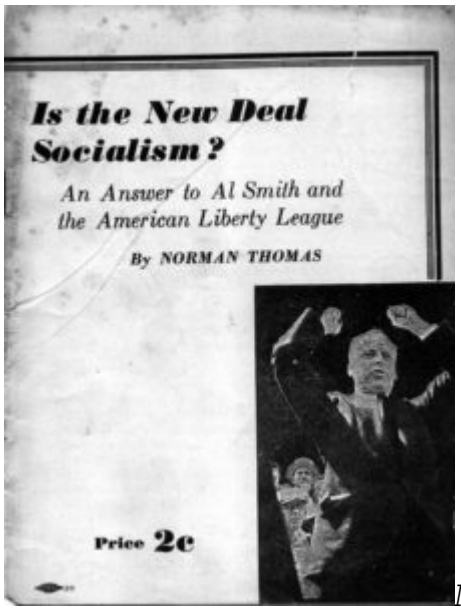
“Is the New Deal Socialism?” by Norman Thomas

written by Norman Thomas | June 20, 2019



Norman Thomas was the most prominent spokesperson for the Socialist Party of America in the 1930s and 1940s. He ran six times for president on the SP ballot line. Recently, an article by Seth Ackerman of Jacobin *magazine argued that Thomas acknowledged that President Franklin Roosevelt’s New Deal programs had socialist aspects and this, essentially, is why Bernie Sanders isn’t wrong to invoke the New Deal legacy when he uses the term “democratic socialism.” Nevertheless, the pamphlet from 1936 that we partially reproduce here makes it clear that Thomas didn’t think that the New Deal equaled socialism and that Roosevelt was no socialist.*

Special thanks to Louis Proyect for bringing Thomas’s pamphlet to our attention.

Mr. Roosevelt and his followers assume that prosperity is coming back because of the New Deal. Al Smith and the rest of Roosevelt’s assorted critics assume that it is in spite of the New Deal and perhaps because of the Supreme Court. Mr. Hoover plaintively protests that the catastrophic depression of January – February, 1933, was due merely to the shudders of the body politic anticipating the economic horrors of the New Deal.

As a Socialist, I view the Smith – Roosevelt controversy with complete impartiality. I am little concerned to point out the inconsistencies in Al Smith’s record, or to remind him that in 1924 and 1928, when I happened to be the Socialist candidate for high office against him, more than one of his close political friends came to me to urge me as a Socialist not to attack him too severely since he really stood for so many of the things that Socialists and other progressive workers wanted.

But I am concerned to point out how false is the charge that Roosevelt and the New Deal represent socialism. What is at state is not prestige or sentimental devotion to a particular name. What is at state is a clear understanding of the issues on which the peace and prosperity of generations — perhaps centuries — depend. A nation which misunderstands socialism as completely as Al Smith misunderstands it is a nation which weakens its defense against the coming of war and fascism.

But, some of you will say, isn’t it true, as Alfred E. Smith and a host of others before him have charged, that Roosevelt carried out most of the demands of the Socialist platform?

This charge is by no means peculiar to Mr. Smith. I am told that a Republican speaker alleged that Norman Thomas rather than Franklin D. Roosevelt has been President of the United States. I deny the allegation and defy the allegator, and I suspect I have Mr. Roosevelt's support in this denial. Matthew Woll, leader of the forces of reaction in the American Federation of Labor, is among the latest to make the same sort of charge.

Roosevelt Not Socialist

Emphatically, Mr. Roosevelt did not carry out the Socialist platform, unless he carried it out on a stretcher. What is true is that when Mr. Roosevelt took office he had to act vigorously.

We had demanded Federal relief for unemployment. Hence any attempts Mr. Roosevelt made at Federal relief could perhaps be called by his enemies an imitation of the Socialists platform. It was an extraordinarily poor imitation. We demanded Federal unemployment insurance. Hence any attempt to get Federal security legislation could be regarded as an imitation of the Socialist platform. It was an amazingly bad imitation.

