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National Politics and War

By Charles A. Beard



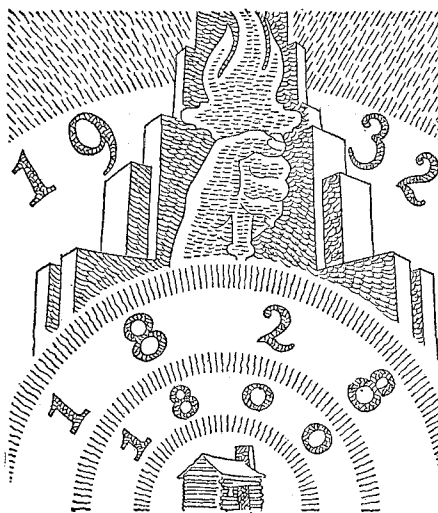
Is the Republican party, the party of "wealth and talents," dead? Will failure of the present administration lead us to war? Dr. Beard, co-author of "The Rise of American Civilization," in one of the most important papers he ever wrote, draws from America's past to suggest our future course in domestic and foreign affairs



THE overwhelming preponderance of Democrats in the Government of the United States disconcerts good Republicans and mere observers who watch the storm from ivory towers. According to the well-known law of action and reaction, there should now be a Republican majority in the House of Representatives or at least a minority large enough to exert a powerful check on the Executive and its legislative cohorts. It is a strange kind of administration in Washington that does not accumulate enough errors in two years to cut its support in Congress and the country. What has happened? What is the significance of the Roosevelt upheaval in American life?

Ready answers will come, of course, to the lips of those who live from day to day on personal reminiscences and chimney-corner gossip. At last the Grand Old Party representing wealth and talents is down and out, and will sink into oblivion, like the Federalists and Whigs. That is one answer, from one quarter. Another is that the New Deal has not yet finished its course of folly and waste, but will in due time come to its crisis; then the people, weary of dust and ashes, will turn once more to the Grand Old Party representing wealth and talents. Is the list of alternative answers thus exhausted?

In this quest we have, as Patrick Henry once said, only the lamp of experience to guide us, only the course of American history in the past. Surely it will be generally agreed that out of this history eventuated the New Deal and its sponsors. From American history



then a few relevant conclusions may be drawn with fair certainty. From a study of it also may emerge some light on the nature of the present Democratic upheaval and its possible course.

The first of the conclusions bearing on the significance of Mr. Roosevelt and the election of 1934 is that the present Democratic upheaval is the third statistical triumph of the kind, not the first. Twice before in American history the party of wealth and talents has been overwhelmed at the polls.

A similar thing occurred under Thomas Jefferson in 1800. It was repeated on a scale more vast and with deeper stirrings at the bottom under Andrew Jackson in 1828. The outburst of New Freedom under Woodrow Wilson cannot be included in this list. His election in 1912 was a political fluke, as his minority vote at the polls demonstrated, and his reelection may be ascribed to the confusions and perplexities of the World War, especially to the slogan that he would keep us out of the War. It is true that a political upheaval was in prospect during the years preceding 1914, but whatever meaning it had was submerged beneath the passions of the War itself.

I

So we may safely say that the first triumph of the forgotten man over the party of wealth and talents came in 1800, with the Jeffersonian "revolution." It had

the appearances of being "the permanent revolution." From year to year, with minor fluctuations, the Federalist party sank deeper and deeper into the flood of oblivion. At last it disappeared, as such and in name only. Many of its members, like John Quincy Adams, quickly clambered aboard the new party led by Jefferson, so evidently triumphant. Others sulked in their tents or put up a feeble fight until time cut them off from the living. By 1824 the whole country was safely Republican—the term then applied to Jefferson's party. It was frankly and avowedly an agrarian party. Jefferson had openly appealed to that interest and had repeatedly said that agriculture alone—a system of independent farmers—could furnish a secure base for a republic. Under it wealth was widely distributed. And the overwhelming majority of American voters were farmers. Indeed, the Jeffersonian revolution seemed to be permanent.

