

# The Saturday Review

## of LITERATURE

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CONTRIBUTORS TO THE NEW DEAL

Above: Aristotle, Machiavelli, Locke; below, Jefferson, Madison, Hoover. "The master idea behind the New Deal—American society is a collectivity of particular interests."

### Acute Propaganditis

MOBILIZING FOR CHAOS. By O. W. Riegel. New Haven: Yale University Press. 1934. \$2.50.

Reviewed by WILL IRWIN

AMONG the curiosities of current literature, this has always seemed the strangest to me: that both pedants and broad scholars should have ignored anything so important to the modern world as journalism, and especially news-journalism. During that century when it was making itself indispensable to democracy and even to the business of living, this trade, articulate about everything else, maintained a strange reticence about itself. "The nerves of the modern world" we used to call it in those days when the nerves were performing their normal function of carrying impulses and impressions from one part of the body politic to another. During the past decade those nerves have developed symptoms resembling neurasthenia and neuralgia; and only now, with the disease of "propaganditis" in its most acute stage, have scholarly minds gone forth to find what it is all about.

Mr. Riegel is one of these pioneers. He has set himself an impossibly large task; to describe the pollution of news, for special and nationalistic ends, in all nations and in all languages. The task is the more difficult because he has few reliable documents for sources, since propaganda is a process as secret and devious as a Chicago racket. The critic who is himself informed on the subject can pick flaws both in statement and in interpretation. Mr. Riegel gives a wrong date, for example, for the establishment of the Nauen war-news service in Germany, and much underestimates its influence. And sometimes he seems to me less than fair in his attitude toward the American Newspaper Publishers' Association. Yet in the main, this is a triumph of the higher reporting; his broad statements square with the ex-

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### The Punishment and the Crime

CRIMINOLOGY. By Albert Morris. New York: Longmans, Green & Co. 1934. \$3.50.

Reviewed by AUSTIN H. MACCORMICK

GILBERT and Sullivan are the only criminologists to whom this reviewer refers constantly with the knowledge that their views on the subject are uniformly sound. The late Thomas Mott Osborne never lectured on crime without at least one reference to what the enterprising burglar does when he's not a-burgling, or letting the punishment fit the crime, or the virtues of open piracy when contrasted with respectability.

But some exceedingly good books about crime and criminals have been written during the last few years, and Albert Morris's "Criminology" is one of them. He has written it with his eyes and ears and mind open and his feet solidly on the ground. He has surveyed the many excellent studies made during the last decade and comments on the findings with penetration and vigor and courage. Finally, his book is fresh and readable, for which God be praised, since the poor prison official's reading grist so often consists of reports and statistical tables that are bone-dry. It will make a good textbook, but it can be and should be read by workers in the field as well as students.

Those of us who are dealing every day with criminals, in or out of prison, are inclined to read few texts on criminology. Most wardens and many administrators of penal systems, the undersigned included, would flunk an examination that any good graduate student of sociology could pass. Our failure to read is not entirely caused by lack of time. It is rather because of a feeling that there are two groups in the field—those who actually deal with crime and those who write about it—and that we who are in the first group know so much more than the others

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## Behind the New Deal

BY CHARLES A. BEARD

WHAT are the intellectual sources of the New Deal? What is the genesis of the ideas which in combination or confusion, or both, have furnished inspiration and guidance to the sponsors of this program or melange for the United States?

These questions are now being asked by citizens who are trying to get their bearings amid the flow of opinions which deluges the country. It is proper that they should be asked. Ideas do have a place in the making of history. Even the most practical person in the world will scarcely admit that he has no idea of what he is trying to do. But ideas are elusive things and cannot be isolated for examination in a test tube or under a microscope. Nor is their origin easily traceable. Where do ideas come from? There are few today who think that they come out of the blue in the form of divine revelation to favored observers of the sky. Perhaps the most widely accepted conviction is that ideas come out of past history as it actually was and are transformed, more or less, in the alembic of contemporary thinking. This at least seems to be the safer view. Such is the assumption here openly confessed.

But before we can profitably seek for the sources of the ideas incorporated in the New Deal, we must first ask ourselves: "Is there a supreme idea behind the New Deal giving form to its practice?" If there is, then all minor ideas are subordinate to the master pattern of thought or are excrescences to be neglected or cut off.

The first quest then is for that supreme idea. How may we find it? The sources are the speeches, books, articles, proclamations, executive orders, decisions, and statements of President Roosevelt, extending over a long period of years. The sources also include similar materials supplied by Henry A. Wallace, Harold Ickes, Claude Augustus Swanson, and various ministers and high officials. They embrace the thoughts and actions of Raymond Moley, Felix Frankfurter, Rexford Tugwell, Donald Richberg, A. A. Berle, and other intimate counsellors and advisers welcome at the White House. To these sources must be added the words and deeds of political advisers ranging from Bernard Baruch and Carter Glass on the right to Bronson Cutting, Robert M. La Follette, and Elmer Thomas on the left. All these ideas are not printed and known; many have been merely whispered in the great wind tunnel at Washington and are not recorded for the benefit of inquiring historians. But a few of them are set down in black and white. And the actions or practices of the New Deal are exhibited in the statutes, executive orders, and administrative decisions of the Federal Government since 1933.

