

UNION FOR DEMOCRATIC SOCIALISM

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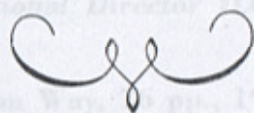
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“CREEPING SOCIALISM”

vs.

LIMPING CAPITALISM

by
Mark Starr

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Union for Democratic Socialism
Room 706, 112 East 19th Street
New York 3, N. Y.





MARK STARR

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—The cartoon on page 5 is by Herblock and originally appeared in the **Washington Post**. The cartoons on pages 14 and 19 are by Bernard Seaman and originally were published in **Justice**.

Introduction

Members of trade unions and of political parties and indeed all our citizens need clear ideas about the meaning of various important words. Otherwise hoaxters will fool them into a dangerous misuse of their industrial and political power. All the skills of modern advertising will be used to give new meanings to old words and create slick phrases to camouflage vested interests. Precious words with deep associations will be perverted to cover up the dubious purpose. For example:

How free is free enterprise? How much of the current talk about it is fact or fiction? Should free enterprise logically be free to include both **public** and **private** enterprise, with or without the profit motive?

What is "Creeping Socialism"? Will Socialism be a blight or a boon to our community? How well does our present industrial system serve the people? How does it differ from Communism? Must the Welfare State be the Servile State? What do we mean by **bureaucracy** and is it confined only to government agencies? Does not the corporation practice **collectivism**?

Who gets the service in the Service State? What happens to the community when the "countervailing powers" of Big Business, Big Agriculture, Big Government and Big Labor engage in a tug-of-war? Why is group action through government agencies now

necessary to protect the individual liberty of free men and women?

Can we have social planning without slavery? Can we secure bread **and** freedom?

This series of articles suggests replies to these questions. They re-state the need for understanding the new beginnings of Democratic Socialism in the light of our needs as citizens of the United States.

Traps for Fools

Kipling's "If you can bear to hear the truth you've spoken twisted by knaves to make a trap for fools" never had such a tragic application as the disrepute into which the truth about the word **Socialism** has been dragged.

Surely no such antics in semantics ever befell another word, for Socialism has embodied the noblest ideals and aspirations of mankind. Its advocates have included many of the truly great pioneers who combined intellect and social vision. The salutation "Comrade!" rightly belongs to the fellowship of Walt Whitman and not to those who condemn their colleagues to the firing squad and the prison work camp.

Statesmen, Scientists

The heads of states from Australia and New Zealand to Britain, Scandinavia, Germany and France, and of the province of Saskatchewan in nearby Canada, have proudly professed their Socialist faith.

Socialist leaders in Milwaukee, Reading and Bridgeport have

proved that municipal politics could be kept clean from the corruption normally found in American cities. The socialistic needle trades unions pioneered in the pattern of welfare unionism.

Educators of world-wide reputation, such as John Dewey, William H. Kilpatrick and John L. Childs, have been identified with the League for Industrial Democracy, dedicated to education for increasing democracy in our economic, political and cultural life. Great scientists and inventors, such as Steinmetz, the electrical genius, and Waksman, the discoverer of streptomycin, have been counted in the Socialist ranks.

Americans remember with pride such idealists as Eugene Debs, Congressman Meyer London and Victor Berger, devoted and brilliant public servants such as Morris Hillquit, Charney Vladeck, James H. Maurer and Norman Thomas. Their work lives after them in the improved social legislation, institutions and intellectual climate of the United States.

Semantic Antics

Nevertheless, in defiance of the dictionary, Socialism is confused both with **Fascist Dictatorship** and with **Stalinist Communism**. The term is used to conjure up the bogey of the servile state and of the degradation of human beings into robots.

The semantics involved are obvious: the phrase "creeping Socialism" suggests that it is sneaking into control secretly and silently, whereas in Soviet Russia and in

Nazi Germany, socialism galloped in with more noise and speed.

The charge that socialism will invade the home, create servility and destroy human freedom should provoke mocking laughter, particularly when it is made by corporations, which gravely recruit and cultivate the wives of their executives as loyal company aides and study them minutely in relation to their help or hindrance to the efficiency of their mates (as entertainingly described in **Fortune**, November, 1951).

Socialism is also equated with a strangling, costly bureaucracy. A bureaucrat is supposedly a parasite who sucks the taxpayers' blood. (Cynics define a bureaucrat as a person on the public payroll who is not a relative of a congressman or a protege of a prominent political boss. The proper term for the relative and protege is "public servant.")

False Alarms

The alarm against Socialism has been sounded vigorously during the last five years. "Business Is Urged To Counter-Attack" ran a headline in the **New York Times** (Dec. 20, 1948).

The occasion was a Detroit meeting in which Christian E. Jarchow, vice-president of the International Harvester Co., appealed for business to stop the "continuing trend to Socialism." Two years later, Republican Congressman Wolcott of Michigan warned that "the United States is now within 8 per cent of Socialism."

Radio commentators, such bodies



HERBLOCK
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"I GUESS THEY'RE TRYING TO SELL US ON SOCIALISM"

as the Foundation for Economic Education, and the National Association of Manufacturers, whose material is widely distributed to teachers and preachers, are all riding like Paul Revere to warn against regimentation and nationalization and to save "free enterprise."

Very clever and attractive ads by America's Electric Light and Power companies, in the large circulation magazines, insist that Socialism is a "threat" because it means to them that the federal government has spent 6 billion of the taxpayers' money in power projects which the electric companies could carry out better at their own expense.

And, indeed, leading spokesmen of labor and management alike give lip service to "free enterprise," this alleged basic principle of the United States, and express their opposition to socialism which they evidently confuse with communism, anarchism, atheism and rheumatism.

Confusions

For example, in the colorful union movie "State of Our Union," David J. McDonald, president of the United Steelworkers of America, says that his union "opposes Communism and Socialism in all forms." Some small unions in public utilities oppose public ownership because they assert that a public authority is bureaucratic and cannot move so quickly in a wage settlement as a private concern.

Congressman Franklin D. Roose-

velt, Jr., made the same deadly and erroneous identification of Socialism with Communism in his speeches until Norman Thomas set him straight on the matter, as he did with other prominent public figures and radio commentators.

When the high-powered and highly paid publicity experts of the American Medical Association wanted to designate any proposals for national compulsory health insurance, they dubbed them "Socialized medicine."

And in his official health proposals of January, 1954, even President Eisenhower fell into that semantic trap and declared his opposition to "Socialized medicine," from which incidentally, as an army officer, he has benefited through the greater portion of his life.

Unfortunately, this was not the first example of President Eisenhower's loose thinking because a few months before he had outraged even the conservatives of Nashville, Tenn., by citing the Tennessee Valley Authority (TVA) as a case of "creeping Socialism," despite his election promise to operate and maintain it at maximum efficiency. (See letter in N. Y. Times, Nov. 27, 1953, by William L. Stardevant, Jr., for pertinent facts, and also the reply of Governor Frank G. Clement in "TVA and You.") His refusal to reappoint Gordon R. Clapp in May, 1954 confirmed his surrender to the private corporations.

