

VINCE COPELAND



MARKET ELECTIONS

HOW DEMOCRACY SERVES THE RICH

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SERVES THE RICH

Vince Copeland

World View Forum New York

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How Democracy Serves the Rich**

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EDITOR'S PREFACE TO THE 2000 EDITION

How can democracy be at the service of the rich? Doesn't the very word mean government by the people? This is certainly what we are all taught in school. And yet the political system of the United States, which boasts of being the most democratic in the world, coexists quite comfortably with the most undemocratic economic structure, in which a smaller and smaller group of millionaires and billionaires owns and controls more wealth than the vast majority at the other end of the social spectrum.

Anyone who thinks must be struck by this seeming contradiction. But a closer look at how the U.S. electoral system has functioned over the last two centuries shows that in fact there is no contradiction. The kind of democracy that exists here has been very well suited for perpetuating the rule of a privileged few while giving the appearance of being at the service of all the people.

The word "democracy" in the title of this book refers to the kind of political system prevalent in much of the capitalist world today. It is what the boosters of the United States in particular mean when they couple "democracy" with the "free market." Together they stand for a form of government that is as much for sale as the commodities around which economic life is centered.

As this book is being published, another of the quadrennial presidential elections is getting underway in the United States. Already, a year before the voting, the tens of millions of dollars raised by the candidates from their moneyed backers make the earlier war chests described in *Market Elections* seem like chump change.

As venal as this democracy may be, however, the process whereby the wealthy capture the votes of the many is not simple. History can never be scripted, and life is full of surprises. While Vince Copeland shows that the candidates with the most money behind them usually win, he also shows that there are exceptions to that rule. Mass struggles will impact on elections, even though these struggles are usually resolved through other means.

The struggle over slavery, for example, was reflected in the electoral process for many decades. Both the Democratic and Republican parties split and split again over the issue. It was resolved, however, not at the ballot box but in a bloody civil war. And even after that war ended, the struggle over whether the Black people would win full democratic rights, and control the land that their labor had made bountiful, continued to reverberate in the elections. But it was resolved by the back room acquiescence of the Northern money power to Klan terror.

Copeland's book never loses sight of such broad historic trends, but it also gives due space to the quirks and oddities – some comic, some puzzling – of those who enter the political arena, and how that may impact on events.

When meteorologists try to analyze a complex weather system, they need to know more than the prevailing wind and water currents. The relatively small eddies and

irregularities on the surface of the globe can produce significant storms. And while it takes no specialized knowledge to predict that winter will be colder than summer, your local forecaster needs much, much more information in order to tell people whether or not to carry an umbrella tomorrow.

So it is with politics. It is essential to keep the basics in mind at all times, and Copeland does that. Political movements are not just the inspiration or playthings of individuals, but arise out of the struggle of classes over the basic necessities of life. But this struggle is full of twists and turns, alliances are made and broken, and some leaders carry out the tasks assigned to them better than others. The interplay of these two factors, the necessary and the accidental, is what makes this book as delightful as it is instructive.

The chapters herein first appeared in article form in *Workers World* newspaper. They come from two different series Vince Copeland wrote about U.S. presidential elections. One series was written in 1976, the other in 1992-93.

The series that appears here as Part 1, "From Washington to Coolidge," was written during and after the Clinton-Bush race of 1992. Its story begins right after the victory of the colonists' revolution against England, even though no real presidential elections were held for many years in the original thirteen states. However, Copeland has much to say about those early political developments out of which grew the two major capitalist parties with which we are so familiar.

Copeland intended to bring this narrative up to date. Had he been able to do so, that series of articles would have sufficed for this book. But cancer and other illnesses cut his life short before he could finish. The last episode, which appeared in the *Workers World* of April 8, 1993, was about the 1920 election of Warren G. Harding. Copeland died two months after its publication, on June 7, 1993.

It had been an enormous exertion of will for him to sit at the computer, his back bent with osteoporosis, his abdomen and chest crisscrossed with scar tissue from several heart and colon operations. Just picking up the many books he made reference to was an effort.

You might expect to find at least a whisper of pain or pessimism in the tone he took to his material.

But there is nothing of the kind. The last chapter he wrote, on Harding, is almost light-hearted, if such a dull subject could ever lend itself to levity. Copeland showed how this ho-hum politician had made it to the top because of the behind-the-scenes work of a Wall Street power broker and "king maker." Copeland let us know what the ruling class really thought of Harding – Alice Roosevelt Longworth's famous judgment that he wasn't a bad man, "just a slob" – but he didn't leave it at that. Because as interesting (or ludicrous) as the personalities may be that march through this story every four years, their importance lay in their ability to employ politics – the art of deceiving the masses – in the service of those who really put them in office.

But isn't that the voters? Aren't they responsible for which characters get elected and which don't? Yes, the attitudes and moods of the voters do have to be taken into account by the political parties in a capitalist democracy, but there are a million ways to manipulate that and, ultimately, frustrate what the people really want.

We think the reader will agree that Vince Copeland's writing makes history, with all its wrinkles and little and big ironies, come alive. And that, while having a keen eye for personal foibles, villainies, and tragedy, he used them to illuminate the broader social and class struggles that are engaged in every day by the millions, who are rarely in the spotlight.

Vince Copeland's deep interest in politics and the class struggle was not a bit academic. He spent many years as a militant trade unionist in Buffalo, New York. A welder at the big Bethlehem Steel plant in the gritty "suburb" of Lackawanna, he helped forge a caucus of Black and white workers who successfully struggled against *de facto* segregation in hiring for the different departments of the plant. He vividly described the conditions there in his pamphlet *The Blast Furnace Brothers*.

Vince edited the newspaper of his local of the Steelworkers Union, using it as a central organizing tool for the great steel strike of 1946.

That strike was a real battle of the classes at a time of great labor militancy. Spurred on by what became a daily paper during the strike, the Bethlehem workers organized disciplined squads to turn back the company stooges and scabs who were threatening their jobs. Black and white workers fought together.

In 1950 Copeland was fired from Bethlehem after leading a wildcat strike. Eighteen thousand Steelworkers walked out of the blast furnaces, open hearths, coke ovens, and rolling mills to try and force the company to take him back. The newspapers were full of attacks on this dangerous radical. It was the beginning of the witch-hunt period and the Korean War; despite passionate support from his fellow workers, the firing stuck.

In 1959 Copeland became editor of *Workers World* newspaper, and co-founded the party of the same name with Sam Marcy and Dorothy Ballan. He remained a leading light in the organization until his death.

Vince Copeland loved the good fight. He didn't just analyze the U.S. political system and its presidents – he fought the system they chose to serve. It would have been an insult to his memory to put out a book that ended with the bland presidency of Warren Harding.

Fortunately, he had written another series about presidential contests, this one entitled "Rigged Elections – 1876 to 1976." It makes up Part 2 of the present book and overlaps the historical period covered in Part 1 by about forty-five years – 1876 to 1920. So there is some redundancy in the cast of characters and events described here. Yet it is remarkable how much different material he employed and how many new points he made when he took a second go-round at writing on the same general subject.

For that reason, and to maintain the historical threads followed in each series, both sets of articles are presented here in their entirety without cutting.

– Deirdre Griswold, November, 1999

ALSO BY VINCE COPELAND

Expanding Empire (Workers World Press, 1968)

The Crime of Martin Sostre (McGraw-Hill, 1970)

The Blast Furnace Brothers (Center for United Labor Action, 1973)

Southern Populism and Black Labor (World View Publishers, 1973)

A Voice from Harper's Ferry (World View Publishers, 1974)

The Built-in US. War Drive (World View Publishers, 1980)

Part I:
From Washington to Coolidge



CHAPTER 1

Some notes on U.S. presidents

Just as most of the great religions were born in rebellion and revolution, so the great Republican and Democratic parties began. And just as the great religions are now for the most part conservative pillars of the status quo, so the two major political parties have had the same fate and lost their original meaning.

The reason for this does not lie in “human nature” or in any natural weakness of people, but in the exhaustion of the social forces that first brought about these institutions and the growth of new forces that utilize them for different ends.

But their origins still have meaning for us – in the same way, perhaps, as the pictures woven into old tapestries, now threadbare and thin, can tell us what people once did and thought (and what they wanted us to think) long after the substance has disappeared. This illusion of the tapestry, as it might be called, is best dealt with by examining its history and evolution. We can find clues this way to more recent political developments and perhaps find out why some of the most undemocratic traditions are built into the system.

While both the Democratic and Republican parties were formed in revolution, they have evolved by counter-revolution into something different. Even their form – the “picture” – has been changed considerably, while their substance has been altered organically by the immense expansion of capitalism over the continent and throughout the world.

History, as opposed to the historical novel or movie, can seldom be understood merely by projecting the present into the past, by assuming that people always did the same things we do, just in different costumes. We must try to deal with these parties in the

social framework in which they arose, keeping in mind the class interests they represented.

CLASS BEGINNINGS

A long time ago the two parties were arrayed against one another as the contending spearheads of two different classes – not so much an oppressed versus an oppressor class, but two different kinds of oppressors: owners of chattel slaves versus owners of capital, who employ wage slaves. From about 1824 to 1876-77, the Democratic Party by and large represented the slave owners and the Republican Party represented the capitalists.

But after the great betrayal of Black freedom in 1877, the two parties could be characterized with minor oscillations as the instruments of two political factions of the same capitalist ruling class. The Republican Party favored the club against the working class. The Democrats advocated the carrot: the promise, if not the performance, of better things for the workers and oppressed.

Even this has to be modified in the case of the Democrats, since the former slave owners of the South, decisively beaten in the Civil War, were given “home rule” at the end of Reconstruction in 1877. This was a more or less open terrorist dictatorship over the Black masses in the South under the Democratic Party. It lasted in unrestrained form until the 1930s. It was somewhat softened over the next three decades and then disrupted by the great civil rights struggles of the 1960s.

Let us look first at the Democratic Party, which predates the Republican Party by about half a century.

Thomas Jefferson is generally recognized as the founder of the Democratic Party in about 1800. He contained in his own personality some of the main contradictions of the party then, somewhat foreshadowing its contradictions today.

He was opposed to the trappings of aristocracy. But he was a slave master. He was opposed to the idea of building a manufacturing economy; he wanted a nation of small independent farmers, while his aristocratic colleagues were large slave-holding farmers. He was opposed to the “money power” but accepted the support of Northern banks in his presidential politics.

How many of these contradictions were accidents of his personality unconnected with his party? And how many were embedded in the social and political situation of the time, becoming essential features of the Democratic Party?

White liberals have always been a little uncomfortable that this great Democrat was also a slaveholder. But other than praising him for freeing his slaves when he died or mumbling about slavery not being as terrible in 1800 as in 1860(!), they don't have much of an explanation for this peculiar fact.

The right-wing Republicans of today, especially when they are trying to attract Black voters, attack Jefferson as a hypocrite and a fraud. They point to the persistent stories that he had liaisons with slave women and thus brought up some of his own children in slavery. Of course, a large number of wealthy right-wing aristocrats were also guilty of this barbaric practice.

But in spite of the self-serving attacks of the present-day right wing, it is important to ascertain just how “democratic” Jefferson really was, if we want to understand the meaning and limitations of the word.

DID HE BELIEVE IN EQUALITY?

Certainly his language was democratic at times. “All men are created equal” and “God forbid that we should be twenty years without a rebellion” were certainly democratic sentiments for their day. As opposed to George Washington, Alexander Hamilton, and John Adams, who were all obsessed with keeping the people down and making property a sacred feature of the

new republic, this sentiment appeared to put him on the left wing of the revolution.

The fact remains, however, that he and his most famous supporters (those who became presidents) were slaveholders. And his most vigorous opponents, although autocratic and anti-democratic, were not.

How could he be a slave master and at the same time a believer in the equality of humanity, even just its formal equality “before the law”? Obviously, he could not.

It is said that slavery was already an institution when Jefferson came on the scene and that he did the best he could. But by the year 1800 the industrial revolution was already taking place; manufacturing was springing up – even in the South.

The anti-democratic Federalist Party of John Adams and Alexander Hamilton, whose picture is still on the ten-dollar bill, was in favor of making the United States into a bourgeois manufacturing republic. However, the Federalists were so stupid in their arrogance that they hadn't any notion of democratic concessions or desire to maneuver with the common people. They preferred shooting them down.

The Federalists were associated with the old landed aristocracy, the super-rich swindlers and smugglers, kings' favorites and hidebound reactionaries, many of whom hadn't even been in favor of independence. John Adams revealed in his diary that he was against universal suffrage because people would vote to take the fortunes away from the rich and establish equality. Hamilton was even worse.

COTTON PRODUCTION

By 1800 even the production of cotton was yielding to capitalist methods with a vengeance. Whereas just before the invention of the cotton gin in 1792, the total U.S. export of cotton was only 378 bales a year, in 1800 it was 36,000 bales. Thus the super-exploited African slaves were now slaves of the world market

and Northern industry, as well as victims of the chain, the auction block, and the lash. It was not the echoes of the ancient past that made Jefferson's rhetoric so impotent, but precisely the connection with money capital – the capitalism to which Jefferson thought he was so opposed and to which, as a matter of fact, he himself had to capitulate.

In the face of this we are taught as children that Jefferson was the democrat and Hamilton, Adams, and Washington were the autocrats. There is no doubt about the latter proposition, but considerable about the former. And rather than look for historical truth in the personalities of these leaders, it would be better to examine the social systems they represented.

When Jefferson spoke of having a rebellion in the United States every twenty years, he could not have been referring to slave rebellions. He made the remark in a private letter because of the 1786 revolt of Massachusetts farmers under the leadership of Captain Daniel Shays, a veteran of the Revolutionary War. It was a revolt of very oppressed small farmers against the usurious mortgages and high taxes imposed upon them by the wealthy rulers of the state, who were generally in league with John Adams and his friends. They were the "money power" of the time in Boston and sharply opposed to Jefferson, particularly on the question of the rights of independent farmers, who often were in debt to them.

It should be added that there was a good opportunity for Jefferson to support another rebellion just fourteen years later. This was the slave uprising led by Gabriel Prosser in the year 1800. But the eminent democrat was too preoccupied with running for president and laying the foundations of the Democratic Party to get involved with that one!

Of course, Jefferson was sincere enough in his defense of the independent small farmer, whom he seems to have regarded as the salt of the earth. But he would have been much more democratic if he had attacked the great big slave-holding

farmers, who oppressed the small farmers of Virginia and other Southern states as well as the slaves.

CHAPTER 2

A visit to Tammany Hall

Thomas Jefferson was governor of Virginia before being president. His first political base was largely among the small farmers of western Virginia – which didn't become the separate state of West Virginia until the Civil War.

The slave barons of the eastern part of the state supported him, too, even though some of them were probably not convinced that the white poor provided a basis for a stable regime. They would have rebelled, or at least opposed him much more fiercely, if he had challenged their human property in slaves or even their ultimate political power over the state. But he did not.

Virginia was at first the most populous state. New York barely surpassed it in 1800. It was also the wealthiest and contributed substantial funds to the Revolution of 1776. It contributed very few soldiers, however, because most of its white soldiers were too preoccupied with keeping the Black population in slavery.

Massachusetts, with a bigger free population than Virginia, had contributed more soldiers than any other colony. By 1800 it was also the seat of factories in the growing industrial North. Its wealth had at first come from shipping, but by then was beginning to come from the factory as well as the farm.

Jefferson's identification with the small independent farmer had much to do with his opposition to the direct exploiters of that farmer in the North. But the social and political needs of the small farmer were often the same as those of the big cotton and tobacco growers in the Deep South – that is, the slave masters.

For example, farm tools made in Pennsylvania and New England were often inferior to the English-made tools and cost more besides. The heavy tariffs demanded by Alexander Hamilton, John Adams, and the Federalists were thus an "abomination" to both free farmer and slave-owning oppressor. The free farmers

were the great majority of the population but accepted the leadership of the big slave-owning farmers on this question, as on some others.

LOOKING FOR NORTHERN ALLIES

When Jefferson decided to run for U.S. president in 1800, he scouted around for allies in the North. He needed a political machine outside his own state. Even if he had been all the things he is reputed to have been, he would have needed some way of getting votes besides merely advertising his virtues. And advertising did cost something, even in those days.

He needed a political machine. A machine is not necessarily a bad thing. But it is more effective when professional and, as far as possible, national. We have been familiar in recent times with several major machines. There was the Reagan-Nixon-Goldwater machine, financed by the capitalists of the West Coast and Southwest, well known for its wide mailings to the middle class and right-wing voters. And there is the Kennedy machine, powerful in New England, which has taken a liberal stance on some issues. There are also a number of minor machines.

Jefferson's most outstanding success with machine-building was in New York State. Its upstate Democratic political organization was led by George and DeWitt Clinton, who both became governors, and its downstate by Aaron Burr in New York City. Burr's machine was Tammany Hall, a name formerly given to a social club that Burr molded into a political society.

New York State had the most conservative constitution in the North, far to the right of New England's democracy. It had been framed by John Jay, a right winger and later infamous conciliator with the Tories. This constitution was so bad that, for instance, it wasn't possible to vote for mayor of New York or any other city in the state until 1832.

Mayors were appointed by the governor, the attorney general, and two or three other state officials. Only people who owned

property could vote for state officials. So the male members of Tammany would club together and jointly buy a home, thus getting the right to vote. This was a class struggle, as far as it went, and they, like Jefferson, needed allies.

Tammany was famous later for corralling the vote of immigrant workers and the New York poor. But to what end did Tammany do this? The ledgers of the old Manhattan Bank, if they were available, would give some important clues, because the bank became a financial fortress for the Democratic Party.

Jefferson made a special trip to New York with his friend James Madison – a more right-wing Democrat, who owned even more slaves and acres of land. They saw the Clintons and Burr. By this time, Jefferson had clearly made peace with the slave owners.