But two things interfered with its permanence. The first was war. The second was the inexorable movement of American business enterprise, in spite of all efforts to maintain the supremacy of agriculture in the economy of the country. And these things are still with us: the imminence of war and the movement of business enterprise.

Shortly after the "revolution" of 1800, Jefferson's Republicans began their attack on the apparatus set up by the party of wealth and talents. They drove Federalists from their berths in the Government and stripped them of their fees and emoluments. They assailed the stronghold of wealth—the United States Bank—and extinguished it when its charter expired. In time they even deprived wealth of many advantages in commerce which it enjoyed under discriminating laws. They seemed to think that it would sink in the scale if stripped of certain special privileges which it had enjoyed under the beneficence of the Government. They seemed to imagine that its very life depended on such bounties and grants at the expense of "the public." What might have happened had events taken a "normal" course, no one knows. But a war with Great Britain intervened in 1812.

It was an expensive war. It called for money and supplies. And only business enterprise could furnish money and munitions. Except in New England this enterprise rallied to the support of Madison's Republican administration. It lent money to the Federal Treasury and sold goods to Republican quartermasters—at a price and on terms. With foreign imports cut down by war, American industries sprang forward by leaps and bounds. At the end of the war the business enterprise which Hamilton had fostered with so much trouble had become a giant in comparison with its stature in 1789. An immense public debt had been accumulated in the hands of bankers and business men. The hated

thing which Jefferson had tried to extinguish had risen to new heights.

After the war, when the agrarians in the Federal Government faced the music of paying the bills, they were helpless, for neither their philosophy nor their experience provided them with any sure guidance. So they re-established the United States Bank. They raised the tariff—to assure "home markets for agricultural produce," and to bring revenue into the depleted Treasury. For money and practical experience they had to draw upon gentlemen naturally associated with the party of wealth and talents, whatever its mere name. Not without reason did old Republican croakers, like John Randolph, cry out that the "blood suckers" had returned to power—in Jefferson's party, this time. The permanent revolution did not seem so permanent after all.

II

It was then that preparations were made for the second great upheaval in politics, under the leadership of Andrew Jackson. Signs seemed to be propitious again. New states had been admitted to the Union in the West. They were all fundamentally agrarian in interest, far more agrarian than the older seaboard states. Well might the doddering Federalists protest against being overbalanced in Congress by the flood of wildmen poured in upon its floors from the backwoods districts.

These wildmen were a different breed from the farmers in the East. They had gone into the wilderness with their families. They had battled with Indians. They had cut down forests and built log cabins. They had knocked down opponents with their strong, hard fists. They had not enjoyed the benefits of a soothing education. And they were not satisfied to play a second fiddle to gentlemen planters from Virginia in the orchestra. They found their "natural leader" in one of their own kind—"Old Hickory" Jackson. It is true that Jackson owned slaves and aped the habits of gentlemen, but he had come up through the jungle of hard knocks and seemed to be the right man for the occasion.

At all events under General Jackson's leadership came the second great popular upheaval, that of 1828—the last until the advent of Mr. Roosevelt and his New Deal in 1932. And this revolution made Jefferson's upheaval look like a tea party in comparison. Rough fellows in knee boots and coonskin caps poured into Washington by the hundreds, filling the surviving Federalist office holders and the new Republican office holders with dismay and horror. All the best families in Washington who could get away fled in disgust. John Quincy Adams sulked, as his father had sulked

in 1801. It was a holocaust, a slaughter of innocence and virtue, an outrage beyond repair, the beginning of the end—so the “best” people thought. All except the stoutest of Jeffersonian Republicans were disgusted when rough fellows crowded the White House after Jackson’s inauguration, trampled mud into the carpets, drank punch in huge gulps, upset punch bowls, and stood in dirty boots on damask chairs to “git a glimpse of the Ginerol.” Republican planters in the South, who had never loved Jefferson anyway, simply could not endure it.