Indeed, at various times Mr. Roosevelt has taken particular and rather unnecessary pains to explain that he was not a Socialist, that he was trying to support the profit system, which by the way, he defined incorrectly. In his last message to Congress his attack was not upon the profit system but on the sins of big business.

His slogan was not the Socialist cry: "Workers of the world, workers with hand and brain, in town and country, unite!" His cry was: "Workers and small stockholders unite, clean up Wall Street." That cry is at least as old as Andrew Jackson.

What Mr. Roosevelt and his brain trust and practical political advisers did to such of the Socialist immediate demands as he copied at all merely illustrates the principle that if you want a child brought up right you had better leave the child with his parents and not farm him out to strangers.

Reformism

Some of it was good reformism, but there is nothing Socialist about trying to regulate or reform Wall Street. Socialism wants to abolish the system of which Wall Street is an appropriate expression. There is nothing Socialist about trying to break up great holding companies. We Socialists would prefer to acquire holding companies in order to socialize the utilities now subject to them.

There is no socialism at all about taking over all the banks which fell in Uncle Sam's lap, putting them on their feet again, and turning them back to the bankers to see if they can bring them once more to ruin. There was no socialism at all about putting in a Coordinator to see if he could make the bankrupt railroad systems profitable so they would be more expensive for the government to acquire as sooner or later the government, even a Republican party government, under capitalism must.

Mr. Roosevelt torpedoed the London Economic Conference; he went blindly rushing in to a big army and navy program; he maintained, as he still maintains, an Ambassador to Cuba who, as the agent of American financial interests, supports the brutal reaction in Cuba. While professing friendship for China, he blithely supported a silver purchase policy of no meaning for America except the enrichment of silver mine owners which nearly ruined the Chinese Government in the face of Japanese imperialism. These things which Al Smith or Alf Landon might also have done are anything but Socialist.

Mr. Smith presumably feels that the President's Security Bill, so-called, was socialism. Let us see. We Socialists have long advocated unemployment insurance or unemployment indemnity by which

honest men who cannot find work are indemnified by a society so brutal or so stupid that it denies them the opportunity to work. This insurance or indemnification should be on a prearranged basis which will take account of the size of the family. It should be Federal because only the national government can act uniformly, consistently and effectively.

What did Mr. Roosevelt give us? In the name of security, he gave us a bill where in order to get security the unemployed workers will first have to get a job, then lose a job. He will have to be surge that he gets the job and loses the job in a State which has an unemployment insurance law.

He will then have to be sure that the State which has the law will have the funds and the zeal to get the money to fulfill the terms of the law. This will largely depend upon whether it proves to be practical and constitutional for the Federal Government to collect a sufficient tax on payrolls so that 90 percent of it when rebated to employers to turn over to the State officers will be sufficient to give some kind of security to those who are unemployed!

The whole proceeding is so complicated, the danger of forty-eight competing State laws — competing, by the way, for minimum, not for maximum benefits– is so dangerous that the President's bill can justly be called an in-Security bill.

"Billions of Words"

If Mr. Smith means that the programs of public works either under PWA or WPA is Socialist, again he is mistaken. We do not tolerate the standards of pay set on much WPA work — $19 a month, for instance, in some States in the South. We do insist not upon talk but upon action to re-house the third of America which lives in houses unfit for human habitation, which is possible given the present state of the mechanic arts in a nation of builders.

The administration, having spent billions of words, not dollars, on housing with little result, is now turning the job over to private mortgage companies. Would not Al Smith or Alf Landon do the same?

But even if Mr. Roosevelt and the New Deal had far more closely approximated Socialist immediate demands in their legislation, they would not have been Socialists, not unless Mr. Smith is willing to argue that every reform, every attempt to curb rampant and arrogant capitalism, every attempt to do for the farmers something like what the tariff has done for business interests, is socialism.

Not only is it not socialism, but in large degree this State capitalism, this use of bread and circuses to keep the people quiet, is so much a necessary development of a dying social order that neither Mr. Smith nor Mr. Hoover in office in 1937 could substantially change the present picture or bring back the days of Andrew Jackson, Grover Cleveland or Calvin Coolidge.

