

The "New Deal" and the Workers

We publish below the first of a series of articles by Jay Lovestone on "The 'New Deal' and the Workers". The second article will appear in the next issue.—Editor.

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It has been some time since there has been as catching a slogan in American politics as the "New Deal." So popular has this Roosevelt battle-cry become that even beauty parlors and undertakers have adopted it as their call to business.

No doubt the despair surrounding the Hoover administration has in a large measure, been replaced by illusions and hopes aroused by Roosevelt's "New Deal." With such a transformed mood in its favor, and with the election months behind it, the Roosevelt administration, unlike Hoover's, has been quite free to act, to propose and dispose. With no heritages of a dead past, of Harding, Coolidge and Hoover, to stand in his way, the Chief Executive has been given every opportunity for a "free hand and initiative". Hence some superficial observers and interested liberals have begun to parade Roosevelt's administration as "the Second American Revolution."

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So far Roosevelt has gone full steam ahead. The Republican heavy artillery on Capitol Hill firing 158-word sentences, each containing a dozen or more clauses, has failed even to rock, let alone sink, the Roosevelt boat on the inflation issues. "Let's give Roosevelt a chance!" is repeatedly heard even among militant farmers and discontented workers. The country's two outstanding Socialist leaders, Thomas and Hillquit, have visited the President, congratulated him on his "prompt and vigorous action in the banking crisis"

1. How the 'New Deal' Is Put Over

by Jay Lovestone

and expressed their heartfelt grief that he had not gone further on the road he had started.

Yet all of this does not account for the speed with which the Roosevelt administration has been able to go ahead with its program. There is a more decisive factor. This is the realization of the gravity of the situation dawning upon many of the most articulate spokesmen of the ruling class. Professor Irving Fisher, Yale University, one of the best known prosperity drummers, is thus compelled to confess plaintively: "Few realize the gravity of our present situation. Our very national existence is at stake, even more than it was in the world war. Halfway, traditional and timid measures will no longer do. If the price level is not speedily raised, so that business, industry and agriculture can be run again at enough of a profit to make sure that they are run at all. . . this country will soon be over the precipice with bloodshed and revolution."

Unfortunately there is more fear of revolution among the "busted" bankers and the discouraged and discredited stock market tipsters than there is desire or readiness for it among the American workers and impoverished farmers. Clearly it is this "owing acuteness that explains the strategy and technique, the whole program and drive of the "New Deal".

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Before analyzing the "New Deal" let us

examine the strategy of the present Democratic administration, the technique with which Roosevelt is putting over this program. The main features of the Roosevelt tactics are:

1. **ACT QUICKLY—ACT OFTEN:** After the first few days of floundering, the new regime has operated on the basis of acting quickly and acting often, both in its domestic and foreign policies. We are not now examining the merits or demerits of the concrete acts or actions. All we are stressing is this: Because of the impending elections, the Hoover administration, particularly in the last twelve months or so before November, was naturally hesitant, slow and nervous in its acts as well as in its failures to act. This hesitation and vacillation, dictated by political calculations soon became painfully evident. Particularly, liberals and their kin who based their conclusions on temporary and superficial phenomena, soon began to protest against this inaction. They soon began to yell for **ACTION AS SUCH**, action regardless of whom it reacted upon, or of how reactionary it might be in effect.

The months of White House inactivity, culminating in Hoover's exit, brought a clamor among great masses of people of all political stripes **FOR ACTION FOR THE SAKE OF ACTION ITSELF**. Roosevelt sensed this all the time. He was quick to capitalize it. He decided to give

the country plenty of "action". This was the obvious strategy in the bank crisis.

