeton graduate, now in his early fifties, Whiteside organized the National Credit Bureau and has been its president since 1912. He served with the War Trade Intelligence and the War Industries Board during the World War. For three years he was president

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of the American Wool Institute and in 1931 took over Dun & Bradstreet.

As this record suggests, he is a thorough Tory. He has been on the job since the early days of the N.R.A. and his codes are among those which are causing the most trouble. With a mind steeped in A.A.A. credit rating based on merciless profits, he has never grasped elementary economics or the need of increasing purchasing power. He—of all people—was named by Johnson to preside at the vitally important Price Increase Hearing in January, 1934. It was the first chance the frustrated Consumers Advisory Board had to show that in many industries the N.R.A., instead of increasing, was decreasing purchasing power by excessive price increases made possible by the N.R.A. open price agreements and prohibitions against selling below cost. Whiteside practically squelched the Consumers Advisory Board and bottled up their data while he permitted George Sloan of the Cotton Textile Institute to read a long, meandering statement which attempted to justify increased prices in the cotton textile industry.

It was not until several unfavorable newspaper stories were published the next morning, causing Johnson, who reacts instantly to the press, to step in, that Whiteside saw that he had gone too far. He had undergone a wondrous change before the next session and the Consumers Advisory Board was permitted to state its case. But the change was purely expedient and of course nothing was done to check the profiteering. That would be too much to expect of the man whose whole career is bound up with bigger and better profits for a few lucky corporations and individuals.

Of all the men whom Johnson has installed in important positions in the administration of the N.R.A., only one—William H. Davis—stands out as a man who is both able

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and broad-minded enough to make the experiment work. Davis is the new National Compliance Director, the chief enforcement officer of the N.R.A. A New Englander who has practised law in New York since 1902, during the war Davis served with Colonel Lea in the Division of Purchase, Storage and Traffic in the General Staff, later becoming a legal adviser to the War Department. After the war, he took charge of adjusting the settlement of war contracts and Newton D. Baker put him on the Appeals Board before which troublesome contract cases were heard. He was one of the "dollar a year men" and he was worth millions to the government.

Incidentally, he is an old friend of Frances Perkins, although she was not originally responsible for his coming into the N.R.A. He began as a Division Administrator and handled some of the most difficult codes. Astute, clear-headed and one of the few real students in the N.R.A., before he tackled a code he familiarized himself with the industry involved. He is a stronghold of calm and precision in the N.R.A. hurly-burly. In a mediocre organization, he is a tower of strength.

The N.R.A. needs a complete overhauling in personnel. Some of the newer men may show up well in time and some of the lesser lights among the Deputy Administrators are able, but on the whole the staff is distinctly inferior in brains and in efficiency to the staff of J. P. Morgan & Co. and to any one of fifty major industrial and financial organizations. The best brains in the country are not yet available for public service, even in the vital problem of industrial recovery.

It is easier to see the need than to find the men to fill it. What the Roosevelt Administration needs more than anything else is one hundred alert, progressive, young business men and industrialists—men who will think of themselves

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neither as capitalists nor as agents for the Wall Street banks, but as industrial managers. It would also be desirable that these men should have a smattering of economics. We should not be compelled to wait for the schools and universities to remodel themselves so as to produce such a breed, though men of that type are hard to find in the present day and age. Yet there must be a hundred of them in the country.

5

Prominent among the administrators of the N.R.A. are the two men who served as its industrial and legislative parents: Gerard Swope of the General Electric Company and Senator Robert F. Wagner of New York.

Swope, without question, is one of the most far-sighted of American industrialists. Cynics might assert that he has made clever use of his clairvoyance to short-circuit class-conflict and to protect the big units of the electrical industry. It is true that he has done exactly that, but he is more than shrewd. All indications are that his mind really runs toward social planning and that his intellectual curiosity, fertility of social invention, and broad philosophy of life are the marks of a really big man.

This is a paradox, for he is not only a capitalist by heredity as well as profession but he is over sixty years old, having been born in St. Louis, the son of a shoe manufacturer. In 1895 he received his degree in electrical engineering from Massachusetts Institute of Technology, when he had already been working for two years with the infant General Electric Company. After graduation, however, he entered the employ of the Western Electric Company, rising in its ranks until, in 1919, he was elected president of the International General Electric Company and three years later of the General

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Electric Company itself. In this capacity he is also director of a score of big companies in the field of electrical utilities and communications in France, Great Britain, Italy and other foreign countries—one of our real Big Business magnates. Like several others in the N.R.A., during the war he served on the Purchase, Storage and Traffic Division of the General Staff.

Swope is short, slender, filled with nervous energy and continually brimming over with ideas. He believes in widely distributed ownership of our big industries, in employee ownership, and in the various insurance and pension schemes for the protection of industrial workers. Marxian critics contend that he and Owen D. Young in this way have bound their employees to their employers and thus frustrated the unionization of General Electric. Certainly the electrical industry has supplied a most conspicuous example of the piling up of excess profits, G.E. having been one of the great boom stocks. And on the financial side, the whole electrical, communications and public utility field was one of the financial ulcers of American economy during the post-war era.

Swope's interests and responsibilities have been on the side of industrial management rather than finance, however, and he is thus one of the small clan of relatively disinterested industrial managers who think in terms of function rather than profit. In 1931, he proposed the N.R.A. in embryo: a way for industry to over-ride the anti-trust laws in return for added compensation and economic stability for labor. He suggested that the trade associations should draft agreements covering trade practices and so forth and submit them to the Federal Trade Commission or some other Federal agency for examination. Approval of an agreement would automatically suspend the anti-trust laws so far as the terms

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of the agreement were concerned. As part of these agreements he proposed to establish consolidated group insurance schemes for the whole industry, so that a worker would not forfeit his insurance by moving from one company to another.

It was a really statesmanlike proposal and came from an industrialist who was aware that cut-throat competition—part of which was at the expense of labor—was bound to undermine the efforts of the big companies to stabilize production and employment and to protect their men. The proposal also reflected his realization that the popular opposition to Big Business was so powerful that it was insane to demand—as some of our purblind bankers were demanding—that the anti-trust laws be repealed. In short, Swope saw the need of direct social controls as a substitute for the clumsy anti-trust legislation and was ready to accept those controls.

Industrial self-government under Federal supervision was the essence of the Swope plan, and it became the essence of the N.R.A.

When the U. S. Chamber of Commerce met in Washington in May, 1933, it was under the domination of Swope, Henry I. Harriman and other enlightened conservatives. Accordingly, it was an historic session because it was the first occasion on which American business recognized that it could not govern itself without the aid of the Government. Previously, all good Chamber of Commerce sessions had dutifully parroted the creed: "Less Government in Business; More Business in Government." Swope issued terse warning to his fellow-manufacturers: "If industry does not see its opportunity to regulate itself . . . it will be done from without. The alternative, therefore, is not shall it be done, but by whom shall it be done." After four years of meddling

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and muddling through, Big Business looked around, saw its monument in the bread-lines, and signed on the dotted lines.

In the autumn of 1933, when Big Business had tasted enough profit to become restive under the N.R.A. regulations which had enabled them to obtain that profit, Swope came out with a plan for the future of the N.R.A. as a species of economic Fascism: industrial self-government, heading up into a sort of general industrial council. This raised a rumpus from coast to coast. Swope had completely misjudged the public mind and explained later that this was only the first part of his plan, for he also proposed a parallel labor organization—two columns joined at the top. Thus Swope emerges as the prophet of a cartelized industrial order. His plan is all right, so far as it goes, but it still reflects the psychology of an economy based on production. To function well during the transition to an economy based on consumption, it would have to be under rigid Federal supervision, with strong and increasing consumer representation on each code authority.

However, Swope's utterances had one effect, which perhaps was not fully appreciated until the President's message to Congress in January, 1934. Until then, a large part of the business world had insisted that the N.R.A. was simply an emergency affair, the primary object of which was to decrease unemployment by spreading work. Swope set them to thinking about it as the framework for a permanent organization of industrial life.

Swope is still an industrialist, but if all American industrialists had his social vision, the reconstruction of the economic system would be as simple as a sausage. Perhaps more than any other big business man in the country he can command a hearing in the White House and in other important sectors of the Administration, and as a charter member of the

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Industrial Advisory Board of the N.R.A. he did more than any other one man to make the big mobilization of American industry a training-school for economic statesmanship.

Without the help of Swope and a handful of men like him, the N.R.A. would never have been attempted. Secretary Roper promptly made him chairman of his Business Advisory and Planning Council and appointed him to the N.R.A. Industrial Advisory Board. Contrary to general impressions, Swope was not chairman of the latter body—Walter C. Teagle of the Standard Oil of New Jersey held down the job—but Swope was the key man of the group. While Hugh Johnson cracked down and warmed up, Swope worked like a beaver behind the scenes to introduce a glimmer of reason into the armor-plated brain-pans of some of our industrial cliff-dwellers.

It was Swope really—and not Hugh Johnson—who broke the deadlock between the captive coal mine workers and the U. S. Steel Corporation at a critical moment in the summer of 1933. Johnson had tried and failed. Roosevelt backed up Johnson and sent him to try again. Again Johnson failed and it looked as if the bloody warfare in the Frick mines might spread into a general labor conflagration. Finally Swope got hot with a telephone and made the feudal fossils of the steel industry realize that they had better go to Washington and make their peace while peace was still to be had.

He carried his labor activities still further and, joining Senator Wagner on the National Labor Board, did some very effective work in reasoning with the employers. Bob Wagner, as legislative champion of social justice, had been the spear-head of the Congressional fight to help the unemployed and had been the sponsor of N.I.R.A. on Capitol Hill. Wagner and Swope made a good team, although diverse in origin and social viewpoint.

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Wagner, sixty years of age, had come to this country as a child from Germany and had fought his way up from the city streets, via the night school and Tammany route to power. He was one of Boss Murphy's liberal young Democrats in the pre-war era—Al Smith was another—and was a self-made man who, unlike many who have risen from the ranks, retained his sympathy for the underdog. After fifteen years in New York politics, in 1919 he received a seat on the bench of the New York State Supreme Court, where he remained until his election to the United States Senate in 1926.

In the Senate, he promptly committed the blasphemy of taking up the study of unemployment, a subject which was as politely ignored as an involuntary eructation in that golden era of "Coolidge prosperity." Wagner was somewhat startled to discover that even then there were three or four million unemployed and that nothing was being done about it. Naturally, nothing continued to be done about it for the next six years and Wagner's bills for obtaining reliable unemployment statistics and other fundamentals were regularly voted down as being transparent partisan manoeuvres designed to discredit the "Party of Prosperity." It was not until 1933 that he came into his own, with the New Deal.

In cooperation with Senators Costigan and LaFollette he helped to draft and put through the Senate the great recovery measures of 1933: N.I.R.A., with its \$3,300,000,000 public works program; the \$500,000,000 Federal Emergency Relief administration; the emergency farm mortgage refinancing system, the Federal employment exchange system, and the Federal employment stabilization board for public-works planning. Not bad for a little German newsboy who started the long battle for a bare living in the Manhattan of Richard Croker, in the gilded age of municipal politics.

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At first, the N.R.A. went its way without him, but when it ran head-on into labor troubles in the mid-summer of 1933, Wagner's great job came when he was made chairman of the National Labor Board. There he devoted himself to preserving industrial peace. Until the Weirton case came along, he succeeded pretty well, although he and his board were tremendously overworked and there were numerous complaints because so many members of the board were frequently absent and had to rely on reading the transcript of testimony in reaching their decisions.

Wagner's significance in the N.R.A. picture is that he is the first Senator at Washington who has represented industrial liberalism rather than agrarian liberalism. The loud-speakers and easy-spenders from the corn-belt and cow-country are ever with us. Conscious that, whatever happens, their constituents will not have to foot the bill, they have been marvellously generous with proposed appropriations and surgically insistent on drastic taxation. Hitherto, however, nobody in the Senate has represented the industrial wage-earning class, the hum-drum city-dwellers who pay both the taxes of social reform and the high costs of agrarian price-recovery. Urban "liberalism" has generally been identified at Washington with a thirst for alcohol and a parading of brown derbies.

It is interesting to note Wagner's faith in the ability of the government to reconcile the conflict between capital and labor. Perhaps the N.R.A. would have moved faster and real wages would have risen more rapidly if Wagner had encouraged labor to use the strike. Instead, he discouraged the strike and has been urging the conversion of the National Labor Board into a sort of industrial labor court with power to enforce its decisions. It should have more power than it has yet been granted, but if organized labor knows its onions

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it will not permit any institution to be created which would deprive them of the only effective weapon labor has ever wielded. As a man of conciliatory temperament, slow, good-tempered and phlegmatic, as well as a jurist, Wagner naturally deprecates the resort to force rather than law in industrial disputes. Yet when all is said and done, labor has won nothing without fighting for it and, although many frivolous strikes have been called by irresponsible or misguided organizers, labor cannot always count on having a man of Wagner's sympathies at the head of a national labor court.

In this, Wagner is a Fascist, in the exact sense that Swope is a Fascist, believing in the creation of appropriate political institutions for our economic organization. Swope proposes self-government of industry on the order of the Italian Council of Corporations. Wagner, a German by race, proposes Federal jurisdiction over labor disputes, exactly as in Italy and Germany, where the right to strike has been legally abolished.

Short, plump, brisk and twinkling in manner, with a large head, a friendly manner and a well-trained mind, Wagner is the last man in the world who would correspond to the current American notion of a Fascist. That, however, is only because the basic principle of Fascism has been clouded by prejudice and emotion. Stripped of its political aggressiveness and its accidental intolerance, Fascism is an attempt to apply the syndicalist principle to all economic elements in the modern capitalistic state and to bring under a new regime of law and administration those great areas of economic conflict which parliamentary democracy proved unable to control or pacify. As the N.R.A. proceeds, under the guidance of four men so dissimilar as Johnson, Richberg, Swope and Wagner, it is becoming obvious that the only force which

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can lift it above the merely Fascist level of collective principles and collusive practices, lies neither in industry nor in labor, but in the development of the interest of the consumer as a corrective to both the dollar-snatching industrialist and the dime-grabbing laborer.

6

The N.R.A. found organized labor at its lowest ebb in a generation. The membership of the American Federation of Labor had fallen below the 3,000,000 mark and comprised less than one-tenth of all those "gainfully employed" in the United States. The open shop was the rule in the great automotive industry. The migration of the textile industry to the South with its low wages and its bucolic suspicion of "socialism", the collapse of the coal strikes and railway strikes of the post-Armistice period, and above all the icy grip of automatic machinery upon industrial production had reduced organized labor to the position of a political satellite of big industry. It maintained its power solely through the entrenched position of the craft unions in the old-line industries and by threatening Big Business with "communism" if the Federation bulwarks were removed. After four years of depression it was on its last legs. The wage-scale had collapsed and the Communist bugaboo had lost its power to terrify the conservatives.

The N.R.A., with its guarantee of the right of collective bargaining and its challenge of the open shop and the company union, was the most welcome event in the history of American labor. A new and deadly struggle for power over labor promptly broke out, as William Green, President of Federation, John L. Lewis, head of the miners, Edward F. McGrady, Assistant Secretary of Labor, and Leo Wolman,

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the labor economist of Columbia University, took a firm grip on the Labor Advisory Board and on the National Labor Board established by President Roosevelt to deal with the epidemic of strikes which raged through the summer of 1933.

Green is the complacent "Baptist Deacon" of organized labor, an old man of sixty-one and, like the late Warren Gamaliel Harding, a native of Ohio. Like Lewis, he is a coal miner who has come up through the ranks by means of labor politics. At the age of twenty-seven he became a sub-district president of the United Mine Workers of America, and later became president of the organization's Ohio district. He entered politics on the Democratic side, serving two terms in the Ohio legislature, and has been a delegate or alternate to several Democratic National Conventions. From 1913 to 1925, he was international secretary-treasurer of the United Mine Workers and in 1924, after the death of Samuel Gompers, he was elected President of the A. F. of L., with the help of John L. Lewis. He has held the post ever since and will hold it as long as Lewis lets him.

He is a good man for the job, as he has avoided making enemies—Lewis is always in a fight—and is mild-mannered and phlegmatic in temperament. If he had stayed in Democratic politics he would probably have reached the United States Senate, by the Harding route, as he is a friendly conciliator rather than a leader. Under his benevolent auspices the Federation reached a new all-time low from which it was only rescued by the N.R.A. Even so, the Federation failed to make the most of its new opportunity. Its membership increased rapidly but it requires little imagination to see that, had a man of real force been its leader, it could have converted labor to an organized interest parallel to the organized interest of capital in industry.

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Green is not a force, although his qualities are not wholly negative. He is honest and sincere and undoubtedly has the interest of labor, as he sees it, at heart. But his vision is limited. He always played the minority, black-mailing game of skilled labor, which made ten per cent of the workers the partner of Big Business. He did virtually nothing towards organizing the mass-production industries, did not invade the Southern textile field until after the Communists had led the way and then his attack was ineffectual. Under Green, the A. F. of L. would have died a natural death.

It was typical of him that his main objective under the New Deal was a thirty-hour week law which would have affected only industrial workers. He fought the Civilian Conservation Corps; he opposed the recognition of Soviet Russia and came out boldly for a boycott of Germany, which was sufficiently irrelevant to the real issue: American labor's rights under the New Deal.

The truth is that Green is a middle-of-the-road routine politician. The Federation pretends to represent all labor—in fact it is only representative of a comparatively small sector of skilled industrial labor and doesn't give a damn for casual or unskilled labor. Russia was the Federation's racket from 1920 to 1932; Germany was in Dutch with the Jewish radicals and the Jewish bankers. All of Green's major positions have been dictated by the most obvious type of political expediency. The real powers in the Federation are a gang of pot-bellied international presidents: some of them honest, many of them hard fighters, nearly all of them near-sighted. It is easy to write off Green as a total loss until you consider Matthew Woll—a fire-eating, Red Scare-monger and ardent supporter of all the tenets of mediaeval capitalism—and then you heave a sigh of gratitude for Bill Green.

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Green has always been a Democrat, and though the Federation professes neutrality between the Parties, the bulk of its membership is also Democrat. Green played good politics with the Roosevelt election, giving Roosevelt's labor record in New York his unstinted praise. Green said that labor had seldom won so many gains in any session of any legislative body as it had won in the 1930 session of the New York legislature, under Roosevelt's leadership. What Roosevelt did for labor then seems trifling in retrospect, but it was enough to win the gratitude of the leader of a dying organization.

The election placed Green in a dilemma. He might have been the A. F. of L. candidate for Secretary of Labor, but that would have meant resigning a well-paid steady job which he probably would never have got back. Instead, he backed Daniel J. Tobin, head of the teamster's union, for the Cabinet job. When Roosevelt passed over Tobin and appointed Perkins, Green sulked. He openly announced that labor would never become reconciled to this choice and the Federation embarked on a more or less open policy of sabotaging the New Deal. Within three months, Perkins had Green, Lewis and most of the rest of them in her camp. She had more intelligence than all of them put together.

Perkins heaped coals of fire on Green's head by appointing him to the Labor Advisory Council of the N.R.A., where he was outshone by Lewis from beginning to end. There Green had a flash of intelligence. He saw that the reason for labor's failure to organize the mass-industries was that the old craft union organization was out-dated. He proposed to organize the mass-production workers into industrial unions but failed to push the issue against his powerful craft union constituents. Perhaps he was wise. He might have lost his job.

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Bill Green is the Warren Harding of the A. F. of L. What organized labor needs is a man like Roosevelt, who will combine shrewd judgment with audacity and imagination. Neither Green nor any of his underlings is capable of making a leap in the dark. This is a pity, for the nation needs a real labor leader. Roosevelt has given labor its great chance, but labor is fumbling it.

John Llewellyn Lewis, head of the United Mine Workers, is the best labor fighter in the field, but a fighter is all that he is. Physically he looks like a cross between Bob LaFollette and Fiorello LaGuardia, mentally he is on a par with Jack Dempsey or Primo Carnera. Squat, plump, bull-necked, heavy-handed, he is fifty-three years old, a native of Iowa, who entered the Illinois mines at the age of twelve, as a mule-driver. After roving the Western mines, he got a job as labor lobbyist at the Illinois State Capital and so has not worked with his hands for over twenty-five years.

In 1908, old Sam Gompers took a fancy to him, pushed him up in A. F. of L. politics—which are only slightly less involved and sacramental than those of the College of Cardinals—and in 1920 had him elected president of the United Mine Workers. Lewis has held down this \$12,000 per year job ever since and has made so many enemies that the public has never been able to decide whether he was a racketeer or a revolutionist.

In fact, he is neither. He simply behaves as any man would behave who had to wrangle with mules, miners and operators in the bloody angle of American industry. He can back down more aggressively than any man in the country. He called off the 1919 coal strike in the face of a Federal injunction and signed a Kentucky wage agreement on the eve of the 1922 strike. On the whole, he has supplied skilled and aggressive leadership for a dying industry. In three

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short months, he lifted the U.M.W. out of despair and made it the greatest single affiliate in the Federation. He has embodied union labor in the New Deal and, with the support of the President, forced the coal-operators out in the open and compelled them to sign the coal code late in September, 1933—an industrial encyclical providing for the unionization of all the soft-coal mines in the basin of the Ohio Valley—the greatest single victory of organized labor in fifty years of desperate industrial warfare. Under Lewis, for the first time in American history, the miners' unions became something to be reckoned with, not just clubbed by deputy sheriffs and bullpenned by militia. For the first time, union organizers are permitted to enter and reside in towns in the feudal coal-belt, where less than two years ago men like the Sheriff of "Bloody Harlan" County, Kentucky, with impunity violated the constitutional rights of miners and social workers.

Chief symbol of the change which has come over industrial America is the elevation to the post of Assistant Secretary of Labor, of Edward F. McGrady, who was thrown out of Tennessee in 1928 when he was trying to organize the rayon workers. On that occasion, he was kidnapped from his hotel and violently ejected from the town by a mob of Southern citizens.

McGrady is a printers' pressman by occupation, and for a number of years was foreman of the press room of Fahey's old paper, the Boston "Traveler." Later, he was Massachusetts Superintendent of the U. S. Employment Service, member of the Boston City Council, and a member of the Massachusetts Legislature. During the war, he was chairman of the labor division of the Liberty Loan drives.

One of the original F.R.B.C. men, shortly after March 4 he received Farley's endorsement for the position of Assis-

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tant Secretary of Labor. Frances Perkins, however, balked. Suspecting a trick to conciliate Bill Green by planting an old Federation wheel-horse in the midst of her new Department, she withheld her consent. It was not until McGrady was made Assistant Administrator in charge of labor relations for the N.R.A. that Miss Perkins came to know him. Then she withdrew her opposition. His handling of the coal strike in the Frick Coke Co. and Pittsburgh Coal Co. won her support. One day at a Cabinet meeting, she called Jim Farley aside. "I was mistaken about Mr. McGrady," she confessed, and a few days later he took the oath of office.

Tall, brisk, powerful, and blunt of speech, McGrady is one of the ablest men in the A. F. of L. and one of the driving forces in the New Deal's labor program. In this, he is an almost perfect contrast to the suave Leo Wolman, labor's economist in the N.R.A.

Wolman has been known for years as a liberal in the field of labor and industrial relations. Born in Baltimore forty-four years ago, he was educated at Johns Hopkins and made teaching economics his life-work. Besides teaching at several universities, he served as investigator for the U. S. Commission on Industrial Relations in 1914 and was chief of the section on production statistics of the War Industries Board. He went to the Versailles conference as an economic expert and in 1921 was a member of the advisory board of the U. S. Unemployment Conference.

After the war, Wolman moved to New York where he joined the faculty of the New School for Social Research and mixed in labor-industrial relations and the trade union movement. He was a friend of Sidney Hillman and the Amalgamated Clothing Workers, serving as arbitrator from time to time, and is the author of two books on the American trade union movement. He is a member of the research staff

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of the National Bureau of Economic Research and since 1931 has been on the economics faculty at Columbia University.

Wolman ranks near the top of the list in the field of labor economics, both as a statistician and a sociologist. He was one of the men whom Frances Perkins brought into the circle at Albany after the depression began, and she frequently consulted him.

Of medium height, medium proportions, dark and brisk, Wolman forms his own opinions and sticks to them. He is in Washington because Frances Perkins had him made a member of the N.R.A. Labor Advisory Board, when that organization needed a man of first-rate intellect, sound theoretical knowledge and a broad social viewpoint, to offset the purely practical viewpoint and policies of Green and Lewis.

However, Wolman no longer ranks among the liberals of the New Deal, who are inclined to regard him with suspicion. He turned out to be an inveterate and cynical Fabian, ready to compromise in the hope of moving the labor line a few inches ahead of its jumping-off place, unaware that the break-through has occurred. His liberalism is limited by the ideal of a large public works program, unemployment insurance, and other social insurance schemes. He was also ill-advised enough to leave his own field and pose as a monetary expert, and he signed the remonstrance of hard-money Columbia professors against the Roosevelt gold policy in the autumn of 1933.

At that time, he exuded despair and gave the impression that the whole recovery program was at the point of collapse, when the weakest point in the whole program was that group of N.R.A. codes which permitted industry to get away with unconscionable profits. It was not the monetary mote in Roosevelt's eye, but the monopolistic price-fixing

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beam in Wolman's bailiwick which was threatening the New Deal.

Probably Wolman realized the weakness of the N.R.A. codes, against many of which he had protested, so criticism of him must not be based on a comparison between him and many others in the N.R.A. but on a comparison between what he did and what was expected of him. He could have made himself an outstanding liberal in the New Deal, linking the N.R.A. with the liberals in the A.A.A. Instead, he gradually faded into the background.

Despite his intelligence and technical qualifications, he illustrates the fact that American labor, no less than American industry, is fatally muscle-bound in its mental processes. Labor economics, like capitalist economics, circles around a few stale points of reference and when confronted with the greatest opportunity in history, can only thumb its textbooks, grab a few pay-boosts and a few hours off the working-week, and call it a day.

7

As vermiform appendix to the great alimentary system known as American industry under the N.R.A. is what is generally known as the "Consumers Group". Led by Frederic C. Howe, the grand old warrior of American reform, and Mrs. Mary Rumsey, the daughter of E. H. Harriman, the American "railroad king" of the early 1900's, this hopeful little assemblage of liberal sociologists and economists is trying to persuade the industrial dinosaurs to acknowledge their master, the man and woman who buy industrial goods. Unless people are given the power, through higher wages, lower prices and moderate profits, to buy and consume the

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output of industry, this group contends that there can be no recovery.

Frederic Howe is the spearhead of this economic coterie. He was brought into the original A.A.A. as head of the consumers' council but Mary Rumsey soon tied him up with the N.R.A. Consumers' Advisory Board, and now that nearly all the codes are under the N.R.A., it is there that the battle for the consumer must be fought.

The idea of protecting the consumer at all was Tugwell's, and he, with Fred Howe and Mrs. Rumsey, were chiefly responsible for dragging various representatives of the consumers into the picture and building up strong organizations. However, Mrs. Rumsey made it her job to "cooperate" with General Johnson and to keep the peace, with the result that her work was stymied from the outset. Howe had an easier time of it, because he had men like Wallace, Tugwell and Jerome Frank at the other end of the cooperation.

On every hearing for an agricultural code or marketing agreement, the consumer has been represented—and by an unhesitating and unterrified spokesman. From the start, Howe began to get out simple exhibits showing how much of the increased price of a pair of overalls or of a housewife's apron, was due to the processing tax on cotton, how much to higher wages in the cotton mills, how much to better prices for raw cotton, and how much to increased profit. His studies showed that the cotton industry was making a merciless clean-up, and he found the same thing true of other industries. This caused much indignation in business circles, which infinitely preferred the Johnsonian technique of suppressing all such information on general principles.

Lean, full of zip and humor at the age of sixty-six, Howe is one of the most engaging figures in the New Deal. He was born in Pennsylvania, attended Allegheny College, got

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his Ph.D. at Johns Hopkins in 1892, and studied law in Germany and in this country. In 1894 he went to Cleveland and remained there until 1909, as a lieutenant of Tom Johnson in the great struggle to clean up municipal politics, serving both on the City Council and in the Ohio State Senate. Then he wandered on to New York, where he served as Wilson's Commissioner of Immigration from 1914 to 1918.

His life has been that of a peripatetic scholar, author and politician. He has lectured in several Western universities on law, taxation and municipal problems, and his books include studies of taxation, municipal government, socialism and cooperation in America and in Europe. Following the Wilson débâcle he became director for several years of the Sconset Summer School on the island of Nantucket. He was brought into the New Deal picture for sentimental, as well as practical reasons, both as a stimulating survivor of the old pre-war muck-raking and reform days, and as one who has never changed sides or grown weary in the fight for social justice.

In this, he is an interesting contrast to Mary Rumsey, who was born with a diamond-studded spoon in her mouth and who should, by all the laws of Karl Marx, be a convinced reactionary, for she is the daughter of a man who could and did swallow whole railroad systems before breakfast, and whose intrepid energy she has inherited.

Her education was unconventional, in the sense that she studied at Barnard College—where Raymond Moley was later to lecture—and specialized in biology and eugenics. She banded her débutante contemporaries into the Junior League, that organization which shows the daughters of the overworked rich how live the families of the overworked poor. Her father also made her attend directors' meetings

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in order that she should learn something of the realities of life among the overworked bankers.

Her reaction was to marry Charles Cary Rumsey, poloist and sculptor, with whom she had gone fox-hunting near Middleburgh, Virginia. This was in 1910. Twelve years later he was killed in an automobile accident, leaving her to manage her estate and take care of their daughter and two sons. The slow discipline of the soil and seasons on a North Virginia farm introduced her to the agricultural problem. Her home became a center of scientific agricultural interest; she struck up a warm friendship with George Russell ("AE"), the Irish poet-economist, who interested her in that *ignis fatuus* of American farming, the cooperative movement. Undaunted, she went ahead, organizing cooperative marketing associations for livestock and the emergency exchange association for the unemployed.

She belonged in the New Deal from the start, as an intimate friend of Frances Perkins, while her brother, Averell Harriman, was one of Roosevelt's staunchest and earliest supporters. Political to her finger-tips, she is a friend and neighbor of Tammany's Boss, John F. Curry. Though not formally allied to either political party, her sympathies have always been liberal. She is full of new ideas, full of enthusiasm and rather emotional—altogether a remarkable person to be the daughter of one of our big railroad builders. Democratic and informal, she is a terrific worker, and will call people up at two o'clock in the morning if she has an idea she must discuss with them.

Under her and Howe is assembled a large group of economists and sociologists, the most important of whom include Dexter M. Keezer, executive director of the N.R.A.; Robert S. Lynd, author of "Middletown", that extraordinary study of the town of Muncie, Indiana; Paul H. Douglas, and Wil-

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liam Trufant Foster of the economic vaudeville team of Foster and Catchings.

Of these, Keezer is preeminently the desk-worker and re-write man and Lynd is the leg-man and observer. Keezer is a Massachusetts man of thirty-nine, a graduate of Amherst in the Class of 1920, with fourteen years of journalism and teaching to show for his education. He and Gardner Jackson—who is on the consumers' board of the Triple A and who is best known for his last-ditch fight to save Sacco and Vanzetti from the electric chair—began their newspaper careers together in Denver in 1920. Two years later Keezer got a job as instructor in economics at Cornell, which he followed by teaching at the University of Colorado and the University of North Carolina. He got his Ph.D. at Brookings. In 1927, he came back to newspaperwork with the Scripps-Howard Bureau at Washington and two years later became associate editor of the Baltimore "Sun." It was there that Mrs. Rumsey located him when she wanted a man to reorganize her office when his predecessor, the disgruntled Professor Ogburn, resigned in a huff.

Robert S. Lynd hails from the Middle West, being a native of Indiana, where he saw the light of day forty-two years ago. After an education at Princeton, Union Theological Seminary and Columbia, he took the publicity and editorial route to fame. He edited "Publishers' Weekly" for several years, did publicity for Charles Scribner's Sons, went into publishing with B. W. Huebsch and then emerged as editor of "The Freeman". From this he embarked on a long period of sociological research, beginning with the Small City Study for the Institute of Social and Religious Research, followed by some work for the Commonwealth Fund, and then for Social Science Research Council, of which he became permanent chairman. In 1929, he and his wife, Helen

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Merrell, published "Middletown—A Study in Contemporary American Culture", a book which dissected and analysed a small American city with the objective impartiality hitherto lavished only on African villagers and the Pueblo Indians. Two years later, he received his Ph.D. from Columbia where he began to teach as Professor of Sociology.

Foster and Douglas are the aggressive, hard-hitting team in charge of the job of organizing a nation-wide network of consumers councils.

Douglas, tall and self-assertive, is Professor of Industrial Relations at the University of Chicago. Forty-two years old and a native of Massachusetts, Douglas was educated at Bowdoin, Columbia and Harvard, before teaching at the University of Illinois, Reed College, and the University of Washington, prior to his appointment at Chicago University. During the war, he handled an industrial relations assignment for the Emergency Fleet Corporation and is the author of several standard studies on labor and economic problems, being an authority on "real wages"—i.e. purchasing power as distinguished from cash receipts. He ranks near the top of labor economists and is an aggressive liberal of "The New Republic" stripe.

He brought to the Consumers Advisory Board a much-needed driving-force. He had no desire to keep the peace, preferring to get results, and he made it plain that he thought Johnson was trying to suppress the consumers advisory outfit. To help him in his fight against Johnson and the hush-hush school of N.R.A. opinion, he brought in his old teacher at Bowdoin and chief at Reed College, William Trufant Foster.

Foster, another New Englander, was born in Boston fifty-five years ago, and educated at Harvard and Columbia. After teaching at Bates and Bowdoin, in 1910, he became first

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President of Reed College, in Portland, Oregon, where he introduced new educational experiments, including the abolition of intercollegiate athletics and the development of a really stimulating intellectual environment in a small college. Reed was a small outpost in the Far West of the great intellectual controversy in the American educational system, which produced such experiments as Rollins College in Florida and Antioch in Ohio and the new Swarthmore under Aydelotte.

After ten years, Foster resigned to become director of the Pollak Foundation for Economic Research, in which capacity he wrote that dynamic series of books with Waddill Catchings—"Money", "Profits", "Business Without a Buyer", and "The Road to Plenty"—which did so much to indicate to our muddle-minded industrial and financial leaders the fundamental characteristics of the capitalistic system of distribution. He did much to advance the thesis of the high wage level and to make business men vaguely aware of the fact that goods cannot be sold unless somebody is allowed to have the money to buy them. He also made some of them aware that the accumulation of high profits in few hands will reduce consumption unless these accumulations are invested in the construction of new enterprises. And he placed before Wall Street its horrible dilemma: the necessity for individual thrift in an unplanned society as opposed to the necessity for continuous and mounting expenditure by everybody if the capitalistic system is to continue to function.

Foster was one of the first men to demand a huge public works program when the depression began to hit us. An energetic man, a bit of a rebel and an innovator, he is a good team-mate for Douglas. Together, and with the backing of men like Gardiner Means, Thomas Blaisdell (a young professor of economics at Columbia whom Tugwell brought

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down) William E. Mosher (Professor of Political Science at Syracuse), LeRoy Peterson, who helped to organize the Amalgamated Bank in New York City, and Gardner Jackson, who is consumed by the flame for social justice, they may succeed in indoctrinating the whole industrial police force with the one simple principle: that people cannot pay high prices or low, yield low or high profits to industry, or enable business itself to continue, unless those people are given the means with which to buy.

The dilemma which the economists worked out in the class-room and the offices of the benevolent foundations has come home to roost. Under the N.R.A. the dewlapped captains of industry and the heavy-hipped purveyors of profitable services are being brought face to face with the inescapable facts of the economic crisis. They are confronted with the fact of plenty and the fact of shrivelled purchasing power. Out of it may be born, not without roarings and rumblings and wrenchings of entrails, something new under the sun: a society in which the consumer gets more than an even break—a society in which the consumer is king.

III

FRENZIED FARMING

I

DESPITE the booming of the bankers and the low plaintive moans of industry, the farm problem is the hottest single sector of the New Deal front. Since 1920 the American farmer has been on the downgrade. The World War gave him a dangerous dose of economic strychnine, which led him to expand acreage and increase production, through the beneficent workings of the "profit motive," but since 1920 he has had twenty-three billion dollars of capital squeezed out of him and he entered the great depression with stupendous surpluses for which there was no effective internal or international demand. The curtailment of immigration, protective industrial tariffs, and Europe's attempt—taught by the lessons of the war blockades—to make itself independent in matters of food supply, have decreased the farmer's consumers, increased the costs of what he must buy, and cut him off from his traditional markets. In addition to all this, our farmers operate individually, have proven themselves incapable of voluntary collectivism—whether through the socialistic device of the cooperative or through the capitalistic device of incorporation—and are no more able to join in a national economic organization on a parity with industry than the average cotton-grower is able to sit down at table on a parity with Charley Schwab or Al Wiggin.

Under these circumstances, the problems of the New

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Dealers in manhandling agriculture are essentially different from their problems in dragooning industry. Line-plunging tactics are of no use in treating malignant anemia, whatever their value in repelling the onslaught of a gang of thugs. Where industry must be whipped into line, agriculture must be encouraged to sit up and take a little beef-tea. Hence the best brains in the Roosevelt Administration have been mobilized on the Farm Front, for success of the battle there, on behalf of the fifty million people who are dependent on agriculture, means success all along the line.

There are more brains and more real ability per pound of human flesh in the agricultural wing of the New Deal than anywhere else. And, despite the hampering effect for a time of George N. Peek—a very able man who was entirely out of place as head of the Agricultural Adjustment Administration—the agricultural wing is performing its prodigious task with more thoroughness and intelligence than is any other department of the Roosevelt Revolution. It is uncovering and destroying more organized rackets in its field than even the banking investigation and is confronting bigger and better organized political revolts against fundamental remedies. It is the storm-center of the New Deal.

At the top are a really titanic team—Wallace and Tugwell—the philosophers of the Administration, and grouped immediately beneath them are a carefully assorted combination of practical men and “Little Brain Trusters”: Jerome N. Frank and Chester C. Davis in the A.A.A., and Mordecai Ezekiel, Louis Bean and Gardiner Means in the Wallace-Tugwell offices.

They are carrying the brunt of the battle against the New Deal, as theirs is the attack on the vulnerable flank of the Old Order. The cave-men of Manhattan had no remedy for the farm problem—which includes the vital problem of the

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nation's food-supply—except that old law of supply and demand which they had virtually repealed so far as industry and finance were concerned. To the Old Guard, the farmer was on a parity, not with industry, but with the industrial worker, as one of the purveyors of the raw materials of capitalism. The farmer supplied produce, the worker supplied manual labor, and it was for industry and banking to take them or leave them. This was the major unbalance of the old system and a betrayal of its original concept as a free and equal union between Northern industry and Western farming. And yet the Party of Abraham Lincoln has levelled its deadliest attacks against the men who are doing most to revive the original basis of the alliance which Abraham Lincoln represented when the Republican Party was first allowed to triumph. For the power of the Old Guard over American economy was not based on any free compact but, like any other tyranny, on usurpation. The purpose of the New Deal is sufficiently modest when it aspires to restore the farmer to the status which he enjoyed before the World War. The men who are administering the New Deal to the farmer, fortunately, see much farther than this minor objective and are seeking to remodel the entire basis of American agriculture in the most far-flung experiment of a highly experimental Administration.

2

Henry Agard Wallace, Roosevelt's Secretary of Agriculture, comes to the New Deal from the very heart of America, from land-locked Iowa, which has also produced corn, hogs, Milo Reno and ex-Senator Smith Wildman Brookhart. He epitomizes American civilization in its most genuine native form, the form which gave us an Andrew Jackson and an

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Abraham Lincoln. He is as earthy as the black loam of the corn belt, as gaunt and grim as a pioneer. With all that, he has an insatiable curiosity and one of the keenest minds in Washington, well-disciplined and subtle, with a range of interests and accomplishments which range from agrarian genetics to astronomy.

He represents the untapped reservoir of American youth which offers the greatest opportunity and best hope of our polity. He was born on a farm in Adair County, Iowa, forty-six years ago, the son of Henry Cantwell Wallace, the farmer and farm editor who served as Secretary of Agriculture under Harding and Coolidge. To round out the picture, it should be stated that his grandfather, Henry Wallace, was a member of President Theodore Roosevelt's Country Life Commission.

Henry the Third went to the public schools and the Iowa State agricultural college at Ames, from which he graduated in 1910. He went to work on his father's paper, *Wallace's Farmer*, and became its editor in 1921 when his father went to Washington. The American rural newspaper differs from the metropolitan journal in that the editor learns as much from his readers as they from him, and does not assume to dictate their opinions. Wallace's editorial work, accordingly, directed his relentlessly active mind along new and stimulating channels. For example, as a result of a sentimental editorial he had written in 1915, speaking of the hog as the farmer's "mortgage lifter", he received a tart letter asking if he knew what was the price of hogs at that time. Wallace didn't know but he looked it up and found that it was very low indeed. Forthwith he began his studies of prices and price trends, producing the first corn-hog ratio charts which indicated the probable course of the markets.

He has kept up these studies ever since, until to-day he has

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the most complete data of price movements for all the basic agricultural commodities produced in the United States, by days, by weeks, by months, by years, by five-year and ten-year averages. Behind his chair in the Department of Agriculture is a table on which reposes a thick, gray-bound, loose-leaf volume containing his own figures on these price movements. He brought it east with him from Des Moines and it is probably the most valuable volume on that subject in existence.

His career has been intimately and directly associated with the corn-hog dilemma. In 1920, the year when he published his book on "Agricultural Prices", he was warning the readers of his journal of a great post-war decline in agriculture. His researches enabled him to develop a system for forecasting corn yields on the basis of rainfall and temperature records, which worked with remarkable success. His weather-records for the corn belt over the last decade are invaluable, and after he came to Washington in 1933 he persuaded the U. S. Weather Bureau to adopt some of his methods. His work with statistics carried him into mathematics as far as calculus—which stumped him as it has stumped other many-sided men—and in 1924 he published a volume on "Correlation and Machine Calculation".

Like Lucullus, who is remembered only as a rich man who gave good dinners but who is responsible for transplanting the cherry-tree from Asia to Europe, Wallace will probably be remembered only for his articulate writings and administrative actions, whereas his real contribution to this continent is his improvement of the breed of corn. In 1913, he began a remarkable series of experiments in producing high-yielding strains of corn. All corn to-day is the result of cross-breeding the various primitive types of Indian corn and because of this mongrelization, the strains do not remain

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true. Wallace broke down these hybrids into their elemental types by inbreeding and then began afresh to develop better strains by selective cross-breeding. His experiments, conducted by himself, are ranked as among the four or five contributions to genetics of great importance in the last twenty years. He applied similar methods of inbreeding and cross-breeding to improve the breeds of hogs and chickens, both of which live on corn. In 1923 he published his "Corn and Corn Growing", while his strains of hybrid corn have been the leaders in Iowa Corn Yield Tests since 1926 and are used by practical farmers throughout the Corn Belt. It is an extraordinary commentary on our civilization that we offer fame and fortune to the man who can devise a new machine, but have only the word "hick" for those who improve the basic conditions of human life through such means as Henry Wallace's. Millions for carburetors but not one cent for corn, seems to have been the national motto during the last fifty years.

Now Wallace, who made higher corn yields possible, is engaged in the obscene task of reducing corn production. In this his career is parallel to that of Professor M. L. Wilson, author of the "domestic allotment plan", who was one of the men at Montana Agricultural College who showed the world how to produce wheat on a large scale. When the result was a world-wide over-production of wheat, Wilson, like Wallace, had to turn around and invent a plan to reduce wheat-production in the United States.

Nor did Wallace confine his experiments to corn and livestock. He experimented on human beings, as represented by himself. While attending college he tried out various diets and found that he could eat and survive on a few cents a week. At one period he lived entirely on rice, and contracted scurvy. Although his ancestry is Scotch Presbyterian,

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which has never been notorious for its open-handed extravagance, these experiments were not induced by economy—his father was well-to-do according to Farm Belt standards—but by a simple desire to trace the economic cycle of farm production to its bitterest conclusion.

As a result, there is probably no man alive who knows contemporary and past American farming so well as Wallace. On one occasion in the Department of Agriculture an important letter, prepared by a subordinate and containing many statistics on past production of various farm commodities, was put before Wallace for signature. He checked the figures, one by one, from memory and, saying that most of them were wrong, wrote in the correct amounts, asking that they be checked. When the check was made, it was found that his memory was almost infallible. Yet, despite this scientific curiosity and exactitude of mind, Wallace is essentially a mystic and a moralist. He likes to be alone, to walk alone, to philosophize. He is a great friend of "A.E." who, like Wallace, is also a mystic with a keen interest in agriculture, and his journalism is a curious blend of hard-headed practicality and an attitude of wonder at the workings of a God who makes the rain to fall and the corn to grow up out of the earth for the nourishment of men.

How did this mystic wander into the rough-and-tumble of the New Deal? It is a long story but the essence is that when the Old Deal failed to work to the satisfaction of the corn-hog producers, corn and hogs joined the Roosevelt Revolution and Wallace went along with them. Wallace's father was heart-and-soul in the McNary-Haugen movement and fought for it until his death in the Coolidge Cabinet. Young Henry bolted the Republican Party in 1928 to support Al Smith, only to see Iowa give its native son a bigger Republican majority than usual. In 1932, Wallace

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came out for Roosevelt. His articles and speeches were a great factor in carrying the Corn Belt, and Iowa, which is scarcely less Republican than Maine or Utah, went Democratic with a bang. He was obviously the man for Roosevelt's Secretary of Agriculture.

So Wallace strolled into the most difficult problem of the New Deal, as detached and cool as though he were cross-breeding his beloved corn. He is no Bolshevist or collectivist, knowing exactly how individualistic a creature the American farmer is. He simply knew that export crops had to be reduced and he proceeded to sell crop production under the "voluntary allotment plan" to the farmers and financed it through the processing tax. A farmer and a farm editor, he knows the farmers' language and philosophy and explained the revolutionary experiment in terms of simple horse-sense that the farmers could understand. Whether A.A.A. will succeed in the long run is a question which is still to be answered. Wallace himself holds out the alternative of tariff reduction and the resumption of large-scale farm exports. But it is indeed a revolution when the cotton-producers and tobacco-growers in the South, the wheat farmers throughout the nation, and the corn-hog growers of the Middle West will voluntarily and almost en masse sign and live up to agreements to reduce their crops. Men have been ridiculed and destroyed politically for even advocating such a program, for one of the foundation-stones of Wall Street's domain over the farmer has been the assumption that 10,000,000 individual agriculturalists could not combine effectively on any course of action. They were divided: it only remained for the banker to conquer them. It took a mystic—and a Scotchman—to realize that the farmers would agree to do anything which seemed to be to the individual and general advantage. His program of leasing farm-acreage out

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of production used the sacred "profit motive" to restore a profitable basis for American agriculture as a whole as well as for the individual farmer. It was a neat trick and a simple one.

At Washington, Wallace has lost none of his natural simplicity. Every morning at 7:15 he leaves his apartment in the Wardman Park Hotel for a one-hour walk to his office. This gives him exercise and time to think. Of medium stature, when engaged in thought his head droops forward and his eyes have a far-away expression. There is a deep pathos in his face, but he is strong, fond of simple living, fond of walking. In Chicago recently he horrified his companion by insisting on walking from his hotel to the station, about half-a-mile distant. He carried his heavy suitcase and when his companion could no longer stagger under his, Wallace carried that, too.

At heart, Wallace hates crop reduction as Newton Baker hated war. He shares the ordinary man's instinctive feeling that there is something evil and indecent in reducing the world's potential food supply, but he sees that it must be done, for we are producing more than we can use of certain crops, even with a general return of prosperity. He yearns for the revival of the export market and has been preaching for years that America is now a creditor nation and must cease acting like a debtor nation. He would like to see our imports increase by a billion dollars a year to afford an outlet for our agricultural surplus. In this he is following the dictates of orthodox economics, which contains no formula to describe the simultaneous appearance of identical surpluses in all producing countries and the simultaneous disappearance of purchasing power in all consuming centers. He is, therefore, apparently unaware of the conquest of the cornstalk by the carburetor, which symbolizes the technological

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crisis in our economy. He speaks the language of Wall Street, but not with Wall Street's connotations. For years he has been preaching the cancellation of war debts, and anybody who knows the Middle West knows that he could scarcely have chosen a more unpopular theme. For eighteen months before Roosevelt's inauguration he advocated a reduction of the gold content of the dollar and observed, with a shrewdness which appealed to the Mid-Western farmers, that the British had put over a fast one when the British bankers persuaded our own monetary stuffed shirts to preserve the dollar on its traditional gold basis, while the pound was allowed to slip to a point which would stimulate British exports.

No Secretary of Agriculture in our history has been called upon to deal with problems comparable to those which confront Wallace. Half of our people directly—and all of them indirectly—are dependent upon Wallace for the recovery of a decent standard of living. "H.A."—as he is known in his Department—is deliberate and at times seems vague and philosophical, but when he makes up his mind he has a bulldog grip. He has courage and suavity and a level head. Last summer, when our business men had delusions of instantaneous prosperity during the rapid rise in prices following our abandonment of the gold standard, Wallace told them that they were going crazy. He reminded them of the record carry-overs in cotton and wheat and of the long pull needed to restore the buying power of the farm States.

His handling of George Peek revealed both force and finesse. When Roosevelt put Peek at the head of the A.A.A. he submitted the farm experiment to a terrible handicap. Wallace accepted the situation and worked persistently in bringing Peek, to whom he was personally sympathetic, around to crop reduction. But when the show-down came, it

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was Peek and not Wallace who went under. No one who attended that press conference just before Peek's resignation as Administrator of the A.A.A. will ever forget it. The two men were seated side by side in Wallace's office, faced by a hundred correspondents. With all the fairness and restraint of a judge and without a single unkind reference to Peek, Wallace calmly said that Peek's milk agreements were a failure and proceeded to write off Peek's work as a total loss. Yet it was done too impersonally and too adroitly for Peek to take offense. One newspaperman remarked afterward: "That is the coolest political murder that has been committed since Roosevelt came into office."

For, although Wallace can be judicial and discreet, he is forceful. When he went west in the autumn of 1933, at a time when the A.A.A. was wobbling after Milo Reno's threatened farm strike and the N.R.A. was exasperating the farmers and small business-men, he attacked the business leaders of Chicago for playing the game of the meat packers instead of helping the farmers on whom Chicago is fundamentally dependent, and he did not hesitate to use such language as "the vomit of capitalism". He is, moreover, one of the few men in public life who are seeking to stimulate a "youth movement" in America which will operate under its own steam and express its own ideals rather than be harnessed to the partisan advantage of either political party or to the defense of the economic order.

Yet political ambition is far removed from Wallace's thoughts. If he could maintain a satisfactory corn-hog ratio only through politics, he would not hesitate. He is one of the three or four men of real stature in the Cabinet. If the young men and women of this country look to the West for a liberal candidate for the Presidency—as they may in 1940—they will not be able to overlook Henry Wallace.

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3

Wallace's lieutenant, Rexford Guy Tugwell, is not only the beau of the Administration; he is, since Moley's accelerated departure into journalism, its principal economic philosopher and the chief target of all the foes of change. The country is changing and Tugwell is one of the vehicles through which the changes are being registered, but the impulse to destroy him is akin to the impulse to smash the barometer on a rainy day or to kick the door in which we have pinched our fingers.

When you reach Tugwell you come very close to the heart of the New Deal. He has been howled at as a "Bolshevik", "a radical", a man who would abolish the profit system, a diabolically clever revolutionary who would by subtle substitutions destroy the dear old American ways of doing things, and in their place establish a Soviet.

Since Moley left Washington, Tugwell has been the main target of the Big Business batteries (if Tugwell goes, Harry Hopkins will be next) and the object of suspicion to many well-meaning middle-of-the-road reformers who have been warned that Tugwell is out to undermine the American System. The logic of this attack seems peculiarly weak, for even if Tugwell were a subversive revolutionist—which he is not—the denial to him of the right to pursue his policy by peaceful, legal methods would be to state that change can only be achieved by bloodshed and violence. Nevertheless, after visiting Herbert Hoover at Palo Alto late in 1933, Mr. Mark Sullivan, the spokesman of the right wing of the Republican Party, began to attack Tugwell and to surround the Assistant Secretary of Agriculture with all the insinua-

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tions of a conspiracy to undermine the American form of government, and so forth.

The tactics were to proclaim that Mr. Roosevelt was a conservative at heart who was, without his knowledge, being entrapped into sponsoring a radical policy, and to identify Tugwell as the "left wing" revolutionist of the otherwise idyllically conservative Administration.

There is tremendous irony in all of this, for Tugwell is a genuine conservative who would save the profit system and private ownership of property by adapting them to the technical conditions of the power age. If the New Deal succeeds he will go down to history, along with Roosevelt and a corporal's guard of the other guiding minds of the Administration, as a man who saved capitalism. If the New Deal fails, he will be written off as a poor, deluded, right-wing liberal who was foolish enough to suppose that the great social forces set in motion by the industrial revolution could express themselves in an orderly manner through the channels of democratic institutions.

For Tugwell is facing, not the conservatives, but the facts: the fact of permanent plenty in the midst of general poverty, the facts of mass production and increasing machine efficiency, the fact of the human instinct to love oneself before loving one's neighbor. He is no Utopian dreaming of a socialistic or anarchistic state in which a Christ-like people act out the Golden Rule. Neither is he infected with the paradoxical dogma of *laissez-faire*: that the uncontrolled interplay of individual ambitions will automatically produce the greatest good of the greatest number. Tugwell's theory that the depression was due to human and psychological causes, rather than to natural, physical causes, is the basis of the New Deal. Roosevelt saw those causes before Ray Moley ever brought Rex Tugwell into the Brain Trust, but

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Tugwell undoubtedly gave direction and force to the Roosevelt interpretation. Tugwell saw that the basic cause of the depression was the failure of laissez-faire capitalism to distribute the phenomenal surplus made possible by the technological advance of the post-war decade. Instead of being distributed in wages to labor, in lower prices to the consumer, or even in dividends to the investor, the profits from industry were piled up in huge corporation surpluses. His book published early in 1933 under the title of "The Industrial Discipline" simply called attention to this basic fact and advocated the creation of a social instrumentality to insure the distribution of the surplus.

This was the position taken by the Technocrats and by the Social Credit group, but Tugwell was too much of a realist to limit himself to a simple formula. He saw other causes for the depression, including the loss of the export market for agricultural products, the varying rigidity of various parts of our economic structure, and—above all—the interference with the orthodox principle of efficiency as the basis of economic survival by such devices as the tariff, uncontrolled industrial monopolies and the anachronistic effort to maintain the small business man through the anti-trust laws.

For Tugwell is a collectivist in the sense that Mr. J. P. Morgan is a collectivist, in that he realizes that technological advance tends toward larger and more elaborately inter-related business units. We have been developing this sort of collectivism in America for generations and some of the very people now howling the loudest against "collectivism" are the big bankers who have actually been fostering and developing the collective system. The only question is whether the profits of collectivism shall flow into the pockets of speculators, bankers and idle rich who live on inherited

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wealth, or whether they shall be widely enough distributed to enable the private ownership of property and the individualistic basis of capitalism to survive at all. Tugwell sees that efforts to frustrate the creation of larger business units must fail and that they are, in fact, undesirable because they prevent our system from reaching its highest efficiency.

Like Moley, Tugwell came to the New Deal with an academic rather than political halo. Born in western New York forty-three years ago, and with a career of teaching economics at the University of Pennsylvania, the University of Washington, and Columbia University behind him, he was known only as a rather unconventional student of the basis of American industrial activity and an interested observer of the Russian experiment. He has never been as intimate a friend of Roosevelt's as Moley is, and does not frequent the White House as sedulously as Moley did, possibly because the Department of Agriculture is a good ten minutes' walk from the Executive Offices, but he is often consulted by Roosevelt and has had a hand in almost every important venture of the New Deal.

He has won fights and he has lost them, but on every important practical issue his arguments have been reinforced by subsequent events. He urged the rapid expenditure of money for public works, warning that too great precautions against graft and politics would prevent their effect from being felt in 1933. He proved to be right. The Public Works Administration failed to produce results last year and had to be poulticed with the Civil Works Administration. Tugwell joined Moley in urging that the United States go to the London Conference prepared to engage in friendly discussions and that we base our tariff policy on reciprocal bargaining. He believed that international agreements to control production were possible and the wheat agreement was

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one of the two definite international economic measures of 1933.

He fought for crop reduction, as opposed to dumping of farm surpluses, for the United States, he and Wallace winning their fight with Peek over this issue.

He opposed price-fixing by marketing agreements with processors and distributors, unless it was accompanied by control of production, and the Peek marketing agreements, especially those for milk, began to collapse within a few months after their signature.

Tugwell sees that the elimination of about 40,000,000 acres of low-grade farm land from production must be the long-range agricultural policy of the nation. Hoover said the same and so did every orthodox economist. However, after the disastrous Farm Board experiment, Hoover was willing to let the marginal producers eliminate themselves by starvation, where Tugwell favors submitting the process to social controls, in order to make sure that it is really the poor lands and unskillful farmers which are eliminated and not merely those who happen to have mortgaged their farms or to have a higher standard of living than the pauperized farmers of the South and East.

Tugwell saw that the great weakness of the N.R.A. was its failure to protect the consumers. His own proposals to protect them were rejected, but it is clearly no trick and no improvement to bring employers and labor together on wage-increases if the capitalist can add on as much profit as he desires. That is the old capital-labor racket which the A. F. of L. has been working for generations. Neither capital nor labor appears to realize that, unless competition, taxation or government regulation limits profits, wage-boosts can effect no real improvement in distributing purchasing power.

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It was Rex Tugwell who saw that the monopolies admitted under the N.R.A. and the agreement not to sell below the cost of production would make the position of the consumer worse instead of better, while the industrial system was frozen by the protection to profits afforded to the least economic producers. But when he said so, the Old Guard stood up on its hind-legs and howled that he was trying to run business without profits.

He went to work and supervised the drafting of a real pure food and drugs law. For this effort to curb some of the worst grafts in American business, he was branded as a Socialist and a "Red" by decent business men and publishers who would have been aghast if they ever had seen the exhibits of what they were defending in the "chamber of horrors" of the Pure Food and Drug Administration. Harvey Wiley, the great figure of the first Pure Food and Drugs Law, was a protector of women and children. Tugwell, who merely attempted to make Wiley's law do what Wiley wanted it to do and to extend its application to dangerous cosmetics, was branded as an enemy of society by our economic cavemen.

When his first draft Pure Food and Drug Bill had been sniped at for nine months, Senator Copeland, its original sponsor, introduced a "substitute", which, it was announced, eliminated the objectionable features of the Tugwell measure. It was, with a few minor changes, the same bill, drafted under Tugwell's direction by Professor David F. Cavers of Duke University, who had helped Professor Milton Handler of Columbia to draft the first Tugwell bill. Tugwell carefully concealed his connection with the second bill, preferring to have the measure become law rather than get personal credit. He even went to the extent of publicly protesting to the White House against the "substitute" measure.

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He is opposed to tariff protection for uneconomic industries in this country, unless they are vital to national defense, and that bit of economic orthodoxy is heresy to some of the inefficient interests which have been hiding behind the tariff on the strength of their campaign contributions to the Republican Party. The policy adopted by the President's Commercial Policy Committee, of grading all industries according to their efficiency and national utility and denying tariff protection to those which are a "burden" on the United States, originated with that great revolutionary conspirator, Rexford Guy Tugwell.

He knows the weak spots in the New Deal and sees them before most of his colleagues. Far from being a determined reformer, he has been ready to resign his job whenever he became an embarrassment to the Administration. Although he is suave, he is too honest to keep his views to himself.

His practicality has made an impression on the so-called practical men of the Administration and Roper, Dern, Farley and other moderates frequently call him in to supply them with a bit of education. He is on the Housing Board, the Surplus Relief Administration, the Commercial Policy Committee, the Public Works Board. In fact, there is very little in the economic application of the Roosevelt program which he does not help to administer.

A staunch and Whitmanesque Americanism is one of his outstanding characteristics. He believes that we must work out our own destiny by applying our own ideas and methods. While our international bankers look to London for guidance and our radicals to Moscow, Tugwell looks to America.

He is, by general agreement, the handsomest of the New Deal figures. A Washington newspaper distributed pictures of some of the New Deal "liberals" to shop girls and movie

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fans, for an expression of preference. Tugwell won the beauty prize. Tall, athletic, with iron-grey hair and a calm, rather artistic face, he suggests anyone from a banker to a poet. He is, in fact, a little of both. In 1915, when he was twenty-four, he wrote a poem which was recently unearthed and republished. It reads:

“We begin to see richness as poorness; we begin to dignify
toil.

I have dreamed my great dream of their passing,
I have gathered my tools and my charts;
My plans are fashioned and practical;
I shall roll up my sleeves—make America over!”

Poetic justice has rarely been more amazingly vindicated than by permitting the possessor of these plans and dreams, these tools and charts, actually to roll up his sleeves and, under the impetus of a peaceful revolution, to make America over.