What Roosevelt has given us, and what Republicans cannot and will not substantially change, is not the socialism of the cooperative commonwealth. It is a State capitalism which the Fascist demagogues of Europe have used when they came to power. The thing, Mr. Smith, that you ought to fear is not that the party of Jefferson and Jackson is marching in step with Socialists toward a Socialist goal; it is that, unwittingly, it may be marching in step with Fascists toward a Fascist goal.

I do not mean that Mr. Roosevelt himself is a Fascist or likely to become a Fascist. I credit him with as liberal intentions as capitalism and his Democratic colleagues of the South permit. I call attention to the solemn fact that in spite of his circumspect liberalism, repression, the denial of civil liberty, a Fascist kind of military law, stark terrorism have been increasing under Democratic Governors for the most part — in Indiana, Florida, Georgia, Alabama, Arkansas and, of course, in California, where Mr. Roosevelt did not even come to the aid of an ex-Socialist, Upton Sinclair, against the candidate of the reactionaries.

I repeat that what Mr. Roosevelt has given us is State capitalism: that is to say, a system under which the State steps in to regulate and in many cases to own, not for the purpose of establishing production for use but rather for the purpose of maintaining in so far as may be possible the profit system with its immense rewards of private ownership and its grossly unfair division of the national income.

Today Mr. Roosevelt does not want fascism; Mr. Hoover does not want fascism; not even Mr. Smith and his friends of the Liberty League want fascism. The last-named gentlemen want an impossible thing: the return to the unchecked private monopoly power of the Coolidge epoch.

Must Abolish the Profit System

All the gentlemen whom I have named want somehow to keep the profit system. Socialism means to abolish that system. Those who want to keep it will soon find that out of war or out of the fresh economic collapse inevitable when business prosperity is so spotty, so temporary, so insecure as it is today, will come the confusion to which capitalism's final answer must be the Fascist dictator.

In America that dictator will probably not call himself Fascist. He, like Mr. Roosevelt in his address to Congress, will thank God that we are not like other nations. But privately he will rejoice in the weakness of our opposition to tyranny. Under the forms of democracy we have not preserved liberty. It has not taken black shirts to make us docile.

Given the crisis of war or economic collapse we, unless we awake, will accept dictatorship by violence to perpetuate a while longer the class division of income. We shall acknowledge the religion of the totalitarian state and become hypnotized by the emotional appeal of a blind jingoistic nationalism. Against this Fascist peril and its Siamese twin, the menace of war, there is no protection in the New Deal, no protection in the Republican party, less than no protection in the Liberty League.

Who of them all is waging a real battle even for such civil liberties and such democratic rights as ostensibly are possible in a bourgeois democracy? When Al Smith appeals to the Constitution is he thinking of the liberties of the Bill of Rights or is he thinking of the protection the Constitution has given to property?

As a Socialist, I was no lover of the NRA or AAA. NRA, at least temporarily, did give the workers some encouragement to organize, but at bottom it was an elaborate scheme for the stabilization of capitalism under associations of industries which could regulate production in order to maintain profit. AAA was perhaps some relative help to many classes of farmers. It was no help at all to the most exploited agricultural workers and share-croppers, but rather the opposite. And it was, as indeed it had to be under capitalism, primarily a scheme for subsidizing scarcity.

This was not primarily the fault of the AAA. It was the fault of the capitalist system which Roosevelt and Smith alike accept; that system which makes private profit its god, which uses planning, in so far as it uses planning at all, to stabilize and maintain the profits of private owners, not the well being of the masses. In the last analysis the profit system inevitably depends upon relative scarcity. Without this relative scarcity there is no profit and there is no planning for abundance which accepts the kingship of private profit.

When the world went in for great machinery operated by power it went in for specialization and integration of work. It doomed the old order of pioneers. The one chance of using machinery for life, not death, is that we should plan to use it for the common good. There is no planned production for use rather than for the private profit of an owning class which does not involve social ownership.