These New York politicians represented merchants and bankers in the most direct sense. Burr was an agent of the Manhattan Bank, great-grandparent of the present-day Chase Manhattan. He had rammed a charter for the bank through a hostile New York State Legislature in 1799, using deception and bribery to achieve his ends.*

* The left-liberal Gore Vidal managed to write a whole book romanticizing this character, never mentioning his connection to the Manhattan Bank or to Tammany Hall. Vidal, who should know plenty about the machinations of the two parties, apparently didn't want to discuss Burr's real character.

Of course, its opponents in the Hamilton faction were deathly opposed to the Manhattan Bank because they wanted to keep their monopoly of trade through Hamilton's Bank of New York, chartered in 1784.

The Manhattan boasted that it was the deciding factor in Jefferson's election to the presidency. This boast was somewhat overshadowed and lost to history because of the furor around Burr's failed attempt to get the presidency away from Jefferson with "bullet voting." Both Jefferson and Burr ran on the same slate for president. Under the rules of those days, the one who came in second would be vice president, and Burr had agreed to

that. But he really double-crossed Jefferson by getting some of his supporters to vote only for him and leave out the rest of the slate.

Burr's failure was an early example of the limits of maneuverist politics when great forces are involved. But it could also illustrate the drive of the Manhattan Bank and the merchant class to try to rule the country with the slave owners – and Jefferson – as junior partners instead of senior. If so, they soon learned their lesson and contentedly played second fiddle to the slave owners for the next sixty years, mostly within the Democratic Party.

POWER OF COTTON

What helped them learn the lesson, of course, was the swift expansion of cotton production and the cotton trade due to the cotton gin, the industrial revolution, and the increased exploitation of the chattel slaves. The economic center of the country was in the South. Whereas 36,000 bales of cotton were exported in 1800, well over 4 million were sent abroad in 1860. A bale is about 500 pounds.

The power of the New York banks and their participation in the government, mainly through the Democratic Party, put their stamp on the party long after these banks had switched to Whig and then Republican politics. It is true that capital could not long coexist with chattel slavery. But centralized banking capital in New York City not only coexisted at that time but to a certain degree co-ruled the country.

Burr did become Jefferson's vice president, but discredited himself in a duel with Alexander Hamilton. Hamilton fired the first shot and missed, purposely or otherwise. Burr paused, took careful aim, and shot Hamilton dead. It wasn't considered sporting.

Burr, his fortunes on the wane, was later indicted for treason. The Democrats then ran George Clinton, former governor of New York, for vice president. Until about 1816, the nominees for

president and vice president were picked by congressional caucuses. These caucuses, in turn, were closely related to the wealthiest figures in the ruling class. Today, to keep up the fiction of democracy, the nominees have to be screened more secretly by the biggest corporations and the most exclusive and influential clubs before they are unleashed for expensive primary campaigns.

Clinton served four years with Jefferson and another term with Madison right afterward. James Monroe, who succeeded Madison as president, had Daniel Tompkins, also a governor of New York, as his second in command for eight years. This was a strong statement of the political strength of New York – and its banks.

Meanwhile, four of the first five presidents – Washington, Jefferson, Madison, and Monroe – were from Virginia. All the presidents were Democrats from 1800 to 1860, except for two four-year periods of Whig ascendancy. Nearly all were from the South. The Virginia-New York axis of the Democratic Party was thus cemented at an early time. The decline of Virginia's power within the South merely shifted the center of national power farther south.

THE MERCHANT BANKS

The merchant banks, led by the Manhattan, could be said to have represented, at least for a brief moment in history, the progressive aspirations of patriotic and more or less revolutionary New York merchants. They were in a struggle with the cabal of land swindlers, Tory sympathizers, feudal barons, and speculators that had monopolized the trade of New York City and used their national power in the Federalist Party to keep the less wealthy merchants in line.

Well known to historians but usually glossed over is the fact that the British occupied New York all through the Revolution. Thus, the first successful merchants against whom Burr and the

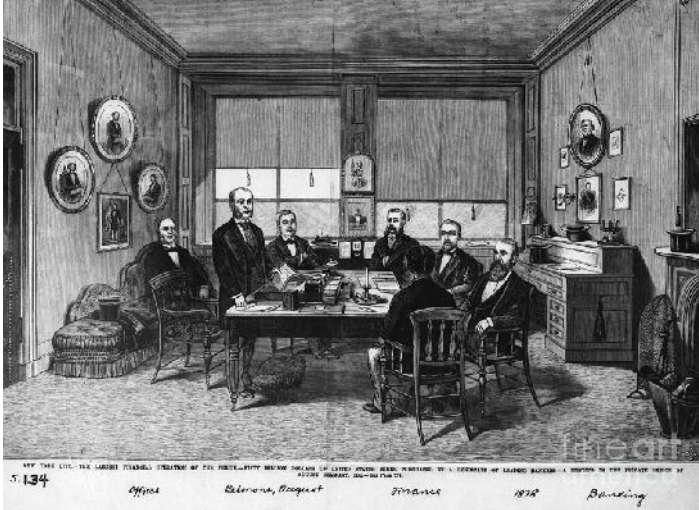
Manhattan fought were precisely those who collaborated most with the occupying army.

But the gentry had bet on the wrong horse when they backed the Federalist Party. The country was growing too fast after the Revolution and the newer bourgeois elements were getting richer from the internal trade funneled through New York to all parts of Europe. Their defeat of the Hamilton group, as far as merchant banking was concerned, became inevitable.

In fact, the final victory of the merchant banks over the Bank of New York and the Federalists, although less dramatic, was almost as important and far-reaching as the victory in France of the Paris banks over the Bourbon kings in the Revolution of 1830.

What was the situation with merchant banking and what did it have to do with the Democratic Party? The Manhattan and other anti-Federalist banks that soon opened up commanded much more capital than banks elsewhere in the country. They soon outdistanced their old enemy, Philadelphia, and far surpassed the Southern banks.

When any exporters wanted to realize their profit and change the uncertain prospect of payment in London for the sure cash of payment – at a nice discount for the bank – in the United States, they went to a New York bank.



August Belmont, seen here presiding over a syndicate of bankers, was a leading Democrat, but that didn't stop him from participating big time in the corruption of the Grant administration.

This was the secret of the alliance between New York City and the slave-owning South – if not in Jefferson's first election, then certainly in the election of his Democratic successors.

The New York banks had become so rich in the first place because of the splendid harbor and entry to the interior via the Hudson River. This was made far more reachable by the opening of the Erie Canal in 1825. The banks profited most from the tremendously increased trade.

The Southern gentry shipped their cotton to England as well as to New England via New York City. They also began to spend summers in New York and buy many of their supplies from New York merchants. Many of their sons and daughters found spouses in New York. The leading Democratic banker, August Belmont, married the daughter of John Slidell, probably the most influential Southern member of Congress, who later tried to negotiate French support for the Confederacy. And to cap all this, when some of the slave masters became delinquent in their loans, the banks moved in, taking plantations, slaves, and all.

CHAPTER 3

1828 *The Jackson Democrats*

Andrew Jackson is usually looked upon as the co-founder, with Thomas Jefferson, of the national Democratic Party. He is hailed as a “man of the people,” a “diamond in the rough,” and so on.

Jackson was undoubtedly a less talented person than Jefferson and much more flamboyant – a gambling card player, a boastful duelist, and a slave trader. He led the war against the Seminoles in Florida – in reality a merciless hunt for fugitive slaves protected by the Native people. He was a ruthless suppressor and mass murderer of the Native peoples, a leading maker – and breaker – of treaties.

But he did have the “common touch” as far as the great masses of white farmers were concerned. He fulminated against the “money power” and vowed to destroy the Bank of the United States, which in the minds of the majority of farmers represented the money lenders and mortgaggers who oppressed them.

Having distinguished himself as the general who defeated the English at the naval battle of New Orleans, he became an “available” candidate for some faction of the ruling class to run for president.

As a big slave owner himself, he was considered firmly rooted in the slave system and thus acceptable to the feudal barons of the South. But he also came under the influence of the New York banks through the medium of his first secretary of state, Martin Van Buren.

Jackson didn't win the presidency on his first try. When he ran for president in 1824, he received only a plurality of the Electoral College vote. The House of Representatives then chose John Quincy Adams, a Northerner, who served as president from 1825 to 1829.

It was not long after this that the Democrats adopted the two-thirds rule at national conventions. This meant that the South, although numerically weaker, now had veto power over any Northern Democratic candidate. The rule stayed in effect until 1936.

JOHN QUINCY ADAMS

This Adams is rarely given much credit, but he was already pulling away from the slave-owning Democrats and beginning to take a position against slavery. After losing the presidency to Jackson in 1828, he was instrumental in forming the National Democrats, which became the Whig Party.

He then ran for the House in 1830 and served nine terms, dying in 1848. He was physically half-paralyzed during his last term. Adams successfully fought the gag rule, which prevented petitioners from talking about slavery on the House floor. And he was the attorney for the magnificent mutineers of the slave ship *Amistad*.

Today it is hard to imagine anyone who has retired from the super-centralized Washington dictatorship “demoting” himself or herself by running for the House of Representatives. But at that time not only was it the one body in the capital with a remote claim to popular representation, but it still played an important role and could be more influenced by popular pressure than today.

Adams himself was a principled and intransigent fighter within the boundaries of his own perception of what was right. And his perception was pretty good.

THE 'DEMOCRATIC DELUGE'

Jackson's popular vote when he ran again in 1828 was 642,553.¹ His “democratic deluge” was about 5 percent of the whole population!

However, it was the first direct vote ever tallied for president. Before that, the presidents had been elected by the state

legislators and their closely appointed Electoral College. This fifty-year period of virtual dictatorship – even over the white masses – was necessary for the ruling classes to consolidate their rule before permitting the operation of a popular vote for president.

The “founding fathers” were very conscious of this problem from the beginning. The Constitution nowhere provides for a people’s vote for anything but the House of Representatives. And even that vote was hemmed in by property qualifications in the various states. There is no property qualification in the Constitution itself, but this is because the most radical section of the population at the time of its framing and for many years thereafter was the free farmers, who, however poor, did own property and therefore could not have been excluded from the franchise that way.

It can be stated flatly that “King Andrew,” as the Whigs called Jackson, never did anything to really oppose the slave-owning power in spite of all his talk about democracy.

But what was all that business about the Bank of the United States that they drummed into our heads at school? Why did he use the presidency to denounce and liquidate it?

First, this was a payoff to the rival New York banks for supporting him. And it was also a measure of the partnership, although still junior, that these banks exercised in the ruling class and in the Democratic Party.

VAN BUREN ABDICATES TO BETTER SERVE THE BANKS

When Jackson was elected president, Martin Van Buren had just been elected governor of New York. On hearing the news of Jackson’s election, Van Buren dropped the governorship and hurried to Washington to become an “adviser” to Jackson, who later appointed him secretary of state.

This highly unusual procedure would be inexplicable to those who did not know that Van Buren was in the confidence of the

Manhattan and other big New York banks. Van Buren was an extremely adept politician, known in the Hudson valley as “the Red Fox of Kinderhook.” He was the first Northern Democrat to become president (1837 to 1841).*

* John Quincy Adams was a Democrat from Massachusetts, but at the time of his election was already in that faction of the Democratic Party that later founded the Whig Party.

Van Buren was careful to state flatly in a campaign autobiography that he supported the institution of human slavery.

Van Buren was Jackson’s main adviser on the Bank of the United States, which was headquartered in Philadelphia. Jackson was supposed to hate this bank, and probably really did. But he did not hate all banks. He supported the state banks, many of which were incompetent and corrupt. The New York City banks, which were not especially incompetent, were contributors and supporters of Jackson, besides being to some degree his master.

Van Buren’s opposition to the Bank of the United States had its roots in the old rivalry between New York and Philadelphia for financial control of the country.

Some of Jackson’s appointments might be interpreted as being biased in favor of state banks in general, not just those in New York. For example, his four appointments to the Supreme Court were all people who opposed the Bank of the United States and sided with the state banks.

He appointed Roger B. Taney as Chief Justice to take the place of John Marshall. Taney later delivered the infamous Dred Scott decision, which allowed the Southern planters to pursue fugitive slaves who had fled to free states. Yet he was not an archaic, slave-holding dinosaur of the Old South, even though his parents were slaveholders and he was highly acceptable to the slavocracy. He was a director of several state banks, an attorney for some of them, and an enthusiastic supporter of capitalism as well as slavery.



In 1848 President Polk tried to grab Mexican territory and extend slavery there. Mexico had already abolished slavery. Here, an early daguerreotype shows a U.S. Army detachment in a Mexican town.

POLK AND THE MEXICAN WAR

One of the Democrats of note before the Civil War period was the now little-remembered President James K. Polk. He presided over the Mexican War of 1848. His electoral opponent, the Whig Henry Clay, was publicly opposed to this war, although privately, as befitted the "Great Compromiser," he was soft on the issue.

The real issue was the extension of slavery. New England, which voted for Clay, was strongly opposed to the war. It was unpopular in the North generally because it was widely understood not just as a land grab but as a pro-slavery war. Mexico had abolished slavery in its territory. In 1836, when Texas had its "revolution" against Mexico, it restored slavery there.

Now, in 1848, the new Western states seized from Mexico were also “opened up” for slavery.

The rush to mine gold in California just after this war upset the plans of the Southern oligarchs. It led to a great influx of white Easterners who would oppose the extension of slavery, if only because such an event would hurt their own fortunes.

The influx also spurred plans for a continent-wide railroad backed by Northern capital and encouraged the idea of Northern settlement of the entire West. On the other hand, it also stepped up the Indian Wars, in which more treaties were made and broken. Big capital used the small pioneers as cannon fodder, after duping them into believing they were fighting for land “ceded” to the U.S. government by the Native peoples.

It is more than likely that at that time the capitalist elements, led by the New York City Democrats, were among the more enthusiastic saboteurs of the Indian treaties of the West. The slave owners, however, resisted settlement in the West by great numbers from the Northeast, and might have delayed the extermination of the Native peoples – until a time more appropriate to their interests.

But the backbone of the Democratic Party until the Civil War, it must be remembered, was the alliance of the slave lords, the small independent, mainly white farmers, and the merchant-banker crowd in New York City – with the slave lords in final command.

The great majority of the population of the United States before the Civil War was still small farmers, mostly in the North. But they could not be taken for granted any more. A great shift was taking place in their consciousness during the 1850s. Their idea that they were really free and independent was a deeply rooted one, based to a large degree on their possession of land – however small, poor or unproductive it may have been. But they

too were oppressed by a hidden hand, and were beginning to feel it.

The fact that the Democratic Party was also the party of slavery was mostly shut out of their consciousness by the convenient fact that slavery was confined to a different geographical area. The political alliance with the slave masters, which was clear and profitable enough for the merchant banks of New York City, was more hidden, more implicit, and less dynamic as far as the great petty-bourgeois masses were concerned.

What broke up the alliance? Did it make the Democratic leaders any more sensitive to the Black or even white people's needs?



Before the Civil War, presidents Pierce and Buchanan, although Northern Democrats, were shameless puppets of the slave masters. Here, fighting between 'Free-Soilers' and slave owners over whether Kansas would be a free or slave state.

CHAPTER 4

The Whigs and U.S. industry

The Whig Party, founded in 1834 in opposition to Andrew Jackson and the Democrats, was preoccupied with building “big government” – or so it seemed to the very poor and hard-working farmers. The Whigs wanted the farm population to help build a unified, centralized country. This really came down to building a great common market at the partial expense of people who didn’t think they had any interest in it. Nevertheless, the Whigs did grow and by 1840, with the victory of William Henry Harrison, they took the White House for one term, although they didn’t do very much with it.

The interests of the New York banks were different – at least insofar as they remained purely merchant banks, and had not yet amalgamated with industry to produce finance capital and monopoly.

The New York bankers weren’t too impressed with the drive of the manufacturers – and the Whigs – for government-sponsored improvements like canals, highways, bridges, etc., since they had already got New York to make such improvements far ahead of the other states. They actually felt they had an interest in keeping the rest of the country backward, so they could profit from their relatively advanced position.

However, the Jacksonian period (1829 to 1837) aroused some of the banking elements to join the new Whig Party in self-defense against the demands of the small farmers, who were in the great majority and responded to Jackson’s demagoguery.

More fundamentally, perhaps, the character of the bankers began to change a little as their interests diverged from those of the slave owners. Some, particularly those who loaned money to railroads, saw the need for national improvements. In addition, the railroad barons needed land, and so did the poor farmers

who were now pressing on the boundaries of the old settlements with the second and third generation of children who wanted farms of their own.

Slavery interfered with all this. The slave system was choking off any further progress. For instance, the Southern representatives in Congress refused to pass the Homestead Act, which would have given land to small farmers.

While the bankers and merchants of New York City ruled the country hand-in-glove with the slave masters through the Democratic Party, the rising industrial class had different interests. The iron furnaces and foundries, the glass works, the woolen and cotton mills, the wagon makers, wheelwrights, and railroads had more interest in a protective tariff and in national improvements for which the whole people paid.

This was the main focus of the Whig Party, although it wasn't always consistent. Most of the Northern Whigs would become the core of the new Republican Party in the 1850s and 1860s. But the Whig Party itself was not especially anti-slavery.

NORTHERN DEMOCRATS

By the 1850s the Southern Democrats were weakening. The Democratic Party had to put Northerners into the presidency in order to get Northern mass support – and Northerners from other states than New York, where the Whig and anti-slavery agitation was getting very strong.

Franklin Pierce (1853 to 1857) from New Hampshire and James Buchanan (1857 to 1861) from Pennsylvania were shameless puppets of the slave masters. Buchanan pretended to be helpless against the slavers' depredations in the "civil war in Kansas," for example.