4

Directly below Tugwell in the agricultural hierarchy, is what he describes as the “real brain trust”, a group of statisticians and economists headed by two Jews and the son of a New England clergyman. These are his tools and planners, the “no-men” of the farm fire-brigade.

There they sit in the office adjoining Tugwell’s, currying the statistics on which so much of the farm experiment depends: Mordecai Ezekiel, Louis H. Bean, and Gardiner C. Means. The first is of Old American Portuguese Jewish stock—the same stock that gave us Associate Justice Cardozo of the Supreme Court. The second is a Russian Jew from a village near Riga whose family took refuge in this

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country from the "Black Hundred" in the days following the Russo-Japanese War. Both of these gentlemen had served the Government under Coolidge and Hoover without being accused of an attempt to undermine the "American system". The only new "subversive" element is the son of a Congregational minister who traces his ancestry back to John Winthrop and other old New Englanders: Mr. Means.

Both Ezekiel and Bean for a decade had known Wallace, whose statistical work had brought him in contact with them and to whose farm journal Ezekiel had contributed. It was Wallace who took Ezekiel away from Hoover's Federal Farm Board and made him economic adviser to the Department of Agriculture. It was Wallace who suggested that Bean be transferred from the post of senior economic counsel in the Bureau of Agricultural Economics to that of economic adviser to the A.A.A.

Unlike Ezekiel, whose ancestors had distinguished themselves as members of the Richmond Grays as far back as the War of 1812, Bean is without roots in this country. Born in Lithuania in 1896, Bean was brought to this country by his parents at the age of ten. That was the first year in which immigration into the United States passed the million mark and young Louis was the millionth immigrant. The family settled in rural New Hampshire, where Bean attended the public schools before entering the University of Rochester at which he specialized in chemistry and economics. He served in the army during the World War and then returned to Rochester to take part in the labor management movement in the clothing industry.

Subsequently, Bean went to the Harvard School of Business and when, in 1922, the garment workers' unions began to lose ground in Rochester, he dropped the movement

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and came to Washington, where he got a minor job in the Bureau of Agricultural Economics. When the New Deal arrived, he was senior agricultural economist and had made extensive studies in farm income and prices and price analysis.

His chief accomplishment is the development of a "short cut" in statistical analysis which has reduced the work involved by about 90 per cent. It is about as easy to explain as the Einstein theory but the statisticians will tell you that it works as well as integral calculus, enabling a man to do for himself in an hour what formerly required two clerks to work for a day. They regard it as an invention comparable to that of the adding machine.

To this team of slender economists, one with the thin, eager face of the Portuguese and one with the broader, peasant physique of the Eastern European, has been added a third slender young man with the dark hair, serious expression and quiet tenacity of his Puritan forebears.

Gardiner C. Means was born in Windham, Conn., in the same year that Louis Bean saw the light of day. His father and his grandfathers on both sides had been Congregational ministers. After a somewhat peripatetic education in various New England public schools he went to Exeter for a year and then on to Harvard. A World War provided a minor interruption to his education. He went to the second Officers' Training Camp at Plattsburg where he found the bunk immediately below him occupied by another young Harvard man named Adolf Augustus Berle, Jr. After they received their commissions, their ways parted.

After the war, Means got his degree from Harvard where he had specialized in chemistry and went to Turkey in the Near East Relief. During the war he had served in the air service, barely escaping death in a long tail spin from which

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he emerged with miraculously slight injuries, and he went to Turkey to act as air-chauffeur to relief executives. That didn't prove practical so he drove automobiles for them and fetched up, after a year and a half, in charge of 2,000 orphans and 1,000 adults at Kharput, where he taught hand-weaving, hand-spinning, and various crafts. This work interested him in hand-weaving so on his return to the United States he studied in the Lowell Textile School and then opened up a small hand-weaving shop in Lowell which flourished until the depression arrived to destroy the market for high-priced quality products.

While operating this shop—which is still running on a reduced schedule—he returned to take graduate studies in economics at Harvard in 1925-26, obtaining his M.A. degree. Shortly afterward young Mr. Berle wanted an economist to collaborate with him in the study of the modern corporation. The young lady whom he later married knew another young lady who subsequently married Mr. Means. The young ladies got their friends together and they renewed the casual friendship of their Plattsburg days. They found that their ideas on economics were similar—and both, incidentally, were the sons of Congregational ministers—and began that collaboration which produced their monumental work, “The Modern Corporation and Private Property”, in 1933.

Means was made an “associate” at law at Columbia, a job requiring only research work, and worked with Berle on the broader line linking law and economics. So when Tugwell wanted a man to balance his agricultural experts, he chose Means and installed him with Bean and Ezekiel. His function is to supplement their purely economic analysis with his knowledge of corporations and business.

Quiet, quick and sure, he is one of the powerful younger

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intellects of the New Deal. His view of modern American economy is a purely practical one, which aspires to establish types of administrative control (not necessarily political in character) which will reflect the actual situation. He sees that the growth of the modern corporation has altered the old character of private property and private enterprise and has substituted the dynamic factors of interests and controls. He believes in centralizing only those controls which are essential to the smooth and adequate functioning of our business system and believes that a new form of representation must be worked out for industry so that ultimate interest and ultimate control must go hand in hand. His ideas will sound revolutionary only to those numerically small banking and management groups who have been operating our industrial system on the basis of the apathy and incoherence of vast numbers of small stock-holders.

5

After the brain-storm comes the comparative calm of administration. The secular arm of the agricultural hierarchy is the Agricultural Adjustment Administration, as operated for the New Deal by its chief, Chester C. Davis, and its legal counsel, Jerome N. Frank.

Frank is one of the brightest stars of the farm galaxy, another Jew—and a talented one.

He was born in 1889 in New York City, but his father, who was a lawyer, soon afterward moved the family to Chicago where young Frank grew up. He attended the Hyde Park High School, the University of Chicago and the University of Chicago Law School, from which he graduated with high honors. After graduation, he entered law practice in Chicago on the "liberal" side. He was a member of the

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"kitchen cabinet" of William E. Dever, Chicago's Progressive Democratic Mayor, and helped negotiate a traction settlement which Sam Insull succeeded in defeating. In 1929 he moved to New York and became a member of the firm of Chadbourne, Stanchfield and Levy.

Except for the Dever Administration, Frank had never taken part in public life until he became general counsel for the A.A.A. He was known only as a liberal lawyer. In Chicago and elsewhere, he made friends in the literary world, among them Carl Sandburg, Rebecca West, Sherwood Anderson, Floyd Dell, Max Eastman, Harry Hansen and Lucian Cary. He was also a close friend of Harriet Monroe and his wife, Florence Kiper, is a poet and playwright.

His legal career specialized in corporate reorganizations, in which field he is credited with having developed a technique that introduced radical innovations in this highly specialized field. Frank's technique took better care of the small security holder, an unwelcome innovation so far as Wall Street was concerned, where reorganizations are traditionally effected for the profit of bankers and lawyers. In Chicago, he handled many reorganizations for the First National Bank, in one of which he came up against George Peek during the liquidation of the Moline Plow works.

Frank's contribution to the theory, as distinguished from the practice, of law was in the field of "realism", of which Oliver Wendell Holmes was a great example. In 1930, he published his book, "Law and the Modern Mind", an exposition which takes full account of the psychology of individual judges in interpreting the supposedly unchangeable rules of law. He followed the book by many articles in law journals, one of his studies being entitled, "Are Judges Human?" Both his book and his articles are packed with literary references. His book is nearly half footnotes and

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contains a bibliography of modern psychology, anthropology, religion, philosophy, biology, mathematics and other assorted subjects. It was written on trains, in his spare time, while traveling around on legal business.

Several years ago, Frank met Felix Frankfurter once but when he came to New York he saw a great deal of the legal guardian angel of the New Deal and corresponded with him continuously. Thomas Reed Powell, the Harvard Law School's great authority on the Supreme Court and the Constitution, also entered into correspondence with Frank after the publication of "Law and the Modern Mind". In New York, also, Frank came into contact with Benjamin Cardozo, Professor Morris Cohen, Judge Julian W. Mack and others of their type, and his friendship with Frankfurter ripened.

As soon as Wallace and Tugwell were appointed to run the Department of Agriculture, they tried to find a solicitor to handle the Department's legal business. He had to be a lawyer of great talent—a liberal and an experimentalist—for he faced an unprecedented task of liberal experimentation. Tugwell asked Frankfurter to suggest a man and Frankfurter recommended Jerome Frank. Frank came to Washington and both Tugwell and Wallace took an immediate fancy to him, but Farley blocked the appointment, so Wallace made Frank general counsel to the A.A.A., and thereby laid the foundation for a great future struggle.

Frank was the first appointee to the new agricultural organization. Peek came later and found himself faced with the man who had liquidated Peek's Moline Plow Works for the Chicago bankers. Peek promptly brought in his own lawyer—Frederic Lee—and paid him out of his own pocket. For six months there was secret warfare, Peek and Lee against Frank, Tugwell and Wallace. Frank was ready to resign many times but Wallace and Tugwell held him in

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line. Finally, Frank's patience was exhausted and he was ready to leave, when Roosevelt stepped in and broke the deadlock by shifting Peek to the job of looking after exports.

Of medium height, slender, dark-skinned, good-looking, Jerome Frank is an attractive man. He recruited most of his legal staff from Felix Frankfurter's Aryan protégés in the last eight or ten Harvard Law School classes. He is in complete accord with the New Deal. He understands its economics as well as its law and knows that both must be experimental and flexible. Despite the pressure of the New Deal, he still reads furiously. No one knows when he finds time to do it, but he is a phenomenally rapid reader. His aides say that he reads a page at a glance. His mind is brilliant and relentlessly probing. His legal opinions are infused with a warmth of human sympathy and an appreciation of the great tides of psychology in human affairs. He is one lawyer who watches the bread-lines more closely than the price-quotations. With his wide range of interests and his violent intellectual activity, he is a fitting team-mate for Wallace and Tugwell. And he has imagination.

In sharp antithesis to this feverish legal intelligence, is the calm sea-level of Chester C. Davis, Administrator of the A.A.A. and the negotiator of the Agricultural Department. Davis is a very practical man, well-educated and with a disciplined mind and no eccentricities, the kind of man whom it is difficult to caricature and concerning whom amusing anecdotes are non-existent.

Davis was born on a farm in Dallas County, Iowa, in 1887; went to Grinnell College, interrupting his course for a year to edit a weekly paper in Redfield, South Dakota, and graduated in 1911, with a Phi Beta Kappa Key, one year ahead of Harry Hopkins, the present director of Federal Relief, and two years ahead of Paul Appleby, who is

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now an assistant to Wallace. From college, Davis went into rural journalism, editing papers in Miles City and later at Bozeman, Montana, the seat of Montana Agricultural College, where the man who later invented the domestic allotment plan—M. L. Wilson—was a professor. Davis and Wilson became intimate friends and from Wilson Davis learned a lot about agricultural economics. He bought land in Montana and farmed it and then entered the field of farm journalism as editor and manager of the Great Falls "Montana Farmer".

The war period brought vast areas of low yield Montana wheat land into production and while Wilson was showing Montana and the world how to raise wheat on a big scale, Davis assisted him through his newspaper. When the demand for American wheat began to fall off with the end of the war, Montana was one of the first States to be hit hard, and in the course of the next four or five years half of the farmers in the State lost their property through foreclosure.

This was the origin of the post-war demand for Farm Relief, and Davis was in the movement from the start. He became Montana's first Commissioner of Agriculture after organizing the State's Department of Agriculture in 1921 and held the job until 1925. He threw himself into the western farm relief revolt, the movement that battered vainly against Coolidge and all but vainly against Hoover and only came into its own with the election of Roosevelt. Early in the 1920's, Davis became acquainted with George N. Peek, of Illinois, one of the organizers of the farm revolt and the McNary-Haugen movement. He served with Peek on the Committee of Twenty-Two which lobbied for the McNary-Haugen Bill and helped push it through Congress on two occasions only to meet Presidential vetoes.

In 1925, Davis left Montana for Illinois, to direct grain

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marketing for Peek's Illinois Agricultural Association and remained closely linked to Peek in the years which followed. When Peek left the Republican Party to support Al Smith in 1928, Davis joined him. Davis was also one of the first farm leaders to back Roosevelt in 1932, and when Peek became Administrator of the A.A.A. in May, 1933, Chester Davis was his first lieutenant, as Director of Production.

However, Davis was almost as close to Wallace as to Peek. Ten years and more ago he had worked close to Henry C. Wallace, then Secretary of Agriculture under Harding and Coolidge, in the years that produced the first cleavage between the Hoover and Wallace schools of thought. Davis had his bags packed ready to go to Washington to take a job under the elder Wallace when the latter died. During the ensuing twelve years of the farm struggle against deflation, the struggle which squeezed as much money out of farm values as the total sum that Germany was ordered to pay as reparations, Davis and the younger Wallace became close friends.

Younger than Peek, with a better educational background, a wider knowledge of economics and a more elastic mind, Davis was able to take the leap from the McNary-Haugen scheme of dumping the farm surplus abroad to the 1933-34 idea of reducing that surplus by crop control. So, as the schism developed in the A.A.A., Davis stood with Wallace and Tugwell, although he maintained his friendship with Peek. In fact, Peek continued to consult Davis almost daily after Davis succeeded him and sought Davis' advice on setting up his plan for a Federal agricultural export corporation.

The fact that Davis could take part in a great administrative battle, fight on one side and still remain friendly with

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the other, illustrates his qualities. Even after he dismissed about 100 of Peek's appointees in reorganizing the A.A.A., he remained on the best of terms with Peek.

His genius is for practical, undramatic administration. He gets to his office about 8:15 in the morning and rarely leaves it before 8:15 in the evening. His only relaxations are an occasional game of handball or a symphony concert. His subordinates say that he drives himself relentlessly but is always anxious lest they are over-worked. He is an able, sensible man, with a remarkable talent for managing human beings, a man cut out to do the undramatic day-by-day work of administering the revolutionary experiment of applying social controls to America's most individualistic industry.

6

For generations, our industrialists and bankers have had the pick of the country's brains and have specialized them until there is no field of organized business in which the executives can be trusted to see the wood for the trees. By denying to agriculture the right and the power to organize on a comparable scale, they have compelled our farmers to think in general terms. And so, through the agricultural colleges of the States and the Federal Government, we have been developing men who think about agriculture in national terms. To-day, where industry has few men with a national social viewpoint, agriculture has hundreds of them and they are taking the social leadership of the nation away from the bankers whose mental range is limited by rediscount rates and from the industrialists who understand everything about their business except the actual process of economic exchange. There is no more pathetic spectacle in

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America to-day than that of our bewildered business executives contemplating the purposeful moves of these farm philosophers who do not believe that the mass production of Babbitts in Buicks is a sufficient answer to the demand for social justice.

IV.

MAD MONEY

I

THE attitude of the bankers towards the monetary policies of the New Deal has been similar to the attitude of a girl out on a pick-up party towards the "mad money" which is her insurance against being forced literally to walk home. The attitude of the New Dealers towards the bankers is that of the girl's escort towards the girl: she won't need the "mad money" because she's going to stick with the party and like it. So the issue of policy boils down, not to who is going to walk home and why, but who is going to pay whom and why.

On the one hand, you have the good old traditional way of doing business, which required the entire population of the country to "walk home" at twenty-year intervals in the name of God and the Gold Standard. On the other hand, you have the new technique of the financial sheik who claims that you can use buttons instead of money. The old school claims that buttons belong in button-holes, the new school asks what is the Gold Standard between friends. The times are on the side of the new school, for the financing of a revolution—even an unconscious one—takes a lot of money, and a lot of buttons.

The trouble with the Treasury under the New Deal has been the fact that the Roosevelt Revolution has been largely unconscious and is still unsuspected, in many quarters. An

observer of American politics once remarked that the difference between the United States and the other American Republics was that the others conducted their elections as though they were revolutions, while we conducted our revolutions as though they were elections. Whatever the truth of this epigram, it is certain that the financial community was the last to realize that the election of Roosevelt in 1932 differed in any material way from the election of Hoover in 1928.

Hence the policy of the Treasury has been enveloped in a profound fog and the personality of its administrators has been overlooked in the assumption that the national cash-register would continue to do business at the same old stand. Generations had built up an intimate relationship between the Treasury and the private bankers, in which the Treasury was run primarily for their convenience and in which its subordination to the monetary policies of Wall Street was taken for granted.

To-day, as the New Deal moves slowly towards the nationalization of the banking system through the social control of credit policies, there is lamentation in the tents of Kedar and the Wall Street group is occupied principally in hanging its harps and weeping by the waters of Washington. For the monetary controversies of the first year of the Roosevelt Administration can be understood only on the assumption that there is a profound struggle between the Government and the bankers for the control of the American credit system. This struggle has been largely instinctive and almost accidental, for it is implicit in the New Deal, a condition rather than a theory. On this account, the personality of the men who run the Treasury is of extraordinary importance. A year ago, a former Comptroller of the Currency could admit on the witness stand that the stealing of funds

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by bank presidents was a matter of common occurrence which excited no alarm in administrative circles. To-day, we find the banks and bankers everywhere on the defensive against the Administration policies and busily blackguarding the men who are responsible for those policies as "theorists" and "socialists" and "obscure professors".

This is because the Administration, having secured the moral isolation of the private bankers, is inexorably driving home its advantage and closing the avenues for further banking chicanery. By March 4, 1933, the American people had voted with their cheque-books against the private banks under the Gold Standard. A year later, the Administration was following up this debacle with fundamental reform both of banks and money. And even then the bankers were too dumb to realize what had happened to them.

2

The leader of the Roosevelt Administration's money-policy is Roosevelt himself, not his professors and not his technical experts or administrators. They are merely the agents of that policy. The origin of the policy is the condition of the country under the "orthodox" banking system. However, through the agents of the Roosevelt money-policy it is possible to discern the outlines of the new deal in banking.

Henry Morgenthau, Jr., his Secretary of the Treasury, is an organizer and administrator par excellence. Whether he is anything more than that—except a country gentleman—is not revealed by his shy taciturnity. Certainly, no one has accused him of incubating economic ideas of any sort.

"Henry the Morgue"—as F.D.R. has playfully called him for many years—has been a member of the Roosevelt

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gang since 1914. In the fall of 1913 Morgenthau bought some land in Dutchess County, about fifteen miles from the Roosevelt estate. The following spring he met Roosevelt and thus began a social acquaintance which gradually ripened into close friendship and intimate political association.

Morgenthau is a young man as American politicians go, nine years younger than Roosevelt himself. Born in New York City, the son of the well-known Jewish business man and philanthropist whom Wilson made American Ambassador to Turkey, young Henry was brought up under his father's watchful eye and was placed in early contact with the social welfare work in Manhattan which, in those days, represented the first conscious striving for social justice. He entered Cornell in 1909 to study architecture, as training for taking over his father's real estate business, but after a year his health broke down and he had to go West.

This gave him an insight into rural America unusual in New York Jewry. He spent two years on a Texas ranch, learned to ride well and became deeply interested in farming. He thinks that part of this interest was hereditary, his ancestors having been peasants in Germany. At any rate, when he returned to Cornell he abandoned architecture and took up agriculture, under the instruction of Professor George F. Warren, Professor of Farm Management. Henry did not take a degree but left Cornell in 1913 to engage in practical farming. He bought about 1,400 acres of rich bottomland back of Fishkill Hooks, near the Hudson River, and converted it into a farm which is his pride and joy. His 250 acres of apple-orchard yield about 25,000 bushels a year and his herd of registered Holsteins and Jerseys have won prizes for their butterfat yield. He is an expert enough farmer to have made a profit on his estate every year during the depression!

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As the son of a prominent and wealthy Democrat, the local Democrats in Dutchess County naturally tried to drag him into politics, but he bought himself off with campaign contributions and continued to run his farm and part of his father's business. During the war, he entered the Navy and, when faulty eyesight disqualified him for active service, was given a job in the Navy Department as lieutenant, junior grade, by his friend and neighbor, F.D.R. In 1920, when Roosevelt was nominated for the Vice-Presidency, young Henry was in charge of the notification ceremony at Hyde Park and he stuck by Roosevelt during the latter's illness and long fight for recovery.

In the meantime, Morgenthau had branched out, buying in 1922 "The American Agriculturalist," a Poughkeepsie farm journal which covers the New York milk-shed, and becoming an important influence in New York agriculture. He and his father were strong supporters of Al Smith and when Roosevelt re-entered public life they were 100% behind him. Immediately after Roosevelt's first election as Governor, he appointed Henry to organize an Agricultural Advisory Commission. Morgenthau got together the leading farm leaders and experts of the State, most of whom happened to be Republicans. For four years he served as chairman of the commission which drafted a broad program for farm relief in New York State. Most of it was enacted into law, as the Republican majority in the State Legislature could scarcely refuse to pass measures in the interest of the farmers and small-townsmen who supplied the bulk of the Republican vote. During his second State administration, Roosevelt made Morgenthau Commissioner of Conservation. Morgenthau reorganized the department, bringing in the best men he could find, regardless of party affiliation. Conservation had a direct bearing on farm relief, for one of

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its basic features was the purchase of poor farm-lands and their reforestation. The \$20,000,000 State reforestation program was one of Roosevelt's achievements and in this Morgenthau played an important part.

During the 1932 campaign, Roosevelt used him to maintain contact with the farm organizations throughout the country. While Tugwell and M. L. Wilson worked out the crop reduction plan, Morgenthau lined up the farm leaders. Roosevelt sent Morgenthau with Tugwell to try to lobby the crop plan through the short session of the old Congress but the effort was a failure. In return, Morgenthau wanted to be made Secretary of Agriculture but his political claim on the office was less than that of Henry Wallace. Instead, he was made Chairman of the Farm Board and given the job of consolidating the Government's nine agricultural credit agencies into the Farm Credit Administration and of applying the \$2,300,000,000 farm mortgage relief program. Once again, Morgenthau demonstrated his ability as an organizer and administrator, by employing the comparatively simple device of hunting for the best qualified man for every job.

It was, therefore, on the basis of achievement that Roosevelt put him into the Treasury, first as Acting Secretary, then as Secretary in his own name. It was a bigger office than he had dreamed of holding, traditionally the biggest job in the Government. Under Mellon and Mills, the Treasury had become a moss-backed, self-running adjunct to Wall Street, and it didn't run any too well. Under Woodin's absentee fiddle-de-dee administration, it had gone to pieces. It had never been married to the New Deal and regarded New Deal finance much as an old maid regards a man under the bed. It was steeped in the old Wall Street tradition by which any bright young Undersecretary could hope to be

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promoted to a junior partnership in the House of Morgan and, as a result, the Federal Reserve Bank of New York, Wall Street bankers and Washington brokers knew what the Treasury was going to do before the public did and sometimes before the Secretary of the Treasury knew it.

This offended the ethical and disciplinarian traditions of the Morgenthau family. Young Henry put his head down and charged the Treasury line-up like a bull. There were groans and hisses when he decreed that all publicity should pass through the hands of his personal publicity assistant, Herbert Gaston, and that no one should discuss official business with outsiders unless Gaston gave permission. It was a clumsy order, but typical of Henry Morgenthau, who has no more notion of handling the public than Hoover did. His motives were unimpeachable: to establish a firm grip on Treasury policy and to cut the pipe-lines which linked it to Wall Street. In this, he could have obtained the enthusiastic support of the press. As it was, he poured oil on the troubled fires of "freedom of the press" which the Tory newspapers had started in order to prevent the adoption of an N.R.A. newspaper code which contained anything more than a polite expression of loyalty to the Constitution of the United States.

To make matters worse, Morgenthau issued another order, telling the Treasury guards to dress neatly, snap to attention when approached, and to speak courteously. This was also well meant, although it possibly revealed his own gnawing fear that he is not being treated with proper respect. He is the kind of man who gets along well with his assistants but has trouble with his servants. He will do his utmost for the people who are efficient and loyal to him, but God help the understrapper whom he considers lacking in loyalty or respect.

Yet his actual administration of the job has been both

efficient and constructive. In six weeks he gave the Treasury the most severe series of executive shocks it has had in a generation. He called the bureau heads into his office, ordered them to pay no attention to political influence from either party, and converted these "family conferences" into regular weekly affairs at which each bureau chief has to read a report of the week's work in his bureau. He prodded the Internal Revenue Bureau to collect some \$800,000,000 in income tax deficiencies. He had a review prepared of each large tax case pending and passed on it himself and put an end—at least for the time being—to the custom of settling these cases out of court at a big loss to the Government. Incidentally, it was publicity regarding this action which caused Huey Long—whose own tax was under scrutiny—to question Morgenthau for more than an hour in the Senate Finance Committee before waiving his objections to Henry's confirmation.

Morgenthau's clumsy entrance into the Treasury was soon forgotten and he rapidly had the Department working with unprecedented efficiency. He also gradually overcame his embarrassment in the presence of the press, although he seldom answers a question without calling on one of his assistants to refresh his memory. Despite his over-bearing attitude—itself the result of shyness—he is a very modest man and has no illusions of his own grandeur.

He is fond of saying that the two men who have influenced him most strongly are "Dad" and "the Boss". The "Boss" is Franklin Roosevelt. Possibly Henry's shyness and uncertainty in public speech are the result of "Dad's" garrulity and self-assertiveness. There is strong affection between "Young Henry" and "Uncle Henry", as the Roosevelts call the elder Morgenthau, and even now that he is Secretary of the Treasury one suspects that "Young

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Henry” looks on “Dad”, who never got higher than Ambassador to Turkey, as a bigger and more competent man. The reverse is true. If Henry talked freely, he might be as inept as his father in the field of diplomacy, but Henry holds his tongue and concentrates on his administrative work, at which he is a knock-out.

His promotion to the head of the Treasury is, however, due not only to his administrative competence. It is also due to the fact that, when Roosevelt entered office, Morgenthau was the one enthusiastic supporter of the “commodity dollar” high up in the Administration. Henry Wallace and a few others had advocated abandonment of the gold standard, but Morgenthau was a disciple of his Cornell teacher, Professor Warren, and it was only natural that when the Treasury crowd first assembled by Roosevelt suffered from severe gastritis when asked to swallow a managed currency, Henry should be put in command. He had been with Roosevelt on the “Indianapolis” when the famous July 3 monetary shock was cabled to the London Conference.

He is concerned in building up an administrative system equipped to handle the commodity dollar. He is always fighting for more pay for his men and likes to reach down for able youngsters and promote them to high positions. He operates his office like clockwork. When you have an appointment with him you seldom have to wait longer than thirty seconds and when your time is exhausted, Henry stands up and out you go. Unlike most of the reception rooms in Washington, his is usually practically empty.

Personally, he is a simple and likeable soul, who enjoys riding and tennis and likes to go on picnics with his wife and three children. He is no intellectual giant but has a lot more brains than he is generally credited with having, and he gets

things done. He is probably the best organizer and administrator in the New Deal.

3

The secret of his ability at administration is revealed through the method by which he picks his assistants. He works with two "Brain Trusts". The monetary brain trust—that invisible team of Professors Warren and Rogers—was given to him ready-made. His job is to do what they tell him, through Roosevelt, must be done. For that purpose, he has organized a first-class administrative brain trust. Here are four of them: Herbert E. Gaston, Herman Oliphant, Roswell Magill and William H. McReynolds.

They were each selected as being the best man available for the job available, without reference to politics.

Henry Morgenthau needed a good publicity man and general assistant in the New York State Conservation Department just about the time that the New York "World" folded up in February, 1931. Some of the old "World" men recommended Gaston, Morgenthau called him in for an interview and hired him. Soon afterward he made Gaston Deputy Commissioner; he took him to Washington and made him Secretary of the Farm Board and then Deputy Governor of the Farm Credit Administration; then he took Gaston to the Treasury as a Special Assistant.

When Gaston entered the Treasury it was an historic event, for with Gaston the Non-Partisan League, one of the bugaboos of all right-thinking conservatives, acquired an important post in the Government of the United States for the first time, and in the Treasury, of all places. Here is how it happened:

Gaston was born fifty-two years ago in Halsey, Oregon,

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the son of a small merchant and grain-dealer. He went to school in Tacoma, and later attended the University of Washington and the University of Chicago. In 1906, he entered newspaper work in Tacoma, as printer, proofreader and desk-man. Four years later he moved on to Spokane, rising to the position of managing editor and editorial writer of the Spokane "Chronicle" by 1916.

Then Dave Coates, Spokane city commissioner, who was an old-time Socialist and friend of Charles Edward Russell, became interested by Russell in the Non-Partisan League, went to North Dakota and made Gaston chief of publications for the League. At the peak, Gaston edited one magazine, two dailies and eight State weeklies, and, in 1919, he moved on to run the League's Minneapolis "Daily Star" for three years, until his fight against the gambling interests in the Twin Cities annoyed the political backers of one of the leading Socialist politicians. As a result, Gaston moved on to New York and got a job as copy-reader with the New York "World". When the "World" ceased publication nine years later, he was the paper's night editor.

No man was more astounded to see Gaston enter the Treasury than J. F. T. O'Connor, Comptroller of the Currency. O'Connor, a hard-boiled Tory, had fought the Non-Partisan League tooth and nail in the Dakotas and had been the target of many of Gaston's editorial ten-strikes. Gaston's political pedigree suggests the real lineage of the New Deal. He was a Roosevelt Republican under "Teddy", a Bull-Mooser in 1912, then a Wilsonite, then a Socialist, then a LaFollette independent in 1924, an Al Smith man in 1928 and finally a Roosevelt Liberal. He is a keen, level-headed man, a first-class newspaperman, and Morgenthau leans on him heavily in matters of public policy as well as public relations.

When Morgenthau was given the job of organizing the Farm Credit Administration, he needed a first-class liberal lawyer with an agricultural background. He asked his friend, Edward S. Greenbaum, to recommend somebody. Greenbaum couldn't think of a good man but suggested that Henry write to Herman Oliphant, head of the Institute of Law at Johns Hopkins University, who might know of someone who would fit the specifications. Oliphant made two or three suggestions, leading his list with Donald Richberg, who later became chief counsel to the N.R.A. Then Morgenthau invited Oliphant to come to Washington for a personal talk, persuaded him to handle a temporary job which had to be done in a hurry, and finally induced him to remain as counsel to the Farm Credit Administration. He helped William I. Myers draft the Farm Credit Administration measures and had a big hand in shaping the Farm Mortgage bill.

Oliphant is what is known to the legal profession as a "super-lawyer". Born in Indiana fifty years ago, graduate of Indiana University and the University of Chicago Law School, his career since 1914 has been as a teacher of law. He taught at Chicago University and at Columbia and in 1929 helped to organize the Institute of Law at Johns Hopkins, an institution which was to be devoted to legal research and has since been closed. He handled various legal jobs for the War Trade Intelligence and the Emergency Fleet Corporation during the war.

He is a rather short, thin, wiry man, who combines a massive legal knowledge with unobtrusive practical ability. He is a wizard at finding precedents for unconventional undertakings. The way in which he picked his staff is typical of both him and of the Morgenthau régime. After selecting a few men whom he knew and trusted for key positions, he wrote to the heads of the ten leading American law schools

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and asked each of them for the name of the best man in the 1932 graduating class. He said he wanted men who would be eager to work for the Government for not longer than one or two years and who would regard their jobs as clinical experience in the rapidly-growing field of Administrative law. He took these ten youngsters as staff assistants and moved some of them with him from the Farm Credit Administration. He is regarded as one of the subtlest lawyers in the Administration.

When Morgenthau needed an income tax specialist, he began by asking for "the best man in the United States". He got several names but the man who was named most often was Roswell Magill, associate professor of law at Columbia. Magill was a Republican who had served the Treasury under Mellon but that made no difference to Morgenthau, who simply made sure that he had no embarrassing corporation or personal connections, and that he would give loyal service. Then he gave him the job.

Under forty, Magill is a native of Illinois who graduated from Dartmouth and the University of Chicago Law School. After combined teaching and legal practice in Chicago, he joined the staff of Columbia University. He was the Treasury's special attorney and chief attorney in 1923-25, helped the government of Porto Rico revise its tax system, and is the author of several case books on the law of taxation and related matters. He was ideally equipped to plug the hole in the dyke through which our big incomes had been pouring in a torrent of legally justified tax-exemptions.

However, the real test will come on the issue of revising the whole Federal tax system and increasing the levies on big incomes and inheritances. Until that time comes, it is impossible to say whether Morgenthau is a liberal who is willing to use the tax system so as to revise the economic

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system or whether he is merely an able administrator whose ideas on taxes do not differ greatly from those of Ogden Mills. Then, too, will be the test of Magill's ability—if he stays that long.

When Morgenthau took charge of the Farm Board, he went in search of a personnel man. As usual, he wanted "the best man" and found him in the person of William H. McReynolds of the Budget Bureau, who had been in the Civil Service for twenty-five years. Tall, slender, thin-faced, round-shouldered, McReynolds is Morgenthau's goad for minor officials. His job is to counteract the deadening effect of Civil Service on individual initiative and to keep the Treasury employees on their toes. For this purpose he has been given the position of special assistant to the Secretary of the Treasury.

Not one of these key men owes his job to political influence. In fact, Morgenthau's indifference to politics is responsible for his one bad blunder.

He needed an "issues man" to help with the Treasury financing. Wall Street is the only place where you can find a specialist in this field, so Henry called on his personal friend, Earle Bailie, a partner in J. & W. Seligman & Co. Of Bailie's competence there was no question but Senator James Couzens, the peppery liberal Republican from Michigan, and many young liberal lawyers in the Administration detonated over his business connections. For the Seligman firm had been exposed by Senate investigation as normal in its methods of South American financing. It had paid a commission of \$450,000 to the son of the President of Peru in connection with a Peruvian loan and nearly every South American issue of the firm was in default, with heavy losses to investors. Moreover, Bailie was believed to have been

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very active in the Wall Street campaign to make the Securities Act safe for the stock-selling racket.

So Couzens laid down the law to Morgenthau. Bailie did a beautiful job on the difficult mid-December financing and proposed a scheme for making income tax evasions more difficult for the higher bracketeers, but he could not make his peace with the opposition. When Morgenthau was up for Senate confirmation in January, it was made plain to him that he would not get the portfolio unless Bailie got the boot, and that all the financing of the Seligman firm would be thoroughly aired on the floor of the Senate, into the bargain. On the same day that Morgenthau's name was recommended for confirmation by the Senate Finance Committee, Bailie resigned. He had intended to stay six months: he stayed long enough to handle the \$1,000,000,000 January financing. When a Wall Street banker can't get a financial job in Washington, there *has* been a revolution.

4

The financial end of the revolution began with the departure from the gold standard and has carried on through the repudiation of the gold clause in Government bonds, the refusal to stabilize international exchange on a gold basis, the emergence of the "commodity dollar" through the Government's gold purchase policy to the Gold Reserve Act.

Such a revolution could not fail to send many to the psychological guillotine and gold has, in fact, taken two sets of casualties from the Roosevelt ranks. The first casualties were several individuals whose names showed up on the lists of big gold-hoarders. They had been within their rights in withdrawing gold before the moratorium of March 1933, and all of them turned it in promptly after Roosevelt issued

his ban against hoarding, but they were deemed to be disqualified for public office under the New Deal. Only a few know exactly who these hoarders are. One or two of them are mentioned elsewhere in this book. There were others, including men who had contributed to the Roosevelt campaign fund or helped him in important ways, but they were on the gold list, which is equivalent to being on the black list. They had showed their lack of faith in the New Deal and in the government itself.

The second set of gold casualties developed from the furious struggle within the Administration over the gold standard, the most notable victims being Dean G. Acheson, Under-Secretary of the Treasury; Dr. O. M. W. Sprague, who was brought over from the Bank of England to be special adviser to the Secretary of the Treasury; and James P. Warburg, the young New York banker who was for a time identified as a member of the Brain Trust.

Jimmy Warburg was another illustration of the psychic inability of a Wall Street banker to serve the New Deal. Through Moley he was brought in, just before Roosevelt's inauguration, to help prepare for the economic discussions with foreign governments and for the London Conference. The Roosevelt gang needed an expert on money and exchange, and Warburg seemed to be the man. Aged thirty-eight, he was a son of the late Paul Moritz Warburg, of Kuhn, Loeb & Co., who was one of the organizers of the Federal Reserve System and one of the few bankers who warned the public early in 1929 of the disasters which could only be stopped by putting an end to speculation.

Young Warburg was not a stand-pat banker. He favored reduction of the gold coverage of the dollar and the use of silver, as supplemental coverage. He saw that the old simon-pure Gold Standard hadn't worked and wanted to invent a

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new one. He is a keen businessman, with directorates in many corporations, an international banker and an officer of the International Acceptance Bank. With expert knowledge of a highly specialized financial field he impressed the Roosevelt crowd, who were innocent of the intricacies of international finance. They should have known that no international banker can become a loyal collaborator in the work of destroying the international banking racket. Warburg used his position to try to get the dollar stabilized. Instead of acting as an expert, he tried to roll his own policy. He tried to get Roosevelt to stabilize the dollar at about \$3.65, then at \$3.85, and then at \$4.00 to the pound sterling and then tried to get Roosevelt to approve "de facto" stabilization schemes.

At the London Conference, Warburg worked endlessly to stabilize or steady the exchanges when Roosevelt was deliberately letting them find their own levels. When Warburg came back from London he found himself out of the picture. He was brought in on a few occasions by Roosevelt to show there was no personal feeling, but in the autumn he again went to bat for international banking stabilization. He had the nerve to talk to Roosevelt "like a Dutch uncle" and succeeded in ushering himself out of the White House once more. He gave the impression that he thought that Roosevelt was both stupid and ignorant. Many people have thought the same, though their numbers are fewer than a year ago. It was the Wall Street attitude for a long time, however, to be patronizing towards the President and to attribute their difficulties with him to his ignorance of finance instead of to their own ignorance of basic economics and of the fundamental politics of human welfare.

Having talked himself out of the White House, Warburg wrote himself out of politics. When Professor Sprague left the Treasury, Warburg joined the chorus of attack on the

Roosevelt gold policy. When Borah denounced the old gold standard crowd, Warburg wrote a long letter in reply outlining his proposal for a revised gold standard. There was just one little flaw in the Warburg defense: he admitted that he did not know at what point the dollar should be stabilized on gold. With that, his case crumbled. However, with the introduction of the Gold Reserve Act in January, 1934, Warburg came to the fore again. As one of the few Wall Street bankers who were sympathetic to the measure, he served as an admirable buffer between the White House and the antediluvian Senators and the Stone Age financial community in New York.

Warburg had been offered and had, most fortunately, refused the post of Under-Secretary of the Treasury under Woodin. The fluke by which Dean G. Acheson, who is also in his late thirties, landed the job will be related elsewhere in this volume. Suffice it that Roosevelt thought that Acheson, having been one of Justice Brandeis' young protégés, shared the Brandeis liberalism. Acheson might have imbibed legal liberalism from Brandeis, but his economic ideology had been suckled on the wolf's milk of Wall Street, via Lew Douglas.

Acheson got along pretty well for several months, until he took the definite position that the gold purchase plan was illegal. He was so emphatic in his views that he obviously could not carry out the policy with a clear conscience. In fact, it was understood behind the scenes that he had refused to sign some of the necessary papers connected with the measure, insisting instead that Woodin should do it. So out he went and without ceremony, except a remark from the White House that he was "a nice boy" but that he didn't know what it was all about.

There was a good deal of sorrow in the Administration

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over this political execution. Acheson was popular and his humiliation was public and he did not even receive a letter of thanks for his months of hard work. However, at the time there was strong reason to believe that he was the source through which a lot of anti-Administration propaganda was leaking out of the Treasury. He wasn't, being a gentleman, but what the public did not know was that Roosevelt had interpreted his attempt to obstruct the gold policy, not only as a disagreement on principles but as an act of administrative revolt.

In some ways, Acheson's unceremonious decapitation was parallel to the ceremonial hari-kari on the steps of the Treasury performed by Professor Sprague.

While preparing for the London Conference, the Administration looked around for an expert in monetary matters in order to bolster up young Warburg who had hitherto faced single-handed the experts of the British and French Treasuries, neither wisely nor too well. The Administration hit on Dr. O. M. W. Sprague, former professor of banking and finance at Harvard, who was then serving as economic adviser to the Bank of England. Sprague was one of our leading authorities on banking and finance and the author of several standard studies of the subject. He had succeeded another American professor as Montagu Norman's Secretary of State for American Affairs, he possessed intimate knowledge of the workings of European central banks, and was presumed to be familiar with the intricacies of international exchange and the subtleties of the British exchange equalization fund.

With the help of Felix Frankfurter, the Roosevelt Administration persuaded Sprague to give up a salary of five thousand pounds sterling in order to return and serve his country for \$6,000—although no one would be surprised to

learn that this salary was supplemented out of the pocket of Bill Woodin. Sprague reached Washington just in time to turn around and go to London. He got entangled in the temporary stabilization scheme and, at the end of the Conference, was out of the White House picture, where he was suspected of having played too close to Montagu Norman. In the Treasury, he worked out the Liberty Loan conversion scheme—which was hopefully interpreted by Wall Street as implying a return to “sound money”—only to be stood on his ear by Roosevelt’s announcement of the gold purchase plan.

Finding himself on a side-track when he thought he had been on the main line, Sprague resigned with a public letter which warned of disaster from the gold plan. Then he wrote a series of newspaper articles setting forth his own views, which were unctuously published by the Tory press, and returned to Harvard to teach. He is sixty-one years old. His resignation was probably the high point in his career.

He was quickly forgotten but his resignation was an unnecessary loss to the Administration. If he had been given a little attention, he could have been usefully retained. He was in sympathy with the objectives of the New Deal and, far from being the rock-ribbed conservative which the Old Gang strove to make him, saw no necessity for balancing the budget in time of depression. He thought, in fact, that the government ought to spend a lot of money and get it back by taxation in times of prosperity. And he saw slum clearance and the development of better housing—each of them a challenge to some of the dirtiest rackets in America—as one of the great opportunities for expanding purchasing power. He was a real inflationist who happened to disagree with the gold buying program, and his personal irritation at not having been consulted probably made him more vehement on

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that point than he needed to be. In fact, Sprague was enough of a liberal to be in substantial agreement with Tugwell on many fundamental points. Real brains, combined with real liberalism, are too rare in this country for the Administration to lose the support of men like Sprague who happen to be in disagreement with minor points in a major social program.

5

The survival of Lew Douglas, Director of the Budget, and a few others of the "go-along" school of practical financial politics, illustrates the value to the Administration of keeping an effective and critical opposition alive within its own ranks. With the temporary abdication by Congress of its deliberative functions, the function of criticism and opposition to policies-in-the-making devolves on the bureaucracy. This is the hardest lesson for bureaucrats and politicians to learn but it is a vital part of the Roosevelt policy and is the explanation of the unprecedented liberty of speech and action which he has given to his subordinates. Once a policy has been adopted debate is closed, but until then the only guarantee of administrative competence and wise action is freedom for subordinates to attack and defend the policy which is under consideration.

For this reason, Sprague's resignation is a real loss and the presence of Lewis W. Douglas is a real gain to the Administration. Douglas is the leader of the Administrative opposition to the implications of the New Deal. It is a delicate role but a vital one. Without his vigorous and continuous criticism, the Administration policies would be inadequately armored against attack from the Old Guard reactionaries.

Douglas got into the Administration because he was a man who believed in saving Government money and in fighting for what he believed. In his late thirties, he made his mark in Congress as a budget-balancer, a young, fighting, two-fisted representative from Arizona. Wall Street greeted most of Roosevelt's Cabinet appointments with deafening silence but it cheered itself hoarse when Douglas was named Director of the Budget. During the latter part of the interregnum he had been preparing for the job by working with Swagar Sherley and Dan Roper on plans for reorganizing the Federal government and saving money.

The Economy Bill was Douglas's handiwork and his one and only triumph. It was also a triumph for Roosevelt, for it lured to his support the Tory elements who might otherwise have opposed the proposal to grant him wide discretionary powers. Once that was accomplished, Roosevelt readily admitted that the Economy Act went a little too far and consented to its modification. Douglas wanted him to stand pat and use the veto, but Roosevelt used minor concessions to the veterans as a means of luring the radicals also into line.

Douglas is an extremely intelligent and able man. No one in the Administration has a better brain and during its opening months he was a regular member of the President's bed-side cabinet, along with Louis Howe and Professor Moley. He was used as conservative ballast in policy-making and he was a good man for the job. He was at first freely mentioned as Woodin's probable successor as Secretary of the Treasury.

His budget policy made such an appointment impossible. Saving money was all that mattered. He would have ruined the Department of Agriculture's great organization for scientific research which has saved the United States many

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thousand times the cost of its experiments and would have reduced the Federal Government to a bare core of administration. He was stingy with the public money.

Back of this Scotch mania for saving, Douglas had a very highly developed economic philosophy, which was the reverse of the New Deal at almost every point. It was the economic equivalent of the Presbyterian doctrines of predestination, salvation by works and faith, and infant damnation. He believes in balancing the budget, stabilizing the dollar, restoring "confidence". He believes in competition, small business units, a minimum of government interference. He believes in the sales tax and tried to put it across Congress last spring. In short, Douglas is not a New Dealer at all. He is a Young Tory, closer to Ogden Mills and Carter Glass than to Roosevelt's new crowd. He thinks he is very liberal because he holds no brief for financial buccaneering and would like to reduce banking control of industry by enforcing the anti-trust laws, breaking business up into smaller units and keeping them under the control of industrial managers instead of letting them be exploited by the banks. His economic theories are those which were considered radical—twenty-five years ago.

As a result, no man in Washington has been so unhappy as Douglas, who sees disaster at every turn. He has not hidden from his friends his belief that the New Deal is a mess from start to finish. He has fought every important undertaking by the Roosevelt Administration. He tried to hold back expenditures on public works. He distrusted the N.R.A. experiment and tried to reduce governmental participation in it to a minimum. He fought eternally for stabilization of the dollar and he moaned that Western civilization was about to perish when Roosevelt accepted the Thomas inflationary amendment to the Farm bill. He sent

a memorandum of flat-footed opposition to the gold purchase plan. He was disgusted when his friend and protégé, Dean Acheson, was kicked out of the Treasury and he often remarks that the New Deal is so confusing that it makes his head ache.

Why Douglas remains in the New Deal is something of a mystery. Roosevelt has an obvious use for him as an instrument to hold down expenditures and to reassure the conservatives. When business was alarmed over the free spending at Washington, Roosevelt tried for a few days to put emergency expenditures under his check but there were so many howls from the fighting front of the New Deal that the plan was cancelled. Nobody knows what keeps Douglas in the New Deal, at all, and he probably will leave when he sees a good jumping-off place. But he is too cagey to let himself be bounced into oblivion, à la Acheson.

The chances are that, aside from an honorable desire to serve to the best of his ability, he is busy "making a record", which will stand him in good political stead if ever the pendulum swings to the right again. His budget for 1934-35 was the best ever drafted from a purely technical viewpoint. It was clear as a bell and the Progressive Republicans, who disagree with him on every fundamental policy, agree that it was a masterly piece of work, the best they had ever seen. As a watchdog of government expenditure there could be no better man; as a maker of policy there could be no worse. He has long since ceased to enjoy Roosevelt's confidence.

Perhaps he will live to see his doctrine of infant damnation consign the new economic experiments to eternal fire; perhaps he will live to retract his prophecies. He is young enough to absorb another point of view and his one-tracked mind is an exceedingly good one. The Old Guard Republicans are right to consider him their ally. If the conservatives

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of both parties merge to defeat the New Deal, he would make a good fusion candidate, or if Wall Street succeeds in recapturing the Democratic Party, he will be a good rallying point. He is making a record now which will fit him for either role.

Accordingly, Lew Douglas is a bit of a tragedy. With a wider social outlook and a greater knowledge of economics—especially of the economic truth that currency is only one link between supply and demand—he would be one of the mainstays of the New Deal. As it is, he is a man who has confused the principle of laissez-faire with the Word of God and has preached as a gospel what should be regarded as a convenient fiction, like that of Santa Claus, which the infancy of modern industrialism has at last outlived. But then the Scotch Presbyterians never did believe in Christmas. That was a Romish superstition. Hell-fire is much more satisfactory and it lasts for all eternity.

6

Compared with the rigid orthodoxy of Douglas it is sad to contemplate the resiliency of the hard-money men who go along with the unrepentant “managed currency” boys without apparent qualms of conscience. These back-sliders are conservatives by background and temperament, but they do not stand or fall on their principles—they “go along”.

Conspicuous in this group are Eugene R. Black, Governor of the Federal Reserve System, that tall, lean, humorous Atlantan who was brought up from his job as Governor of the Federal Reserve Bank of Atlanta to act as temporary head of the reserve system, and Jesse H. Jones, one of Hoover’s appointees to the R.F.C., a Texas Democrat, publisher, promoter, real estate owner, with more brass and

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gumption than most of the people in the New Deal. He has gone along with Roosevelt, his eyes fixed hopefully on the Secretaryship of the Treasury. When Morgenthau was appointed, it hit him between wind and water and he has never been the same since.

Black came into the picture by accident. When Eugene Meyer left the Federal Reserve Board shortly after Roosevelt came into office, it was hard to find a man to succeed him, it being only one of the many times that F.D.R. has had to apply the difficult formula of a man who possessed a technical knowledge of money and finance, who was independent of Wall Street and would play ball with an Administration which was heretical on money matters. After hunting for weeks, he finally picked Gene Black, as a temporary appointment. Nine months later Black was still on the job as one of Roosevelt's most successful choices for a financial post. He is no world-beater in intelligence but he possesses both common-sense and good-humor and he has played fair with Roosevelt.

Tall and thin, with a large nose and big ears, he looks like Andy Gump and doesn't mind being told so. He is sixty years old, was admitted to the Atlanta bar and became an attorney for the Southern Railway. More than a decade ago he observed that banks closed in mid-afternoon and decided that it looked like an easy life befitting a Southern gentleman, suh! So he entered the banking business and became President of the Atlanta Trust Company, being elected Governor of the Atlanta Reserve Bank in 1928. The fact that he was the son-in-law of the late editor of the powerful Atlanta "Constitution" may have helped.

He was popular in Atlanta and throughout the Reserve District and when the depression hit, he continually asserted that the United States could not ballyhoo itself back

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to prosperity. Being blissfully ignorant of the close relationship between prices and debts, his homely recipe was for everybody to get out of debt. The attempt to do so, through deflation, produced the baffling paradox of a smaller debt load of greater weight than before it was reduced, due to the fall in prices. However, the Babbitts ate up such remarks as his address to the Investment Bankers' Association in New Orleans in 1930: "We have been living in an automobile, a Frigidaire, a radio era and have been sitting in an atmosphere of a Corona-Corona. . . . Let's not fool ourselves. . . . We can't have any permanent prosperity when there's a load of debt around our necks."

Such Arcadian economics scarcely seem to qualify a man to be part of the New Deal but Black has made his place. He has never been reluctant to state his point of view, to argue, to describe difficulties, to warn of dangers, but he has always been ready to do his best and has been a good-natured buffer between the Administration and the banker-dominated Federal Reserve System.

Where others have gone calamity-howling over the Administration's important monetary moves, Black has kept his head. He is from the Old South and the Old South remembers that it is possible to go through far worse things than monetary monkey-shines—invasion, conquest, and ruin—and still survive as a prosperous community and a civilization.

If Black suggests the Reconstruction Era, Jesse Jones suggests the six-shooting days of the old Southwest, another place where money was of comparatively small importance.

Jones was one of Hoover's original appointees to the Reconstruction Finance Corporation in February, 1932. A banker, promoter and go-getter who had feathered his own nest luxuriously under "rugged Americanism", he was the sort of man Hoover *would* pick for such a job. But Jones

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could tell which way the wind was blowing, put himself in touch with Roosevelt during the 1932 campaign, and during the interregnum was Roosevelt's contact with the R.F.C. He and Roosevelt talked many times by long distance, and it was he who dashed south in mid-February and boarded the north-bound Roosevelt train in Georgia to tell him about the severity of the banking panic which was just beginning, Roosevelt having been at sea for two weeks on Vincent Astor's yacht. (Hoover had been at sea for four years.)

In May, 1933, when there were only four members of the R.F.C. left in office, Jones called the boys together and elected himself Chairman. Roosevelt may have had someone else in mind for the job, but you have to move rapidly to beat Jones to any opportunity. He is the pioneer—some have been so rude as to say, the buccaneer—in business, and his methods have been proverbially successful in the cow-country.

Like Black, he is sixty years old, and is a native of Tennessee. After a grade-school education he wandered to Texas and went into the lumber business in Dallas. He made a fortune and his real estate operations soon outran even the spacious Lone Star State so that by the late twenties he was a big holder of office-building property in New York City. He was a millionaire many times over before the crash and even now must be the wealthiest man in the Roosevelt Administration. He was a big contributor to the Democratic national campaigns of 1924 and 1928, in which year one of his accomplishments was bringing the nominating convention to his home town of Houston.

By experience, Jesse Jones—not James—is a successful rugged individualist and by disposition he is a rock-ribbed conservative in economic matters. But he is an ambitious man and possesses an endless capacity for getting things

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done. He has a rough-and-ready contempt for the precise means to any desired end, which fits him psychologically for the New Deal's unorthodoxy. In its early days he was the most frequent telephone consultant at the White House, tried to get into the inner council and partially succeeded. He did what he was told and did it energetically. In September 1933, he went to the American Bankers' Association and—as part of the Administration policy—practically insulted the bankers to their faces. His vitriolic “Be smart for once!” rankled in their breasts and the country cheered.

Jones has grabbed everything in sight and demanded more. While Acheson and the Treasury had the vapors over the gold purchase plan, Jones took it. He got an opinion written to show that the R.F.C. had the power to sell its debentures for gold. Almost everybody agrees that the gold purchase plan was of very doubtful legality, but it had to be done and Jones did it. He also took over the job of thawing out closed banks. The Treasury had worked out a lovely plan but Lew Douglas tried to use it as a pawn in his game to force stabilization, saying that the Government could not afford to put out the necessary money unless the dollar was stabilized. Jones took over the whole thing in a flash. *His* plan was much more cumbersome but he had the necessary guts.

He was sailing along beautifully until Morgenthau was made Secretary of the Treasury. It was a big jolt to the Texas titan but he has come up smiling. He is big and hearty, strong as an ox and much more intelligent. He has plenty of shrewdness and some of his men in the R.F.C. think he is one of the strongest men in the New Deal, in the sense that he has force and determination.

Jones runs the R.F.C. as if it were a country bank. There are no rules, no regulations, no precedents. Every case is an

individual case which must be passed on by him in the last analysis. It is a one-man show. His staff is usually lost until Jesse says the word to go ahead. There is little routine and lots and lots of opportunities to apply the stethoscope and the X-ray to the tottering corporate giants of yesteryear. There are brainier men in the New Deal, but few brawnier ones and none busier.

7

Above all and behind all the monetary hurly-burly are the two wizards in the cave who are evoking the devils of financial necromancy for the New Deal, Professors Warren and Rogers, of Cornell and Yale respectively, with their retinue of sorcerer's apprentices.

It is awe-inspiring and a little gruesome. Nobody knows where they are or what they do. From time to time, a voice is heard from behind the smoke of the unholy fires or a figure is scrawled on a little piece of paper and lo! there are earthquakes in Lower Manhattan, water-spouts sweep across the desolate waters of international commerce, and cracks that are more ominous than wise appear in the pillars of society. For Rogers and Warren are engaged in the diabolical task of summoning the commodity dollar from the vasty deep and are making veal-loaf of the Golden Calf.

The Warren-Rogers form of financial devil-worship is to assume that the gold on which our currency is based is not a sacred and immutable symbol of value but is itself a commodity which is subject to supply and demand. Therefore they propose to vary the amount of money paid for an ounce of gold, according to the demand and supply of gold. This is called varying the gold content of the dollar and is supposed to release the money prices of other commodities so

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that they will correspond to the supply and demand of those commodities.

It is difficult to understand the denunciation of this simple measure without understanding that the real issue is over Roosevelt's smashing of three respectable and highly profitable banking grafts. The first was the repudiation of the "gold clause" in Government bonds. The "gold clause" was the means by which the elder Morgan brought President Cleveland groveling to Wall Street and put the credit of the United States at the mercy of the private bankers who controlled gold credits. The second was the initiation of gold purchases last October, which cut the umbilical cord of foreign exchange which linked our private bankers to the Bank of England and the European Central Banks. The third was the Treasury's acquisition of all the gold in the country by the Gold Reserve Act. This destroyed the game of those who had put the bull in bullion and ended the system by which the basic credit resources of the American nation were controlled for the profit of private bankers through their ownership and dominance of the Federal Reserve Banks. All of these moves reduced the power of Wall Street in national and international affairs. The present struggle bears all the signs of a struggle for power rather than a battle of ideas. Warren and Rogers—and their commodity dollar—are simply Roosevelt's weapons in cutting the talons of our financial birds of prey.

Wall Street and the monetary markets of the world have enjoyed a great deal of sport—tempered with rueful dismay—over the fact that Roosevelt's chief monetary adviser is a Professor of Farm Management. It is, in a way, a grim commentary on Wall Street and its kept economists, its Parker Gilberts and its Professor Kemmerers, that Roosevelt had to turn to such a professor for his monetary advice.

In fact, Wall Street was somewhat flabbergasted when Walter Lippmann pointed out late in 1933 that the great French economist, M. Charles Rist, saw the monetary problem very much as did the simple professor from Cornell.

Warren has been distinctly a lone wolf in the New Deal. He is a doctrinaire in an Administration that has few doctrinaires. He believes that economics is an exact science, which few intelligent men (economists alone excepted) believe to-day. He has taken the quantity theory of money and Professor Cassel's theory of managed currency, and has elaborated and buttressed them with the most complete set of statistics that has been assembled in the study of the American monetary problem.

It was amusing to watch the "sound money" gang run around in circles and bay at the moon over this man who "would undermine the American system" by a few simple alterations in monetary management. For Warren is one of our arch-conservatives. He believes that if the dollar is kept variable in terms of gold but constant in capacity to buy commodities the troubles of the world will disappear. He sees nothing wrong with capitalism in itself but believes that it needs a better money system. In this he is in opposition to the other New Deal economists who have come to grips with fundamental weaknesses in the capitalistic system for which a new monetary system is no cure.

The answer is that George Frederick Warren is sixty years of age and comes of a family of rugged individualists. His father sailed from Massachusetts round the Horn to California in the gold rush days, a possible explanation of the family's keen interest in gold. Later Warren senior went to Nebraska and farmed, a sure cause of his son's keen interest in farming. The future Professor was born in Nebraska, graduated from the University of Nebraska and took ad-

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vanced degrees in agriculture at Cornell. Except for a year as a horticulturist at the New Jersey Experiment Station, he has been a student and teacher at Cornell for thirty-three years.

Warren's specialties were farm crops and farm management, and he became interested in money only when he realized that it didn't help the farmer much to teach him to be efficient and produce large crops, if he couldn't get an adequate monetary reward for his efforts. Before the war he published three standard books on farm management. He also achieved fame by his discovery that the installation of electric lights in chicken houses stimulated the production of eggs. A minor international incident almost occurred when Sir Wilmot Lewis, Washington correspondent of the London "Times", pointed out in an article criticizing the Warren monetary policy, that the system of electric egg-production also vastly shortened the life of the hens. Warren has raised a family of six sons and one daughter on his farm near Ithaca, New York, and by all accounts his farm is very well managed. It had better be.

In the war years and early post-war years Warren warned farmers not to run into debt, because prices were going to fall, and meanwhile he was supporting his conclusions with elaborate statistical studies made by his young assistant, Frank A. Pearson. These studies and Warren's conclusions were published last year in "Prices", a volume full of charts and gruff humor which orthodox economists found hard to bear and which, after an Euclidean demonstration of the unsatisfactory behavior of the gold standard, concluded with the irritating observation: "There is, of course, a possibility that the United States will make a monetary change that will restore prices", when everybody knew that Warren was working to make that change.

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When Henry Morgenthau, Jr., organized the Governor's Agricultural Commission for Roosevelt, he naturally enlisted the aid of his former teacher and established authority on the farm problem: George F. Warren. Warren and Pearson came into frequent contact with Roosevelt and their views on money were well known to him. It is significant that he did not accept their theory of the depression as all-embracing and that the New Deal program was drafted without reference to their views. However, Roosevelt was impressed with the desirability of reducing the gold content of the dollar, as a quick way of establishing a new base for the price level. This was what most other gold countries had done, for, with the exception of Holland and Switzerland, neither of which was a belligerent, every gold country in the world had either reduced the gold content of its currency or abandoned the gold standard since the war.

When we cut loose from gold in the spring of 1933, Roosevelt had no monetary expert who was sympathetic to the idea or who knew anything about the mechanics of currency management for a currency which was not anchored to gold. Warren, who had been chief economist to the Committee for the Nation and who was an intimate friend of Morgenthau's and a friend of Roosevelt's, was available. In June, 1933, he was brought to Washington by airplane from Ithaca for a conference at the White House, and as a result of this conference, he and James Harvey Rogers of Yale, who was also summoned, were put to work on plans for a managed currency. For a time, Berle and Tugwell also worked with them, but eventually the team boiled down to Warren, the expert on price levels, and Rogers, the expert on the technique of exchange under the gold system.