The lively pamphlet "Creeping

Socialism" (issued by the Union for Democratic Socialism in 1953) effectively notes:

"In Oregon and Washington in 1948, the Columbia and Willamette rivers washed away more than 50 people — 'missing or dead.' In 1951, floods centering in the Kansas City area killed more than 40 people and caused estimated damage of more than three-quarters of one billion dollars.

"In 1952, floods in the Missouri and Mississippi valleys caused damage estimated at 300 million dollars. And the human misery spread throughout eight states can not and could not be estimated. No valley authority, no 'socialism' of any kind—but plenty of 'free enterprise' and raging rivers.

"TVA is not only protection against catastrophe, however; it also means more of the 'little' things that make life happier and more comfortable. For example, before TVA, only three and one-half per cent of the area's farms were electrified; now, over 90 per cent have electricity."

Some industrial leaders also try to make us shudder with their forecasts of the danger of "creeping Socialism," whereas they really should be trying to help us overcome the actual pains and troubles of "limping capitalism." Instead, indeed, a social psychiatrist would discern a hidden fear of the failure of their system in the vehemence of their denunciation.

In the United States, with its bandwagon success psychology, Socialism was written off as a

failure because, after some degree of success, particularly in the electoral campaigns of 1912 and 1920, it had failed to capture public support and its election totals fell to a fraction of its former strength.

Nevertheless, every serious student knows that the proposals for social security and minimum wages and health protection which the Socialists proposed in 1900 are now accepted with little opposition in President Eisenhower's State of the Union message in 1954.

Causes of Confusion

Obviously the gross misuse of the term "Socialism" by Hitler's fanatics and the National Socialists (the Nazis) gave the word its most defamatory association. Unfortunately, this smear connotation did not end with Hitler in the ruins of Berlin.

Even earlier the Stalinists had retained the word in the title of the Union of the Socialist Soviet Republics (USSR), although the Communist party dictatorship has destroyed completely the ideas of personal integrity, freedom and fraternity which are an integral part of Democratic Socialism.

Thus, both the red and the black varieties of totalitarianism besmirched and perverted the true and original meaning of the word.

Dictionary Definitions

Many of our dictionaries have not yet caught up to the modern meaning of the words **Socialism** and **Communism**. Webster's New

International Dictionary (1928) gave the following definitions:

"SOCIALISM: A political and economic theory of social reorganization, the essential feature of which is governmental control of economic activities, to the end that competition shall give way to cooperation and that the opportunities of life and the rewards of labor shall be equitably proportioned."

"COMMUNISM: Any theory or system of social organization involving common ownership of the agents of production, and some approach to equality in the distribution of the products of industry; unformulated socialism."

Webster's **Collegiate Dictionary** (1946) adds the idea of democratic management to its definition of Socialism:

"A political and economic theory of social organization based on collective or governmental ownership and democratic management of the essential means for the production and distribution of goods; also, a policy or practice based on this theory."

The **Columbia Encyclopedia** (2nd edition, 1950) suggests the flexibility of the general term **Socialism:**

"General term for any economic doctrine that challenges belief in the sanctity of private property and favors use of property for the public welfare. In this broad sense, it embraces a great variety of economic theories from those holding that only certain public utilities and natural resources should be owned by the community

or the state, with remaining property still private, to thoroughgoing Marxian Socialism and, farther, to the edges of anarchism."

However, the **Columbia Encyclopedia** recognizes the characteristic features of modern Communism:

"The modern form of Communism (written with a capital C) began its development with the split in 1903 within the Russian Social Democratic party (founded by Plekhanov in 1898). The more radical wing, the Bolsheviks, were led by Lenin and advocated immediate and violent revolution instead of gradual and constitutional means of bringing about the downfall of capitalism and the establishment of an international socialist state across the world.

"Henceforth, the term **Communism** meant the beliefs of the adherents to the parties founded under the aegis of the Comintern; the more moderate and less active older parties are generally meant by the term **Socialism**. The program of the Leninists—and therefore of all the Communist parties—called for uniting all the workers of the world for the coming world revolution, which would be followed by establishment of the dictatorship of the proletariat and state socialism; as the ends of the revolution were achieved, a classless society would develop, the state would wither away and there would emerge a universal, international Communism, with work and plenty for all and never-ending peace. The parties were organized on a hierarchic basis, with

secret and active cells of believers as the broad base; there was established the rule of iron discipline, and not even the least individual or group deviation from the established policy of the party was tolerated. The party is made up only of the elite, only those approved by the higher members of the party as being reliable, active and subject completely to party rule."

And the **American College Dictionary** (1948) also notes one of the great differences between Socialism and Communism, for its second definition of Communism reads:

"A system of social organization in which all economic activity is conducted by a totalitarian state dominated by a single and self-perpetuating political party."

What the dictionaries fail to convey about Socialism is the extent to which group activity, the socialization of public services and the public ownership and regulation of utilities and other basic industries have become indispensable to our modern well-being.

Brothers at Arms

There is some justification for the confusion of Socialism with Communism to the superficial thinker. Socialism, like all other progressive movements, had something in common with Communism in its early stages. This was justified protest against social evils and injustice. In many countries the Communist movement started as a split-off from the Socialists.

Socialism and Communism verily start from a common point, as Cain and Abel came from the same womb. But the analogy fails because Communist Cain did not succeed in completely killing Socialist Abel in all parts of the world. Notably in Scandinavia, Britain and West Germany, the Socialist movement provides the most effective opposition to Communist infiltration and control. Our own State Department seems blind on this point, although they had the inspiring example of Socialist Democrat Mayor Ernst Reuter of West Berlin, who first used the Cain-Abel analogy. (Incidentally, with the benefit of hindsight, we can see that the New Deal administration would not have suffered from its innocence about Communist infiltration if it had benefited from the proffered advice of experienced Socialists.)

Labor Solidarity

Sloppy thinking which opines that "Communism is Socialism in a hurry," has deepened confusion. And in foreign affairs, this has robbed the United States of its most effective allies in the collectivist and Socialist groups throughout the world. To its credit, the American Federation of Labor has adopted as its declared policy that, in cases where the free labor movements in other countries supported nationalization of industry, there must be no interference by United States authorities.

The AFL has also united through the International Confederation of

Free Trade Unions with free unions in other countries whose ideology is Social Democratic. The younger, smaller but vigorous Congress of Industrial Organizations has acted likewise, after a brief connection with the Communist-dominated World Federation of Trade Unions. Both have successfully opposed Communist attempts to dominate their constituent unions, and both include leaders associated in the past and present with the Socialist movement of the United States.

Reinhold Niebuhr has repeatedly drawn attention to a basic distinction between the Nazi-Fascists and the Communists. The former denied the human decencies of fair play, justice and equal opportunity. The Communists perverted desires for these admirable goals. They exploited justifiable resistance to low wages, and to racial discrimination. They fostered the praiseworthy longing for freedom only in order to overthrow the existing social system and replace it by their own totalitarian regime.

What Is Free Enterprise?

But we are going too far afield from our job of examining the confusion in the use of the term "Socialism" (creeping or galloping) and its alleged opposite, "individual free enterprise" (some times neither individual, free nor enterprising).