The Compromise of 1850 should have warned the Democrats to be careful and yield some ground to the burgeoning North. But they didn't. The Fugitive Slave Law, part of the Compromise and an extremely regressive as well as repressive piece of legislation,

aroused great indignation in the North. And the infamous Dred Scott decision in 1857 was a further provocation.

DEMOCRATS IN 1860

Insofar as elections have any effect on progress or reaction, the election of 1860 was the watershed event of two centuries. The Democratic Party broke up into three sections. The six-year-old Republican Party won with Abraham Lincoln, and the Southern states began seceding a few days after the election. The crisis had begun.

The Democratic Party (Northern Democrats) ran Stephen Douglas of Illinois and got 1,380,202 votes.

The Democratic Party (Southern Democrats) ran John Breckenridge of Kentucky and received 848,019 votes.

The Constitutional Union Party, which included a good number of old Southern Whigs, as well as some pro-Union Democrats, fielded 590,901 votes.

Lincoln won with 1,865,908 votes – or 39.8 percent.

The Northern Democrats had moved left to some degree. Douglas was opposed to extending slavery into the West enough to antagonize the slave masters, but not enough to win the relatively radicalized masses away from the new Republican Party. Both the “War Democrats” and the “Copperheads” were Northern Democrats. But the former were pro-Union while the Copperheads were for the Confederacy. (The name “copperhead,” a poisonous snake, was applied to these counterrevolutionaries in the same way that right-wing Cubans today are referred to as “gusanos,” or worms.)

IT WAS A REVOLUTION

This book is not the story of the struggle against slavery, but it is important to emphasize that a real struggle did take place among the previously inert Northern white population. The white Abolitionists, along with the few Black abolitionists who

could get enough freedom to play a public role, did finally have a tremendous influence on their generation.

William Lloyd Garrison became one of the great leaders of North American life. And Wendell Phillips, who never took a political office or ran for one, became by some newspaper estimates “the most powerful man in America” during Reconstruction. Frederick Douglass came into his own and became Ambassador to Haiti, even under the very conservative reign of President Ulysses S. Grant.

However, only twenty years earlier, these leaders and their collaborators had been mobbed and some even killed.

But the leaders you hear about are usually not the real leaders. As in nearly all great revolutions, the usual political picture is reversed, like a negative of itself. The lower echelons are to the left of the higher, and the great rank-and-file is to the left of them. Failure to take this into account leads to an inability to understand the Civil War itself or the political parties and positions involved.

The military form of the struggle during the Civil War masked its revolutionary content. The nearly 200,000 African American soldiers alone who enlisted gave it a revolutionary character. They were seldom taken prisoner but instead fought to the death.

Many more African American soldiers would have enlisted if Lincoln had not been so dilatory at the beginning of the war. When masses of slaves fled to the Union armies, the generals at first actually returned them to their old slave masters!

But in addition a large section, perhaps a majority, of the young Northern farmers was extremely opposed to slavery by 1861. They went into battle singing “John Brown’s Body.” And there had been none more revolutionary in action than John Brown and his Black and white band of heroes. (They electrified the country when they raided the government arsenal at Harper’s Ferry,

Virginia, in 1859 to get weapons to arm a slave rebellion. Brown and others were hanged.)

Our generation has difficulty understanding this phenomenon. We are confronted by such a heavy barrage of racism that such a genuine revolt against human slavery on the part of white people seems impossible. It is necessary to remember that the issue at that time was not racism, but slavery. Many people we might call racists today consciously gave their lives in the fight against slavery. It is hard to ask for more than that.

THE 'BLACK REPUBLICANS'

In trying to picture the political situation, it is also hard to believe that there was such a sudden sweep to victory by a party that had not existed just six years earlier.

This cannot be explained by the magnetism of Abraham Lincoln, who didn't join the Republican Party until two years after its establishment. Nor can the foresight of Horace Greeley and William Seward, its most prominent founders, explain it. The answer lies in the veritable prairie fire of protest that swept the West and Midwest, adding fresh new blood to the old opponents of the slave system in the Northeast.

The fuel for this fire was hunger for land in the West and the feeling that the new party, free from the domination of the slaveholders, would open this land for settlement.

The flames of this fire also reached into the hearts of thousands and thousands of youths and lit up the slavery question, appealing to their idealism as much as to their self-interest.

As with most great social upheavals, the leadership did not come directly from the class with the most to gain from a successful revolution. The Republicans were the party of the industrial capitalist class. And only a minority of their leaders was resolute and uncompromising against the slave barons, or advocated the immediate emancipation of the Black masses – the program of the Abolitionists.

The so-called Black Republicans, the radical minority of the bourgeois party and most of whom were white, were close to the Abolitionists in their outlook. But they could not prevail in the long run.

Even when the Republicans moved further left as a whole during the revolutionary period of Reconstruction, they still could not pass the Black Homestead Act. That would have given each former slave family "forty acres and a mule" and would have completely crushed the power of the old slavocracy by dividing up their large estates.

The failure to pass this measure was the outstanding failure of the Black revolution. Its passage would have changed the political physiognomy of North America and laid the material basis for Black equality, social as well as political.

CHAPTER 5

1864 War Democrats & Copperheads

When the Civil War began, the more patriotic and revolutionary Democrats at first stayed in the same party with the counter-revolutionary Copperheads, merely calling themselves "War Democrats."

Edwin Stanton, Lincoln's radical secretary of war, was one of these. Andrew Johnson, governor of Tennessee and vice president in 1864, was another. In fact, he proved to be an abject appeaser of the old slave owners when he later became president after Lincoln's assassination.

In 1864 the Democrats ran General George McClellan against Lincoln, who had to run on a coalition ticket: the National Union Republicans. McClellan had been chief of the Union forces but never really won a battle; in fact, he hesitated to get into a fight, being himself a compromiser with slavery.

The main Democratic campaign slogan in 1864 was, "The Union as it was and the Constitution as it is." This meant reconstitute the slave owners' Union, call the war off, and keep the Black people enslaved.

Nevertheless, McClellan got 1.8 million votes to Lincoln's 2.2 million. And this was in the North! While the anti-slave voters were in the majority, the figures give only the palest reflection of the intensity of the struggle.

If the Southern white supremacists had been counted (and not the slaves), as in pre-war elections, a clear majority would have been against the Civil War. So much for the constitutional verities and formal democracy.

JOHNSON TRIES COUNTER-REVOLUTION

Vice President Andrew Johnson, the "War Democrat," became president after Lincoln's assassination in April 1865. He

proceeded to pardon many of the key figures of the Southern counter-revolution who had been taken into custody with the military victory of the North. The former slave owners were emboldened by this and began to reimpose slave conditions on the freed Black masses.

Feeling his isolation in the North, Johnson called a big conference in Pennsylvania in 1866 to get Northern support for his program of reconciliation. The merchant banks and the *New York Times* gave strong support to this convention. But it was short-lived.

It was short-lived because the national elections of 1866 returned a larger proportion of Radical Republicans to Congress; the Northern population correctly felt that the Democratic president was taking away their victory. There were several currents pushing this vote, but one, undoubtedly, was a genuine and still militant sympathy for the freed slaves.

The changed relation of forces in Congress led to the famous showdown between Congress and the president which has produced so many maudlin stories depicting Johnson as the victimized underdog whose impeachment, which lost by just one vote, was an insult to civilization and a virtual burning at the stake.

ELECTION OF 1868

Johnson's impeachment and subsequent trial were merely the end result of his collaboration with the defeated slave masters and were only remotely connected with the legalistic side of the offense he had committed, which had to do with demoting the militant secretary of war. His real offense was infinitely greater: betraying the revolution of which he was supposed to be a leader.

Thus Congress in reality set up a dictatorship – and an “unconstitutional” dictatorship at that, according to all its opponents, who at that time were mostly Democrats. But it was

in reality the dictatorship of the middle class, mostly farmers, who together with the ex-slaves made up the real majority of the whole country.

It is true that most of the purely industrial capitalists of the North were behind the Republican Party and were opposed to the pro-Southern New York banks. But there is not the slightest question that congressional Radical Republicans Thaddeus Stevens, Ben Wade, and Charles Sumner were to the left of most industrialists, and far to the left of the Democratic New York bankers.

They took the revolution – in its legal forms – much farther than the bankers and businessmen would have, if left to themselves. Nevertheless, because the crushing of Southern ruling-class political power was now so directly in the interest of these bankers and business people, the congressional dictatorship, "unconstitutional" though it was, and pro-Black as it never was before nor has been since, was for the moment successful.

Wall Street was pulled along. Its preponderant elements felt they could not act against the Radicals at this moment without injuring their own interests.

GRANT, THE UNLIKELY RADICAL

However, Wall Street did want to moderate or at least control the Reconstruction as soon as possible. And whereas the political instrument of the radical middle class was Congress, the handiest instrument of big business was the presidency. Like business, it was getting more centralized and easier to manipulate by a small, powerful capitalist clique. But the wealthiest capitalists of the North, including many Democrats who had turned Republican for the war and its profits, had a problem.

Enormously enriched and far more powerful economically than before the war, they were at last convinced that they could run the national ship of state alone without the Southern rulers –

and get their business anyway. The problem was to find a president who would appeal to this radical middle class, the voting ex-slaves, and the radical whites of the South, and yet represent Wall Street rather than the Radicals. How could they, in other words, take the first careful steps in cutting down the Radical dictatorship of Congress?

They found the answer, not in another conciliatory politician like Andrew Johnson, but in the general who had led the Radicals as well as Wall Street to victory in the war.

There can be no doubt about their manipulation of the election. The first public meeting to float the candidacy of General Ulysses S. Grant was held not in his home state of Indiana, nor among the Black revolutionaries who were taking over the Sea Island plantations in Georgia, nor among the anti-Wall Street mill owners or farmers of western New York and Ohio.

It was held in New York City early in December 1867 and was sponsored by the same Astors who had tried to defeat Lincoln in 1860. Cornelius Vanderbilt, soon to displace the Astors for the dubious honor of the richest man in America, was there. So were Peter Cooper, Daniel Drew, Levi P. Morton (later a Morgan partner and a vice president of the United States), Moses Taylor, and Moses Grinnell – all bankers and/or big capitalists. Several had opposed Lincoln in 1860, even though he was still only a moderate at that time, and supported his reactionary opponents.

Big money joined with big professionalism to put Grant over. Republican chair Thurlow Weed, once the indefatigable political manager for William Seward and a campaign leader for Lincoln, now busy playing the stock market with tips supplied by the Vanderbilts, worked happily with the people who had supported the anti-slavery struggle the least and profited from it the most.

'SAY NOTHING AND WRITE NOTHING'

This almost-twentieth-century politician promised to get Grant elected if he would say nothing and write nothing. And, with a fat campaign fund, Weed did. The voting masses could be pardoned for thinking that Grant, the victor in their war, would also support their program in peace.

Wall Street put up hundreds of thousands of dollars for the Grant campaign. The Jay Cooke brokerage house – one of the few that was Republican from the start – supplied at least \$30,000 and possibly as much as \$50,000, an amount larger than any total presidential campaign fund before 1860.

Wall Street had now changed from junior partner to senior partner in the affairs of the Republic, with the Southern masters considerably more junior than Wall Street had been before. But this economic fact was not completely expressed in Washington politics. That is, the progressive North, in general, along with its revolutionary Black ally in the South, was in charge, but not yet Wall Street itself.

Grant's job was to change that. But he did not immediately do so. He could not. The continuing rule of the Radicals in Washington, with the best of them pushing for the division of the old plantations among those who had worked them, pulled Grant along in its wake.

Besides not wanting to enjoy the same fate as Andrew Johnson, Grant knew he could support Black liberation without antagonizing the majority of Northern capitalists, who now recognized their strong interest in definitively disciplining the Southern master class. And that interest was becoming clearer all the time.

The big reason why the Grant administration has come down in the history books as such a corrupt one is not so much that he was hand-in-glove with big business as that he was relatively independent of it as far as Black freedom was concerned. That is,

the Radicals took him over politically, even while the financiers got what they wanted economically.

What relative independence Grant could muster came from the fact that he and his associates did not just depend upon the golden shower of campaign contributions, but received the votes of the still radical North and West in addition to those of the still optimistic and enthusiastic freed Black people.

Wall Street could only become the absolute manipulator of elections at a later date, and it would take a decade before it put its political servants in their proper place, even in the presidency, which was so much easier to control than was Congress as a whole.

in fact, it would be several decades before civil service reform, corporate regulation, and other "progressive" devices made it possible for the new monopolists to restrain the economic racketeers from doing to them what they themselves had done to the small capitalists.

CHAPTER 6

After Civil War, uncivil peace

The super-capitalist orientation of President Ulysses S. Grant, along with the corruption of his administration, cannot be overestimated. It was part and parcel of the heyday of capitalist expansion over which he presided. By the time of the election of 1872, Grant had disgraced himself with a large number of the white Radicals who had supported him four years earlier.

He was implicated in the biggest gold swindle of the day, in which his brother-in-law, together with financiers Jay Gould and Jim Fisk, brought on the famous Black Friday financial crisis by trying to buy up all the gold in the United States (outside the Treasury).

They had put Grant's wife in for \$500,000 and her brother for \$1.5 million. Another million was to go to the assistant treasurer of the United States, who was head of the Subtreasury in New York. The plan only fell through because bigger capitalists than Gould and Fisk, plus a number of smaller capitalists, brought pressure on Grant to cool the whole thing and release gold from the Treasury to depress the price.

The Republican soldier-president became a close buddy of the Astors and the Vanderbilts, the two richest families in the United States. They in turn were deeply involved with "Boss Tweed" of New York City, a Democrat – until they found him too expensive and sent him to jail.

A.T. Stewart, a \$40-million dry goods king and another former Democrat, convinced a group of capitalists to furnish a mansion for Grant in Philadelphia and to give him \$100,000 to pay off the mortgage on his Washington home. The banker August Belmont, still a Democrat, was also in on this deal.

After leaving the presidency, Grant tried his hand as a Wall Street broker. But after fumbling several golden opportunities, Grant

appeared before William H. Vanderbilt in 1884 for a loan. He immediately received \$150,000. (The Vanderbilts had refused to pay two dollars a day to the railroad workers.)

Of course, all these peccadilloes of Grant and his intimates pale before the wild debauch of the public treasury and theft of public lands by the unleashed capitalist class itself.

As for the Democrats, they ran Horatio Seymour, governor of New York State, for president in 1868. Seymour was not only a vicious racist, but a thinly disguised advocate of a return to the slave system. He led a fight in the New York State Legislature to repeal the ratification of the Fourteenth Amendment. But he was the last prominent Democrat to openly advocate slavery, at least in the North.

The election of 1872 found Grant still defending the general policy of Radical Reconstruction, even while Reconstruction was being eroded in some of the Southern states because it was not radical enough.

Right in the middle of Reconstruction, during the Grant administration, there was a split in the Republican Party. It came from an unexpected quarter.

The split faction, which called itself the Liberal Republican Party, was led by some of the same Northern whites who had been most radical in the fight against slavery, like Senator Charles Sumner and Horace Greeley, editor of the *New York Tribune*. However, where they had been militant and intransigent, they now became tepid and compromising. All their militancy was directed against the Money Power instead of the Slave Power.

But this was just at the point when the Money Power – the biggest capitalists – were coming over, however temporarily and insincerely, to the cause of Black freedom. While earlier these capitalists went to war out of the need to subjugate the big planters, now they were impelled by their alliance with the radical middle class of the North.*

* The middle class is always a somewhat amorphous group. At that time, its largest component was those who farmed their own land, followed by self-employed artisans, small merchants, and professionals – ed.

The middle class, which really had led the revolution, at least among the white masses, was now being superseded politically by the same class that had compromised most with the white rulers of the South before the Civil War. (Naturally, there were many individual holdouts who remained loyal to the Black struggle, but their political power was now being extinguished.)

Sumner, Greeley, and their colleagues were outraged by Grant's closeness to the Money Power in New York. The money merchants in turn were now moving into bigger and bigger fields, including the drive to control the sugar islands in the Caribbean as well as railroad land in the West and steel plants in the eastern and midwestern parts of the United States.

Before the Civil War any incursions into the Caribbean would have benefited the Slave Power rather than the capitalists. But the defeat of the slavocracy unleashed a big Northern drive for expansion in this direction. And by this time the banks were becoming direct investors in sugar plantations on the islands. Modern imperialism was embarking on its first adventures in overseas conquest.

Significantly, Sumner's first break with Grant came when the latter attempted to take over Santo Domingo. But this early opposition to modern imperialism was motivated by the interests of small capital and small farm competition much more than by any proletarian opposition to the power of the big exploiters.

It could be said that the beginnings of monopoly and U.S. imperialism were already showing themselves and hurting the upper middle class of both North and South.

The Liberal Republicans, in order to get support in the South, began to advocate the end of Reconstruction and the removal of Union troops from the South – all with the condition that the

Southern bourbons pledge their “honor” not to reimpose oppression and slavery.

After an enormous amount of research for his book *Black Reconstruction*, the great African American scholar W.E.B. Du Bois thought that by 1872 the leadership of both the big parties, Republican and Democrat, was chiefly controlled by Wall Street and that the Dixie component was now definitely subordinate to the bankers and industrial bosses.

Wall Street’s takeover of the Democrats, and even of the Republicans, was consummated not by a mere infusion of money but was the result of a conflict of social forces and involved the struggles of thousands, even millions, of people, white and Black.

The leaders of the Liberal Republicans, some of them with long and honorable records in the fight against slavery, much predating that of Grant and infinitely longer than Wall Street’s, were in one sense being perfectly consistent. Being upper middle class, with no social roots among the still impoverished Black population, they felt the depredations of Wall Street (which they had always fought against before the Civil War) and the oppression of the railroads over the independent farmers and small business of the North and South.

And they felt this more keenly than they felt the still smoldering and rekindling fury of the Ku Klux Klan that was directed against the African American masses.