Before long the war on the party of wealth and talents was renewed in earnest, in language less polite than that employed by Jefferson in 1800. This time, it seemed, there was to be a thorough house-cleaning. Old Republican and Federalist office holders, holding their noses while hoping to hold their jobs, were cut off from the Treasury with merciless strokes. In comparison with General Jackson’s methods the tactics of General Farley appear mild and genial. The duties of any job, said Jackson, can be made so plain that anybody can perform them. Farley never thought of making a member of the paving rammers’ union a co-ordinator of the Railways. Anyway, out went the crowd with their knee breeches and ruffles.

Then, with a roar like that of a lion, Jackson sprang on the stronghold of wealth and talents—the second United States Bank. In vain did the grave Senators Webster and Clay, having retainers and favors from the Bank in their pockets, seek to preserve its life against the barbarians. In vain did they plead for “sound money.” In vain did John Marshall, with one foot in the grave, try to block the wildcat banking started by state and village politicians. In vain did the party of wealth and talents rally to the support of Nicholas Biddle and his Bank. The raging flood of Jacksonian Democracy rolled over them and they sank into ruin and oblivion—for a time.

Disgusted with the doings of “the blood suckers” in Jefferson’s party, Jackson’s men cast off the term “Republican.” The title had been alarming in 1800, but it meant little more than “Federalist” in 1828. Since there was to be a new deal, they had to have a new name. So they now called themselves Democrats—Jacksonian Democrats.

When Jackson was re-elected in 1832 the permanent revolution seemed doubly permanent—copper-riveted, in fact. The Bank was extinguished amid a mighty squawk. General Jackson rode rough-shod over everything and every person that obstructed his path. Nothing that he ever did or said was marked by the suavity that characterizes the leader of the third upheaval—Franklin D. Roosevelt. To be sure, the General was gentle with his friends as long as they took orders or flattered his vanity, but he made no addresses to bank-

ers in the style employed by President Roosevelt in October, 1934. Having smashed the enemy, humiliated the Senate, and enthroned his followers, Jackson handed the scepter over to Martin Van Buren, and retired amid the cheers of his boys. The job seemed to be done once and for all. The party of wealth and talents was prostrate in the dust, more prostrate than after the election of 1800 or of 1934.

III

This old party might have remained prostrate if two things had not intervened again, the same two things—the movement of business enterprise and war.

It was difficult, no doubt, for business men to make headway amid the dust and racket of Jackson’s upheaval. Many were ruined or suffered diminution of fortune during the first stages, but the more ingenious among them got ahead even after wildcat currency poured over the country, after the tariff was cut, and after bounties for shipping were withdrawn. Their troubles were multiplied as banks failed and states repudiated debts. They had to employ more clerks to shuffle and sift state bank notes worth ten, twenty, sixty, seventy, or eighty cents on the dollar and fluctuating from day to day. They were distressed when states like Pennsylvania and Mississippi just stopped paying interest on bonds. They were in despair as Democratic Congressmen heartlessly jerked subsidies away from shipping companies. They were embarrassed when Democratic Congressmen pounded the table and demanded still easier money.

But in spite of their troubles, business men made headway, for they were versatile, and not to be baffled by politicians decked in the habiliments of sovereignty. They built more and more factories. They opened mines. They constructed railways and telegraph lines—with bounties even from Democrats, who wanted their “‘destricts’ favored.” They reached out into the West and drew produce to the East by providing canals and railways and furnishing credit to farmers and warehousemen. Since they could not have a sound national bank, they founded sound state banks amid the unsound banks, and in time even easy-money men came to see the difference between the one and the other. Under the superintendence of business men, cities rose like magic—in Jefferson’s western farming region. Out of the mud sprang Chicago.

By the middle of the nineteenth century an economic revolution had taken place despite the political upheaval. At the turn of the mid-century business enterprise overtopped agriculture in the amount of capital employed in mines, factories, railways, and urban property. Swiftly through the years the center of economic

gravity had shifted from agriculture to business enterprise. Beneath the uproars of politics, notwithstanding the policies of government, the fateful transformation had taken place. The returns of the census could not be debated.