For some difficulty also has been found in defining "free enterprise." It always sounds good to

people because it suggests freedom of choice from being pushed around. No normal person wishes to be pushed around by someone else. We instinctively agree with Emerson that the less government the better. Free enterprise is ordinarily taken to mean that an individual can choose his job and quit it if he chooses, and that shops and factories are privately owned and managed, subject to certain public regulations. The nature and extent of these regulations and their possible climax in public ownership and operation under certain conditions are a bone of contention.

The *Fortune* "Survey" of November, 1948, registered that 37 per cent of those polled thought that government regulation had gone too far; 27 per cent said that we have the right amount; 21 per cent that we need more.

The other polls taken generally favored action by the government to improve the condition of poor people. How this could be done without some collective action is difficult to see. (To protect the tenant in wartime, rent controls, for example, were accepted despite cases of individual hardship for landlords.) But polls are notoriously contradictory because we all want things for which we are not prepared to pay the price.

Discrimination Needed

We need a discriminating approach in trying to estimate the effects of government regulation, operation and ownership to determine our opinion whether these

are good or bad, whether they should increase or decrease.

Pragmatically, government actions must be considered relative to a given situation or to a specific industry. Often regulations at first opposed prove their worth even to earlier opponents. The Securities and Exchange Commission (SEC) regulations on the floating of stocks and shares, introduced first in 1934, are now accepted and approved by their initial denouncers.

For most people the filling up of an income tax form, with all its complexities, typifies their relation to government. We are too often woefully uninformed about how our tax dollar is spent and only know the pain of parting with money. Emerson's criticism in his essay on politics still holds true: "Of all debts, men are least willing to pay taxes. What a satire is this on government! Everywhere they think they got their money's worth, except for these."

Stupid application of red tape and bureaucratic delays are exaggerated as if equally foolish instances could not be found in the complicated procedures of many of our great corporations.

State Aids Freedom

Surely more government regulation is made unavoidable as our social life becomes more complex.

In the cowpath of the jungle we did not need traffic regulations and rules of the road. Robinson Crusoe was not worried by workmen's compensation laws and so-

cial security payments in his relation to Man Friday.

Words are the counters of wise men and only the money of fools. One should not be intimidated by the words "regulation" or "nationalization" but should examine them in relation to specific circumstances. We should not close our minds to new meanings and new words and to new meaning for old words because the closed mind becomes the dead mind.

We must ask: Regulation by whom and for what? Some of those who resent government interference in business are the most vociferous advocates of a reinforced and tougher Taft-Hartley Act to regulate labor unions. Some regulations are outgrown. Some laws were passed as an outlet for public feeling and then ignored. Others became part of our habits.

Circumstances Alter Cases

Let me cite some specific examples to illustrate what I mean. If the great insurance companies with a yearly income of over \$5½ billion can damn or develop the issue of some important stock, they should be subject to federal regulation.

If the Giannini banking empire in California supports the anti-union Associated Farmers, and supports the DiGiorgio feudal barony in its refusal to negotiate with members of the Farm Labor Union, and aids the employers to import "wetback" Mexican immigrants to defeat the farm workers' protest, then surely the Federal

Trade Commission should rightly inquire into and regulate this banking monopoly in the interest of "free enterprise" for the small farmers and businessmen.

After hearings since 1941, the General Electric company was ordered by the Federal Trade Commission in October, 1953, to cease its monopoly in the lamp industry through the illegal use of patents and licensing agreements as the government had charged. Attorney General Brownell (surely no Socialist, creeping or otherwise) explained:

"The order is based on the premise that General Electric and other defendants misused their patents; that these patents are special privileges granted to carry out an object of the Constitution; and that when they are abused in so serious a way as the Court found here, they should no longer be enforceable. The Court found that General Electric, aided by the other defendants, had monopolized the patents and technology of an entire industry and that General Electric and other defendants, as a result, are now mounted upon an arsenal of patents that can defeat competition by small firms desiring to stay in or gain a foothold in the industry."

Monopoly Dangers

A large volume would be necessary to detail all the ramifications at home and abroad of the G.E. with its tie-up with the banks and insurance companies through an intricate system of interlocking directorates. The Federal Trade

Commission issued a report in June, 1951, listing the nation's 1,000 largest manufacturing concerns, their subsidiaries and affiliates. The same year the FTC also issued a report on interlocking directorates. The report listed 54 G.E. subsidiaries in the U. S. by name and then asserted that there were also 28 foreign subsidiaries.

We refer the reader, curious about "rugged individualism" as the supposedly basic feature of modern American business, to the decision itself, to the full comments by Attorney General Brownell, to the summary issued by Labor Press Associates and used in labor papers Oct. 28, 1953; and for a more extended analysis to the book "Giant Business, Threat to Democracy" by T. K. Quinn, formerly a G.E. vice president. The general public raises no dissident voice against "government interference" as operated by the F.T.C. in such instances.

It would, it seems, be too much to ask American corporations to apply competition 100 per cent. For example, the great General Electric fought bitterly the proposed awarding of the contract for building two generators at the McNary Dam to the English Electric company of Stafford, England, despite the fact that its bid was \$3,651,476 against G.E.'s \$4,292,701. The Bonneville Power Administration also rejected lower bids from English and Austrian firms to give the contract to Westinghouse Electric corporation.

Turning to the newest means of

communication, if the radio hucksters debilitate the public mind, then their programs should be subject to new regulations. If, as under our present system, one person on the radio can talk to 20,000,000 with no chance of their talking back, then regulation to prevent the suppression of majority and minority opinion must be extended. When, as today, it takes \$10 million to launch a metropolitan newspaper, some safeguards against misuse of press monopoly are necessary.

Comparison may be made to the Pure Food and Drug Act applied in the world of ideas. No one wishes to take the risk of being poisoned by removing such regulation. In the same way, most people favor regulations to compel Congressional lobbies and political parties to list their officers and their financial supporters.

If the American Medical Association determines, as it has done, to fight national health insurance by raising \$3½ million from drug companies and doctors, it should lose its tax-exempt status and come under regulation as a political lobby.

If our health regulations on pollution of the air by zinc smelters are not adequate to prevent the deaths from "smog" such as descended on Donora, Pa., killing 20 persons and poisoning thousands of its citizens, the safeguards should be made more stringent.

Security and Freedom

If a coal-mining machine now digs two tons a minute, extra

provisions for unemployment compensation and dismissal wages for the displaced miners are in order. Such necessary social security activities as retirement compensation, disability benefits and a guaranteed annual wage can only be provided by collective action. Does not the big corporate insurance company "socialize" risk of death and accident? Why should it be wrong for workers to do the same collectively through their union or government?

Freedom is the understanding of necessity in terms of modern living and decency. No one in the name of "free enterprise" now has the right to pay a worker \$5 to \$10 for a work-week of 60 hours.

If free enterprise survives, it will have to be responsible free enterprise—responsible to the long-time welfare of the community.

Regulation of railway and utility rates is fully accepted. Radio and television and air transport would be impossible without government regulation.

Give-aways

We have recovered from our early profligacy and now regulate the use of the public lands and resources. Even the Eisenhower administration, in which Big Business is dominant, will not dare to go too far in giving away the public lands and forests. But there will be attempts to hand these back to the states, which are more amenable to the pressure of private enterprise. The rights to the oil and the tidal lands more than repaid the investment made by

Big Business in meeting the costs of the 1952 election campaign to elect Eisenhower.