The same white middle class in the South had joined the Republican Party after the war, because they had their own grievances against the plantation lords. But in a short time this class in the South was even more directly oppressed by the railroads (Northern owned) and bankers (New York centered) and that section of Northern carpetbaggers who elbowed them out of business. (And this corresponded closely to the position of

the big plantation lords, too.) The economic bond with their Northern cousins became clear.

Thus the Liberal Republican Party could be called the White Republicans as opposed to the "Black" Republicans (most of whom were white). But the real difference was this: The Liberals were a middle-class party while the official Republicans were a capitalist party that had suddenly seen the light and was temporarily allied with the Black poor in its drive to shave the old Southern rulers down to a size and power compatible with the big Northern capitalists ruling the country.

The net result of the establishment of the Liberal Republicans in the South was of course to leave the official Republican Party nearly all Black in that area and to leave the Black people more exposed to the cruel vengeance of the Democratic plantation owners.

The Liberal Republicans demanded all kinds of progressive reforms in the national government, including restraints on the Wall Street banks and railroad companies, and so on.

But in keeping with their new alliance in the South, they also demanded amnesty for all Confederate generals, governors, and other leaders of the slaveholders' rebellion, since those officials came directly from the same class that was leading the new party.

This was done in the name of "good government," of ending the rule of the evil "carpetbaggers" and ending corruption in government. Some of these leaders, no doubt, were taken in by the propaganda about "Black supremacy" and Black rule of the Southern legislatures and were frightened away from Reconstruction. In fact, only in South Carolina had Black representation even approached a majority.

The real essence of the new alliance was made clear by the fact that the Democratic Party decided to support the Liberal Republicans in the presidential election. And this support was

accepted. Thus the formerly left Radicals were uniting with their most deadly wartime opponents. It was a bloc with the right against the center.

That is, the anti-Wall Street cries coming out of the South, however genuine and desperate, were then and for a long time afterward orchestrated by the extreme right wing in the Democratic Party.

The Liberal Republican program did ask for equal voting rights for Black people. And probably very few in the Northern wing of the party realized that an end to Reconstruction, which they were really advocating, would be in reality an end to all Black freedom, falling short only of an actual return to chattel slavery.

They thought they could simultaneously restore all privileges for the defeated masters while still protecting the civil rights of the masters' victims. They consoled themselves with the notion that juridical freedom for the Blacks was real freedom. But on the other hand, they wanted to remove the juridical restraints on the former masters who already had the *de facto* freedom of landed wealth.

The presidential candidate of both the Liberal Republicans and the Democrats in 1872 was none other than Horace Greeley. He had been the most prominent organizer of the Republican Party and had been considered a true Radical.

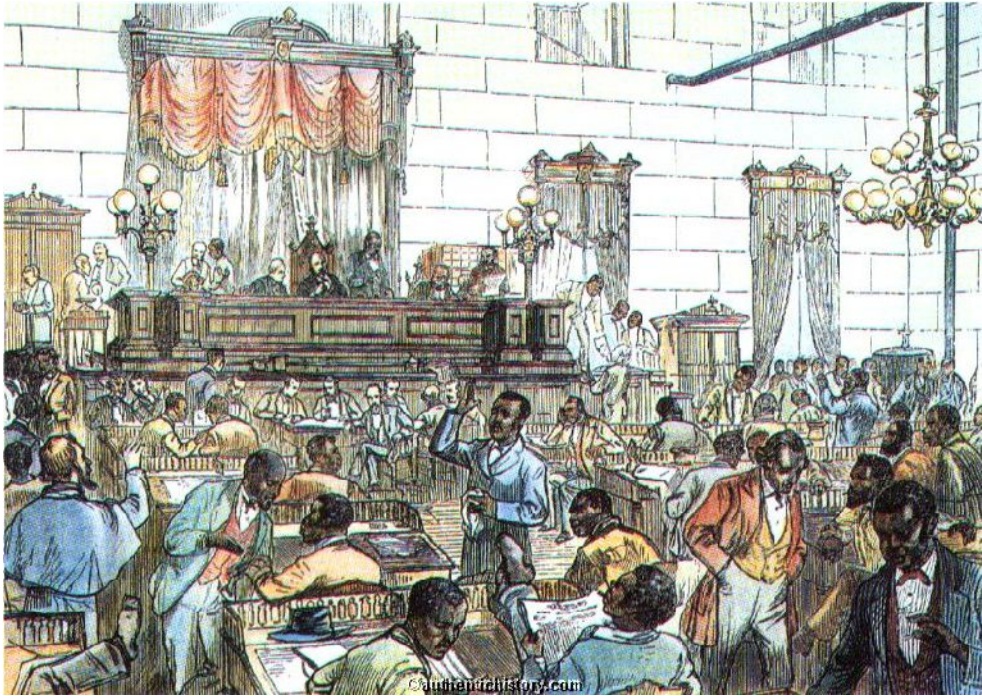
He had a hundred epithets for the Democrats in his newspaper, the *New York Tribune*. And after William Lloyd Garrison and Wendell Phillips, he was probably the most famous anti-slavery agitator. If he had shown his face in any Southern town five years' earlier, he would most likely have been lynched.

But now the old Democratic Party, formerly run by the Southern slave masters, backed the Liberal Republicans and supported Greeley for president.

The old Northern Radicals in the Republican split-off gave the new Democratic Party some moral authority. Greeley, unwittingly and almost unwillingly, made this official. This ex-Radical, ex-socialist, ex-high-protectionist (for tariffs) and almost "ex-Greeley" was calling for amnesty for the last Confederate holdouts!

The Democratic Party was still considered in many quarters to be the party of slavery, treason, and counter-revolution. The Liberals lasted just long enough to wipe off some of this tarnish from the Democrats in the course of the 1872 alliance, but not long enough to acquire any lasting credibility for themselves.

Greeley had a mental breakdown and died a few days after the election, which, of course, he had lost.



Before the reactionary compromise of 1877, Black people held political office in many parts of the South. Here, the South Carolina legislature.

CHAPTER 7

1876-1877 The great betrayal

After the collapse of the Liberal Democrats, some of the party's leaders became leaders of the Southern Democrats. A larger number went back to the official Republican Party and became prominent "reformers" of national government. But generally the Liberal Democrats sank without leaving much trace.

The Democrats nationally then became a polyglot union of Southern centrists, Southern reactionaries, and some anti-Wall Street Northern progressives, with the Northern sympathizers of slavery still hanging around for awhile.

After General Grant won a second term for the Republicans in 1872, the all-out drive to bourgeoisify the country continued at still greater speed. Reconstruction began to falter and several Southern states suppressed Black freedom, even including the right to vote.

It should go without saying that as soon as it had been possible to vote, the freed slaves all voted Republican. They became, in fact, a very powerful voting machine for a few years. But the Republican connection was at best a temporary class alliance rather than any kind of class partnership.

The official Republican Party kept the loyalty of the lower middle class in the North – particularly of those white farmers who, except for the most devoted Abolitionists and the slaves themselves, had been the most vigorous opponents of slavery, giving the most lives to eradicate it.

Several factors contributed to Grant's second victory. First, he had an even bigger slush fund than in 1868. But he also

benefited from the continued anti-slavery idealism of the Northern voters, the fact that the Western voters had gotten land, and the swing by a large number of Southern voters, mostly Black, into what had now become Wall Street's new camp. Grant won half the old Southern states in 1872.

Wall Street had finally joined the revolution, so now the ebbing forces of the revolution were joining Wall Street. They had nowhere else to go without repudiating the Civil War itself. The Liberal Republicans were in the process of actually doing that, while the Democrats had already done so. Of course, many Northern Democrats had never supported the Civil War in the first place.

Thus the same Wall Street bankers who had earlier supported slavery, and then grew immensely richer out of the struggle against it, now received the votes to rule the country in the name of anti-slavery. But by 1872 they were already beginning to reestablish their economic ties with the white rulers of the South.

They had quietly allowed reactionary, white-supremacist "home rule" to be restored in several of the Southern states, despite their oblique support of Grant's Radicalism and their coolness to the Liberal Republicans. They kept to a more Radical course in the remaining Southern states, but probably in order to keep intimidating the overthrown rulers in both areas.

Reconstruction (1865 to 1877) was the most revolutionary period this country has ever experienced. And by that token it was also the most democratic – with a small "d." It was not just the institution of slavery that was abolished. The notion of human inferiority was also beginning to be abolished. Black and white shared the governments of Southern states; Blacks were elected to both houses of Congress. (But one hundred years later, there was not one Black senator!)

W.E.B. Du Bois, who emphasized the legislative abilities and participation of ex-slaves in the Southern governments, proved beyond the shadow of a doubt that the freed people were at least the equal of the former masters in this respect.

Reconstruction took place entirely under the aegis of the Republican Party. Where the Republicans retreated, the Democrats advanced and reestablished lynch law.

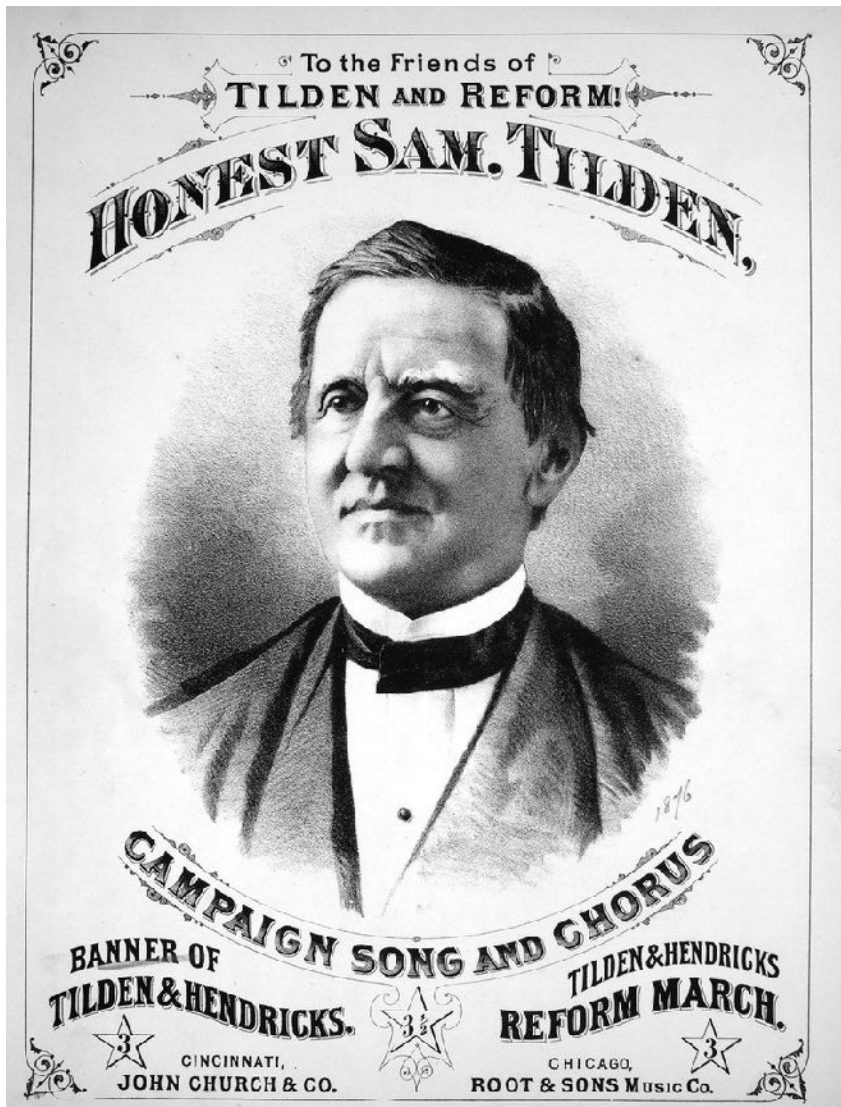
However, Wall Street and the majority of the Republican leaders were against dividing the great estates, even during Wall Street's Radical period. This was partly because of Northern finance capital's pre-war ties to the slave-owning South and partly because they were frightened at the idea of dividing up property – that could lead to communism!

But by keeping their plantations, albeit without slaves, the former slave masters were able to become somewhat stronger than the North – and certainly most of the Republicans – wanted them to be. By 1876 all the Southern states, except for Republican-controlled Louisiana, Florida, and South Carolina, had virtually eliminated the Reconstruction governments and were restricting the rights of African Americans.

The erosion of the Black vote contributed to a narrow victory for the Democratic candidate, Samuel J. Tilden, over his Republican rival, Rutherford B. Hayes, in the presidential election of 1876. The official vote after the Republican-dominated electoral commission had finished a recount was 4,300,590 to 4,036,298.² However, presidents are elected not by popular vote but by the Electoral College. After several months of maneuvering and almost unbearable tensions throughout the country, the Electoral College announced on March 2, 1877, that the Republican Hayes would be the new president. What had happened?

The Wall Street bankers, who rigged and then re-rigged the election, had encountered an obstacle. It was not because they

had destroyed the original Republican Radicalism, but because they still hadn't quite done so. It was they who gave a dubious victory to Hayes and the "Radicals" who really had been absorbed and supplanted in the Republican Party. But by doing so, they inflicted a final defeat on Radicalism.



Millionaire Democrat Tilden won the popular vote in 1876, but lost in the Electoral College to Republican Hayes. What was the deal? The Republicans agreed to the historic compromise that withdrew Union

soldiers from the South, allowing the old rulers to resume their oppression of Black people in a new form.

If the South had been completely separate from the North during Reconstruction, the Black people might well have succeeded in a revolution like that led by Toussaint Louverture in the Haiti of the 1790s. Or if the white working class of the North had been more mature and had not exhausted its potential in the Civil War, an equally powerful revolution could have ensued.

Du Bois felt that Black Reconstruction was indeed the "dictatorship of the proletariat." This may well have been so. But if so, it was all the more fated to come into conflict with the dictatorship of the bourgeoisie and its hidden cannons up North.

As part of the election steal by Hayes, a deal was made between the new rulers of the North and the old rulers of the South. The last of the Union troops were removed from the South and the old rulers were put back in charge, with the understanding that they had to confine themselves to their own section and not interfere with the capitalist expansion of the North.

This agreement was not written down anywhere. It was an understanding. Those few bourgeois historians who are the most perceptive and honest – like C. Vann Woodward – have exposed it for what it was. It would have come about inevitably, given the nature of the two ruling classes, but what brought it to life was the election of 1876.

Before the recount of the votes, it appeared that the Democrats had won the Electoral College vote by 200 to 184, as well as the popular vote. But the Republican Party controlled the governments of Louisiana, Florida, and South Carolina, which had fifteen Electoral College votes between them. They also found one Democratic elector from Oregon ineligible. The result was 185 electoral votes for Tilden to 184 for Hayes.

This raised a storm of protest throughout the country. So Congress appointed a special commission composed of the Supreme Court judges and a number of U.S. senators and representatives from both parties.

At first the commission was divided evenly between the two parties. Later, seemingly by accident, the Republicans got a majority of one. It was by this majority that the Republican Hayes was decided the winner.

There was talk of a new revolt of the South, a new Civil War and so on. But the defeated Tilden, deep in the councils of the New York financial world, gave the word to his followers to cool it.

Hayes's platform, like Tilden's, was a "return to normalcy" – a signal for the definitive end of Reconstruction. The Democratic leadership could have continued to protest the loss of the presidency but, based as they were in the South, they took a different course. The prize of "home rule," the retention of the great estates by the old rulers, and of course a concomitant return to dictatorship over the freed Black people, were now firmly in their hands.

As a matter of fact, Hayes was far more strongly attacked in his own party than by the Democrats. Roscoe Conkling, the New York State Republican leader, coined the term "His Fraudulency" for Hayes. And it stuck.

Unfortunately, the new unbridled terror in the South against the Black population also stuck. While the devilish deal between Republicans and Democrats put the domination of the South in the hands of one class, the capitalists, it still reflected the interests of two predatory classes. One of them was the class of former slave masters, who now had to adapt themselves much more to the capitalist system and to accept the national leadership of the biggest capitalists. The other was that of the big industrialists and bankers, who were already changing their character in the direction of monopoly capitalism.

Tilden the Democrat, for example, was a lawyer for the big railroads. He had put together many combinations of roads, as John Pierpont Morgan was just beginning to do. Tilden was not nearly so bold as Morgan and had amassed "only" \$5 million to

\$6 million in commissions for this work. It was still a colossal sum in those days, however. He was privy to the new drive of capital for expansion on a different front. (Hayes, by the way, who had been a Civil War general and governor of Ohio, was also a railroad lawyer.)

Tilden had captured many voters because of his cry for "reform" in government. The Republicans were robbing the Treasury, plundering government lands and purchasing high offices, setting up syndicates on Wall Street with government complicity. The people had their fill of this.

But Tilden's "reformism" was limited to "honest government," cleaning up civil service and the like. It had nothing to do with social reform, with helping the working class, including the poor and unemployed. And as a supporter of McClellan's program for "the Union as it was" in the election of 1864, Tilden had shown he certainly was no friend of the African American.

Even if Tilden had won the election and been given the presidential crown, it would have made little difference. Of course, many more Radical Republicans would have been steamed up by the more obvious drive to social reaction. The freed people of the South might have risen up or at least been harder to govern. But the two parties were now in the same class camp.

It is safe to say that among the ranks of the white Democrats and Republicans in the North, the whole reactionary deal was only vaguely understood. The superficial idea that "Lincoln's party freed the slaves" crowded out any appreciation of just what this freedom really consisted of, once Reconstruction was ended.

The Black people of the South continued to vote Republican for generations after the Civil War – in those areas where they were able to vote at all. It was not until 1936 that African Americans in the North began to vote Democratic after Franklin Roosevelt and the Democrats initiated the New Deal. This was during the great

capitalist Depression, which in turn spurred the greatest
upsurge yet by Black and white labor.