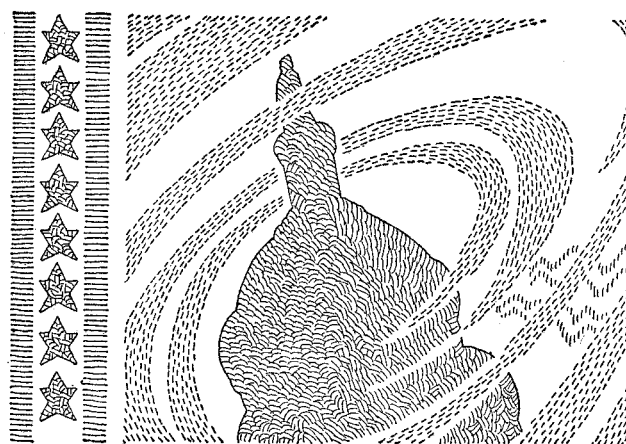
Still Jackson's Democrats were in a numerical majority in town and country. Only by using military heroes, General Harrison and General Taylor, could leaders in the party of wealth and talents manage to slip into power for a season. Finally that subterfuge failed them when they tried to elevate General Scott and he used Irish brogue in his campaign speeches.

Backed by a numerical majority, Jacksonian Democracy might long have remained in power, if it had made concessions to this invincible business enterprise and if it had not developed a faction which preferred civil war to concessions. But the agrarian Democracy of Jackson's time was founded on a given set of economic conditions. Its revolution of 1828 could have been permanent if the economic conditions had been permanent. And they were far from permanent, as business enterprise had statistically and realistically demonstrated.

Not only was business enterprise spreading its transforming works throughout the land; the agricultural base of Jacksonian Democracy was splitting. Planters employing slave labor were marching into the Southwest in seven-league boots and they were producing staples for which the chief outlets, or at all events important outlets, had to be found in Europe.

These planters never liked Jacksonian Democracy, with its equalitarian and dangerous doctrines, and they tried to work with the party of wealth and talents. But they came to believe that their hope for profit and survival lay in widening the foreign markets for their staples and lowering the barriers to the inflow of returning goods. They also became somewhat alarmed by the agitations against their labor system. How deep-seated were these alarms, nobody knows. That they were exaggerated was demonstrated by the loyalty of slaves to their masters during "the War between the States."

In the end, for one reason or another, planters in large numbers went over to Jackson's party, took direction of it, fought off concession to business enterprise, and demanded the supremacy of their policy and interest at Washington. As a Virginia newspaper once put the case, the South nominated Democratic candidates for Northern Democrats to elect. And they nominated no more candidates like General Jackson. Indeed none like him were available. And, when they could no longer have their way in the Democratic party, when the West insisted on having a man like Douglas, planting leaders in the Democratic party preferred to take their states out of the Union rather than

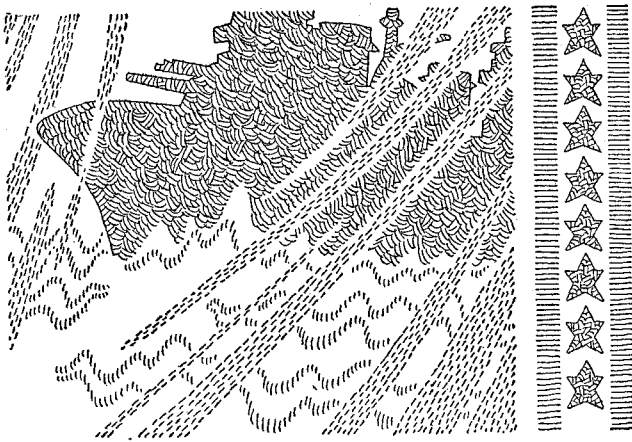


surrender their interests or make sufficient concessions to either Northern Democrats or business enterprise. Thereupon war came—war, that great upsetter of all calculations.