This tidelands oil and gas giveaway of \$40 billion to the states where the oil interest dominates was an ominous precedent. The public domain is estimated at one trillion dollars in the U.S. and \$550 million in Alaska. There are over 700 million acres of national forests and parks. These are precious assets, and unfettered private enterprise on the record of past performances has not proved a worthy guardian of natural resources.

In the matter of distributing power, the Rural Electrification

Association points out that one single government hand-out to private Power Trust companies, through the "rapid tax amortization" bill, is putting into their pockets the huge sum of \$2.8 billion. That, the association says, is more than the total money loaned by Uncle Sam to farmer electric co-ops, and also is more than the entire cost of all the federal governments' public-owned power system.

Moreover, Uncle Sam gets back the money he lends to help farmers get cheap power, and gets back the money spent on TVA and other public power systems, but the

Power Trust companies keep the \$2.8 billion hand-out.

Tragedy of Waste

The individualist gold-rush psychology of the frontier is exceedingly wasteful and dangerous when it comes to building a new plant and a new town for the production of atomic energy or of the H-bomb. For example, in the early plants at Oak Ridge, Los Alamos and Hanford, the government undertook to house the workers. This came under criticism, and so it was decided to let private enterprise provide the housing necessary at the Savannah River project. The results are noted in an article, "Big Botch at Savannah River," by George McMillan, in *Harpers Magazine*, November, 1953. We quote:

"Instead of spending millions on housing, the government might not have to pay a cent. So one gathered from AEC's early pronouncements. But what has been the result?

"As late as the summer of 1953 the Atomic Energy Commission, with singular disregard for the facts, was still talking as if private enterprise and the existing communities had done the job of housing its workers—but by that time the federal government had guaranteed \$55,000,000 in mortgages, had given or loaned \$15,000,000 for community facilities, and had paid or was ready to pay, \$10,000,000 in direct subsidies. In short, the nation's taxpayers had been committed to a total of \$80,000,000 by AEC and other federal agencies.

And of this huge amount, nearly \$10,000,000 had been paid in guarantees to private contractors for housing fiascos so ill-conceived that atomic construction workers refused to live in them. By the time the final tally is made, at least \$20,000,000 — and perhaps considerably more—will prove to have been ill-spent."

Mr. McMillan tells the story in detail and shows how under private enterprise the land speculators and the contractors exploited the government agencies and the taxpayer to fill their own pockets, and with extremely poor results for the workers seeking housing accommodation in the new area. It is a significant story of how Big Business and vested interests under alleged free enterprise can profit from an amazing example of mismanagement.

Subsidies from Uncle Sam

It was not Franklin D. Roosevelt but Herbert Hoover who, through the Reconstruction Finance Corporation, put government money into the railroads, banks and insurance companies to save them in 1929 and nobody protested such public enterprise to aid the big corporations. It all depends upon whose ox is being gored. Have we forgotten the black years 1929-1933—the bread lines, the apple sellers, the bank failures, the sale of foreclosed farms, the mass unemployment—and how public enterprise saved the community in the New Deal decade of 1933-1943?

The very newspapers and magazines which attack government



regulation and ownership get a mailing subsidy by special rates that is equal to the entire profit of **Time-Life-Fortune** enterprises, according to an estimate of Col. Robert R. McCormick. There is a strong case for accepting the post office as a public service, but it is ironical that journals which champion "free individual enterprise," sound the tocsin against "creeping Socialism" and give prominence to the exceptional small trade unions which oppose public ownership of utilities, should themselves enjoy great subsidies from government funds. We quote from a 1953 Congressional hearing:

"At the request of another Democrat, the Post Office Department submitted calculations of deficits chargeable to five large-circulation magazines and as many newspapers. The 'losses' to the department are based on the last quarter of 1952 with adjustment for a 10 per cent increase in second-class rates that became effective last April. Here are the annual figures:

"Life, \$8,604,000; the **Saturday Evening Post**, \$6,524,000; the **Ladies' Home Journal**, \$1,632,000; **Collier's**, \$4,948,000; the **Reader's Digest**, \$3,668,000; the **Chicago Tribune**, \$1,788,000; the **New York Times**, \$1,700,000; the **Detroit Free Press**, \$232,000; the **St. Louis Post-Dispatch**, \$452,000; and the **Los Angeles Times**, \$180,000.

"The publishers assailed these figures as unfairly calculated, and as based on a wholly erroneous method of cost accounting. The

post office, they contended, was originally established to handle first-class mail, and all of the 41,000 post offices, most of the trucks, and certainly most of the employes would still be there if no second class had been established. All that should be charged to second class was the extra expense; and on that basis, the publishers contended, second class was already paying its own way." (**Harper's**, January, 1954. "Who'll Pay the Postage" by Stacy V. Jones.)

Postmaster Summerfield had only asked for \$20 million out of the total \$240 million deficit on the mailing of publications. In third-class mail, Postmaster Summerfield tried to get \$52 million of a total deficit of \$153 million.

It was proposed by the House Post Office Committee in February, 1954, to raise first-class letter rates from 3 to 4 cents to secure an estimated increase in revenue of \$159 million. But no change in other rates was proposed.

The Public Pays

Details of various free and less-than-cost postal services in 1952 authorized by Congress were cited by William C. Doherty, president of the National Association of Letter Carriers, in the **American Federationist**, June, 1953. "Free" government mail, including franked items from senators and representatives, "penalty" mailings and registered mail from government agencies and free delivery to the blind, cost \$56,572,724.

Registered, insured, C.O.D., special delivery mail and money orders ran a deficit of \$60,529,942. The loss to the post office on second class mail (newspapers, magazines, books) was \$240,386,260; on third class (circulars, advertising matter, etc.), \$191,913,098; on fourth class (parcel post), \$153,735,441. Doherty reported:

"The airlines of the nation are not only paid for hauling mail but likewise receive an additional bonus in the form of a subsidy. In 1952 there was a \$32.4 million loss on domestic mail; another \$21.1 million loss was incurred in the field of foreign airmail service.

"Railroad transportation costs have been in dispute for several years. Of the estimated \$81 million paid to railroads in 1952, it would be difficult to say with any degree of accuracy how much was actual cost for hauling and how much was subsidy, if any . . ."

Robert S. Allen, in his syndicated column, "Inside Washington," in March, 1954, reported that the Civil Aeronautics Board was asking \$138,712,000 for carrying air mail in the fiscal year starting July 1. The actual cost of carrying the airmail was only 28 per cent of this; the other 72 per cent, approximately \$650 million, was straight subsidy.

Here, as in other cases, the company which receives government aid accepts it as deserved recognition of its contribution to community welfare, but simultaneously regards a subsidy to any other industry as a dangerous under-

mining of the morale and honesty of its recipients. The "Welfare State" arouses no criticism when it is the welfare of business which is served.

The same inconsistency is shown by physicians who are fighting "government interference" while receiving research grants from the Public Health Service.