CHAPTER 8

1876 Reform and reaction

The reactionary masquerade in the 1876 election, which ended in the betrayal of Black freedom, was played out against the background of an ostensibly virtuous fight against corruption in government. Corruption was all anybody heard about – in the North, especially.

It seemed to 99 percent of the people there that only the cleanup of government could rectify the rocky course the ship of state was taking.

The Democratic multimillionaire candidate Samuel Tilden had made his money in big railroad mergers and the like, often using the corrupt services of the famous New York Democrat, Tammany leader “Boss Tweed,” before being compelled to dump him. But this didn’t stop Tilden from running a campaign of reform in government.

Rutherford B. Hayes, the Republican winner, made an equally fervent appeal to end corruption. Hayes was slightly less effective, since the people he had to talk about were members of his own party.

While the actual amounts of money involved in the government scandals were generally much less than those in the more deodorized steals of today, they were gigantic for those days. And political corruption scandals were fairly new, at least in form.

In the early days of the republic there had been constant theft of the public lands, but nothing like the swooping depredations of the big railroads during and after the Civil War. The pre-Civil War government bureaucracy hadn’t had as much opportunity to carry out land-grabs on a massive scale.

For one thing, the tight control of the new government by the new Republican Party gave that organization a kind of semi-independence from the ruling class it served politically. And it used that independence to the hilt.

The big capitalists, after getting their way with the South and after increasing and consolidating their fortunes as well, began to support the reformers in the Republican Party. They sometimes got behind those in the Democratic Party even more enthusiastically, partly in order to bring the Republicans into line. (The Liberal Republicans, however, disappeared as a party.)

This was not done without struggle, of course. In fact, the corruption issue took center stage even as the reactionary forces opposing the great class struggle of the Civil War were growing stronger – at first and most obviously in the South and second in the attitude of people in the North. It had been the bloodiest war ever fought by the United States. In the minds of a lot of white people, its net result was the tremendous enrichment of a few robber barons and their stooges in government.

As always, the people in government were the ones the newspapers and media attacked the most, and some suffered the consequences. But the private interests who did the bribing and biggest profiteering got off largely Scot-free, becoming the “respectable” founders of family fortunes.

It was easy for the majority of Northerners to congratulate themselves that the slaves were now “free.” Nearly the whole suffering Black population was geographically removed from them.

Lynch law was not imposed in a single moment, although the removal of the last federal troops from the South in 1877 opened the gates. The struggles of the African Americans and their white allies in the South continued to have an impact for some time. But the die had been cast.

What probably gave the greatest publicity to the fight against corruption in government was the internal struggle in the Republican Party itself.

Nevertheless, in 1880 the party got itself together long enough to oil up the patronage machine. It got much of its campaign fund by assessing government workers to whom it had given lucrative jobs. It also put the bite on the biggest capitalist profiteers for a total of \$1,100,000. The Democrats raised only \$355,000.³

Earlier, in 1876, the majority of big business must have decided that the Democrats should be elected. So at that time the respective campaign funds were \$950,000 for the Republicans and \$900,000 for the Democrats, even though office holders provided at least a third of the Republican funds.

Significantly, in later presidential victories of Democrats – Grover Cleveland in 1884 and 1892, Woodrow Wilson in 1912 – their campaign chests were substantially larger than those of their Republican opponents.

Unhappily, James Garfield, the “white knight” of the Republican reform campaign in 1880, was somewhat tarnished himself. Garfield had been a Union general, a governor of Ohio, and a member of Congress as well as a preacher of the Lord. But he got himself involved in some of the ubiquitous crooked capers of Washington – and then wrote some inconvenient letters about them that turned up in the election year.

These were all cleaned up for the occasion, however. And under the slogan of “God and Garfield,” supplied by the famous divine, Henry Ward Beecher, this political preacher won the presidency.

He had snared himself in so many promises to the different factions, however, that he couldn’t put his Cabinet together or make other important appointments without terrible repercussions and personal agony.

His most merciless opponent was Roscoe Conkling, leader of the New York State Republican machine and organizer of the still remaining Black Republicans of the South, who by this time were mostly Black people since most of the whites had left. (It is hard to tell whether Conkling really supported the idea of Black freedom or merely used it to support himself, so much had the political and social picture changed by this time.) At any rate, the Black Southern Republicans' main power now lay only within the party as delegates to conventions and so on.

Conkling's New York machine was admittedly the most venal, although it was relatively weak in Wall Street itself. And Garfield was indebted to Conkling for votes. Without the crucial vote delivered by New York State, Garfield would have lost the presidency.

Chauncey Depew, political agent of the Vanderbilts and later of the Morgans, embraced Garfield's cause. Levi Morton, the second biggest banker in New York (J.P. Morgan was the biggest), organized most of Wall Street in Garfield's behalf, causing the ex-preacher, so the story goes, to weep for joy.

Within a few months of taking office, Garfield was shot and killed by a crazed member of Conkling's New York machine. This soon led to Conkling's extinction on the political arena.

Garfield's vice president, Chester A. Arthur, had been the New York City Republican leader, at first answering only to Conkling. He had been told by Conkling not to accept the vice presidency. He was supposed to hold out for the patronage-lucrative Treasury post.

He did accept the vice presidency, however. This as well as his subsequent course showed intimate and direct collaboration with Wall Street over the head of his party chieftain.

While no one could have predicted this particular assassination, it proved to be an essential part of the drive for reform and, more importantly, of the drive of big capital to discipline the

Republican Party and shape it into a more pliable instrument for “getting things done.”

To this day, the news media speak sneeringly of the political “bosses.” They are not nearly so intolerant of the bosses in the factories, mines, mills, offices, etc. Is this only because of corruption? Hardly. It is also because these political “bosses” sometimes acquire a little independence from their real masters – and the real masters own the newspapers, television, and other media.

The big Republican “bosses” during this period were usually U.S. senators, who at that time were not elected by popular vote but by the state legislatures. The Senate has a very special power: that of ratifying many presidential appointments.

Matthew Josephson explains how it stood with the political bosses just before Garfield became president:

When the boss arrived at the national Capitol, for he was often directly crowned as United States Senator, his power in the general Government could scarcely be calculated, especially if he came from a populous and “strategic” state. Three heads of the party Organization from three or four such important States, together with the weaker satellite States which were usually attached to each, could easily summon the strength to block or control national party conventions, eliminate or choose Presidents, and dominate legislation in Congress. What single man, were he a great soldier, a President, a Supreme Court Justice, could hold out against them? If one searched for the true center, the real fountainhead, of national government authority itself, one need look no further than the dominant cabal of Senator-bosses heading the Organizations of New York, Massachusetts, Ohio, Indiana, Pennsylvania. It was to the combined power of these men that Ulysses S. Grant in 1869 had given virtually his own unconditional surrender... 4

It has already been shown that Grant was chosen by big business and only later succumbed to the Radical Republicans, and with the grudging consent of big business at that. Josephson leaves out the deeper significance of the Grant period.

True as his remarks are and powerful as the senators in question were, it is first necessary to say where their power came from. It came from the victorious capitalist revolution, which was

combined with a revolution of the oppressed, distorted and incomplete though it was. And these senators, especially after the decline of Radicalism in the House of Representatives, cynically expropriated the political power from the revolution without entirely turning it over to the capitalists.

It only remained for the real masters, the big capitalists, to get these "bosses" into the position where they, too, could be expropriated, and more willing servants could be found to replace them. But this was a rather long process.

CHAPTER 9

1884 Democrats return to office

Just as the constant, almost cyclical, corruption of capitalist democracy with the resultant wailing about reform was such a big factor in national politics by 1884, so was the advent of the imperialists and soon-to-be imperialists.

The corruption of individual officials was now being replaced by the corruption of the whole democratic process: the infusion of such large amounts of money that the parties were ultimately to lose what little independence they had. This was accompanied by the intervention of the imperialists in the government, and sometimes even by their personal participation in politics.

True, they did not have the unruffled monopoly of office that the early "statesmen" had in the days of mass chattel slavery. Then the white as well as the Black masses had been generally voteless.

There were enough sincere and idealistic people around, even in the ruling class itself, to nourish the appearance of genuine reform elements and purveyors of "honest" government. Such a one, to some degree and within the narrow boundaries of his very conservative political outlook, was Grover Cleveland, whose two terms ran from 1885 to 1889 and from 1893 to 1897.

Cleveland showed himself to be a loyal public servant at an early time. A lawyer who became mayor of Buffalo and also sheriff of Erie County, he saved the county money by personally performing the services of hangman.

Chauncey Depew, political messenger of the Vanderbilts and later the Morgans, offered him the job of general counsel for the New York Central railroad. This would have been at least as beneficial to the railroad as to Cleveland, because the railroads were in bad repute by now and needed more credibility.

But, amid some publicity, Cleveland refused the offer. The always alert Rockefeller team got word of this and began to push him for office in the Democratic Party.

John D. Rockefeller himself was a rock-ribbed Republican, although never a Radical. But one of his leading partners, Oliver Payne, whose father was in Congress, was the Standard Oil Corporation's pipeline to the Democratic Party. It was Payne, or his close friend and brother-in-law, William Whitney, who contacted Cleveland and began to groom him, first for governor of New York and then for president.

Cleveland was the author of the then-famous phrase, "A public office is a public trust." He would not countenance any open stealing by government officials. But he occupied himself with issuing more vetoes than any other president before or since. Most of his vetoes struck down pensions for various Union army veterans.

This was supposed to help bring about unity in the country and make the Confederate veterans feel better. Whatever else it did, it cut down some of the power of the Republican bosses by taking away patronage, but it also showed how firmly reaction was in the saddle.

The Morgans and the Rockefellers were now playing a key role in the presidential elections. They were beginning to tell presidents what to do much more directly than they had done in the case of the Lincoln administration, for instance. Not that Lincoln lacked the services of some of the most corrupt political and financial elements. But his period was marked by the revolutionary ascendancy of the middle class, and that slowed down the financial cliques from complete control of the country.

The first Cleveland administration of 1885 to 1889 tells us a great deal about the attitude of big business to the two parties. Do Cleveland's actions bear out the thesis of some historians that even as early as 1872 both Democratic and Republican parties

were already in the lap of Wall Street? Do they go even further and show that Wall Street itself had begun to drop all pretense and take over in its own name? Or was it a mixed bag with a few important stumbles on the road to all-out control?

Ferdinand Lundberg said flatly: "The two administrations of Democratic Grover Cleveland were more tightly interlocked with the community of expanding wealth, both in personnel and general policy, than any which preceded."⁵ And that is saying a mouthful!

Cleveland himself said: "No harm shall come to any business interest as the result of administration policy as long as I am president . . . a transfer of executive control from one party to another does not mean any serious disturbance of existing conditions."⁶

How did Democratic Cleveland make it in the first place? First, he now had the "solid South" behind him – that is, all the electoral votes of the Southern states – as a result of the deal of 1877. His election campaign fund was \$1.4 million compared to Republican James G. Blaine's \$1.3 million. And the cry for reform in government was getting ever louder.

Once in office, Cleveland made some important and very revealing appointments, especially to the Supreme Court. Through most of the nineteenth century, a fair number of bank and railroad representatives were appointed to that body. But Cleveland, a railroad lawyer himself, named some even more powerful railroad people to the court.

The wealth and power of the railroad corporations, it should be interpolated here, were growing at a constantly increasing rate. There were no trucks, no planes, no automobiles. All long-distance and most short-distance travel and shipment were controlled by the railroads, which took full advantage of their monopoly.

One of Cleveland's appointees was Melville W. Fuller, a railroad lawyer with no judicial background. He was made Chief Justice, and may be the best example of Cleveland's honest prejudice in favor of big money.

Fuller was a Democrat, but leaders in both parties supported him. Robert T. Lincoln (yes, the son of Abraham), was president of the Pullman Company of Chicago. A Republican, of course, he was nevertheless an extremely active sponsor of Fuller. Besides representing some of the biggest railroads, Fuller had been general counsel for at least a dozen big banks, including the First National of Chicago.

The attorney general in Cleveland's first administration was Richard Olney, a director of several railroads, who later became an openly imperialist secretary of state.

The Republican campaign fund in 1884 was estimated at \$1.1 million. The Democratic slush was only \$355,000. The Republican Rockefellers were giving heavily, but as befits these more modern capitalists, the Rockefeller partners were playing the other side of the political street and giving heavily to the Democrats, too.

The power behind the throne in both Cleveland administrations was generally recognized to be William Whitney, very wealthy in his own right but also intermarried with the Standard Oil Paynes. Of course, he was never called a "boss," but rather a "Warwick," a "king-maker" and other such gladsome epithets.

Whitney, the Rockefeller Democrat, was a big-navy man like Theodore Roosevelt, who would be elected a few years later as a Morgan Republican. Accordingly, Whitney got himself appointed secretary of the navy in Cleveland's first Cabinet and proceeded to enlarge the U.S. Navy along European lines.

This was one of the earliest direct Wall Street appointments to the Cabinet. It was still considered improper if not venal for the richest of the big rich to serve directly in government. But

Whitney got away with it and opened the door for others to do the same.

Why did Whitney want a big navy? No country on earth was about to attack the United States. In fact, some of the European powers were just waiting for one of their number to make that mistake so they could proceed to trounce it. The big-navy idea was obviously an aggressive one, to project U.S. power abroad.

And why should U.S. power be projected around the world? To facilitate the business of the Rockefellers, the Morgans, the Whitneys and the small pack of super-capitalists who were emerging at this time.

The fact that the imperialist onslaught began in the reign of the Democratic Party should not be surprising. Most of the wars of the 20th-century have been conducted under the aegis of the Democrats and at a time when they have had the reputation of being the more liberal of the two major parties.

On the other hand, the Democrats later emerged – for a short time – as the anti-imperialist party in the 1900 election. But the Whitney Rockefeller connection was so strong from 1884 to 1897 that it raises still another question about the mechanics of party government in the United States.

How much of the struggle between the parties was really over principle or program by that time and how much was a manipulation by big business, pushing one party to the forefront on an issue in order to reduce the influence of the other for a time?

Aside from the fact that the capitalists wanted a hedge in one party as against the other, the alternative of the Democrats at this particular time gave big money a stick with which to beat the Republicans.

In the 1884 election, Blaine, the standard-bearer for the Republicans, left much to be desired from the point of view of

honest statesmanship. That would have been all right for capital if all his dishonesty were turned against the masses of the people and the only beneficiaries were big capital and "clean government." But such was not entirely the case with Blaine. For one thing, he couldn't help one railroad company consistently without hurting another.

Cleveland, on the other hand, was not exactly a shining role model in his private life. He had fathered a child out of wedlock, and was found to be sending periodic checks for its support. The joke going around was that Cleveland, who showed such virtue in public life, should go to the White House while Blaine, who was allegedly impeccable in private life, should be retired to grace the family home where his personal virtues could shine.

Besides all this, Blaine still represented the tail end of a certain independence the Republican Party had inherited from its revolutionary origins. At the same time, the Republicans were by then more identified with Wall Street. There was a tendency for many of the class-conscious millions to vote Democratic in the hope that this would curb big money in its drive to whip everybody into line. This tendency was growing alongside the concept of reform and clean government, and even surpassing it.

The Democrats had inherited the anti-Wall Street feeling of the Liberal Republicans of 1872 as well as of the Solid (Democratic) South.

With the double-deal of 1876-77, the capitalist class lost the Southern states (for three-quarters of a century!) from the Republican column. This gave the Democrats a definite edge in presidential politics – one that could only be overcome with lopsided infusions of campaign money for the Republicans. Big capital could well afford these infusions, but its lavish political spending tended to give the show away and reveal too clearly the tinsel character of the new democracy.

CHAPTER 10

Monopolists take government

Shortly after the Civil War, the Rockefeller oil barons sewed up the Ohio State Legislature through bribery. They were just as effective as Chauncey Depew had been when he delivered the New York State Legislature to the Vanderbilts and Morgans. These two states provided large blocks of Electoral College votes in the presidential election.

A curtain was raised on Rockefeller machinations in 1872 when Standard Oil backed a well-known corrupt lobbyist running for Congress. Despite much exposure and protest, he was elected. But after this the political power of both the Rockefeller and Morgan groups became more national, in accordance with their widening monopoly role.

During the 1880s, "The fifteen directors of the Standard Oil of New Jersey held directorships in innumerable banks, insurance companies, traction [streetcar – V.C.] companies, electric light and gas, and industrial concerns of every sort." ⁷

Rockefeller people sat on the boards of railroads controlling 33,000 miles of track. And by 1884 James Stillman's National City Bank (now Citibank) acquired the principal deposits of the Rockefeller empire. Stillman, a partner of John D. Rockefeller's brother William, later became an important link to the Morgans.

At about this time John D. moved his headquarters from Ohio to New York, joining the financial aristocracy at the very top.

President Grover Cleveland was so thick with the biggest financial operators in the country that his personal secretary, David S. Lamont, proved to be an agent of several of them. He was made secretary of war in Cleveland's second administration.

All this did not go unnoticed or unopposed. The middle class – the small manufacturers, the many farmers, small retailers,

shippers, and other business people – were being hemmed in by the oil and railroad monopolies. They were charged sky-high rates that in effect forced them to subsidize the cheap rates and rebates given to the monopolists.

This middle class was still politically powerful, even though it was not the ruling class. It included the coalition (among the whites) that had really led the anti-slavery struggle in the Civil War: the small industrialists and poor farmers.

It began organizing itself against the monopolists as early as the 1870s. The biggest organization of this progressive middle class was probably the Anti-Monopoly League. At one point in 1881 no less than 800 merchants and small producers sent the following letter to the U.S. Senate protesting the ratification of Stanley Matthews, another railroad attorney, for justice of the Supreme Court:

“We are informed and believe that the great railroad corporations of this country are endeavoring to gain control of this Court of last resort, which has heretofore been the most important bulwark in defending the public interests against the encroachment of corporations; that Mr. Matthews has been educated as a railroad attorney, and views railroad questions from a railroad standpoint; that his actions while in the United States Senate prove this, and in this important respect render him unfit for a Justice of the Supreme Court.”⁸

It was signed by Ambrose Snow, president, and Darwin R. James, secretary, of the Anti-Monopoly League.