Here the planter-leaders guessed wrong. There were hundreds and thousands of Jacksonian farmers in the Northwest who had some ideas of their own, other than the ideas of the planting aristocracy. These Jacksonian farmers wanted the Government of the United States to give away the public domain in the West in the form of homesteads—not subsistence homesteads, but 160-acre farms. Planters did not like that, because it meant a swift increase in the area dedicated to free farmers and free laborers. Business enterprise did not like it either, for it meant higher wages in factories and mines as the population was drained off to the West.

In the end business enterprise proved to be more supple than the planting aristocracy. In a changing world it had to be or perish. It took the risk and offered the farmers of the West free homesteads out of the federal domain. It gave up the old name Whig, as it had surrendered the old term Federalist. Astute men like Seward knew that there was not much use in fighting for an old symbol and losing the substance in an effort to grasp the shadow.

What should the new name be? The issue was settled in the West. The name of the new combination of business enterprise and farmers about-to-get-homesteads was "Republican." That was a grand old name. It was Jefferson's name. It had been hated like poison by Federalists and old Whigs, but agrarians still loved it even after Jackson had supplied a new term. In 1860, there were living thousands of Democrats who had once called themselves Republicans, or by way of concession, Democratic-Republicans. So the leaders of the new combination between business enterprise and freehold agriculture chose Jefferson's title for their party. Nothing sounded better to many Western ears than "going back to the grand old party of Thomas Jefferson." What a lesson that is for practical politicians!



IV

With this line-up the Civil War was fought. When the country emerged from the conflict the Democratic party which had been so supreme in 1836 was shattered to its foundations. Meanwhile business enterprise emerged with more and better things. The national debt in the hands of bondholders had jumped into the billions. Great fortunes had multiplied. A third United States Bank, with modifications, had come into being. The tariff had been raised again and again. War profiteers had heaped up accumulated capital. The center of economic gravity had shifted nearer to the center of business enterprise. The "permanent" revolution of 1828 had been completely undone.

For seventy-two years, 1861–1933, the Republican party governed the country, in name or in fact. "Ah," students and practical persons with a school-book knowledge of history will say, "that is all wrong; you forget the Democratic Congresses and eight years of Grover Cleveland and eight years of Woodrow Wilson." But Grover Cleveland did not strike at a single one of the privileges deemed necessary to efficient business enterprise; when he made a gesture against the tariff in 1887, he was thrown out of the White House in a rush. When he came back and was handed a Democratic tariff bill in 1894 he thought that it looked more Republican than Democratic and he could not bring himself to sign it. The act bore the name of Gorman, but it might have borne the name of McKinley. And in a few short months Cleveland was the great white hope of business enterprise in the battle for sound money.

Woodrow Wilson, too, was in the White House for eight years. He got there on a fluke made by business enterprise. Like the planters in 1860, business enterprise had grown stiff with resting on its laurels and it failed to take to its bosom a poignant personality of the time, Theodore Roosevelt. In due course it was to make all the concessions he demanded and more, but it could not bear the thought in 1912. So Woodrow Wilson, with his minority vote, slipped into the White

House. What he might have done had not war intervened, no one knows, but that imminent thing—war—has a way of intervening. What the voters would have done otherwise was indicated by the election of 1914, when the Democratic majority in the House was cut from 147 to 29. It is true that the Democrats won in 1916: Wilson squeaked through by a narrow turn in California. What he might have done then, no one knows, for Wilson "took" the country into war.

Out of the war of 1917, as out of the war of 1812 and the war of 1861, the party of business enterprise emerged more triumphant than ever. It had a new national banking system, sanctioned by Democrats, despite Andrew Jackson. Fortunes had multiplied. War profiteers had heaped up a mountain of accumulated capital. A Republican House had been elected in 1918 and was at work on a new tariff bill. In 1920 the party of the New Freedom was hurled headlong out of Washington in a combination of Waterloo and Sedan.