Individual Collectivists

All of us are communistic and practice "to each according to his needs" in our use of public roads, schools, parks and art galleries. Members of Congress who denounce subsidies to keep down the cost of living enjoy a subsidy for their own meals and haircuts.

It all depends who gets the government aid whether or not its results are evil.

Do you think, for example, that Mr. Royal Little, president of **Textron** corp., was justified in buying up the textile mills of Nashua, N. H., and running a starting capital of \$8 million up to \$125 million, and then later shutting down the mills when he could not get a big enough profit on that inflated figure and when he could get five mills tax-free for 15 years in Puerto Rico where wages were 25 cents per hour? If so, then you do not favor regulation of private enterprise.

Unemployment insurance funds and relief funds, it seems, supported the Nashua workers, and meanwhile the government of Puerto Rico gave Mr. Little the chance for a new start. The gov-

ernment and the taxpayers carried the losses; Textron got the gains!

Bust and Boom

We plead poverty as our excuse for wretched schools but spend three times more on alcohol than we do on education. Would regulation by higher taxes on alcohol be used for expanded education be considered creeping Socialism?

Incidentally, we then might, in the future, be able to save expense on the control of crime and criminals on which, according to J. Edgar Hoover, head of the FBI, we spend nearly five times as much as we do on all forms of education, both public and private.

If we want to avoid the dread cycle of bust and boom, we cannot say to government agencies "hands off," but must consciously develop skills in public works provision, crop loan and price support programs, credit controls and the like. The days are gone when we regard a slump as a tidal wave. Our seismic experts can now warn us about the location of an expected earthquake; our economic experts should do no less.

With the still-vivid memory of 1929-33 and of the subsequent New Deal, no person or group of persons will ever again starve without calling on our government to do something to help. President Eisenhower, elected on the hucksters' slogan "Time for a change," has nevertheless declared that he will use every government agency to combat a depression. In this there will be no change from the demonstrated superior power of

the government in the New Deal period. His Council of Economic Advisers has continued to prepare plans for public works in case of a serious setback.

Public Enterprise

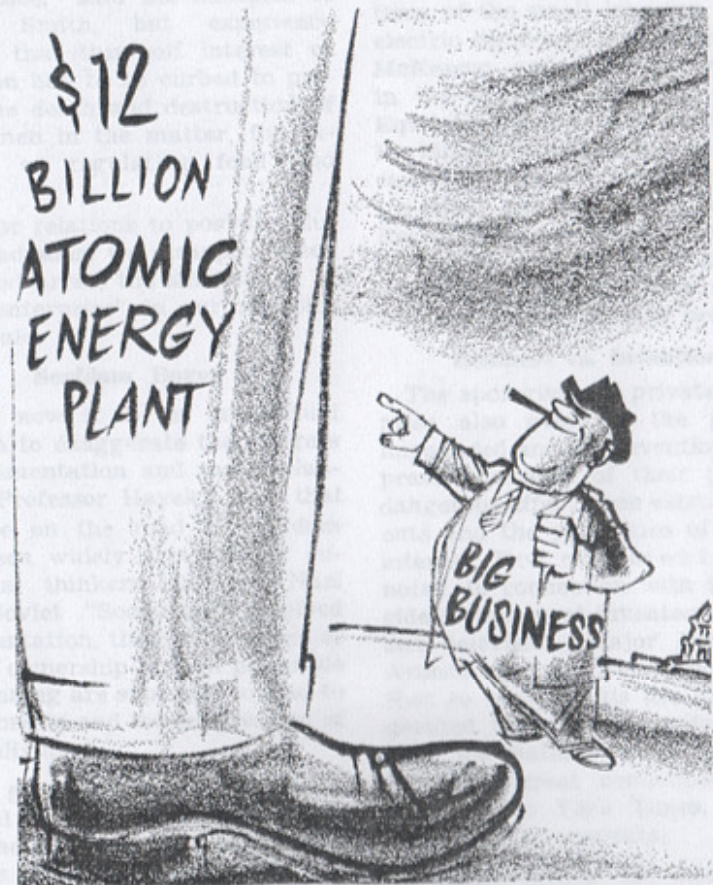
Surely there is no one who would propose that national defense — the Army, Navy and Air Force — be handed over to private enterprise, to be contracted for on the basis of private profit.

Few, if any, of us would have atomic energy put into the hands of irresponsible private enterprise or into the hands of a great private corporation with its affiliates and daughter companies in many other countries.

In opposing the handing over of atomic energy and of the \$12 billion atomic energy plants to private ownership, the pamphlet "Creeping Socialism" insists:

"Businessmen have neither a moral nor an economic right to atomic energy and its development. The discovery of the fission of the atomic nucleus was the work of a body of scientists who, in turn, had inherited the knowledge of earlier generations of scientists. And the dangerous work of making the bombs and getting 'hot stuff' into production was left to thousands of technicians and craftsmen who risked death by explosion or radiation every working day. And, finally, the people of the United States paid two billion dollars for the original project. In short, cooperative action, not 'free enterprise,' turned the trick.

"Mac - I Could Use You!"



Atomic Power!

"Official recognition of this principle was embodied in the Atomic Energy Act sponsored by the late Senator Brian McMahon. But powerful forces are trying to turn away the past — a fact moving the late Republican Senator Charles Tobey to say that:

"This awesome power is a sacred trust placed in our hands. It came from the government, which is the people. It belongs to us all. It must never be allowed to pass into private hands which might misuse it!"

Constructive Role

No one in the U.S.A. advocates an over-all blueprint plan for the community but most of us now assume that the government can and must play a constructive role in preserving our well-being whenever the incentive of private gain or corporate monopoly endanger it.

That's why Eisenhower has to talk, like Truman and Roosevelt before him, about federal minimum wage regulations and extended social security and continued support of farm prices.

With the pragmatic proof of the Tennessee Valley Authority, American citizens, when they understand the facts, will favor the Missouri Valley Authority and will use governmental agency and regulation for the St. Lawrence Waterway in collective self-help, more effective than anything Samuel Smiles talked about.

The Consumer Pays

Consumers and trade unionists, facing high rates for electric

light and power, will note that "creeping Socialism" has some advantages when they read in their union journal the following rate comparison between public and private power rates:

"For 250 kilowatt hours of electric power a Windsor (Canada) consumer pays \$3.33; a Detroit consumer, \$7.74. These are the Federal Power Commission figures for January, 1952.

"As a result, the average Windsor householder used 286 kwh of electricity per month. The average Detroiter uses 133 kwh." (United Automobile Worker, Jan., 1954.)

From the early exploitation of the soil and forest down to the modern development of radio, the community has had to step in to save us from the ravages of free enterprise, unlimited.

Free enterprise on the airwaves created bedlam until the government took the 106 possible radio channels and, by careful planning, allocated them to 900 stations. Who other than the federal government could have undertaken such a job?

And although somewhat restrained, it is "free enterprise" which too often makes the night and day hideous with its artful combination of truth and deception in boosting laxatives and vitamins and exploiting the fears and hopes of the credulous; and which makes parents anxious about the effect of radio and television programs upon the minds and standards of their unsophisticated chil-

dren. Of course, there are lots of good programs for the discerning listener if he watches for them carefully.