There was much publicity about all this, but the millionaire Senate ratified the appointment anyway.

Thus the middle class – the true middle class of small producers, many exploiting only themselves and their families – had had its day politically during the Civil War and Reconstruction. Now it was engaged in a rearguard fight that was to last until at least 1896 and have its impact on the two big parties in some peculiar ways.

It is also important to emphasize that, while a virulent reaction against the progressivism of the Civil War had taken hold by

then, there nevertheless was a counter tendency, represented by Mark Twain and a number of people around him, that continued in a progressive vein.

Theodore Roosevelt was one of the leaders in the reactionary camp at this time (which indicates how sincere his later "Progressivism" was). He insisted that the Civil War had nothing to do with the anti-slavery fight and was only a matter of "saving the Union." This, it will be remembered, was the line of the New York bankers. Roosevelt had been born in the bosom of these bankers.

But the other tendency was strong, too. For example, there was a period of revulsion against the vicious treatment of Native peoples. Helen Hunt Jackson's book, *A Century of Dishonor*, appeared in 1881 and caused quite a sensation. It was a polemic against the U.S. government for having broken so many treaties.

Her novel *Ramona*, an eloquent plea for white understanding of the Indians' plight, went through more than 300 printings and has been dramatized several times for stage and screen.

Young Theodore Roosevelt attacked Jackson for "sentimentalizing" the Native peoples, for "over-simplifying" the issue. He regarded the Indians as savages and had several clashes with them on "his" ranch, where he squatted on territory that was still partly considered Indian land. (He had tried professional ranching in his earlier years and wrote *The Winning of the West* in that period.)

The ordinarily conservative Republican President Chester A. Arthur (1881 to 1885) appointed Jackson director of the Bureau of Indian Affairs shortly after her book came out in 1881. This was long before any Native person was appointed to anything; the ascendancy of Jackson was considered a triumph for real liberalism.

The growth of the big cattle ranches and the many-thousand-acres wheat farms, plus the discovery of gold in the Black Hills,

sacred lands of the Lakota (Sioux) Nation, upset this equilibrium, however. The slaughter at Wounded Knee was the result.

Although it would be inconceivable today in these “enlightened” modern times, Colonel Robert Ingersoll was quite prominent in the Republican Party in those days. Ingersoll was a popular atheist with a very large following. A matchless, if somewhat florid, orator, he was not bashful about supporting his friends in politics. He made great speeches in the presidential campaigns of Garfield and Hayes and delivered the main nominating speech for James G. Blaine at the Republican Convention of 1876.

Those “Victorian” times were full of such contradictions. It is not that people were accustomed to different ideas so much as that they were not persecuted for having them, nor were they barred from political life. But this was only true in the North and West. The South was becoming a wilderness of poverty and backwardness, ruled by local lynch law and national neglect.

The Democrats had attacked Blaine as a corrupt lawmaker for the railroads. In eulogizing him, Ingersoll intoned that the good Republicans "do not demand that their candidate have a certificate of moral character signed by the Confederate Congress."

He said that the people “call for a man who has torn from the throat of treason the tongue of slander — for the man who has snatched the mask of Democracy from the hideous face of rebellion. . . . Like an armed warrior, like a plumed knight, James G. Blaine marched down the halls of the American Congress and threw his shining lance full and fair against the defamers of his country and maligners of his honor. . . . In the name of those who perished in the skeleton clutch of famine at Andersonville . . . whose sufferings he so vividly remembers, Illinois nominates for the next President of this country that prince of parliamentarians – that leader of leaders – James G. Blaine.”

Unfortunately, the “plumed knight” had engaged in too many unknighly bargains with the railroad corporations and others to quite make the nomination.

Blaine, however, did get the Republican nomination in 1884, but we have seen that in that election the campaign funds were not so forthcoming from Wall Street, even though he had served them well. The Democrat Cleveland became the knight of that day.

Cleveland overreached himself, however. Correctly calculating, toward the end of his first term, that he had the majority of Congress (and possibly the people) with him, he moved to implement the old Democratic program of low tariffs. He should have known that this was forbidden territory.

The result was that Wall Street shifted from him to the Republicans in 1888, supporting Benjamin Harrison, grandson of William Henry Harrison, the Whig president of 1840. Where the Democratic fund had exceeded the Republican one in 1884, the Democrats gleaned only \$855,000 in 1888, while the Republicans harvested \$1,350,000.

Ironically enough, Cleveland still received the majority of the popular vote in 1888, but failed to get a majority of the electoral vote. So he was defeated.

Harrison's cabinet was known as the "Businessmen's Cabinet." Of course, this implies that the previous cabinets were something else. But everything is relative. The truth is that Harrison just took another step toward allowing the complete domination of big business over the administration in Washington.

Even at that, he felt the pressure of the Republican Party machine and complained that he could not name his own cabinet. The political "bosses" had “sold out every place to pay the election expenses.” 9

Harrison's vice president, Levi P. Morton, was the second-biggest banker in the country after J.P. Morgan. This was duly noted in the agitation of the oppressed farming districts in the West and Midwest and among the growing working-class movements.

It is interesting that in our own more sophisticated age, a member of a notorious banking family, more powerful both relatively and absolutely than Morton, was vice president from 1974 to 1976. This was Nelson Rockefeller. After the Watergate scandal, he was elected by the House of Representatives rather than by the people and foisted upon the government like a hound dog upon his meat. There wasn't a peep out of the modern electorate.

Harrison's secretary of war was Redfield Proctor, leader of the High Tariff League and president of Vermont Marble Company. Proctor was not of the first rank of tycoons, but served them faithfully in his position, which gave him the power to assign big military orders, even though it was peacetime.

John Wanamaker, the most famous retailer of the time, was given the job of Postmaster General, which always included the most lush fields for patronage. He went at it with a will and seemed to have enjoyed wielding the ax on the Democratic office-holders and hiring the Republican faithful.

Harrison's appointments to the Supreme Court were models of capitalist achievement: big railroad and banking attorneys with the closest connections to the wealthiest families in the country.

In 1893 Harrison named Howell E. Jackson to the court. Jackson had earlier represented big railroads before the court. He settled in Tennessee during Reconstruction and opened the law firm of Estes, Jackson, and Elliott. This firm represented big banks and other corporations. Jackson himself became the second-richest person in Tennessee – after his brother.

As Supreme Court justice, his decisions were uniformly favorable to the corporations.

His chief sponsor in the U.S. Senate was Thomas C. Platt, a Morgan-anointed Republican "boss" of New York State and president of the Tennessee Coal and Iron Company (later taken over completely by the Morgan-sponsored U.S. Steel Company). Jackson had sat in judgment on this company during his period on the circuit court. His decisions had been favorable to Platt's firm.

CHAPTER 11

1889 Blaine points imperialism south

One of the most important appointments made by President Benjamin Harrison was that of secretary of state. He named a professional politician, none other than James G. Blaine, who was by 1889 the intimate of several of the very biggest of the money crowd. Blaine had smelled out the coming imperialist expansion to overseas colonies and semi-colonies well before his acquaintances and even some of his masters did.

Blaine pointed U.S. policy south into Mexico, the Caribbean, and South America at a time when the U.S. investment level there totaled well under a billion dollars. He was somewhat ahead of his time in this respect. Like the two Roosevelts, he often understood what was good for capitalism before the capitalists did.

But it remained for a Democratic secretary of state, Richard Olney, to pick a fight with mighty England over a boundary dispute in South America. Olney was appointed by Grover Cleveland in his second term (1893 to 1897), and had already served as secretary of war. He invoked the sacred Monroe Doctrine and faced off the British in a tough little diplomatic skirmish. This gave notice that the United States would be the big ruler of Latin America and grab Spain's colonies for the profits of its own big business rather than England's.

After Cleveland was well out of the presidency, J.P. Morgan suggested he be made a trustee of the Harriman-Ryan Equitable Life Assurance Society. This company was going through a well-publicized scandal involving a lot of corruption and needed someone of great probity, like the Buffalo hangman, to give it a better odor.

This was in 1905. But subsequent testimony indicated that in the same year, Cleveland, along with Oliver H. Payne, William C.

Whitney and others, participated in a stock market pool that made him a lot of money.¹⁰ A payoff? Only an un-American skeptic would say that!

While big business was getting closer to complete domination of the two big political parties, the form and concentration of government itself was changing somewhat. The House of Representatives had been the center of political power during the Civil War and Reconstruction, but during the period of reaction that followed, the center of power shifted to the Senate.



By 1885, millionaires like Rockefeller and Morgan with imperial ambitions were directly telling presidents what to do.

This came about first because of the exhaustion of the social forces behind the radicalization of the House, and second because the new political leaders – or “bosses” – found it easy to become senators by bribing or intimidating the legislatures, which still elected them. Election to the Senate by popular vote wasn’t introduced until 1913. The concentration of power in the Senate also came about because the potential centralism of the presidency could not yet be fully realized. That is, the economic power of capitalism, although growing more concentrated, still had a number of emerging centers, often in competition with one another.

There were not only the Rockefeller oil trust and the Morgan financial power, but steel (not yet in Morgan’s hands), sugar, tobacco, lumber, cotton, textile, packinghouse, mining, and more. All were big economic entities on the way to becoming monopolies and each was openly served by one, two, or more senators.

The organizer and leader of these oligarchs in the Senate was Nelson Aldrich, senator from Rhode Island. He was the main conduit to the very biggest tycoons. Aldrich was in the confidence of J.P. Morgan and of John D. Rockefeller as well.

Not the least of the amalgamations of these big interests occurred when, in 1901, Aldrich’s daughter Abby married John D. Rockefeller Jr. This was a marriage made in bourgeois heaven. It sealed the fate of many a small corporation and laid out the lines of exploitation for some millions of workers in the coming decades.

This period of senatorial ascendancy climaxed in the election of 1896 and exploded in the Spanish-American War of 1898.

Its relative decline set in about 1906, when the agitation for popular election of senators became irresistible. Finally in 1913 the passage of the Seventeenth Amendment provided for popular election of the Senate.

After that, the more dignified – and more powerful – dictatorship of the presidency became the center of power.

How could one man, Nelson Aldrich, tell the whole U.S. Senate what to do? And even more, how could a senator from the smallest state have such an influence with senators from states ten or twenty times larger?

In 1906 Rhode Island had less than half a million people, with only about 70,000 of them active voters. When Aldrich first went to the Senate in 1881, there had been considerably fewer. Yet by 1906, according to a popular commentator of the day, Aldrich had it completely sewed up. The increased population was not the slightest problem.

The Aldrich machine controls the legislature, the election boards, the courts – the entire machinery of the ‘republican form of government.’ In 1904, when Aldrich needed a legislature to reelect him for his fifth consecutive term, it is estimated that carrying the state cost him about two hundred thousand dollars – a small sum, easily to be got back by a few minutes of industrious pocket-picking in Wall Street; but a very large sum for Rhode Island politics. . . .¹¹

And to anticipate his later greatness, here is the summary of his talents by the same author:

Before he reached the Senate, Aldrich had had fifteen years of training [in the Rhode Island legislature and the House of Representatives – V.C.] in how to legislate the proceeds of the labor of the many into the pockets of the few. He entered it as the representative of local interests engaged in robbing by means of slyly worded tariff schedules. . . . [He] demonstrated excellent talents for sly, slippery work in legislative chambers and committee rooms and his security in his seat against popular revulsion and outbursts together marked him for the position of chief agent of the predatory band which was rapidly forming to take care of the prosperity of the American people.

Various senators represent various divisions and subdivisions of this colossus. But Aldrich, rich through franchise-grabbing, the intimate of Wall Street’s great robber barons, the father-in-law of the only son of *the* Rockefeller – Aldrich represents the colossus. ¹²

This somewhat rhetorical, but no less accurate, description of a party chief explains the real source of power of the U.S. senator in the 1890s and early 1900s. It differs from Josephson’s picture of the 1880s, which we cited earlier, only because now the senators, while still very powerful, no longer had that relative

independence with which they could implicitly defy or ignore even some of the biggest capitalists at times.

Modern imperialism is the taking over of other countries through economic penetration and export of capital, which in turn is thrust outward by tremendous expansion inside the “mother” country and the growth of monopoly. This process was speeded up in the 1880s, first by the unprecedented growth of railroads and then by the oil industry, led by the Rockefeller Standard Oil Company.

Between 1879 and 1884 some \$3.4 billion in new railroad stock was issued.¹³ Railroads formed about one-fifth of the total wealth of the country and were falling into fewer and fewer hands. While it is hard to gauge how much \$3.4 billion would be worth today, this sum was more than twice the amount of the war-swollen national debt at that time.

The railroads were expanding into Mexico and Canada during the 1880s, while Standard Oil was going to Europe and Asia. Of course, this could not have happened without close connections to and cooperation from the national government.

In this war of “peaceful” expansion of trade, there was one big shot that misfired. Even before the Civil War, the shipping interests, mostly Northern, tried to take over Japan, which was then regarded as very vulnerable. For nearly two and a half centuries, Japan had barred all foreign countries – except for Holland – from doing business there. It had few modern arms and no modern ships.

The United States sent three warships to Japan in 1854 and “opened up” that country to U.S. trade. The “opening” was done with guns, of course. But the disunity of the ruling-class elements in the North and South at that time prevented a coherent policy from being shaped before the Civil War. For some years afterward the preoccupation with Reconstruction prevented much more attention being paid to Japan.

The Japanese capitalists made good use of the intervening time to modernize. They launched a revolutionary “restoration” in 1868, putting back on the throne what was to prove a puppet monarchy while proceeding to build a modern capitalist state. At the same time, the United States established in Japan a semi-colonial “extraterritoriality” in which Americans were tried in American courts there and U.S. business interests took precedence over Japanese. But this could only be maintained until 1899.

It was significant that Japan went to war against China in 1894. It took over the island of Taiwan, renaming it Formosa, and thus emerged as a contending imperialist power while still a semi-colonial footstool in relation to the United States.

The relationship of the United States to Japan was somewhat like that of the English to India, in the sense that the U.S. was trying to build a fence around its trading empire, but was not yet exporting capital or directly exploiting workers abroad.

The problems of world expansion, however, were already evident.

CHAPTER 12

1896 The new parties

The election of 1896 is often called a “watershed election.” It was more than that. It featured the revolt of the majority of the Democratic Party against its Wall Street-dominated leadership. And the results of this revolt provide valuable, if generally unheeded, lessons for today’s Democrats. To understand the nature of the revolt it is necessary to review the political and economic situation in the United States during the 1880s and 1890s. A big change was taking place.

While big business was busy shaping and disciplining the Republican and Democratic parties, the people themselves were becoming less convinced that these now traditional leaders were the last word in government.

In 1880, the industrial working class had rushed onto the political stage of history almost as suddenly, if not yet as completely or effectively, as the middle class had done in 1856 and 1860. The brand-new Labor Greenback Party sent fourteen representatives to Congress in 1878 and caused many a worry headache in the ranks of the capitalist plunderers.

The country was not yet molded into any kind of self-satisfaction about “democracy.” The people had many grievances that were not being satisfied, and it was all too obvious that the big capitalists were getting immensely rich out of the people’s misery.



Striking railroad workers tore up the tracks in 1877. Railroad magnate William Vanderbilt, one of the richest people in the U.S. who bribed Republican and Democratic presidents, wouldn't pay the workers even two dollars a day. In 1877, the same year as the Great Betrayal, a national railroad strike led to pitched gun battles in several cities. Veterans of the Civil War fought on both sides in this one, too. The so-called "National Guard," which was invented as an anti-strike instrument at about this time, shot down innumerable strikers.

The class struggle continued to rage throughout the next decade. As capital grew, so did its inevitable concomitant, human labor. This labor was paid miserably out of proportion to the big fortunes being made. This was all too obvious in the big cities, where slums festered and mansions were ever more splendid and ornate.

The farm protest at this time was more massive and more effective than the labor opposition, which joined with it in the

Greenback Labor Party and subsequent parties. The total population of the country, according to the census of 1880, was 50 million. There were 22 million living on farms, with 5 million to 10 million more in villages and very small towns connected with farming.*

* By contrast, in 1996, when the total population of the United States had risen to an estimated 253 million, the number of people living on farms was 4.8 million, or 1.9 percent - Ed.

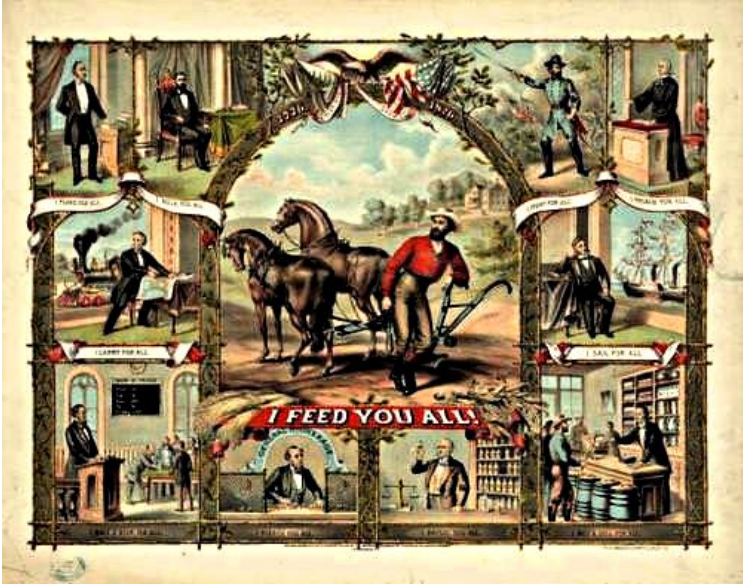
The farmers in the North and particularly in the West were a very different breed than those who had rallied around Andrew Jackson in the 1830s. In Jackson's time only those on the Eastern seaboard were very concerned about the world market, although many in the Midwest were transporting some of their produce to seaboard cities.