From 1921 to 1933, the party of wealth and talents, still bearing Jefferson's old title, Republican, continued to rule the country, despite all agitations and threats on the left, despite agrarian discontents voiced in Congress. Its regime looked like a permanent order of things. It might have been if the economic base could have been kept intact, if that high level of "permanent prosperity" could have been maintained. But for various reasons, business enterprise and a Republican administration could not make the system work. It broke down on their very hands, and all the economists and witch doctors in the country could not get it running again by 1932.

V

Then came the third great Democratic upheaval, under the direction of Franklin D. Roosevelt. And to the surprise of hardened politicians the upheaval became more of an upheaval in 1934.

Is this the permanent revolution at last—the utter and final discomfiture of the party of wealth and talents?

That calls for prophecy, which is a dangerous trade. Judging by the past, we may be sure that the "permanent" is not permanent. There has been no great shift in the economic base since 1933. The party of wealth and talents as an economic order has not been decimated. Banks have not been nationalized, nor the railways taken over by the Government. Not a single instrumentality of economic power has been wrested from this party. The public debt has been increased, and its members hold bonds representing that debt. Even the financing of farmers has been assumed by the Federal Government on the basis of tax-exempt bonds. This operation has strengthened, not weakened, the

party of wealth and talents; in the place of defaulted and decaying farm mortgages, it holds bonds guaranteed by the Federal Government. In the process of liquidation now going on, all signs indicate a swift concentration of defaulted and distress paper in the hands of the shrewd and enterprising. There is no hint whatever of any change in the old practices of reorganizing bankrupt concerns. The "little fellow" is being frozen out as usual. At the end of the depression, if it ever ends, the concentration of wealth in the United States will doubtless mark a new high point in the evolution of American economy. The party of wealth and talents survived the Jeffersonian revolution, and the Jacksonian revolution. If it has not lost its talents, it will survive the Roosevelt revolution.

Yet the future is veiled.

If we seek to penetrate it, what instruments can we use? Only knowledge of the past, including the latest moment. What knowledge is relevant? And how far does it take us?

Certainly we cannot foreclose on the future. We may divine its alternatives and catch a dim vision of its contours, but we cannot bring any equation of forecast to a mathematical conclusion, a Q. E. D.

We can be reasonably sure that the depression will relax or deepen. If from obscure causes it does relax and President Roosevelt is in power at the time, the Democratic party is likely to reap the reward of appreciation at the polls, to the long-time discomfiture of the Republicans. If the crisis deepens, the Democratic administration may resort to strong measures. It may nationalize banks, especially the business of issuing notes. This is not impossible, but it seems improbable. Still more likely is inflation on a large scale, an orgy of paper money, such as we had after the destruction of the United States Bank in 1836. But if anything is known at all, large-scale inflation will aggravate the crisis and thus deliver into the hands of some strong party a mandate to rehabilitate the disordered finances of the country.

Other measures, well known, are also at the disposal of the President. Will he make use of them in an hour of deeper crisis? Nobody knows. Not even the President, unless, like Lincoln in the summer of 1862, he has already made up his mind. Critics may say that he is going to the left or to the right, but this is a meaningless phrase until the words are defined in terms of concrete measures.

If there is anything in American traditions and practices to guide us, it is that a wider spread of economic calamity will culminate in a foreign war, rather than in a drastic reorganization of domestic economy. Presi-

dent Roosevelt has given no indication that this alternative will be rejected. He has, to be sure, spoken of peace with his wonted geniality, but Herr Hitler has done as much. The gentlemen who stumbled into war in 1914 had been celebrating peace for a quarter of a century, while they feverishly prepared for war. Deeds speak louder than words. President Roosevelt has adopted the biggest navy program in the history of the country in peace time, and Secretary Swanson was not going beyond the record when he declared that the Democratic victory last November was an endorsement of this program. President Roosevelt has not given any indication whatever that he intends to relax the competition of the United States with Great Britain and Japan for prestige and "sea power." Judging by the past and by his actions, war will be his choice—and it will be a "war for Christianity against Paganism" this time.