"Man's self interest is God's providence," said the disciples of Adam Smith, but experience proved that this self interest of one man had to be curbed to prevent the death and destruction of other men in the matter, for example, of regulating food and drugs.

In our relations to postwar Europe and Asia, we scrapped, when the need arose, the shibboleths of "free enterprise" in our rehabilitation aid.

Serfdom Bogey

Just now it is an intellectual fashion to exaggerate the dangers of regimentation and social planning. Professor Hayek's fear that we are on the road to serfdom has been widely accepted by superficial thinkers. Because Nazi and Soviet "Socialism" involved regimentation, then all schemes of public ownership and all proposals of planning are supposed to lead to dictatorship and the suppression of the individual.

All granting of powers to the federal government is supposed to lead inevitably to the creation of a servile state in which the bureaucrat rules supreme and individual liberty has disappeared. We might as logically argue that a knife has the same function in the hands of a death-dealing maniac and of a life-giving surgeon.

The armchair theoreticians al-

ways find it convenient to ignore the poverty, waste, pain and war produced by the anarchy of private enterprise. In their paeans of praise to the rugged individualists, they forget the Insull depredations of the small investor, in the electric light and power field, the McKesson and Robbins swindles in the drug industry, the recent Equitable Insurance director, Mr. Parkinson, who had to resign because he had exercised nepotism too freely and been found out. The Better Business Bureau was set up to outlaw the more obvious rackets in dubious forms of private enterprise for easy profit.

Business vs. Invention

The apologists for private enterprise also overlook the patents impounded and the inventions suppressed because of their possible dangerous effect upon existing patents and the properties of vested interest. Few commentators noted, in connection with the suicide of the great inventor of radio and television, Major Edwin H. Armstrong, in February, 1954, that so much of his life had been devoted to costly lawsuits to defend his patents and inventions from the great companies. Jack Gould (New York Times, February 3, 1954) comments:

"Major Edwin H. Armstrong who leaped to his death from a window of his apartment in the River House, will rank with the great inventive geniuses in electrical engineering. With Edison, Hertz, Marconi and DeForest he pioneered the art of broadcast-

ing that today is accepted as a matter of course. . . .

"The Major's fights over patents were legendary in the industry; for himself they were an obsession. He had devoted much of the last four years to pre-trial testimony in litigation with his old adversary, the Radio Corporation of America. The rights and wrongs of his position are beyond a layman's comprehension. Suffice that the Major was a controversial figure, with friends who thought he never claimed enough and foes who thought he claimed too much."

Robber Baron into Mogul

Today the old-style robber barons have retired to respectability. A new race of managers—not owners—are making decisions as the chairmen of huge stabilized corporations. The railways have been built; the coal, oil and minerals mined and tapped. The new industries arising from new inventions are exploited by huge financing promoted by interlocking banking directorates. No James Hill slugs out control of new railroads with a Commodore Vanderbilt. Robert Young puts his critical ideas, across in the public prints and buys into control of New York Central without the use of gunmen. The company lawyer acquires such inside knowledge that he becomes a director. The aspiring and energetic employe climbs the hierarchy of the organization to the most highly paid salaried position. The sales manager gets the attention of his chief. The cor-

porations carry a highly paid staff of public relations experts to write the speeches and make the radio scripts of their superiors. This is a far cry from "the public be damned" attitude of the early Vanderbilts.

Paper ownership is spread and publicized while blocks of shares give actual concentrated control to the inside group of managers. Corporation heads profess their fondness for small business but too often it is the fondness of a cat for canaries. The small concern is swallowed or allowed to exist on sufferance by the oligopoly of the few great firms.

The Powerful Few

The Brookings Institute in 1953 discovered that only 6½ million Americans, representing 4½ million families, owned shares in publicly held corporations. Further, the top 3 per cent of that 6½ million own about 65 per cent of the dollar value of the shares outstanding. The much heralded "democratization of capital" has not gone far. In commenting on these ownership figures, *Fortune* (Feb., 1954) remarked:

"Wider stock ownership, for example, would induce greater sentiment for the idea of corporate profitability and give more people a direct stake in the preservation of private ownership of enterprise . . . Even this of course (i.e. the present position) is a far broader private-ownership base, than is to be found anywhere else in world history and millions of other Americans invest in 'capitalism,'

through such buffers as life insurance companies."

"Moreover, it can be argued," notes *Fortune*, "that dispersion of stock-ownership has already tended to divorce corporation ownership from control in the U.S. Even boards of directors, the theoretical representatives of the stockholders, have more and more come under managerial dominance. Further dispersion of stock-ownership might only widen the schism and induce even greater managerial autonomy."

The Rip Van Winkles also conveniently ignore that the choice which faces the United States in the basic industries is a choice between government controls and controls exercised by privately-owned corporations and cartels.

Big Business

The heat of public opinion is off the trusts because, so it is claimed, they have delivered the goods. But concentration still proceeds. Government figures show that in 1947 there were 273 non-financial corporations, each with assets of over \$100 million; and that the top 200 of these corporations held 40 per cent of all corporate assets, and between 20 and 25 per cent of the total national income-producing wealth, excluding assets held by government and individual consumers. The largest 200 corporations also employed one-eighth of the total civilian labor force, and one-fifth of all employes of business outside of agriculture. Half the total assets of the 273 non-financial corporations were held

by public utilities alone; four industries—steel, automobiles, chemicals and oil—all of them heavily concentrated, accounted for almost two-thirds of the remainder.

The Federal Trade Commission was able to conclude that economic concentration had increased during the war, and that "if nothing is done to check the growth in concentration, either the giant corporations will ultimately take over the country, or the government will be impelled to step in and impose some form of direct regulation."

Adolph A. Berle, Jr., long an authority on corporations, noted in *The Reporter*, February 3, 1953:

"The fact is that the American economy is now substantially an administered economy, founded on a system of basic industries, each dominated by a concentration of three or four industrial giants, generally operating under nationwide planning."

Curse of Bigness

Many proponents of private enterprise ignore these facts of concentration and insist that it is the encroachment of Big Government which endangers our freedom. But, surely "the curse of bigness" does not apply only to the federal government and its agencies. The big corporation, the big university, and the big labor union have problems of communication according to their size. Intelligent men and women are finding ways to decentralize operations which have become too big. Means are being found whereby communications

can be improved within large organizations. Much of the trouble in government agencies comes from the pressure exerted by Big Business to suborn and subvert their personnel to give concessions to a particular business. The low estate of politics can be overcome only when there is an end to political patronage and when administrators, engineers and judges are appointed according to their competence and not because of past or expected favors. But the representatives of Big Business do not shrink from bribing public officials or from buying favors from political parties by large donations. Should the pimp escape dishonor? Should the subverter escape the censure poured upon the subverted? Some day they will, we hope, be wise enough to advocate a rigid application of civil service rules and appointment and promotion by merit only. Now instead of attempting to introduce this improvement, they bribe away a public official by means of a higher salary when it helps their business.

Some economists apparently think that we can go back to Adam Smith despite the tremendous changes which have come to the world in the two centuries, 1754 to 1954.