Warren had calculated that the dollar needed to be reduced in gold content by about one-third, an estimate which

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had appeared for months in the publicity for the Committee for the Nation. Later the Committee and Warren decided that their calculations had omitted certain factors and decided that a 50% devaluation was necessary.

So Warren and Rogers were installed on opposite sides of a desk in an obscure room of the Department of Commerce, where they made charts, and, according to all accounts, spent much of their time in vehement argument. Warren has an exasperating habit of saying "Two times two equals four" with the air of revealing a rare and important morsel of learning. He explains everything too simply. Rogers is apparently better aware of the lag caused by national psychology and also suspects the influence of size upon monetary matters, that what would ruin or enrich a small economic unit may have little immediate effect upon so vast an economy as that of the United States.

When Roosevelt sent Moley to the London Conference he ordered him to get discussion stimulated around the commodity dollar idea and the relation of national commodity dollars to an international gold standard. A few weeks later he sent his blistering July 3 message to London. At this time and thereafter Warren and Rogers and others were supplying Roosevelt with numerous and conflicting charts. Later, he sent Warren and Rogers overseas to scout around Europe and the plan was devised for buying gold in the domestic and world market.

The international conservative press, especially the British, objected strongly to this, although it was nothing but a mild imitation of the British exchange equalization fund which Roosevelt had been planning to copy long before he put the new policy into effect in late October, 1933. He needed it at that time, because—encouraged by the Liberty Loan conversion—scary investors had decided that the Administra-

tion did not intend to inflate after all and—prompted by the European war scare and fear lest France would go off gold—were beginning to repatriate their money in America. That strengthened the dollar and caused a decline in the prices of American exports.

The technique of the gold price was simple. At first, Warren, Roosevelt and Morgenthau—and occasionally Rogers—met and fixed the daily gold price. Morgenthau then took the word to Jesse Jones of the R.F.C. Later Morgenthau, Warren and Rogers made the daily decision. Meanwhile Warren made himself a real man of mystery. He kept out of sight, refused to be interviewed and gave out no statements: a strange, dogmatic, oracular figure.

Professor Rogers copied his behavior but not his views. Rogers disagreed with Warren, realizing from the first that the effect of depreciating the dollar would be felt only by the export crops and metals, whose prices are fixed in the world market. And that is all that did happen. In fact, even that was modified by the size of the transactions involved. Since we produce the bulk of the world's cotton, the effect of cheapening our money was rather to reduce the cost of our cotton to our customers than to raise prices materially for our cotton-growers.

This was a keen disappointment to Rogers, as he was a Southerner from the cotton-belt, having been born in South Carolina in 1886. After preparation at the University of South Carolina and at Yale, he had completed his graduate studies at the University of Geneva, and had taught at the University of Missouri and at Cornell before being made full Professor of Economics at Yale in 1930. He is the author of several standard books on money and in 1931 he published "America Weighs Her Gold". This last book attracted wide attention and when Moley began to gather

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experts and material for the war debt and international economic discussions, Rogers was among those summoned to Washington.

Rogers was not particularly active, though he made some practical suggestions, and unlike Warren he did not regard the quantitative theory of money as being as well established as the law of gravitation. Rogers' plans called for devaluation of currencies accompanied by large public works programs undertaken simultaneously by various nations. He believed in a revised international gold standard and that the gold problem must be handled internationally.

Because of his views and his large technical knowledge, he was well fitted to team up with Warren, and despite their many arguments and wide differences in viewpoint, they make a good team. The indications were that while Warren seemed to be the big shot, Rogers' theories were more favorably received at the White House and in greater accord with Roosevelt's own views.

Hence Rogers has generally been classed as a "liberal" though he suffered a relapse when the Public Works Administration and the Civil Works Administration put high wage scales into effect. His family owns some mills in South Carolina. The high wages of the C.W.A. began drawing people away from private employment and it was particularly upsetting to the Negro wage level in the South. So Rogers let out some pretty stiff cracks in Cincinnati. When he got back to Washington he said the reporters had garbled his speech and issued a statement which was about three-quarters retraction. Just the same, he *did* think that it was a mistake to pay high wages for Civil Works and Public Works.

Rogers has many friends in the Administration, especially among the Agricultural wing liberals. In him, the Admin-

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istration possesses a specialist on the gold standard and international exchanges who is not tied up to Wall Street or Sir Montagu Norman. When Roosevelt is through using Warren's blunt and over-simplified monetary theories to hamstring the international banking crowd who are fighting him, he may turn to Rogers as the man who is equipped to handle a New Deal in international monetary relations.

V

STORM-TROOPERS

I

MUCH of the heartburn and headache of the New Deal could be eliminated if the conservatives would realize that Roosevelt has been forced to deal with two separate crises at one and the same time.

There is, fundamentally, one dominant crisis, the crisis of the post-war world. This has spread to every country in the world and is due to causes so simple and so vast that the only remedy is a long-range program of experimental reform. The introduction of hydro-electric energy and high-speed machinery in mass production, the development of swift chemical short-cuts in the industrial process, the improvement of management, the speeding of distribution methods, and the multiplication of credit facilities have launched the modern world in a crisis as far-reaching as that which was occasioned by the introduction of gunpowder, printing and gold from the Indies in 16th Century Europe. This crisis goes so deep that it is possible to assert that it caused and intensified the World War, just as the World War reinforced and intensified the crisis. This basic condition will continue, with fits and starts of alternating depression and prosperity, until we hit on a method of mass-distribution which will not disintegrate the existing methods of mass-production.

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While the New Deal is engaged in seeking fundamental remedies for this fundamental problem, it must also deal with the temporary dislocations and hardships of the present wave of depression. In other words, Roosevelt must mop up what is left of the Hoover Panic while he is also trying to establish a more permanent adjustment to the new economic conditions which have produced both the world crisis and the current depression.

It has been easy to overlook this distinction in his industrial, agricultural and monetary policies, because in those cases the same New Deal set-ups are handling both the emergency and permanent phases of his program. The permanent reforms of the N.R.A. had also to assist the immediate problems of unemployment and vanished purchasing power. The permanent crop-reduction program of the A.A.A. had also to raise prices to the farmer at once. The new monetary policies of the Treasury had also to take account of the necessity for reopening the banks and maintaining their immediate solvency.

There is, however, a sector of the Roosevelt front where the mopping-up process is clearly visible. Disposition of the farm surplus through the efforts of George N. Peek, consolidation and reorganization of the railroads under Joseph B. Eastman, delousing the securities racket through the activities of Federal Trade Commissioner James M. Landis, liquidation of the crushing burdens of mortgage indebtedness by the F.C.A. and the Home Owners Loan Corporation, emergency employment of 300,000 wandering boys and demoralized veterans through the Civilian Conservation Corps under Robert Fechner, and the statistical pulse-feeling of the new National Emergency Council, are all clearly parallel to the hurling of storm-troops against enemy

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pill-boxes. In all of these mopping-up operations there is an element of permanence but the immediate function is to break the hostile line of depression. Whatever happens, whatever long-range reforms are made, immediate problems must be dealt with under the policy of "putting first things first".

The farm surplus is a fact. It must be disposed of whatever final régime is established for our farmers. The virtual bankruptcy of the railways and the failure of the traditional channels of railway finance are facts. Railway operations must be maintained whether we are capitalistic, communistic, socialistic, Fascist or Technocratic. The free-and-easy financial operations of our Insulls and Kregers had discredited the normal channels of corporate financing, and so long as we operate under the price and profit system, they must be rehabilitated. The famine of mortgage-capital is a fact. If both creditors and debtors are to escape ruin, Federal mortgage operations are necessary. The terrible armies of young tramps and Bonus Marchers were facts. They had to be provided with an organized outlet. The demand for clear, statistical interpretation of the process of recovery was a fact. It had to be provided if Roosevelt was to find a reliable guide for his economic policies. A mobilization of New Deal storm-troops was necessary, if we were to make any headway in overcoming the immediate crisis, or in dealing with the fundamental crisis.

This fact is illustrated by one of the few White House anecdotes which reflects the basic philosophy of the New Deal. "Mr. President," said a visitor, "if your program succeeds, you will be the greatest President in American history. If it fails, you will be the worst one."

"If it fails," said F. D. R., "I shall be the last one."

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2

George N. Peek and the farm surplus are one and inseparable. It is to him what Muscle Shoals is to Senator Norris and what corn-hogs are to Henry Wallace.

Peek—tall, hardy, full of pepper and vinegar at the age of seventy—is one of the strong men of the New Deal. A manufacturer who realized that the post-war agricultural deflation was dragging the country toward ruin, he jumped in and fought the battle of the farmer for a decade before the Roosevelt election. As a Republican, he tried to get Frank O. Lowden of Illinois nominated to the Presidency. As Chairman of the Executive Committee of 22, he led the fight for the McNary-Haugen Bill. And when he realized that there was no hope for farm relief in the banker-manufacturer-dominated G.O.P., he bolted to Al Smith in 1928 and supported Roosevelt in 1932.

Peek had a vest-pocket remedy for the farm crisis: the equalization fee of which he was one of the inventors, a system under which exports would be subsidized at the expense of the American consumer. It became his gospel and remained his gospel long after the principal importing countries of Europe had established protective and readjustable tariff walls and quota systems to frustrate any effort to subsidize our exports. The New Deal domestic allotment plan, with its program of crop reduction, offended both his intelligence and his instincts. However, Roosevelt wanted to balance the Wallace-Tugwell team with a man who could bargain with farm organizations and talk business to Babbitts, so he put Peek in charge of the Agricultural Adjustment Administration.

It was at Peek's insistence that the farm bill contained

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provisions by which the farmer would receive fixed prices from the processors of farm products and by which subsidized exports were authorized. Wallace and Peek had fought side-by-side in the farm battle but there was a great gulf between their ideas. Instead of accepting the Roosevelt program, Peek, although he was legally a subordinate of Wallace, tried to block crop reduction and to push his own scheme for jacking up domestic prices by marketing agreements, leaving an ample surplus which could be dumped abroad.

The result was a six months' civil war inside the A.A.A. Peek fought the cotton control plan, the wheat control plan, the corn-hog control plan. He brought in his own men and built up his own organization, which duplicated that of the Department of Agriculture at many points. He ignored Jerome Frank, the A.A.A. counsel appointed by Wallace and Tugwell, and brought in another attorney, Frederic Lee, whom he paid out of his own pocket. Stubborn and headstrong, Peek tried to run the show and apparently believed up to the bitter end that he was Roosevelt's favorite. Finally, he served notice on Wallace that either Frank would have to resign from the A.A.A. or he—George N. Peek—would quit. If Frank had resigned, Tugwell would have gone too, and Wallace might as well have quit, as well. Peek and his friends were thunderstruck when Roosevelt supported Wallace and Tugwell, and their resentment found friendly echoes in the Tory press, which believed that the Peek fracas represented the splitting away of the farmers from the New Deal.

This was a very curious idea. Peek had gradually come around to the crop reduction idea but broke with Wallace on the issue of establishing certain types of controls over the agricultural businesses—especially the packing industry mo-

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nopoly—which were brought together in agreements and codes. Peek's only concern was in getting the farmer a higher price for his product. When the problem reached the next stage, of dealing with the processing system by which farm prices had been kept low and consumer prices high, he suddenly went native. He did not see that it made no difference how high you boosted the farmers' prices, if you allowed processors and manufacturers to pile on as much extra profit as they liked. This profit would come back at the farmer in the form of higher prices for industrial goods. Peek, like many others who fought for "equality" between agriculture and industry, did not know the economic process well enough to see that equality could be attained only if the farmer enjoyed, through the government, a measure of control over the retail price of his product.

So Peek, aided by his business-men appointees, resisted the effort of the Wallace-Tugwell-Frank team to establish some kind of control over excessive profits. The storm broke over the packing industry, which was operating under the shadow of a Supreme Court consent decree. While demanding a marketing agreement which would legalize their monopolistic practices, the packers refused to permit the A.A.A. access to their books. It was a clear issue between uncontrolled monopoly and monopoly conducted on a basis of fairness to the farmers for whose presumed benefit the monopoly was to be legalized. Peek sided with the packers.

This fight ended much of the marketing-agreement program of fixed prices to the farmers which Peek had sponsored. These agreements had facilitated handsome profits to the distributors but had stimulated the production of a fresh surplus. His whole fabric of milk agreements was at the point of collapse when Roosevelt yanked him out of the A.A.A. and persuaded him to grapple at first hand with

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the problem of exporting the surplus, in conjunction with but not subordinate to Cordell Hull in the State Department.

This was poetic justice—with a dash of irony—on both accounts. Peek thought the farm surplus ought to be exported. Let him try to export it! Hull believed that the nations of the world were ready to engage in freer trade. Let Hull see what happened when Peek's surplus appeared on the world's markets!

Peek went promptly to work to form an export corporation to handle all farm exports and put this country into a position to do some heavy bargaining. This, of course, was a direct parallel to the Soviet foreign trade monopoly—a parallel which the conservatives conveniently overlooked in boosting the "rugged Americanism" of Peek against the suave "socialism" of Tugwell. It was a good job for Peek and he undertook it as a "Special Assistant to the President", since no other Department could have kept him in a subordinate position.

Despite the explosion in the A.A.A., Peek is an attractive figure, because of his fighting qualities and his loyalty to his own principles, if for no other reason. There is not a mean bone in his body and he is an excellent specimen of the hard-headed, Mid-Western individualist to whom the New Deal must adapt itself. Roosevelt can use him for laboratory purposes, even if Peek's farm policies do not make the grade. He is Exhibit A of the politically indignant farm belt.

A native of rural Illinois, Peek began his career by going into the farm machinery business in Minneapolis. Farm machinery, with a wide variety of companies, has been his business ever since. During the war, he was a member of the War Industries Board, where he became a close friend of Hugh S. Johnson and B. M. Baruch. Shortly after the war, he and Johnson published a pamphlet called "Equality for

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Agriculture", which called attention to the effect of deflation on the farm belt. Peek began to fight the farm battle on both the political and the technical fronts. He organized the famous Committee of 22, which represented the farm organizations, while he and Johnson took over the Moline Plow Company, which sold tools to the farmers Peek was trying to rescue. Peek and Johnson ended up on opposite sides in a complicated fight over policy and the company went broke.

Although his friendship with Johnson was renewed, they fought like Congressmen after they both came to Washington in the Roosevelt Administration. Peek complained that Johnson pushed the N.R.A. ahead too fast, adding enormously to Peek's job of bringing farm prices up to equality. Later, however, when Peek was cornered by Tugwell and Wallace, he and Johnson made common cause again. At heart they resemble each other greatly: two practical business men who have faced some—though not all—of the realities of the American economic system. Of the two men, Johnson is the cleverer and he has been heard to state that his friend George Peek was more bull-headed than intelligent.

Look out for fireworks if Peek gets his bulldog grip on our foreign economic policy! Cordell Hull may find that his own commercial back-scratching program is on the shelf, for Peek bows to nobody and yields only to superior force. Foreign governments are likely to find him a human battering ram in negotiation.

Accordingly, Peek is more popular than is Wallace with the "left wing" farm group represented by Milo Reno and the Farm Holiday movement. This is partly because the old crowd in the farm belt know Peek and like him. But it is largely due to the fact that Peek—like Reno—is a price-fixer. What happens to the farmer after you have fixed prices

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high enough to bring him his cost of production and more, is something which men like Peek and Reno ignore. They leave it to men with more brains and a keener sense of reality—men like Wallace, Tugwell and Frank—to devise the means by which farm prices may be brought into line with farm costs, and then curse them out as “socialists” when such men refuse to fall for the old bunk that higher prices—and not the cost of living—supply the test of a successful farm policy.

3

Roosevelt found the railway system in urgent need of stimulation and control. The railways had always been the seamiest side of our economic system. Built originally by private subscription and government subvention, they had been consolidated and expanded through the operations of such men as Fisk, Gould, Hill, and Harriman, who were the heroes of the “golden age” of American railroading. Then the colder and more calculating men of money had stepped in, and such firms as Kuhn, Loeb & Co. and J. P. Morgan & Co. had risen to heights of fantastic power, through a bold system of integration of heavy industry, coal, iron and transportation. A peculiar by-product of this system was that the men and institutions responsible for rail consolidation and finance became immensely rich, without ever taking care of the elementary capitalistic duty of retiring past indebtedness. As a result of their control of the national savings, through the banks and insurance companies, they inflated the capital structure of the railroads until there was never the slightest possibility of the roads getting free of debt or reducing their charges to an economic level.

So when the depression struck the country, the railroads

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were helpless. The bankers whom they had enriched showed no disposition to finance them, concentrating rather on compelling the government through Mr. Hoover's newly organized Reconstruction Finance Corporation to lend the railroads the money with which to repay short-term loans to the banks. Millions of stock-holders saw the destruction of their equities and the railroads, which had made no effort to adapt themselves to the competition of the truck, the passenger automobile and the airplane, were unable to maintain trackage and rolling-stock in good repair, and in many instances were not earning "fixed charges" on their extravagantly watered capital.

Permanent intervention of the Government in the interest of the New Deal was called for, when the bankers cast aside their sucked orange. This has taken the human form of Mr. Joseph B. Eastman of the Interstate Commerce Commission, Roosevelt's choice for Federal Co-Ordinator of Transportation.

Eastman has been for years to the I.C.C. what his friend and mentor, Louis D. Brandeis, has been to the Supreme Court—"a great dissenter." After a long apprenticeship of minority opinions, he has now become the majority, a majority of one, in the railroad business.

Eastman is a few months younger than F.D.R. and was born in the same part of the country—at Katonah, New York. After graduating from Amherst College in 1904, he took the Amherst Fellowship at South End House, Boston, and there engaged in social settlement work for a year, after which he served for seven years with the Public Franchise League of Boston. After serving as counsel for the employees in several wage arbitration cases in the street railway business, he was appointed to the Massachusetts Public Service Commission in 1915, when it was the most liberal commis-

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sion of its kind in the country. Four years later, Woodrow Wilson appointed him to the Interstate Commerce Commission, on the recommendation of Brandeis.

Eastman was an ingrained and frequently bitter dissenter from his colleagues on the Commission during the thirteen years when conformity to Big Business and banking became the rule of the I.C.C., as it did of most other branches of the Federal Government. He vigorously attacked some of the railroad bankers and operators and objected vehemently when the R.F.C. first began pouring out money to the railroads to enable them to pay the very bankers whose plea for years had been that they were entitled to a handsome rake-off from the railroad industry in good years because they "stood by" the roads in bad years.

To the hardened hearts and arteries of the 1920's Eastman seemed like a pretty dangerous radical. As he made no effort to conceal his belief that government ownership was the inevitable final solution of the railroad problem, Eastman was the obvious choice of a liberal administration to handle that problem.

The railroad situation was never worse than when Roosevelt came into office. Eastman was the man selected to look after this phase of the New Deal program, with the assistance of Brain-Truster Adolf A. Berle, Jr., who was assigned to uncover the dirt in the loans to the railroads from the R.F.C. Eastman functioned as an expert committee of one under Secretary Roper and handled the proposed railroad legislation until the Federal Co-Ordinator Act was passed. Then he became Co-Ordinator, with the double job of showing the railroad how to effect economies by eliminating the expense of unnecessary competition and of working out a more complete policy for dealing with the roads.

Eastman has one of the keenest minds in the government

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and wields one of the most effective pens in the New Deal. He is sharp and often corrosive in his writing style, and does not mince either words or ideas. Personally, he is a mild, smiling little fellow, who goes quietly about his business and enjoys an occasional game of handball. Curiously enough, the railroad men did not protest when he was picked as Co-Ordinator, probably because they recognized his first-rate intelligence and his extraordinary knowledge of the railroad industry. They knew that he would give their business expert surgical treatment, even though they shrank from the pain of a necessary operation.

They may also have realized the dearth of brains in railroading. There are comparatively few men above "C" in intelligence in the American railroad business to-day. The empire-builders like Hill and Harriman are gone and their dreams and their rapacities have been cashed in on by the bankers. Since bankers have controlled American railroading, the business has ceased to expand or even to keep abreast of the times. It is a business in which the tradition of picking executives who have risen from the ranks of section foremen and brakemen has created a hierarchy of executives who know nothing but the railroad business and have extraordinarily little imagination concerning that.

When Eastman's previous term on the I.C.C. expired, an association of the railroad heads adopted a resolution urging President Hoover not to reappoint him. They were reminded of the old political maxim that "you cannot beat somebody with nobody" and were asked whom they wanted in his place. They had never thought of that and were entirely unable to agree upon a candidate.

So to-day Eastman is the New Deal's railroad specialist and the friendly nemesis of the twenty-eight billion dollars of capital, real and watered, invested in the business. That

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is what his training has made him but he is not confined to this special field of expert knowledge. He is a genuine liberal who understands what the New Deal is driving at. He is for it in the large, if not in all of its details, and is determined that his end of it shall be handled in the interest of all of the public rather than of the bankers, speculators and strong-arm operators who have made of our railroads what once was the dismal distinction of the Erie Railroad: "the whore of Wall Street."

4

Bad as was the corporate concubinage which went by the name of railroad finance, it was only a small sector of that financial red light area—to use no stronger term—which was technically termed the stock and bond business. The decade 1920-29 was the bonanza of the bond-salesman, the happy hunting-ground of the stockbroker. Issues rolled forth on the Stock Exchange with the regularity and volume of the tides. No business was so mean that it could not discount the future to the profit of all concerned, no foreign municipality so remote that it could not float a bond issue in the United States. It was magnificent, but it was not finance. It was a frenzy, an auto-intoxication, a beautiful dream on unearned profits and geometrically mounting income. Anything went in that game of corporate table-stakes and nearly everything *was* tried, not now and again, but again and again, and again and again and again.

Unfortunately, many quite insignificant people invested their savings in stocks and bonds not only in the anticipation of quick profits but on the assurance of reasonable security. When the market crashed, they found that they had been misinformed. They had nothing to show for their joy-ride

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but the holes in their meal-tickets, and the men in the driver's seat disclaimed all responsibility. So it became apparent that if, in future, the public was again to supply industry with the necessary capital, the issuance of securities must be made as honest a business as life insurance, garbage collection or the Casino at Monte Carlo. Hence Jim Landis and the Securities Act.

The brain behind that much-maligned legal effort to let no stockbroker put asunder a fool and his money is the brain of James M. Landis, whom Roosevelt appointed to the Federal Trade Commission to enforce the Act and who is its chief guardian against the battering and ballyhoo of Wall Street bankers and lawyers. Like Berle, Landis is a lawyer, a professor and something of an infant prodigy. He also happens to be a moralist and like Berle, a minister's son.

As a matter of fact, Landis is the son of a Presbyterian missionary and was born in Tokyo thirty-four years ago. At the age of fourteen he left the Flowery Kingdom to pursue his studies in the Land of the Primrose Path, graduating from Princeton in 1921 at the top of his class and being frequently mentioned as one of the most brilliant men who ever attended that ultra-conservative little college. (His undergraduate career was interrupted for a year by the war, during which he served overseas with the British Y.M.C.A.) He is reputed to have accumulated a large sum of money during his college course by a tutorial system which enabled his dumb-bell classmates to pass their examinations. He is now applying a somewhat similar technique to stock-promoters.

From Princeton he went to Harvard Law School, where he again led his class, graduating in 1924 but remaining for a year of post-graduate legal studies. Then he was consigned

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to Justice Brandeis as secretary for a year, returning to lecture at Harvard Law School, where he was made a Full Professor in the record time of two years. His field was legislation, a subject which he presented from the theoretical and realistic sides, although he also taught such subjects as public utilities law, labor law, administrative law, anti-trust laws, and Federal jurisdiction. He collaborated with Felix Frankfurter to write "The Business of the Supreme Court" and with Samuel Williston, Harvard's famous professor of contract law, to write books on "Commercial Law" and "Negotiable Instruments".

Then, in the spring of 1933, Mr. Roosevelt decided that it was time to fulfill his general campaign promise to put the security-selling racket on the spot. The Senate Committee made mincemeat of the first draft of a bill for this purpose which Huston Thompson had prepared, so Moley sent an S.O.S. to Felix Frankfurter and Felix despatched Jim Landis at full steam to the scene of the collision. Landis, Ben Cohen, who was an authority on the British Companies Act, and Tom Corcoran, of counsel to the R.F.C.—all of them Frankfurter protégés—went to work on the job, but the task of draftsmanship fell to Landis, who wrote the bill line by line in consultation with Sam Rayburn of Texas, Chairman of the House Interstate Commerce Committee.

It was Landis's first practical experience with the subject on which he was an authority. The result was a law which the highest paid legal counsel in the world has proclaimed the most airtight piece of legislation affecting finance ever enacted by Congress. Attorneys who have made their reputations (and their fortunes) finding holes in the anti-trust and income tax law for their financial clients, found that the Securities Act was a flaming sword driving them from the financial Garden of Eden. Since they could not evade

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it, they could only try to get it amended, by means of a long, loud and gusty campaign from Wall Street, accompanied by efforts to sabotage other parts of the New Deal.

The new law placed severe liabilities for fraud and misrepresentation on everybody connected with the issuance, sale and distribution of securities. Wall Street groaned that it made it impossible to do business at the same old standard of ethics. That was the big idea. The measure itself was, in fact, slightly more stringent than the British Companies Act on which it was modeled, but only because the British Act contained other regulatory features for which there were no counterparts in this country and because the whole mechanism of selling securities in Great Britain is different. Complaint that the Act prohibited the issuance of new securities was tantamount to the admission that the securities business was inherently dishonest. Wall Street pretended that the Act was responsible for the 1933 famine of capital. The truth was that there was no fresh industrial capital available from the ruined and disheartened public on any terms.

Roosevelt's comment on the Wall Street threnody was to appoint Landis to the Federal Trade Commission, where he could watch the administration of the Securities Act. However, Landis's influence did not stop there and he is beginning to build up a body of administrative law for the Commission, which will in future issue opinions instead of bare yes-or-no decisions in important cases, thus establishing the basis of a continuing policy as well as better treatment in the law courts.

Landis is brief, blond, benign, but very, very earnest. His early Presbyterian training, isolated from the currents of American materialism by the religious and geographical consequences of an evangelical mission, has prevented even his agile mind from understanding the ethics of the late leaders

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of the New York financial community. The farther he delves into their peculiar methods of divorcing men from their savings, the more he probably wonders why his parents went to remote Japan when there were so many sinners near at hand. One thing is certain: that Landis himself is essentially a missionary in darkest Wall Street and that he is using the time-tested Presbyterian methods in saving souls. The Presbyterians believe that salvation (some say damnation, as well) can be achieved only by faith *and* works. To this Jim Landis would probably agree as, together with George C. Mathews, formerly of the Wisconsin Securities Commission, (another LaFollette-backed liberal whom Roosevelt appointed to the F.T.C.), he wrestles with "dat ole debbil" Wall Street for the soul of American finance. The Puritans also have been known to burn witches and heretics. He is the secular arm of Roosevelt's financial Inquisition.

5

There were sufficient innocent souls crackling at the stake, to make us go slow in pitying the poor bankers, whose policies were largely responsible for the distress of millions of poor people. Certainly, there was no more urgent or tragic problem in America, on March 4, 1933, than the plight of the mortgage-debtor.

Big Business could "reorganize" or borrow from the R.F.C. The unemployed could apply for and receive relief, but the home-owner and farmer who had financed the purchase or improvement of their properties through mortgages were in a desperate position. Their equities had been wiped out, there was a famine of mortgage capital, and the wave of mass-foreclosures and evictions was ruinous to the creditor as well as disastrous to the debtor. This represented the col-

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lapse not only of our financial foundations but of the whole social structure. The breaking up of homes and the separation of men from their means of livelihood not only shook the banks and insurance companies but threatened revolution. Only remarkable forbearance or fear on the part of the creditors and, in many cases, organized resistance on the part of the debtors had prevented a general social catastrophe. If the American system was to recover or even survive, it was absolutely imperative that the Government should invade the mortgage market.

The result was two government funds, each of \$2,300,000,000, and administered respectively by the Farm Credit Administration and the Home Owners Loan Corporation, under William I. Myers and John H. Fahey—again respectively—to offer the substitution of government-backed bonds for the old alternatives of foreclosure or default.

Despite all that has been heard about the college professors in the New Deal, the unadvertised William I. Myers, head of the Farm Credit Administration, is the only college professor in the top rank of administrative positions and he is there only because Henry Morgenthau, Jr., knows a good man when he sees one and doesn't give a damn for the claims of political patronage.

Myers was born near Lowman, New York, forty-two years ago and grew up on the farm which was also his home. Entering Cornell at the age of eighteen, he remained there to teach after his graduation in 1914 and has been there practically ever since, barring occasional jaunts into other spheres. In 1916, he received a fellowship which enabled him to study cooperative marketing and finance in Great Britain, Scandinavia, Holland and Germany, and fifteen years later he was hired by the Federal Farm Board to make a special study of farmers' cooperatives in Porto Rico. His

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teaching specialty at Cornell, where he is a member of Professor Warren's department, is cooperative marketing and finance. He has written agricultural bulletins on the subject and is, of course, a member of the appropriate learned societies.

Morgenthau came to know Myers in the course of his agricultural work in New York State and made good use of him on the Agricultural Advisory Commission during the four years of Roosevelt's governorship. Myers was the man Morgenthau chose to take with him to Washington as his right hand in reorganizing the farm credit system and setting up the \$2,300,000,000 farm mortgage relief plan. Myers helped to draft all the legislation and executive orders needed for the job and in return Morgenthau made him Deputy-Governor of the F.C.A. and nominated Myers to succeed him as Governor when Roosevelt put Morgenthau in the Treasury. Thus an "obscure professor" finds himself at the head of the largest banking system in the United States—the only nation-wide banking system to which farmers go for everything from crop-loans to mortgages.

Myers is doing his job wisely and well. He is level-headed and practical (as are many others of the "professoriat") and lacks that windy emotionalism which afflicts the average business man when confronted with unfamiliar problems. His chief difficulties are political, for he is as tactless as Tugwell towards the politicians and fired a lot of perfectly good Democrats from jobs in the F.C.A., simply because they were inefficient. He also refused to fire a lot of perfectly good Republicans, because they were efficient.

Though medium in height and rather stocky, Myers is a handsome man and was runner-up to Tugwell in the Washington shop-girls' poll on the Beau Brummell of the Brain Trust. Despite his brains, however, Myers is no mere the-

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orist in the agricultural world. Four miles from Ithaca, N. Y., he owns an 84-acre farm where he has specialized in large-scale poultry raising. He uses all the scientific methods and has made his farm pay right through the depression.

Myers is an almost complete contrast to his opposite number in the mortgage relief drive, John H. Fahey, the New England banker and newspaper publisher whom Roosevelt made Chairman of the Home Owners Loan Corporation and the Federal Home Loan Bank Board.

Fahey, an Irish Catholic, was born sixty-one years ago in Manchester, New Hampshire, where he entered newspaper work as a boy, thus beginning a career which carried him high in the ranks of New England journalism and the Associated Press. In 1903 he became editor and publisher of the Boston "Traveler" but reached out into other business. For one year—1923—he published the New York "Evening Post" prior to its ten years of Babylonian captivity as a Cyrus Curtis publication. For years Fahey has been active in the U. S. Chamber of Commerce and the International Chamber of Commerce, and has bagged many foreign decorations in the course of his international commercial traveling. His present journal is the Worcester (Mass.) "Post"—a rather dreary provincial newspaper.

Fahey was brought into the Washington picture after William F. Stevenson—a South Carolina politician who rejoiced in the nickname of "Seaboard Bill"—had all but wrecked the Home Owners Loan organization, with the loyal cooperation of Jim Farley. Stevenson and Farley seemed to confuse the task of saving people's homes with the opportunity to save deserving Democrats and the result was that, after several months, the H.O.L.C. had created more jobs for politicians than it had saved homes. It was one of

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the major flops of the early period of the New Deal and would have been a major scandal if there had not been so many other things happening at the time.

Desperate remedies were required. Fahey had previously been made a member of the Home Loan Bank Board as a reward for his efforts, as a Catholic and a Democrat, to patch up the Smith-Roosevelt feud in Massachusetts. He was now made chairman of the Board. The operation was successful. Fahey is a crisp, direct, efficient man of the sort who would serve any Administration and serve it well, and he made things hum. The loans granted mounted geometrically week by week; State home loan organizations were given a swift dry-cleaning; and two or three Democrats who had bled and died for their Party were bounced from their jobs with little or no ceremony.

The tide of foreclosures and evictions receded abruptly and the dreaded threat of deficiency judgments—that unique iniquity of American real estate law by which the homeowner can lose not only the security which he has pledged for his mortgage but anything else he may ever own at any time—was checked. Involuntary homelessness ceased to be a material factor in the depression.

6

For many, the rescue party arrived too late. As early as 1931, social welfare workers and police officials had noted the ominous increase in the army of young tramps, of both sexes, as boys and girls came to maturity in a civilization which did not offer them employment and would not feed them without it. "Wandering children" of the Russian type—the type of sans-culottes who are the first gust of the revolutionary storm—had made their appearance and the work-

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less war veterans were marching on Washington to demand relief.

Here again something was needed at once, something to short-circuit the vagrancy situation as effectively as the Boy Scout organization had short-circuited the boy-gang situation. The answer was supplied by the enlistment of over 300,000 boys and veterans in the Civilian Conservation Corps, under the leadership of Robert Fechner, and their employment in 1,500 forest camps for scientific forestry, flood and fire-control.

Anything so simple and practical was bound to be opposed by organized labor, so Roosevelt anticipated criticism by putting the entire experiment under the direction of a man who was General Vice-President of the International Association of Machinists and who for years had been a prominent leader in the organized labor movement.

Fechner is a Southerner, born fifty-eight years ago in Chattanooga, Tennessee. As a boy, he supported himself by peddling candy and magazines on railroad trains. After an elementary education in the Georgia public schools, he entered the shops of the old Georgia railroad as a machinist apprentice. After the prescribed four years' apprenticeship he took to the road and worked in shops all over the United States during the next fifteen years, subsequently working his way through Mexico, Central and South America. He knows what it is to be young, poor and footloose. Finally, he selected Savannah, Georgia, and settled down there as an employee of the Georgia Central Railroad. He fought his way up in union labor politics and in 1914 was elected a member of the General Executive Board of the International Association of Machinists, which he subsequently represented in all parts of the United States and Canada.

He was regarded as a firm but fair union man, and was

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active in the Nine-Hour movement in 1901 and the Eight-Hour movement in 1915. He has lectured at Harvard and Dartmouth on the trade union movement. He negotiated scores of wage agreements and during the war was particularly active handling delicate situations for the men employed in munitions factories. At this period, Fechner represented the machinists in the eastern territory, several thousand of whom were employed in the Navy Yards. This brought him in frequent contact with Roosevelt and Howe. They made a good team: Fechner's fairness impressed Roosevelt and Howe, while Roosevelt's friendliness to organized labor impressed Fechner.

After the war, Fechner became active in progressive national politics. He campaigned for LaFollette in 1924 and for Al Smith in 1928, and promptly swung to the support of Roosevelt in 1932. He made pro-Roosevelt speeches in the close pre-convention contests in New Hampshire and Massachusetts, and worked hard for Roosevelt throughout the campaign, without thought of public office.

When Roosevelt proposed to recruit the Civilian Conservation Corps, organized labor opened fire on it. William Green was still greensick over the appointment of Frances Perkins, and the A. F. of L. took out its grudge by contending that the forest camps would be "forced labor," that the proposed wage of \$1 a day and all found would undermine the wage scale, etc., etc. Roosevelt and Howe smeared Green's grandstand play by making Fechner their Director of Emergency Conservation Work.

It was the first big undertaking of the New Deal and was, in addition, a position which called for tact, firmness and patience. Fechner, an experienced negotiator, did a fine job.

After a life-time of labor politics he admits that he had never done anything, and cannot imagine doing anything,

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which would give him so much satisfaction as this job. He feels like a father to the 400,000 boys who have passed through the C.C.C. camps. At first he almost ruined his health sitting up nights dictating personal answers to their letters of inquiry and complaint. Finally, he had to delegate that particular work but he still follows the camp-mail closely and insists on seeing letters which are especially interesting, no matter whether they are knocks or boosts.

At first the Army, which organized and officered the camps, tried to turn the C.C.C. into a purely army project. It found that this quiet, stolid, friendly man, with his heavy spectacles and drooping head, could not be outwitted or bamboozled by even the highest-ranking generals. He is no policy-maker, no brain-truster, no administrative miracle-man. He is simply one of the storm troopers who undertook an unprecedented job and did it well. The C.C.C. experiment is one of the few completely successful emergency measures in our history. It may not be as good for the forests as its advocates maintain, but there is no question about its being good for the men whom it employs. And, after all is said and done, men are still more important than trees.

7

Under the Old Deal, Washington was a mine—or rather, a fountain—of statistics. You had only to nudge a government department to bring forth a geyser of facts and figures about everything from fish-culture to radio-sets. You could drown in statistics under Hoover without once realizing that the Government was statistically unprepared to do more than edit reassuring bulletins for tired business men. There were no reliable figures on unemployment and no statistical control of monetary policy. For that you had to watch the

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bread-lines and the tickertape. The Federal Reserve Board had one sharp attack of political epilepsy early in 1929 and frothed at the mouth about over-speculation, but Wall Street and not Washington had the whip-hand in the money-market, and anything in the nature of social control of economic life was "un-American."

Hence Roosevelt found the Government notably lacking in a statistical general staff which could do for the New Deal what the State Planning Agency did for Russia and what the Central Banks did for the European countries. He had to create something new in American government, a corps of expert pulse-feelers for a nation in an economic coma. This he did, principally, through two young men, named Winfield W. Riefler and Isador Lubin, respectively, who supply the New Deal with its fever charts and interpret its symptoms in terms of administrative policy.

A few months after he came into office, Roosevelt began to refer periodically in his press conferences to "the interpreting economist." This mysterious individual furnished the charts and tables which kept the President informed, daily, weekly and monthly, of the economic condition of the country as it was reflected through all the agencies of the Federal Government.

With a little imagination the White House correspondents might have located him immediately but Washington newspapermen have little more initiative than a Senator. The National Industrial Recovery Act had empowered the President to establish a Central Statistical Board, which the President had promptly done through the executive secretary of his Executive Council, Frank C. Walker. This Board had an office in the Commerce Building but the newspaper men forgot that such a thing as a central statistical board existed and it was months before one of them discovered the "inter-

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preting economist." This inquirer then found that the mysterious annalist was Mr. Winfield W. Riefler, of the Division of Research and Statistics of the Federal Reserve Board.

Riefler, a rather tall, slender blond, was born in Buffalo thirty-seven years ago, grew up in Rochester, and went to Amherst. He spent two years overseas with the Amherst volunteer ambulance unit attached to the French Army and then came back to finish his college course. Among Amherst's intellectual lights at the time was Walter W. Stewart, Professor of Economics. In 1922, Stewart resigned his professorship to become director of the Division of Research and Statistics of the Federal Reserve Board, where he remained until 1926, when he became a Wall Street Banker, serving from 1928 to 1930 as economic adviser to the Bank of England.

After graduating from Amherst in 1922, as a student of Stewart's, Riefler went to South America for two years, where he did some newspaper work and later joined the staff of the Department of Commerce office in Buenos Aires. Then he came back to the United States and entered the Federal Reserve Board Research and Statistical Division as an assistant to his former teacher, Stewart. Riefler has been with the Federal Reserve Board ever since. Meanwhile he studied at Brookings Institute, where he earned his Ph.D., and published a book: "Money Rates and Money Markets in the United States."

When Frank Walker was asked by Roosevelt to organize the Central Statistical Board, Walker asked each Department dealing in economic information to recommend a member. E. A. Goldenweiser, director of the Reserve Board's statistical work, recommended Riefler, his assistant. It was typical of Walker that he told the members of this board to elect their own chairman, as he believed that in that

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way he would get the best statistical economist in the government. He did not tell them, but he proposed to make that man the economic adviser to the Executive Council. The members of the Board elected Riefler chairman and Walker promptly annexed him to the Executive Council, which consists of all the Cabinet members and the heads of the special recovery agencies. Thus Riefler became the "interpreting economist" to a President who seldom sees him but who studies all his charts.

Riefler is essentially a liberal but he has spent too much time under such conservatives as Stewart and the Federal Reserve Board gang to be unorthodox in his economics. He has a brilliant mind, with some sound ideas for innovations in the national banking system, management of the currency, and revision of the taxation system, and he finds himself in a key place in the New Deal, not as the result of political or personal associations, but solely because Frank Walker wanted the best and most impartial statistical advice he could get for the President and because the men he relied on to pick the best man, chose Riefler.

Hence one of the youngest men in the Government statistical service finds himself in command of his elders and administrative seniors, including his own boss. This, in itself, is a bureaucratic revolution.

Less dramatic but equally important is the attempt of Isador Lubin, to supplement the traditional money-price-business technique of Federal statistics with what is almost a new science in this country: social statistics.

When Frances Perkins took charge of the Labor Department, she was determined to get the best statistics available on employment and unemployment. She had helped to explode the unemployment figures put out by the "ballyhoover" administration, figures which, even if correctly in-

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terpreted, were incomplete. It was an extraordinary commentary on the intelligence of Republican leadership and on the United States Government that in the midst of the greatest depression in its history it did not know how many people were employed, and how many unemployed, where, or for what reasons. Our financiers and their political assistants considered such figures as pig-iron production, unfilled steel orders, money in circulation, and so forth, indispensable but they had no curiosity concerning the most fundamental economic factors of all: the number of employed and their income. That was political dynamite and they resolutely rejected all efforts to collect those facts.

The dynamite blew up, just the same, and Frances Perkins picked Isador Lubin to be her Commissioner of Labor Statistics. Her reasons were unassailable.

Lubin is thirty-seven years old, a native of Worcester, Mass., where he also was educated, graduating from Clark University in 1916. At college he studied psychology under the great G. Stanley Hall, as well as economics. Then he went to the University of Missouri to teach and do graduate work. During the war he served as an economic expert for the Food Administration and later for the War Industries Board. After teaching for a time at the University of Michigan, in 1922, when the Robert Brookings Institute was opened (to supply the government with the economic research which Congress would never permit the Government to undertake), he came to it as a teacher and remained there for eleven years.

A specialist on the effect of the war on prices, particularly those of fuel, he published an important study of "The Absorption of Unemployed by American Industry," in which he brought out the results of technological advances later

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capitalized by the Technocrats. As a result, in 1928, he was economic counsel to the Senate Committee on Education and Labor. Two years later, he was loaned to Senator Wagner to help him with his bills for unemployment statistics, Federal employment agencies and unemployment relief. In 1932 he was borrowed by Senator Robert M. LaFollette, Jr., for the hearings on unemployment insurance and economic planning before the Senate Committee on Manufactures and Commerce.

It was in 1930, while he was working for Wagner, that Lubin met Frances Perkins. He saw her occasionally thereafter and when she had a chance to recruit him as an ally, she took it. He is a genuine economic liberal, as befits the son of the man who organized the great international institute of agriculture at Rome which stopped for a generation international speculation in wheat prices.

Under Lubin, the Department of Labor employment statistics have been elevated to a new high level of accuracy and have been greatly extended in scope. He readjusted indices and put out figures which are universally respected for their honesty and accuracy. His figures on increase of employment in 1933 varied by less than one per cent from those which Johnson got in his N.R.A. survey of increased employment in industries under the N.R.A.

When the Civil Works Administration was organized, Lubin got 900 people assigned to making an employment survey in those lines of business which are not covered by the statistics on factory-employment which have hitherto been the basis of Labor Department estimates. He is slowly narrowing the area of guess-work in government and is thereby affording new and necessary controls to the operations of our economic system.

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All of these sectors of the storm-troopers' front represent far more than mere immediate problems. The farm surplus will quite possibly be developed as a dole—either to the foreign consumers on whom George Peek would dump it or to our own needy to whom Harry Hopkins would feed it. The Federal Co-Ordinator of Transportation might easily become the head of a State transport monopoly which will unite railway, bus, truck and air transport lines under Federal ownership. The historical function of the Securities Act may prove in fact to be the germ of a Federal monopoly over the issuance of industrial capital. The Home Loan and Farm Credit organizations may end by making the Federal Government the legal landlord of the entire population. The C.C.C. may be the embryo of a future system of compulsory economic service for the young men and women of the country, and the statistical pulse-feelers may be the prototype of a new style in statesmanship, in which "curves" and charts will outrank votes and majorities.

All this may conceivably happen and some of it will probably come to pass, yet when all is said and done, Roosevelt's shock-troops have dealt with the unsolved critical problems of the present day and age, in terms of that day and age, leaving the future to those to whom the future has always belonged—the Utopians.

VI

UTOPIA ON TAP

I

ONE of the things which has baffled critics of the New Deal is the imagined antagonism between recovery and reform. Even such astute observers as Walter Lippmann and J. Maynard Keynes have been spiked on the horns of this false dilemma, which represents that you can have reform only without recovery or recovery only without reform. The Tories who rail against New Deal "socialism" have put it more bluntly. They have said that the President's revolutionary policies are destroying "confidence" and that such recovery as has taken place would have been far greater if Roosevelt had not meddled with our economic institutions.

Only a handful of men have realized that it was impossible to have recovery unless you also had reform, that the confidence of the people in our financial and business institutions had been destroyed and that those institutions would function badly or not at all unless they *were* reformed. The destruction of savings by the Stock Market crash, the destruction of jobs by the depression and the destruction of capital by the bank failures, combined with the prostration of agriculture, the impossibility of collecting debts and the absence of economic opportunity for the rising generations of younger men and women had crippled and—in some instances—obliterated our economic institutions. No recovery even of an emergency character was possible unless those

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institutions were reformed in such a manner as to reestablish public confidence in the system itself. Nobody would entrust his funds to a bankrupt financial system, no one could obtain purchasing power from a closed factory, nobody could pay debt without money, and no farmer would grow crops which he could not market.

While the storm-troopers were battering at the immediate crisis, the Utopians set to work to remodel the entire character of American economic society. Curiously enough, the principal attack of the Tories has been leveled at the wrong people, though for the right reason. A social reformation *is* taking place. On this point the Tories are quite right. But the executors of that revolution are almost entirely outside of the limelight, possibly for the reason that what they are doing is so simple and sensible that no popular emotions could be rallied against it. Miss Frances Perkins, as Secretary of Labor; Harry L. Hopkins, as Director of Federal Emergency Relief and the Civil Works program; Harold L. Ickes, as Secretary of the Interior and Administrator of the huge Public Works fund; Arthur Morgan and David E. Lilienthal of the Tennessee Valley Authority—our huge national experiment in regional planning; and Professor M. L. Wilson of the Subsistence Homestead Division, are the people who are tuning in on the future.

Here are no misty-eyed dreamers. They know exactly what they are doing and why. They have the facts and figures at their finger-tips. Any direct challenge to their program would have to prove to the country that Miss Perkins was wrong to insist that labor receive a living wage with enough money to pay for the doctor, that Harry Hopkins was wrong to expect a man to perform useful work in return for a Government dole, that Secretary Ickes was wrong to distribute Public Works appropriations without graft or

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political favoritism, that Morgan and Lilienthal were wrong to end the waste of power resources, the soil erosion and the floods of the Tennessee Valley, and that Professor Wilson was wrong to attempt to demonstrate that industrial workers could grow their own food if provided with small tracts of land for that purpose. A headlong attack on the basic Rooseveltian reforms would break down of its own weight, the moment its arguments were stated. For the dollars-and-cents arguments, not to mention the social betterment involved, are all on the side of the practical Utopians. They have discovered that there is plenty for all if we only have the wit to turn on the right tap. They are turning it.

2

Under Frances Perkins, the Secretary of Labor is for the first time in history one of the most important members of our government. Up to 1933, the Department of Labor was a happy hunting-ground for superannuated labor union officials and the headquarters of some of the dirtiest deals in the history of the United States. The alien-deportation racket alone was an open sewer and the immigration service in general was a disgrace to civilization. In a capital where there was a faint suggestion of bad drains in every government department, the Labor Department stank. The Bureau of Labor Statistics was its sole redeeming feature—the Woman's Bureau being a starved and orphaned experiment under Miss Grace Abbott—and the Hoover Administration fired the veteran labor statistician, Dr. Ethelbert Stewart, after his estimates on unemployment failed to keep within the figures which the White House deemed expedient for public consumption. The ineffable William Nuckles Doak was typical of our previous Secretaries of Labor and the

building itself was dirty, smelly and dismal—a large-scale model of the average union headquarters in an industrial town. The policies which it administered were about on a par with the tactics of a stevedores' strike or a building-trades walk-out.

Under Miss Perkins the whole thing is as different as is the new marble Labor Department building down by the Washington Monument to the old shack sandwiched between a rooming house and a garage on F Street. That is partly due to the New Deal program and the responsibility it is assuming for the welfare of labor, and partly to her own unusual qualifications. For the first time, the Secretary of Labor is not a mere union labor leader but a wideawake representative of the interests of all the workers.

She comes to her job with all the intelligence and energy of her Yankee forebears. She is a Bostonian with a broad "a", fifty-two years old, a graduate of Mt. Holyoke College, and one of the young women whom Jane Addams trained for social service at Hull House, Chicago. Her career in New York social politics began in 1911, after the ghastly Triangle Shirtwaist Company fire, when she went to Albany to work for better factory legislation. She got her first job in the New York State Labor Department from Governor Al Smith. Governor Roosevelt made her his Labor authority in the State Cabinet and took her to Washington, to be the first woman Cabinet member in American history.

But—and this is the key to Miss Perkins—she got the job because she was good at it, not because she was a woman. She has never capitalized the feminist angle of her career. In 1913, she married Paul C. Wilson, who was then a member of Mayor John Purroy Mitchel's Fusion Administration. She kept her maiden name, not from principle, but in order not to interfere with her husband's activities as a statistician

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and efficiency engineer. She detests personal publicity of the pawing, familiar kind and keeps her Washington address confidential. She has a daughter in the sub-deb classification, but has never capitalized her Motherhood any more than she has capitalized her Sex. She has stated that she considered climbing trees to be the only activity for which women are under a practical disqualification. She is an energetic, compact, neatly-clad woman, with humor, good breeding, a trained mind and a social conscience.

Naturally, organized labor fought her appointment to the Cabinet up to the last minute and then sulked and privately threatened her with "sabotage" for two months after March 4. However, the N.R.A. had not been under way for a month before organized labor was eating out of her hand. She has brains and William Green and his blue-jowled, broad-bottomed aides discovered that they needed her brains in their battle against the organized employers. They also discovered that she has force, all the more effective because it is moral force. She closed a conference with leaders of the steel industry because they refused to confer if Green, as member of the N.R.A.'s Labor Advisory Board, was present. There have been few more delicate jobs of murder than what Miss Perkins did to the steel masters at the first open hearing on their code. They swiftly passed the buck to the coal-industry and ducked in through the Golden Gate in one-two-three order, only to find that they had been beaten on the coal-front as well, after a few murders of strikers by deputy sheriffs had forced the fighting into the open.

She made the Department of Labor hum. Her first day in office she disbanded Doak's Garsson Squad, an undercover gang of detectives, stool-pigeons, agents, provocateurs and informers employed to rid the country of illegally admitted aliens, moral turpitude and ingrowing Bolshevism. Members

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of this gang were conducting raids without warrants, frequently serving as detective, prosecutor and judge combined. She organized the new Federal Employment Service—the first organization which is equipped to keep track of unemployment with any degree of accuracy; she imported Isador Lubin of Brookings Institute as chief of the Bureau of Labor Statistics, employed Charles Wyzanski, former editor of the Harvard Law Review, as the Department's solicitor, backed up and expanded the Woman's Bureau, and weeded out the political rats by whom her Department was so infested that she discovered that they regarded themselves as working for Senator So-and-So or for this or that official of the Federation of Labor rather than for the Department or for the workers of America.

Let the barons of industry beware of this little woman in the revolutionary three-cornered hat! In her veins flows the blood of James Otis, who denounced British tyranny before the Chief Justice of Massachusetts in 1761, and she has made the Wickersham Report her Bible in reforming the foul and humiliating administration of our deportation laws. Madame Secretary—as she calls herself—has the goods on the industrialists and their treatment of labor, and she is quick to puncture the pompous emptiness which passed for wisdom in the hey-hey-days of the Old Deal, when the achievements of our richest speculators, bankers and manufacturers were good for adulatory stories in most of our national magazines.

She did not fall for that bunk then, and she doesn't fall for it now.

Her program is simple: Abolition of child-labor and sweat-shops; more pay, more comfort, more security, more contentment for the ordinary worker; wages which will replace dividends as the first charge on industrial earnings and

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capital reserves and which will allow a worker to call a doctor for his sick baby without going without food for weeks thereafter; unemployment insurance—extension of the principle of civilized chivalry to the field of industrial labor.

She is considerably more liberal than the hard-shelled conservatives of the A. F. of L., who feel that higher wages and shorter hours are the final answer to humanity's demand for security and social justice. She is somewhat more closely allied to the more effective and far-seeing leadership which Sidney Hillman has developed in the garment industry. She knows her economics as well as William Green knows his labor-politics, and is one of the half dozen people at the center of the New Deal who realizes what it is all about. She has no use for inefficiency, waste of time or flabby intelligence, which makes her somewhat acid in her dealings with politicians and business leaders. When the Mayor of Homestead, Pennsylvania, tried to stop her from addressing the coal miners for fear she would preach Communism, she merely remarked, "The Mayor of Homestead, Pennsylvania, is a very nervous man", and she opened the steel hearings by referring to the steel industry's contemplated company unions as "War bridegrooms", in a stinging reference to the technique of matrimonial draft-dodging during the World War.

Miss Perkins is a bosom friend of Mrs. Roosevelt, who was partially responsible for her Cabinet appointment, and as the first woman to sit in the Cabinet she has been a huge success. She is not one of the best administrators in the New Deal, but compared to what it was under previous Administrations, the Department of Labor is now a shining example of efficiency.

She is one more phase of the nemesis which Big Business has been storing up for itself since the days of the torchlight

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parade and the soup-strainer moustache. She represents that plucky regiment of women of good family and high character who made love of their less fortunate neighbors and a desire to help them the basis of a crusade for social service. She represents the America of "Ann Vickers", the woman who could not be content in the presence of the social shambles and economic abattoirs conducted by the hairy-chested industrialists and justified by their lean-lipped economists. Many fell by the way-side. Some were discouraged. Some married. Some changed sides. Frances Perkins was not discouraged, did not allow husband and family to extinguish the spark of service, did not turn coats or change sides. As a result, to-day she belongs with Hopkins, Tugwell, Wallace, Ickes and a handful of others as one of the deepest thinkers and boldest strategists of the New Deal.

In her, the seed of the Puritans flowers again in its finest form, stripped of cant and bigotry, ready to battle to the end for human betterment, and asking no reward save the sense of having served.

3

In Harry L. Hopkins, the Iowa corn-field joins the Boston bean, to plough the furrow for the future. This somewhat vague metaphor must serve to introduce a far from vague man who, as Federal Relief Administrator, is the masculine equivalent of Frances Perkins and has become one of the guiding intelligences of the New Deal.

In the winter of 1933 the Relief Administration was set up, with \$500,000,000 to dole out to the needy and the unemployed. Hopkins gave up a \$13,500 salary for one of \$8,500 and is now running, in addition to his original assignment, the Surplus Relief Corporation and the Civil Works

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Administration. Forty-three years old and a native of Iowa, where his father was a harness-maker, he is a hero-worshipper whose heroes are Henry Wallace and Franklin Roosevelt.

At his Canadian mother's insistence, he attended Grinnell College, at Grinnell, Iowa, where he attained a Phi Beta Kappa key and a reputation as a rough basket-ball player. He majored in economics and sociology, but was about to enter rural journalism when one of his professors told him to go East. He went to New York, where he did social work with Lillian Wald, Frances Perkins, Herbert Lehman and Bob Wagner, serving on the staffs of the Association for the Improvement of the Condition of the Poor and the City Board of Child Welfare. During the World War he was chairman of the southern division of the Red Cross with headquarters at New Orleans, and afterwards became head of the New York Tuberculosis and Health Association, in which capacity he made an incidental reputation as writer of pithy and pertinent letters to the newspapers. He also spent a winter in London and studied the municipal health service, which he admired both for its efficiency and its freedom from politics.

Hopkins' connections with politics had been few and far between. En route East to his first job, he stopped off at Chicago and watched the Republican Convention at which the Taft-Roosevelt feud finally split the Republican Party in 1912. Then he went to Baltimore and angled his way into a gallery seat to see Woodrow Wilson nominated. Hopkins did not know it, but one reason the gallery was so crowded and boisterous was that a young man named Franklin D. Roosevelt had packed it with Wilson supporters recruited from a friendly Baltimore ward.

Hopkins did not meet Roosevelt until 1928, when they

both were working for Al Smith. When Roosevelt organized the Temporary Emergency Relief Administration for the State of New York in 1931—the first State agency of this type and the prototype of the Federal Emergency Relief Administration—he called on Hopkins to take charge of it. Roosevelt never considered anyone else but Hopkins for the Federal relief job.

Harry has taken Washington by storm, although he has offended a lot of politicians, and the Tory group are out for his scalp. He is a crank about statistics but he doesn't make them an idol. He is a man of the deepest human sympathies and one of his chief concerns is to prevent relief work from falling heir to a dull and undiscerning bureaucracy, just as he has insisted that it be kept free of political influence.

For he is one of the men who really understands the American experiment and belongs with that select group of men and women who *are* the New Deal. He is as close to the White House as any of them, if not closer, for he is one of "F.D.R.'s men". He is newer than Morgenthau, newer than Perkins, but still one of the Roosevelt protégés.

He is too sincere and straightforward to pull his punches. He summarily snatched control of the C.W.A. in Georgia out of the hands of the "Cowboy Governor", Eugene Talmadge. When Talmadge voiced the feeling of many in the South that the C.W.A. wage-level was too high, Hopkins remarked, "Some people just can't stand seeing others make a decent living." (It *is* remarkable how many people who themselves could not manage on less than \$150 to \$300 a week feel that \$30 a week wages would destroy the fibre of the "working classes".) As the Talmadge ruckus continued, Hopkins observed, "All that guy is after is headlines. He doesn't contribute a dime, but he's always yapping."

General Hugh Johnson of the N.R.A. also voiced the

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complaint about the high C.W.A. wage scale. Hopkins met Johnson head on, and it was Johnson, not Hopkins, who backed down.

"A perfectly absurd situation!" Johnson exclaimed in his press conference of the fact that men were leaving regular jobs to go with the C.W.A.

"We are paying decent subsistence wages, nothing more," replied Hopkins, also in a press conference.

"Aw, that's just some more adjectives," Johnson retorted. There was another clash, in the White House.

"Why didn't you consult me before you established your wage scales?" Johnson demanded to know.

"Why didn't you consult me before you approved some of your lousy codes?" retorted Hopkins, employing his favorite adjective.

A few days later, Johnson denied that he was in controversy with Hopkins and privately made his peace with the pugnacious Iowan.

Hopkins, who knows the social service game from the ground up, does not believe in the dole for men and women who are able to work. He draws a clear line between the weak or incapacitated and other groups for which private charity must care if the public institutions do not, and the victims of the depression. For the latter he believes in work relief—real work, and not just "made work"—and he believes in relieving the artist and "white collar worker" as well as the horny-handed sons of toil. The audacious Civil Works Administration program was his own idea and one must admit that there was imagination and grandeur in the idea of the Government putting four million people to work at real wages on useful projects.

In some of its implications, the C.W.A. was the most revolutionary undertaking of the Roosevelt Administration.

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It was a recognition of the duty of the State to provide useful employment—not just a grudging subsistence dole—for all who are willing and able to work. Hopkins himself works like a beaver and is heart and soul in the New Deal. If he doesn't kill himself from overwork, and if the political duck-hunters don't wing him, he will go a long way. He permits no political interference with relief and threatened to deprive several cities of their relief funds and C.W.A. allotments because local Democratic leaders tried to handle it on a patronage basis. Last January, when graft was uncovered in C.W.A. local units, instead of hushing it up in approved political style, he made as loud a howl as the average Congressional Committee and demanded investigation and prosecution.

Give the Roosevelt Administration a dozen Hopkinses and a few more years and you will see them establish a new standard of efficiency in public service, a standard comparable to the pre-war German public service or to the British Civil Service at its best in integrity and immunity to political influence.

Hopkins is the man who is making practical use of the paradox of a huge surplus in the presence of poverty. As head of the Surplus Relief Corporation he has been buying part of the surplus to "supplement" the food of those who are on relief instead of public works. He knows that there is no reason for anyone who is willing to work to lack at least a decent subsistence in this land of plenty and that the only obstacles to their satisfaction are the faults in our economic mechanism and the pig-headed resistance of the Tories to all efforts to correct those faults.

Always direct in his language, Hopkins probably uses "lousy" more often than any one else in the Administration. He is a pretty good phrase-maker and bawler-out, though

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not so picturesque as Johnson. His bite is much worse than his bark, however, whereas Johnson barks loudly but is reluctant to take even a small nip at his adversaries. In Hopkins the fire of social justice burns intensely, but not foolishly. He is a shrewd fellow, but too loyal to his ideals to compromise in matters of principle, and as many Governors and politicians know he is a "tar-baby" in a fight. If the New Deal achieves the conquest of poverty through the conquest of unemployment, Harry Hopkins will be one of the men who did the most to make possible the final victory.