Now, in the age of the transcontinental railroad and trans-Atlantic steamboat lines, the homesteaders in the West were as dependent upon the world market as were the ships and sailors of their age or the merchants and slave masters of the previous period. The new Southern sharecroppers, mostly Black, were even more vulnerable because of the close profit margins imposed on them by the former masters.

The railroads, after "opening up" the West, were now transporting great amounts of grain to the East to compete with grain from Russia, Canada, and other countries. Of course, prices fell. Wheat went from \$1.19 a bushel in 1881 to forty cents a bushel in 1890. Corn slipped from sixty-three cents in 1881 to twenty-six cents in the same period, while the farmers' expenses remained the same or higher.

The wheat speculators regularly made a profit by purchasing the crop at harvest time and selling in midwinter. The poor farmers could not afford to do this; many were the homesteaders who went back East. As the signs on their covered wagons said, "In God we trusted; in Kansas [or Nebraska, Oklahoma, etc.] we busted."

Hatred for the railroads, the mortgaging bankers, and Wall Street was greater and more consistent in the Western farmlands than anywhere else in the United States. The farm families could get out their pencils and calculate exactly how much the railroads had taken from them; they were more sensitive to the vagaries of the market than anybody except the most sophisticated brokers and merchants.



The Populist Party won over a million votes 1892. It was a revolt of poor farmers and workers against the new railroad and banking multi-millionaires.

By 1890 it was estimated that in Nebraska there was a mortgage for every three persons – that is, more than one to a family.

They were educated enough in the grammar schools of the time to be able to articulate their grievances, even though they were very poor. Today, even the smallest farmers have to operate with substantial capital usually in the form of large bank loans – if they produce for the market. But at that time the scale of production was much smaller. Mechanization was only partial and horses were the motive power for nearly everything.

While the farmers were very hardworking people who labored with their whole families from before sunrise to after dark, their mentality was that of the small shopkeeper rather than the industrial wage worker. Their biggest grievance was over the exorbitant cost of paying their debts.

Most of them had borrowed money inflated by the costs of the Civil War, but were now compelled to pay back their debts in more expensive gold. They thought the solution to this was to make silver a medium of payment equal to one-sixteenth of an ounce of gold.

The trouble was that on the world market silver was not worth that much, so the money kings in the United States would not hear of such a solution.

The farmers saw labor as an ally in the fight against Wall Street. But labor in the long run had no real interest in the silver question and in fact needed the best form of money it could get, since the workers lived on wages. Nevertheless, the Wall Street

enemy did unite the two classes, and the farmer-labor alliance lasted for a long time.

This movement peaked in 1892 with the formation of the People's Party (often called the Populists). It gathered up several previously established opposition parties into one. The People's Party program, called the Omaha program after the city in which it held its first convention, included the following demands: popular election of U.S. senators; nationalization of the railroads, telegraph, and telephone; abolition of trusts (monopoly businesses); outlawing absentee ownership of land (in order to perpetuate the small farm and stop agribusiness); an eight-hour day for labor; the secret ballot; free and unlimited coinage of silver, and passage of an income-tax amendment.

The last demand was aimed exclusively at the wealthy, since it was inconceivable at that time that anyone but the rich had any income to tax.

This platform was mercilessly attacked, especially in the East, as outright communism. But it captured more than a million votes for its presidential candidate, General James B. Weaver, at a time when the electorate was barely 10 percent of what it is today. The party won twenty-two electoral votes and eight Populists were elected to the House of Representatives.

Predominantly Populist governments were elected in Colorado, Kansas, and North Dakota. According to one estimate, there were as many as fifty state officials and 1,500 county officers elected from the party.

In the Old South, where the Populists had harder going because of the growing terrorism of the Ku Klux Klan and similar agents of reaction, they nevertheless made surprising progress. But due to the stranglehold of the dug-in Democratic Party, they won no big elections.

The Southern Populists claimed a million members. This included women, both Black and white, who could not legally

vote, plus a large number of Black men who supposedly had the franchise but were illegally prevented from voting.

The Black component was undoubtedly the most dynamic or potentially dynamic. It had joined in a body known as the Colored Alliance. The white leaders of the People's Party recognized this and were very well aware of the oppression.

Milford W. Howard, a Populist from Alabama elected to Congress in 1894, was one who showed a highly sophisticated understanding of the ruling class's use of the race issue to divide the masses and stay on top. He wrote in his book, *The American Plutocracy*:

In the North the Shibboleth has been, "vote as you shot." In the South it has been "down with the carpetbagger and the Yankee". . . .

Every four years there is a great commotion throughout the country, and the Democrats nominate a candidate for President, and the Republicans nominate a candidate, and then both parties go to the plutocracy and say, "We must have campaign funds with which to make this fight." They get the money, and then the loudmouthed campaign orators go out to harangue the people, and each abuses the other's party, and says the leaders are the meanest men on earth, and that the members of the party are all too corrupt to occupy even a humble place in one corner of His Satanic Majesty's Kingdom, and they proceed to wave the bloody shirt on the one side in the wildest alarm, while the followers on the other side shout at the top of their voices, "N. . . r! N. . . r" and when the people are all worked up, almost to a frenzy, the wily old plutocrats get together and determine which candidate must be elected, and at once go to manipulating and wire-pulling, so that they can accomplish their purpose.¹⁴

Ignatius Donnelly, another of the People's Party leaders and a very popular writer of the day, said: "We propose to wipe the Mason-Dixon line out of politics; to give Americans prosperity [so that] the man who creates shall own what he creates; to take the robber class from the throat of industry; to take possession of the government of the United States and put our nominee in the White House."

Some Democrats – notably Governor John P. Altgeld of Illinois, Governor George G. Waite of Colorado, and Representative William Jennings Bryan of Nebraska – were greatly influenced by the Populist movement, although they did not leave their party.

Governor Waite, for example, was probably the only governor in U.S. history to call out the National Guard to protect strikers rather than to shoot them down. In 1903, the Rockefellers, Guggenheims and other corporate moguls who owned the mines in Cripple Creek, Colorado, hired hundreds of armed deputies to break a strike there. The local authorities instructed the police to cooperate with the strikebreakers. But with Governor Waite's help, the miners won this standoff.

In 1892, Governor Altgeld pardoned the remaining Chicago Haymarket martyrs. They had been framed for a bomb-throwing incident in 1886, even though some of them were not even at the scene of the bombing. Four of their number had already been executed.

Altgeld went beyond the act of pardon, writing a lengthy and powerful criticism of the trial judge's conduct of the trial and an exposé of the media-manufactured hysteria that led to the verdict. This finished him as a friend of big business and led to his eventual political downfall.



William Jennings Bryan electioneering in 1896. He got 6.5 million votes. The Wall Street crowd considered him a dangerous radical and joined forces behind William McKinley.

CHAPTER 13

The farmer-labor upsurge

It was in the atmosphere of a farmer and labor revolt that the Democrat Grover Cleveland began his second term in 1893. Cleveland was not one to compromise with the new politics or bend even slightly to the new wind.

There was a long, bitter depression in the early 1890s. And in those days there was no unemployment insurance, no Social Security, no Medicare, Medicaid, or Aid to Dependent Children. The very low wages of those still working could hardly bridge the gap for more unfortunate relatives.

Then, as now, the corporations were cutting back and cracking down hard on the industrial workers – and many white-collar workers, too. The railroad workers, who were in the best position to fight back, organized an exceedingly well-run strike at the Pullman Company, centered in Chicago. The main organizer and inspirer of the workers was Eugene Victor Debs, by then in his early forties but not yet interested in the socialism for which he became famous.

The strike was so effective that the Eastern establishment practically foamed at the mouth, branding it as anarchy, communism, and rioting in the streets. But all that was happening was that the workers had withdrawn their labor and were deserting the railroad yards.

Cleveland and his attorney general, Richard Olney, put their heads together to figure a way to get the U.S. Army involved so as to intimidate and/or shoot the strikers and end the strike. But the Constitution stood in their way. The governor would have to call in federal troops, and this John Altgeld of Illinois refused to do.

Olney, like Cleveland, was a former railroad lawyer. He was also a director of several railroads. He advised Cleveland to use his

power to “protect the mails” – which did not really need any protecting at this point – as a cover for using the troops. A bloody battle ensued. Debs and other leaders were arrested and sent to jail. And of course the Pullman strike was broken.

This created a national crisis and an outpouring of sympathy for the workers from middle-class elements, including especially the great farm population. Governor Altgeld, a Democrat, wrote private letters to Cleveland condemning his actions. Getting no satisfaction, he went public and broke with his party chief.

There were big protest meetings in New York City. Several famous Populists and well-known Democrats also condemned Cleveland’s actions.

The fallout and the protest came well ahead of the election of 1896, allowing the rebels plenty of time to prepare. It would prove to be another watershed election that changed the face of U.S. politics, although without stopping or even appreciably slowing down the growth of monopoly and the mad rush of imperialism abroad. It was even accompanied by increased repression in the South.

There was a great rebellion of the mass membership of the Democratic Party, especially in the West and South, against the party’s Wall Street leadership. It was one of those attempts to take the power for the rank and file that we have seen several times since, but far more conscious and far more effective at that time than today.

When the time for the Democratic National Convention rolled around, William C. Whitney, the “king maker,” chartered a railroad train of three luxurious cars and took the route of the Empire State Special, passing from New York to Albany to Buffalo on the way to the Chicago gathering.

Loaded with the usual champagne and smoked oysters, if not hummingbirds’ tongues, and the best twelve-year-old scotch and bourbon, the train picked up the leading New York, New

England, New Jersey, and Midwest bigwig politicians. There were even a few men of great wealth who deigned to be seen along with Whitney at these displays of democratic decision making.

Almost from the moment they arrived in the Windy City, the freeze was on. The scenes around the convention hall were reminiscent, said one, "of the Great French Revolution." An exaggeration, but an understandable one.

The majority of the 900 delegates, like the 20,000 spectators, had a "lean and hungry" look that contrasted starkly with the sleek, slightly overfed jowls of the members of the Whitney pageant. Their general behavior was not that of patient, carefully maneuvering politicals, but of horny-handed sons of toil wearing unaccustomed suits and ties and spoiling for a good fight.

Among other angry measures taken by the unruly body was a resolution condemning the actions of their own party chief, Grover Cleveland. This was unprecedented but it only half-expressed the bitterness of the occasion.

It was a stormy convention indeed. It nominated a man who owed nothing to the Easterners, that is, to the Wall Street capitalists or their immediate political servants. This was William Jennings Bryan of Nebraska.

The nomination surprised the whole country, including most of the political leaders of the Democratic Party. If elected, Bryan at thirty-six would have been the youngest person ever to hold the office. He might also have been the most uncontrollable.

Bryan has had a bad press in recent years, pictured as a demagogue and opportunist who tried to be all things to all people. His personality is made to seem quite ridiculous in the play *Inherit the Wind*, for example. At the end of his life, in the 1920s, he took on the defense of the Christian Bible in the famous Scopes "monkey trial" in Tennessee in which a schoolteacher was pilloried for teaching the theory of evolution. Bryan said he believed that God made the sun stand still. He

expressed a literal belief in the Monday-to-Saturday creation of the universe.

But at the time of his prime in 1896, this would not have seemed ridiculous to most people. Much of the city population, as well as his great farm constituency, was as hypnotized by Biblical quotations and references as he was. Unlike the fundamentalists of today, this part of the population was fighting for social justice as they saw it.

Bryan's concentration on just a few issues in the Democratic platform – especially the silver issue – was part of an all-encompassing delusion shared by millions upon millions of voters and leaders. He himself fervently believed in the efficacy of silver as a payment for debts and the medium by which an economy of abundance and liberation would be achieved. He spent many days and nights of his life studying the subject.

He made what is thought to be the greatest party convention speech of all time in his "Cross of Gold" oration. Whatever it lacked in great historical substance, it was a brave defiance of the Eastern rulers of the country and set the moneybags' teeth on edge.

"We have petitioned, and our petitions have been scorned," he declared. "We have entreated and our entreaties have been disregarded; we have begged, and they have mocked when our calamity came. We beg no longer; we entreat no more; we petition no more." And after a long and dramatic pause: "We defy them"! 15

While the subsequent campaign concentrated far too much on the silver question and tended to soft-pedal some of the most radical of the populist demands, it was generally understood to be an attempt to steer the country back on the old course of (at least occasionally) representing the "little" folk.

It was silver against gold – the silver proletariat against the golden bourgeoisie. Naturally, this was not a real polar

opposition. Nor did it comprehend the scientific truth about money – on either side. But it was a class struggle, even though distorted and in electoral form, with the oppressed classes handicapped and stifled in several ways.

In the East the word went out that Red Revolution had taken over the Democratic Party. Nearly every large newspaper (except the Hearst chain) condemned Bryan as a dangerous fanatic and came out for electing the Republican, William McKinley. This was all the more meaningful because they knew it was not a call for communism or revolution, but only a democratic challenge to the absolute rule of big capital.

Torrents of abuse poured forth from the clergy who beheld Bryan and the Chicago platform as equivalents in evil to the Devil and the Great Temptation. “That platform,” cried the Reverend Cortland Myers in Brooklyn, “was made in hell,” and he promised to denounce it each Sunday until election. The Reverend Thomas Dixon, Jr., spoke of Bryan at the Academy of Music in New York, as a “mouthing, slobbering demagogue, whose patriotism was all in his jawbone.” His listeners

howled their agreement. Other clergy likened the silver movement to theft. Free coinage, cried one, “will wipe out about one-half of every existing promise to pay.” Another saw a Bryan victory as inaugurating a “revolution, the destructive consequences of which no man can picture,” and the congregation applauded. Distinguished clergymen everywhere . . . joined the attack, although with a trifle more forbearance. [16](#)

Whitney and the so-called “gold bugs” did a walkout from the convention – and, temporarily, from the party. About 250 of the 900 delegates left with them. They set up the Gold Democrats, running a separate candidate to help the Republican McKinley win the election.

Bryan was known in the East as the leading exponent (outside of the Populists) of a tax on the income of the wealthy. This was felt to be a direct attack upon Wall Street. Amounts of as much as 2 percent of income (!) were mentioned as an adequate tax on the rich.

When such a law was actually passed, a group of very expensive lawyers pleaded for the untaxable rich before the Supreme Court. The court declared the tax unconstitutional. Only in 1916

was an amendment to the Constitution passed in order to make it possible for Congress to enact an income tax law. Of course, this law has been turned around so that today the workers pay the brunt of this “graduated” tax.

One of the most vigorous campaigners for McKinley and against Bryan was Theodore Roosevelt. He told a huge crowd at Soldiers Field in Chicago:

“A certain Democratic leader” (he most probably meant Altgeld) was “one who would connive at wholesale murder” and “would substitute for the government of Washington and Lincoln a red welter of lawlessness and dishonesty as fantastic and vicious as the Paris Commune.”

Roosevelt had been one of the Republican observers at the earlier Democratic Convention. Riding home, he told a reporter from Hearst’s *New York Journal* that “the sentiment now animating a large portion of our people can only be suppressed as the Commune in Paris was suppressed, by taking ten or a dozen of their leaders out, standing them against a wall, and shooting them dead.” ¹⁷

Roosevelt’s estimate of how many rebellious Paris workers had been massacred was off by some 20,000. ¹⁸ Roosevelt later denied having prescribed such measures for disciplining the Democrats, but the reporter stuck to his story.

Indeed, Roosevelt was only expressing the general feeling of the money crowd in New York. Much of their vituperation was reserved for Governor Altgeld, whose forthright defiance of the president put his governorship, his career, and ultimately his fortune on the line, sacrificing them all for his principles. More and more vilified in the East and among the tops of the Democratic Party, he was idolized among the workers and farmers of his own Illinois and throughout the West and Midwest in particular.

“His sharply chiseled French Revolution face, said one critic of Altgeld, “his high, ringing voice, his bitter vehemence of manner and his facility for epithet” all added up to anarchy and mayhem.

Harpers magazine said he was “the most dangerous influence in the convention, [having] the stamp of the agitator, who, when the bludgeon had failed of its full work, would be ready with the poisoned knife and who, in leading a victory-drunken mob, would not hesitate to follow pillage with the torch.”

This not exactly objective reporting was printed on July 18, 1896. It corresponded to the new hysteria being generated in the East and accurately expressed the feelings and opinions of the big rich who controlled the magazine.

Roosevelt’s later estimate was that Bryan was partly a youthful innocent while Altgeld was the real firebrand. Perhaps TR would have preferred that Bryan be shot together with his political manager, regardless of his relative innocence.

On the other hand, the great Populist poet, Vachel Lindsay, immortalized Altgeld in his work “The Forgotten Eagle.”

“It is better,” wrote Lindsay, “far, far better to live in mankind than live in a name.”

CHAPTER 14

1896 Bryan Democrats rebel

There was much more to the rebellion at the Chicago Democratic Convention in 1896 than we have described. The anger of the majority of the Democratic Party knew no bounds; there was enough energy for a complete revolution. What then prevented them from permanently changing the face of the party and breaking the hold of the Wall Street financiers?

One could say it was partly their own illusions. For instance, many thought that pure majority rule would have its way and the revolt would continue until the big rich got tired and threw in the towel. But no such thing happened. As we shall see, in later elections the status quo ante was restored. The Democrats swung to the right again for some time before they sponsored the left-leaning New Deal – which also gave way to a rightward trend later on.

Another reason was the large amount of money that was by then necessary to take any presidential candidacy to the whole country. According to the *New York World*, while the forces of William McKinley raised \$16 million, those for William Jennings Bryan could only muster less than half a million.