Those people who claim that individual free enterprise has produced our modern powers of productivity ignore essential facts and also ignore the tremendous losses and suffering due to free enterprise. Half the arable soil of the

United States has been eroded and destroyed by the wasteful methods of land settlement.

The Waste Of Competition

The loneliness and waste of human life, particularly of the women folk of the early pioneers, can be well seen in such books as Hamlin Garland's "Son of Middle Border" and Rolvaag's "Giants in the Earth." If immigration and settlement had been planned instead of developed by the gambler psychology of the gold rush, the immense resources of the United States would not have been wasted in such disastrous fashion.

Such assets as have been preserved have been saved by government control and regulation.

Individual enterprise raped the soil of the United States and the government had to step in to save us from the dust bowl. The forests of the United States were cut over and ruthlessly destroyed and the government had to tackle the problem of conservation and reforestation.

The fertile soil has been washed down from the hills to silt up our rivers and create dangerous floods until the government comes in to erect great dams such as the TVA and Boulder Dam and build river levees to save us from the sad results of free enterprise.

William Vogt, in "Road to Survival," quotes Dr. Hugh H. Bennett, testifying before a Congressional committee in 1939:

"In the short life of this country we have essentially destroyed 282,000,000 acres of land, crop and

rangeland. Erosion is destructively active on 775,000,000 additional acres. About 100,000,000 acres of cropland, most of it in the best cropland we had, is finished. We cannot restore it. It takes Nature from 300 to 1,000 years or more to bring back a single inch of topsoil and we sometimes lose that much as a result of a single rain, if it is especially heavy."

Columbus Was Subsidized

From the royal government-subsidized trip of discovery made by Columbus to the proposed development of the resources of the Mississippi Valley, government intervention and support have been indispensable to social development in the United States. Amerigo Vespucci, the explorer who gave his name to America, was no rugged individualist, for he was in the commercial service of the Medici and of Spain and Portugal. Lief Ericson, if inadvertently and earlier he really reached America, did so under a commission from King Olaf to spread Christianity in Greenland. Those who affirm that the U. S. has always from its first inception had as its basic precept opposition to government aid, are stronger in prejudice than in their knowledge of American history.

Indeed, the rugged individualist pioneers in the frontiers were forced to develop some forms of collective action and social life to save their lives and sanity. In modern times we should be poisoned by private enterprise were it not for public regulation and the threat of public prosecution.

It needs a Congressional inquiry to inspect for the people what chemicals go into their bread.

Our railroads, which received great grants of free land from the government, had later to be regulated by the government from exploiting to the full their monopoly of railroad transport.

Even the most vigorous exponent of private enterprise does not advocate the removal of the Interstate Commerce Commission which has regulated all transport other than air since 1887. And be it noted that sixteen U. S. subsidized airlines received a five-fold increase in the five years, 1946-1951, for the annual subsidy went up from \$25 to \$125 million in that period.

Whose Planning?

Those who denounce a "planned economy" are active in planning the economy of their own huge corporations.

Thus, those who oppose government support for unemployment compensation and education have never hesitated to ask for support for themselves. Individual industries have received subsidies by way of tariffs. They have used government aid to secure foreign markets. They have always relied upon the Army and Navy to protect them when they were in a jam.

The U. S. Chamber of Commerce recognizes that the government must keep law and order, serve as umpire, enforce competition, establish the currency and carry

on "certain major activities such as highways, education, sanitation and a few others which were believed generally to be beyond the competence of individual enterprise." The record shows that the U. S. Government goes much farther. The services of government to business are twice as high in cost as those to agriculture and five times as high as those to labor. The Congressional Record, Jan. 26, 1954, gave the official budget figures for 1952:

| | |
|-----------------------|----------------|
| Agriculture | \$ 463 million |
| Business | 1,041 million |
| Labor | 200 million |

Mixed Economy

The great problem is, when does public enterprise begin and private enterprise finish? Is there not the need to utilize both in a mixed economy? Pragmatically, we should use our social intelligence to decide which a given situation demands. For example, the current arguments about the hydroelectric development on the St. Lawrence River will eventually determine our policy. The Power Lobby will leave no stone unturned to prevent public ownership of water power but wise consumers will note its advantages. Do we not need government control as the trusts get greater and as the hucksters try to monopolize, through their grip on modern mass media, the creation of public opinion? What indeed we are facing is a perversion of public aid for private profit.

Personal financial profit surely is not the only motivation of

mankind. Currently, it creates suspicion ranging from the threatened price increase on the modest cup of coffee to the indictment of unnecessary operations by fee-splitting surgeons and doctors. In moments of crisis, war and disaster—the shipwreck, the fire, the mine explosion—pecuniary profit takes a back seat. As soon as the basic physical needs are met, men and women need a variety of satisfactions for their happiness and well-being. Institutions such as the school, the church and the library are not run on a monetary profit and loss basis.

The advocates of free enterprise do not object to the Service State when they receive the service. The editorial writers never attacked the Welfare State when it was the welfare of business which received attention. In this topsyturvy view, seizure of the railroads to keep down wages was okay, but seizure of steel plants, with a "danger" of wage increases at the expense of profit, was denounced in nationwide ads as dictatorship for which President Truman should have been impeached. The newspapers of the nation thereby benefited from many full pages of socialized advertising, which was charged up to the cost of steel production with a consequent reduction of taxes.

New Personnel

What we need is that public ownership and control, whenever necessary for the public good, shall be administered by men and women who actually believe in

public enterprise and have acquired a high sense of civic responsibility. Now we suffer from public servants who later use their government experience and prestige to serve private corporations at much higher salaries; in some cases, these positions are a reward for favors received while the recipient was in government service.

In the Tennessee Valley Authority and in some other public Authorities, we already see the development of public servants who courageously serve the public and refuse to be an adjunct to private interests. The Liberal Party in New York and the Americans for Democratic Action in our political life and the League for Industrial Democracy in our educational life represent the forces and ideals which aim to secure bread and freedom for the American people. All the talk about "creeping Socialism" should not hide the facts. The State should serve all the people, not a few.

The Business Service State

The tycoons' magazine, *Fortune*, discussed the "service state" in its February, 1952, issue, whose 232 pages were devoted entirely to "The Government of the U.S.A." The article on welfare included two full-page charts, "Industry's Welfare State" and "Everybody's Welfare State." The article pointed out that American business gets help or services from all nine of the government's executive departments, and 20 of the 49 agencies. And that does not include, as *For-*

tune points out, certain special agencies handling defense and foreign aid, "through which business also benefits."

Among the services of government to business, as listed by *Fortune*, are: Subsidizing shipbuilding and operation; allocating airline subsidies, insuring home mortgages; loaning money through various agencies, stocking inshore ocean beds with young lobsters; protecting waterfront property, providing lighthouses and other navigation aids; issuing banking statistics; furnishing data on water supplies for power plants and industries; publishing crop and livestock estimates and parity prices; controlling pests, testing soils, inspecting meat, storing grains; planning and building better highways; advising on trade trends and tariff regulations; publishing economic statistics; supplying maps and charts of rivers, coasts, lakes, tides, currents, airways; protecting trademarks; testing chemicals; calibrating instruments; running employment agencies; providing strike mediators; insuring bank deposits; selling electric power; furnishing isotopes.