4

Balancing the team of Perkins and Hopkins is a human keystone in the form of a Pennsylvania Dutchman with a sense of humor, who answers to the name of Harold L. Ickes. It is small wonder that he gets along so well with Roosevelt, who has a thick Dutch strain of his own, and, like Ickes, a good sense of humor.

Ickes also came into the New Deal by the long, long trail of reform politics. Born in Blair County, Pennsylvania, sixty years ago, he went to the University of Chicago, where he graduated in 1897 and which gave him a J.D. cum laude in 1907, after ten years of newspaper work and reform politics in Chicago. Then he hung out his legal shingle, but it was as a reformer rather than an attorney that he made his reputation.

As a reformer, Ickes backed political push-overs most of his life. He managed the losing mayoralty campaigns of John M. Harlan in 1905 and of Charles E. Merriam in 1911. From 1912 to 1914, he was the "Bull Moose" chairman for Cook County; during the next two years he was chairman of the Bull Moose organization for the State of

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Illinois, and was a member of the National Executive Committee of the Progressive Party. Then he followed his leader, Theodore Roosevelt, back into the Republican ranks in 1916 in time to support Hughes in his losing fight for the Presidency. It was Ickes' last desertion but not his last defeat. In 1920 and 1924, he managed the campaigns of Hiram Johnson for the Republican nomination to the Presidency, and in 1924 got behind the elder LaFollette's bid for a third-party Presidential success. In 1926, Ickes managed the campaign of Hugh S. McGill, defeated independent Republican candidate for the Senate. In between times, Ickes fought machine politics and graft in Chicago; he fought Yerkes and Insull in the utilities battle; he was active in the national conservation movement and a member of the Government Planning Association.

Finally, he left the Republican Party, bolting to Smith in 1928 and to Roosevelt in 1932. His first political success came with the election of Tony Cermak for Mayor of Chicago in 1930. Roosevelt was his second, after forty years of struggle in the political arena on behalf of reform and progressive policies.

Roosevelt had never met him before he began to make up his Cabinet but Hiram Johnson had recommended him for a minor post, Chief of the Indian Bureau. Then Roosevelt asked Johnson to name somebody to help in preparing the war debt data a couple of weeks before the inauguration. This was a shrewd political move, as thereby the irreconcilable last-center who had supported Roosevelt would sit in by proxy on the war debt conferences. Johnson again recommended Ickes.

Meanwhile Roosevelt had been trying to persuade one of the Progressive Republican Senators to take the Secretaryship of the Interior. He offered the post to Bronson Cutting

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of New Mexico and to Hiram Johnson. Both refused it. Then, shortly before inauguration, Roosevelt called Johnson on the telephone and asked him once again to take the job. Johnson again refused.

“Who, then?” asked Roosevelt.

“Ickes,” answered Johnson.

So Ickes, who had arrived in the East expecting to confer about the war debts, had a brief talk with Roosevelt and walked out with his appointment to the Secretaryship of the Interior in his pocket. Roosevelt took a fancy to him at the start, and subsequent events showed that his judgment was correct. Ickes turned out to be one of the really strong men of the Administration.

He needed to be, as the reorganization of the Interior Department and the recasting of government policies was in itself a tremendous job. The Interior Department had been one of the smellier departments of governments, what with the multitudinous crimes of the Indian Agents against those helpless “wards of the United States”, the looting of Alaska by the Guggenheim and Morgan interests during the Taft Administration, and the world-shaking oil scandals of the days of Albert Fall and Teapot Dome. These days were long past, but big business and public utility viewpoints still dominated the Department.

You can't fight such influences with general principles. You need men. Ickes got them. Arthur Powell Davis had been ousted as the Department's chief engineer at the behest of the power interests because Davis had conceived the Boulder Dam project. Ickes promptly removed the name of “Hoover Dam” from that enterprise which Hoover had done his best to prevent and brought Davis back into the Interior Department, where he lived a few weeks to enjoy his belated vindication. Ickes made John Collier, the life-

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long defender of the American Indian against official rapacities, Commissioner of Indian Affairs. Ickes brought in a lot of the old conservationists, veterans of the old Pinchot-Ballinger controversy and of twenty years of uphill fighting, among them Harry Slattery and Louis R. Glavis.

Glavis was the man who made the first break in the Tory ranks a generation ago, when his revelations of the looting of Alaska caused the split between Theodore Roosevelt and William Howard Taft. Glavis was the investigator for the Interior Department who discovered that there was fraudulent alienation of Government coal-lands in Alaska by the Guggenheim syndicate. He reported his findings to Richard Ballinger, Commissioner of the Land Office, who promptly resigned his government job and became attorney for the Guggenheim group. Then, by a strange coincidence, Ballinger became Taft's Secretary of the Interior and ordered Glavis to clear the titles for the Alaska syndicate. Glavis requested a ruling from the Attorney-General and, when the ruling was delayed, reported the matter to President Taft. Taft refused to believe Glavis and discharged both him and Gifford Pinchot, who had supported Glavis, thus paving the way for the break with T. R. and the Bull Moose Party of 1912. After a lifetime spent in investigating sensational facts, the Ku Klux Klan, the oil scandals, the forged Mexican documents, and similar semi-political journalistic activities, Glavis was brought back at the age of fifty to serve as chief investigator in preventing graft in the administration of the \$3,300,000,000 Public Works appropriation. Shortly thereafter, Glavis produced charges that the Tennessee and Alabama Power Companies had been illegally diverting electric power from the Muscle Shoals plant and the organized opposition of the utilities to the new Tennessee Valley development mysteriously and abruptly collapsed.

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For before the New Deal had been many months in existence, Ickes was handling some of its biggest jobs. He got control of public works, taking it away from General Johnson, who wanted to handle it on the side. Ickes was afraid of graft in the distribution of that \$3,300,000,000 and told Roosevelt of his fears, so Roosevelt gave him, instead of Johnson, the job of passing out the money. Ickes' precautions against graft slowed things up but eventually the money was allotted, all of it, in fact, before the end of 1933. There may be found some graft in the P.W.A., eventually, but it will be chicken-feed graft, nothing on the scale of the Indian robberies, the Alaskan mess or the oil scandals. Ickes has guarded against that as far as is humanly possible, and God help the Ickes subordinate who is caught with the goods if graft is discovered.

To protect himself against the importunities of Jim Farley and the hungry Democrats, Ickes made a hold-over Republican, Ebert K. Burlew, his Administrative Assistant. That caused trouble, for Burlew was neither a Democrat nor a Progressive, but a typical bureaucrat, who slowed things up by tangling everyone and everything in red tape. Then, on top of all his other work, Ickes was given charge of the oil industry by Roosevelt, under the Petroleum Administrative Board, with power of economic life and death over the gang who had financed the election of Warren Gamaliel Harding in 1920, in return for the anticipated looting of the naval oil reserves.

Any one of these three big jobs would have crushed an ordinary man but Ickes bore up like an Atlas. He had too much to do, but would not admit it, and kept cheerful and alert. His chief fault is that he is too suspicious. He has fought graft so long that he sees it lurking in every corner. That is an admirable point of view in government, as well

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as a novel one in Washington, and no doubt the graft is there, but this is a time when things must move rapidly or their effect is lost.

In Ickes' case, his policy bore rewards. He and Glavis discovered graft at many points and summarily dismissed a couple of State Public Works officials for what looked like graft. One of them was a prominent Democrat, too. The Democrats complain that they can get no jobs from Ickes and the "young liberals" in his Department complain that they are balked by "that red-taped Tory", Burlew. The Progressive Republicans have no complaint. They have come into their own at last and are making the most of it.

Ickes needs to decentralize the administration of his work. If he could subdivide like a real-estate agent, the Roosevelt program would be better off, but he does not lag far behind the advance guard and is a spur behind every liberal portion of the New Deal, plunging into slum-clearance, model-housing, subsistence farming, and promoting conservation on every front.

After a long life of battling on the outside, he is proving that such an experience is good training for the constructive task of running the government. He has guts and if he has faults in administration, in addition to being too suspicious, it is a tendency to fuss over details. Outside of his office, he is one of the humorists of the Cabinet. His humor takes the somewhat unreproduceable form of wit, whose effect is gauged by its spontaneity and promptness as much as by its content. When on his way to the cruiser Indianapolis for the July 3, 1933, floating Cabinet meeting, on the rough waters of Chesapeake Bay, he said, "I'll die for my President, but I won't get seasick for him," and, as it seemed as though the launch which carried him to the warship might capsize, asked gravely if Cabinet members were rescued in the order of

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their rank. He ranked seventh. "They call me almost anything," he said to a reporter who asked how to pronounce his name, and when wandering in the interminable corridors of the Commerce Building one day, he suggested to his companion, Attorney-General Cummings, that they should telegraph to Herbert Hoover and "ask him how to get out of his building".

He works long hours and at top-speed. His only hobby is gardening. Ickes himself is stocky, round-shouldered, and bespectacled, somewhat like his political backer, Hiram Johnson, in physique and appearance. Like Johnson, too, he has a pleasant manner and talks freely and interestingly. He takes his job with tremendous seriousness. He does not take himself seriously at all.

5

In the Tennessee Valley Authority, the New Deal finds its most complete expression. For years, the "power issue" had been rotating around the stale alternatives of "private enterprise" and "public ownership". Roosevelt has changed the issue so that the alternative to private enterprise—meaning the "Power Trust"—is human progress through a broad social plan in which the element of public ownership is an essential but a secondary consideration. He has, moreover, established the fact that the Federal Government is the only agency which can direct, coordinate and control a regional plan which operates in three States, includes power development, flood control, reforestation and agricultural reform, and which is the biggest experiment in social reform—on a strict business basis—that this country has ever seen.

The twelve-year-old vision of George W. Norris of government ownership and operation of the plant at Muscle

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Shoals was magnificent but it lacked imagination. Roosevelt converted it into an element of his great scheme for the development of the Tennessee Valley under a harmonious plan based on cheap electricity, the decentralization of industry, the development of local culture and everything else on down the line to a well-rounded civilization. When he got the thing through Congress, he had to scour the country for the right men to undertake the greatest experiment in regional planning the world has seen outside of Soviet Russia.

First he got a native of Minnesota, Arthur Morgan, President of Antioch College at Yellow Springs, Ohio, a civil engineer and flood control expert noted for his unconventional ideas about education, to serve as Chairman.

For counsel he secured David E. Lilienthal, one of Felix Frankfurter's protégés. Lilienthal is 34, but his hair is falling out and lengthening his forehead, so that he looks older. He is a graduate of Depauw University and Harvard Law School, where he attracted Frankfurter's attention. Later Lilienthal got a job with Donald R. Richberg in Chicago and, when Governor Phil LaFollette of Wisconsin needed a man to reorganize the State's public utility commission, he employed Lilienthal, whose subsequent work at Madison attracted national attention among liberals. So Dave came into the New Deal with the endorsement of Frankfurter and of the Senate Progressives. His job has been to look after the electrical end of the undertaking, to bargain with the power companies and negotiate the contracts for sale of Muscle Shoals power.

Arthur Morgan has been more interested in the engineering and cultural ends of the undertaking, especially the stimulation of local industries and handicrafts. Something of a dreamer, after a youth spent in wandering through the

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West in search of employment and health, he found himself as a drainage engineer. He was placed in charge of the flood control project on the Miami River after the disastrous flood in Dayton, Ohio, in 1913. While on this job, he heard of Antioch College and drove over to Yellow Springs to investigate. He found a sleepy, charming, unworldly little institution, like many other "cultural" colleges in the Middle West. He had, as a result of his own youth, come to the conclusion that the best education was one which combined academic studies with entirely irrelevant practical experience. His ideas impressed the Trustees and shortly thereafter he was asked to become President of the College. He accepted, on condition that he receive a free hand, and developed the most interesting experiment in modern American education. The thing is done on the basis of six-week shifts: six weeks of study followed by six weeks of practical work. The college finds jobs for its students and those jobs may be scattered all over the country, selling books or shirts, teaching school, slinging hash, digging ditches. Nothing American is alien to it. The results have been significant. Antioch has been turning out all-round men and women, who have a good cultural background and know how to fall on their feet. A recent survey showed that, in this era of dreadful unemployment, 80% of Antioch graduates during the last three years were employed. Morgan's job in the Tennessee Valley is to develop a many-sided economic and cultural community instead of the inert over-specialization which has hitherto characterized our industrial development. To him, the T.V.A. is Antioch College again on a big scale.

The third member of the T.V.A. is Harcourt A. Morgan, venerable President of the University of Tennessee. His specialty is agriculture and he knows well the whole Tennessee Valley region, its potentialities and its people. He is

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the local representative on the Authority. Harcourt Morgan is a native of Canada and a graduate of the University of Toronto. After specializing at Cornell and the Marine Biological Laboratory at Woods Hole, Massachusetts, he began his career as entomologist and horticulturist at Louisiana State University in 1889. In 1905, he moved to Tennessee as director of the University of Tennessee Agricultural Experiment Station and professor of zoology, becoming President of the University in 1919.

He is a quiet old gentleman, little known in the educational world outside of the South Central region, but highly respected there. He is 66, nearly twice the age of the dynamic Lilienthal. Experiments with fertilizer production at Muscle Shoals and general overseeing of the whole experiment are his functions. He spends nearly all of his time in Knoxville and Muscle Shoals.

The job under the control of these three gentlemen is simply to develop an area four-fifths the size of England, with a population of 2,000,000, linking up the farms of Eastern Tennessee, the industrial cities of Knoxville and Chattanooga, the cotton-fields of northern Alabama, the Cumberland plateau of central Tennessee, with its coal, phosphate, iron and timber, and the blue-grass regions of Kentucky. They propose to extend river navigation for 642 miles from Knoxville to the Ohio, and by canal from the Tennessee River to the Gulf. They propose to control floods, navigation and power by a system of storage dams, and to retard erosion by extensive reforestation. Their major immediate problems are to supervise the sale of electricity developed by the government plants and to construct the Norris Dam at Cove Creek and the Joe Wheeler Dam in Northern Alabama.

This is an enterprise in which great reputations will be

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made or broken and it will provide the whole country with a sample of what the New Deal can eventually do for us all. By law, political considerations are specifically excluded in all employment under the T.V.A. and the utilities interests are debarred from directly or indirectly controlling it. The work can be either continued or scrapped; by definition, it cannot be prostituted.

While Arthur Morgan is Chairman of the T.V.A., in nine months its youngest member, David E. Lilienthal, has become its most powerful force. Morgan, who is somewhat of a visionary, was ready to sit down and talk things over with the power interests. Lilienthal began by giving them a bad fright, and *then* sat down with them, with the result that he got twice as good a bargain as either of his elders would have obtained. Under the New Deal, wisdom is no longer confused with age.

Hitherto, the history of the T.V.A. has been the history of Lilienthal's treatment of the power companies. Despite his name, Lilienthal is a gentile, a short, blond, baldish man with a level head. He is calm, charming, quiet-voiced, and very disarming in his mode of speech. He can couch firm, and even bold, proposals in conciliatory language. His subordinates marvel at his unfailing kindness and good temper and, like most of the men who are making their mark in the New Deal, he is a terrific worker, though always unruffled and informal in manner.

When Lilienthal first published his power rates for Muscle Shoals they sent shivers down the spine of the Power Trust. He calmly explained that these rates provided for "all costs of service" plus allowance for depreciation, taxes and interest, so as to constitute a fair Rooseveltian "yardstick" for the rates of private companies. He added that he proposed to make the Muscle Shoals plant entirely self-

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supporting and "bankable", a real business enterprise. Compared with rates in New York City, the T.V.A. rates averaged between a half and a quarter of those charged by the Edison Company in its infinite wisdom and mercy. The immediate result in Tennessee was to produce rate-cuts by the local companies of from five to twenty-five per cent.

He followed this by a campaign for municipal ownership of power plants and devised the plan of lending money to individual purchasers to buy electrical appliances of standard grades at low prices on the instalment basis. This helped both Muscle Shoals and the private power interests in the South, where a stale-mate had been reached. The power companies felt that they could not afford to reduce their rates any further, yet their rates were so high that the great mass of people could not afford to operate many electrical appliances, even if they could buy them. Lilienthal's scheme broke the jam and was characterized as "a stroke of genius" by Mr. Owen D. Young, ever ready to sell electrical appliances for the General Electric. Then Lilienthal sat down and negotiated an all-around agreement with the power interests. It was a beautiful piece of bargaining and Lilienthal did it single-handed.

His method of handling the private interests was to tell them and the South that he did not intend to enter into unfair competition or to allow the T.V.A.'s government capital and exemption from taxation to operate as a "subsidy" against private interests. As a result of his "yard-stick" rate-system and his \$1,000,000 government corporation to finance the purchase of electrical appliances by individual consumers, at the end of 1933 he was able to make his broad compact with the Commonwealth and Southern utilities group. Under this, the private group sold some of its transmission and distributing lines to the T.V.A. and a general agreement was

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reached on the transmission and distribution of power to more distant points.

The South is already beginning to feel the benefit of cheaper power. Within a decade, the Tennessee Valley, one of the most backward parts of the nation, may be its garden spot. The home of the anti-evolution crusade and the last round-up of the Bryanites may become the center of a new, authentic liberal civilization. The renaissance of a whole region has begun, exactly as Roosevelt envisioned it sitting by his fireside at Warm Springs. The skeptics who slightly referred to his "grandiose dreams" when he first unfolded his plans are now seeing the first outlines of those "dreams" translated into concrete accomplishments, for Roosevelt was not dreaming. It was his opponents who were walking in their sleep.

6

Closely allied to this "dream" of regional regeneration is the broader "dream" embodied in the program for "subsistence homesteads". A century ago, American industry operated on a basis of water-power and industrial labor lived on "subsistence homesteads"—small farms which provided the family with food, while industrial employment provided money for clothes, taxes, and the growing list of economic incidentals. This system robbed unemployment of its worst terrors—homelessness and starvation—and produced a phenomenally happy and vigorous civilization. Then industry shifted from water-power, which was where you found it, to coal, which was so bulky that it could be employed efficiently only in a comparatively few centers, linked by rail and water with the mining-regions. The result was the modern industrial city, with its congestion, its high land-values, and

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its high living-costs. This monstrous metropolitan growth, in turn, led to the over-specialization of farming and industry, creating gigantic cleavages of political and moral sentiment, and exposing both the farmer and the city-dweller to the bitter winds of monetary supply and demand. The inevitable result was homelessness and want in the cities and stagnation and confusion on the farms.

Roosevelt, however, and a small group which included Louis Howe, Mrs. Roosevelt and Bernarr MacFadden, realized that the development of the automobile and hard-surfaced highway and the introduction of high-tension transmission of hydro-electric energy had instituted an economic counter-revolution against the age of coal. It was becoming increasingly profitable for all industries save the "heavy industries" to decentralize and establish factories in country regions, where land-prices and taxes were low, where transportation problems were not hampered by vehicular congestion, and where living-costs facilitated the reduction of wage-scales. At the same time, the impact of the depression stimulated a movement to take the unemployed out of the cities and dump them on "subsistence farms" where they could at least grow their own food and be sure of a roof over their heads. As a result of these two forces, six months after Congress had appropriated \$25,000,000 to be expended under the direction of the President for the establishment of "subsistence homesteads"—dwellings equipped with gardens sufficient to enable a worker to grow food for his family after factory-hours—the Director of the Division of Subsistence Homesteads had received applications which called for the expenditure of four billion dollars for this purpose.

Roosevelt had again rolled a "natural". The new unit was set up in the Department of the Interior, under the direction of Professor Milburn Lincoln Wilson (known

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among farm leaders and throughout the government as "M.L.") and the first major experiment was initiated in West Virginia, where a combined farm-and-factory community was established for the economic rehabilitation of the stranded coal-miners of that desolate region.

"M.L." is an authority on the two extremes of farming: subsistence farming and large-scale farming. He is recognized as one of the world's greatest authorities on large-scale wheat production; now he is at the head of the largest directed experiment in subsistence farming since the closing of the American frontier.

He was born forty-eight years ago on a farm near Atlantic, Iowa; he grew up on a farm and was educated at the Iowa Agricultural College; in 1907 he went to Western Nebraska as a tenant wheat-farmer and three years later he filed on a homestead of 320 acres in Montana, where he raised still more wheat. His experiences in Montana brought him face to face with the problem of diversification of crops. The marginal lands of the northern prairies, coupled with uncertain weather and violent fluctuations in prices, made wheat production unprofitable on an annual basis. The farmer made a lot of money about one year out of four or five. The other years he would have a hard time finding enough to eat. The prairie farmers had neither gardens, cows nor pigs. They were not farmers at all; they were one-crop industrialists and their lands were operated as wheat-factories.

Thus Montana provided "M.L." with a great laboratory. For wheat production to be profitable at all, it had to be conducted on a large scale and with the use of efficient machinery. And yet the farmer had to have something to fall back on in the recurrent lean years. So "M.L." went into scientific agriculture.

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He began by becoming county agent for Custer County, Montana, under the system by which the Federal, State and county governments support agents to show farmers how to improve their farming. "M.L." soon became head of all the county agents for the State and then was employed by Montana State College at Bozeman, as Professor of Agricultural Economics. From time to time he studied economics at the Universities of Wisconsin and Chicago, and in 1925 spent a year in Washington as an expert in farm management in the Department of Agriculture.

During the war he had showed Montana how to produce wheat on a big scale and those who remember the slogan "Food Will Win the War" may as well admit that this slogan was about the only one of many war-time cat-calls which had any truth in it. The present plight of the American farmers is due almost entirely to the war-time stimulus given to our agriculture. They are the economic veterans of the struggle. Wilson's tracts on scientific wheat-production were known throughout the country and he even devised the most efficient way to hitch forty horses to the huge combines which cut and threshed the grain.

In 1929, Soviet Russia sent for him to show them how to operate their great state grain farms in the North Caucasus, where the land is semi-arid, as it is in Montana. Wilson showed the muzjiks of the Caucasus how to operate huge American farm machines and how to raise wheat on 100,000-acre farms.

In the meantime, falling prices and the growing glut of wheat had forced Wilson to interest himself in the broadest aspects of the farm problem in the post-war decade. He was not satisfied with the McNary-Haugen formula of subsidized exports. All around him in Montana he saw natural grazing land that had been plowed up for the production of

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wheat and saw wheat-farmers struggling to wring a living out of an era of falling prices. He saw that this land should be retired from production.

Somebody in the Department of Agriculture suggested that the output of export crops could be reduced by paying the farmers to plant less acreage. (It was Dr. Stillman, now dead.) This was the germ of the Domestic Allotment Plan, which Wilson took over and developed. He disclaims its sole authorship, as farm economists exchange ideas freely and the plan grew and was improved in the course of these exchanges. But "M.L." was its chief author. When the plan first received publicity early in 1932 it was denounced as "hare-brained". Then Eastern economists took it up and the Laura Spelman Rockefeller Fund made a grant to finance research into a plan for dealing with the American farm problem. So the domestic allotment plan came into being. Tugwell, who had just joined the Roosevelt Brain Trust, heard of it, went to Chicago and got hold of M. L. Wilson and the plan for Roosevelt. F.D.R. adopted it and Tugwell and Wilson refined it for the Roosevelt campaign.

It was the backbone of the Agricultural Adjustment Act, the basis of the vast programs to control the production of cotton, wheat and Henry Wallace's beloved corn-hogs.

Wilson's specialty was wheat, but after the wheat plan was set up in the summer of 1933, Roosevelt asked him to take over the Subsistence Homestead experiment. They had discussed it several times and for years had both been advocating the creation of the rural-industrial community—a community in which the ordinary family got most of its living off the land, and a small cash-crop in the form of part-time employment at a nearby factory or handicraft shop. It amounted in effect to the secession of all but commercial agriculture from the monetary system, and the creation of

an entirely new type of society based on the scientific use of land and the decentralization of industry.

So Wilson took over the job of using \$25,000,000 to experiment in the development of model rural-industrial communities. More than a dozen have already been begun. They are of widely different types suited to various problem-areas in different geographical regions of the country. Some are being established to take care of stranded coal-miners and lumberjacks, whose traditional industries have dwindled or disappeared with the exhaustion of resources or the appearance of competition. Others are being established for the stranded "hill-billies" of Southern agriculture. In Wisconsin, families are being transplanted from submarginal lands in the forest and they will earn their cash-crop by part-time work in lumbering. Despite the demand for billions of dollars and thousands of such subsistence homestead communities, all that can be done with \$25,000,000 is to set up various experimental units to serve as a basis for future operations.

M. L. Wilson has done a remarkable job. Faced with the opposition of organized agriculture, which thinks that it is the duty of everybody not now on a farm to pay high prices for food-stuffs; of organized labor, which suspects a plot either to cut industrial wages or to weaken the influence of the unions; of urban industrialists, who fear that it means the end of the glut in the city labor market, he has kept his temper and his head. Shaggy in appearance, with a jag-toothed smile and as bulky as a boulder, M.L.'s genial drawl carries him along easily through a maze of conflicting interests, ideas and rackets. He is a shy man and shuns publicity, but behind the scenes he is one of the great social inventors of the country. If his experiment succeeds, he will have

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solved the basic social and economic problem which has tortured our society since the beginning of the industrial revolution and which has created the divisions in our community, on the basis of which the financiers have established their rule of "safety first and six per cent".

VII

THE PRAETORIAN GUARD

I

IF EVERY politician is the prisoner of his private secretary, Roosevelt has turned his prison into the best observation post in the history of American politics. For this reason, the "White House Gang," the "Cuff-Links Club," the small group of men and women through whom the President functions, is in many ways the essence of the whole New Deal.

Most Presidential Secretaries try to become "air conditioners" for the Chief Executive, to fend off one man and pass on another, to dismiss inconvenient ideas and welcome only those opinions which suit the convenience of the Administration, to be deaf to the hisses and to use amplifiers on the cheers.

This crowd is different. They are the Praetorian Guard of the Roosevelt Administration, the Prefects of the Palace, and they are loyal to the President in an ardent natural manner which can only be described as love. They love him, each in his own way, and from each he can count on receiving whole-hearted, affectionate team-play of a sort that is rare in any walk of life, except for politics, the basis of which is personal loyalty, say the slogan-makers what they will.

These are the eyes and ears, the hands and feet, of the man who administers the greatest powers in American history. Their qualities and defects, their characters and tem-

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peraments, are part and parcel of the New Deal. They are all old friends; their intimate association with Roosevelt goes back for twenty and thirty years; they were *all* helping him in his Vice-Presidential campaign in 1920; they have maintained touch with him and each other since that time and each has found his role in helping F.D.R. run the country. A wife, a political strategist, a good publicity man, a good, friendly "average" man, and a confidential stenographer: such is the team of Anna Eleanor Roosevelt, Louis McHenry Howe, Stephen T. Early, Marvin H. McIntyre and Marguerite Le Hand. Without them, Roosevelt would be really lame.

It is they who have kept the doors of the White House wide open to all ideas, however revolutionary, and to all people, however humble. They have widened the President's range of information and sympathies. They are the adjutants, orderlies, and chiefs of staff for his audacious adventure in progressive democracy. They are loyal and reliable, both to him as a man and to his policies.

Howe, the Secretary, and McIntyre and Early, the assistant Secretaries, are all former newspapermen. McIntyre and Early have also had years of experience with the newsreels. No President has ever been so well staffed to handle the mechanics of publicity.

All three were with Roosevelt in the 1920 campaign. They have kept up their friendship ever since and McIntyre and Early were probably the only two men in the world suitable for duty at the White House of whose devotion Howe could be assured. Others would have been as faithful to the President, but not to Howe. Each of the three looks after his own work, but Howe occasionally steps in. Where Hoover had three bickering secretaries of equal rank, Howe is the only full Secretary in the White House to-day. It was

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his own idea, although it was made to appear that the others had suggested it out of respect for Howe. Yet there is no hard-boiled discipline involved in this subordination: they are old friends and have kept faithfully their annual reunions on Roosevelt's birthday.

They make an efficient team and they have a lot of fun at their job. One of their minor sports is shunting professional callers and trouble-makers around the triangle. The whole atmosphere of the group is one of good humor and gayety. They all know that Roosevelt likes to talk and that he has no sense of the passage of time. One of their periodic tasks, of which they make a game, is breaking up Cabinet meetings after the business has been finished and "the Boss" is engaged in telling stories. They usually take turns going in and trying to get him out, but recently, three of them—Early, McIntyre and "Missy" Le Hand—entered the Cabinet Room simultaneously, bowed solemnly and announced in unison that the President had to come out and attend his Press Conference.

For the White House is distinctly a co-educational institution and the four men—Roosevelt and his three official assistants—work against the feminine background of Marguerite Le Hand, last to join the charmed circle, and Mrs. Roosevelt, who was the first "Roosevelt fan" and who is to a great extent the secret of his political vitality.

The story of Anna Eleanor Roosevelt is the story of a nicely brought-up young girl who burst through the shackles of Late Victorian gentility and became a real person. She is ubiquitous, vivacious, energetic; she has never known a sick day in her life; she sometimes trots instead of walking; she

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has a range of activities, friendships and sympathies which is astounding. Yet, if you would reduce her character to two words, you would have to select "naturalness" and "energy." She is the most natural and energetic person, man or woman, who has lived in the White House in generations.

What makes this quality all the more astonishing is the fact that she was born and brought up in a circle of privilege, artificiality, and wealth.

Elliott Roosevelt, brother of T.R., was a close friend of his fourth cousin, James Roosevelt, father of F.D.R., and he was F.D.R.'s godfather. Elliott Roosevelt married a daughter of Valentine Hall. They had two children: Anna Eleanor and Gracie Hall Roosevelt, who later became City Comptroller of Detroit under Mayor Frank Murphy.

When Anna Eleanor was about a year and a half old, Franklin D., then aged four, let her ride on his back in the nursery at Hyde Park—at least he says so. And now, for the last thirty years, she has been at his side. Her first recollection of him was at a Christmas party for the young Roosevelt cousins. She was about thirteen, gawky, and very much embarrassed by the fact that she was still wearing her skirts well above her knees. The handsome young Franklin, then glorified as a student at Groton, paid attention to her and she thought that he was very nice. She saw no more of him until her *début* after her return from European finishing schools a few years later. He saw her regularly after that: in New York in the winter and in the country in the summer at her home in Tivoli, about fifteen miles north of Hyde Park. They fell in love and he wanted to leave Harvard to marry her, but his mother whisked him away on a trip to the West Indies. However, he married her a year later, while he was studying law at Columbia. He was 23 and she was 20 years old.

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From the worldly point of view, he got slightly the better of the bargain, for she was even more deeply rooted in the old aristocracy of the Hudson River than was her husband. She is a direct descendant of Chancellor Livingston, and the farm at Tivoli on which she grew up was part of the old Livingston Grant. Having been orphaned at the age of ten, she was brought up by her grandmother, Mrs. Valentine Hall, her cousin, Mrs. Henry Parish, Jr., and other relatives. As a child she had spent a good deal of time at Oyster Bay with the children of T.R., and when she was married on March 17, 1905, in the home of Mrs. Parish, T.R. gave her away and remarked to the young husband, "I am glad that you are keeping the Roosevelt name in the family." Through her, F.D.R. was a frequent visitor at the White House during T.R.'s second term.

From the beginning, she has been part of her husband's career. No one admits it, but knowledge of her impels the belief that it was she who encouraged F.D.R. to enter public life. "Uncle Ted" was her girlhood hero, just as he was Franklin's boyhood hero. When Franklin went to Albany in 1911 for his first term in the Legislature, they took a house and she moved up with their three children. That house became the headquarters for the great revolt against the bosses. From early morning until well after midnight every night, and sometimes all night, it was the gathering place for the group of twenty insurgents organized by her husband. She was always on hand, serving food, talking to visitors in the front room, while meetings were held in the back room. She sat and knitted and talked and listened by the hour. Late in the evening she served beer and cheese. She refused to talk "politics." She did not need to. She *was* politics and by mere strength of her personality was becoming a political force.

When Franklin moved to Washington in 1913, she natu-

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rally came along with her family. She worked at a number of things, the usual activities—charity work, war work of all sorts, knitting—of the Washington matrons of the era. Herbert Hoover's Food Administration made her budget and meals its model for large families (her household consisted of two adults, five children and ten servants). She likes substantial foods, such as beans, oatmeal and meat loaf. She likes keeping house and for years the regular Sunday night supper at the Roosevelt household has consisted of scrambled eggs and bacon, and hot chocolate. She always scrambles the eggs herself in a chafing dish and still does so at the White House, although when the supper table is large eggs scrambled in the kitchen are also served.

Wherever she has been she has made her house not only a home but a meeting-place for many different types of people: a reproduction of the old cultured country-house of vanished America. Everybody is welcome, from ward heeling politicians to members of the British aristocracy, and the atmosphere has always been informal, cheerful, lively, democratic.

Her childhood under her grandmother was very restrained. She was sent to finishing school in England and France, was taught handiwork and was prepared for home and children. When she married, she knew nothing about politics or history or economics and was soon afterward terribly embarrassed by her inability to describe the difference between the Democratic and Republican Parties. In those days it did not occur to anybody that there was not enough difference to be of any importance.

Today she is tall, thin, with irregular features and large teeth in the Theodore Roosevelt tradition. She has warm and penetrating brown eyes. In repose she is homely; but when she talks, she is like a magnet. She is not a wit. Much of her

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conversation, when reduced to writing, would be commonplace, but she delivers herself of her sayings with an enthusiasm and piquancy which evoke laughter.

Her superabundant energy is really phenomenal. She has even more energy than her husband. Even to-day, at the age of forty-nine, she often moves at a trot. She rides almost every day. An able-bodied man in the pink of condition would have difficulty in keeping up with her when she walks. She moves without pausing from early morning until midnight. Whenever she sits down, she takes up her knitting. She knits sweaters for members of the family, for Louis Howe, for the babies of her friends.

Politics is, to her, only one of the outlets for her energies. She took no active part in it until the coming of woman suffrage. When her husband came down with infantile paralysis, she, like many humbler women, had to make money. She built the handicraft shops at Hyde Park—the Val-Kill furniture shops—which are one of the models for her husband's plan for decentralized "rural-industrial" communities. She joined Marian Dickerman in buying the Todhunter School for girls, and taught classes herself. During Al Smith's last three terms as Governor, she was the active head of the Women's Division of the Democratic State Committee. She started and edited the Women's Democratic News, a weekly publication that went to all Democratic workers in New York State.

She edited "Babies—Just Babies" for Bernarr MacFadden for a year. She writes a monthly article for "The Woman's Home Companion" and a weekly article for syndication through the North American Newspaper Alliance. She dictated and wrote her book, "It's Up to the Women"—partly a rehash of earlier articles—in her spare time in the course of about five weeks.

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Her ubiquity is notorious and her activities since she entered the White House have had a significant effect on political conditions. Where the Hoovers sulked behind a row of bayonets inside the White House during the first "Bonus March," she visited the second Bonus Army camp in May, 1933, shook hands with the leaders and led them in a rendition of "The Long, Long Trail." She spent a week in the late spring of the same year, rambling through the Eastern States in her roadster with two friends. She took a night flight with Amelia Earhart Putnam, wanted to learn to fly herself, but was forbidden by her husband. In a speech to the fashionable *débutantes* of New York she refused to blame a man who had stolen food for his starving children, saying that "You would be a poor, wishy-washy sort of person if you wouldn't take anything you could, whether it was yours or not, to feed your family." For months she has been boosting the book, "Prohibiting Poverty," by Mrs. Prestonia Mann Martin, 71, of Florida, who proposes that all of the nation's youth of both sexes, between the ages of 18 and 26, as a continuation of their public school education, shall be organized to produce enough goods and services to supply the entire population of the country with the necessities of life. After their eight-year period, they shall be free to enter capitalistic, individualistic society. Such generous enthusiasms as these are more than the random sympathies of a warm-hearted woman; they are profoundly significant of the whole outlook of the White House during this present period of readjustment.

For, whatever we may think about it, women are occasionally politicians but are always politics. Putting it bluntly, politics (which is our way of controlling economics) is the means by which men attempt to protect, feed and clothe their women-folk and thus enable them to rear their young.

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Such women as Eleanor Roosevelt may or may not be adept in political manipulation; in themselves they are the ambassadors of the one fundamental political interest of society. What women want, they generally get, and behind the banality and common-place verbiage of "It's Up to the Women" rests a very deep truth. It is enough that women like Eleanor Roosevelt shall be themselves. By so doing, they set in motion the forces that rule the world. While any test of matriarchy shows that the hand that rules the cradle rocks the world, any test of purely masculine control has demonstrated its incapacity to do anything more than make a highly ingenious mess of things. The ideal balance is found only in combination of a woman's woman and a man's man, and in all sincerity, America sees in the Roosevelts a glimpse of the society of the future.

This makes Eleanor Roosevelt's character of extraordinary importance, for she is, by being herself, a great deal of the New Deal. Any audit on her personality would have to include the following items:

1. *Tremendous thoughtfulness.* She plans all of her activities months in advance, always seems to have time to call on sick friends and to do something for her friends' children. Having been a rather lonely little orphan herself, she has become one of the most thoughtful and considerate people in the world.

2. *Complete naturalness.* She can be tactful but never pulls her punches. She says what she thinks about people and problems, although she says it pleasantly and with a sense of humor. She has no fear of labels and does not hesitate to open a conversation on some fairly radical thesis in the presence of the most thin-skinned Tories.

3. *Lack of what the English call "side"* (and what we call "English"). She has a profound disdain for stuffed

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shirts, fat-heads and very proper people. She loves to mingle the latter with rough diamonds and then begin a conversation which, by implication, tears the hide off those who live on fixed incomes, worry about social proprieties, and divide their time between the Riviera and the London season.

4. *Unconventionality.* She likes unconventional people who do things. The poseurs of Greenwich Village would be as abhorrent to her as the poseurs of the Social Register. Many of the people whom she sees oftenest now are newspapermen and women, among whose free talk when off duty she is perfectly at home. About two years ago she met Lorena Hickock, a newspaperwoman—then on the Associated Press—who was superficially hard-boiled but underneath very warm-hearted. They became fast friends. It was Lorena who told her about the terrible conditions in the West Virginia mining regions, and especially at Bloody Run. Mrs. Roosevelt went there incognita, talked to the miners and their families and as a result the Administration is establishing for them at Reedsville, West Virginia, its first venture in the creation of a rural-industrial community. Now Lorena is a travelling investigator for the Federal Emergency Relief and her reports are read directly by Mrs. Roosevelt as well as by Relief Administrator Harry L. Hopkins. (Parenthetically, it may be observed that Mrs. Roosevelt has several warm women friends: Nancy Cook, the mannish, unconventional head of the Val-Kill shops; Marian Dickerman, co-owner of the Todhunter School; and Isabella Greenway, the new Congresswoman from Arizona, who was Mrs. Roosevelt's school-mate and bridesmaid, and who has something of her own extraordinary versatility and energy).

5. *A strong sense of social responsibility.* This is awe-inspiring. A large part of it is just plain curiosity, energy, and natural human sympathy. She is extraordinarily ignorant

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and even gullible in the academic sense. She may not grasp the whole scope of the revolutionary experiment in which her husband is engaged, but her intellectual curiosity is tremendous. Without question, the President relies greatly on her judgment of people and on her factual reports in administering his policies and she has had a great influence on those policies.

6. *Reportorial ability.* Her frequent excursions from Washington are often for the primary purpose of obtaining information for him, although that is never admitted. She ignores political information; what she wants to learn is what different types of people are thinking and doing. Her mail, which runs to about five hundred letters a day, mostly from women with problems of an economic nature on their hands, serves the same purpose. That is why she invites people to write to her.

7. *Open-handed generosity.* Most of the money which she makes to-day—and most of what she has made for years—has gone for philanthropic purposes. This fact is carefully concealed, although she makes public subscriptions to worthy causes.

8. *Devotion to her husband's career.* Probably no woman in the White House has ever taken her job more seriously. She would do nothing to hurt F.D.R. but she doesn't think that speaking her own mind hurts anybody. She thinks that everyone should speak his own mind. You can criticize anything her husband does, any policy he advocates, over her dinner-table and receive a friendly, intelligent reception. She may agree with the criticism and say so. She knows the direction in which he is going, and most of what she says is in harmony with his purposes, but she is undoubtedly more radical than he is in his public utterances. Privately, there is probably little difference in political opinion between them,

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but he must naturally consider the political expediency of the moment.

9. *Intellectual versatility.* She likes poetry. She has intellectual energy of the highest order and, with early discipline and fewer family and public responsibilities, she would have made a really first-class thinker.

10. *Motherliness.* She is the mother of six children (one of whom died); her grand-children are at home at the White House; she cannot resist the temptation to mother all babies and children. She probably privately regards all men, including her husband, as children: naughty, cranky, well-behaved, precocious, delightful or dirty little boys. Her fondness for animals of all sorts is akin to this feeling. Perhaps it is fairest to say that being natural she is in love with all forms of life.

Such a person is, spiritually, indistinguishable from her husband. She and F.D.R. have grown together. At critical points in his career, she has obviously had a decisive hand. It was she who drafted Louis Howe to manage her husband's second campaign for the State Senate, in 1912, when he was ill with typhoid fever. After his illness in 1921, she redoubled her political activities, making it a point to keep in touch with everything that was going on in the world of public affairs and to keep him informed. She prevented his mother from taking him to Hyde Park, where he would have been babied and might have sunk back into an invalid's self-pitying existence. She kept him in the house in New York and she began inviting his friends in as soon as possible. She kept enlarging the circle, never permitting him to become bored or giving him time to brood; not that he is naturally a brooder, but with a different kind of wife his future might have been far different. She never mentioned his handicap to him and he never mentioned it to her. Everything went on as before, and she forced him to overcome

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his early embarrassment and so brought him back into active political life.

She and Louis Howe have always had a very thorough understanding. Howe is as devoted to her as to the President. It was she who picked "Missy" to be her husband's confidential secretary. She urged him to make Frances Perkins Commissioner of Labor for the State of New York. He did. And it was again Mrs. Roosevelt who urged him to make her Secretary of Labor. The large number of women he has appointed to important positions owe their advancement to Eleanor Roosevelt. She didn't pick most of them but with an excellent example in his own family, F.D.R. had ample reason to know that women can be as efficient in public life as men.

A good many people think that Eleanor Roosevelt would make as good a President as her husband. Alice Longworth's characteristically spiteful remark, "Franklin is two-thirds mush and one-third Eleanor," is not incorrect so far as the second half of the formula is concerned: he is one-third Eleanor and two-thirds Franklin. She lacks his political astuteness, his finesse, and his shrewdness in negotiation. She is more direct, but she has almost everything else he has, including the ability to attract deep personal loyalties.

A very motherly person, she looks after Louis Howe as if he were a child. She sees that he eats his meals and goes to bed on time. On a recent trip to New York, she took him out and bought his winter wardrobe for him. When one of the State Troopers who had been attached to the Governor's Mansion at Albany got ready to marry, she gave the wedding in the cottage at Hyde Park. When another trooper's spine was hopelessly injured, while serving as motorcycle escort to Franklin D., she went to visit him regularly, always without publicity. Later she had him moved to New York and

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got a specialist for him. As he improved, she encouraged him to learn to typewrite. And she dug up her father's letters and had him type them. They were published in book form and, thanks to her care, he is now able to get around a bit. She loves to take people to Mt. Vernon, Monticello and other historic spots. When she finds that a stenographer in the White House, or a chauffeur, or any other member of the household has not visited these places, she insists on taking them—and gives them instruction in American history en route.

She loves people and they love her. She is not that snobbish social monstrosity, a "Lady Bountiful"; she is something much grander, a bountiful lady.

3

In the political sphere Louis Howe occupies a position similar to the part Eleanor Roosevelt plays in her husband's personal and social life. "Franklin and I"—to use Louis Howe's habitual expression—represents an unusually happy marriage between the President's instinct for progressive statesmanship and Howe's genius for practical politics. Wizenened, tortured by internal disorders, astute and devious, Howe is of the type of natural-born wire-puller who would have been a Cardinal Wolsey or an Abbé Talleyrand in another day and age.

He is jealous of his influence, irritable, loyal to Roosevelt alone. Women adore him and cannot refrain from mothering this gnarled little gnome who, like the dwarfs of folklore, has spent years in obscurity beating out with his little hammer a golden crown. *His* work of art is the Presidency of Franklin Delano Roosevelt. Towards this creation he feels the possessive jealousy of an artist; Roosevelt supplied

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the gold but Howe's was the little hammer. In fact, Howe is in effect the Assistant President of the United States. It is a curious twist of fate which has placed the affairs of the world's wealthiest country in this crisis in the hands of two men, one of whom walks with difficulty and the other of whom has rotten internal workings.

Louis is eleven years older than F.D.R. He was born in Indiana, home of politicians, in 1871, but he grew up in Saratoga Springs, N. Y., where his father was a local editor and correspondent for the New York "Herald". Louis had a local reputation as an amateur actor, stage designer, and author of dramatic skits. He succeeded to his father's job with the "Herald" and soon was covering the legislative sessions at Albany for that paper as its regular "up-State political correspondent." He was known as a very active, painstaking reporter, with a keen, owlish sense of humor, but at forty was still an obscure newspaperman.

Then Franklin Roosevelt arrived at Albany and made his dramatic fight against Sheehan. Howe immediately decided that here was a man with a great political future and—as Louis has frequently remarked—any man who goes into big politics seriously usually has the Presidency in the back of his head. From that moment, Howe hitched his wagon to the Roosevelt star. It was he who conducted Roosevelt's successful sick-bed campaign for State Senator in 1912; he accompanied Roosevelt to Washington as his special assistant in the Navy Department and was personally responsible for negotiating the dramatic agreement with the Chilean Government in 1916, to provide our Navy with 5,000,000 pounds of nitrates when our ammunition reserve was low, and for the commandeering in 1917 of the Hotel Pennsylvania's motor generator in order to speed up the destroyer program. It was Howe who, in 1921, when Roosevelt was stricken by paraly-

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sis, gave up a lucrative business offer, kept the dread word "paralysis" out of the papers, and decided to stand by F.D.R. for better and for worse.

For when he saw that Roosevelt was planning to go ahead as if nothing had happened, he entered into the audacious project with enthusiasm. In all probability the Presidency was never mentioned between them for years afterward, but that is where Howe intended to put Roosevelt, whether he remained crippled or not. Howe once said to a friend, à propos of his decision at Campo Bello during Roosevelt's illness: "I decided that the greatest adventure of which I could think would be to put that man in the White House."

Every move that he made was in that direction, but he had his eye on 1936 rather than 1932. Roosevelt needed more time to recover the use of his legs. Howe opposed Roosevelt's accepting the nomination for the governorship in 1928: he was afraid that Roosevelt would be beaten, as he was confident that Hoover would carry New York State against Smith by a substantial margin. Howe was the real manager of Roosevelt's pre-convention campaign. Big Jim Farley was the leg-man. It was a great combination. Louis had the brains but was a rotten contact man; Farley had the energy and the personality but was otherwise no mental ball of fire, as was subsequently shown by the blundering mess he made of the New York City election in 1933. Howe often has been called the "strategist" of the pre-convention campaign. This is untrue: Roosevelt was the major strategist, but his mind and Howe's have run together so long that it was impossible to determine which of them decided any particular point. Theirs was a Hindenburg-Ludendorff combination: Roosevelt making the major strategical decisions, Howe working out the major tactical manoeuvres.

Howe has an ingenious and inventive mind. He *is* a strate-

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gist, and a pretty good detail man, and unquestionably he taught Roosevelt a lot about politics and the management of public opinion before Roosevelt far outgrew him.

It was Howe who worked the old trick of turning your major weakness into a source of strength. When Roosevelt was immobilized by his disease, Howe exploited to the nth degree the method of personal correspondence, a method which is equally as important as personal appearances, in politics. Howe made it a point to see that Roosevelt wrote to everybody who gave him any pretext for writing, and insisted that all letters which Roosevelt received were given distinctive answers. His formula was to express sympathy for every person's situation *but to promise nothing*. He was an expert in hinting that something could be done for this person or that, without actually promising it. Shifty and tricky himself, he encouraged the same method in Roosevelt; his constant fear was lest Roosevelt should go off "half-cocked" with Rooseveltian impulsiveness and enthusiasm. His influence was partly responsible for the reputation for vacillation which Roosevelt acquired during his administration at Albany and which became one of the major obstacles to Roosevelt's nomination.

Until that nomination at Chicago, Howe was always a retiring figure. The correspondents at Albany knew and liked him and, in tribute to his really phenomenal sloppiness in dress, dubbed him "Lousy Louis." Few others knew of his existence and he deliberately avoided publicity. With the nomination, he began to emerge into the public view and he liked the sensation. After the election, he indulged in an orgy of writing articles, making speeches and radio broadcasts. He liked to be called "a Warwick" and he really does use the expression "Franklin and I." He didn't even mind being

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called "a mediæval gnome" but it broke his heart to be termed "a political amateur."

When he entered the White House with Roosevelt on March 4, 1933, he realized that the Washington scene was going to be much broader and infinitely more variegated than anything he had experienced at Albany, and he began to worry about holding his unique position with Roosevelt. He once said, "A politician can have only one adviser." Page Dr. Freud! As jealous as a lover, he has disliked intensely everybody who gets close to Roosevelt and seems to have his confidence. Unquestionably, Louis Howe helped to shipwreck Raymond Moley's political career for this reason. He now sometimes takes credit for things of which he knew nothing until after they were completed. It is a bit pathetic.

His health is bad. He runs on nerves and nothing else. Two or three times a day he crosses over to the couch in his office and lies down while he reads the paper. When he is in physical distress, which is frequently, he is irritable and disagreeable, but when the pain is not troubling him, no one could be more genuinely charming. His stenographers and secretaries adore him. Few men, outside the White House circle, trust him unreservedly, chiefly because of his jealousy but partly because of his instinct for indirection and political intrigue, yet everybody takes him and his position for granted.

Outside of his family—he has a wife in Fall River, Massachusetts, and two children—the only people he cares about are Eleanor and Franklin Roosevelt. He once told a friend that he was hated by everybody, always had been hated by everybody, and that he wanted to be hated by everybody. You can see why women love him! He has tried to boss practically everybody, including the Roosevelt children, which is some undertaking. Yet he has a rich sense of

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humor and when he is feeling well he is a rather delightful fellow.

His position in Roosevelt's political harem is like that of the aging "first wife" who still retains her primacy and prestige but sees new and sprightlier favorites arising. He is no longer the big adviser to the President but he sees him oftener than anyone else does and his steady drip-drip-drip of ideas and suggestions undoubtedly has its effect. His loyalty to F.D.R. is the one thing about him on which everybody agrees. There is also some agreement that Louis gets his tests of loyalty to Roosevelt mixed up with his tests of loyalty to Howe.

Nevertheless, he is a permanent part of the Roosevelt family. His wife takes the long trip from Fall River to Washington occasionally and he occasionally reciprocates. His daughter is the wife of a college professor and his son is in college. As for Louis, he lives at the White House.

He has been a valuable help-meet to Roosevelt since the New Deal began. He gives all applicants for major jobs the final once-over before passing them on to Roosevelt. He launched the Civilian Conservation Corps for Roosevelt, when the President wanted 25,000 men in camp within ten days; he handled the second Bonus Army so tactfully and successfully that he converted an ominous opposition into a loyal group of Roosevelt adherents; he is deeply interested in the Subsistence Homestead plan for establishing rural-industrial communities, remote from big cities, on the order of the old industrial organization of early America. He is a political opportunist, with mildly progressive ideas but without deep convictions. If Roosevelt wanted to make himself First Emperor of the United States or to stage an anti-capitalistic program, Louis McHenry Howe would be there to help him. It would be to him, not only his duty but his

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pleasure, for Louis' chief purpose in life is to help Franklin fulfill himself. That is the test by which he judges all things and all men.

4

That also is the test by which the other members of the White House gang have—not been selected—selected themselves. Steve Early, Marvin McIntyre and Missy Le Hand are all veterans of the 1920 campaign, when with Howe, Tom Lynch and Stan Prenosil, they mapped Roosevelt's gallant 10,000-mile, record-breaking tour of a country which was yet to discover that "normalcy" meant a return to predatory corporate chicanery on a planetary scale. Yet it would be a mistake to consider Early or McIntyre as Howe's rivals in any sense. The relationship is rather that of mischievous nephews to an eccentric uncle.

Of the two Assistant Secretaries, Early is by far the more efficient in the technique of his job; Mac's function, aside from keeping the schedule of appointments and stroking ruffled plumage, is to serve as a psychological guinea-pig for the Rooseveltian political experiments. Mac's reaction can be assumed to be that of the average man in the street, a combination of horse-sense and intellectual innocence which provides a handy barometer for measuring public opinion. Of the two, Early has been associated with Roosevelt for the longer period.

When F.D.R. was sworn in as Assistant Secretary of the Navy on St. Patrick's Day, 1913, Stephen T. Early covered the ceremony for the A.P., on which he was a cub reporter assigned to events in the State, War and Navy Building. The office in which the ceremony occurred is just about 100 yards from the White House executive offices where Roosevelt

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took his seat twenty years later. "It took the Chief twenty years to travel 100 yards," Early once remarked. "Yes," a newspaperman replied, "but 100 yards is the full length of the field."

Early was born and brought up in Virginia. General Jubal Early, the famous Confederate cavalry leader, was one of his collateral ancestors. His own grandfather was a Civil War captain in the Confederate cavalry. Early was brought up in an atmosphere of horses, confidence in the old American tradition, and respect for constituted authority. As a reporter in the Navy and War Departments, he was in his element. He became a warm friend of Douglas MacArthur (now Chief of Staff) and took an immediate fancy to the handsome young Assistant Secretary of the Navy, of whom he saw a good deal in a professional capacity during the ensuing years.

When we jumped or fell (as police reports would state) into the World War, Early went over to the first officers' training school at Fort Myer and was commissioned a second lieutenant in the cavalry. Thence he went to the machine gun school at Fort Sill and was ordered overseas with the 317th Machine Gun Company of the 80th Division, made up of Virginians and Western Pennsylvanians. He saw a little action but was soon assigned to Pershing's Headquarters at Chaumont as a member of General Dennis Nolan's intelligence section. Thence he was assigned to the staff of the A.E.F. newspaper, "The Stars and Stripes," and remained with it in Paris until its final issue. He came home a captain and is now a major in the Reserve. He holds the Victory Medal with three bars for "exceptional and meritorious service."

After demobilization he resumed his work with the A.P. and when F.D.R. was nominated for the Vice-Presidency, he asked Steve to become his advance man for the campaign.

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Steve got leave of absence, took the job and after Roosevelt's defeat, went back to the A.P. He made the trip to Alaska with Harding and it was his despatch from San Francisco that gave the world the first news of Harding's death in the Palace Hotel. About two years later, he left the A.P. to become Washington representative of Paramount Newsreel and a competitor of his warm friend, Marvin McIntyre, who represented Pathé. Early remained with Paramount until Roosevelt asked him to become a member of the secretariat. He is forty-four, married, and has three children. A solid man, competent at his job and successful in his career.

While McIntyre represents the easy-going southern tradition, Early represents the more efficient type of southern gentleman, the type which has supplied the Army and Navy with some of its best officers for generations. He is friendly but disciplined and his words are precise and close-clipped. With his journalistic background, he knows the ins and outs of the mechanics of getting and transmitting news. On the mechanical side, he is probably the most efficient press representative the White House has ever had. Releases go out promptly. He is available to answer questions, though he does not inspire stories or indulge in propaganda. In spite of his loyalty to "the Boss," he still retains the newspaperman's objective attitude. The simultaneous announcement of Russian recognition in Moscow and Washington; the President's message to the heads of all nations on May 17, 1933, concerning peace and disarmament, which required practically simultaneous release in all the world capitals—that is easy meat for Early. He likes to ride, but prefers to slip away from Washington with his wife to watch the races at Laurel. His game of golf is not bad.

Early is an intelligent, candid, and attractive gentleman.

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He could not conceive Louis Howe's deep-laid schemes for spreading Roosevelt propaganda; neither could he conceive an economic policy. He feels no emotional attachment to the New Deal. If Roosevelt were advocating rugged individualism, if Lew Douglas were Secretary of the Treasury, if all the Professors were shipped back to their class-rooms, if all of the radicals or all of the conservatives in the Administration were to resign in mass, it would make little difference to Early. He knows his job and does it well, with unswerving devotion to F.D.R. In fact, Early has reached out and re-organized the publicity departments of several branches of the government. All information must be made available promptly to the press and if the official publicity men don't know the answers to questions off-hand, they are supposed to find them out. He is the executor of Roosevelt's thesis that the workings of the government are the public's business. Now and then, his army training and his hot temper crop up, and he "cracks down" on a hapless reporter who has violated a press conference rule or has in some other way transgressed the unwritten laws of the newspaper profession. He handles the newsreel men with extraordinary success. He had offers to write while holding his job, but after doing one or two magazine pieces he gave it up: he thought it would sooner or later be embarrassing to the President and would handicap his relations with the press. For Early comes of that stern old Virginia tradition which still regards duty as, what Robert E. Lee termed it, "the most sublime word in the English language."

In this, he forms an interesting contrast to Marvin Hunter McIntyre, the White House "Sweetheart of Sigma Chi." "Mac" is the wraith-like figure who sits in the office just to the west of the President's oval study. He is more than three years older than the President, and looks it but doesn't act

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it. He has instead that rather youthful zest and informality which so many newspapermen carry to their graves. He is a natural-born cut-up and an automatic member of any male quartet.

He was born in LaGrange, Kentucky, on November 27, 1878, Thanksgiving Day. His father was a Methodist preacher and his subsequent career was as eccentric as that of the traditional minister's son. He went to day school in Shelbyville, Kentucky, to a preparatory school at Franklin, Tennessee, and spent a year at Vanderbilt University, where he was elected to Sigma Chi, but had not otherwise distinguished himself when his father died and he had to go to work. He worked in a bank, a dry goods store, a hotel, a laundry and on a bridge-building crew before drifting into the newspaper game in 1905. He has been in and out of it ever since and is essentially the police reporter.

He started with the Louisville "Times." Two years later he went to Asheville and put in a couple of years on the Asheville "Citizen." In 1909 he drifted on to Washington and went to work for the Washington "Times," then one of Frank Munsey's properties in the era before Munsey's trick of "combining the best features of both" had spread havoc through the newspaper world. He was with the "Times" for eight years, in almost every capacity, including Acting Managing Editor. Then Munsey saw McIntyre and decided he was too thin!—Munsey usually liked 'em thin, so if Mac was too thin, he was very thin indeed—and Mac saw that he had no future under Munsey. We had just entered the War so McIntyre joined George Creel's Committee on Public Information and was assigned to the Navy Department as special assistant for publicity to Josephus Daniels. It was thus that he became acquainted with F.D.R. and Louis Howe.

When Roosevelt was nominated for the Vice-Presidency

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in 1920, he made Mac his publicity representative. Mac travelled with Roosevelt throughout that trip, which broke all previous campaign records for national candidates in mileage covered and number of speeches made—over a thousand of them. At the close of the campaign, Mac went back to the Navy Department, where he remained until Harding came in and the Wilsonians were exterminated root and branch from the Administration. He then became Washington representative for all the newsreel companies, and when they split up, he stayed on with Pathé.

He knew everybody in the Navy Department, from the Admirals down to the clerks, and was a Big Navy enthusiast. While doing his newsreel work, he also contributed to "The Army and Navy Journal" and wrote articles on national defense for anybody who would buy them. To the Washington correspondents he was known as a rather talkative guy who knew everybody in the Navy and was always trying to peddle stories which proved that the national defense—especially naval—was just about on its last legs. He was an habitu  of the Press Club, where he was notorious for his horrible bidding at bridge. He had never been anywhere near the top rungs of the journalistic profession and if he had not known Roosevelt he probably would have lived the rest of his life as a rather obscure figure on the fringes of journalism and the newsreel business.

Then, in 1931, there was a shake-up in Path  which cost Mac his job. Louis Howe was just beginning to organize a headquarters staff for Roosevelt's pre-convention campaign and was glad to get McIntyre as his assistant. Mac was general utility man throughout the pre-convention campaign and acted as emergency bouncer and door-keeper at Roosevelt's Chicago headquarters. His frail figure and genial flow of conversation hardly seem qualifications for a strong-arm

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job, but when his dander is up he is like a fighting-cock and in an emergency he can be perfectly brutal to the great and dignified, because he has always proceeded on the assumption that there is no one nearly as great as Franklin Delano Roosevelt. He is a hero worshipper, true to his friends rather than to his salt.

After the Chicago Convention, Mac was assigned to accompany Roosevelt in the triple capacity of press contact man, appointment secretary for the candidate, and business manager for the campaign train. As a press contact man he was a flop. He had no idea of what should be published and what kept quiet and he was hazy about details. He became a continual source of professional irritation to most of the correspondents assigned to Roosevelt. After the day's work, however, he ingratiated himself with them personally by his good fellowship. He likes to drink and he likes to sing and he likes to do both at approximately the same time. He has a thin tenor voice which is especially heart-rending when held near the ear of the listener (especially when the latter is a lady). It was on the first of those long nights during the banking crisis in March, 1933, that Mac got his newspaper quartet together on the front portico of the White House and did an effective piece of advance publicity for Edward Robinson's "I Loved a Woman," by singing "Home on the Range" while the rain pattered down and the White House guards stood aghast.