In this vast whirling mass of opinions and decisions is any master idea or pattern of thought visible to observation: that is, a master idea or pattern which is self-consistent and devoid of primary contradictions? There is none. Yet there is discernible the shadowy outline of an idea, which may be set forth in the following shape.

In the New Deal American society is pictured as a congeries of particular interests—agriculture and industry, labor and capital, business and finance. This conception of American society was set forth by President Roosevelt in his San Francisco

speech during the campaign of 1932 and has been reiterated since, with special emphasis in his address before the American Bankers Association in Washington in October, 1934.

The idea of American society as a congeries of particular interests is not new. It appears in the writings of James Madison, the Father of the Constitution, whom Mr. Roosevelt has quoted more than once. Though old, the idea had almost dropped out of sight during the closing years of the nineteenth century. Indeed it had become almost indecent to mention the idea at the opening of the twentieth century. With universal suffrage and universal education came the thought that American society is an affiliation of free and equal individuals, each struggling for his place in the sun and winning according to his merits. Of course, a few idealists and all hard-boiled politicians devoted to practice knew better, but no President openly admitted that American society was a congeries of particular interests and operated on this hypothesis in front of the scenes.

Such is the master idea behind the New Deal—American society is a collectivity of particular interests. What then is the role of government? It is to get these interests working together producing prosperity. This role government must perform with the least possible interference with "the normal functioning" of these interests. But, as President Roosevelt said to the bankers last October, government must be the leader and the judge. It must interfere for the reason that the way in which interests were functioning in March, 1933, eventuated in distress and calamity. It must lead and judge, because these interests struggling alone produce poverty and misery.

Such leadership and judging must, in the nature of things, make changes in the previous methods of interest-functioning. What changes? These are manifest in the legislation of the New Deal. They involve not a dissolution of particular interests, but a closer organization of the great interests—agriculture, industry, banking,

## This Week

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WHAT IS A STORY?  
By WILLIAM SAROYAN



and labor. Industrialists are to organize, police themselves, and adjust production to demand. Farmers are to organize, police themselves, and adjust production to demand. Labor is to organize and bargain collectively with employers. Bankers must "pull together" and cooperate with government.

Such changes, however, are not enough. At all events they have not produced social harmony and prosperity. In leading and judging, the Federal Government lays hold of the "natural" distribution of wealth. It taxes consumers to pay farmers for cooperation in the curtailment of production. It taxes the possessors of large incomes to support "public" functions and stimulate private industries, including the munitions and armament industries. It evidently hopes to get the collectivity of interests into successful operation through self-government and some alteration in the "natural" distribution of wealth.

Embraced within the idea of American society as a balance of interests maintained in operating harmony is the subsidiary idea of facilitating the process of equilibration by preventing what may be called the "unnatural" distribution of wealth—stock gambling, the formation of robber holding companies, high financing, and exorbitant rates for utility services. In other words, private gains and profits by paper manipulations and resort to the main chance are to be materially reduced. The reduction is to be effected in part by prohibitions and by bringing a "yardstick" to bear on private utility concerns. In part also it is to be effected by lowering the rate of interest on loans for shipbuilders, railways, farmers, and home owners more or less heavily involved in debt.

Expressed in summary form, then, the fundamental idea of the New Deal is a coordination of classes and the maintenance of balance by regulation and by a certain control over the distribution of wealth. It does not contemplate the supremacy of agriculture over industry, or of industry

over agriculture. It does not contemplate the concentration of property—farms, homes, stocks, and bonds—by protecting them more or less against the ingenious operations of the great and powerful. For the merciless law of the jungle, the New Deal would substitute balance, equilibrium, and protection.

Where did this collection of ideas enclosed in a larger idea come from? Certainly not from Marxism or fascism. It is far older in origins in both American and European political thinking. The conception of society as a collectivity of interests and of history as reflecting a continuous conflict of interests is to be found in Aristotle's "Politics" written more than two thousand years ago. The idea that agriculture forms a secure basis of a strong and virtuous society stems from the same source. The conception of statecraft as the art of balancing interests is to be found in the advice which Machiavelli gave to the Prince. This old heritage of thought was developed and applied in England during the seventeenth century by Harrington and Locke. It was well known to the Fathers of the American Republic—to Hamilton, Madison, Gouverneur Morris, Charles Pinckney, Jefferson, and all educated members of that remarkable fraternity. It was set forth with great cogency and precision in the writings of James Madison, with especial conciseness in Number X of the *Federalist*. Even the possible overthrow of the propertied classes by the propertyless masses was forecast with astounding acumen by Madison long before Karl Marx was born, and the materialistic conception of sociology and history was accepted by John Adams in *palazzo* if not in *piazza*.