That's a very incomplete list, of course. *Fortune* leaves out the following: Subsidies to the ship lines and the railroads for carrying the mail; subsidies to the publishers of newspapers, magazines, and business through low postal rates; subsidies to the sugar growers and the silver interests; protection through tariff barriers for all sorts

of industries; permanent tax favors put into the tax laws by Congressional spokesmen for business; the special favors through the accelerated amortization (rapid tax write-off) for "defense" industries, many of which have only the remotest bearing on defense; agency rulings that mean billions to industry, like the recent decision of the Federal Power Commission on regulation of natural gas "gatherers."

Planning by Social Consent

Socialists, who do not creep but stand proudly erect, believe that men will continue to grow in understanding and social intelligence. Why should we not plan for the community and its diverse sections as wise parents plan for their family—to the enrichment of the freedom and security of the individuals in the family. The brains that have split the atom will surely learn to unite the community and will be able to control the economic forces and institutions which have hitherto grown up and acted out of blind necessity. No totalitarian blueprint plan enforced from above, but planning made by social consent, the end product of which would be free men and women.

Our forefathers on the frontiers planned and cooperated in raising the beams of their barns and in collectively threshing their crops. Their wives had their quilting bees in which they enjoyed both fellowship and the fruits of united labor. Our churches and chapels, women's clubs, fraternity groups,

dining clubs and debating societies are in the American tradition. As Charles Merz in "The Great American Band Wagon" shows, our desire to be "joiners" sometimes makes us ridiculous but the gregarious instinct operates more powerfully here in America than elsewhere.

We, the children of those pioneers, should never be afraid to use intelligently the collective power of our government to harness our currents and tides to tap great resources of hydro-electric energy.

Surely free enterprise must include private and public enterprise if progress is going to be made.

Modern Mutual Aid

We can surely do together what we cannot do as individuals through a wise use of our powers of citizenship in making government of, by and for the people a reality in our economic as well as in our political life.

Nobody wants to be pushed around. Everybody should have opportunities for initiative and should feel that they "belong" and have something to say about the conditions of their lives. In that sense we all believe in genuine private enterprise. And paradoxically the freedom of the individual can only be secured in modern times by group action.

We are individuals in choosing our reading; collectivists in using our sewers and roads. The examples of Britain, West Germany and elsewhere have shown that

nationalization of the basic industries brings its own problems and is no panacea to be universally applied. Certainly, Democratic Socialism now is not the expression of class hatred provoked by ruthless exploitation of the workers. Certainly the United States, with its wealth of voluntary agencies, foundations and independent institutions, there is an excellent chance of working out a beneficial balance between governmental and voluntary agencies so that free men and women can continue to progress in cooperative effort. No one advocates a gargantuan state attempting to monopolize control. We can see evolving in the United States as in other countries corporations of federal, state and municipal agencies and of cooperatives of consumers and producers.

New Incentives

The incidence of applying public ownership and operation to particular industries and activities, the relative scope of private and public initiative, the creation by education of incentives alternative to that of private monetary gain, the participation of workers of hand and brain in control and administration of industry, the freeing of the publicly-owned corporations from daily harassment by petty politicians and the general aim of social planning plus the Bill of Rights—these are serious questions demanding earnest thought to ensure future social progress from which the beating of outmoded tom-toms by the vested interests of reaction against

regulation and socialization may distract us. Let us not be misled by loaded terms such as "creeping Socialism" and "free enterprise." Let the facts be winnowed from the fiction and our social intelligence guide us to use our collective powers in the service of free men and women. Let us consult our hopes and not only our fears.

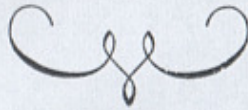
"Ends pre-exist in the means." If the citizens of the United States, after free discussion and debate, apply Democratic Socialism to meet their needs for betterment, old fears will be proved unfounded and progress continued. This is our Everest which the dauntless will scale and look for higher peaks to conquer in the advance of humanity.

Free Men's World

There is an urgent need in our modern interdependent world for a revival of Socialist zeal pledged to a more complete realization of liberty, equality and fraternity for the two billion people of this planet. This is an intellectual and spiritual Point Four we have sorely forgotten. Millions of workers throughout the world would rally to such a standard of unity against oppression. The success of the Communists in perverting these longings and ideals into a fraudulent and brutal travesty of Socialism should not lead to their abandonment. In the United States, of all countries in the world, we should be able to find missionaries for the exposition of

our basic faith: "We hold these truths to be self-evident. That all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are Life, Liberty and the Pursuit of Happiness." Men

and women of every color, race and clime throughout the world wish to institute governments to secure these rights. If we have the courage and faith to return to these fundamentals, we can attain a free world.



Union for Democratic Socialism

Statement of Principles

In the evolution of human rights since the dark beginnings of the industrial revolution, democratic socialism has played a noble role. In a world wherein bitter poverty afflicts half of its inhabitants, where injustice abounds, and war ever threatens, there remains great work for the democratic socialist movement to do.

But the march of history in tumultuous years has created new problems for democratic socialism. These call for new answers. Communism and fascism have taught us that collectivism may be the collectivism of an intolerable slave state. The abolition or severe limitation of private ownership under the profit system has by no means brought with it guarantees of freedom, peace, and plenty for the peoples of earth.

Therefore, it becomes a duty of democratic socialists everywhere,

and nowhere more than in America, to examine and restate their concepts and programs. We seek those answers in the light of certain basic convictions which we hold in common. We believe that:

- 1—The good society can best be described as a fellowship of free men and free nations. It cannot be achieved as a by-product of the individual pursuit of private profit. It requires the conscious cooperation of men and nations.
- 2—There can be no effective cooperation without a high degree of planning for the conquest of war, poverty, and all forms of tyranny.
- 3—In such planning, the state necessarily must play a very great part, but only the state which is the servant of men and never their master or god. Socialism must present itself

as the fulfillment of democracy, insistent that the state and all its institutions be kept under democratic control.

- 4—Questions of who should own what and why will be basic in our inquiry. They are not to be answered by dogmatic absolutes. We recognize a diversity of forms of ownership including public, cooperative and private ownership. But we are fully persuaded that the natural resources upon which our common life depends should be the property of the people and not of the few. We believe that where monopolies make for the more efficient production and distribution of goods there is a prima facie case that such monopolies should be socially owned and controlled. We recognize that cooperatives as well as state agencies will have a function in the extension of social ownership under democratic control.

We shall be primarily concerned with the restatement of socialist

ideals and programs and their effective propaganda in terms peculiarly relevant to American life. We are not proposing to form a political party, but we fully recognize the necessity of political action, and we believe that the cause of democracy and social progress in America will be served by encouraging, and wherever possible aiding, genuine liberal and labor forces in their attempts to carry on effective political action.

In our world no nation can live to itself. We are solemnly aware that to win and maintain peace with freedom is the supreme task of our time. We believe that it can be secured only by a system of collective security under conditions appropriate both to the effective achievement of universal disarmament and to victory in the cooperative war against hunger and poverty. To this end, we shall especially seek fellowship with democratic socialists in other lands, in mutual dedication to the advancement of freedom and fraternity, peace and plenty upon this earth.