The incident was, of course, reported in the papers and the "White House Quartet" was invited later to do their stuff on the radio. The night of the broadcast, the President interrupted an N.R.A. conference to listen in and when it was over telephoned the studio. Disguising his voice, he asked to speak to the leader of the quartet and when McIntyre answered the phone, the President said that he thought

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he could make the quartet an attractive proposition. "Who the hell are *you*?" asked McIntyre. Roosevelt replied, "I'm the advertising manager of Cascarets" and hung up. Since then, the White House Quartet has curtailed its extra-mural activities and Mac does his broadcasting at quiet little drinking-parties, when he can get around to them after his day's work is done.

He likes good liquor and a room full of attractive women. He is an innocent, cocky soul. He is proud of the fact that he is a Kentucky Colonel—by grace of Governor Ruby Laffoon. He likes to put on his morning suit and topper and meet visiting dignitaries and has found his role as official greeter for the Administration. There is no pomp, no ceremony, nothing "correct" in Mac's technique in welcoming people. He makes going into the White House offices as informal as walking into a middle-class southern home. He talks endlessly, calls everybody by the first name after the first contact, and is most courteous, without being affected, to women. In short, he has a genius for creating a lot of genuine warmth in the atmosphere of the White House offices.

No word has ever passed his lips to indicate that he has the slightest conception of what "the Boss" is trying to do or any remote understanding of the economic significance of the American experiment. To him, the whole thing simply means that F.D.R. has at last got where Mac hoped he would get some day, and that as a result Mac is having a busy but wonderful time and is quite an important fellow.

His wiry frame seems never to tire. He goes from early morning until early the next morning. He often sleeps only three or four hours a night for nights in succession. His gaunt face gets gaunter, his high cheek bones protrude more sharply, and some inward spark of energy keeps him going. There is absolutely no question about his entire loyalty to the

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President and Mrs. Roosevelt, and he is as honest as they come.

From this honesty emerges his greatest indirect value to the White House. F.D.R. doesn't have to guess how the average man in the country is reacting to what goes on in Washington. Louis McHenry Howe has to take no deep soundings to explore public opinion. All they have to do is to get Mac's reaction, for Mac is a good example of the average mentality of the nation, and prides himself (perhaps too much) on having "horse sense." Yet, when all is said and done, Mac's very simplicity and cock-sureness do a great deal to make the atmosphere of the White House what it is. It is Mac's "Home on the Range," where "seldom is heard a discouraging word and the sky is not cloudy all day."

5

When the 1920 campaign was over, Roosevelt presented the male members of his staff with a pair of golden cuff-links apiece. On one link was engraved the initials of the recipient, on the other those of "F.D.R." This was the origin of the "Cuff-Links Club" which symbolized the loyalty of what is now the White House gang to Roosevelt and to each other.

There was one person, however, for whom cuff-links were inappropriate. They also happened to be superfluous. This was Marguerite Le Hand, or "Missy," as Roosevelt's confidential personal secretary is known in the Roosevelt family.

She was born in Potsdam, New York, and is of French descent on her father's side. She went to school in Massachusetts and during the war came to Washington, along with the horde of "war-workers," to get a job with the Emergency Fleet Corporation as stenographer to Charles McCarthy, who in turn was secretary of the corporation. McCarthy was later

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transferred to the office of the Secretary of the Navy, where he became acquainted with Roosevelt and helped him in the 1920 campaign. McCarthy's main job was to run Vice-Presidential Campaign affairs at the Democratic National Committee Headquarters in New York and took Missy with him, as a stenog., and there she became acquainted with Mrs. Roosevelt.

Soon after the end of the unsuccessful campaign, Mrs. Roosevelt asked her to come to Hyde Park to work "for a few weeks" in clearing up campaign correspondence. She immediately found that her work really was for F.D.R. and the "few weeks" have become more than thirteen years. She stayed with Roosevelt, through his illness and his recovery, and he seldom goes anywhere without her. She has lived with the Roosevelt family all these years and when Mrs. Roosevelt and Anna Dall are away, Missy is the hostess. She *can* do everything and at Warm Springs she does everything from serving tea to going automobile riding with Roosevelt. At the White House, there is a greater subdivision of work. There, Missy is the President's personal secretary and has a desk in the little cubbyhole between his office and the cabinet room.

As soon as he has had his breakfast in bed, he sends for Missy. She handles all of his important personal correspondence on matters not directly concerned with the government and she occasionally takes his most important dictation, although not so often as she used to. All correspondence concerning Warm Springs and all letters from old friends go to her.

Missy's sense of humor is very much like Roosevelt's. She has a trilling laugh and finds something humorous in almost every situation. She watches her man so closely that she can see the slightest changes in his emotional attitude before they

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have become apparent to anyone else. She knows when Roosevelt's thick layer of Dutch stubbornness is coming to the surface before he knows it himself. She knows when he is really listening to the person who is talking to him and when he is merely being polite.

Like the rest of the Roosevelt household, she dislikes stuffy and pompous people. In her private conversations with her friends she is very good at puncturing such people, but for all that, she is very discreet. No secret of the Roosevelt family or of affairs of state has ever escaped her. She is vivacious, slender and extremely active. Her hair is graying prematurely. Everybody likes her, but she is so devoted to Roosevelt that she never has much time for suitors. Now that she is in the White House, she is practically shut off from the world. Visitors at White House affairs always inquire afterward who Missy is, but they lack the courage to call her up and ask for a date.

The younger Roosevelt children, John and Franklin D., Jr., called her "Missy" because they could not pronounce her name when she came to live with them. The name has clung. She calls Roosevelt "F.D."

She is a one-man stenographer and Roosevelt is that man. She knows little about public affairs and cares less. She idolizes "F.D." and whatever he does is all right with her. She knows that "F.D." likes to laugh and that he likes satiric touches or—on the other hand—personal items of an especially moving character. As she goes through his correspondence, she gleans the gems of wit and humor—conscious or unconscious—to show to him, but if she finds a letter that is especially touching she will show it to "F.D." at the first possible moment. She is thus both his stenographic alter ego and an extension of his emotional personality. She has moulded her mind and her career to his. The Greeks had a

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word for it, but that word has never been well translated into English.

That is a pity, for this word is the golden link which binds Roosevelt to his staff and binds them to each other. Friendship is too general and love too selfish a word to describe that intimate kindness and mutual loyalty which permits Louis Howe to grumble and sulk, Steve Early to hammer away at the world's dead-lines, McIntyre to strut and croon, Missy to laugh and probe the mind of Roosevelt, and Eleanor Roosevelt to trot eagerly around the White House. Of the two words, love comes closest to being the discipline of Roosevelt's Praetorian Guard.

VIII

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I

EVERY Administration has its strong-arm squad. Membership in the little group of boys with bow-strings who are called into action whenever there is demand for a political corpse to go floating down the Potomac, is determined by personal ability and inclination rather than by official position. Ogden Mills was chief executioner in the closing days of the Old Deal and the tales of his skullduggery in the 1932 election will some day electrify humanity. Coolidge had his Butler and Frank Stearns and Harding had Harry Daugherty and the Ohio Gang.

To assist in the partisan mechanics of the New Deal, Roosevelt has assembled a gang which includes some of the country's most astute and merciless manipulators. Whether he requires to have a Senator put on the spot, an applicant for office "dry-cleaned" for Party regularity, an angel shaken down for a few lucrative wing-feathers, a local election made safe for the Democracy, or a measure espoused without benefit of the Constitution, he knows where to turn.

Not since Andrew Jackson won the Presidency has there been as ruthless and intelligent a riot-squad at the disposal of the Chief Executive. As Postmaster-General, "Big Jim" Farley, good-natured, bull-headed and a fighter, handles the Party patronage. Suave Ed Flynn, the dynamic boss of the Bronx, is slowly wresting from Tammany the control

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of the biggest nugget of Democratic votes in the entire nation, as a preliminary to the 1936 show-down. Warm-hearted, cool-headed Frank Walker is coordinating the entire emergency apparatus of the New Deal and is directing it along the lines which will make votes for the Party, come November. Homer S. Cummings, as Attorney-General, is able to supply Roosevelt with legal opinions which tell him he can go ahead and do whatever the President has decided to do. And Daniel Calhoun Roper, as Secretary of Commerce, is shrewdly and soft-spokenly holding in line the Democratic back-log in the rural South and West, in support of policies which are wildly at variance with all the traditional Jeffersonian principles. It is a smooth-running, well-oiled machine: a couple of Irish Catholics from New York, a Catholic lawyer from Montana, a Connecticut Yankee and a dry Methodist from North Carolina.

What they don't know about politics is not worth knowing.

2

Like Roosevelt, James A. Farley comes of a Hudson River family but there the resemblance ends. "Genial Jim" was born on May 30, 1888, at Grassy Point, in Rockland County, New York, with a bung-starter instead of a gold spoon in his mouth. His father was a saloon-keeper, in spite of which Jim has never once touched a drop. Nor does he smoke; instead he chews gum—several packages a day.

He graduated from high school in the nearby town of Stony Point in 1905 and went to Packard Commercial School in New York City, where he learned salesmanship. He didn't need much training in this line. He was a natural-born salesman. He was also a natural-born politician, who knew how to make the best of both local and State opportunities.

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He entered Democratic politics in Rockland County in 1912, successfully selling himself to Strong Point as town clerk, a job which he held for seven years. In 1918, Governor Smith made him a Port Warden in New York City—a sinecure at \$5,000 a year which soon thereafter was abolished. In 1923 he was chosen to represent Rockland County in the State Assembly where he served one term. In the following year, Smith made him a member of the New York State Athletic Commission (the “Boxing Commission”), of which he became chairman a year later. He didn’t let go of the job until four days before he became Postmaster-General of the United States.

Jim, a Catholic, was a 100 per cent Al Smith man, and he rose in State politics on Al’s coat-tails. In 1919, he won the chairmanship of the Democratic County Committee of Rockland County and held the post for ten years, until he moved his legal residence to New York City. Al made a fine showing in Rockland County in the 1918 campaign—his first for the governorship—in which he upset all the dope by getting elected, which was why Jim was made Port Warden. In 1922, Jim went to Syracuse to draft Smith, when Murphy and Tammany were for Hearst. Big Jim from the sticks, with about as many Democratic votes in his bailiwick as Tammany has in one of its smallest Assembly districts, stood in the hotel lobbies and would talk nothing but Smith. He was one of the small group of Up-State leaders, organized by William H. Kelley of Syracuse, who insisted that Smith run and finally gave the ultimatum to Murphy, backing Smith in his refusal to run if Hearst were nominated for the Senate. That is why Jim was appointed to the State Athletic Commission.

There was another reason. Jim had been quite an athlete in Rockland County and lower Hudson River circles, espe-

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cially at baseball. Six feet two and a half, 215 pounds, he looked big enough to handle any prize fighter who came along. Furthermore, Smith thought he was honest—green and dumb but honest. Al never was keen about the boxing game which his buddy and rival, Jimmy Walker, got the legislature to revive with the creation of the new State Athletic Commission, and he wanted an honest dumbbell to run it.

Jim may have been dumb—and he certainly was honest—but he was not green. He wanted the Chairmanship of the Boxing Commission. When George E. Brower, the chairman, was absent, Jim and William H. Muldoon elected Jim chairman. "It was thought wise to rotate the chairmanship," Jim explained to Brower. After Jim got the chairmanship, the rotation ceased. "We have stopped rotating the chairmanship," Jim explained periodically thereafter, with a gleam of humor. Although Jim was frequently under fire from such sports idealists as the late W. O. McGeehan, no one ever questioned his integrity. He may have taken orders from Tammany and kept his eye on Tammany's racial principles in framing and barring matches, but he was honest. Why wouldn't he be, with all the free passes in the world to use for political small-change?

In facts, students of politics contend that he rose to the heights on a stack of Annie Oakleys and pretend to see in his handling of patronage at Washington the same technique: the politician's dream of handing out what other people want at no cost to himself. Perhaps—. At any rate, in those Turbulent Twenties which preceded the Thrifty Thirties, a pass to a prize fight was a coveted badge of merit and an introduction to the Social Register of the sportsman's world. Jim distributed the passes. He gave them to politicians, to bankers, to Mayors from distant cities, to everybody of impor-

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tance. It was estimated that on one occasion he gave away seats worth between \$20,000 and \$30,000 at speculator's prices for a match promoted by Tex Rickard, and one promoter said to him: "Here, Jim, give me back the passes and you take the colosseum."

In the rough-and-tumble of sporting politics and Tammany-controlled boxing, Farley learned a lot which qualified him to be right-hand man to a very practical politician, a quarter-back who can call one signal one minute and another the next. Not that Jim ever worried about consistency; he was always the great experimenter. He once changed the rules governing foul blows two minutes before a match and forgot to tell anybody but the referee and the two contestants. The spectators yowled at the referee's decision. Jim was unperturbed. He tried by successive rules to eliminate fouling, but when the spectators began to grumble and too many matches were stopped before they got their money's worth, Jim, the great experimenter, saw that he had been on the wrong tack. As a practical politician he applied Tammany technique to boxing and ruled that no blows should be considered a foul thereafter but that any boxer might wear any protective device he wished. He tried to please the spectator as his present chief tries to please the Great American public: to give them a show in which no punches are pulled.

His business career has been like his political career—a long period of plodding apprenticeship followed by a skyrocket rise. For fifteen years he was a salesman for the U. S. Gypsum Company (gypsum, the basis of commercial plaster, is a key commodity in the New York building racket); then became sales manager of the Universal Gypsum Company. Five years later he started James A. Farley & Co., a builder's supply company in New York City. By the end of 1929 he had merged seven concerns into the General Builder's Sup-

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ply Corporation and managed to carry on through the depression—in which the building business was hardest hit—without losing money. His political connections may have helped him at the start but they hurt, later, after he emerged as Roosevelt's manager, and Roosevelt locked horns with the Wigwam.

Jim is not only a builder but a joiner. He has been an active Elk for years and is also a big man in the Redmen, the Eagles and the Knights of Columbus. It is significant that it was as an Elk rather than as a Knight that he has had his greatest career as joiner, for although a devout Irish Catholic he has never been as clannish as many of his creed and, like most of his race, has always been the life of the party.

His invasion of State politics was due to simple Irish self-assertiveness. An Up-Stater who was known and liked by Manhattan Democratic leaders—and who dished out free passes to prize fights—Farley had no difficulty in getting himself elected secretary of the Democratic State Committee in 1928, when it had to help elect Frank to the governorship as well as boost Al for the Presidency. For years the Democratic State Committee had amounted to nothing, for Tammany and its allies in New York City, together with a few big Up-State city bosses, ran the party. In many counties in rural New York the Democratic Party was about as important as the Republican Party in Alabama and Mississippi. Al, the political roller-skater on the side-walks of New York, had ignored the dirt-road regions, about which he knew nothing and cared less, as there were no votes in the rural districts for an East Sider.

Roosevelt had a different idea. He knew that there was just as much graft and bossism in rural politics as in city politics and sensed that the Up-State Republicans were ripe for a revolt against the Tammanys of the milk-route and silo

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belt. His first party undertaking as Governor of New York was to rebuild the Democracy of the smaller cities, the towns and farms, and to make himself the candidate of rural New Yorkers. The farmers, the small townsmen—these were the eggs that Roosevelt proposed to remove from the Republican hen-roost and hatch for his own purposes.

His farm relief program, his demeanor, his antecedents, everything he had and did was calculated to appeal to them. As usual, New York City did not know what was happening north of the Bronx, but Roosevelt's hold on them elected him to the Governorship in 1928 when Al lost the State, although Franklin ran far behind Al in New York City.

The chairman of the Democratic State Committee—M. William Bray of Utica—was a Smith man, a none too energetic Up-Stater who did not take a great fancy to Roosevelt. His Secretary was Jim Farley. It was just like the "rotating chairmanship" of the Boxing Commission. For years, the Secretary of the State Committee had done nothing but send out formal notices for occasional perfunctory meetings and write equally perfunctory minutes of those meetings. This was too little for a man of Jim's vitality and ambition to whom Roosevelt's idea of reviving rural Democracy made a strong appeal, as did Roosevelt's methods—intensive speaking, voluminous correspondence and frequent personal contacts. Jim always liked a man who forced the fighting.

Farley became the driving force of the Democratic State Committee—the tireless speech-maker, letter-writer, prompter. Under Roosevelt's guidance, he scouted around and found young and energetic men to assume party offices in the overwhelming Republican counties. He wrote letters to county committee-men, to forgotten party workers at the bottom of the political ladder, to election workers. It took him only two years to force Bray out; then Farley, with the

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blessing of Roosevelt, took over the Chairmanship of the State Committee, of which he had been the real leader ever since Frank and Al began to cool off early in 1929.

The results of the Roosevelt-Farley revival of Up-State Democracy showed in that 1930 campaign. Before election day, every county committee-man and every election watcher—27,000 of them—received two letters: one signed by Roosevelt and one by Farley (The signatures were printed but it would have taken an expert to prove it, so good was the typographical technique), and after the election, each of them received another letter thanking them for their excellent work. The thanks were deserved: Roosevelt had swept Up-State New York, a Republican stronghold for seventy years, and he had carried counties that no Democratic candidate for any office had carried since the Civil War. His smashing victory—a plurality of 725,000 in the State, including New York City—shattered the Republican organization as Herbert Hoover, with Al Smith's aid, had cracked open the Democracy of the South in 1928. Moreover, Roosevelt's gains were permanent gains for the Democratic Party. Though he could not make it as popular as he was himself, he increased its strength and gave it mayors, supervisors and other local officers in cities, counties, and towns that had been under unbroken Republican rule for forty years.

Jim had picked the winner. He lost no time preparing for the next campaign.

In the summer of 1931 he went to Seattle on his famous pilgrimage to the Elks Convention, in the course of which he talked with the Democratic leaders of nineteen Western States in twenty-one days. Al and Raskob and Frank Hague and others of the city-street democracy watched with some amusement the artless antics of this political amateur, this distributor of prize-fight tickets, this big hick from Rockland

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County, one of "the dumb dukes" of boxing. As chairman of the Democratic State Committee, Jim of course was neutral on Presidential candidates. Very neutral. New York Democracy was rich in men who were willing to make the great sacrifice: the mighty Al, the great Owen D. Young. But—"the name of Roosevelt is magic." That was Jim's story and he stuck to it. The Democrats of the West were anxious for the lowdown on Roosevelt's health, for his great victory in New York had whetted their appetites for national victory. Here was a greater pace-maker than Al in Al's own bailiwick, a man without Al's political liabilities, a man with a farm program and a liberal program on the power issue. But what about his health? They had heard he was in bad shape—the creeping leprosy of the bi-partisan "Stop Roosevelt" counter-campaign was already spreading its poison about F.D.R.—and who could speak with greater authority than James A. Farley—himself a perfect physical specimen, a man who judged all human physiques with Dempsey and Tunney as his measuring rods?

Jim pooh-poohed the idea that there was anything wrong with Roosevelt's health. Why, F.D. was as strong as an ox. With a good pair of legs to stand on, he could strangle Firpo. Oh, no, there was nothing in Roosevelt's physical condition to give any Democrat any anxiety. New York had long ago stopped worrying about *that*; what New York wanted was to find the strongest candidate for 1932. Jim artlessly wanted to know who everybody thought would be the best, Al, Owen D. Young or F.D.R.? In return he had nice things to say about all of them, but from coast to coast he left a trail of headlines which sank deep into the minds of hungry Democrats. Every story was keyed to the same note: "The name of Roosevelt is magic!" En route, he spoke approvingly of almost every large city in the country as a

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suitable place for the next national convention. Amateur politician, eh?

The "travelling Elk" came home—still neutral, of course, but the swing toward Roosevelt in the West had been started and the liberal Democrats who had captured the Western delegations for Al in 1928 were nearly all in Roosevelt's camp. Howe and Farley put their heads together in the little office on the seventh floor of 331 Madison Avenue—the same floor and, for a time, the same room from which Bella Moskowitz had steered the Smith pre-convention campaign in 1927 and 1928. Every person—no matter how humble—whom Jim saw on his western trip received a letter. Not a formal letter, but a detailed letter. He and Howe had their fingers on local conditions in each State. Howe, working behind the scenes, conferred with Roosevelt and made the decisions. Farley executed them.

No Presidential candidate ever found a better leg man, contact man and letter writer than Jim. He was no Will Hays and not a Harry Daugherty. He was honest and he had no guile; he talked straight from the shoulder; he was genial but swift and efficient. Gradually he emerged from his cloak of "neutrality" and came out for Roosevelt. It is a key to his character that both Al Smith and Jimmy Walker understood. They forgave Jim for his desertion.

Farley's iron physique served Roosevelt well at the Chicago convention when for two weeks Jim averaged two or three hours sleep per night. His enthusiasm carried him away at times but his errors were due to inexperience. He was stampeded into the premature decision to abrogate the two-thirds rule by Huey Long and Josephus Daniels. He did not know how to handle that bundle of political pomposity known as a United States Senator or what to do about the white-haired veterans of the Party's innumerable defeats. He

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felt a little inferior to the old hands of national politicians. That will never happen again. A Senator is not very important as such in Farley's opinion to-day and white-hairs are good only to stuff his chair-cushions, unless the hairs cover some brains.

Last spring, when a Senator demanding patronage stormed into Farley's office, Jim pulled out his list of votes on important measures, showing that the Senator had voted against the Administration on two or three occasions. The Senator detonated. "You are trying to intimidate me!" he roared.

"I wouldn't think of trying to influence a United States Senator," Jim replied, with a straight face. (N.B.: He did *not* get the jobs.)

Farley was as pleased as a child when Roosevelt chose him as Chairman of the Democratic National Committee. It was unexpected; he had assumed that one of the old fire horses of the Party would get the job. He plunged into his work with furious energy. Even then his personal ambition did not soar and the idea that he might go to Washington and be a big man had not occurred to him. He wanted nothing more or less than the nomination for Lieutenant-Governor of New York, a sinecure which would permit him to continue as State Chairman and attend to his builders' supply business, and which in time might lead to the Governorship. As the campaign wore on, however, it was perfectly obvious to everyone that he had to be Postmaster-General. Somebody had to deal out the patronage without getting the bottles mixed and Farley was the only man in the world who knew exactly who ought to be rewarded and why.

In preparing to hand out these jobs, Jim did not rely on his memory alone, but developed an elaborate filing system,

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with cross-references. He had a folder for every man who sought a job. Under every job was also a list of all the men who had been recommended for it, and following the names of some of these men were those significant letters, "F.R.B.C." (For Roosevelt Before Chicago.) The "F.R.B.C." people of course deserved the first chance: first on the bandwagon, first at the pie-counter. There would be plenty of room for the others later, and he would not deny places to technicians and other non-partisan experts.

He is probably the frankest distributor of government jobs big politics has ever seen. He has debunked patronage and in doing so has made it more honest, for he has proclaimed and written that *his* job is to reward the politically deserving.

You're either a Democrat or you're not, with Jim. He intends to discipline the party and smashed the Young Democratic movement as soon as it showed signs of independent vitality. A candidate must have the endorsement of his local leader, his State chairman, and his Senator or Congressman—depending on the job—and Jim makes no bones about it. In fact, he conceals nothing and without exception, is the most popular man among newspapermen in the New Deal.

As a statesman, he is an excellent chauffeur. He has contributed absolutely nothing to the New Deal as a program. He knows nothing about economics or great public problems, and admits it. His job, as he sees it, is to organize and discipline a great national party just as he organized and disciplined the Up-State Democracy in New York. To do that he has to have jobs to distribute, so he goes after them tooth-and-nail, though he doesn't always get them. He is true to his salt and when F.D.R. said shortly before his inauguration that he wanted patronage held back until some

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of his important legislation had passed, Farley enthusiastically assented, just as he did later, when Roosevelt decided to strengthen the Civil-Service requirements surrounding lower-class postmasterships. To fend off job-hunting politicians, Farley has a daily check kept on the votes in both houses of Congress, and he keeps a tabulation of these votes on his desk for handy reference.

There have been many charges from the political perfectionists that Jim has filled important government services with political hacks, but the complaint from State chairmen, Senators and Congressmen is exactly the opposite. *They* wail that Farley has been holding out on them. Farley takes it all in his stride. He has had excellent training: he gave out thousands of prize-fight passes but he never had enough and a Congressman after a job is nothing to fear in comparison with a Tammany politician after a pass to a heavyweight championship match.

While avoiding the controversies between radicals and conservatives, Farley saw a chance for a good political straw ride on the repeal issue. He shot messages right and left; he stumped the South, West and Northeast, boosting repeal in the summer and fall of 1933. It was smart politics and he got credit for helping to carry such reputedly dry States as Maine, Vermont and Alabama. Any good politician who knew a speakeasy from a hole in the ground knew that they were going wet anyway, but Farley buffeted the dry rear-guard and he may have done some good. He swung a big stick over Governor Ruby Laffoon of Kentucky, when the latter was wobbling on the Repeal issue, and he told Tennessee and the Carolinas what to do, though in those cases he burned his fingers as the Tennessee vote was too close for comfort and the two Carolinas recoiled into the dry column.

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But Farley, riding like a meteor, swept on into the municipal campaign of New York City, where he and Flynn determined to put in McKee and make their bid for the leadership of New York's Democracy. They received tacit consent from Roosevelt and a kick in the pants from New York City, but they made headway. With the State patronage, the national patronage and part of the city patronage under their control—Flynn has his own man in complete charge of the Bronx—they should be able to take over the party in New York City.

Make no mistake! Farley now has big political ambitions and his next move will be toward the Governorship of New York where he wants to succeed Lehman, probably in 1936 when Roosevelt runs again. Then on to the Presidency in 1940! His calculations are transparent: Prohibition will be out of the way; Farley is a Roosevelt Democrat, not a Tammany Democrat; he is a respectable married man with a family; he has a wife and three children who spend most of their time in New York; he is a Catholic, a teetotaler and an Elk; he even holds an LL.D. from the University of the South;—in the Postmaster-Generalship he has surrounded himself with Southern and Western Democrats who would die for him; and he is building up a personal political machine composed of men who are not so prominent that they will be tempted to abandon him—*he* at any rate, will appoint no Jim Farleys to office.

Farley is an efficient executive, partly because he picks good subordinates and shoves the hacks off on other government departments. He has reduced the postal deficit and his great administrative ambition is to eliminate it for the first year in about fifteen years. Like all successful politicians, he is scrupulous about keeping promises and doing small favors.

He may be ignorant of public problems but has sense

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enough to know it, though as a regular attendant at Cabinet meetings, he cannot help learning much more than he will confess he has learned. The whole economic and social program of the New Deal is as far over his head as the theory of relativity or the law of diminishing returns. Whatever Roosevelt is for, Farley is for, and in the meantime he is trying to fill in the gaps in his learning. When he went abroad at the end of 1933, he took a few books with him to read aboard ship. All of them were on serious subjects. One was an elementary history of the United States.

He has the energy and personality to make a great popular leader, and he has plenty of guts. After a few years at Washington and a couple of terms at Albany, he will be a big man. Like Al Smith, he will have the sense to get some brainy advisers on public problems. The jolt he received in the New York City election was good for him for it taught him that he could not conjure victory and overwhelming majorities out of every bunch of voters. He learned that it was not "Big Jim's" magic that decided elections, that he had to have the right candidate and the right situation.

Jim still holds the National Chairmanship and the New York State Chairmanship of the Democratic Party, although he may resign the former office in deference to the demand for a reform of the whole political committee system—also because it has become too hot to handle in an era of inter-party migrations. He seizes power by pure energy and direct frontal attack, never by scheming. He is not a Warwick or a Talleyrand—he is a human battering ram, a political line-plunger who starts battering in the morning before most people are out of bed. And he is battering late at night after the others have dropped from fatigue. Next to Roosevelt, he has the best glands in Washington.

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3

While "Big Jim" is making his big play for political prominence, most of the wise money is on Edward J. Flynn, boss of the Bronx and Farley's close ally.

Flynn is the hope of the Democratic Party in New York City after its seduction by Jimmy Walker and its shot-gun wedding to "Eggplant" O'Brien. Flynn is the only practical politician in sight with sufficient ability to weld together the broken pieces of one of the four or five most powerful machines the country has seen, and with standards high enough to make it reasonably respectable. New York City can decide national elections and if Paris was worth a Mass, Manhattan is worth a political massage. Flynn is Roosevelt's political masseur for 1936.

He is forty-two, having been born in New York City, September 22, 1891. He went to the public schools and graduated from Fordham Law School, where he became a close friend of Joseph V. McKee who was a student at the same time. Later Joe and Ed served in the State Assembly together and still later they occupied adjoining houses in the Bronx.

Flynn did what most young Irish Catholic lawyers do in New York City: entered politics. In 1917, at the age of 26, he was elected to the State Assembly from the 2nd Bronx District, being reelected three times. In 1921 he was elected Sheriff of the Bronx for a four-year term. In 1925 when Jimmy Walker became Mayor for the first time, Jimmy made him City Chamberlain—a sinecure which, like the Shrievalty of the Bronx, afforded Ed plenty of time to run his machine and tend to his private law practice. On January 1, 1929, he moved up to Albany to become Roosevelt's

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Secretary of State, another sinecure and one which he has held ever since, serving two terms under Roosevelt and being re-appointed by Lehman. For the last twelve years, therefore, the public have effectively hired Flynn to run his own racket for his own benefit.

Flynn's success is bound up with the real estate and population movements of New York City. The territory north of Manhattan, now known as the Bronx, was part of Manhattan, until about twenty years ago, when its population began to grow, as the subways were built and the Jews and Irish from the Lower East Side sought better living quarters. The population of the Bronx grew faster than the Democratic organization could keep up with it. Factional differences raged for years until Charles F. Murphy decided to unite the party there and bind it to his leadership. Murphy's hobby was spotting young men of promise. In his time he had picked Robert F. Wagner, James J. Walker, James A. Foley and Alfred E. Smith. Now, in the tall, handsome, young Flynn, he thought he had another young man with a future. He called Ed to Tammany Hall and suggested that he take the leadership of the Bronx. Eventually a Bronx triumvirate was set up, Flynn as one member. The triumvirate didn't work. While its members were trying to get together for consultation about recommending a man for a vacancy, John McCoey of Brooklyn would nip in and fill the place with his own henchman. Flynn told Murphy that the situation was impossible and with Murphy's backing won the leadership of the Bronx early in 1922.

So Ed Flynn, at the age of thirty, was one of the five county leaders of New York City Democracy. His borough was growing rapidly and while its population might be less than that of Manhattan or Brooklyn in no other borough was the percentage of Democratic votes so high. As a loyal

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ally of Tammany and Al Smith, Flynn went down the line for Jimmy Walker in the primary fight against "Red Mike" Hylan in 1925. His reward was the gift of the Presidency of the Board of Aldermen, which he gave to Joseph V. McKee, his college friend at Fordham.

Flynn is said to be a "new type" of party boss in New York City Democracy but cynics have heard that old sweet story too often. They were told about "the New Tammany" of George W. Olvany and it proved to be just about like the Tammany of Murphy or the Tammany of John F. Curry.

There are, however, certain practical tests of corruption by which Flynn can be ranked above the average boss. Like the Senator of the '70's, he will not steal a red-hot stove. Since he became leader of the Bronx, the Bronx has always had an able District Attorney, who has prosecuted racketeers and has made the borough a shining model in comparison with the other four counties of the City. During the Seabury investigation, Flynn was the only one of the five county leaders who was not called on the stand to testify. One might suspect that it was because he was Roosevelt's Secretary of State, but Seabury hated Roosevelt like poison and would have done anything to injure his political chances. In fact Seabury put his confidential investigators on Flynn's trail, and if they had found anything wrong about him or anything suspicious about his bank-accounts, Flynn would have been called in to explain it.

As it was, Seabury found plenty of things wrong in the Bronx but while John F. Curry, abetted by Max D. Steuer (and what has become of the great Steuer, by the way?), was busy keeping loyal Democrats out of jail and out of the reach of the Seabury Committee, Flynn did not turn a hand. Any of Flynn's men who was caught off his base took

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the rap and, in point of fact, no Bronx district leader, no Flynn aide, was found with a Tin Box. The Flynn organization had its bad spots but it came through the Seabury investigation pretty well. Since Roosevelt needed to get a cut of New York City's whopping big Democratic vote, Flynn offered as reputable a course as is open to a practical politician. One might as well admit that he is a pretty shrewd boss, against whom nothing has been ever proved, and let it go at that. That's what F.D.R. did when he contracted his morganatic political marriage with the Flynn machine.

For when Roosevelt first became Governor of New York he wanted a direct tie-up of some permanence with the Democratic votes in New York City—where lay two-thirds of the Democratic strength in the State. An Up-Stater, who had fought Tammany on many occasions before he started plugging "the Side-Walks of New York" as a Presidential song-hit, Franklin D. was as suspect to the city Democrats as an explorer's baby. Flynn met all the specifications for Roosevelt's peculiar purposes: He was in with Tammany but not of it and he was a close friend of Smith's (which made it easier for Roosevelt to kick out Robert Moses, Smith's Man Friday, to make room for Flynn); he was young, his organization was considered clean by New York's not-exacting standards, and he was reputed to possess astute political judgment. So Flynn moved to Albany. When, early in 1929, Olvany and the Smith crowd lost control of Tammany to the district leaders headed by Curry, Flynn's allegiance to Tammany was practically dissolved, leaving him free to join Roosevelt's counter-attack on the Wigwam.

When the lines formed for the pre-convention battle of 1932, Flynn naturally sided with Roosevelt, as a matter of political routine. As Roosevelt's political appointee he had to go along with him, a fact that even Tammany and Al could

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understand, though they didn't like it. Flynn, cool as an organized charity, went with Farley to the Chicago Convention and if Farley had had Flynn's presence of mind the performance would have been flawless. One of Flynn's main jobs was to keep Farley's enthusiasm and salesman's optimism from running away with him. During the campaign, Flynn traveled with Roosevelt much of the time. Handsome, clean-cut, well-built, always elegantly tailored, he was a far cry from the country's picture of a New York City political boss.

When the time came to dish out the gravy, Flynn formed the triumvirate with Farley and Frank Walker which held most of the heavy conferences with Roosevelt, though he preferred to hold his State sinecure rather than take a Federal job. When Lehman was nominated Governor of New York, in 1932, over the dead body of Tammany, Flynn triumphed a second time in a year, but on the third count he lost. Tammany threw O'Brien into the breach left by Walker's resignation but McKee—Flynn's man—won a big popular following (he received 300,000 votes for Mayor in 1932, although his name was not on the ballot) and looked like the candidate for 1933. What happened is anybody's guess. At any rate, McKee dropped out of politics when he was most needed.

When the true demoralization of Tammany was revealed in the 1933 primary, Flynn and Farley conferred. It looked like a good chance to make it a perfect score for the new combination by putting McKee into the City Hall as Mayor. They talked to Roosevelt, who personally had been strongly inclined toward LaGuardia, and made out a strong case. How could Flynn, who had been preaching Party regularity all his life, support LaGuardia, especially since LaGuardia had promised the Bronx patronage to the Republican organization? The theory was that McKee would eat into Tammany

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from one side and into LaGuardia from the other, and anyhow something had to be done to hold the Roosevelt Democrats together.

McKee looked like a sure thing—from a distance. To New York, he looked like a banker's candidate and a poor sport who had not dared to run when the chance was offered him, the only effect of whose candidacy was to lessen the likelihood of defeating Tammany. McKee was licked from the start. Jim Farley had blundered. Ed Flynn had not. Farley had made the National Administration back a losing horse, but Flynn had copper-riveted his hold on the Bronx. With state and national patronage to use as ammunition, Flynn was at last in a position to undertake the long overdue reconstruction of the Democratic organization in the City.

So Flynn is the coming man of national Democratic politics. He is a reasonably well-educated man, has read widely, collects Pennell etchings and knows something about economics. He can carry on an intelligent conversation on almost any subject, has a delightful sense of humor and plays a fair game of golf. He is just like a successful up-town business man whose business happens to be politics—which happens to be exactly what he is.

He will seldom talk politics and he is the hardest man in the world to reach when he is out of his office. While most political bosses are always available to their cronies, via the privately listed telephone route, Flynn often leaves town for several days on end without disclosing his whereabouts to any of his lieutenants and will call back perhaps once a day for a quick check-up on his organization. He refuses to take politics into his home. He seems never to be busy, but his head is always working. He is a shrewd and able man, far abler than Farley or McKee, and will hold a position of decisive importance in national politics, in 1936, as Roose-

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vult's ace-in-the-hole for holding the urban boss-ridden Democrats of the North in line for the New Deal.

4

Frank C. Walker is the mystery man of Roosevelt's Black Chamber. Nobody had ever heard of him before 1932 and even now very few know exactly who he is or what he does. He is another of Roosevelt's finds, and here is his history.

Now forty-eight years old, he was born in the anthracite region of Pennsylvania but when he was a boy his family moved to Montana, where he grew up. He went to Notre Dame, where he played foot-ball and got his law degree. (He is now a trustee of Notre Dame.) Then he began practicing law in Butte and dabbling in politics. He was elected prosecuting attorney of Silver Bow County for a term, after which the Anaconda Copper people spotted him and employed him. Walker became an attorney for Big Business but he was never swallowed by it, for his idol was Senator Tom Walsh. He helped Walsh in his campaigns and looked on him as the biggest man in the Democratic Party.

When F.D.R. went to Butte in 1920 as a Vice-Presidential candidate, Walker was chairman of the reception committee and took a fancy to Roosevelt, who was just four years older than he was. (When Roosevelt came back to Butte in 1932 as a Presidential candidate, by a touch of Irish sentiment, Frank's brother, Montana State Senator Thomas J. Walker, was chairman of the reception committee.) In 1925, Walker migrated to New York to help his uncle, M. R. Comerford, manage a string of movie theaters, which they finally sold to Paramount, and Walker's share of the profit was a small fortune. The theaters bounced back in 1932 when Paramount went bust. In 1930, he volunteered for the Citizen's

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Committee to reelect F.D.R. as Governor, and made a substantial cash contribution to the campaign. Again in 1932, he once more volunteered for service. He was assigned to scout the Northwest quietly for Roosevelt and slipped in and out of Louis Howe's office so unostentatiously that the newspapermen thought he was a hired "under-cover" field agent. Instead, Frank was one of the four men who contributed \$10,000 apiece to Roosevelt's pre-convention campaign fund (the others were Jesse I. Straus, William H. Woodin, and Col. House.) At Chicago he served as Jim Farley's contact man with the Western delegations.

Even then, he was practically unnoticed just as he is to-day, due to his genius for protective coloration which merges him with his background so completely that he would have made a wonderful success as a private detective. Roosevelt and Howe wanted a big Democratic manufacturer or banker to act as treasurer for the National Committee. Melvin Traylor turned down the job, which was a lucky break for all concerned, and to select a New York banker was politically impossible. Finally Roosevelt turned to Walker, who would have had to do most of the work anyway, and Frank became Treasurer of the Democratic National Committee. Most of the leaders of the Party heard of him for the first time when the selection was announced. He did a quiet, thorough job.

After the election, Roosevelt offered him his choice of any position in the government, abroad or at home, outside the Cabinet (there were then already two Catholics in the Cabinet, including Tom Walsh), but Walker would not take a job. He was not ambitious for office; he had enough money to live comfortably; the theaters were back on his hands; and he had been in the campaign because he believed in Roosevelt and in Roosevelt's principles.

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One of the best ways of obtaining power is to refuse it. Walker was soon sitting down with Farley and Flynn to help Roosevelt distribute the rewards to the "F.R.B.C." men. He has constantly been in and out of Washington since the spring of 1933. Men have committed murder for less power than Walker thus reluctantly exercises in his spare time.

A chunky, round-headed, large-jowled man, Walker is as impassive as Joffre and as tight-lipped as an earthworm. Furthermore he is genuinely modest though he has ability, being a keen business man, a good lawyer and a shrewd judge of human nature. He knows Big Business and Wall Street finance and he knows how the average man feels about them, being more than inclined to share that opinion, as Wall Street's financial plunderers and speculators—the men who bankrupted the Continent—are anathema to this Catholic lawyer from the copper country.

Walker is a man of the Tom Walsh (Teapot Dome Walsh) type: tenacious, patient, scrupulously honest. It is surprising how many men in the Roosevelt Administration think that, next to F.D.R., Walsh was the greatest Democrat of recent times. The men in this group are not radicals, and not necessarily even liberals on economic questions, they are simply men of high ethical standards who are ashamed of the political and business jags of the whoopee period and would rather be dead than guilty of underhanded dealings or financial or political dirty work.

Walker is like that, as solid as a rock and as calm as an ox. Roosevelt tried to give him one tough job after another, but Walker insisted that he did not want to hold public office. However, when the President last July needed a level-headed man whom he could trust, to correlate the various recovery agencies and departments, he made Walker execu-

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tive secretary of the new-laid Executive Council for National Recovery. Walker gave three days a week to the job and with a handful of assistants analyzed and charted every department of the government. Under the powers of the N.R.A., he formed the Central Statistical Board, on which each important agency of the government was represented by its own best economist, under the chairmanship of Winfield W. Riefler of the Federal Reserve Board. This is the beginning of an economic experiment. It came from Frank Walker's warm Irish heart.

Walker is a big man—one of the biggest in the whole New Deal—not only because of his sturdy character but because he realizes that the United States is in a period of transition, that the way lies ahead, and not back. Together with Farley and Flynn, he is a tacit reminder that Roosevelt's strongest single element of strength is the Catholic Church, infused with a new and dramatic spirit of liberalism by the great humanitarian, economic Encyclicals of Pope Pius XI. The individualism of Protestantism has run its economic course to social confusion; the collective principles of Catholicism have been reaffirmed, after a lapse of four centuries, and are becoming a real force in American politics. Walker is, perhaps, their most practical application in the New Deal.

5

Homer Stillé Cummings is Roosevelt's legal yes-man.

He is another politician, though not a miraculously smart one. His real flair is for hero-worship and quick enabling opinions for the administrative benefit of his hero.

Cummings was born in Chicago, April 30, 1870, but went to Yale and got his law degree there. He settled down in Stamford, Connecticut, and has practiced law and politics

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there ever since, serving as Mayor of Stamford for three terms, and as corporation counsel from 1908 to 1912. From 1900 to 1925, he was Democratic National Committee-man from Connecticut, acting as Vice-Chairman of the Committee from 1913 to 1919 and as Chairman from February, 1919 to July, 1920 when he retired in favor of George White. He ran for Congressman-at-large and U. S. Senator from Connecticut in his earlier days and was soundly defeated in both cases, Connecticut being a rock-ribbed Republican stronghold. From 1914 to 1924 he was State's attorney for Fairfield County. A successful but not a brilliant career.

Then along came hero-worship to lift this competent attorney to the heights. In 1920 he made the eloquent keynote address, with its magnificent eulogy of Wilson, at the Democratic National Convention. At the close of his speech, a huge picture of Wilson was unveiled on the platform and the West and South paraded through the Convention Hall while Tammany Hall, ever sensitive to the wishes of Big Business, sat plunked in its seats. That was the occasion on which the strapping young delegate from Dutchess County—and the Assistant Secretary of the Navy—yanked the New York standard from the firm grip of a Tammany delegate and put it into the parade of States, to the cheers of the Wilsonites, while Charles F. Murphy sat grimly silent. That was the convention at which Franklin D. Roosevelt was nominated for the Vice-Presidency as a contemptuous sop to the Wilsonites and a bid for the progressive voters to whom "the name of Roosevelt is magic."

Nothing more was heard of Cummings until 1924, when he went to the Madison Square Garden Convention to work for McAdoo. He had a split delegation but he held his cohorts—including several Catholics—in line for McAdoo, thereby incurring the undying hatred of the Smith Catholics

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so that when McAdoo lost the fight for the nomination, Cummings became a dead letter in Connecticut politics and was deprived of his leadership the following year.

When Roosevelt came out as a candidate in 1931, Cummings hopped on board the bandwagon with his customary alacrity. There had been so few heroes during the Coolidge-Hoover period. When he was invited to run down to Washington and sound out some Congressmen and Senators, despatches soon stated that he was taking over the management of Roosevelt's pre-convention campaign and Farley had to be rushed to the Capitol to horn in on the conferences. Cummings got himself elected a delegate to the Chicago Convention in 1932, but he and Archibald O'Neil, the National Committee-man of Bridgeport, overbid their hand. They were too optimistic, fought when they should have compromised, and where they could have had half of the Connecticut delegation for Roosevelt, they tried to grab all of it and lost all of it, by the unit rule. Cummings, like Roper, was a red flag to the Al Smith bull and he did nothing to allay Al's resentment when he insisted on making a seconding speech for Roosevelt, although pledged to Smith by the unit rule.

Cummings, accordingly, was quickly hurried out of the sight of the Smith crowd. He had friends in the South and West where he made himself useful, as he had always been anti-Wall Street. That is why he was pro-McAdoo, for Cummings is neither a religious bigot nor a dry, and, as State's Attorney for Fairfield County, Connecticut, had been classed as liberal. He made good campaign speeches in the South and West, and the Al Smith wing of the Party saw him no more until after election day.

When Senator Thomas J. Walsh was chosen for Attorney General he asked Cummings to be his First Assistant,

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but Cummings wanted something else. He was promised the Governor-Generalship of the Philippines and he was enthusiastic about the prospect of spending several years in the Orient. Later, by a complicated intrigue, the automotive interests used the post at Manila as a means of getting rid of Mayor Frank Murphy of Detroit, a "radical," only to find that Father Coughlin remained on the air and that radicalism was something more than a one-man show. Their futile efforts to induce the Vatican to silence Coughlin are another story. Then, two days before inauguration, Walsh died. Cummings was at hand, and, being a man who would play ball with Roosevelt, was immediately drafted for the Attorney-Generalship under a temporary appointment.

His sterling work in the banking crisis won him the job permanently, but he would probably rather be in the Philippines, as his work at Washington has been exhausting and his health is not good. His great virtue is that he can always swiftly find a legal way by which the President can do what he wants to do. He thus enables Roosevelt to use him as Big Business uses a corporation lawyer. Many of his opinions have been oral, perhaps fortunately for Cummings. He is the legal mechanic of the Administration. He must manage the law as Farley, Roper and Louis Howe manage the law-makers.

Cummings is another Tom Walsh type of liberal, a man of integrity and high principles, in spite of his long career in Connecticut's dirty local politics, who has gone down and come up fighting for great national issues and causes. As a professional politician, he is automatically loyal to his Chief, but there is more than mere Party discipline in his loyalty. It rests on hero-worship. He worshipped Wilson. He all but worshipped McAdoo. He worships Roosevelt.

Tall and broad, he looks like another Farley or Roosevelt,

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but he is older than they are and lacks their stamina. He works day and night but cannot hold the pace and his health has begun to wobble. Probably no man in the history of the Attorney-Generalship has had to find so many ways to do new things legally, but Cummings is ingenious, swift and accommodating, the perfect Attorney-General for the New Deal.

A faithful Party man who at first held his job only temporarily, he was easy meat for Farley who almost wrecked the Department of Justice by loading it to the gunwales with deserving Democrats. They were all fine fellows who had to be taken care of but they were no legal balls of fire, though they might have passed muster in the simple days of Calvin Coolidge, when the Attorney-General's office had little to do but turn out stinging vetoes of the McNary-Haugen and the Muscle Shoals Bills. Certainly, they were a terrible crew to unload on the Department that is confronted with the most complicated legal problems in the history of the Federal Government.

Every good lawyer in the Administration has been shaking in his boots for the future of the New Deal when the amiable, elderly and somewhat pompous Solicitor General, James Crawford Biggs, begins defending the New Deal before the Supreme Court. They also quake with fear when they think of the record that Cummings' Assistants are likely to make all along the line. Friends of the Administration can only hope that the Supreme Court, in Mr. Dooley's phrase, will follow the election returns or that some of the hard-shelled Justices will die or resign in time.

Nevertheless, Cummings blithely asserts that he will soon have the most efficient Department of Justice in the recent history of the government, though he must say it with his heart in his throat. He has been upbraided for keeping too

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many Republican hold-overs, some of them stretching back to the wild old days when Harry Daugherty was the shake-down artist of the Republican Administration, though some of these hold-overs must look pretty good to Cummings alongside the deserving Democrats whom Farley has pushed off on him. But Cummings is a fighter. Despite a leaky vessel and a green crew, he comes of the Yankee breed who will go down with his ship rather than raise the white flag.

If the Supreme Court begins upsetting his opinions, he is quite capable of introducing into the sound-proof chamber of that august tribunal the mutter of the tumbrils and the roar of the barricades, as "atmosphere" if not argument for the New Deal legal legerdemain.

6

What Farley and Flynn do for the North-East and what Walker and Cummings do for the West, that Daniel Calhoun Roper does for the Solid South.

Roper is, by common consent, the slickest politician in the Cabinet and probably in the entire country, Roosevelt alone excepted. He has spent his life in the political milieu, held political office for thirty years, knows the ins and outs, the old political tricks, and has an ingenious mind always ready to meet new difficulties. He is not a patronage dispenser (although some dozen of his relatives are on the public payroll) but a real political strategist, coming from the region which gave us Walter Hines Page and Josephus Daniels in recent times and which a century ago supplied some of our leading statesmen.

As his middle-name suggests, he was born in South Carolina—in Marlboro County, on April Fool's Day, 1867. He went to college at Winston-Salem, North Carolina, and

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later got his LL.B. from National University at Washington, D. C., in 1901, while he was working in the Census Bureau. His career symbolizes the old South's recovery from the Civil War and Reconstruction to a position of assurance and power in national politics.

Look at his record if you would understand why Roper knows politics and the mechanics of government in the American democracy:

Member, South Carolina House of Representatives, 1892-94.

Clerk, U. S. Senate Committee on Interstate Commerce, 1894-97.

Expert Special Agent, U. S. Census Bureau, 1900-10.

Clerk, House Ways and Means Committee, 1910-13.

First Assistant Postmaster-General, March 14, 1913, to August 1, 1916.

Chairman, Organization Bureau of Wilson's 1916 campaign.

Vice-Chairman, U. S. Tariff Commission, March 22-September 15, 1917.

Commissioner of Internal Revenue, 1917-20.

Secretary of Commerce 1933—

Roper built up the great Internal Revenue Bureau when the war and the new Federal Income Tax made it a big job. It was a tremendous problem in organization and administration, and veterans in the Bureau will tell you that it has never been so efficient as it was under Roper. When Wilson went out of power, Roper retired to the private practice of law and continued to live in Washington. An aide and admirer of McAdoo's, he wanted him to take the Democratic nomination in 1920, but McAdoo refused to run. In 1924, he was McAdoo's pre-convention manager. It was a long and bitter fight, and Roper finished it with the same opinion of

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Alfred E. Smith that Al had of him. In 1928, he simply could not swallow the Smith candidacy. As a Methodist, a dry and a McAdoo Democrat he refused to support the Roman Catholic, sopping wet, Tammany-Big Business candidate, and continued to practice law in Washington.

When Roosevelt emerged as a Presidential candidate, Roper got behind him—pretty far behind at that—as Roosevelt, too, had been a McAdoo man in Wilson days, although he had switched to Smith in 1924. Roosevelt represented the Democratic tradition in which Roper believed. His son, Dan, Jr., went to work under Louis Howe in Roosevelt's New York headquarters late in 1931 and flooded Southern and Western newspapers with the publicity of the "Friends of Franklin D. Roosevelt," while Roper wisely kept himself behind the scenes. He was a stench in the nostrils of the Irish Catholic gang with which Roosevelt was having enough trouble anyhow, but he was very active, in a quiet way, rounding up Southern delegates and bringing old McAdoo Democrats into line for Roosevelt.

During the critical period at Chicago in June, 1932, Roper was extremely busy, pulling strings in the Texas delegation. He had access to Garner and McAdoo and while his full part has never been disclosed it was important. Louis Howe probably talked to him oftener than to anyone save Roosevelt during those last days before the Garner-McAdoo switch which surprised and infuriated Al Smith. (Why Al should have expected McAdoo, whom he had ruined in 1924, to do him a favor in 1932 can only be explained on pathological grounds.) Thus nobody knows whether Roper was put in the Cabinet in recognition of his own services or in repayment to McAdoo. Probably it was both. At any rate, the appointment was a surprise, and it gave Al and his Catholic friends a sharp pain in the Wigwam.

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It was a smart move, however, for Roper was an old hand who had kept in touch with the government during twelve years of Republican rule. He knew its internal workings better than anybody else whom Roosevelt could select. During the winter of 1933 he worked with Swagar Sherley and Lewis W. Douglas on plans for economy and reorganization of the governmental structure. Not a business man nor yet a potential Presidential candidate bent on exaggerating the importance of his Commerce Department, Roper cheerfully proceeded to make mince-meat of Hoover's succulent assemblage of dutiful statisticians and soothers for the flatulent business man.

Meanwhile, like a good politician, he reached out for power. Roosevelt gave him the toughest assignments in Congressional fixing: the railroad problem, the communications problem, and such. When the N.R.A. came along, Roper tried to run General Johnson via a Cabinet Committee. But Johnson wasn't having any. After a few weeks, Roosevelt disbanded the Cabinet Committee, leaving Roper still with the power to appoint the Industrial Advisory Board, which he used effectively. He also organized his own Industrial Council of distinguished business men.

It is impossible to tell whether Roper is a conservative or a liberal. Coming from the South, he has neolithic tendencies; being a wise politician, he sees the writing on the wall. He considers himself a liberal but it is the obsolete Wilson-McAdoo type of liberalism which gave itself an "out" by endorsing the League of Nations while jailing all strikers as "communists." He has had no difficulty in cheering big business men, in making them think they are safe in the vicinity of the New Deal. When Johnson was "cracking down," Roper consoled them. Likewise he has solaced Congressmen and assured them of the Administration's great

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respect for their prerogatives. He knows when Roosevelt is going too far and when he is safe. He is Roosevelt's great soother and fixer, the man who applies the witch-hazel and court-plaster after the tough guys have done their strong-arm stuff.

However, one cannot be too sure that Roper is conservative. In December, 1933, a rather more positive note of liberalism began to creep into his speeches. He made a radio broadcast which, if Tugwell had delivered it, would have had the Tory press howling to high heaven against the "socialists" in Washington. Roper called the New Deal "our bloodless economic and social revolution"; he explained why economic balance could no longer be maintained "by natural forces alone," and told why the government had to take measures to assure that "the masses of our people share more equitably in the economic gains and income of this country." This is pretty strong stuff for a South Carolinian.

Perhaps it is only evidence of his instinct not to be caught out on a limb, since he is, like Farley, for everything Roosevelt wants.

Roper did not let Farley make a Cummings out of him. He was too smart a politician to load up his Department with political hacks. He has some purely political appointees, of course, but before giving a key position to any man, he took a long look at that man's brains. He is not afraid of college professors. As Assistant Secretary of Commerce he picked John Dickinson, Professor of Law at the University of Pennsylvania, a liberal who is an economist as well as a lawyer, and when he wanted a new man to be head of the Bureau of Foreign and Domestic Commerce (Hoover's ballyhoo outfit), he consulted the members of the Roosevelt Brain Trust and picked Willard Thorp, aged thirty-four, Professor of Economics at Amherst, one of the country's

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brilliant younger economists and author of such books as "The Integration of Industrial Operation" and "Economic Changes."

Roper's Department of Commerce maintains a nice balance between political appointees and men who are picked for their brains. Dickinson and Thorp—one or the other—sits on almost every one of the various inter-departmental committees formed to draft programs for the varying phases of the New Deal. Roper is more than a politician. Like Morgenthau, he is a good administrator, who knows that an Administration does not stand or fall by the number of jobs it hands out to the politically deserving.

Unlike Farley, who is inclined to think that a Senator or Congressman ought to jump if he gets a nice-worded order from James A. Farley, Roper knows that men need endless personal management. Farley subconsciously follows the methods of the great municipal political machines, patterned on Big Business, where orders are taken and promptly executed in return for patronage dispensed or favors conferred. Roper avoids this Hibernian psychology and depends on the Anglo-Saxon method of persuasion and fair dealing. He built up a big machine of his own in the Bureau of Internal Revenue, but his experience has been with the individualistic, prima-donnaish Democrats of the Anglo-Saxon South and West, not with the disciplined gang of city "floaters" and ballot-box stuffing ward-heelers. The focus of Roper's politics has been the country grocery and not the corner saloon. He could drop out of action when Al was nominated in 1928 rather than go down the line for a man whose political principles he detested and he realizes that other men are equally likely to sulk or balk, so he does not expect them to take orders. They must be consulted, cajoled, treated with

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the utmost deference, while they are being made to do what the Administration wants them to do.

7

While this strong-arm squad is variegated both in its talents and in the geographical scope for those talents, they have one thing in common. Roosevelt picked them and without Roosevelt the gang would disintegrate and the Black Chamber would be dissolved. This is essential. They perform for Roosevelt the same functions that "the Ohio Gang" performed for Harding, but there the similarity ends. The Ohio Gang *was* a gang which existed before Harding became President; in fact, Warren Gamaliel was a protégé of the leader of the gang and the gang picked Harding. The Roosevelt Black Chamber had no corporate existence before the New Deal. All the strings are in Roosevelt's hands. Roosevelt pulls them, not they Roosevelt.

IX

SOPS TO CERBERUS

I

EVERY new Administration comes to power with a lot of debts which have to be paid before it can buckle down to serious work. In Harding's case, the oil companies, which had engineered his nomination at Chicago in 1920 and had lubricated the skids under T. Woodrow Wilson, had to be placated by the gift of the naval oil reserves.

In Roosevelt's case, the debts were those of the Democratic Party which, over a period of a generation without power, had assembled an unusual collection of interesting curios who were entitled to be termed its Elder Statesmen only because of their grey hairs and who were, by all the laws of politics, entitled to "recognition"—in that elusive political phrase. If only to facilitate the management of the Democrats in Congress it was necessary for Roosevelt to include in his Administration the grand old boys of the Party.

Debts have to be paid. The man who swung the deciding ballot to Roosevelt at Chicago *had* to receive his reward. The man who had braved the wrath of Wall Street to "betray" his class and support F.D.R. *had* to be drafted when Wall Street itself collapsed and could only recommend that the government lend money to the bankers as the price of financial salvation. The solid statesmen of the Solid South *had* to be encysted in the New Deal, somehow, if the South

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was not to make common cause with the neanderthal psychology of lower Manhattan. The Democrats of the Far West *had* to be included in the Roosevelt set-up, if the Progressive Republicans of the same region were to be forced into the Democratic camp.

It was a heavy price to pay, but Roosevelt paid it ungrudgingly. He thereby gave prominent (though empty) places to five men, whose average age was sixty-five and who were as out of place in the New Deal as a dead mouse in a mince pie. That is the explanation of the presence in the Roosevelt Administration of that imaginary point in the center of the Democratic Party, John Nance Garner; that engaging fiddler and coin-collector, William H. Woodin; that one-speech man from Tennessee, Cordell Hull; that Virginian gentleman, Claude A. Swanson; and "dear old George" Dern of Utah.

The Vice-Presidency, the Secretaryships of the Treasury, State, Navy and War are sizable sops to the Cerberus of political expediency. Previous administrations have stood or fallen on appointments such as these but, in the Roosevelt set-up, they have about as much relation to the workings of the New Deal as the three fiddlers did to Old King Cole. They provide Roosevelt with a lot of innocent merriment and the country with good, clean fun, and, as yet, the nation has taken no harm thereby.

However, it is a daring and dangerous thing that Roosevelt has done, to give the key positions of the Cabinet to men who, whatever their loyalty to F.D.R. personally, have absolutely no sympathy with or allegiance to the policies which he has initiated. If Jack Garner had his way, we would go back to the Harding era, with a Democratic twist. If Woodin—well, Woodin has been moved on to make room for Morgenthau. If Hull had supreme control of our foreign

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policy, the United States would again be an international Christmas tree. Swanson would obey the orders of any Democratic President, but he would infinitely rather that those orders had the familiar Wall Street tang than this new brainy jargon about collectivism and consumer goods. Dern understands that jargon but if any attempt were made to destroy the New Deal the conspiracy would succeed before Dern realized that anything had happened. In this sense, the sops to Cerberus are also swords of Damocles, a menacing reminder of what might fall upon the country, if ever that precious single strand should snap. It is a gamble with destiny for Roosevelt to have made his legatees the very men least likely to deal justly with the true heirs of the Roosevelt Revolution.

2

Garner is living proof of the political axiom that you can travel a long way if only you stand still long enough.

His career is based upon the obituary column and the power of inertia. He got into Congress by creating his own Congressional District down on the Rio Grande, through shrewd trading in the Texas Legislature. Once he hit Congress, which was in 1903, he kept his mouth shut and his eyes on the pork barrel and thereby stayed in Washington thirty years, which was long enough to put him in the Vice-Presidency. Men died, were defeated for reelection, rose to the heights and fell from them, but Garner came from a district where the Democratic nomination was equivalent to election and where Garner was the Democratic Party. He hung onto his district and his seat, and, by the law of seniority and the principle of the survival of the survivors, he eventually became an important man.