2. **CONCENTRATION OF POWER IN THE HANDS OF THE CHIEF EXECUTIVE:** The tempo and volume of concentration of power in the hands of the President have astounded most observers. So rapid and decisive have been some of the changes in the American government structure that it can really be said that in the United States we have now **AN UNCONSTITUTIONAL MONARCHY**. Roosevelt has more power than any President ever had. Congress has been giving up whatever rights and powers it has under the Constitution. The bank bill was adopted by the House of Representatives without its even being read. But it is not only the House which has been shorn of its power in order to strengthen the executive arm of the government. The Senate has fared no better. The procedure has been something like this: The White House wants a bill. It calls upon a member of the "Brain Trust" to draft it. A draft is produced. The White House then sends the bill to the Senate which usually acts on it without even knowing what it is all about. One capable Washington correspondent sized up the situation in this fashion: "There has never been anything quite like it in the history of the Senate. . . being always ready with new legislation, never showing the slightest hesitation or doubt. He (the President) keeps the country's attention fixed on his program and the Senate follows his leadership because it is unprepared and lacking in confidence, while he is always prepared and brimming over with confidence."

While this explanation may be a bit shall-

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low, the picture is quite accurate.

3. A COMBINATION OF RIGIDITY AND FLEXIBILITY characterizes the Roosevelt strategy. Here is the way it works: The President asks for authorization to meet a situation. He is granted this authorization. The procedure of passing a law to meet the condition is dispensed with. Instead, there is passed legislation giving the President full power to use anyone of four or half-a-dozen different steps to be taken by him, as the occasion requires "in accord with his judgment." In other words, Roosevelt is no longer authorized to execute Law X. He is authorized to legislate, pass judgment, and execute proposal X, Y, or Z, any one of which or all of which automatically become law thru the President's executive order. This strategy was especially evident in the inflation bill.

4. DRAMATIZATION OF POLICY is a feature of the "New Deal" management of the White House. Nothing is too small

to be dramatized and "sold" to the public with a fanfare. Everything is heralded; everything is advertised; everything is boosted. That's why so much of the "New Deal" program has, at least for the moment, been sold to the American people.

5. MAINTENANCE OF INITIATIVE in domestic as well as foreign policy has to date been a big asset for the Roosevelt regime. The Roosevelt regime has not only been quick TO ACT but what is at least as important quick TO REACT. This initiative was displayed in the bargaining conferences between Roosevelt and McDonald and Roosevelt and Herriot. While McDonald and Herriot were aboard ship, sailing westward, digesting the American invitation, the President created an entirely new situation for his guest by confronting him with an accomplished fact of the dollar off the gold standard. Obviously the President is not only a good salesman but a good buyer in the market of national and international capitalist politics.

6. Finally, the new administration has

made it its business TO APPEAR MUCH INTERESTED IN THE MASSES AND TO ACT AS IF IT WERE CLOSE TO THE MASSES. It has spared no pains to take into consideration the prevailing mass psychology in the country. Thus, when the banking holiday was proclaimed, the President went out of his way to make clear to the American people in plain, simple words SOME THINGS (tho not everything!) about the "beneficial" bank holiday. While the country was being asked to weather the bank holiday, things were being made "easier", and as it were, drinks were supplied for the occasion thru the immediate call for beer issued by the Chief Executive. It was a good stunt from the mass point of view to supply some beer to help the masses wash down the gigantic bank failures and swallow the Roosevelt bitter pill—the bank holiday.

The limitations and impossibilities, the actual uselessness of the Roosevelt program from any long-range viewpoint, even of the capitalist system itself, the technique with which the "New Dealer" has been putting over his program on the American people, are clearly seen in the way in which the bank crisis was handled and in the in-

flation or currency bill. Actually, the Roosevelt banking measures did not provide even a momentary solution. They simply recognized legally the economic fact of more thousands of banks closing down. Even as a pleasant-sounding phrase, the name "Bank Holiday" was of short-term value. But the operation was brought straight to the masses. They were made not only to expect it but even to like it on a grand scale. Big business was helped and little business was made to feel, at least for the moment, quite well about it. All of this was done in order to save America from going off the gold standard. Roosevelt had himself hailed as the savior of the American credit system thru his taking the step necessary for the MAINTENANCE of the gold standard. However, only a few weeks afterward, America was shoved off the gold standard. Then Roosevelt had himself hailed as the great savior of the country once more—this time because the United States WENT OFF the gold standard and was thus enabled "to compete more effectively in the world market." "Hail Roosevelt!" if he does, and "Hail Roosevelt!", if he doesn't!—is the slogan of the "New Deal."