At once the cry will go up that "nations do not deliberately make war." Nations as such never do anything. Statesmen in power make decisions for nations. Seldom if ever do statesmen deliberately "make" war, but they often prefer "strong" foreign policies to "strong" domestic policies. It is well known, except to innocence, that it is a favorite device of statesmen to attempt the adjustment of domestic dissensions by resort to diplomatic fulminations, war scares, and war itself. The Department of State under Cleveland and Olney was well aware that the threat against Great Britain over the Venezuela episode was calculated to reduce the inflammation of "the anarchistic, socialistic, and populist boil." The Spanish War was in many quarters regarded as a welcome relief from the domestic conflict—an effective damper on the populist movement. This is not saying that President Roosevelt will deliberately plunge the country into a Pacific war in his efforts to escape the economic crisis. There will be an "incident," a "provocation." Incidents and provocations are of almost daily occurrence. Any government can quickly magnify one of them into a "just cause for war."

Confronted by the difficulties of a deepening domestic crisis and by the comparative ease of a foreign war, what will President Roosevelt do? Judging by the past history of American politicians, he will choose the latter, or, perhaps it would be more accurate to say, amid powerful conflicting emotions he will "stumble into" the latter. The Jeffersonian party gave the nation the War of 1812, the Mexican War, and its participation in the World War. The Pacific war awaits.

Beyond that lies the Shadowy Shape of Things to Come.

In a coming number: An important article by David Cushman Coyle on control of the business cycle.

Kneel to the Rising Sun

A STORY

By Erskine Caldwell



A SHIVER went through Lonnie. He drew his hand away from his sharp chin, remembering what Clem had said. It made him feel now as if he were committing a crime by standing in Arch Gunnard's presence and allowing his hollow face to be seen.

He and Clem had been walking up the road together that afternoon on their way to the filling station when he told Clem how much he needed rations. Clem had stopped a moment to kick a rock out of the road, and said that if you work for Arch Gunnard long enough your face will be sharp enough to split the boards for your own coffin.

As Lonnie turned away to sit down on an empty box beside the gasoline pump, he could not help wishing that he could be as unafraid of Arch Gunnard as Clem was. Even if Clem was a Negro, he never hesitated to ask for rations when he needed something to eat; and when he and his family did not get enough, Clem came right out and told Arch so. Arch stood for that, but he swore that he was going to run Clem out of the county the first chance he got.

Lonnie knew without turning around that Clem was standing at the corner of the filling station with two or three other Negroes, and looking at him; but for some reason he was unable to meet Clem's eyes.

Arch Gunnard was sitting in the sun, honing his jackknife on his boot top. He glanced once or twice at Lonnie's hound, Nancy, who was lying in the middle of the road waiting for Lonnie to go home.

"That your dog, Lonnie?"

Jumping with fear, Lonnie's hand went to his chin to hide the lean face that would accuse Arch of short-rationing.

Arch snapped his fingers and the hound stood up, wagging her tail. She waited to be called.

"Mr. Arch, I—"

Arch called the dog. She began crawling toward them on her belly, wagging her tail a little faster each time Arch's fingers snapped. When she was several feet away, she turned over on her back and lay on the ground with her paws in the air.

Dudley Smith and Jim Weaver, who were leaning against the side of the filling station behind Arch, laughed. Arch spat some tobacco juice on his boot top and whetted the jackknife blade some more.

"What kind of a hound dog is that, anyway, Lonnie?" Arch said. "Looks like to me it might be a ketch hound."

Lonnie could feel Clem Henry's eyes boring into the back of his head. He wondered what Clem would do if it had been his dog Arch Gunnard was calling.

"His tail's too long for a coon hound or a bird dog, ain't it, Arch?" somebody said behind Lonnie, laughing out loud.

Everybody laughed then, including Arch. They looked at Lonnie, waiting to hear what he was going to say.

"Is he a ketch hound, Lonnie?" Arch said, snapping his fingers again.

"Mr. Arch, I—"