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He has been called the Charley Curtis of the Democratic Party. Politically, he was not even its Warren Gamaliel Harding. He did not have to shake hands, make speeches, kiss babies or engage in Democratic Party struggles in his own state. After two or three campaigns, he hardly ever made a speech in his District and he avoided sending franked material to his constituents through the mail, possibly because they were largely Mexicans who didn't bother with reading, his District being large in acreage but small in population. Moreover, it was so far away that few of his constituents ever came to Washington, a fact which lightened his political load still further.

As a matter of fact, his position in Texas politics was nothing to brag about. There, the main interest centers in the Governorship and Congress was—and is—a side issue. Garner was born in Red River, Texas, on November 22, 1869 (some say 1868) and in his "Who's Who" biography he covers his early life in the phrase "had limited sch. advantages." However, he read law and was admitted to the Texas Bar in 1890 and five years later married Ettie Rheiner. He moved to Uvalde, in the Rio Grande country, and has lived there ever since. From 1898 to 1902, he was a member of the Texas House of Representatives, until his election to Congress, and he served as delegate to the Democratic National Conventions of 1900, 1904 and 1916. His absence from the others may be taken as proof of the small part he played in Democratic State politics. He had a better racket.

Considering these facts, Garner was remarkably attentive to his business in Congress, where he rose through the committee ranks until he was ranking Democratic member of the House Ways and Means Committee at the time when Mellon wanted to apply the "filter" theory of prosperity

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by easing the tax-burden of the millionaires. This was the first time that Garner succeeded in getting national attention. He became for a period the darling of the liberals by his championship of the small income class. More significant is the fact that he is reputed, on that occasion, to have rewritten the tax bill in twenty-four hours—no mean technical accomplishment and one which argues remarkable intimacy with the subject. Four years later, Garner came into his own, when Finis J. Garrett of Tennessee, the Democratic floor leader in the House, ran for the Senate. Garrett was licked—"Finis" Garrett—but Garner became leader of his Party in the House and in 1931, by grace of the mortality statistics and a closely-divided Congress, was elected Speaker of the House.

This was probably the pinnacle of Garner's ambition and not until the siren voice of Hearst whispered the magical words—"Garner for President"—did he fix his beady eyes on the White House. They are still fixed on the fair Palladian building which stands at 1600 Pennsylvania Avenue, for death has always been an excellent campaigner for "Cactus Jack."

The propaganda machines of politics have, accordingly, portrayed this eminently practical political mortician in many different roles. From a nonentity he was suddenly headlined as a "Texas Coolidge" and then was given a dashing Western touch, a sort of sombrero of a nickname, as "Cactus Jack." First he was hailed as the strong man of the Democratic Party—a Lincolnian leader, shrewd, pithy and humorous, who was dragooning the notoriously unruly hordes of Congressional Democrats, who were well known to be likely to go crazy—from the banker's point of view—at any time. Almost immediately thereafter he became a poor, weak fellow; after which he was propped up in a show-window and labeled

“Wild-Eyed Radical, Western Type.” When this phase had passed he was dismissed as “just a politician” until the bankers, dissatisfied with Roosevelt’s successful moves to achieve government control of the nation’s credit system, began to sigh ardently for “a Garner in the White House.”

A hard-hearted examination of Garner’s record reveals exactly how efficiently Big Business did our labelling and thinking for us prior to the inauguration of Mr. Roosevelt and perhaps since. When Garner was making corned beef hash of the Mellon tax plan he was a rather dangerous radical who was not a national menace only because he left plenty for the big boys and because they made so much in the next five years that they forgot that Garner had ever taken their check-books for a ride.

The greatest calamity which ever befell Garner was when William Randolph Hearst set out to make him a really great man. The endorsement of Hearst has been the kiss of death for so many national politicians that one wonders how so shrewd a politician as Garner ever submitted to the embraces of this political anaconda. One also wonders why the American people have permitted Hearst to retain for so many years his unique powers for making trouble. Hearst wanted to create a President in 1932 and he picked Garner as his man. That is the ostensible story, but the plot becomes clearer when we recall that Hearst also wanted the sales tax (which would relieve Hearst’s millions of income tax) and that he couldn’t get it without Garner’s help in the House of Representatives in 1931-32. At any rate, Hearst ballyhooed Garner for all get-out and Wall Street—which Hearst later helped to unsaddle at the Democratic National Convention in Chicago—fell for Hearst’s story, Wall Street also believing in the sales tax. While Garner was the white hope of the sales taxers, he was the “Texas Coolidge,” a great

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homespun American, a sound man, a popular leader, and he was applauded as such by Hearst and Wall Street and was even given a condescending pat on the back by Barney Baruch and John Raskob.

Garner knew that applause from such quarters was applesauce for the masses but it sounded sweet after thirty years of deafening silence and he let the Presidential bee raise a bump on his political equipoise. He knew that the sales tax was bad politics—although he never wondered whether it was not also bad economics—and when the backwash struck him he let it knock him over, for he knew that the insurgents who beat him on the sales tax were right and that complete, abject surrender was the only sound political course. That was when he became a weak fellow in the eyes of Wall Street. Luckily for Jack, Hearst had already committed himself and had to stand by the little poker-player from Uvalde.

Wall Street had made no investment in Garner Preferred and so lost no time in turning the "Texas Coolidge" into a combination of a Texas John F. Curry and a Texas Bob LaFollette. Garner struck back. In the spring of 1932, he fought for direct loans to industry by the Reconstruction Finance Corporation (which was then busily lending to bankers) and he tried to put across his great "pork barrel" public works program—which proposed to give a new Post Office or harbor or something to almost every small Democratic town in the country. Hoover, Ogden Mills and Wall Street hung out the For Rent sign on the welkin, at this wild radicalism from the Mexican border, and beat Garner on both counts.

Garner ignored them and prepared for the Chicago Convention by coming out for repeal of the Eighteenth Amendment, thus making himself "available" to accept the nomi-

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nation or to run on the same ticket with almost anybody. He did not trouble to attend the convention, where Hearst had put McAdoo in charge of the Garner-for-President movement, but stayed in his apartment in Washington, with his wife and secretary, going to bed early and arising early, just as Ben Franklin recommends. He had the California and Texas delegations pledged to him—a total of 90 votes—and, as a skilled poker-player and political trader, he knew that these ninety votes were worth a lot in the divided condition of the convention. When the time came, he did what Hearst and McAdoo thought best, switched to Roosevelt and he got what he wanted.

As Vice-Presidential candidate of the Democratic Party, on his return to Texas he made a few remarks which startled the Eastern Conservatives who were still trying to cover their heads with the Constitution and pretend that there were no bears under the bed. The New York "Times" and other money-minded "journals of opinion" rebuked Mr. Garner severely and the Republicans, who still believed in fairies, decided that they could defeat Mr. Roosevelt by quoting Mr. Garner. They were sure that if Garner talked he would "frighten business" (which of course was idyllically pleased with the Republican prosperity) into voting for Herbert Hoover. This part of the campaign was conceived by Ogden L. Mills and was the psychological mate of the whispering campaign about Roosevelt's reputed ill health. The scheme was to suggest that Roosevelt would die soon, that Garner would thereby become President, that Garner would make a dangerous President and that therefore it was safest to vote for Hoover and Curtis. Just the "mucker streak" in "the only Party fit to govern" coming to the surface.

And when Garner refused to cooperate in this campaign by performing to the Republican taste, they spread one of

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the persistent myths of the 1932 campaign, that the Democratic campaign managers were conspiring to silence Garner and keep him safely in Uvalde. Nothing could be further from the truth, for Garner gagged himself and absolutely refused to relent. After long efforts, Roosevelt got him to come to Hyde Park to pose for the news-reels and map the campaign, for F.D.R. was determined that Garner should speak, particularly in the East, where the Al Smith allies of Wall Street had dubbed him a "Ku-Kluxer," a double-crosser and practically every other term in the vocabulary of an out-smarted Tammany politician. Roosevelt thought that Garner's direct, homely manners and cracker-barrel humor would win over the Eastern workingmen, as a sort of "Texas Al Smith." He planned to have Garner tour New England while Roosevelt toured the West, after which they were to meet again and exchange notes, and then, while Roosevelt was in the East, Garner would be in the West. It was such a beautiful plan—but, instead, Garner rushed back to Uvalde, stopping in New York long enough to pay a courtesy call on Al, and dropped out of sight.

Roosevelt had to use every conceivable method short of brute force to get Garner to come up to Topeka, Kansas, for Roosevelt's opening of his western swing in September, 1932. Garner uttered three mumbling sentences to the embattled farmers, promised to make two more speeches in Kansas—and then rushed back to Uvalde and was not heard from for several weeks. Using political dynamite to pry him loose, Roosevelt finally got Garner to leave his retreat and come to Albany for another conference. Roosevelt insisted that Garner *had* to make some speeches. Somebody had to reply to Ogden Mills while Roosevelt concentrated on Hoover, and Garner was the man to take Little Oddie out to the woodshed

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and give him a tanning on the Federal finances, which Garner knew like a book.

Garner agreed to make a speech, so Charles S. Hand took him to New York, where he conferred with Louis Howe and Charley Michelson. They got the speech written and engaged a nation-wide radio hookup for the next night only to discover that Garner was trying to slip out of New York on the afternoon train the day before his speech. This time they did use force and Garner was held a virtual prisoner until he had delivered himself into the microphone. It was a good speech and after making it, Garner fled to Uvalde and remained there, the cowering victim of political agoraphobia.

Jack's defense of his bashfulness was so good that it wasn't until after the election that the Democratic campaign committee realized its force. Garner simply said that Roosevelt was going to win anyway, that the vote was going to be against Hoover, and that all that the Democrats had to do was to sit tight and keep their mouths shut, and he urged Roosevelt not to make many speeches. On the other hand, it was observed that Garner played safe by running for Congress, as usual, while also running for the Vice-Presidency, and it is possible that he feared the "last minute" swing of the "silent vote," which had won lost elections for the Republicans before. Behind either argument, each of which had a great deal of merit, was probably plain stage-fright. Garner knew how to speak to his fellow-politicians on the floor of the House, but he was out of his depth in a revolution and he had not made any campaign speeches for years.

Garner has made two contributions to the New Deal, both of them characteristic. Despite Senatorial resentment at his intrusion from the lower House, he has made an alert and efficient presiding officer for the Senate, where he has over-

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looked very few parliamentary tricks in speeding the New Deal legislation to the final votes. His second contribution is to be for the Cabinet what Marvin McIntyre is for the White House, a sounding board. Whenever Roosevelt feels inclined to cross his fingers or touch wood, he calls on Garner, who has a good deal of common sense and who refuses to get excited about anything. For example, when the Messianic fringe in the Administration became worked up over the Hitler revolution and the resulting persecution of the German Jews at the beginning of the Roosevelt Administration, Garner—perhaps remembering the effect of fifty years of Northern moral indignation with the Southern treatment of the negroes—tartly reminded his colleagues that the internal policies of Germany were none of the business of the American government and hopefully suggested that the hotter the Nazi excesses, the sooner they would burn out.

At the end of the Special Session of Congress, Garner retired to Uvalde, where he spent the summer and autumn, fishing and hunting. Now and then the President called him on the long distance telephone, for a trusty friend and critic who is so indifferent to the great Roosevelt experiment that he can hunt and fish during its most critical moments can be used to advantage. His perspective and cool head are worth a lot, for they tell Roosevelt what the average man is thinking.

When the Cuban situation looked most threatening, just after the fall of the de Céspedes government, and it seemed as though mob rule might take control of the island, Roosevelt called Garner on the telephone and informed him of the latest reports from Cuba and of his fear lest we should have to restore order by military intervention.

“What do you think we ought to do, Jack?” the President inquired.

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"I'd keep out of Cuba if I could," replied Garner.

"But suppose an American citizen is shot?" Roosevelt countered.

"I think I'd wait and see which American it is," said Garner.

In this manner, Garner serves as the New Deal's best pal and severest critic. He has never concealed the fact that each of the Roosevelt experiments has flabbergasted him with its audacity and ingenuity, and he admits that he didn't think any of them would work but that they are working and don't alarm him in the slightest. The plain fact is that the New Deal is uncongenial to him, in that it is couched in a language which he does not understand and deals with ideas which have never entered his head. His is the mind of a small-town big shot, who has made a career of politics much as another man might have made a career of law or medicine.

The idea that politics might make a career of him, that he is in touch with forces greater than individual human management, has never occurred to him. It is amusing to recall that Big Business thought of him as radical at one period. He is, instead, the epitome of the Western middle class: a big farmer, a banker, and a business man, the individual entrepreneur who has made a conspicuous success under the old rules of the old game. He is against Big Business, but only because it interferes with small business, and if the New Deal should ever fall into his hands, God save the New Deal and Heaven help the country.

3

A wraith who slipped into the Treasury on March 4, 1933, and slipped out again, broken in health, a few months later, with a violin in his bed-room, a smile on his lips and

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a song in his heart, Wee Willie Woodin—the Hon. William H. Woodin, Secretary of the Treasury, to be precise—was the most surprising and ingratiating of the President's appointments. He entered the Treasury when the bankers had wrecked the nation's financial system. He solved the crisis, by the comparatively simple device of printing money and allowing the banks to issue it against their sound assets. Then he left Washington, to recover his health and play his fiddle. There never was such a man as Woodin. He was invented by Sir James M. Barrie and set to music by Ethelbert Nevin, and he made history.

The prize-fighting physique of Franklin D. Roosevelt and the wisp-like figure of Woodin bore the brunt of the gravest financial crisis in the nation's history. Woodin is a martyr to the New Deal. The strain of the crisis broke his health, though it did not ruffle his temper or dim his bubbling and whimsical high spirits. Our history contains few figures more paradoxical than this Pennsylvania industrialist—and Pennsylvania is the back-log of America's hard-boiled capitalism—blithely smashing the deathgrip of Wall Street on the nation's ruined banking structure.

Woodin's father owned a foundry at Berwick, Pennsylvania, where Woodin was born sixty-six years ago. He graduated from the Columbia School of Mines in 1890, and returned to Berwick, where he went to work cleaning castings at 90 cents a day and became an expert foundryman. Then the elfin streak in his character cropped up, sending him off to Europe to study music, but he came back and went to work again, becoming a highly successful business man who spent much of his money and time collecting coins and works of art, and in musical composition. A mild-mannered, thoroughly delightful, really civilized man, with a flair for business, which is also among the fine arts.

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He was first general superintendent of his father's company in 1892 and rose gradually, becoming its President in 1899, when it was merged into the American Car & Foundry Co. Of this concern, Woodin was successively district manager, assistant to the first vice president, assistant to the president and, in 1916, president of the company at the age of forty-eight. In 1932, his directorships included the Brill Corporation, Railway Spring Company, Remington Arms Company, Montreal Locomotive Works, American Locomotive Company, The Cuba Company, Cuba Railway Co., and American Ship and Commerce Corporation. He was a captain of industry, and, as became his background, a Republican, a staunch Union League Club member of Philadelphia and New York.

The story of his seduction by Roosevelt is a refutation of the economic interpretation of politics. In 1922, as Fuel Administrator for New York, Woodin got to know Al Smith. Woodin liked Al and did not like National Prohibition, so when Al ran for the Presidency in 1928, Woodin openly supported him. The Smith crowd considered the winning of this big Union Leaguer as quite an accomplishment but it did not bring about the split in the ranks of Big Business Smith had hope for, any more than did Smith's friendship with John Raskob, that other Union Leaguer. Big Business knew its onions and it plumped for Hoover so heavily that it could afford to be tolerant of such minor defections.

During the 1928 campaign and the year which followed, Woodin became very friendly with Roosevelt, whom Raskob, Lehman and other wealthy Smith supporters had promised to help raise money for the Warm Springs Foundation, as partial compensation for "drafting" F.D.R. for the Governorship. Woodin agreed to assist them and developed a warm personal interest in Warm Springs, accept-

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ing Roosevelt's invitation to become a Trustee of the Foundation.

In the pre-convention campaign of 1932, Woodin, still a nominal Republican but by this time a warm friend of Roosevelt, was the only Big Business man who openly backed F.D.R. for the nomination, being one of the \$10,000 contributors to the pre-convention campaign fund. After the nomination, he burned his conservative bridges behind him, giving \$25,000 more and openly joining the revolutionary movement. In the spring of 1932, when Al, who by this time was controlled body and soul by the Big Business group which had financed him, was declaiming against Roosevelt's "demagoguery" in remembering the forgotten man and when Wall Street was branding Roosevelt as "a traitor to his class," Woodin issued a statement saying that he saw nothing dangerous in Roosevelt and had full confidence in his ability to restore prosperity.

To-day Woodin only smiles when asked what kind of treatment the Wall Street gang gave him for this treason, but there is good reason to believe that he and his business were subjected to tremendous pressure, as his bankers were J. P. Morgan & Co. Wall Street practically sent him to Coventry but that did not worry him as, thanks to conservative management, his business was in relatively good shape.

Such a record put Woodin in line for a job in the Cabinet or an Ambassadorship, and he was mentioned for Secretary of Commerce, but no one—least of all himself—dreamed that he would be Secretary of the Treasury. Roosevelt was prepared to soothe the conservatives by putting Carter Glass in that critical post, but when Glass turned down the portfolio on grounds which can best be judged by his Maker, Roosevelt immediately drafted Bill Woodin. Until that moment, Woodin's preparations for inauguration had consisted

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of composing "The Franklin Delano Roosevelt March." His music was soon to become famous, it was so natural and unpretentious a feature of this weird little man. His works, including "The Oriental Suite" and "The Covered Wagon Suite," had been well received in musical circles and his nursery songs were popular with children.

During the banking crisis, a political wag dug out a Woodin verse:

"Oh, hear the happy bluebirds singing in the rain.
They're singing to the rainbow shining there again.
So let us be like bluebirds happy all day long,
Forgetting all our troubles in a sunny song."

Further irony was found in the fact that he once wrote a book on numismatics which began, "Coins are the metallic footprints of nations." His first official job was to gather up all the gold footprints in the United States. Formerly he had collected rare gold coins, now he collected them all.

Such coincidences delighted rather than embarrassed him. He punned his way through the great banking crisis, "I'm more concerned with Federal Reserve notes than with musical notes." When the banking act was drafted, he said, "Yes, the bill is finished. Both Bills are finished." Mild stuff but infectious, and not the least effective note of sanity amid that wild bellowing of wounded giants, when the bank depositors of the United States voted with their check-books against further confidence in the past financial management of the United States.

Woodin knew banks and bankers and had been a director of the Federal Reserve Bank of New York, but he had the industrialist's point of view, that finance is not sacred but only a way of getting things done. For twelve years, the big bankers had had their own men running the Treasury and,

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even on the verge of Inauguration, they still believed that Roosevelt could be persuaded to lend them government funds indefinitely, and received a rude shock when they discovered that they were going to be called to book.

Woodin was essentially a man of one crisis. The policy of currency manipulation or management, the plans for a commodity dollar and the gold purchase policy were outside of his orbit. He was the great simplifier of the nation's financial crisis. He and Roosevelt saw clearly the two things which were needed: first, government control of the bankers rather than banking control of the government, and second, more money to meet the demand of depositors. The first was achieved by the coup d'état of the banking holiday and the gold policy, the second by the printing press (strangely enough the bankers made no objection to this type of inflation when it was a matter of their own solvency). Woodin saw what was needed, did his job and then wandered off with his fiddle, like a troubadour of financial folklore. He had helped do the two things which made possible the financial revolution, probably because he did not regard them as revolutionary but simply as the common-sense needs of the moment. No wonder Roosevelt likes him.

4

All of the most creditable liabilities of the Democratic Party are summed up in the person of its Old Man of the Mountains of Tennessee: the Hon. Cordell Hull, Secretary of State for the New Deal. A low tariff enthusiast in an era of high tariffs, a League of Nations advocate in an era of exaggerated nationalism, a Jacksonian States Rights man in an age of Federal aggrandizement, and a convinced dry in a

wet country, Hull's moral predicament has been not the least amusing and tragic feature of the Roosevelt Revolution.

For Roosevelt has been mischievously merciless towards Hull; who entered office, sandwiched between Roosevelt and Ray Moley, and after a brief inter-regnum, is now sandwiched between the White House and the ferocious George Peek.

Hull is a man with one idea, who came to power too late for that idea to become effective. He believes in Adam Smith and an old-fashioned tariff for revenue. In an Administration crawling with mortar-boards and Phi Beta Kappa keys, he is the most academic and doctrinaire of all, and he is the Administration's most fervent idealist, but *his* is an ideal born of Southern sectionalism thirty or forty years ago and has not changed to match the Democratic Party's opportunity for national idealism.

He comes by his ideals honestly—they're in the blood. He was born sixty-two years ago in Overton (now Pickett) County, a hotbed of feudists and, in his battle with Moley, Hull was to reveal that beneath his suave façade burn the hot blooded craftiness and unforgiving resentment of the real Tennessee feud killer. His parents were moderately wealthy farmers and lumber people and as a boy Hull rafted logs down the Cumberland River. Of course, he became a lawyer (that quaint profession which has been the gateway to American politics and the cause of their pettifogging unreality for the last fifty years), getting a law degree from Cumberland University. Young Hull served two terms in the lower house of the Tennessee Legislature and was commissioned as captain of the 4th Tennessee Volunteer Infantry in the Spanish-American war, soon after which he was elected judge of the fifth judicial circuit of Tennessee. (His friends still call him "Judge" and he prefers that designation to any

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other.) He resigned from the bench to run for Congress in 1906, where he served until knocked out by the horrible Harding landslide of 1920, which was destined to demonstrate conclusively the fallacy of entrusting American government to the attorneys for the nation's business interests.

Hull's specialty in Congress was taxation. He wrote the first Federal Income Tax Law in 1913, the revised income tax law of 1916 and the first Federal Inheritance Tax Law in the same year. Coming from a region which had few incomes or inheritances liable to taxation under the measure which he drafted, he was regarded as both able and impartial and was hence available for distinguished party service, acting as Chairman of the Democratic National Committee from 1921 to 1924, the blackest period of Democratic eclipse. In many ways he was the best Chairman the Party had had in many years, because he conscientiously kept in touch with the rank and file of the Party workers. He muscled his way back to the House in 1922, where he remained until 1930, when he moved on to the Senate, a move which cost him his seniority but put him in line for national office.

He had been Tennessee's "favorite son" in the 1928 Al Smith convention and he could have been her "favorite son" again in 1932, if he had not previously picked Roosevelt as the Party's strongest candidate. He was one of that triumvirate of wise old men—Louis Howe, Colonel House and Cordell Hull—whom Roosevelt consulted every few days in the pre-convention campaign. No one knows whether Hull was as tremendously wise as Howe thought he was. An incorruptible dry, he was convinced that full-blooded repeal would wreck the Party and he fought a hopeless battle at Chicago for the Al Smith variety of diluted repeal with a dry enforcement chaser, but Roosevelt swung over to unblended repeal and was wise to do so, for Hull was 100%

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wrong on this issue, as he has been on almost every other phase of the New Deal.

Despite this or—perhaps—because of this, Hull was one of the “wise men” whom Roosevelt wanted in his Cabinet, being the reserve candidate for Secretary of State or Secretary of the Treasury from the beginning. If he hadn’t been needed for one of these posts there was always the Department of Commerce. He was high-minded and sufficiently loyal to the Democratic Party to do anything that the Party leader asked him to do, and he felt no reluctance at leaving the Senate, where he would have had to wait too long to reach important committee positions.

Nevertheless, his appointment to the State Department was distinctly a *pis aller*, a step not in the dark but the painfully familiar light. It indicates the demoralization of the Democrats that, after twelve years absence from power, they had no one with the necessary knowledge to be Secretary of State except the hired men of Wall Street and their allies; and Hull was one of their allies, although he would commit ceremonial *hara-kiri* on the steps of the White House if he believed that to be true. Hull believed that international *laissez-faire* capitalism could and must be revived and that Republican protectionism had ruined the country and the planet and probably the solar system to boot. Probably there is no Morgan partner who believes this fairy-tale more sincerely than does the old man from Tennessee. Hull happens to know a lot about the tariff, world trade and the history of the great commercial nations and he piously maintains that the United States lost a God-given opportunity to become great like England by not reducing the tariff after the World War. He claims that instead of exporting so much capital we should have exported goods and taken others in return.

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Hull has reconstructed the orthodox economic theories of Adam Smith and his vision of America on the belief that international trade is a mutually profitable exchange of surpluses and services. His knowledge of commerce and of the complex world tariff system impressed both Howe and Roosevelt. If Hull had not considered the doctrines of Karl Marx to be as damnable as his State considered those of Charles Darwin, he might have been a great leader, but his self-education was so lopsided that he could only imagine one kind of surplus and only one way of getting rid of it: by shipping it abroad. He could not see a surplus unless there was an international boundary across which to push it. He never dreamed that the textile workers of the South and the shoe workers of New England can buy each other's surpluses, if the purchasing power is placed in their hands, and he also failed to realize that nations cannot swap goods unless there is purchasing power inside each nation to absorb the other's surplus.

A man with a one-track mind, as idealistic, stubborn and dogmatic as Woodrow Wilson, Hull believed that the portfolio of the State Department presented a magnificent opportunity for what is termed "constructive idealism." He knew that the way would be hard but he suffered from a chronic case of that nauseating American dementia which held that the great idealistic leadership of the United States could lead the nations of the world away from the follies of protection and back to the idyllic virtues of primitive industrial capitalism via free trade. He really believed this, just as he believed that the Republican tariff was an evil and sinister force. He had called the Payne-Aldrich tariff of 1910 "a miserable travesty, an ill-designed patchwork, a piece of brazen legislative jobbery" and he had announced that the Hawley-Smoot Act of 1930 was "utterly disastrous to our

trade," adding that "the practice of the half-insane policy of economic isolation during the past ten years is the largest single underlying cause of the present world panic . . . Economic disarmament and military disarmament are patently the two most vital and outstanding factors in business recovery." These "fighting words" did not account for the simultaneous appearance of identical exportable surpluses in the world's principal markets—that fact of financial unpreparedness for physical plenty, which created the panic. A glance at the advance of technology, of hydro-electric power and of industrial chemistry would have told him there was something wrong with his equation, but down in Tennessee the Bible and Adam Smith are construed on a "read 'em and weep" basis.

Despite his hell-fire economic Fundamentalism, Hull is a courteous, gentle and almost shy gentleman, whom no one can accuse of personal ambition. At the Chicago Convention, he willingly stepped aside and let the Chairmanship of the Resolutions Committee go to another because his dryness was a danger to the Roosevelt cause, and after Chicago he dropped out of the campaign. While others swarmed around Roosevelt, bickering and jostling in their rush to give the candidate the value of their advice, Hull waited to be sent for, and he waited a long time. Then he was invited to National Headquarters and, when he found little for him to do there, returned to Tennessee. A preliminary draft of Roosevelt's tariff speech was sent to him and delighted his laissez-faire heart with its proposal of a ten per cent cut all around in international tariff rates, but the speech which Roosevelt delivered at Sioux City was quite different and contained the proposal for reciprocal trade agreements. Still later, Roosevelt reassured both farmers and workers that the tariff would be kept high enough to protect their interests, while the

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speech which Hull had approved appeared only in meaningless fragments.

Moreover, Hull had political fish to fry in Tennessee, where there was a factional fight in which Hull wanted Roosevelt's endorsement for his friends. He wired Roosevelt and received no answer, as the telegram got lost in the confusion at National Headquarters. When Roosevelt started on his southern tour, he wired Hull asking him to join the party. This telegram also was lost and without an invitation the Tennessee mountaineer would not visit the Roosevelt part, so the candidate traversed Tennessee without getting a glimpse of his old friend and pre-convention supporter. And when Roosevelt was contacted by Senator McKellar and gave the endorsement at Knoxville that Hull had requested, Hull failed to see the newspaper reports and didn't know that Roosevelt had helped him until after the election.

This characteristic comedy of errors was prophetic of that diplomatic bedroom farce known as the London Conference of 1933.

Between election and inauguration, Roosevelt frequently consulted Hull and turned to him for Secretary of State when the western Democrats and Progressives had made it clear the banker's pet, Mr. Owen D. Young, was just so much spinach as far as the plain people were concerned. Probably no man suffered greater mental anguish than did Cordell Hull, as the Modernist heresies of the New Deal were unfolded before him. He consoled himself with the thought that it was all temporary, that it would never work in the long run, and that eventually the great evangelical mission of saving the world would be preached according to the economic gospel of Hull, in which he was convinced that Roosevelt also believed.

At first, Roosevelt himself didn't recognize any basic con-

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flict between Hull and the New Deal and he still plays with the low tariff idea, but he was enough of a realist to recognize the fact that economic nationalism had the world in its grip and that every nation was moving farther toward self-sufficiency. At the London Conference, the economic nationalism of the New Deal torpedoed the Hull thesis, almost without Roosevelt's will or knowledge, when it came to the issue of submitting even so small a sector of economic life as international finance to international agreement.

Throughout the spring of 1933, Hull complained to his friends that Roosevelt never consulted him, while Ray Moley—nominally Hull's subordinate—was constantly popping in and out of the White House like the bird in a cuckoo clock. If Roosevelt had taken the time to sit down and give Hull a few elementary lessons in what he was trying to do, Hull would have made a more useful Secretary of State instead of getting his wires crossed, but Roosevelt preferred to let Hull make his own blunders. At London, Hull began to see daylight, as he learned things about the foreigner he had never suspected. He also began to reconcile himself to the New Deal, because he saw that it was working and was thereby giving him a little more time in which to convict the world of economic sin.

His final moral victory at London, his success in giving Moley political knock-out drops, and the general back-scratching he got from Roosevelt on his return to America, left the old boy feeling his oats and he began to prepare for the Pan-American Conference at Montevideo as though it were a wedding. It was a sad blow when Roosevelt told him to rule out economic subjects and confine himself to "good-will" and the construction of a north-south highway joining the two Americas. When Hull balked at this, Roosevelt suggested a quiet investigation of South American finances with

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special reference to the defaulted debts and made it look like a great big job which could only be done by a great big man. The main idea probably was to get Hull out of America before Maxim Litvinov arrived, but as a special dispensation he was allowed to stay long enough to meet the Soviet negotiator, though he was ignored in the negotiations and left before they were completed.

This was not because Hull had opposed Russian recognition (he had actually favored it) but because Roosevelt did not want to expose him to the humiliation of seeing this vital bit of diplomacy handled by Bullitt and the President without reference to Hull. In South America, Hull fairly oozed good-will and made a hit by his convincing assurances that the United States was determined to avoid invading the sovereign rights of its southern neighbors. Moreover, Hull favored abolishing the Platt Amendment and doing everything else high-minded and generous to our Latin brethren and customers and producers of exchangeable surpluses.

Hull's gaunt figure and downcast eyes are enough to move one to tears until one remembers the stiletto protruding from Moley's back. At his press conferences, where Hull utters so many words and says so little, he is as touching as a good evangelical preaching calling sinners to repentance. Given the slightest opportunity (or a drink, if he happened to be a drinking man), he will make his speech against economic nationalism. It is a good speech and his only one and he has used it for twenty years. Despite his bad delivery, and his high, rasping voice, it is still impressive, because of its religious ardor.

While Roosevelt is his own Secretary of State, Hull is our grey-haired Prince of Wales, traveling the earth as a human advertisement of American idealism and good-will. This is not bad diplomacy, for Hull is surprisingly astute in negotia-

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tion. He has a way of gradually closing in on his opponent by continual redefinition of his objective and he left the British with great admiration for his skill. Almost everybody is fond of Hull, whose upright character embellishes American public life much as an upright piano embellishes a farmhouse parlor. It is nice to show to company and can always be used to render "Rock of Ages" on Sunday night. It is sad to contemplate so austere an instrument in the midst of the Roosevelt jazz band and it is tragic to see this Tennessee equivalent of Senator Tom Walsh quibbling away the heresies of the New Deal with jesuitical distinctions too subtle for a mind trained in straight-dealing and Fundamentalist rigidity. Hull is not the Hamlet of the New Deal, he is its Banquo whose ghost reminds the New Dealers of the murdered economic principles of traditional Democracy.

5

Secretary Swanson's story, like the man himself, is a short but not a gay one. Like Hull, he comes from a border State, having been born in Swansonville, Pittsylvania County, Virginia, seventy-one years ago. He is largely a self-educated man, having attended school until he was sixteen, taught school for one year and attended the Virginia Polytechnic Institute for one session. This patchwork schooling is a grim reminder of the impoverishment of the South by the Civil War and his presence in the Cabinet to-day is, in part, the South's vengeance for the loss of that war.

"Not having the means to complete his college course" (he notes in his brief biography for the Congressional Directory), he worked as a clerk in a grocery store at Danville, Va., for two years, after which he went to Randolph-Macon college and studied law at the University of Virginia, eventu-

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ally hanging out his shingle in Chatham, where he also entered politics. In 1892 he was elected to Congress, where he served seven terms, resigning his seat when he was elected Governor of Virginia in 1905, returning to Washington in 1910 to fill a vacancy in the United States Senate, where he remained until March 4, 1933.

As such a career suggests, Swanson has never been anything more nor less than a reliable party hack, who made the Navy his specialty in the Senate, where he was war-time Chairman of the Senate Naval Affairs Committee. In this capacity, he came to know Roosevelt and they liked each other from the start. Always a Big Navy enthusiast, Swanson looked on the Navy Yard at Norfolk, Virginia, as the most important part of our sea defense and was always successful in getting money for the Yard, even when Naval appropriations shrank during the post-war period.

He horned in on the New Deal by virtue of the fact that he was the one important Virginia politician who favored Roosevelt in the pre-convention period. Carter Glass, Swanson's Senatorial colleague, was strongly anti-Roosevelt and Governor Harry F. Byrd, always a conservative, had been captured by the Wall Street Democrats as one of the swarm of "favorite sons" who were supposed to split the Roosevelt vote.

Swanson's absence from the country, during the Disarmament Conference at Geneva, made it possible and safe for him to favor Roosevelt without taking an active part against the other Virginian leaders, but before the campaign was over, insiders knew that Claude A. Swanson would be Secretary of the Navy, provided Glass did not become Secretary of the Treasury. The Cabinet was too small to hold such diametrically opposed Virginians, Glass being irritable and

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intractable, a man who seldom compromised, while Swanson was amiable, supple and always willing to go along.

Another reason for his appointment was that Byrd was the real power in Virginia politics, controlling the machinery and nursing huge political ambitions. Having failed to be nominated for the Presidency or the Vice-Presidency, Byrd wanted a job and launched a vigorous under-cover campaign to be made Secretary of Agriculture or special assistant to the President in charge of political affairs. Now Roosevelt shared the general public feeling that two Byrds at the South Pole were preferable to a Byrd in the Cabinet and did not want any self-conscious presidential candidates in his official family, least of all any determined conservatives. Above all, he did not have any confidence in the quality of Byrd's loyalty, who had started out with Roosevelt in the pre-convention campaign and had then deserted at Wall Street's witching suggestion of "Harry F. Byrd for President."

On the other hand, Roosevelt knew that Byrd had ability and should have a place in the government and that if he failed to make the Cabinet would run for the Senate in 1934, Swanson's year for reelection. The chances were that he would have beaten Swanson, who was not at all eager to leave the Senate where, had he remained, he would have been No. 1 man on the Foreign Relations Committee. Swanson thought it would be a much better idea for Roosevelt to put Glass in the Cabinet, allowing Byrd to take the Glass vacancy in the Senate, but when the latter turned down the Treasury, Swanson quickly took the Navy job while the going was good.

It was not the worst of the New Deal appointments, for Roosevelt knew that Swanson would cooperate and that he knows the Navy thoroughly.

Swanson had his triumph when the President allocated

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\$238,000,000 from the Public Works fund to start thirty-two new warships. Roosevelt hit upon that way of obtaining a large naval appropriation but it was Swanson who gave him the idea when, as is conventional with Secretaries of the Navy, he began a campaign to bring the Navy up to treaty strength, a programme which would require the construction of 101 ships before 1935.

He was on the verge of another big moment when the anti-Céspedes revolution occurred in Cuba and he was headed for Havana on the historic "Indianapolis." Starting out from the White House with a truculent air he gave the impression that he was assigned to "straighten out the Cuban mess." Roosevelt thanked God and Marconi that he was able to recall the aged fire-eater to reality, but for three days the whole Administration was worried to death for fear that when Swanson reached Havana, he would insist on going ashore and "taking charge of the situation," which would have been intervention, in theory as in fact, leading to anti-American rioting, the killing of American citizens and the usual song-and-dance about our treaty obligations and the brutal imperialism of the Colossus of the North. Swanson's fellow Cabinetees thought he was yearning to do the Strong-Man Stuff on Cuba and Roosevelt's messages not only commanded Swanson to issue a reassuring statement, which he did, but gave positive orders to the commander of the "Indianapolis" to prevent the Secretary of the Navy from going ashore at Havana.

For, despite his years, Swanson has vigor and determination and at 71 has not yet become an Elder Statesman of the philosophic type, probably because he has never been a statesman in any sense of the word. He is not alarmed by the New Deal, since, unlike his fellow-Virginian Carter Glass, he has no chronic convictions on any major economic matters. He is

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a Party wheelhorse with a passion for the Navy and now that the Navy is building little ships, he is perfectly happy.

Moreover, by putting Swanson in the Cabinet, Roosevelt prevented him from becoming chairman of the Senate Foreign Relations Committee, mercifully reserving that post for Key Pittman of Nevada, formerly number two Democrat on that imposing assemblage. This is no reflection on Swanson who, despite his swashbuckling tendencies, is no sentimentalist and has no use for Wilsonian internationalism, there being not the faintest impulse toward reform within his scrawny frame. It is good to have a few cynics in the Cabinet, especially when foreign relations are on the carpet.

One of our few administrative traditions has been maintained by Swanson, in the selection of another Roosevelt—Col. Henry Latrobe Roosevelt, former marine officer—as Assistant Secretary of the Navy. Swanson took the credit for finding him but one suspects that Mrs. Roosevelt did the picking, with the aid of the Navy higher command, for Henry is the fifth of the Roosevelt clan to hold the office, the others being Theodore Roosevelt, Franklin D., Theodore, Jr., and Theodore Douglas Robinson, son of T.R.'s sister. Chunky and energetic, Henry Latrobe reminds one of the older T.R. in build but he is otherwise undistinguished.

Under Swanson, the Navy is one of the few completely harmonious Departments in the New Deal, being happily free of the conservative-radical cleavage which has hampered other Federal agencies. Swanson knows the Navy personnel from top to bottom and has shifted it around to suit his purposes, Vice-Admiral William Harrison Standley, one of the Navy's most popular men, having succeeded Admiral William V. Pratt as Chief of Naval Operations, after Pratt had lost caste with the high Navy officers by being too loyal to

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the Hoover Administration's belief that paper was stronger than sea-power. The Navy felt that Pratt had failed to make the last-ditch fight for ships and men that the Navy feels is always necessary when a civilian President and Secretary of State begin angling for the pacifist vote at the expense of national defense. Swanson will never permit such a mistake to occur while he is in charge of the Navy Department. Just give him enough ships and give Norfolk Navy Yard enough money and he will be content.

A "statesman" of the 19th Century type who often wore a frock coat and winged collar in the Senate, Swanson is an interesting survival of the leisurely garrulity of pre-machine age politics. He still likes to talk, and occasionally rumors escape the Cabinet Room that a majority of the Cabinet is plotting to muzzle Swanson so that some of the rest of them can be heard. There is no doubt of his loyalty to Roosevelt, or of his innocence of personal political ambitions or economic ideas, or yet of his efficiency in the Navy Department. Doubtless the Norfolk Navy Yard will blossom like the rose during the next eight years but the Navy itself will be strengthened, which will not be a bad thing considering the state of the world. Swanson's first move, after the settling down process had been completed, was to make a tour of our naval stations in the Pacific. On his return, he calmly recommended that we immediately set about building up our fleet to treaty strength. And for the first time, such a statement emanating from such a source was not greeted with the angry howls of the blood-thirsty pacifists of the United States. This, in itself, was no mean achievement. The Navy likes him and he likes the Navy, the Cabinet likes him, Roosevelt likes him. He is amiable but he is also highly efficient. This in a politician is not the least of the paradoxes of the New Deal.

The comic relief of this sexagenarian quintet is supplied by the Secretary of War, George Henry Dern, the man who might have been Vice-President, the silent (but not necessarily strong) member of the Cabinet, Roosevelt's "dear old George" and his acknowledgment of the existence of Democratic voters west of the Mississippi.

As becomes a public monument, Dern is reserved in manner. Occasionally a little item in the middle of a newspaper reminds the public of his existence but the only time he crashed the front page after the Cabinet was announced was when this Unknown Secretary delivered an Armistice Day speech at the tomb of the Unknown Soldier.

Most Washington observers have written Dern down as a total loss—a nice, harmless, pleasant man—but they underestimate him. His mental workings are as slow as the Senate, he is naïve as a bond-salesman, but he is intelligent and he has an instinctive understanding of the American experiment. In Cabinet meetings he usually lines up on the liberal side, sometimes pretty far to the left, and the order is generally Perkins, Wallace and Ickes, with Dern next in line.

He owes his job to the fact that he is a Far Western Democrat and a personal friend of F.D.R.'s. He was no dark horse, having made his own political career in Utah long before Roosevelt ever met him. He was born in Dodge County, Nebraska, in September 1872, later attending Fremont (Nebraska) Normal College for a year and the University of Nebraska for two years. In 1894 he emigrated to Utah, where he became active in the gold-mining and utility game. He was also the joint inventor of an ore-roasting device and

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until 1925 his career was that of a successful mine operator and inventor, at which he made a small fortune.

In 1915, he branched out into politics, entering the Utah State Senate as a Democrat and remaining there until he was nominated and elected governor of the State in 1924, being reelected in 1928.

Here was a Democrat who was twice elected Governor of an ingrained Republican State, one of the only two States which stood by Taft in 1912, that year of Republican obliteration; a Congregationalist who was twice chosen as head of the chief Mormon principality. He was backed by the powerful mining interests and was helped by Republican squabbles, but in 1924, when Coolidge carried Utah by a big majority, Dern received more votes than "Silent Cal." This election produced a typical bit of Dern humor. His Republican candidate was named Mabey. "Dear old George" coined the campaign slogan: "Utah needs a Dern good Governor—and I don't mean Mabey." In 1928, when Herbert Hoover carried Utah by 14,000 votes, Dern carried it by 30,000. There was more to him than wise-cracks.

He was a pretty good executive and as 1932 drew near, the Democrats of the Mountain States began to get behind this proven vote-getter. He could have had the support of several Western delegations at the Chicago Convention if he had not met Roosevelt.

In 1929, the Governors' Conference—that annual meeting of governors which Theodore Roosevelt had instituted while he was in the White House and which had since led an irregular and insignificant career—met in New London, Connecticut. It was Franklin D. Roosevelt's first year as Governor of New York and he saw the political possibilities in these Conferences. He was attracted by Dern's genial wit

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and by their common point of view, that pleasant middle-of-the-road liberalism which looked like hot stuff in 1929.

For Dern was more than a machine politician. He had ideas (always rare in politics) and, although he was little known in the East, was one of the few really big men in the Democratic Party at its low ebb. Better still, he was one of the few Democrats outside of the Solid South who had not been pre-digested by a Wall Street which had already half-absorbed Alfred E. Smith and which numbered John W. Davis, Newton D. Baker, James M. Cox, Owen D. Young, Albert C. Ritchie and most of the other "big Democrats" as captives.

"Dear old George" was easy meat for Roosevelt who was playing presidential politics with the Governors' Conference. With Roosevelt's help, Salt Lake City was chosen for the next meeting of the Conference, thus enabling Roosevelt to get into the Far West in order to make a speech under friendly auspices. At Salt Lake City, the Dern-Roosevelt friendship was renewed and strengthened and Roosevelt delivered his speech on old age pensions and unemployment insurance, which sounded pretty radical to Conservative ears but which had the effect of making Roosevelt the spokesman for Western Progressivism.

So Dern found himself reduced to serving as a Western outpost for Roosevelt and when the time came to round up delegates for Chicago, he subordinated himself to Roosevelt in Utah and other Western States, on a Roosevelt-for-President and Dern-for-Vice-President basis.

It must be recorded that Dern was certainly encouraged to believe that he would be most acceptable as Roosevelt's running-mate and there is no doubt that Roosevelt would have been delighted to have him on the ticket. However, Dern probably thought that he would be preferred to any

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one else, as did several others, including Cordell Hull. If Roosevelt had been free to choose his Vice-President, he might have picked Dern—and then again he mightn't. At any rate, it was a bitter moment for Dern when the Garner deal was put over, and his friends thought he had been double-crossed. However, Dern was too fond of Roosevelt to sulk and Howe probably hinted that he would be rewarded with a Cabinet job, in Howe's inimitable way of suggesting a thing without promising it, sometimes coming so close to a promise that the victim is unable to appreciate the distinction. In this case, there was no deception, as Dern was one of the men F.D.R. wanted in his Cabinet, although he didn't give Dern the portfolio he wanted—the Interior. But when Roosevelt called him on the telephone about a week before Inauguration and offered him the War Department, "dear old George" grabbed it, for by that time he had come to the conclusion that he was "out of the picture" after all.

He is no intellectual storm-center but neither is he a mental vacuum. He writes his own speeches, and they are good ones, and he made a far better speech than Roosevelt at the Governors' Conference in 1932, although at that time Roosevelt's problem was to say as little as possible. Dern boldly advocated a more equitable distribution of the national income and the "farm dollar"—a variation of Roosevelt's commodity dollar. As a representative of a silver mining constituency, he has always paid a high tribute to silver. However, Dern is no silver panacea-monger and has never claimed that remonetization of the white metal would cure the economic heebie-jeebies. He knows what the New Deal is trying to do and he is for it, and to Roosevelt he is always "dear old George."

"Dear old George" is both pleased and extremely thankful to have landed his present job. He is pleased because he

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loves his job and likes going around inspecting Army posts. His thankfulness comes from the narrow squeak he had when the Utah State Banking Department got into trouble during his last year as Governor. He escaped scandal but the State Banking Superintendent had been too easygoing and it looked ugly. Moreover, there was a split in the Utah Democratic Party in which Dern's side lost control, while Utah itself developed strong opposition to his Cabinet appointment. Jim Farley thought this automatically disqualified Dern but Roosevelt didn't care. He knew that Dern would add no political strength to his Administration, but picked him as a loyal friend who would go along quietly with the New Deal, and support him in the Cabinet. Roosevelt also probably prayed that there would be peace in Dern's time.

So "dear old George" bobbed up in Washington, with his wife and four of his five children, charming and good humored, giving a good, honest, friendly tone to an Administration which contains more than its fair share of blue-jawed, iron-gutted men of action and ideas. Dern has few ideas and no taste for action, but he *is* broad-jawed. His jaw is not set in the famed "fighting-face" of the political line-plunger, but is usually relaxed in a broad grin. God knows that there is always plenty in Washington to grin at.

7

Collectively these five elderly men fulfill for Roosevelt one final function, which has no relation to the payment of political debts, the "recognition" of geographical sections, or the sagacity of "elder statesmen." Together, they form a living picture of the ruins of the Democratic Party, old style, and a constant reminder that time is passing and that the President must make haste to create an entirely new

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liberal national party if the New Deal is not going to bog down to routine partisanship and machine politics. They are the death's head at the feast of power and the warning that, sooner or later, the New Deal will be an old story and that the chief problem of American politics is to recruit, train and suitably reward younger and more vigorous leaders than those who have dominated our national politics for the last twenty years.

X

PRIVY COUNCILLORS

I

IF A non-existent American College of Heralds were to devise a Coat of Arms for the New Deal, the crest would necessarily include a Phi Beta Kappa key and a Five-Pointed Star. Notwithstanding the cheap gibes at the "professoriat" and the ugly undercurrent of resentment at the number of Jews in high office under Roosevelt, it is a fact that the secret of the Administration's tenacity, ingenuity and boldness depends to a great extent on four men who have nothing whatsoever to do with the Administration itself, two of whom happen to be Jews and two Professors.

It is difficult to define the pervasive role of this quadrumvirate. They are scene-designers, dramatic "ghosts", assistant stage-managers and prompters for the New Deal show. They move behind the back-drop and attend to off-stage business. They are co-directors with Roosevelt of the production which is being offered under his name. They are the Eminences Grises of the New Deal, they are the charter members of Roosevelt's Privy Council, for the prosecution of his policies. Their loyalty, however, is to his political ideals and not to his political fortunes.

The United States has never enjoyed the benefits of the Privy Council system of government. Every President has his personal advisers and his technical experts, some official and some unofficial, but there has never been a systematic

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effort to conserve for the benefit of the Chief Executive the accumulated experience and dignity of the Elder Statesmen. Hoover fumbled towards the goal, but the height of his imagination was represented by assembling a small mob of business executives under the chairmanship of Owen D. Young whenever he desired to pass the buck. Under Roosevelt, the system is equally unofficial but is a dynamic contribution to the art of American Government.

Roosevelt's political Privy Council is actually built around four men who have no actual responsibility for the formulation or execution of the New Deal policies. Hence they are both disinterested and detached. The four, moreover, are nicely balanced both as to age and temperament and their views are by no means unanimous on any phase of the problems which Roosevelt must settle.

Justice Louis Dembitz Brandeis of the Supreme Court, at seventy-seven, retains that vital spark of social liberalism which is the greatest single Jewish contribution to Western political life. Brandeis, however, is still essentially a "Trust-Buster" of the vintage of 1912 and his solution for our economic and social maladjustments can only be described as based on a pathological horror of size. He would do for the country what his tribunal frequently does for the individual—condemn it to make little ones out of big ones,—applying this purely mechanical and uneconomic process to the corporations rather than the rock-pile. His link with Roosevelt is his judicial endorsement of the right of the State to engage in bold experimentation.

His psychological antithesis is found in that other Privy Councillor, Adolf Augustus Berle, Jr., ex-Brain Trustee and now chamberlain of the City of New York, who at the age of thirty-nine has dominated Roosevelt's handling of the railroad and the banking situation. Berle is a lawyer and Colum-

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bia University lecturer who happens to be an authority on the modern corporation. He has no horror of size *per se* and is willing to concede that the big corporation may eventually displace the political government as the focus of social as well as economic initiative. Accordingly, his concern is to formulate corporation policy along politically and socially sound lines, rather than to destroy it. Young, cocky and with an extremely level head, he is a counterpoise to Brandeis' rather doctrinaire insistence that the small businessman should be preferred to the big corporation as a matter of public policy.

A balance between Brandeis and Berle is possibly best represented in the person of Professor Felix Frankfurter, that brilliant Austrian Jew who directs the Harvard Law School and who dominates the infant industry of legal liberalism. Frankfurter's specialty is supplying the Administration with young liberal lawyers, sufficiently ingenious to justify the New Deal to the Courts and sufficiently radical to sympathize heartily with its purposes. He could have had any one of a dozen offices within Roosevelt's power of appointment but he prefers teaching—and perhaps side-line coaching—and is content to wait his turn for a New Deal appointment to the Supreme Court.

If Frankfurter provides the temperamental balance between Berle and Brandeis, Professor Raymond Moley, Roosevelt's former Assistant Secretary of State and No. 1 Brain Trustee, provides the balance in policy. Moley comes from Ohio, is not a theorist or a lawyer, and has both an intuitive knowledge of Roosevelt's mind and a vigorous sense of nationalism, which offsets both the cosmic but diluted concepts of abstract social justice entertained by Brandeis and Frankfurter and the economic and legal preoccupations of Berle. Despite the success of the conservative

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claque in toppling him from office, Moley retains Roosevelt's confidence and is consulted by the President on major politico-economic moves by the Administration. His Franco-Irish descent and his career in practical criminology give him an insight into the glandular background of politics, where his colleagues on the Privy Council concentrate on the cerebellum. The four of them make a good team and they are playing an unsuspected but tremendously important part in the formulation and application of the New Deal.

2

Louis Dembitz Brandeis is one of the nation's real elder statesmen.

If the country were ruled by an aristocracy of brains, he would be one of the members of the small central board of control. If we lived under a system of constitutional monarchy, he would be one of the King's honored Privy Councillors. As we live in a political democracy, which distrusts both brains and monarchical institutions, all that we can do with Brandeis is to give him a seat on the United States Supreme Court. It is a tribute to his power that, despite his handicaps of race, position, and acute intelligence, he has given force and direction to American liberal politics for the last thirty years.

More than Woodrow Wilson, Theodore Roosevelt, William Jennings Bryan, George W. Norris, the elder Robert M. LaFollette or any other figure in American politics prior to the emergence of Franklin Delano Roosevelt, Brandeis was the prophet of the Forgotten Man and the John the Baptist of the New Deal. His voice has been crying in the wilderness of Big Business for a generation and when Woodrow Wilson, who started out to smash the Money Trust,

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lost his bearings on the broad and flowery path of British war propaganda, Brandeis kept his eye on the ball and continued the fight for social justice. For Brandeis remembered, what Wilson forgot, that justice, charity and reform must begin at home and cannot be achieved by the mere establishment of international agencies at Geneva or anywhere else.

In his eighteen years on the Supreme Court, Brandeis has turned the bench into an intellectual soap-box. The mental gymnastics of the law have never intrigued him but he has followed the state of the nation as though he were the President of the United States and has become a central statistical board and economic planning commission in himself. Brandeis' decisions have followed the breadlines and the bankruptcies rather than the election returns which, thirty years ago, represented the Court's greatest concession to the existence of the nation's social problems.

During an era of fulsome judicial endorsement of the most brazen financial piracy the nation has ever witnessed, Brandeis and Justice Oliver Wendell Holmes stood together as the shining beacons of American liberalism. They both believed in the flexibility of the Constitution, the right and duty of experimentation, and in the superiority of human rights over property rights, but there the similarity ended. Holmes was skeptical, acquiescent, weary. He knew that institutions would change anyhow, with or without the consent of the Supreme Court. For the rest, he preferred to read good literature rather than study economics. Brandeis was eager, energetic, often intolerant of experimentation along lines other than those which he approved. He is a zealous reformer and a profound student of government, business and men. A sojourn of eighteen years far behind the political firing-line has not quenched his lust for battle and he follows Roosevelt's political football game, play by play,

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as though he were the regular quarterback laid up on the side-lines with a bad knee. For the New Deal is "the Big Game"—the game for which he has been training for more than twenty years—and here he is on the side-lines.

His tragedy is that he is now an old man of over seventy-seven years. He is the prisoner of time and his own past. Like so many American Jews who have risen to the top, he was not born in New York City, being a native of Louisville, Kentucky, where he attended the public schools and later the University of Louisville. Then, like many Americans after the Franco-Prussian War, he went to Germany for the higher education, studying two years in Dresden, before returning to get his law degree from Harvard Law School. He began the practice of law in Boston in 1879 and had practised for twenty-one years before he did anything worth recording.

Then he caught the first wave of the great reform movement which was to produce the progressive administrations of Theodore Roosevelt and Woodrow Wilson and, in time, to carry Franklin Roosevelt to all but supreme power over the nation's destinies. Brandeis became the legal guide, philosopher and friend of the progressive movement. He began by working out a scheme for cheaper life insurance through the Massachusetts Savings Banks. He then devised a scheme to allow extra dividends to Massachusetts public utilities which reduced their rates and established the "prudent investment" theory of valuation as a rate basis. He was counsel for Louis R. Glavis, Department of the Interior agent, in the Ballinger-Pinchot investigation which wrecked the Taft Administration and helped split the Republican Party in 1912.

He was counsel for the shippers in the Interstate Commerce Commission investigation of freight rates in 1910-11

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and counsel for the I.C.C. in the second freight rate case in 1913-14. He was counsel for the people in the proceedings which challenged the constitutionality of the Oregon and Illinois women's ten-hour day laws, the Ohio nine-hour law, the California eight-hour law, and the Oregon minimum wage law. He led the fight against the New Haven monopoly of New England's transportation system in 1907-1913 and earned such hatred in Boston business and banking circles as has seldom been visited upon a public man. He preserved for the city of Boston its municipal subway system. He was chairman of the board of arbitration in the New York garment workers' strike of 1910. This career, though brilliant, was not substantially different to that of many other liberal lawyers who espoused the cause of social justice during the first decade of the Twentieth Century. Then he caught hold of Woodrow Wilson's coat tails and was given his first free ride in a life-time of painful battling.

The New Haven fight had given him national advertising but he achieved real national prominence by his little pamphlet entitled "Other People's Money", an analysis of the meaning of the findings of the Pujo "Money Trust" investigation of 1912. "Other People's Money" was prophecy of an inspired Old Testament order and in 1933 another investigation of Wall Street rediscovered that the same practices which Brandeis had exposed were being applied by a new set of financial gangsters. Brandeis served to crystallize intelligent public resentment against the private monopoly of public credit.

Woodrow Wilson saw Brandeis' point but was outmanoeuvred by the bankers in the establishment of the Federal Reserve System and when we entered the war capitulated completely to Wall Street. He even went so far as to pay off a major portion of the British Government's indebted-

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edness to J. P. Morgan & Co. for supplies purchased during the period of our neutrality, and then charged it up against those same war-debts which the Morgan firm is now so suavely desirous to cancel. Wilson failed Brandeis, who had to wait for the second Roosevelt to give liberalism another chance. "Other people's money" was one of the catch phrases of Mr. Roosevelt's campaign for the Presidency and he wigwagged again to Brandeis above the dust of battle, by advocating "bold experimentation" about the time that Brandeis defended "experimentation" in his great dissent in the Oklahoma ice case.

Despite this cajolery, Roosevelt is by no means assured of Brandeis' support when the New Deal legislation comes before the Supreme Court, and one of the great worries of the Administration is whether Brandeis will sustain them. The stern old liberal believes in capitalism maintained by forced competition. He is against bankers only because he thinks they have destroyed capitalism by bringing about industrial combinations for the sole purpose of furnishing commissions to stock-brokers and re-organization fees to the bankers. He does not believe that our great agglomerations of capital represent true industrial efficiency but merely financial buccaneering. He is at heart a Trust-Buster of the vintage of 1912 who would have made the greatest Attorney-General the country has ever had, if he had been appointed to that office in 1913. Wilson wanted to give the job to Brandeis but lost his nerve when he realized how the conservatives would howl for Brandeis' head on a silver charger. As it was, there was uproar enough when Wilson nominated this political John the Baptist to the Supreme Court bench in 1916, without giving the bankers a chance to do a dance of the seven veils with anti-Semitism as the leit-motif.

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Since then Brandeis has been forced to express his social viewpoint through the difficult and slow media of his legal opinions—most of which have been dissents—and through his legal protégés. He is not directly consulted by Roosevelt or anyone else of importance in the Administration but plays his part as Privy Councillor by a sort of “remote control”, through the young Administration lawyers who formerly served as secretaries to himself and his friend Justice Holmes. As graduates of Harvard Law School, these New Deal attorneys reflect Brandeis and Frankfurter in their line of thought. Each year for many years a star man from Harvard Law was assigned to Holmes and Brandeis. Eight of them have been prominent in the Roosevelt Administration. Brandeis’ former secretaries include Dean G. Acheson, whom Roosevelt appointed and removed as Under-Secretary of the Treasury; James M. Landis, Federal Trade Commissioner; William Sutherland, counsel to the Tennessee Valley Authority; and Paul Freund, a lawyer in the Reconstruction Finance Corporation. Holmes’ former secretaries account for Thomas G. Corcoran of the R.F.C., Lloyd Landau and Donald Hiss of the Public Works Administration, and Alger Hiss of the Agricultural Adjustment Administration.

From these men, who maintain their personal and intellectual contacts with Brandeis, one gathers that the gaunt old fighter has been morally sideswiped by the collectivist trend of the New Deal. Brandeis, being fundamentally a moralist, has a rather low opinion of human nature and doesn’t think that men have enough intelligence or integrity to direct a planned economy. He would like to decentralize industry, through the power of taxation. His morality is of the negative “Thou Shalt Not” order which preceded the two positive Christian commandments on which hang all

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the law and the prophets. He feels uneasy in the presence of bigness, whether of business or finance.

His program is to smash Big Business and High Finance and it is little changed from 1912. Roosevelt is gambling that it has probably changed somewhat, for in recent opinions Brandeis has defended the right of legislative bodies to call virtually anything they want a public utility and subject it to government regulation.

Nevertheless, many lawyers in the New Deal fear that Roosevelt's legislative program will receive more drastic criticism from the Great Liberal Louis Brandeis than from some of the hard-shelled conservatives like Butler and McReynolds. The conservatives usually keep their ears a little closer to the ground than do the liberals who have fixed their eyes—not on the stars—but on the particular galaxy that each liberal has discovered for himself. Brandeis may yet live to teach President Roosevelt to put his faith, not in the doctrinaires but in the cynics.

The Roosevelt Administration has not handled him any too wisely. The unceremonious manner in which Acheson was booted from the Treasury was followed by Henry Morgenthau's equally unceremonious ousting of Professor Harold M. Groves, a Wisconsin liberal who had just been engaged as a tax expert for the Treasury. Groves was a close friend of Brandeis and it is rumored that Brandeis' daughter Susan was visiting the Groves when the word of Morgenthau's brusque action reached Madison.