Taking this heritage of thought, which had been thoroughly Americanized by 1780 at least, Jefferson went back to Aristotle in one respect and came to the conclusion that the agricultural interest composed of free and upstanding farmers was the only guarantee for the perpetuity of the Republic. It alone offered a secure and honorable way of life. In Jefferson's eyes traders, merchants, bankers, and paper manipulators of all kinds were lacking in firm attachment to their country and

largely responsible for the gambling spirit so dangerous to society. He believed that the "mobs" of the great cities were "sores" on the body politic, likely to be swayed by the rich or to make brawls and revolutions. He wanted to keep workshops and the working classes with their manners and morals in Europe and to preserve the ascendancy of agriculture in American life.

Andrew Jackson likewise carried on the agricultural tradition, but with more tenderness for the "mechanics" of the cities. His heart was with the former, but cities were growing anyway and mechanics were flocking to his banner as he smote with might and main the United States Bank, Nicholas Biddle, and other agencies of "great wealth."

On one thing Jefferson and Jackson were in perfect agreement. They believed that an equitable distribution of wealth would occur automatically, if no "special privileges" were granted by government to any person, corporation, or "monied" interest. Here is one root of the faith manifested by the New Dealers in the "natural" distribution of wealth throughout the collectivity of interests as long as certain excrescences are kept off the body politic. Of course it has sources in various economic writings and has been preached by bourgeois economists, but it seems safe to assume that American politicians know more about Jefferson and Jackson than about Ricardo and Harriet Martineau.

Society is a collectivity of interests. Politics is a conflict of interests. The supremacy of agriculture is to be desired. There is a "natural" distribution of wealth in society, if government grants no special privileges to private interests. Such was the heritage of political thought bequeathed by Madison, Jefferson, and Jackson. Although great capitalism with its factories, cities, railways, and working classes rolled over the American continent, the heritage never disappeared. Among thousands of politicians, now lost

in the maelstrom of the New Deal, there are still some who believe in the "natural" distribution of wealth. They are not, however, as a collectivity of interests and a political philosophy, but as a political philosophy, a social theory, a pedagogy, and a moral code, but politicians knew better than to operate on the theory, no matter how much they celebrated it on the platform. And even the intellectuals could see that slave owners were a class as well as a few hundred thousand bifurcated and unfeathered mortals.

After the Civil War the conception of society as a collectivity of interests appeared again above the smoke of battle. Labor reformers, Greenbackers, and Populists revived it. They were waging war on the new plutocracy. They designated the plutocracy as an interest opposed to public interest, namely, their interest. Then the spokesmen of great industry replied by saying that there were no classes in America, only free and equal individuals, each rewarded in rank and wealth according to his thrift, industry, and virtue. Academic economists, who might have known better, generally joined in defense of individualism against reformism, greenbackism, and populism. So apart from the cranks and the lunatic fringe, our best people hotly rejected the idea of society as a col-

lectivity of conflicting interests and demonstrated to their satisfaction that it was a collection of struggling individuals rewarded according to merit. How beautiful upon the mountains were the feet of them that brought glad tidings!

But the submerged tradition survived. It broke out in populism in the early nineties—in the great agrarian revolt. Its formulas with additions may be read in the long populist platform of 1892. There is declared the solidarity of "rural and civic labor" against "capitalists, corporations, national banks, rings." There is declared a demand for a graduated income tax, government ownership of railways, telegraph, and telephone, and a recovery of lands held for speculative purposes. There is a positive call for government intervention in the "natural" distribution of wealth and for government ownership on a large scale. To these items were later added a demand for the dissolution of great combinations in restraint of trade. Appealing to the agrarian interest especially, but with gestures to urban labor in the Jacksonian style, William J. Bryan captured the populist party in 1896 and went down to defeat.

Then came "the glorious little war" with Spain, imperialism, manifest destiny, moral obligation to benighted people, and all that thimble-rigging. For a time Madison, Jefferson, Jackson, Charles O'Connor, and Sockless Jerry Simpson were lost to sight. Great combinations of capital grew in spite of the "trust busting." Everything was getting bigger and better. America was a "world power" with responsibilities abroad.

But underneath the American heritage was at work and by this time the socialists had begun to add to the ferment.

In 1912 came another upheaval in the American tradition. Although the old agrarian dream of agriculture's supremacy had been exploded in fact, agrarianism was still active. Stealing Bryan's thunder, as the *New York Sun* put it,

"The New Deal is a collection of ideas and a political philosophy, a social theory, a pedagogy, and a moral code, but politicians knew better than to operate on the theory, no matter how much they celebrated it on the platform. And even the intellectuals could see that slave owners were a class as well as a few hundred thousand bifurcated and unfeathered mortals."