This is the gospel of socialism.

Abundance Possible

We can have abundance. In 1929, according to the Brookings Institute — and that, remember, was our most prosperous year — a decent use of our capacity to produce would have enabled us to raise the income of 16,400,000 families with less than $2,000 a year to that modest level without even cutting any at the top.

Instead, without any interference from workers, without any pressure from agitators, the capitalist system so dear to Al Smith and his Liberty League friends went into a nose-spin. The earned income dropped from $83,000,000,000 to something like $38,000,000,000 in 1932, and the temporary recovery, of which the New Deal administration boasts, has probably not yet raised that income to the $50,000,000,000 level. It has, moreover, burdened us with an intolerable load of debt.

What we must have is a society where we can use our natural resources and machinery so that the children of the share-croppers who raise cotton will no longer lack the cotton necessary for underclothes. What we must have is a society which can use our resources and our mechanical skill so that the children of builders will not live in shacks and slums.

It is not that Socialists want less private property. We want more private property in the good things of life. We do not mean to take the carpenter's kit away from the carpenter or Fritz Kreisler's violin away from Fritz Kreisler, or the home or the farm in which any man lives and works away from him.

We do intend to end private landlordism, and to take the great natural resources — oil, copper, coal, iron; the great public utilities, power, transportation; the banking system, the distributive agencies like the dairy trust, the basic monopolies and essential manufacturing enterprises — out of the hands of private owners, most of them absentee owners, for whose profits workers with hand and brain are alike exploited. And we intend to put these things into the hands of society.

Tax Private Wealth

We intend to make this change to social ownership in orderly fashion. In the meantime we can avert fresh economic collapse by the road of crazy inflation or cruel deflation only by an orderly process of taxing wealth in private hands, by a graduated tax, approaching expropriation of unearned millions, in order to wipe out debt and to help in the socialization of industry.

We do not mean to turn socialized industries over to political bureaucrats, to Socialist Jim Farleys, so to speak. The adjective doesn't redeem the noun. For instance, we intend that a socialized steel industry shall be managed under a directorate representing the workers, including, of course, the technicians in that industry, and the consumers.

We can do it without conscription and without rationing our people. We ought not to pay the price Russia has paid because we are far more industrially advanced than was Russia and should learn from Russia's mistakes as well as her successes.

Goal Is True Democracy

Our goal, Mr. Smith, is true democracy. It is we who lead in the fight for liberty and justice which you in recent years have sadly ignored. It is we who seek to make freedom and democracy constitutional by advocating a Workers Rights Amendment in the interest of farmers, workers and consumers, giving to Congress power to adopt all needful social and economic legislation, but leaving to the courts their present power to help protect civil and religious liberty.

Our present judicial power of legislation is as undemocratic as it is in the long run dangerous to peace. Remember the Dred Scott decision! Congress rather than the States must act because these issues are national. The religion of the Constitution with the Supreme Court as the high priests and the Liberty League as its preacher will never satisfy human hunger for freedom, peace and plenty.

The Constitution was made for man and not man for the Constitution. We Socialists seek now its orderly amendment. We seek now genuine social security, real unemployment insurance. We seek now a policy which will make it a little harder for American business interests to involve us in war as a result of a mad chase after the profits of war.

These, gentlemen who quarrel over the way to save capitalism, are the things of our immediate desire. But deepest of all is our desire for a federation of cooperative Commonwealths. Some of you may like this far less than you like the New Deal, but will you not agree that it is not the New Deal?

You said, Mr. Smith, in a peroration worthy of your old enemy, William Randolph Hearst, that there can be only one victory, of the Constitution.

And this is our reply: There is only one victory worth the seeking by the heirs of the American Revolution. It is the victory of a fellowship of free men, using government as their servant, to harness our marvelous machinery for abundance, not poverty; peace, not war; freedom, not exploitation.

This is the victory in which alone is practicable deliverance from the house of our bondage. This is the victory to which we dedicate ourselves.