Meanwhile, there is something majestic, ominous, and tragic about this chained statesman of the Supreme Court, who would like to be in the thick of the battle but must hang like Prometheus to his legal Caucasus while sharp-beaked attorneys peck at his convictions.

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3

By a curious paradox, the long-range technique of breaking down the Brandeis antipathy to the New Deal has been applied by another Jew, Professor Felix Frankfurter, or Felix, as he is affectionately known throughout the length and breadth of the New Deal legal batteries.

Franklin D. Roosevelt has been heard to say that the only man in the world who can give him mental indigestion is Frankfurter. He has the acute problems of the world at his finger-tips and can cover more ground in three hours than the average "superior intellect" can cover in a day. He is a tireless talker and an inexhaustible letter-writer. If Brandeis is a prophet, Frankfurter is a trainer of prophets who has made the Harvard Law School a sort of racing stable for liberal lawyers. One of our greatest teachers of youth, he also has the tact and ability to teach governors and Presidents. He has a keen mind and there are few men in America who can talk more enticingly. Unlike that other great Jew, Bernard M. Baruch, who, after making a fortune in speculation, has mastered the text-book maxims of old-line economics and aspires to be known as the perpetual adviser to all Presidents of all Parties at all times and upon all subjects, Frankfurter usually has something to say which is worth hearing.

Unlike Baruch and Brandeis, Felix is a comparatively young man, about six months younger than Roosevelt, and he has the same youthful zest and keen sense of humor which are hard to reconcile with the fulsome fifties. Felix more than any other one person is the legal master-mind of the New Deal, although he is in large part only the transmitter of the apostolic succession of Louis D. Brandeis. Like

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Brandeis, he cannot watch the game without putting his hands on the board.

Unlike Brandeis and Baruch, Frankfurter is not a native of this country. He was born in Vienna and was not brought to the United States until he was twelve years old. He studied at the College of the City of New York and Harvard Law School, graduating from the latter with academic laurels in 1906. He is the city-bred as opposed to the country-bred Jew. He made his legal début as Assistant United States Attorney for the Southern District of New York, retaining office for four years during the administrations of Theodore Roosevelt and William Howard Taft. In 1911, he moved on to Washington, as law officer for the Bureau of Insular Affairs in the War Department, holding over during the first stage of the Wilson Administration until 1914, when he returned to Harvard as Professor of Law. During the war, he came back to Washington again, serving as assistant to the Secretary of War and later as assistant to the Secretary of Labor, as counsel of the President's mediation commission and chairman of the War Labor Policies Board. After the war, he resumed his academic career at Harvard Law School where he has remained ever since.

He fits in beautifully with the Roosevelt technique for fighting Brandeis with fire. Frankfurter knows the government of the United States and its system of justice from within. He has always been friendly to labor and the cause of social justice, but like Roosevelt conceals the true force of his character behind an unquenchable sense of humor and a merry manner. He is another Brandeis who wears plus fours instead of the conventional prophet's robe. His legal writings are compact and illuminating. He is the author of books on cases under the Interstate Commerce Commission, the Oregon Hours of Labor Case, the District of Columbia

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Minimum Wage Cases. He helped Roscoe Pound edit "Criminal Justice in Cleveland" and with James M. Landis (now Federal Trade Commissioner) he wrote "The Business of the Supreme Court" which emphasized the fact that the Court's attention is now virtually monopolized by determining economic rather than legal issues. He was one of the leaders in the heart-rending, skull-cracking legal battle to save Sacco and Vanzetti from the Massachusetts electric chair, and he wrote a book about it.

His intimacy with Roosevelt dates back to the Wilson Administration when Frankfurter's work on the War Labor Policies Board brought him in frequent contact with the Navy. Both being of the type who "keep in touch", they have continued their association ever since, partly because Frankfurter is one of the world's most fecund letter writers. He is assumed to have been largely responsible for Roosevelt's decision, when he first became Governor of New York, to make the simplification and reform of the judicial system one of his chief planks. Actually, little was accomplished along this line, partly because of the opposition of legislators who were themselves lawyers and made their living out of the technicalities and delays of the law.

At any rate, Franklin frequently invited Felix to come to Albany for a general gabble and incidental diagnosis of that ever-interesting patient known as the state of the nation. And Felix urged in letters to his friends and in conversation Roosevelt's nomination for the Presidency, being one of the few liberal intellectuals who saw that Roosevelt was their man. Most of the others dashed off like greyhounds after the mechanical rabbit of the "liberalism" of Newton Baker, Owen Young and Al Smith, which is a sufficient commentary on their liberalism. After the nomination, Frankfurter organized the Progressives-for-Roosevelt movement

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in New England, which succeeded in keeping a few college professors from voting for Norman Thomas, and he drummed up a lot of support for the appointment of Frances Perkins as Secretary of Labor, which Roosevelt welcomed as he had decided to appoint her in any case.

When the pie-counter was set up for the New Deal, Roosevelt wanted him to become Solicitor-General but Frankfurter refused to take that job—or any other. Only a year previous he had refused Governor Ely's offer to appoint him to the Massachusetts Supreme Court, saying that he considered teaching a higher occupation. He also had a lectureship at Oxford for the year 1933-34, which was an additional reason against accepting appointment in the New Deal. Roosevelt would have welcomed him in almost any position up to, and probably including, the Treasury portfolio or the Governorship of the Federal Reserve Board, but Frankfurter was adamant. The most he would do was to accede to Roosevelt's request that he supply the Administration with a hand-picked group of liberal lawyers.

Frankfurter recommended Dean G. Acheson, Brandeis' protégé, for high legal office, preferably the post of Solicitor-General. Subsequently, Lew Douglas, who was an intimate friend of Acheson, proposed him for Under-Secretary of the Treasury. As Frankfurter's endorsement was considered proof of Acheson's liberalism, he got the Treasury job but no one could have been more amazed by this appointment than Frankfurter himself. He had not recommended Acheson as a financial expert or economist, only as a good lawyer.

When Wallace and Tugwell planned their new farm administration, they asked Frankfurter to recommend a Solicitor for the Department of Agriculture. He suggested Jerome N. Frank, a liberal Jewish lawyer of Chicago. Jim

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Farley claimed the job for a deserving Democrat, being entirely oblivious of the fact that the great agricultural experiments of the Roosevelt Administration would require the highest type of legal brains, so Frank was shifted to the post of General Counsel to the Agricultural Adjustment Administration, where he promptly became a tack on the chair of Mr. George N. Peek.

When the first draft of the Securities Bill prepared by Huston Thompson was practically wrecked, Moley sent for Frankfurter to rewrite it. Felix brought down Professor Landis, a younger protégé named Ben Cohen, and borrowed still another of his protégés, Thomas G. Corcoran, from the Reconstruction Finance Corporation. They drafted a law which was so air-tight that the Wall Street corporation lawyers, who were accustomed to driving a span of captains of industry through the United States Constitution whenever the banks desired, couldn't find a loophole in it. Wall Street had to come grovelling and beseech amendments to a law that was modelled on the British Companies Act which had enabled British business to prosper on a high plane of morality. The Wall Street argument was that the Securities Act virtually made it impossible to issue securities. Roosevelt's answer was to appoint Professor Landis to the Federal Trade Commission to administer the act.

When the Tennessee Valley Authority was organized and needed a smart lawyer, Frankfurter produced David Lilienthal, whom he had been farming out in Wisconsin in training for just such a job. Lilienthal knew public utilities and the laws governing them from right to left. For Secretary Ickes, Frankfurter produced Nathan R. Margold; for Miss Perkins, he produced Charles E. Wyzanski, Jr.; and Secretary Hull found waiting for him in the State Depart-

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ment another Frankfurter economic protégé in the shape of Herbert Feis.

Thus there are Frankfurter men established in key posts throughout the Administration. Most of them are young and brilliant heirs to the tradition of Holmes, Brandeis and Cardozo, transmitted through the Harvard Law School under Professor Felix Frankfurter. There is one conspicuous exception. There are none in the Department of Justice. Jim Farley got there first.

Most of the Frankfurter products brought their own rolls and mustard along to Washington, until there are now between seventy-five to a hundred men in the Administration who studied under Frankfurter, although many of them were not specifically recommended by him. Some Departments and emergency organizations won't accept any lawyer who is not on the Frankfurter white list. The fact that so many liberal lawyers are Jews has succeeded in giving an accidentally Semitic cast of countenance to the legal front of the New Deal, which has produced ominous mutterings in the political hinterland and which in part precipitated the quarrel between Peek and Tugwell in the Department of Agriculture, Peek having raised the racial issue by the assertion that visiting farmers and business men from the West and South complained about the Jewish lawyers they had to deal with.

Although the Peek blow-off was insignificant, Frank having been so scrupulous in that regard that only three or four of his staff of a hundred attorneys in the A.A.A. were members of that gifted international race, the fact is that Roosevelt is making use of Jewish brains exactly where and how they should be used. He is using them not because they are Jewish but because they *are* brains. The Jewish contribu-

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tion to the New Deal is, therefore, precisely that specialized intelligence which makes other races fear them when they are treated as a separate community. For Roosevelt has discovered what the English have known since the day of Disraeli, that the Jew is a bad servant and a bad master, but a superb partner in any bold enterprise.

So Frankfurter's part in the New Deal was not confined to the provision of its legal personnel. He was an active though detached member of the Brain Trust until he left to lecture at Oxford and he advised the Administration on its main strategy with regard to the Supreme Court. He urged against allowing any of the revolutionary legislation to come before the Court until Congress had reaffirmed its intent by re-enacting the emergency measures. This strategy would also allow the Grim Reaper to do his stuff on some of the conservative dodos on the bench. So Frankfurter advised the Administration to "go slow" and that was his parting word to almost every one of his lieutenants in each of the experimental wings of the Roosevelt Revolution.

Accordingly, he will continue to be a powerful factor in the New Deal and some day, when Brandeis retires, he will probably be appointed to the Supreme Court. If he were not a Jew and came from the West or South, he would get the first vacancy, but he is committed by race and residence, as well as by social outlook, to succeed Brandeis. In the meantime, he is in no haste. He is happy in his teaching and enjoys pulling wires from behind the scenes. If he ever gets to the Supreme Court he will be even more active than Brandeis in liberal statesmanship. Therein lies the danger, for Felix Frankfurter, like Louis Brandeis, has rigid ideas and believes in little business rather than in collectivism. The capitalistic system is in no danger from him.

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4

The rise and fall of Raymond Moley have been so thoroughly covered in song and story that there is little need to do more than rehearse the main outlines of his meteoric career in public office.

He is forty-six years old, having been born in Berea, Ohio, of French and Irish parentage in 1887. He graduated from a one-horse college in 1906 and in 1908 was elected mayor of the village of Olmstead Falls, Ohio, where he had previously been superintendent of schools. After a couple of years in the West, for reasons of health, he returned to teach school in Cleveland, got his master's degree from Oberlin and moved on to teach at Western Reserve University. In 1919 he resigned to take charge of the Cleveland Foundation and make a study of organized crime and disorganized law enforcement. He rose to prominence as a practical criminologist rather than as a professor, making crime surveys in seven States, before accepting appointment to Columbia University as Associate Professor of Government in 1923, becoming full Professor of Public Law five years later.

In 1928, Moley, who had been retained as an expert by the New York Crime Commission and who was active in Al Smith's campaign, first met Roosevelt at Democratic National Headquarters. Two years later Roosevelt drafted him to plan a model State parole system but it was not until the end of 1931 that F.D.R. formally selected him to supervise the preparation of campaign material. What was later to be publicized as the Brain Trust was built up by Moley in connection with this assignment, which is how Roosevelt came in contact with Tugwell and Berle, who were also Columbia Professors of Economics and of Law, respectively.

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Moley was practical, pugnacious and aggressive in his mode of thought. He soon became invaluable to Roosevelt but was marked down for destruction when he blocked the Morgan move for war-debt cancellation in the winter of 1932-33. Roosevelt thoughtlessly appointed him his Assistant Secretary of State, apparently because the latter's office is only a few yards away from the executive offices of the White House. It was physically convenient but politically impossible. Hull, as Secretary of State, was bound to resent a subordinate who was closer in the President's confidence than he was himself and whose views on foreign policy were at distressing variance with what folks thought about the world back in the desolate valleys of Tennessee.

An explosion was inevitable, what with the Wall Street snipers and a naturally resentful Secretary of State. Moley's quick temper and phenomenal absence of tact simultaneously infuriated the newspaper men, the politicians, his administrative colleagues and the foreign statesmen who barked their shins on his unusual and unexpected nationalism. After the fantastic mess of the London Economic Conference, Hull's mask of gentle resignation slipped and there was satanic glee throughout Washington, the nation and in some foreign capitals, when Moley—with foot-prints on the seat of his trousers—announced that he was resigning to accept the editorship of a new liberal weekly magazine.

The conservative press jubilantly assumed that the noble experiment of applying disinterested intelligence to the problems of government was to be liquidated and that henceforth the old double-play of banker and politician would be resumed discreetly. In this they were mistaken, for Moley is still ace-high at the White House and still an important member of the Privy Council.

A very sturdy and self-respecting nationalism was Moley's

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outstanding contribution to the New Deal, although he strengthened and supported and amplified it in so many ways that it is almost impossible to define his role short of history's final autopsy on the events of this day and age. For example, his responsibility for the inclusion of Tugwell and Berle in the Brain Trust profoundly affected the New Deal from the outset. He brought William C. Bullitt into the State Department, against the protests of both the politicians and the career men, and Bullitt's successful preparation of the matter of Russian recognition may have incalculable consequences should the anticipated Russo-Japanese war break out in the course of the next few months or years. Moley was responsible for turning over the re-drafting of the Securities Bill to Frankfurter and Landis, after a bad start by others.

It is interesting to speculate on what might have happened if the Treasury had been as handy to the Executive Offices as the old State-War-Navy Building. In that case, Moley would have been made Assistant Secretary of the Treasury and probably promoted to Under-Secretary; the Hull-Moley fight would not have developed (nobody could fight with Wee Willie Woodin—it would be like kicking a child in the face); Dean Acheson would not have been brought in and kicked out again; and Wall Street bankers would have had to fight Moley on matters of naked financial policy instead of behind the fog of international glamour.

Moley would have been in his element at the Treasury. He was not responsible for bringing in Professors Warren, Rogers and Pearson, the "dollar doctors" of the new and all but mythical commodity currency, but he would have carried the war right into the enemy's country and done a neat job in isolating the Tories. Even so, those who thought that

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Moley was a dead letter in Washington would have paid good money to know that when Roosevelt decided to make his October radio broadcast, announcing the new gold purchase plan, he sent for Moley to serve as his chief aide in the preparation of that speech and that he sent for him again when he was preparing his message to the 1934 Congress.

Since then Moley has been constantly slipping in and out of the capital, frequently without informing his oldest friends in Washington. He has had a hand in writing several of the President's speeches for, better than anyone else in the world, he knows Roosevelt's style and speaking cadence and how to make the most of them. He can take one of Roosevelt's hastily written rough drafts and, with a few editorial alterations, give it the characteristic Roosevelt touch, and he can write a piece which Roosevelt can deliver as naturally as though he had written every word of it himself.

During the 1933 municipal election in New York City, he tried to do the same trick for Holy Joe McKee, the darling of the Wall Street Democrats. He wrote Holy Joe's better speeches, the ones in which he outlined his program for the city. Moley must have grinned ruefully when he heard McKee solemnly warn the voters that Major Fiorello LaGuardia, the successful Fusion candidate, would be a "Moscow Mayor", for in his heart Moley knew that he belonged in the LaGuardia camp. He backed McKee out of Irish loyalty to his friends, Jim Farley and Ed Flynn, the men who had gone down the line for F.D.R.

Moley's friendships are much wider than his political convictions. He can get along with two loyal friends of Roosevelt's and comparatively progressive business men, such as W. Averell Harriman and Vincent Astor, at the same time that he sticks close to the radical economist, Rex-

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ford Guy Tugwell. In this Moley shows that he has the makings of a good political boss and the first rule of the good political bosses is to shun responsible public office.

Far more suitable to his present purposes is the editorship of his new magazine, "Today". The literati tended to high-hat the first issues, in evidence of the astounding extent to which the New York literary world takes its color from the Stock Market. However, within a few weeks Moley had published articles which revived the old muckraking tradition of coming to grips with the central problems of the day which most of the old-line magazines were too timid or ladylike to discuss in detail: the relation of the Supreme Court to the New Deal, the Pure Food and Drugs Bill (which practically all other magazine editors refused to touch after a brief consultation with their advertising managers), Father Coughlin's position as a popular leader, the looting of Cleveland by the Van Sweringens and their banks of easy virtue, and so forth. The magazine was uneven of course, lacking the smoothly tailored finish of a "Saturday Evening Post," but it attempted to report realities while most of the other magazines—with the honorable exception of "Liberty," "The New Republic" and the news-magazines: "Time," "News-Week" and "The Literary Digest"—were still floundering in the intellectual wreckage of the old order or the intricacies of imported radical doctrines.

Moley is still a big force in the New Deal and is growing stronger. His magazine is read in Washington by the New Dealers and he has scores of friends among the younger members of the Administration who keep in touch with him. He is welcome at the White House, though he never presumes to go there without a specific invitation. His skilled services as a literary obstetrician are still in demand when an important speech is in—so to speak—the offing. More im-

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portant than any of these things, the ideas which he set in motion, the men whom he recruited and the concrete things which he planted in the New Deal, remain there and are there to stay.

On this account, it is a pity that Moley has lost his close daily touch with events in Washington. He never belonged in the State Department but he does belong in the White House and would be there to-day if Louis Howe were not jealous of any influence but Howe's with his beloved Franklin. Policy is made not only in speeches and messages—those are merely the foam on the crest of the wave—but by myriads of day-by-day decisions. No one has arisen to take his place as a reliable first aide and trouble-shooter for F.D.R. in the interpretation and execution of policy. The White House Secretariat is too loyal to Roosevelt personally to be thoroughly loyal to the New Deal. They are predestined by their affections to “yes” the President, when the latter needs a man who rises above primitive political feudalism. Since Moley's departure, no one in intimate contact with Roosevelt has had the breadth of view to keep the long-range objectives of the New Deal continuously in mind in making daily decisions. His absence explains some of the terrifying lurches and wobblings of Administration policy. He is needed in Washington, but not as a subordinate to anyone save the President himself. Roosevelt is the only man in the New Deal now whose nerves are strong enough to stand that.

5

After Moley, Brandeis and Frankfurter, there come a host of lesser men who aspire to the rank of unofficial Privy Councillor to F.D.R. Among them are such men as Charles W. Taussig, the expert on Cuba and sugar, and Gerard Swope,

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President of the General Electric Company, who is one of the fathers of the N.R.A. and whom Roosevelt and Louis Howe regard as one of the nation's really liberal and intelligent business men. Political aspirants to this privileged position must include Senator Hiram Johnson, who gave the Roosevelt Cabinet its strong man, Harold L. Ickes, and who, for the first time in his career, finds himself an "in" instead of an "out" in a national Administration, not to mention Senator George W. Norris, the grizzled Progressive from Nebraska, whose conservationist hopes are now materializing in the Tennessee Valley Authority, the Columbia River development, the Civilian Conservation Corps and other imminent projects. If Norris lives he may also see his life-long dream of really confiscatory taxation of high incomes and big estates made a beautiful reality when Roosevelt has to meet the bills for these New Deal enterprises. One of the grand old men of the Republic, Norris is an elder statesman who should be put hand-in-hand with Brandeis on the Privy Council—or in the Smithsonian Institution.

The only other man who unquestionably belongs behind the Roosevelt scenes, however, is Adolf Augustus Berle, Jr., Roosevelt's No. 3 Brain Trustee.

Berle is an infant prodigy who has irritated everybody by continuing to be a prodigy after he has ceased to be an infant. Born in 1895, the son of an Ohio Congregational Minister and scholar, Berle went through Harvard in three years, graduating with honors at the age of seventeen and receiving his degree from Harvard Law School at the age of twenty-one. After working in Brandeis' law office, he served with the military intelligence during the war, and utilized his assignment to the Caribbean section to familiarize himself with Cuban sugar and politics (the two are all but identical). He was assigned as expert to the Paris Peace

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Conference and resigned—as did William C. Bullitt—in disgust when he realized the war-breeding follies of the “settlement” which Wilson found it expedient to promote in Eastern Europe in view of the Polish-American vote. (The German-American voters were mainly Republicans.) Berle returned to New York, practiced law, lectured for a while at Harvard Law School and was on the staff of the Columbia Law School when Moley recruited him for the Roosevelt campaign.

He did useful odd-jobs of economic analysis, sloganeering and drafting for Roosevelt during the election but refused office in the New Deal. He wasn't able to avoid responsibility, however—not that he wished to do so—having helped to write the new Bankruptcy Act, being given charge of untangling the sickening mess of railroad finance, and finally being sent to Cuba in a belated attempt to straighten out Cuban finances. He is the co-author with Gardiner C. Means (now one of Rex Tugwell's special assistants) of “The Modern Corporation and Private Property” and he is specializing in what might be termed the corporate jurisprudence of our social revolution. He has buzzed in and out of Washington like a hornet ever since March 4, 1933, but since January 1, 1934, his energies have been directed towards mopping up the wreck which Tammany and the banks made of New York City's municipal finances.

Let the “practical politicians” take off their brown derbies to this former infant prodigy, college professor, brain-truster and “theorist”. He guessed right on both the Presidential election of 1932 and the New York Mayoralty election of 1933. He is the only man alive who has been part of the “brain trust” for both a revolutionary National Administration and what may prove to be a revolutionary municipal administration in the world's second largest city.

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By grace—almost by the brute force—of Ray Moley, Berle got in on the ground floor of the original Roosevelt Brain Trust. He had the shrewdness to desert his legal associates who, by some weird convolution of the legal mind, thought that Newton D. Baker was a great liberal leader, and enlist under the banner of Franklin D. Roosevelt. He showed equal shrewdness in selecting Fiorello H. LaGuardia as the next Mayor of New York, before the “practical politicians” and leading “reformers” of New York City could agree to pick “the little flower”. Moreover, his second choice was “right” from the standpoint of practical politics, when such men as Franklin D. Roosevelt, our greatest politician, James A. Farley, Edward J. Flynn, Louis McHenry Howe, the king-maker, and numerous other clever politicians were 100% wrong.

Berle showed that the best guide to politics is a good sense of smell. Tammany of course whiffed to high heaven and McKee was redolent of the odor of financial sanctity. Berle held his nose and turned away, electing to follow the banner of Liberalism in the person of LaGuardia. If Roosevelt had followed the lead of this pugnacious little “theorist” instead of trailing along with the “practical politicians”, he could have got the credit for electing LaGuardia and for cementing the alliance of Progressive Republicans and Liberal Democrats which must be the practical instrument for the achievement of the Roosevelt program, Jim Farley and the Solid South to the contrary notwithstanding. The New York election was Roosevelt’s first great opportunity since 1932 to further Progressivism in the East. Roosevelt missed it. Berle saw it and took it. He was responsible for making Samuel Seabury and other lily-handed reformers see that Fiorello was their man and that they had to hook up with a practical politician who was a progressive rather than with

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a stuffed-shirt conservative who was all for clean government and for none of the things which enable government to remain clean. Roosevelt had the same chance but he had parked his municipal conscience in Jim Farley's office—and got the first black eye of his Administration.

When Farley and Flynn put poor Holy Joe on the spot and told him he was going to run for Mayor—and like it—they sent for Berle and told him to support McKee. Adolf politely told them that he never ran out on his commitments and while his pal Moley was working out McKee's program, Berle was working out LaGuardia's. He stayed away from Washington during the campaign but a few weeks after his man had been elected he called at the White House and asked for an appointment with Roosevelt. He was immediately switched to Louis Howe who testily suggested that Berle "see" Jim Farley first. The old maestro was napping when he tried to pull that stuff on Adolf Berle. Knowing that Louis is getting old and at times unaccountable, Berle kept his temper but he did not try to make his peace with Jim Farley.

"Who won this election, anyhow?" he asked a friend. "If Jim wants to make amends, let him come and see *us*."

A few days later he was invited to see the President and was formally reinstated as a charter member of the New Deal, without reference to Farley. About that time, Farley took his salutary trip to Europe, which was a good thing for all concerned.

Berle is a cocky little devil, a ball of intellect and nervous energy. He has a right to a good opinion of himself. No man in the New Deal has a sharper mind or pen, and in the last eighteen months he has come to grips with the biggest financial problems of the day—the banking system, the railroads, New York City's transit problem and budget. He was

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primarily responsible for the system of Federal Co-Ordinators which Roosevelt adopted as his transitional railroad policy. In the proceedings of the R.F.C., the big railroad executives, the big railroad "experts", the men like Barney Baruch, were as children beside Adolf, and if Roosevelt and Woodin had had the nerve to adopt Berle's plans for permanent reform of the banking system during the "moratorium" of March, 1933, the country and the banks would have been far better off.

He infuriated Wall Street by his work as adviser to the R.F.C., specializing in railroad loans, by uncovering one after another bit of stinking skullduggery on the part of the railroads and banks. As a result he was smeared by the sugar interests during his service as counsel to the Agricultural Adjustment Administration in its hearings on a sugar marketing agreement. The sugar banks and the entrenched refining and producing interests of the old "Sugar Trust", which had found a permanent sugar-daddy in the Republican Administration, made the old radical muckrakers look like bashful school-girls when they were up against Berle. They accused him of favoring the Cuban refining interests because he was counsel to the American Molasses Company which had, among its many interests, a small share in one Cuban refinery. It never occurred to them—or if it did, they preferred not to acknowledge it—that Roosevelt favored Cuban interests in order to guarantee a minimum of economic subsistence to the Island Republic. Aside from common humanity, this policy was designed to forestall the possibility of our military intervention in Cuba to prevent an uprising of half-starved peasants from creating that state of chaos prescribed by Elihu Root as the *sine qua non* of the application of the Platt Amendment.

Berle's contribution to the New Deal is intelligence, lib-

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eralism and plenty of moral courage. As a young man, he walked out on the Versailles Conference because he didn't like the peace treaty and he would walk out on the New Deal whenever it offended his sense of social justice. He does not stand at the extreme left wing of the Administration, but he is sufficiently radical to make Felix Frankfurter look like a buddy of Justice McReynolds. However, like all lawyers, he is a prisoner of the law, and the law is a fossilizing influence. He does not share the Brandeis sentimentality for the vine and fig-tree of little business; Berle is at home among the cedars of Lebanon of corporate growth and is quite capable of swinging towards economic fascism as an alternative to political liberalism as the way out.

In the meanwhile, he has lots of time, with thirty or forty active years ahead of him, if he doesn't burn himself out. He would be a good man for Roosevelt to appoint to the Supreme Court. As a stylist, he would outdo Holmes and, assuming that the New Deal does not collapse, he—rather than Frankfurter—could be to the next generation what Louis Brandeis was to the last.

XI

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I

SADDEST of all the spectacles in Washington is the little group of fallen angels, the men who hopped the New Deal band-wagon and then failed to make the grade. They range all the way from such arch-angels as Bernard M. Baruch and Col. Edward M. House, through the Wall Street seraphim of Newton D. Baker and John W. Davis, down to the fallen cherub—or risen imp—known as Huey P. Long, the hybrid Democratic National Committeemen who have fallen—on their feet—down, down, down to Lucifer himself, Alfred Emmanuel Smith, with his red-hot henchmen and his wounded pride.

These are the men who had made the Democratic Party what it was up to 1932, a “brilliant second” to the Republicans in promoting the interests of the international bankers and a curious assemblage of lily-white Southerners, corrupt Northern bosses, and woolly-minded idealists. These are they who must bear on their conscience partial responsibility for the crimes of the last generation, due to their failure, as leaders of the only practical opposition to the party of pelf, to give a clear and forceful lead to liberal and radical sentiment. These are the men who are being made to walk the plank, one after the other, by the robustious policies of the New Deal.

It is a tragic spectacle, for all of these men possess great

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intelligence, force of character, public influence and real power. Their inability to contribute anything significant—except money or mechanics—to the New Deal is akin to the inability of the leopard to become a turn-coat. They would all like to help but they are their own prisoners and have been disqualified by their own careers. For the New Deal is above all a psychological and moral revolution—or it is nothing. To allow the Fallen Angels to direct it would be to make it nothing; to expect them to participate in it would be to expect a Home for Cripples to turn out a first-class track team.

2

Consider, for example, the sad case of Barney Baruch, the man who would be king-maker, direct lineal descendant of a minor Hebrew Prophet and one of the major profit-makers of modern America. After a life-time of political and business activity, it is impossible for one to point to any great measure which Baruch has sponsored or any great economic institution which he has created. He is, in politics as in Wall Street, a speculator *plus*.

Many men envy him. A self-made man from South Carolina, he made a fortune before he was thirty and he has been adding to it ever since. He was a big man during the World War and every President from Wilson on has consulted him. He is a power in Congress, where it is commonly rumored that he "owns" sixty Senators and Representatives. He has a fine physical appearance, tall and erect and handsome—truly one of the most distinguished-looking men in America—and his piercing black eyes gleam with the penetrating shrewdness which is peculiar to the Jews.

Yet his career is a failure. He might have been America's

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Disraeli—but he is only a successful Wall Street operator. He would like to be regarded as an indispensable mixture of Col. House, Baron Rothschild, Oliver Wendell Holmes, Dwight W. Morrow and what-not. He would like to be known as the wisest man in the land—the chief of our Privy Councillors—whom men of all Parties must consult because he is wise beyond human calculation, and the guiding spirit of all Presidents of all Parties and at all times. And he isn't.

He boasts that for twenty years the doors of the White House have been open to him. He is tolerantly amused at all the great public offices for which he has been proposed—up to and including Secretary of State—and gives the impression that he considers himself too big or too foot-loose to be tied down to routine work, such as managing the finances or the foreign relations of a great nation. The deduction is that Baruch directs everything—or nothing—and he gives the impression that the former is the correct answer. Yet the truth is that Baruch runs nothing, so far as Roosevelt is concerned. On certain occasions he has had considerable influence, his shrewdness is generally appreciated by the Administration, and he ought to be running something, because of his brains and ability. But he cannot be unreservedly trusted by an Administration which regards him as a hitch-hiker on the New Deal band-wagon, who gave money to the Roosevelt campaign after supporting the Stop-Roosevelt campaign, and whose back must be stroked the right way by an occasional audience with F.D.R.

The failure to use Baruch is the most glaring wastage of good brains in an Administration which prides itself on preferring intelligence to political regularity. But there are solid reasons why Baruch is not permitted to exert the power at Washington that his talents have earned for him. The most important reason is that he is—or was—a speculator

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and that the New Deal has little use for financial speculation. The second is that, when all is said and done, he is just a Wall Street Democrat, a man who will not bow down and worship at the name of Morgan, but a Wall Street Democrat nonetheless—and the New Deal has little use for Wall Street. The third is that any man who regards all Presidents and all Presidential candidates as birds of a feather cannot possibly accept the moral and psychological implications of the New Deal as the first gust of the storm which is sweeping the old men out of power in this country.

Yet it seems as though the New Deal should use more of Baruch than his money, for, like many wealthy Jews, he aspires to be a great public servant and would sacrifice his wealth unstintedly in that cause. Yet there was a howl when Wilson appointed Baruch to office during the War, leading up to Baruch's brilliant chairmanship of the War Industries Board. Critics regarded him simply as a successful Stock Exchange gambler who had contributed to the Democratic campaign fund.

But Wilson was right, for Baruch did a magnificent job. He had brains, energy, and skill at trading, and for a time was in charge of all the Allied purchases in this country. He was promoted to membership on the Supreme Economic Council and was economic adviser to the American Peace Commission at the Versailles Conference in 1919. His advice was so good that Wilson ignored it, for Baruch knew that it would be impossible to collect a huge indemnity from the Germans. After the war, he maintained his influence at Washington as adviser on general economic and agricultural problems, but with the advent of the Republicans he lost his feeling of personal ascendancy and set out to remedy the situation.

Widely regarded as a political wizard, it is noteworthy

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that he backed the wrong horse in 1924, 1928 and 1932. The first time he tried to nominate McAdoo—and failed; the second time he tried to elect Al Smith—and failed; the third time he tried to block the nomination of Roosevelt. All in all, it was a period of missed opportunities. Hoover consulted him about organizing the Reconstruction Finance Corporation but did not appoint him to its Chairmanship, as Baruch had hoped. He tried to run the Democratic Party and let it be known that “Raskob and I” had landed and had the situation well in hand. But he had little sense of the larger tides of politics. He was ready to back any “safe” candidate. Governor Ritchie of Maryland (who had been one of his “boys” on the War Industries Board, together with George Peek, Hugh Johnson and Herbert Bayard Swope) was probably his choice—but when he saw that Roosevelt’s star was rising, he hesitated and was lost. He did not wish to be left at the post by the man whom he had called a “stuffed shirt” and he realized that 1932 would be a Democratic year, so he pretended to be “neutral”. He encouraged all Democratic candidates, in public, while he tried to lobby the sales-tax through Congress and demanded a balanced Federal budget. He shied like a skittish horse when he was listed among the anti-Roosevelt leaders, but Roosevelt and Howe knew what he was doing and were not deceived by his protestations of friendliness.

For Baruch was in the fight to “Stop Roosevelt” from the start, though he was quiet about it, and his friends—including Hugh Johnson—fought F.D.R. at Chicago to the last ditch. When McAdoo switched the California delegation to Roosevelt, Baruch was caught out on the end of the limb, but he clambered back swiftly and fell into line, with the humiliating knowledge that another and greater Wilson had

come along and that he, the descendant of the Prophet, had not recognized him.

Roosevelt allowed Baruch to make his peace and accepted his three contributions to the campaign: a lot of money, General Johnson (Baruch's speech-writer and research assistant), and tireless reassurances to Wall Street that Roosevelt was as conservative as John W. Davis. Roosevelt used Baruch's heart-rending concern for the Federal budget as political cannon-fodder, permitting Barney to prepare his attacks on Hoover's "uncontrolled inflation" through an unbalanced budget.

When the votes were counted, Baruch was rapidly mentioned for Secretary of State, Secretary of the Treasury, Ambassador to Great Britain, Chairman of the American Delegation to the World Economic Conference, Federal Railroad Co-ordinator, and a dozen other gilt-edged jobs. He was offered little and got nothing. Roosevelt eagerly encouraged Baruch's suggestion, put out through friendly newspapermen, that he should be used only for important emergency jobs of short duration. He was, however, originally slated as Chairman of the American Delegation to London but when the time came he was diddled out of the job, as Hull wanted to go and that blocked Baruch.

It was an embarrassing situation all round and in order to appease Baruch's wounded self-esteem, Roosevelt told him that his advice was so invaluable that he wanted him to stay in the United States to advise him. That was why Moley brought Baruch to his office and announced that, during Moley's absence in London, Baruch would serve as relay between Roosevelt at Campobello Island and the Delegation at London. The news stories announced that he would be "Assistant President", which pleased the old boy until he saw the boomerang possibilities and ran for cover. His ad-

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vice to Roosevelt was limited chiefly to a single conference after the latter had torpedoed the London enterprise with his July 3 money message from the "Indianapolis". It is a pity that Baruch did not go to London as Chairman. He would have made a good one. Our delegates would have talked sense instead of sheer tom-foolery and Europe would have seen some shrewd "Yankee" horse-trading, for Baruch is a strong nationalist, while Hull, for all of his Anglo-Saxon lineage, is an incorrigible international idealist.

Baruch, however, was permitted by Roosevelt to enjoy one big moment: when the N.R.A. was organized. A year before, Baruch had stated that such an organization was impossible and that Americans would never accept anything in the nature of a planned economy. This, however, was only his way of concealing his passionate desire to mobilize industry on the lines of his own, dear, demobilized War Industries Board. Like many successful American business men, he is an arch-sentimentalist and he felt for the good old days of the World War outfit much of the naïve nostalgia which ordinary Americans lavish on their colleges. To Baruch, the N.R.A. was much like a class reunion and he loved every minute of it.

Yet he was not consulted about the drafting of the bill and was not asked to administer the Act. Moley imported General Johnson to Washington to help prepare the measure, without asking Baruch's permission. Likewise, Barney's old "class-mate" in the War Industries Board, George N. Peek, was put in charge of the Agricultural Adjustment Administration because of his own work for the farmer and in the Democratic campaigns of 1928 and 1932, and not because of Baruch. Naturally, Barney was pleased when the newspapers carried tales of how the "Baruch men" were taking charge of the two great experiments of the New Deal,

but it simply wasn't so, and he was furious when Peek was plucked out of the A.A.A. after the conflict with Tugwell. Baruch has no use for college professors—least of all for Tugwell—although he found them useful when he financed the Williamstown Institute of Politics a decade ago.

For this peculiar and wistful man has a genius for discerning the exact and most profitable relation between political and economic trends. He has an intuitive mind, but behind that and his tremendous pose of authority, there lurks what used to be known in the Hoover period as an inferiority complex. He wants so terribly to be known as something more than a speculator. He has studied orthodox economics and finance in an effort to make up for his lack of a thorough formal education, and, like many self-educated men, has an all but Biblical respect for what he has taught himself. His economic beliefs are the Ten Commandments and he is Moses. The balanced budget is the key to recovery, profits are holy, inflation is the Great Beast of the Apocalypse.

It is unfortunate that he never received a real insight into the fluidity of economic change, for he has fathered some novel ideas in his day. His war experience gave him a taste of big-scale economics not conducted according to Hoyle and he was keenly in favor of the N.R.A. experiment. And, unlike most of his Wall Street brethren, he has studied the farm problem, being aware that steady agricultural deflation since 1919 was gnawing the bottom out of our prosperity. He had the nerve to propose that, should we go to war again, prices should be frozen where they were at the outbreak of war, leaving no margin for profiteering. He studies statistics and has made his fortune by studying major trends and particular industries, and then backing the right horse, rather than by indulging in spectacular tactics. He

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watches the production of raw materials rather than the stock ticker and maintains a large organization at his dingy offices at 120 Wall Street, New York City.

Nobody but Baruch knows where he stood when the 1929 crash came but by March, 1930, when Hoover was yoo-hooing to prosperity, Baruch announced that a world-wide depression of several years' duration had arrived, basing his opinion on the "over-production" of a large number of basic commodities. He continued to be a bear, though his friends assert that he put all his money into government bonds in preparation for a long decline in prices. If this is true it reinforces his strong devotion to the balanced budget and his equally strong fear of uncontrolled inflation. Nobody knows how rich he is, though he came to the rescue of a lot of his friends during the Hoover panic, and a goodly number of our public men have received his generous financial support in their subsequent political campaigns.

For if he was a bear on commodity prices, he is a bull on politics and probably feels that he has never got full value for his huge political investments. In this he shows himself to be a lamb, what the politicians call a "fat cat", who pays good money for bad service. He gets plenty of publicity when he wants it but is not near to being the elder statesman he desires to be. It is unfortunate for him that he has never hit on the "bear" tactic of minimizing instead of exaggerating his influence. Roosevelt cannot be termed an ingrate if he uses a long spoon in supping with a man who called him a "stuffed shirt" until he got the Democratic nomination, who pretended to be friendly when he was trying to stop him, who aspires to be as intimate with Herbert Hoover as with F.D.R., who represents big business and speculation, and who stands for almost everything that the New Deal is against.

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Baruch's ingenuous effort to be all things to all men has defeated his ambition to be invaluable to one man or to one group of men. He has not yet sensed the difficulty of serving Wall Street and Washington or the incongruity of administering a large fortune at the same time that he poses as a disinterested and all-wise Providence above the dust of battle. Still, he has his uses and they are not confined to campaign contributions. In spite of his economic dogmatism and doctrinaire idealism, he still has good ideas and he is an excellent negotiator. If there is ever that World Political Conference, which looms up as the only alternative to world chaos, he would be a perfect choice for delegate, as no foreign statesman could make a dent in his adamant national-ism or shake his sense of world realities by windy appeals to rhetoric or Wilsonian ideals. Hence, although he will never be part of the New Deal, he will never be altogether out of it. He is a political amphibian, at home in both elements but unable to live permanently in either.

3

If Baruch is an amphibian, Colonel Edward Mandell House is one of those baffling batrachians which miners occasionally discover, imprisoned for eons in a seam of coal but still alive and breathing. Back in the eocene of pre-war politics, House was the mystery man behind Woodrow Wilson. After the passage of several periods of political geology, those working underground in the vicinity of F.D.R. discovered the little Colonel firmly imbedded in the broadest vein of the Roosevelt bonanza. He was taken out by these discoverers and set down in the sunlight. He blinked his eyes, remarked that Roosevelt would be our next President,

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and—before observers had recovered from their surprise at his resurrection—disappeared completely.

But the No. 1 Mystery Man of American politics did not have his fill as Woodrow Wilson's alter egotist. When he emerged from his thirteen years of hibernation, as one of the elder statesmen behind Franklin Roosevelt's presidential candidacy, he was no figure-head.

He knew how to extract information for Roosevelt from the inmost tabernacles of the Golden Calf and he had a national net-work of politically potent friends who knew what was happening in State politics. He also had perspective; but his great contribution was the air of the occult which he gave to Roosevelt's campaign. He had backed only two candidates for the Presidency in a lifetime of political observation. The first was Wilson. The second was Roosevelt.

House and Roosevelt had become acquainted during the war and had kept in touch ever since. House's New York apartment was only two blocks away from the Roosevelt house on East 65th Street, in and out of which the good gray Colonel slipped almost every day during the early months of 1932. In fact, House—together with Hull and Louis Howe—formed the grizzled triumvirate of the Roosevelt pre-election campaign. Whenever Roosevelt went to New England during the spring and summer of 1932 he always saw House, one of their conferences being held in the little yacht which Mr. Roosevelt was piloting—a fact which did not detract from the mystery and glamour of F.D.R.'s association with Wilson's old wizard.

But the House angle was liquidated after inauguration—possibly Roosevelt was warned by the Colonel's confession in his memoirs that House had invented all of Wilson's major policies—mistakes alone excepted. Accordingly, F.D.R. uses him, much as he uses Garner, for the echo. At

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first House did not understand what was happening and went his usual way, picking Roosevelt's Cabinet, selecting ambassadors and outlining his policies. Like Baruch, he omitted nothing which would give the impression that he—House—was the mammoth brain behind the Roosevelt mask and if he sticks to his habit of keeping a diary, some day we may read another book of memoirs which will intimate that House made all of Roosevelt's major decisions.

An example of the House technique: some time after the 1932 election he met Jim Farley in the hall of the Roosevelt home. House was leaving and Jim was arriving for a conference with F.D.R. The little Colonel suavely told Jim that he had decided that Jim ought to be Postmaster-General and that if Jim liked the idea, he—House—would be glad to speak to Roosevelt about it!

Some of the Colonel's nominees made the grade. House had selected Judge Robert Worth Bingham of Kentucky to be Secretary of State. Bingham landed the Ambassadorship to Great Britain, which fits nicely into House's picture of himself as a one-man diplomatic service. No one knows how much he had to do with Roosevelt's foreign policy; probably he did a good deal to further the pro-Ally attitude of the early days of the Administration, before Hitler's Reichstag address in May demonstrated how completely the New Dealers had been hood-winked as to Hitler's alleged desire to provoke a fresh war. Some sections of American politics pretend to believe that House is the "front" for the Jewish international banking crowd in this country and on several occasions House has been reported as talking with various French and British statesmen by transatlantic telephone. The truth is that he probably doesn't realize that the war is over. If given a chance to embroil us in a fresh war with

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Germany, he would probably do so—through force of habit if not by design.

However, this venerable relic of the brave old days of the Fourteen Points deserves credit for at least one thing. He has boldly proclaimed that the capitalistic system as he knew it is dead. To him, the banking holiday was not just another financial panic—it was the end of an era. He believes that the nation needs new leadership and young leadership, and while he found nice niches for some of his old cronies of the Bingham type he urged Roosevelt to include plenty of young men in the government and publicly urged that the Cabinet should be entirely juvenile in composition. He holds no public brief for Wall Street and realizes that Roosevelt will have to throw the old crowd over, one by one. His tragedy is that he does not realize that he was one of the first to go.

He really belongs to the past, this old gentleman of seventy-six. He was fifty-three years old when he picked Wilson for President in 1911, and as a result of his prescience he became the strongest man in the Wilson Administration. His diplomatic errands for Wilson in Europe, in 1914, 1915 and 1916—as his own memoirs reveal—practically committed us to go to war on the Allied side whenever they really needed us and his activities at the Versailles Conference were such as to lead Wilson to break with him.

He professes not to know why Wilson ended their beautiful friendship, and nobody else has offered a plausible explanation. The Wilsonites hate him because his memoirs intimate that not Wilson, but House, was the real President of the United States during the two Wilson Administrations, but the appearance of these memoirs was generally taken as an indication that House was through with politics. And so he was, until he came out for Roosevelt.

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Roosevelt's failure to admit House to his inmost confidence is probably due to the pervasive and meddlesome character which the Colonel has given himself in his own writings. He is the kind of busy-body who can be a menace to any President who takes him seriously. But to Roosevelt he was a distinct asset and he has subsided gracefully since his dismissal. To-day he is physically a rather shrunken little man. His ideas have not shrivelled and his mind has kept abreast of the times but he lacks the vitality to be an active power behind the throne. He is just too old.

4

In this he is a refreshing contrast to a prominent group of political high-binders at Washington, who still have the energy of youth combined with the ideas of the past, that lusty crew of political lawyers who are busy skimming the cream off the New Deal. Their racket is dying, but they don't seem to know it. All they can do is to make hay while the happy daze lingers on and hope for the best. Meet the Democratic lobbyists of the New Deal, the political attorneys who are cashing in on it, the men who call the Cabinet by their first names and set their fees in five figures for services rendered.

Whenever a national administration changes, the office buildings of Washington know it. The old "insiders" draw in their horns while the new batch of lobbyist-lawyers swarm in. Politics for money is an established institution in most of the world's nations. We have reached the stage where it is a disgrace for a Cabinet official to clean up at the public expense, but we still allow the officials of our political Parties to make fat livings out of their jobs.

When the New Deal came to Washington, several Democratic National Committeemen encamped hopefully on its

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outskirts. Notable among them were Robert Jackson, Democratic National Committeeman for New Hampshire and Secretary of the National Committee; J. Bruce Kremer, National Committeeman for Montana; and Arthur Mullen, National Committeeman for Nebraska. Fortunately, the Capitol Dome, the Washington Monument and the White House are not portable. All three of these gentlemen are old war-horses of the Party and all of them contributed to the success of the Roosevelt campaign—they stand as symbols of a mighty host of Party workers, who did not get jobs but did get—shall we say?—opportunities for the profitable exercise of their varied talents.

Bob Jackson was a respectable young man of Concord who went into politics in New Hampshire in the wake of Winston Churchill's courageous effort to clean up State government. He was for Wilson in 1916, for Hoover (as a presumed Democrat) in 1920, and for Al Smith in 1928. His great service to Roosevelt was in carrying the New Hampshire primaries—the first of 1932—for F.D.R. This was the first test of Al vs. the Old Potato, and Al lost, after a bitter contest in which all eight New Hampshire delegates plumped for Roosevelt. As a retainer, F.D.R. made Bob Secretary of the Democratic National Committee, over the dead bodies of the Smith-Raskob-Shouse combination, and Jackson stumped New England for his client. After the nomination, he took the post of Chairman of the Speakers' Bureau for the campaign and did a good job.

He wanted no public office but was on hand in 1933 with a fistful of legal commissions. The 1929 crash had wiped out his fortune and the New Deal was a good chance to recoup. He has made the most of it! Jackson "represents" so many interests in Washington that he probably can't keep count of them. Wherever there is legal tender to be made,

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you'll find Bob Jackson at the bottom of the pile. He knows most of the members of Congress by their first names and knows the Roosevelt appointees from top to bottom.

While he has steered clear of serving some embarrassing clients—the big banks, for example—he has run foul of the Administration on several occasions. But there is still plenty of meat on the drumstick, and Jackson goes merrily ahead. Before the crash, he was a millionaire; if he isn't one again soon, it won't be his fault.

J. Bruce Kremer and Arthur Mullen are of a different stripe. Jackson is too sophisticated a Yankee Protestant of the George Moses type to crave office and too much of a cultured, *bon vivant* to care about anything but the comforts and refinements of life. Kremer and Mullen are Catholics from the American Steppes and they want distinction. In the meantime, they are willing to accept its monetary equivalent in legal fees.

Kremer, a hardy Catholic from Butte, Montana, was the veteran of the National Committee. He mapped Smith's western tour in '28 and Roosevelt's in '32, and he was too shrewd to let the Roosevelt crowd run him as an advance agent: he knew the big show when he saw it and he stuck close to F.D.R., as faithful and tireless a train-rider as the country has ever seen. In a pinch, he could make rear platform speeches on one of his three subjects: the glory of Montana, the glory of the Democratic Party, and the evils of Prohibition.

As a result, he had a yen to be Attorney-General but barely reached the mentioning stage. When Senator Walsh died he aspired to the vacancy, only to have Governor Erickson take the job himself. In fact, there did not seem to be any overpowering popular demand for J. Bruce Kremer in public office, so he settled down in Washington to practise

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a rip-snorting brand of law. Bruce is a merry old soul, a good cup companion and a "good fellow". Nobody is going to begrudge him his income from lobbying, especially as he seems to specialize in representing those naïve obstructionists to the New Deal who think they can stop a revolution by paying a handsome fee to Bruce to pose as King Canute.

The same is true of Arthur Mullen, the tall, black-haired Committeeman from Nebraska. His claim on Roosevelt is the simple fact that he is a Catholic from the Middle West. In 1932, Roosevelt decided to fight the Smith fire with holy water, and started digging up Catholics-for-Roosevelt wherever he could find them. He found Mullen almost at once and made him his floor-leader in the fight against Smith at Chicago. Mullen was a complete flop as a floor-leader. He was supposed to know everyone in the Party; he was tall, pompous, aggressive and could bellow like a bull of Bashan; but he got his signals mixed and at one critical moment, when he moved an adjournment, the leaders of the Roosevelt delegations didn't even know who Mullen was.

By that time, the Roosevelt people knew they had picked a stuffed shirt but had only one place to stuff it, on Roosevelt's back. It was simply impossible to ditch Arthur. He, too, knew a good thing when he saw it. He came to National Headquarters and Jim Farley gave him the title of Chairman of the Executive Committee of the Democratic National Campaign Committee—an organization which existed only on paper.

After the votes were counted, Mullen announced the office that he wanted: the Attorney-Generalship of the United States. He drummed up support everywhere and sent delegation after delegation to see Roosevelt and Farley. When Walsh was selected, Arthur drooped; when Walsh died, he brightened; when Cummings was picked, Mullen collapsed.

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He was partly paid off with a job for his son, as "legal adviser" to Raymond Moley. Mullen himself was offered the post of third or fourth Assistant Attorney General, but would not hear of it. He was finally offered a place on the Circuit Court of Appeals. He declined it (probably by pre-arrangement) and the news that he had been offered and had refused a "big job" was made public. Arthur modestly said that he thought he could help Roosevelt more outside of the Administration.

He has helped: with advice, with demands for patronage, and a flourishing law practice. He fobbed off some of the flattest tires in the whole Party on Roosevelt and Farley and has never concealed his belief that he was not getting as many appointments as he ought to have. In particular, he opposed the appointment of Republican Progressives and college professors.

"We Democrats can run the country," he asserted.

On the cash-and-carry basis, no doubt.

The roaring business done by these gentlemen could not escape the ears of the press. Nor did it escape the attention of the Administration or their competitors among those lawyer-lobbyists of long standing who did not happen to be members of the Democratic National Committee. After nine months of underground rumbling the volcano erupted. In response to a question at his press conference President Roosevelt said that he did not think it was quite in keeping with the spirit of the New Deal for any official of the National Committee to be cashing on a reputed passkey to the backdoor of the White House. The front pages blazed. Kremer already had resigned. Jackson announced that he already had resigned. Only Mullen, bull-headed as usual, did not take the hint conveyed in eight-column streamers. He merely expressed his belief that the President hadn't

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meant him; he had a decent practice, etc., etc. Orman Ewing, of Utah, another National Committeeman, who had just succeeded in passing the D. C. bar examination in preparation for his contribution to the New Deal, announced he was going to distant parts. O. Max Gardner, former Governor and National Committeeman for North Carolina, cleared his skirts by showing that he had resigned soon after he moved to Washington to practise law and had received a letter from the President thankfully commending him for his sense of propriety.

It was a three-day blast, in which only the ivory tower of Nebraska remained unswayed. And not the least displeased with the outcome were such old-timers as Joe Davies and Joe Tumulty, who had been plugging along—with no little success—during Republican Administrations, only to find the competition for juicy cases tremendously stiffened when the new swarm of Democratic lawyers descended on Washington on the heels of Franklin D. Roosevelt. Some day, perhaps, an Administration will be smart enough to take the graft out of the legal business by prescribing by law fixed fees for all types of cases before government departments. Fix the sums or percentages payable to lawyers on tax refund and rigged tax deficiency cases, and on all other claims against the government; compel every lawyer who approaches any government department or Congressional committee on behalf of a lobby to publish the amount of his fee; and institute a few other simple reforms, and the lawyer-lobbyists of Washington and nearby points will begin to smell less like Tammany shake-down men. Incidentally, it might reduce the number of lawyers in active politics, which would be a blessing to the nation. Any President who can reduce the number of lawyers in active poli-

tics by fifty per cent will deserve to go down in history along with St. Patrick.

5

In the Democratic back-streets are many who once had a house of their own, a diamond necklace and a team of spanking horses, so to speak. They have come down in the political world and have run foul of the New Deal gendarmerie through no fault of their own.

Such are the fallen cherubim of the Roosevelt Administration: men like Joseph P. Kennedy, the New York speculator; John S. Cohen and Clark Howell, the Georgia Maulers; and that unreconstructed Jeffersonian, James A. Reed of Missouri.

Kennedy bobbed up in the New Deal ranks in May, 1932, a red-headed fighting Irishman from the ranks of Big Business (Bethlehem Steel, moving pictures—including Gloria Swanson—and “bear” operations during the depression) who said that Roosevelt was the berries. A hard-hitting, tempestuous and clever Celt—not unlike Hugh S. Johnson—he was on the inside track with Roosevelt for a time. He helped swing Hearst to Roosevelt’s side and might have had a good job—when he ran foul of Louis Howe. Out!

Major Cohen, publisher of the Atlanta “Journal”, and Clark Howell, publisher of the Atlanta “Constitution”, have been fighting for the control of the Democratic Party in Georgia since Hector was a pup. Both plugged for Roosevelt before the nomination, Howell first but Cohen most effectively. Cohen wanted to be Secretary of the Navy but couldn’t get the job unless Howell were made Ambassador to Great Britain, France or Germany. That was too much

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for Georgia. Both men lost out and returned to their traditional fight in Atlanta. Whoever wins will be handsomely rewarded.

Jim Reed of Missouri at the age of seventy-three is one of the viragos of the Party. He wanted to be Attorney-General, and if Roosevelt had been willing to pay that price for the Missouri delegation at Chicago, Jim would be one of the loudest basses in the choir of angels. Reed fought Roosevelt before the nomination, spoke for him during the campaign, and has been attacking him ever since on high constitutional grounds. According to Reed, virtually everything in the New Deal is illegal but he has been known to change his mind in a hurry and the best bet is that he is simply trying to create a nuisance value for himself. If Reed hadn't spoken too soon, Roosevelt might have used him to handle the Senate investigation of Wall Street and he would have done an excellent job at mule-skinning when confronted with a banker on the witness stand. However, it is unlikely that F.D.R. would ever have trusted any considerable part of the New Deal to the man whom Wilson "read out of the Democratic Party" for disloyalty. One of Jim Reed's failings has always been to produce the cloven hoof when least convenient.

In this he bears a strong resemblance to that Louisiana phenomenon known as Huey P. Long. No one can tell whether Long is an angel with a pitchfork or a devil with a golden harp. He is so constant a commuter between the brimstone and the crystal sea that it is impossible to classify him as either the epitome of po' white trash in politics or the spokesman for the forgotten men of the Lower Mississippi Valley.

A year ago he was a rising power in American politics: a possible American Hitler, the future boss of the South, an

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irresponsible demagogue, a crafty politician, a dangerous mob leader. He gave Wall Street the jitters and many decent liberals also shuddered when they saw his empire expanding, reaching into Mississippi and Arkansas and undercutting the power of the Bourbon Old Guard in the stolid South. Radicals hailed him as a man who could talk the jargon of the rural masses, the hillbillies and the croppers, who could sway them to political revolt and was telling them that wealth had to be redistributed.

Twelve months later the Kingfish was in infernally hot water. The Hoover Administration had started to investigate his income tax but had dropped it. The Roosevelt Administration, under the promptings of Henry Morgenthau, resumed this ominous procedure. (Incidentally, one of the merits and defects of the present form of Income Tax law is the arbitrary power of political blackmail it puts in the hands of the government.) Prominent citizens of Louisiana, led by former Governor John Milliken Parker, had filed a petition with the Senate, demanding Long's ouster. The Senate Committee on Elections was investigating charges of fraud in the 1932 primary in which Long's henchman, John W. Overton, had defeated Senator Broussard. Worst of all, Long received a black eye at the Sands Point Club, Long Island, when an unnamed man whom he had insulted landed on the Senator in the wash-room. You can laugh off political charges by your enemies but there is no alibi for a black eye.

Huey's machine was splitting up, his henchmen were deserting him and it looked as though he had hit the skids, without his being given a chance to play the martyr. The Democratic Old Guard in New Orleans, which had played safe in alliance with Huey for several years, plucked up the courage to cut loose, and Long's man ran third in the New

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Orleans mayoralty election, while his machine-picked candidate for Congress all but precipitated a political revolution.

The one clear fact which emerges from this confused picture is that the Kingfish, clever politician though he is, met more than his match in Franklin Roosevelt.

Huey had helped Roosevelt win the Presidential nomination and was held up before the country as an awful example of the type of demagogue whom Roosevelt represented. It was not recalled that, shortly before Long swung Louisiana's twenty votes to F.D.R., he had attacked Roosevelt and praised Al Smith, to the gratification of the Smith-Raskob-Wall Street alliance. Long was pure opportunist, however, and jumped on the band-wagon as soon as he saw that Roosevelt had a majority of the Convention. This was shrewd politics, for a simple majority had the power to seat his contested Louisiana delegates. Roosevelt paid the price and put pressure on his delegates, many of whom, especially from the South, held their noses when they voted to seat the Long hand-picked crowd.

Even so, it was a close fight and Long was told to drop his usual abusive style if he wished to win the contest. It was nip and tuck, until the last minute on the floor of the Convention, and it was Long himself who saved the day. He saved it by dropping his pitchfork and delivering a straightforward explanation of the whole affair which an eminent conservative lawyer said was one of the "finest briefs" he had ever heard. Many of Huey's foes were disarmed and convinced. Huey's crowd were seated and Roosevelt kept twenty votes. During the campaign he was obedient and helpful, remaining in the background and keeping out of the newspapers.

The Special Session of Congress, however, found him already at odds with the New Deal. He had not received the

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seat in the Cabinet to which he felt himself entitled. He voted against the Economy Bill and opposed the Emergency Banking Bill on the accurate theory that it would ruin the little banks. He voted against the Administration frequently. Probably, he realized the national swing towards radicalism and was attempting a build-up for himself as a great popular leader. He could swing a bloc of four votes in the Senate and, on occasion, could muster three more. He made himself a nuisance without becoming a power.

The White House was delighted. It gave them the excuse to withhold patronage and to short-circuit his political machine in handling Public Works money. This valuable ammunition was turned over to his enemies and when a political machine can't deliver jobs and contracts, the boss begins to slip. Roosevelt was always pleasant to Huey, swapped wisecracks with him—but gave him nothing. In the meantime, Roosevelt revived the investigation of Long's income tax, dropped it and revived it again. The Senate Committee, which was half-heartedly investigating the characteristic methods of the Long machine, suddenly came to life. His worries and battles multiplied, but there was no clear line on which he could fight back.

However, the chances are that the Kingfish will be thrown back into the water if he is ever caught by the Administration fishermen. His hold on the Southern rural voter is phenomenal and represents something more solid than hog-calling and demagogic jiu-jitsu. Long has laid his finger on the pulse of Southern radicalism—the forgotten man of the South, the landless agriculturalist who lives in an economic and social peonage as depressing and corrupt as anything in this wide and maladjusted nation. Long will not be permitted to become a Hitler but he is too useful as a barometer

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to be smashed from above just because nice people don't approve of him.

In fact, a good many people would like to retain him as a threat to the constipated conservatism of the Democratic Party in the South. With Huey on the war-path, the Southern bosses may have to put up liberal candidates in self-defense. As Heywood Broun observed after Huey got his black eye, the Kingfish can see a few things better with one eye than some of our politicians can see with two. Among the things which Huey claimed to see was the fact that great concentrations of wealth had to be broken up and distributed by confiscatory income, inheritance and gift taxes. He goes so far as to claim that no man should have a personal income of more than a million dollars a year, or should be allowed to inherit more than five million dollars of personal property. If you examine the small list of men who would be hit by this formula you will have the roll-call of the Old Guard who have been fighting every social reform for the last fifty years. His program is as swift a way as can be imagined for knocking the weapon of wealth from their hands.