Out of the mêlée emerged the Progressive platform of 1912. In this document are combined many strands of thought: government intervention in the "natural" distribution of wealth, government control over corporations anticipating NRA, the protective tariff, the recognition of agriculture and provisions for the development of agricultural credit and cooperation, the issue of currency as a government function, control over resources and water power sites, and other features forecasting the New Deal. Indeed it could be said that the New Deal stems most immediately from the Progressive platform of 1912.

Next came the New Freedom and the World War, and a revival of industrial capitalism on a scale more vast than in 1898. Agriculture was sinking, agrarians were protesting, and yet industrialism was

triumphant, until the cataclysm of 1929. Once more the accumulating American tradition was revived. Madison, Jefferson, Jackson, populists, and progressives were heard in the land. In the turmoil Franklin D. Roosevelt framed his program on an all-around view of interests—business and banking, agriculture and industry—"the all-American team," as he called it.

If the above analysis is correct, then the fundamental idea behind the New Deal embraces great capitalism, with its gigantic technology and corporations, and small capitalism with its petty enterprises, shops, farms, houses, and filling stations. The former is to be controlled loosely by government and its profits curtailed by regulation, taxation, and pressure. The latter is to have a freer hand, but it is to be subjected in places to cooperative regimentation.

Can the idea be made to work in practice? Nobody knows, not even Bruce Barton. Experience thus far has revealed only a limited success at best, and the gains may be mere spurts started by novel forms of government intervention. If the idea does work in practice, the "laws" of old capitalism will be exploded. Hitherto in such depressions, the rule of the jungle has prevailed. Mortgages have been foreclosed, railways have gone into bankruptcy, factories have been put up for sale, and prices and wages have been slashed to the bone. The weak have been thrust down into the pit, and property has passed at low figures to new hands capable of making it function on the new terms of acquisition. Under the New Deal all property owners are to be saved, even from the consequence of their own folly; inflated structures are to be upheld by the props of public credit—as long as it will last. Can it be done?

Nobody knows, though all may freely guess.

If the idea succeeds in practice, will new depressions be avoided forever and ever? A positive answer to that question is not

may never be accomplished, despite the dream that haunts mankind, but certainly the New Deal does not attack the depression from that angle.

Associated with the New Deal, but not original with it, is another idea expressed bluntly by Herbert Hoover: "No American shall starve." Considered from the standpoint of pure economics there is no reason why Americans should not be allowed to starve, unless forsooth it be supposed that hungry multitudes might upset the fair pageant of property and State. There was a time in the history of capitalism when the poverty of the poor was ascribed by its apologists, the economists, to the improvidence of the masses, to thriftlessness, bad habits, and too many babies. Misery and the threat of starvation, it was said, acted as a check on population and as a salutary warning to the thoughtless masses. It is true that few, if any, economists ever proposed to withhold private charity from the poor, not even Herbert Spencer. Few, if any, were prepared to accept the conclusions of their own logic, but all the orthodox were convinced fifty years ago that State intervention in the struggle for existence was a violation of "natural" law and bound to make matters worse. Strictly speaking, if gifts to the improvident augmented improvidence, private charity was as evil as State aid; yet none seemed to have the courage to say it and suppress charity.

In previous panics "natural" law took its course. The unemployed and poverty-stricken had to shift for themselves, with meagre grants from Lord and Lady Bountiful—and from neighboring poor not yet in the abyss. In this tragic hour, however, no one is to starve. President Hoover announced the new phraseology and hoped that private charity might do the job. Charity tried, but the task was too large. Thereupon President Roosevelt began federal aid on a monumental scale. Before many months had passed, seventeen or eighteen million Americans were receiving government grants, and the number does not seem to be diminishing. Certainly it may be said with assurance that the

## Antiphon for the Nativity

By MARY PARMENTER

*Men:* O Thou whose long-expected message ran  
Even to the fields of Pollio; Thou whose birth  
Was manifested to the rich governors  
As well as to the simple of the earth,  
Come, soon.

*Women:* We who have feasted sumptuously  
On the knowledge of good and evil, who have come  
To know ourselves to the husks;

*Men:* We prodigals  
Who have spent our souls to save our substance, roam  
Poor exiled sons of Eve, in the wilderness,  
Bruising our heels against the serpent's teeth.

*Women:* And we, Adam's daughters, putting forth our hands  
For bitter apples, await Thee in this our death.

*Men:* We have prepared a place for Thee, O Word!  
Come, now. We shepherds who know not husbandry  
Have swept a manger bare.

*Women:* And there we watch—  
Handmaidens whose lamps are low, whose breasts are dry.