On this account, the charming country gentleman from Dutchess County will hardly set up a political guillotine for the decapitation of the Kingfish. If heads must roll in the sand, there are others which have first-call on the tumbrils. Roosevelt is never in a hurry. He let others harry Jimmy Walker for three years, but he was on hand to administer the coup-de-grâce. He let "my old friend, Al" dig his own political grave and go to bed in it. If Louisiana wants to take Huey for a ride, Roosevelt, by withholding patronage from the Kingfish, has shown that he is not behind the Long machine, but he will not lift a finger to destroy the man

who is our best representative of the economic "untouchables" in the Baptist belt.

6

And where are the standard-bearers of yesteryear? Where are the men who bore the heat and the burden of the battle, not for the New Deal, but for the old Democratic Party? Bryan? Dead! Judge Alton B. Parker? Dead! Wilson? Dead! Jimmy Cox? Present but unaccounted for! John W. Davis? Absent! Al Smith? Absent! Newton D. Baker? Absent!

Leaving the mighty dead to their slumber and the Wary Titan to his Empire State Building, what has become of Cox, who ran for the Presidency with Roosevelt in 1920? What of Davis, who ran for the Presidency in 1924? What of Baker, who was the secret Wall Street reserve candidate for 1932? Fallen, fallen, like Ninevah the Mighty! Silent, sulky or forgotten, they are the milestones of Wall Street's successful domination of the Democratic Party from 1920 to 1932.

Of them all, Baker's absorption by Big Business is the only tragedy, the typical tragedy of many other men with first-rate brains who started out as clear-sighted radicals. Baker, now a prosperous corporation lawyer, was a radical once. He was one of Tom Johnson's lieutenants in Cleveland, a single-taxer, a pacifist, an opponent of corporate privilege. He was City Solicitor of Cleveland from 1902 to 1912, after which he was Mayor for two two-year terms. But for his devotion to Cleveland reform he would have been with the Wilson Administration from the outset. As it was, Wilson made him Secretary of War in 1916, when Lindley Garrison resigned. There was an uproar, of course,

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over his pacifism, but he made a splendid Secretary of War, the best this country has developed. He came out of the war, in which his services were inestimable, a convinced Wilsonian internationalist and an ardent enthusiast for the League of Nations. His plea for endorsement of the League at Madison Square in 1924 was one of the great political orations of the decade.

Baker's post-war internationalism illustrates the axiom, that when high-minded men compromise with their civic sense in matters of bread-and-butter they cling doggedly to the more remote and more easily publicized ideals. Baker went into private law practice in Cleveland, where, as a brilliant lawyer, he made lots of money. He became director of banks, railways and life insurance companies. His law practice led him to defend the utilities against the Federal Government and he participated in the "open shop" campaign of the Cleveland Chamber of Commerce. He associated with the international bankers and discovered in them something akin to Wilson's political internationalism. Imperceptibly, he was warped out of the storm-tossed seas of liberalism into Wall Street's snug harbor.

Wall Street had a use for him. As the campaign of 1932 approached, he was their best bet, "safe", regarded as a liberal, with much of the old Wilson following in the West and South. For over a year before the Chicago Convention, word quietly circulated in Wall Street that Baker would be the next candidate. As the Roosevelt drive gathered force, Baker's chances improved, as it was evident that much of Roosevelt's support in the South and Middle West was friendly to Newton Baker. After Ritchie, Smith and the "favorite sons" had dead-locked the convention, Baker was to walk off with Roosevelt's votes as a "compromise candidate". It was a perfect set-up and missed by only a hair's

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breadth. If Roosevelt had not been chosen on the fourth ballot at Chicago, the break to Baker would have begun.

It was not his candidacy but its clandestine character that estranged him from Roosevelt. F.D.R. admired his ability and frequently remarked that "Newt Baker would make a great President". But Baker did not play ball.

Baker publicly refused to let himself be used as a concentration point for the opposition to Roosevelt early in the campaign and Roosevelt's friends assert that, like Young, Baker told Roosevelt he would not be a candidate for the nomination under any circumstances. If that is so, it explains why Baker has never been welcomed at Roosevelt's office since Chicago, for Baker did, in fact, allow himself to be used as the reserve candidate by the "Stop Roosevelt" Wall Street Democrats. Al Smith, whose opposition was bitter and unscrupulous, but in the open, is welcome. Baker is not.

So Baker has remained on the outside, looking in. He didn't even show up for the annual international political and banking barbecue known as the Woodrow Wilson Dinner in December, 1933, at which Roosevelt was to be the speaker. Other absentees from this love-feast were John W. Davis, James M. Cox and Owen D. Young, which shows what has happened to the Democratic Party. For Roosevelt's New Deal offends Baker's conservatism and his Wilsonian internationalism and he wants none of it. At sixty-two, he has lost none of his eloquence or intellectual power, but some inner spiritual spark has been dimmed or extinguished and unless he is somehow born again, he is politically dead.

In this he is at one with his fellow West Virginian, John W. Davis, with the distinction that Davis, never having had a liberal background, has never been politically alive. He was just an able West Virginia lawyer who dabbled in politics and was sent to Congress from that peculiar satrapy of

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Big Business. (Some day, a radical historian should do justice to the conquest of West Virginia by the Northern capitalists and its subsequent history as a foreign colony of Wall Street.) After a single term, he became Solicitor-General under Wilson—and a very good one too. He moved on to the Ambassadorship to Great Britain in 1918 and stayed in London until George Harvey replaced him after Harding's election in 1920. Then he went to New York and became himself as counsel to J. P. Morgan & Co. and their allies.

His nomination for the Presidency in 1924 was a futile victory for the Wall Street Democrats. It handed the election to Coolidge on a platter. In 1928, Davis supported Smith and in 1932 he fought Roosevelt and even went to Chicago as a Tammany anti-Roosevelt delegate. New York's Big Racketeers and Little Racketeers have usually played together. So Roosevelt made no effort to play up to Davis in 1932—he was too closely identified with Morgan's.

Roosevelt lost nothing when he lost Davis, who has no political following of his own, although he can make a suave speech. Davis was duly on hand election night to offer his congratulations. Roosevelt accepted them and that is the last that John W. Davis heard from Franklin Delano Roosevelt. Davis's only subsequent contact with the New Deal was when he acted as counsel to the Morgan partners in the Pecora investigation!

Men like Baker and Davis are melancholy monuments to the power of corporate wealth, to detach the best brains of the country from the public service and harness them to the money-lenders. Baker and Davis are men of high calibre, enlightened conservatives of the school of the late Dwight W. Morrow, the conservatism of brains and moderation. Both were and are faithful disciples of Wilson's political

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internationalism—that fatal will o' the wisp attempt to poultice rankling social injustice at home by seeking institutional justice abroad. For brains like theirs, Big Business pays its fancy fees. England would have made them Cabinet Ministers, Viceroys or Proconsuls of the Reading type. All that we can do with them is to train them to help our financiers show a little circumspection and moderation in their world-wide racketeering.

Even when such men are not politically disqualified, they are psychologically unable to assist the New Deal, as is shown by the career of James Middleton Cox of Ohio, Democratic candidate for the Presidency in 1920 and more recently one of Roosevelt's delegates at the World Economic Conference.

Cox used the conventional muck-racker technique against Roosevelt in the pre-convention campaign—employing language which should have relegated him to private life permanently—but supported F.D.R. vigorously after the nomination was assured. He made good speeches for Roosevelt, who always has had a sentimental attachment to his running-mate of 1920, and might have received a Cabinet post, but for his uncertain temperament and egotism. He would certainly have caused trouble for, like Al Smith, he refused to realize that he had been knocked out of the Presidential picture. Yet he played ball with the new Administration and opened the campaign to give Roosevelt wide discretionary powers.

In turn, Roosevelt wanted to employ Jimmy Cox's erratic talents—at a distance—and offered him the difficult Ambassadorship in Berlin after the Hitler revolution. Cox refused the job. He did not wish to leave the country for any length of time, being active in operating his newspapers in Ohio and Florida, but he did agree to go to London for the

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World Economic Conference, at the request of Hull and Roosevelt. Cox and Hull were old political associates and Cox was made vice-chairman of the American delegation, in the expectation that he would take charge if Hull had to return to Washington before the Conference ended.

It was a terrible mistake. Cox crossed on a separate ship from the rest of the delegates, travelling with James P. Warburg, George L. Harrison of the New York Federal Reserve Bank, and Dr. O. M. W. Sprague, the new special adviser of the Treasury and another sound money man who, like Harrison, was close to Sir Montagu Norman of the Bank of England. When Cox arrived in London he went after the chairmanship of the monetary commission. The French fought him, under the impression that he was heretical on the subject of gold, but they were reassured. Besides Ramsay MacDonald had promised the chairmanship of one of the two main commissions to an American, so he got the job. He proved to be as faithful a gold-standard zealot as even the Bank of France could have desired.

The New York "Times" reported that tears came to his eyes when Roosevelt's fatal July 3 message smashed the conference and that he explained to his foreign colleagues that he agreed with them. Two days later, he recovered his senses and was defending the Roosevelt position, but did not carry conviction. He returned to America mentally black-and-blue and faded from the scene.

The chances are that he will not reappear. It is a pity, for with a little more emotional stability and a little more loyalty—and a little less egotism—he would fit in with the New Deal. He may have played with the Wall Street Democrats in 1932 but he is essentially a middle-of-the-road liberal who made a good governor for Ohio, and he backed Wilson on the League of Nations in 1920, after hav-

ing been nominated on an anti-Wilson platform. At sixty-four, he is another political fatality but not a victim of Big Business. His destiny is written, not in the constellations of Wall Street but in himself, that he is out of the picture.

7

To outsiders the most mysterious aspect of the New Deal is the estrangement of Al Smith and Franklin Roosevelt. Many have assumed that it arises from pique and jealousy on Al's part or from black ingratitude on Roosevelt's. There is an element of truth in both of these views but at bottom the cause is a matter of political principle. Al Smith is a Big Business conservative; Roosevelt is an economic radical.

We have been fed so long on the pap that Al is a great liberal that we have never grasped the implications of his rise from the Fulton Fish Market to the pinnacles of the Empire State Building. There is no overseer so harsh as your ex-slave, no defender of things-as-they-are so convinced as your self-made man, no one so bigoted as your victim of bigotry.

From 1912 to 1932, Roosevelt's and Smith's careers were politically entwined. Al was the go-between for Murphy when Roosevelt organized his legislative revolt against Sheehan at Albany in 1912. In 1918, Murphy offered the governorship to Roosevelt, who declined it, thus making possible Al's first nomination and election as Governor of the State of New York. In 1924 and again in 1928, it was Roosevelt who placed Al's name in nomination at the Democratic National Conventions and in 1928 it was Al who insisted that Roosevelt accept the nomination for the New York governorship. But in 1931, Al Smith attacked part of Roosevelt's State program and was soundly defeated, while

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in 1932 he joined the Big Business fight to "stop Roosevelt", sulked through the campaign and has been sneering at the New Deal ever since.

There are two explanations. Al is heart and soul Big Business and disapproves of the New Deal, not only because it is Roosevelt's but because it is new. Somebody led him out on a pinnacle of Manhattan and showed him the kingdoms of the world. Al Smith completed the deal.

In this case, the tempter was a quiet little mouse-like man by the name of John J. Raskob. As secretary to Pierre DuPont, Raskob had piled up a fortune of between \$100,000,000 and \$300,000,000 in the post-war boom by the comparatively simple device of holding the controlling block of General Motors, ousting Durant from his own business and riding to wealth on a wave of industrial inflation. Naturally, he—and his fellow citizens—concluded that he was pretty hot stuff and he looked around for new worlds to conquer.

A Catholic and an ardent wet, with plenty of money, he saw his chance to buy a controlling block of Al Smith Common in 1926, the year when Al whipped Ogden Mills to a fare-you-well for the Governorship. Al wanted to split the ranks of Big Business and offered Raskob the chairmanship of the Democratic National Committee after his nomination in 1928. Raskob proceeded to put the Party hopelessly in pawn to the bankers, by running up a Party deficit of huge dimensions, in trying—among other things—to carry Pennsylvania for the Democrats! It is amusing to see how eagerly these advocates of balanced budgets and pay-as-you-go principles, for government, discard their convictions when it is an issue of obtaining power.

However, in this case, the deficit was Raskob's road to power. It was a barrier to the nomination of anyone of

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whom he disapproved and he did disapprove of Roosevelt. Through 1931 and 1932, Smith's friends whispered to all comers from the West and South, "Who is going to pay for the campaign if Roosevelt is nominated? He can't get any money." As a matter of fact, the Party deficit could have been paid off with the money which the Wall Street Democrats paid out to the "Stop Roosevelt" campaigners.

Raskob's plan was simple: to build up a wet, urban Party around Big Business and Al Smith and ride to glory in 1932. It was a good plan. Wall Street has much to offer America in the way of economic fascism. Raskob believes in the five-day week and the N.R.A. He was converted by George Peek to the equalization fee. He virtually invented the General Motors system of installment selling. He believes in the spread-work system of industrial employment and he is an incorrigible bull on America. If the politics of social reform break down, his scheme of converting the United States into a huge investment trust may yet prove to be a practical alternative. As economic adviser to the great—like Baruch—and as an ardent Catholic, there is room for Raskob in America. His organization of the Democratic National Committee, his selection of Jouett Shouse to run the Party in 1928-32, and his employment of Charles Michelson as publicity expert had all the ear-marks of Big Business efficiency and clever salesmanship. It was a bitter moment for them all when Roosevelt collared the proxies of Democracy and voted out the Big Business Board of Directors which had striven to incorporate and sell to the public the personality of Alfred Emmanuel Smith.

It was nemesis. Just as he and DuPont had ousted Durant from General Motors, so Roosevelt ousted him and Smith from Democracy, Inc., leaving him with the proverbial rights of the minority stock-holder: exactly nothing!

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Smith, who knew politics and took Big Business on faith, was equally disconcerted. He had counted so on the big battalions that he was sure that God was on his side. From the political angle, he had already sensed the danger and had disrupted his alliance with Roosevelt the day that F.D.R. was elected Governor of New York while Al lost the Presidency.

At heart Al didn't want Roosevelt to be Governor: he wanted a man whom Smith could boss but this consideration had to be subordinated to the needs of his Presidential campaign. Hence the relentless pressure put on Frank to run for Governor in 1928. Al's heartless conscription of Frank on that occasion was the greatest favor he ever did anyone. But for that, to-day Roosevelt might have been able to walk without cumbersome braces but he probably would not have been President at a critical period in the world's history.

Al's misgivings were rapidly confirmed in the days which followed the '28 election. Roosevelt did not ask him how to run the State, he dropped Bob Moses as Secretary of State, ignored Bella Moskowitz and others of the Smith machine, and proceeded to draft a farm relief problem. F.D.R. saw at the outset that he either had to be Al Smith's protégé or be Franklin Delano Roosevelt, and decided to be himself. He made some mistakes at the outset but they were minor ones and in six months he was on his way to the Presidency.

The next four years were devoted to an outwardly urbane but peculiarly bitter triangular fight between Roosevelt, Tammany and Al Smith: the up-State rural Democrats, the New York organized voters and the generalized urban popularity of Al. Each of the three forces tried to hold the balance of power and each held it for a time, before losing it. Al tried to use Curry to block Roosevelt, who tried to use

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Curry to block Smith. Curry tried to use Roosevelt to keep Smith from controlling Tammany and to use Smith to prevent Roosevelt from disrupting that organization. Roosevelt kept Tammany on his side in 1930 and won reelection by a huge majority. Then he turned against Tammany, and Curry, Al and Jimmy Walker combined in self-defense. By this time it was too late. Roosevelt won the Democratic nomination in spite of the combined opposition of the Smith Democrats and the Tammany organization.

Since Roosevelt became President, Al has given the public his views on the New Deal in two words: "crackpot" and "baloney". These are the same words he used about Roosevelt as Governor, in private conversations. For Roosevelt was attacking the business interests who supported Smith and was cultivating the support of the farmers who were officially non-existent so far as Smith was concerned. Part of Al's opposition was jealousy, fanned by Mrs. Moskowitz, Bob Moses, Mrs. Smith, John J. Raskob and the big business men with whom he was becoming more and more intimate. Much of it was his own growing conservatism. He did not exert himself for Roosevelt in the 1930 campaign. In 1931 he attacked part of Roosevelt's reforestation program and in 1932 he blossomed out as the spearhead of the Big Business drive to keep Roosevelt out of the Presidency.

The Smith-Raskob strategy was to take unpledged delegations to the Democratic National Convention, on the theory that everyone should come and look the situation over and pick the best man. It was an obvious plan to insure the selection of a boss-picked Big Business nominee. While Young, Ritchie and Byrd were shoved out in front, Al himself began to feel the old urge. Meanwhile Roosevelt was proving that you can't beat somebody with nobody. He was cleaning up delegates and Smith had to come out in the

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open. He entered the fray with a bold attack on Roosevelt for "demagoguery" when F.D.R. attacked the R.F.C. (on which Smith's banking friends were unloading their bad investments) and called attention to the "Forgotten Man". Al subsequently denied Father Coughlin's story in late 1933, about Al's trip with two Catholic bishops to J. P. Morgan, in order to obtain a loan on the Empire State Building. But Father Coughlin refused to retract and, in any event, it was no secret in New York that Al was hobnobbing with the Morgan crowd in 1931 and 1932. On one occasion, when reporters requested the figures to support one of his speeches, they were told to "See Gilbert at J. P. Morgan & Co." And Al came out with a plan for the concealed cancellation of the war-debts by writing them off against exports.

The truth is that Al never had any quarrel with Big Business. He was a humanitarian but a conservative. He surrounded himself with self-made rich men, he was on close terms with the traction ring in New York City, and after 1928 he became a banker, a building manager, a life insurance director—one of the gang.

Why did he fail to make the grade? The answer is written, not in Wall Street but in the Vatican, Rome, Italy. The Catholic Church recoiled from the storm of bigotry his candidacy had evoked in 1928, and was repelled by his harping on the Kluxer-Catholic controversy. For example, the whispering campaign of Al's friends against Roosevelt was on a par with that which the Republicans waged against Al in 1928, going so far as to denounce Roosevelt as a Klansman! When Al was finally sand-bagged into speaking for the ticket, his Newark address was a tiresome rehearsal of the dirty deal the Protestant bigots had inflicted on Al, the Catholic. Many Democratic leaders regarded it as a delib-

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erate attempt to injure Roosevelt. It took brute force to persuade Al to make a good Roosevelt speech in Boston and it took all of Al's Jewish friends—and his real affection for Lehman—to keep him from deserting the ship in the effort to support a joint Roosevelt-Smith ticket in New York State.

Roosevelt saw that the reconciliation was nicely staged, although Al did *not* greet Franklin as “Old Potato”, and Smith played up, saying after a subsequent meeting in Albany, “If we were a couple of Frenchmen, we'd kiss each other.” But everyone who knew Al knew that he was merely clambering aboard the band-wagon and exploiting the rear seat for all it was worth. Subsequent attempts to bring the two together have never got far. Frank is always glad to see “my old friend, Al”, but Al always hangs back until he is pushed through the front door. Then he rises to the occasion magnificently. The fact is that Al is going cantankerous in his mental old age—he is only 60 years old physically—and needs to be humored.

Most anxious to effect a reconciliation have been some of the potentates in his own Church. The Vatican has always been slightly embarrassed by the fervent zeal of the Irish-American Catholics—much the same embarrassment which Mr. Morgan might feel at hearing Al attempt to expound the beauties of the capitalistic system. The Church is 100% behind the New Deal—a fact which Al fails to realize—and many of its leaders felt that Al's 1932 pre-convention campaign revived a dangerous and unpleasant bigotry. When Father Coughlin attacked Al in New York and was, in turn, attacked by a Brooklyn priest, it was the Brooklyn priest, and not Coughlin, who backed down. Although Al is honest, with a model family life, and has been a credit to the Church in many other ways, as compared to other promi-

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ment Catholic politicians in New York, his political behavior has brought grief to many of the Catholic leaders.

They have swung behind Roosevelt and are letting Al dig his own political grave. In 1932, he lined up with Wall Street against Roosevelt and in 1933 he took no part in the municipal campaign to clean up New York City but continued to attack Roosevelt. When he called the Roosevelt dollar "Baloney money" he nearly went overboard. The truth is that he is only a city politician, who has no knowledge of the United States which lies outside the paved streets and suburbs. So long as he was the champion of the city against the countryside, he was a hero, but the fight to-day is one of the under-privileged against the over-privileged, which cuts clear across city and country boundaries. And when Al—who once was the hero of the under-dog—lines up with the New York plutocracy, he can no longer work his old magic on his followers.

It is sheer waste of a great talent to see him on the side of the cheque-books and the underwriters. He is only eight years older than Roosevelt and, with good health, should be in his prime as a statesman, but he is losing his political sex-appeal. The career which began with his election to the New York Assembly in 1903 and ended with his defeat for re-nomination to the Presidency in 1932 is probably over.

His decline would be tolerable if it were not packed with menace for the rest of the country. He hankers for public office and has only one chance to come back—as the popular conservative candidate for the Presidency. If the moss-back wings of the two Parties unite to knife the New Deal in 1936—as they have united to attack it during the past year—they may be able to use Al as their stalking-horse. His "rugged independence of character", his rough

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humor, his knack for the lethal wise-crack and the sledge-hammer debate may yet be resurrected to enable the bankers to get their money's worth out of this great Tribune of the People, who has risen to the heights of privilege from the Side-Walks of New York.

XII

PUBLIC ENEMIES

I

THE revolution in American political and economic life, and through them, in American society, which goes by the name of the New Deal, is distinguished from all contemporary revolutions in that it is being conducted without victims. Soviet Russia exiled and executed and "liquidated" its capitalists, bourgeois and kulaks. Fascist Italy used the cudgel and the castor-oil berry to coerce critics and has maintained its terror squad and its isles of exile. Hitler's Germany has singled out the Communists and the Jews and Japan has suffered from wave after wave of "patriotic" assassinations.

Under Roosevelt, the only victims have been ideas, rather than the men who entertained those ideas. No defaulting banker has been lynched, no hard-boiled mine operator has been jailed, no profiteer has been mobbed. It follows, therefore, that the only enemies of the revolution are ideas, out-moded ways of thought and institutional procedure.

The fact of plenty has arrived to alter the whole structure of the United States, and only those forces which can postpone or hinder the distribution of that plenty to the American people can be regarded as public enemies deserving of the guillotine.

For this reason, many people do not realize the revolution that is taking place, for there are no guillotines, no

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exiles and no secret police to punish non-conformity and liquidate the non-conformists. Many of our radicals deeply regret this absence of gore. What's the fun of a revolution if you cannot pillory the aristocrats and send your kings to the scaffold? The answer is that our kings and aristocrats *have* gone to their death: the idea that any American might grow up to be a millionaire, the idea that money and the power of gold were fixed and immutable as the stars, the idea that "natural" processes were involved in an economic depression, the idea that individualism was worth starving for, the idea that politics was simply a way of giving certain men certain jobs, the idea that foreign bonds were a good investment and that bankers were supermen—all the ideas of the Old Game.

These are dead and gone. They no longer are among the ranks of the public enemies. Our enemies are the ideas which would seek to bring about a restoration and to prop these venerable corpses once more on their vacated thrones. Anything which could halt or divert the processes of the New Deal must be reckoned among the enemies of the people.

These enemies include a foreign war which would tempt or impel us to shoot away the surplus which might otherwise be divided among our people; a resumption of large-scale foreign lending under the auspices of the international bankers who believe that the consumer can be financed only if he lives across a foreign frontier; the legalism of our terrible army of razor-backed attorneys, up to and including the Supreme Court, who might halt the march of social justice by brandishing a misplaced comma or a faulty clause in any of the recovery measures or who might seek to set back the hands of the clock; the politicians and journalists of the Old Deal who represent the fearful weight of our national inertia and who would willingly burn down the house for the

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insurance and wreck the whole New Deal in return for public office or increased circulation; and the bitter discards of the New Deal who seek revenge upon the forces which have swept them out of power and out of date.

In this sense, the Japanese birth-rate and the Treaty of Versailles, the dim-witted denizens of Lower Manhattan, the Supreme Court and the well-padded attorneys who practise before it, our professional politicians, and the little army of the mentally superannuated, are far greater enemies of the American people than a thousand Al Capones and Machine-Gun Kellys.

2

Of them all, the threat of war is the worst of our enemies. War would halt the New Deal in its tracks, would blow away our gigantic surplus in return for colossal debts, and would give the profit motive one last horrible spree which would wreck our society and ruin our people.

The Treaty of Versailles and the Japanese birth-rate are hence no laughing matter. The war against Germany ended in a peace which sought to impose upon one group of European nations a permanent mark of inferiority. Germany and her Allies were forbidden to maintain their traditional monarchies, Austria and Germany were forbidden to unite, the vanquished were denied the right to armaments deemed reasonable and safe for the victors. The result has been a slow, dreadful struggle by the Central European peoples for the elemental right of equality in international law, with the victors threatening war every time the vanquished writhed more strongly than usual.

Japan is a rising power in the world, with a teeming population, a strong national tradition, and an unsettled con-

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continent at her door-step. When we were in a like position, we grabbed while the grabbing was good. So has Japan, first in Manchuria, and next in—China, Siberia or the Pacific, who can say? We opposed the Japanese conquest of Manchuria, opposed Japanese coercion of China, and are opposed to Japanese expansion at the expense of Russia. The treaties are on our side and we are smugly condemning those who have violated them. Japan is straining forward and the greatest political crisis of the post-war world is approaching in 1935, the year when Japan's resignation from the League of Nations takes effect, the year when the naval limitation treaties come up for revision, the year when France and Germany must determine by plebiscite whether France is to be allowed to keep the German Saar coal-region.

We have been quietly moving to keep the war-scare under control. We have recognized Russia, strengthened our Navy, adopted a policy of non-intervention and good-will in Latin America, retained the war debt club over Europe, and have moved side-by-side with the British Empire to keep the peace in Europe and in Asia. We have done our best and are refraining from provocation. In normal times, this should be enough but these are not normal times.

The diplomacy of the New Deal is, therefore, its first line of defense. On the skill and vision of the men in the State Department and in our Embassies at London, Paris, Rome, Berlin, Moscow and Tokyo depends in large measure the future of the American people. The outlook is not reassuring.

The State Department is, as is conventional, weighted down with a corps of well-informed underlings who are generally ignored by their politically-minded superiors. Secretary Hull has already been dealt with in another section of this book. His political assistants are, without exception,

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decent, intelligent men who either know too little about American politics or too little about international realities.

Hull's Undersecretary of State, Billy Phillips, is an azure-blooded New Englander of fifty-six, handsome, wealthy and exceedingly pleasant, who was at Harvard with Franklin Roosevelt and who has spent thirty years in the American diplomatic service, rising to the grade of Ambassador before Hoover edged him out. The Assistant Secretaries are a varied group. Sumner Welles, forty-two years old, is a wealthy and experienced gentleman, who attended Roosevelt's school, Groton, and his college, Harvard, and who has been in the diplomatic service since 1915. Sent to Cuba to supervise the revolution which eventually ousted Machado, he guessed wrong about the second revolution which overthrew the de Céspedes Government, making the usual Anglo-Saxon mistake of assuming that things would stop just where and when most convenient to ourselves. Francis Bowes Sayre, former teacher at Harvard Law School, son-in-law of Woodrow Wilson, and a widower at the age of forty-nine, is a graduate of Williams College and was one of the men who helped on the briefs in the great Sacco-Vanzetti case. His experience of diplomacy is limited to a tour of duty as legal adviser to the Kingdom of Siam. Newspapermen regard him as a "boy scout" and in the Wilson era he was regarded as a Presidential "yes-man", but he has broadened, if not grown up, and is one of Massachusetts' experts on probation and crime. The Wilson connection accounts for his appointment. And finally, there is benevolent old Mr. R. Walton Moore, an estimable Virginia gentleman in his seventies, with some experience of Congress and considerable depth of intelligence, whom Hull brought in to replace Ray Moley in the fall of 1933. Taken all in all, this group of men are fully competent to serve as trustees of a university, to act as Board

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of Governors of a decent club, or to serve as partners in a corporation law firm. With the exception of Sayre, there is not one of them who has not breathed the air of vested wealth and big business, and there is not one who would be competent to pursue a completely realistic foreign policy. They are internationalists, by financial if not ideological inclination, and cannot be relied upon either to envisage the diplomatic revolution which Roosevelt has already accomplished or to maintain its underlying principles of social justice in dealing with other nations.

Roosevelt's men in the field are, with one great exception, pretty much of the same stripe. His Ambassador at London, Judge Robert Worth Bingham, is a native of North Carolina, sixty-two years old, who made his career as a publisher and lawyer in Louisville, Kentucky. A friend of Colonel House, Bingham contributed \$10,000 to Roosevelt's pre-convention campaign and, on House's endorsement, was given the delicate and important post at London. Sufficiently stiff-fibred to resist the traditional blandishments of the British social propagandists, he has failed to make appreciable headway in bringing British opinion around to acceptance of the New Deal. Roosevelt's man in Paris, Jesse Isidor Straus of R. H. Macy & Co., the great New York department store, is also sixty-two years old and also contributed to Roosevelt's campaign funds. Like most successful American Jews, Straus is both an idealist and a philanthropist, and save for the fact that his appointment was immediately interpreted in Germany, which had just launched its anti-Jewish campaign, as a sign of American hostility, he has done well, being peculiarly qualified to observe and interpret the interplay of the Banque de France and the Bank of England in the great game for control of the world's gold which began

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in September, 1931, and which holds the secret of war and peace on the European continent.

Our representatives in Fascist Europe are Breckinridge Long, Ambassador to Mussolini's Rome, and Professor Dodd, Ambassador to Hitler's Germany. Breck Long is a native of St. Louis and a man of fifty-three. Wealthy, aggressive and cultured, he attended Princeton and practised law in Missouri until he entered the State Department as Assistant Secretary in 1917. Three years later he resigned to run against Jim Reed—whom Wilson had "read out of the Democratic Party"—in the Senatorial primaries, and was decisively beaten. He waited thirteen years for the Democratic come-back and when it came he was right on the spot. He secured the prized appointment to Rome, now the liveliest and most interesting diplomatic post in Europe, and has done magnificently in reporting Mussolini's devious game to keep Germany out of Austria and France out of the Balkans, while playing ball with England in the Middle East.

Long's counterpart in Berlin is a college professor aged sixty-five. William Edward Dodd, like Bingham in London, is a native of North Carolina. After graduating from the Virginia Polytechnic Institute, he studied at the University of Leipzig, and returned to America to teach history. After holding appointments in one or two smaller colleges, in 1909 he went to the University of Chicago, where he remained until 1933. Roosevelt originally offered the Berlin post to Jimmy Cox of Ohio, but the temperamental Ohioan didn't want to remain long outside of America, so Roosevelt decided to send to Berlin a student and philosopher who could undertake a detached study of the Hitler movement. Dodd was handicapped by his familiarity with and affection for the old sentimental liberal Germany of his student days,

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the Germany which died during the war and which can never be resurrected until Germany has completed her readjustment to the post-war world. He made one tactless speech, criticizing dictatorships, to the Berlin American Club on Columbus Day, a speech which would have led to the instant recall of any European Envoy, but, after a little deserved snubbing from the German Foreign Office his blunder was overlooked. At a time when the American press was howling for the extinction of a Germany which embraced racial intolerance, spurned democracy and crushed organized labor, his temperate and genial observations on the process of Germany's "New Deal" did much to moderate the Roosevelt Administration's initial inclination to participate in an anti-German coalition.

Our men in the Far East are, most fortunately, not political appointees. This very specialized field of service and highly inflammable area calls for experts. Our Minister to China, Nelson T. Johnson, has spent twenty-six of his forty-six years in the American foreign service, beginning in Manchuria just after the Russo-Japanese War and leading up, through a tour as Assistant Secretary of State, to his present post, which he has held for four years. He is a philosopher, a friend of the Chinese and in many ways has become Chinese himself. He is the sort of man who would be incapable of trickery, fraud or cruelty towards the Chinese people, whom he loves, or of disloyalty to the American Government. Short, plump, erudite, he is the American equivalent of the proverbial British proconsul who masters the languages and civilization of the Orient.

In Tokyo, we have another career diplomat, Joseph Clark Grew, a wealthy and attractive Bostonian of fifty-four, who preceded Franklin Roosevelt by only two years, through Groton and Harvard. A cousin of J. P. Morgan, handsome,

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dapper and only slightly less deaf than a post, Joe Grew is one of the "originals" of American diplomacy. He is always doing unexpected things, shooting tigers, jumping off ferry-boats to save lives, getting the utmost out of life and out of his job. He has spent thirty years in the American diplomatic service, principally in Central Europe and the Near East. He was Undersecretary of State for three years and then helped appoint himself our first Ambassador to Mustafa Kemal's Turkey. In 1932, he was transferred to Tokyo, when the failure of Mr. Stimson's doctrine of not recognizing the territorial consequences of other people's wars made it evident that we were approaching a crisis in our relations with Japan. Equipped by both temperament and experience to understand the militaristic point of view—he had served in pre-war Berlin and Vienna—he is as impeccably correct as a neatly engraved calling card.

Roosevelt's one great diplomatic appointment, however, is that of William Christian Bullitt as America's first Ambassador to Soviet Russia. Short, wealthy, bald and vivacious, Bullitt has what is probably the most important diplomatic assignment in modern American history. Forty-three years old, a member of a stuffily correct Philadelphia family and a graduate of Yale in the more than bibulous pre-war era, Bullitt reacted, as is not unusual in the case of ministers' and millionaires' sons, against social conformity. He went Woodrow Wilson in the days when the Union League Club linked Wilson with Emma Goldman as a dangerous anarchist. He was Washington correspondent of the Philadelphia "Public Ledger" for a couple of years, and then entered the State Department in 1917.

His meteoric career in the State Department was to make history. He accompanied the American Delegation to the Paris Conference as an expert and was sent to Russia, by

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Wilson and Lloyd George, to see whether Lenin would play ball with the statesmen at Versailles. Bullitt found Lenin more than ready to make a deal and reported back to Paris, only to learn that Lloyd George had welshed and that Wilson had lost interest. He took it hard and, as the various iniquities of the Treaty of Versailles took shape before his eyes, organized a group of young American diplomats who were ready to resign in protest. However, the others lost their nerve and in the event only Bullitt and Adolf Berle had the courage of their convictions. Bullitt returned to America and horrified his former colleagues by telling the truth about the Conference before the Senate Foreign Relations Committee. On advise of counsel, Bullitt did not use the "incompatible with the public interest" gag by which subsequent American diplomats have concealed the facts from the Senate, and told what he knew. It was a rarin', tearin' scandal and for years thereafter Bullitt's name was mud in the prissified circles of the career diplomats.

Then he dropped out of sight. He and his first wife, a well-bred Philadelphia girl, were divorced and he married Louise Reed, the widow of Jack Reed, America's famous pre-war Bolshevik who had died of typhus in Soviet Russia. Bullitt flitted in and out of Europe and Russia and the United States. He wrote a novel "It's Not Done", which took the lid off correct Philadelphia society, his first marriage and his own emotional character. He was the intimate friend of European statesmen and with the aid of a large inherited fortune was able to spend twelve years of intensive free-lance diplomatic preparation.

He was next heard of after the election of 1932, when his wanderings through Europe were damned in the Senate as a base Rooseveltian subterfuge to cancel the war-debts. When the New Deal entered office, Ray Moley brought Bul-

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litt back into the State Department, over the dead bodies of the diplomatic old guard. Bullitt went to work on the Russian recognition business, which had become urgently desirable for international political reasons, due to the danger that Japan should feel encouraged to attack Russia in its then state of complete diplomatic isolation. Bullitt worked like a dog and took a leading part in the final negotiations between Litvinov and Roosevelt. The agreement was, in fact, the joint work of the three men.

Even then Bullitt had no expectation of the appointment to Moscow. The State Department coterie were grooming John V. MacMurray, our former minister to China, for the post, and MacMurray would in fact have made a good Ambassador, as Bullitt has little or no knowledge of the Far Eastern situation which is Soviet Russia's most difficult problem and which will be the make-or-break element in our mission to Moscow. But Roosevelt knows the Cinderella story as well as the next man; Bullitt had done the work and taken the rap; the Soviet officials knew him, and both liked and trusted him. He got the job.

These are the men upon whose perspicacity and common-sense the New Deal must in large part rely to avert the danger of a war which would call a halt to social reform and blow up the economic surplus for a few years. Half of them are predisposed to commit the United States, morally at least, to a war of destruction against Hitlerism; the other half are inclined to subscribe to the traditional capitalistic determinism which holds that "sooner or later we must fight Japan". The great foreign problem of the New Deal will be to withhold the hands of the zealots who would lynch Prussia in the name of social justice and energize the minds of the cynics who accept the theory of inevitable war for the mastery of the Pacific. Perhaps the answer

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will lie in Moscow, which assumes from the outset the existence of socially incompatible elements in the modern world and which denies the "inevitability" of any war except between "imperialists". Thank God we have a Navy!

3

Next to war, the international bankers are the greatest Public Enemy of the New Deal; not the worst enemy but the most obvious. This is not to subscribe to the loose demagogic indictment of all financiers as crooks and parasites. The bankers are, in the main, an extremely likeable lot; they are cultured, urbane and frequently men of magnificent intellectual equipment. As a human type, however, they have become too specialized, they have lost touch with the main current of human life and are the high priests of a system which stands between humanity and the possible satisfaction of its desires.

This is because they know of only one way in which to deal with a surplus: export it on credit to foreign countries and then lend the nationals of those countries enough money with which to pay for it. The efforts of the bankers to escape from the surplus have been phenomenal. They loaned billions of dollars on little real security in the decade of 1920-29, and they have no remedy to offer to-day but the resumption of international lending. Russia is probably their last bet, in this regard. They jealously preserve the fiction that the foreign borrower has a credit which the native lacks, and that the indirect financing of foreign consumption is somehow morally superior to the direct financing of the American consumer.

The New Deal is the result of confronting the financial methods appropriate to scarcity with the fact of plenty. Any

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banking attempt to evade this fact is hostile to the interests of the people. The surplus is the only thing which can compel our bankers to modify their methods. Since they are also the prisoner of their methods, the first act of the Roosevelt Administration was to attack their power.

In his inaugural address, F. D. R. excoriated them and proposed to drive the "money changers" from the temple. Since that moment he has kept them on the defensive, while they have fought a stubborn rear-guard action against every part of the New Deal. Against terrific pressure from Wall Street—which said that it was "undermining confidence"—and in the face of the traditional timidity of the Senate, Roosevelt insisted on pressing the banking investigation throughout 1933 and 1934. One by one, the heads of the American financial empire of the previous decade were forced to step forward and exhibit themselves and all of their crimes and blunders. The country read the story, with the result that the inconceivable occurred: the big bankers were less trusted at the beginning of 1934 than at the beginning of 1933, as the worst suspicions of the ordinary man concerning American finance were checked and double-checked.

In self-defense, the "better elements" in the financial world complained that the banker was merely being made the goat for the errors and sins of everybody. They were willing to admit that a few men—like Mitchell, Wiggin and Insull—had been caught with their hands in the offertory when the lights went on, but "Not every banker is a Wiggin or a Mitchell." The newcomers on the Wall Street façade—men like Perkins and Aldrich—were paraded as exemplars of a new morality, much as Al Smith was once paraded as evidence of a "New Tammany".

As usual, Wall Street missed the point. A community

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which measures the statesmanship of Roosevelt by the behavior of the stock market, can be relied upon to ignore a revolution. The bankers are not the goat of the New Deal because a few of them have been shady, crooked, stupid or merely unfortunate. They are the goat because they are the center of power of the Old Order which is being displaced by the New Deal. If Roosevelt can establish social control over the whole credit system, the victory of the New Deal is half won. If he fails to do that, if he leaves to the private bankers of the Federal Reserve System their former ownership of the credit of the nation, his whole program will fail. Instinctively, largely by their own olfactory nerves, the big bankers realize this. In a nation which measures everything by money, the money-lender is the king. Our money-lenders—for every banker is nothing more than that—have been our masters and as they have seen the New Deal muscle into their domain they have naturally opposed it bitterly. They fought the money policy—mostly from sheer stupidity, as devaluation of the dollar was no threat to finance. They fought the Securities Act, the N.R.A., and they fought for cancellation of war debts, not because these debts are difficult to pay but because their default casts a shadow over the bankers' loans to European countries. They will have to do a lot more fighting before they get through, if any of them are left to fight.

For it is one of the great humanitarian qualities of the New Deal that it does not guillotine, imprison or exile the Public Enemies. On the contrary, it gives them every chance either to change their spots or to retire peacefully and live the remainder of their lives in the padded cells which wealth knows how to erect around its beneficiaries. If a banker can't do business under the New Deal he can take his fortune and go to the Riviera to join the other

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kings in exile—and who could ask more? Besides, the chances are that he has already shipped a good share of his money abroad for safekeeping or to speculate on the devaluation of the dollar, so it will not be a great wrench for him to go with it. The French will be all smiles as he steps down the gang-plank at Havre, the same smiles that have welcomed English milords, Russian grand dukes, Argentine cattle-kings, and Balkan royalty.

The one thing the bankers will not be allowed to take away with them is their power. As Berle and Means have brought out very well, and as others have observed, the wider ownership of industrial property has intensified the concentration of control. When a company has five stockholders, those five run the company, but when a company has fifty thousand stockholders, the goose hangs high in Wall Street. Through small minorities of stock and pyramided holding companies, the big bankers have been able to acquire a control over the American business system which was impossible in a simpler system. The property itself was not theirs, it was merely their playground.

Hence it is perfectly obvious that the expansion of this industry or that, the combination of corporations, such fundamentals as the rates of interest on mortgages and the price of industrial capital, ought not to be decided by men who live by taking a toll on economic life, but by the government which represents all the people. Nothing was more revealing than the ghost-dancing of the banks over the Gold Reserve Act. Tory journals solemnly pronounced that control over a \$2,000,000,000 equalization fund should not rest with the Secretary of the Treasury, since this power might be used for the advantage of one economic group against another. The corollary to this insolent proposition was that control of this fund should rest with the bankers

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who have, habitually, used such power for the advantage of one economic group against another. Whom does the Secretary of the Treasury represent except all the people? And does anybody think that the dominant private banking interest in the Federal Reserve System—especially that annex of the House of Morgan known as the New York Federal Reserve Bank—represents anything except the bankers' pocket-books?

The Federal Reserve System is a melancholy monument to the theory that the private bankers can be trusted with one foot in the trough. The bankers fought the system when Wilson was trying to get it adopted, but, having found that it facilitated their control, they converted it into the greatest single element of their power. As a result, one of Roosevelt's first steps had to be the recapture of the Federal Reserve by the Government, and despite gnashing of teeth in Wall Street, he is moving inexorably in that direction.

For Roosevelt has a potential strangle-hold on the banks. He has control of the currency. He has a two billion dollar fund which can be used if necessary to prevent banking raids on the Government securities market—raids which were actually threatened and which appear to have begun during the late 1933 fight over monetary policy. A half dozen of the largest banks in the country could break the Government bond market at any time by selling ten per cent of their holdings. This is a dreadful power to rest in private hands and Roosevelt has seen to it that the Government is equipped to defend itself. His greatest weapon, however, is not the Equalization Fund but the Public Debt. The bulk of that debt is held by the bankers and their monetary milch-cows, the insurance companies. If the bankers ruin the Government bond market they injure themselves. This is poetic justice. It was by the Government debt that bankers riveted their

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power upon the nation. Now that debt offers to the nation the way to destroy its enemies.

4

Public Enemy No. 3: the self-appointed defenders of the Constitution, if not the Constitution itself.

Pettifogging legalism is always a public nuisance, inasmuch as it is that type of legal thinking which has made the law such a profitable racket and has served the vested interests in good stead. Under the present circumstances, it can only tangle things up and slow the advance, but it has about as much chance of stopping the revolutionary process now under way as a girl has of stopping a sailor.

The New Dealers have taken few important steps without starting the anvil chorus of "Unconstitutional!" from the legions of political and legal camp-followers, including such columns of fire as Senator William Edgar Borah and such pillars of darkness as the Hon. James M. Beck. If patriotism is the last refuge of the scoundrel, the Constitution is the Tory cyclone-cellar. You cannot cry "Stop, thief!" without seeing the criminal wrap himself in the sacred garments of the Constitution and demand the incarceration of the posse.

The New Dealers have no designs against the Constitution, provided that it retains the elasticity of the original fabric. This elasticity has always been in evidence whenever a Philadelphia lawyer desired to drive a corporate caravan through it, but it has been remarkably rigid whenever the rights of common men were up for consideration.

As Raymond Moley once observed, one of the fundamental purposes of the New Deal was to preserve the Constitution for generations to come. And that meant ripping it off the framework to which our dominant economic powers

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had nailed it. Mr. Hoover and the Old Guard have talked a lot about "preserving the Constitution". What they have meant is that they want to continue to operate it as a one-way street for the convenience of Big Business. In so doing they have completely lost sight of the supreme political reality: the right of revolution.

In essence the Constitution is an agreement whereby power may be transferred peacefully by periodical vote of the electorate instead of by the bloody and expensive means of violent revolution. It also contains certain safeguards to individual rights, long hallowed in the Anglo-Saxon tradition. It prescribes, in addition, certain divisions of sovereignty between the States and the Federal Government and among the branches of that government, but these latter must inevitably be interpreted in the light of fundamental changes in the economic system which the authors of the Constitution could not foresee.

A hundred years hence the dialectics of our highest paid lawyers and of some of our most distinguished jurists will have that same quaint antiquarian interest as those arguments of the mediaeval schoolmen had to the intelligent man of the Renaissance.

For practical purposes, however, these dialectics do not become of primary importance to the welfare of society until they reach the Supreme Court of the United States, which assumes to determine the "constitutionality" of any necessary measure. However, the Court is not invulnerable. Its present membership of nine can be enlarged by Act of Congress. There is nothing in the Constitution requiring that its members be lawyers. There is nothing in the Constitution conferring on them the right to decide that an act of Congress is unconstitutional. The Court has been known to watch the

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election-returns, and old age has been known to remove even Emperors from their thrones.

It was John Marshall who set up the Supreme Court as the protector of the Constitution against the President and Congress. Perhaps he was right. The Court is more nearly comparable to the British House of Lords than is the Senate. When the House of Lords has blocked progress, its membership has been enlarged. The same thing has happened to the Supreme Court before this, when Lincoln and the Republican Revolution came into power in 1861. It can happen again and will happen if the Courts attempts to balk a really revolutionary process conducted under peaceful means.

The most extraordinary thing is that the Supreme Court has been able to frustrate the popular will as often as it has. It precipitated the Civil War by the Dred Scott decision and outlawed the first Federal income-tax after it had been in existence for thirty years. No President of the United States—not Wilson in wartime or Roosevelt to-day—has presumed to usurp one fraction of the dictatorial power which the Supreme Court has arrogated to itself. It has survived merely because it has kept its ear to the ground and yielded to popular movements on critical occasions.

For a long period the Supreme Court—always conservative—had been under Tory domination when Roosevelt came to Washington and so was suspect among the liberal lawyers and economists of the New Deal. Hence the New Deal legislation was heavily garlanded with “emergency clauses” describing the dire national peril. This was because the Court had decided during the World War that the war powers were supreme. It had acquiesced in the most blatant abridgements of personal rights under the espionage and sedition acts. It had even gone so far as to permit an

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invasion of property rights, as in upholding the New York and District of Columbia rent laws, which deprived the owners of rented houses and apartments of their arbitrary rights to increase rents and dispossess tenants.

There were loud cheers and wassail in the tents of the New Deal when the Minnesota moratorium decision was handed down in January, 1934, with a majority opinion written by Chief Justice Hughes. The five-to-four vote found Hughes and Roberts, both middle-of-the-roaders, voting with the three liberals, Cardozo, Brandeis and Stone. The decision led to a pretty little skirmish. The more enthusiastic New Dealers accepted it as an omen of approval of all the New Deal legislation, while Tories hastened to reassure the country that there was nothing liberal about the majority opinion, that, in fact, it was no more liberal than Calvin Coolidge. That pushed the four rock-ribbed Tory Justices—Vandevanter, Sutherland, Butler, and McReynolds—into hitherto unsuspected depths of reaction, for no one had ever dreamed that it was possible to be more conservative than Cautious Cal, and yet this beautifully lichened and weather-beaten quartet obviously were.

In the Minnesota case, the Court simply upheld the right of the State to interfere with the normal rights of property holders to a reasonable extent during a real emergency. It did not, of course, touch on the interstate commerce clause of the Constitution, which is extremely important as the basis of the N.R.A. and the A.A.A. The guts of the situation, of course, was that the Court was facing the dilemma of going along quietly with the New Deal or losing its historic position. For the issue was and is, not whether the Supreme Court would uphold the New Deal but whether the New Deal will tolerate the Supreme Court and the legalistic flummery by which fifty years of high-

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priced hair-splitting has deified the judiciary as the guardians of corporate wealth.

The New Deal is, above all, a popular revolt against unsuccessful invisible government by vested interests. The code of Wall Street is no more acceptable when handed down via the Supreme Court than when handed down direct by the Wall Street bankers or via a Tory President or a Tory Congress. It is not changed in the slightest by the difference in routing, and the ordinary citizen knows it. Nobody is prepared to cheer for, let alone die for, nine old gentlemen sitting in a row, black robes and everything.

Charles E. Hughes, the Chief Justice, probably knows it. Moreover, he has a remarkable opportunity not only to go down in history as the savior of the Supreme Court but as perhaps second only to Franklin D. Roosevelt in the history of the New Deal, by reinterpreting the Constitution in the light of modern conditions. It is a tremendous opportunity for a mere jurist, and Hughes has never lacked ambition. Besides, he always gave the impression that he chafed under the Tory label which so many liberals in the Senate plastered on him when he was up for confirmation in his present office. His early record was made as a liberal and there is no historical immortality in being a servant of Wall Street.

Alongside of Hughes is Owen J. Roberts, another corporation lawyer with leanings toward moderate liberalism. He is still in the formative stage as a judge but the New Deal may make him a great jurist. He is the youngest member of the Court. He helped prosecute Fall and Sinclair in the oil scandals of Old Guard origin and has been on the liberal side in about half of the cases which have come before him since he was appointed to the Court.

A little further to the left stands Harlan F. Stone, a

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New England conservative who has been led towards the liberal side by sheer common sense and Puritan conscience, and by a warm friendship with Brandeis and Holmes. A teacher of law for years, he is no crusader but has clearly established himself as no narrow legalist where human rights are at stake.

Brandeis—who has already been discussed—and Benjamin N. Cardozo, the two Jews of the Court, hold down the left wing. Less of an economist and crusader than Brandeis, Cardozo established himself as a true liberal during his years as head of the New York Court of Appeals, and is perhaps the most profound legal student and finest stylist on the Supreme Court. He comes of old Portuguese-Jewish stock, which has been in this country since the early 18th century, and one of his great grand-uncles participated in the inauguration of George Washington—a sufficient answer to those who conjure up a picture of some alien philosophy at work behind the judicial liberalism of the New Deal. There is a romance behind Cardozo, the romance of American reformism. When his father was involved in a peculiarly unsavory Tammany scandal, young Cardozo vowed to rehabilitate the family name by a life of conspicuous and disinterested public service. He did.

The right wing of the Court contains some fine old museum pieces of remarkable interest to antiquarians: Willis Vandevanter, an able but reactionary judge who rose via Wyoming and Republican Party politics; Pierce Butler, a Catholic reactionary who, like Vandevanter, is a former corporation lawyer (when the corner-stone of the new Supreme Court building was laid, with the traditional copies of daily papers, small coins and bric-a-brac for the future archaeologist, secreted in the cavity, there was a strong movement among the younger men in the Department of Justice

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to put Justice Butler inside the stone as well—but it came to naught); George Sutherland, another frontier Republican reactionary, a Utahan who is liked for his human qualities; and James C. McReynolds, an Old Guard Fundamental Democrat from Marse Hull's State of Tennessee. A psychiatrist could undoubtedly detect differences among the members of this Old Guard quartet. The average New Dealer finds them as alike as four hard-shelled crabs.

After the Minnesota decision, Republican publicists made much of the fact that four of the five men in the majority had been appointed by Republican Presidents. That was true, but so had three of the four members of the Old Guard. But for the Senate Progressives, Hoover's appointees would have been snugly Tory. Hoover tried to put the Carolina reactionary, Parker, on the bench, as "a political master-stroke" to win the Solid South, but the Senate refused to swallow him and forced the appointment of Roberts. Cardozo, Hoover's last and best appointment, was rammed down his throat by the progressives, on the eve of the 1932 election, when he still dreamed of holding the "silent vote". Hoover also appointed Hughes, and that was not a bad job, although at the time, Hughes, fresh from legal laurels as counsel for Standard Oil, was regarded as 1000% conservative. Also, in this way, a possible Presidential candidate for the Republican nomination was placed out of Hoover's way for 1932.

The Presidential score on the Court is interesting. Wilson scores 50% with Brandeis the liberal and McReynolds the reactionary. Taft, as might have been expected, scores zero with Vandevanter. Harding, also as might have been expected, scores zero with Butler and Sutherland. Coolidge scores a bullseye with the liberal Stone, and Hoover—thanks to the political blackmail of the Progressive Repub-

licans—makes a nearly perfect score with Hughes, Roberts and Cardozo.

5

Among the potential “public enemies” of the New Deal must be reckoned politics, so long as politics function primarily as a means of distributing the jobs and contracts to the faithful.

In this sense, the conservative wings of both political parties and the press through which they speak are endangering the welfare of the people. No one would object to a clear-cut issue or decision one way or the other. In many ways, it is possible that a Big Business fascism would be a good half-way station to the desired goal of a more abundant life. The danger is that the experienced political hacks, stump-speaking spellbinders and crafty manipulators in both parties might manœuvre the voters into thinking that popular impatience with the New Deal indicated a desire to return to the Old Order.

For this Old Order would be nothing but a transfer of power from people who know what they want to do to people who have no particular idea of what it is all about. It would be infinitely more tragic in its way than the election of Harding in 1920, before the bankers had been discredited and before the possibilities of installment selling, foreign investment and stock speculation—as substitutes for substantial prosperity—had been exploited. Just as the election of 1932 was properly construed as a mandate for a New Deal, so the defeat of the Roosevelt Party either inside the Democratic organization or by the Republicans would be interpreted as authorization to scrap every phase of the New Deal, and rely upon the forces of despair or starvation

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to complete the process of liquidation or to stimulate a violent revolution which would sweep away all vestiges of orderly government in the United States.

Not democracy, but the whims of an electorate in which the old-line politicians and the press have the inside tracks, are the great danger. Herbert Hoover, with all his hesitations and shortcomings, had both the manliness and decency to draw the issue sharply in the closing days of the 1932, in his Madison Square Garden speech, in which he declared that the choice lay between the old time-tested American ways and the alien experiments of the New Deal. He received his answer when the votes were counted, but it was a fair answer. Such candor as Hoover's is alien to the old-line politicians. They will be vague, they will view with alarm, they will fondle the Constitution, and they will hint slyly that Roosevelt's program is un-American, but they will not again, if they can possibly avoid it, permit the voters to make a clear choice between the old and the new. Rather will they wriggle quietly back to power, they will exclude men of independence and ideals from Party offices and Party power, they will continue to look upon politics as simply a means of giving the right gang the right jobs, and will go back to the old pie-counter methods which have prevailed for the last thirty years.

Among the public enemies of the New Deal, therefore, Hoover must be definitely excluded. In spite of the fact that he took the Constitution far too seriously and wore his hair-shirt in public, nobody harbors much resentment against the poor old boy. He did his best and it simply wasn't good enough, so the American people have passed him over. In another three or four years, he may recapture some of the respect and admiration which Woodrow Wilson regained in his latter years. In the meantime, he is materially assist-

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ing the New Deal by retaining control of the machinery of the Republican Party, in the artless belief that there will be a great popular demand for Hoover to run again in 1936. Cleveland also had a term in office, was beaten, and then came back for a second term, they tell him, and he believes it. Since it is manifestly improbable that the American people will ever again permit him to occupy the White House, it is well that he should squat on the frozen assets of the Party machinery. He thus discourages the emergence of any other strong Republican sandwich-man who could build up good-will for the G.O.P.

This in turn will automatically checkmate the activities of Mr. Ogden Mills, the man who long has been said to "realize that he ought to be President", Representative James Wadsworth, and other Tory possibilities for a return to the Old Order. The Democratic Bourbons such as McAdoo and Carter Glass can also be discounted. That these men are unsympathetic to anything more recent than the Spanish-American War can be taken for granted, but they are not themselves a menace to the New Deal. The nomination of any one of them would be taken as a proof of the mass of the American people that if such men oppose the New Deal the New Dealers must be right.

Far more to be feared is some pleasant bumble-puppy of a politician, a man with a handsome face, a resonant voice and the art of saying and thinking nothing which could violently offend anybody—another Harding, in short, who could ride into power on a wave of popular unrest without having the slightest idea of what he would do with power when he had it. The lower ranks of both Parties are full of such men, Governors and Senators, to whom the art of pleasing the mob is a habit and who would look well in a toga. These are the men whose names emerge from a small

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smoke-filled hotel room at a Party convention after the men of ideas and action have exhausted themselves in a struggle for the nomination. The woods are full of them. Congenital teeth-grinders like Senator Simeon D. Fess of Ohio, and turbulent alarmists like Senator Arthur Robinson cannot harm the New Deal—they have helped to create it. Its real enemies are to be found in Congress, the National Committees, the State Committees and the local politicians to whom the winning of elections, the landing of jobs and the assignment of offices are bread-and-butter matters.

There is one important exception to this rule—Al Smith. Al is, potentially, the greatest political enemy a social revolution ever faced, if he can survive the drubbing he received from Father Coughlin and the liberal Catholics on the “baloney dollar” issue. An aging conservative, he is generally regarded as a liberal; a man of big property interests and banking affiliations, he has the knack of tossing off the rough and humorous epithet which wins the mob; a strong and vindictive fighter, his pugnacity bears no relation to political principles. If the Tories should succeed in splitting the two older parties and reuniting the conservatives of the Republican East and the conservatives of the Democratic South, Al Smith would make an ominous candidate for the new party. Even in 1928, he won important support from the Eastern Republicans and the fact that he is nominally a Democrat would help to sweeten the dose for the Solid South, now that the religious issue is out of the way. Such a manœuvre would, moreover, carry with it to the new party, such large chunks of the machinery of the old Parties as seriously to cripple a corresponding effort to unite the Liberal Democrats and the Progressive Republicans.

For the Old Guard has one ace up its sleeve. Fifty years of quiet work on the election laws inside the separate States

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have made it practically impossible and almost illegal for a new party to be organized in an election year. The Old Guard controls the political machinery in both Parties and could in many States forbid the public the chance to vote on any candidate not endorsed by the existing organizations. The untimely fate of "third parties" in contemporary America is largely due to this fact: the professional politicians have enacted laws which virtually outlaw independent political organizations. A Tory coalition could effectively veto the power of the people to vote for anybody but Al Smith or a Socialist push-over in some of the most populous States in the Union. A bankers' Party on an anti-baloney money platform, with Al Smith as the figurehead could undo the work of the New Deal. The only possible way of anticipating this danger is to beat them to it, by organizing the progressives, liberals and independents of all parties and doing it first.

6

The essence of the peaceful revolution which has begun under Roosevelt is that it is a new deal and not a free-for-all. The game is big and the stakes are as high as have ever been recorded in our history, but it is a gentlemanly game and none of the cards is marked.

As the game progresses, the discards fall to the table—a Mitchell and a Wiggin, a Sprague, a Baruch, possibly a Johnson or a Tugwell to-morrow and perhaps Roosevelt himself in 1936. Certainly many of his advisers will gain in influence or lose their posts. Many of his political supporters will fail of reelection. Many of the rank and file will lose patience or confidence. There will be violent clashes of opinion and of policy, inside the Administration, in Con-

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gress and in the country itself. The Old Guard will pretend it was only playing for matches and the New Dealers may in their turn find it convenient to claim that they were playing patience instead of poker, but the play will continue and the discards themselves will be neither the enemies nor the victims of the game.

Let no one waste his pity on the Tories who are holding the losing hands. If fortune has passed them by it is no more than time is doing. They are political wall-flowers—a pity that no one asks them to dance now that the polka has gone out of fashion, but why don't they learn the carioca? Let no one waste his anger on the New Dealers who are following the run of the luck. They, like Roosevelt himself, are simply the symptoms of the New Deal and not its cause. The game would have to be played according to their rules no matter who held the cards.

For the real victims of the New Deal are obsolete ideas and irrelevant ideals. Ideas and ideals can die—can even be brutally murdered—with less suffering than the Old Order casually inflicted on a million undernourished children. Let them die and let them pass in the inextinguishable laughter of the gods. For the New Deal is a laughing revolution. It is purging our institutions in the fires of mockery and it is led by a group of men who possess two supreme qualifications for the task: common-sense and a sense of humor.

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