Nevertheless, there were 6,511,495 votes for Bryan, the most ever polled by a Democrat up to that time. McKinley edged him out with just 7,108,480.

Money alone played a tremendous role. But previous tradition and indoctrination of not just the masses but particularly their leadership had done its work, too.

The failure of the rebels proved that it is at the very least an extremely difficult task to take over one of the two big capitalist

parties for the people themselves. If this kind of rebellion was insufficient to do the job, then any mere publicity campaign or change in voting procedure can hardly be expected to change the basic rules of the game.

Around this time you began to hear the refrain, "I vote for the man [the individual], not the party." This came about partly because of corruption and the desire to get honest individuals in office to reform the government. But it was becoming more evident that the parties no longer stood for the same principles they had started out with and were better at "throwing the rascals out" than at having a consistent program of their own.

A vote for an individual without regard to party implies that the individual has some independent power in the legislative or executive body. And it implies that this individual's principles are so clear and his or her understanding and command of the political process so complete that any cooperation or teamwork is unnecessary.

How can a single person take on the 535 elected members of Congress, plus the executive branch and the Supreme Court? Even an organized party firmly united to accomplish some goal will find great difficulty doing so. And in order to keep its unity and strength, it must have the power to discipline or expel a member who refuses to vote with the party. But such is the power of the ruling-class press that the average voter believes such party power is dictatorial and hurtful to the individual, merely by definition.

Suppose the party pledges in its platform to demand a certain minimum wage, but some of its representatives in Congress refuse to vote for this, or vote for a much smaller amount without party agreement. Obviously, these representatives would have let down those who put them in office. They should not be in the party and should not get the votes of the party supporters.

This system is followed to a degree in some other countries, but nowhere very consistently, except perhaps by the communist parties.

Although the Democratic attempt in 1896 was indeed a genuine rebellion, it was not a revolutionary one and it did not open the door for a new and independent party representing the workers and oppressed people.

Had that happened, the party would not necessarily have won more votes. In fact, it might have totaled many fewer votes. And the tradition in U.S. politics is to sacrifice everything for victory at the given moment, rather than to build a party of opposition. This of course leads to many opportunist mistakes and minor and major betrayals of friends and allies.

In the case of the Democrats of 1896, it was the Black South that was most betrayed, while Northern labor, although not betrayed, was neglected more or less unconsciously. That is, the party activists thought they were the next best thing to a labor party, but this was not really so.

In Bryan's great speech to the convention, in which he told the assembled outcasts exactly what they wanted to hear, he called upon the delegates to stand up against the capitalist East with the knowledge that they too were "businessmen." The farmer was a "businessman."

"The man who is employed for wages," he cried, "is as much a businessman as his employer; the attorney in a country town is as much a businessman as the corporation counsel in the great metropolis. . . . The merchant at the crossroads store. . . . The farmer who goes forth in the morning and toils all day . . . who by the application of his brain and muscle to the natural resources of the country creates wealth, is as much a businessman as the man who goes upon the board of trade and bets upon the price of grain. . . ." ¹⁹

The euphoria among the assembled Democrats is described vividly by Louis Koenig:

As Bryan advanced to each step of his definition, the crowd went berserk with approval and delight. Farmers, when they heard themselves classed as businessmen, sailed their hats through the air. One enraptured farmer thrashed a vacant seat with

his coat, exclaiming, "My God! My God!" When Bryan added to his definition "The miners who go down a thousand feet," he touched off a new uproar. 20

The idea that everybody was a businessperson might be interpreted as merely a piece of rhetoric not to be pinned down for exact quotation or rule-of-thumb tactics. But the truth is that the basic drive of the convention was indeed in the direction of tiny, oppressed businesses, which were trying to become bigger and more prosperous businesses.

What's wrong with that? Only that to become big, the small business must eventually hire large numbers of laborers at the lowest possible rate of pay. Otherwise it goes into bankruptcy as a result of other businesses elbowing it out.

This concept also contains an implicit rationalization for the Wall Street tycoons themselves. But that was brushed out of the consciousness of the Democrats at the time and there was much genuine support for labor because labor was oppressed by Wall Street just as very small capital was.

Nearly all the leaders of organized labor did support Bryan, except for the head of the American Federation of Labor itself, the conservative Samuel Gompers, who waffled on the election although he supported "free silver." This was in spite of Bryan having offered Gompers the post of secretary of labor if elected. (There has been no such offer to a labor leader by a major candidate in the century since!)

Later in the campaign, Bryan spoke in Madison Square Garden and made an appeal to labor that seemed to fall flat. The contradiction about business people and perhaps Bryan's own ambivalence about the right to get rich lay at the bottom of this relatively poor performance. A more immediate reason was Bryan's failure at the time to push his party's proposal for an income tax on the rich or to lash out at the anti-labor injunctions that were already looming so large against union organizing.

It would be wrong, however, to say this is what caused his lower vote among the industrial working class. That was caused by the all-out takeover of the electoral process by big business and the multi-million dollar brainwashing of the industrial workers along with the rest of the population in favor of the Republican McKinley. And there was a distinct economic upturn in that election year, which generated quite a few more Republican votes.

The election of 1896 also marked another double-cross for African American voting rights. The Black people, who voted Republican when they could vote, had been slowly emerging from the political vise clamped on them by the white-supremacist Southern Democrats after 1876. The compromises of Booker T. Washington and the apparent growth of a sort of *modus vivendi* that moderated the terror seemed to offer the hope of a political revival for the Black people.

But that is not the way it happened.

When the Democrats rebelled and Bryan ran for president, the People's Party decided to run Bryan, too. This seemed logical enough, since Bryan had taken up many of the positions of the Populists, although definitely not all, and not so clearly.

But this had a different effect in the South than in the West. The establishment party in the West was the Republican Party. The Democrats were the "outs" like the Populists, even though not as radical. But in the South, the establishment party – of a much more dictatorial establishment! – was the Democratic Party.

About a million Black farm people in the Southern Alliance were loyal to the People's Party. By throwing its support to the Democratic candidate for president, regardless of how good or how rebellious he might have been, the People's Party began to liquidate itself and leave the Black Populists helpless against their old enemy, the Democrats.

Bryan never apologized for this or made any real attempt to correct the situation. In fact, he moved from the West to take up residence in the South not long after the election, apparently thinking he had a bigger base in the South than in the West.

With all the whips and scorns of fortune that have been the hard lot of the African American people, the elections of 1876 and 1896 may not be fundamental – except possibly as turning points – but they are extremely illustrative of a political relation of forces.

The landless lot of the new Black proletariat and the semi-feudal system of sharecropping were the basic instruments of oppression. But the denial of the vote was the political form of the oppression, even though the vote became less important as the Republican Party, which the Black voters still favored, moved to the right.

With the great number of segregated villages and towns, the African American freedom to vote could have meant a large number of Black sheriffs, Black judges, and even Black mayors.

So the Southern dictators, even though hamstrung by their Wall Street masters, kept the lid firmly closed on this particular political cauldron. The lid was kept on by the terror, but the lid itself was the Democratic Party. And the People's Party now provided a face lift for the still super-racist Democrats by supporting them in the crucial 1896 vote.

Had the Democrats won the presidential election in 1896, there is absolutely nothing to indicate that they would have changed the racist rule in the South. The counter-revolutionary deal of 1876-77 between the Northern bankers and the Southern landowners was still very much in effect.

The whole rebellion in the Democratic Party, in other words, helped to snuff out a more fundamental rebellion of the Black masses that had been taking place more slowly and was now ending for a whole historical period.

In some ways, however, the 1896 revolt did foreshadow the beginnings of the modern Democratic Party. Bryan was the first Democratic presidential candidate to blast the “trickle-down” theory and expose its weaknesses. And in spite of the fact that the party moved to the right during the years of Woodrow Wilson, giving wild support to World War I, its general social and economic aims remained relatively liberal and foreshadowed the much more liberal New Deal of Franklin Roosevelt from 1933 to 1941.

CHAPTER 15

1896 The power behind McKinley

The 1896 defeat of the Democrat William Jennings Bryan had its lessons, as did the victory of the Republican William McKinley (1897 to 1901). But they were different lessons.

By 1896 both the national government and the Republican Party had evolved a little further, although not yet into a smoothly running machine. The government was run more efficiently, however, with the new civil service system, such as it was, beginning to take effect and the party leaders settling into positions more manageable by big business.

At the same time, however, the direct personal intervention of big business was being stepped up. The division of labor between politician and businessperson was eroding a little.

The frock coat and shoestring necktie of the professional politician was still a common sight in Washington, but so was the diamond stickpin. And this was not just the costume of the lobbyists.

Did this mean that politics were now cruder and that the multimillionaires in Washington were less skilled than the traditional politicians? In some cases, yes. But certain U.S. senators and cabinet appointees showed great skill, as we have explained.

Since humanity became divided into rich and poor, there has never been a society without a division of labor between the rulers and the ruling class as a whole – that is, no really “participatory” democracy has ever prevailed as a method of class rule.

The exception of the New England town meeting may come to mind. But even this, insofar as it was real, was not very extensive. And the much-vaunted Greek democracy of several

centuries BC. was interspersed with dictators – named “tyrannos” – who were either elected or took power by coup. Most important, the democracy itself was exercised by only about one-sixth or one-seventh of the adult male population. The rest were slaves.

Representative government is almost by definition a matter of division of labor and specialization. Dictatorial governments, on the other hand, whether of kings, queens, generals, or civilians of the right or left, tend to embody the art of statecraft in one person.

Even instances of one-person rule, however, usually rely on a surprising number of lesser known figures who have to learn the politician’s trade. One of their most obvious but less appreciated functions is that of lightning rod, so to speak, to take the heat off the big leaders and lead it harmlessly into the ground as people get dissatisfied with the “politicians,” while disregarding the faults of the real oppressors behind the politicians.

However, it is significant that from 1860 to 1884 the politicians were the exclusive leaders of the U.S. government. Big business had to operate from the outside rather than the inside of government.

Regardless of all the corruption on the national level and even the bold takeover of some state legislatures by corporate bribery, there was no one in this period who even attempted to play the role William Whitney later did in the national government.

On the one hand, this may be said to be the “progressive” period of U.S. capitalism – that is, progressive in the sense that it was expanding and booming and optimistic. It hadn’t yet shut out small entrepreneurs and it was developing the means of production at home without having to exploit other countries – always excepting the super-oppression of its own semi-colony in the South.

On the other hand, the biggest figures in the ruling class itself wanted to give their undivided attention to making money. And the times were so competitive, the competition so dangerous if one lost and so rewarding if one was victorious, that government was not a profession that multimillionaires usually wanted to immerse themselves in. This is probably the secret reason for the relative lack of top Wall Street figures in the cabinets at that time.

The U.S. Senate was an important exception. But in those days even the Senate was generally composed of less wealthy individuals who then made their million or two while in "public service." Nelson Aldrich, probably the star performer in that respect, had built a fortune of \$50,000 as a wholesale grocer in Rhode Island. He came out of the U.S. Senate thirty years later with \$12 million.

By 1885, however, Wall Street had moved into the cabinet. William Whitney (secretary of the navy, 1885 to 1889) began to play a central role that would last until 1897, while Levi P. Morton, the country's second biggest banker, could become vice president (1889 to 1893), although not in quite the role of Whitney, to be sure. There would seem to be some more fundamental explanation than just individual energy, ambition, or caprice.

What makes this question the more crucial is the fact that while Whitney was at his peak with the Democrats, a new star of the same type was rising among the Republicans. This was Mark Hanna of Cleveland. Just as Grover Cleveland was Whitney's protégé, so William McKinley was Mark Hanna's.

Whitney was in the Rockefeller political stable and tied to the Rockefellers by the massive Standard Oil fortune of his wife's family (the Paynes). He had big financial ventures of his own with loose ties to some J.P. Morgan interests. It is possible that his king-making job was made easier and his maneuvers less

penetrable because he was a Democrat and the Democrats were not generally identified as the Wall Street party.

Mark Hanna, however, was almost a caricature of a Republican businessman – swaggering, paunchy, bullying. Cartoonists loved to portray him with dollar signs all over his suit. He was also known as a Rockefeller man, but like Whitney he was wise enough (or maybe he did it instinctively) to look after the interests of the whole of big business rather than just those of the Rockefeller group. While he of course did not neglect them, he was no mere messenger of the Rockefellers but a big operator on his own.

There is no question that his motivation was definitely to become top political leader and king-maker. He did not become a U.S. senator himself until 1897, the year McKinley took office. Hanna finally bought his membership from the all-too willing Ohio State Legislature.

He was well trained, having mainly schooled himself in the intricacies of politics. He founded the Ohio Republican Businessmen's Clubs as early as 1880; these were copied throughout the country. His acquaintance with the wheelers and dealers of local politics stemmed from an early date when he was involved in the streetcar and surface railway business.

For example, he outmaneuvered another streetcar capitalist named Tom Johnson. Johnson, a radical follower of Henry George, had been elected mayor of Cleveland, whereupon he reduced the fare for Cleveland streetcars from five to three cents, proving that a fare cut was possible. But Hanna, through judicious bribery and well-planned publicity, was able to get the city council to negate all Johnson had done and monopolize the streetcar business himself.

The voters could hardly be blamed for stupidity here. They elected Johnson not once but twice, but they were helpless against the machinations of the other politicians in the city who

were in the pay of or under obligation to Mark Hanna and his gang.

Hanna was also the owner of a whole fleet of Great Lakes ore boats and wheat boats. He had a chain of iron and steel plants, several coal mines, and was also president of a bank. All this gave him entrée to the offices of a large section of the aristocracy of big business.

In addition to all this, he did not hesitate to use his money with the most telling effectiveness. He said to a group of fellow plunderers shocking them somewhat with his frankness – that all questions of government in a democracy are questions of money.²¹ This might be called ordinary street wisdom today and be regarded merely as an excess of cynicism. But a hundred years ago this king-maker saw the power of money in elections and law-making and shared his insight with his friends. “He believed in monopoly more honestly than most men believe in religion,” says historian F.C. Howe.²²

Hanna first became acquainted with McKinley when the latter was still a member of the House of Representatives and Hanna was supporting Joseph B. Foraker for governor of Ohio, grooming him for president. Hanna had a falling out with Foraker and latched onto McKinley as the better of the two politicians.

For one thing, McKinley was a passionate devotee of the high tariff so beloved by big business and its Republican supporters at that time. He defended and rationalized it better than most people and even most Republican politicians.

After failing by a hair's breadth to get his man in as Speaker of the House, Hanna was instrumental (putting it politely) in getting McKinley appointed chair of the strategic House Ways and Means Committee. He later spearheaded McKinley's campaign for governor of Ohio. Everybody at the time understood that Hanna was behind McKinley's victory.

As a senator, McKinley made more friends and was careful for some time not to antagonize the free silver people. But he finally, at the beginning of his presidential campaign, took a clear and definite position supporting gold alone as the standard for U.S. currency.

Hanna sewed up the Republican Convention for McKinley by purchasing the votes of the Black Southern delegates (who now had practically no other political function than to give or sell their support to Republican presidential candidates at conventions). He did this long before the convention and before McKinley's factional rivals were awake to what was happening.

He also rounded up the white delegates of several Western states in similar fashion. And this, too, was long before the actual convention date. (Primaries did not then exist on any real scale.) His machine was efficient, smooth, and effective. The "professional" politicians were dumbfounded.

The majority of the Wall Street crew had wanted to put the banker Levi Morton in the presidency. Under the conditions prevailing in 1896, this would not have been such a smart move, since the opposition to Wall Street was so intense.

After the convention, however, all the barons of high finance got behind McKinley. The threat of Bryanism was a very real one and the struggle was one for the supremacy of big capital. True, Bryan would not have led a socialist revolution. Nor would any of the big fortunes have been really shaved down, at least not immediately. But a Bryan victory would have been a real setback for big business.

Accordingly, Hanna was able to collect what was a staggering sum in those days – at least \$16 million. He got it mainly by assessing every Wall Street business a percentage of its profits for the year. If nothing else was revolutionary in the 1896 election, that was!

CHAPTER 16

1898 *The Spanish-American War*

William McKinley had been in office barely a year when the Spanish-American War began. It resulted, of course, in all-out victory for the United States and the acquisition of an empire in less than four months of fighting. (That is, fighting Spain. The suppression of the Philippines required several years.)

When McKinley ran again in 1900, the Republicans claimed all the “credit” for the war and rode to victory on a wave of anti-foreign chauvinism and imperialist euphoria. The Democrats for the first and only time in their history hammered an anti-imperialist plank into their platform. However, it failed to define imperialism very clearly.

The Democratic newspapers, on the other hand, most notably the Hearst press and Pulitzer’s *World*, were so vociferous in their support of the war at the time that the legend still persists it was all a newspaper plot.

Those who write popular inside stories about this war often explain it as coming from the intrigue of Democratic newspaper publisher William Randolph Hearst and the war-happy Republican Theodore Roosevelt.

Hearst, so the story goes, sent his chief photographer to Havana to get pictures of the war. The photographer cabled back that he couldn’t find any war. Hearst replied: “You provide the pictures; I’ll provide the war.” Hearst’s subsequent publicity about the war tends to convince us that the story of Hearst’s conversation is true even if his power to actually start the war was not.

Roosevelt, in his more strategic position of assistant secretary of the navy, cabled Admiral George Dewey in the Pacific fleet the moment he heard war was declared (possibly a few moments before it was declared) and ordered him to steam to Manila and engage the Spanish fleet.

The battle of Manila took place before any U.S. troops landed in Cuba, although the war was supposedly to help Cuba liberate itself from Spain.

Hearst really did think he started the war. There is hardly any question about that. And his publicity was so wild and outrageous as to convince an unsuspecting public that it was its duty to save Cuba from Spain in a wholly idealistic and heroic effort of U.S. arms. He actually ran one headline for two days: "How do you like the *Journal's* war?"

The Pulitzer Prize-winning biographer W.A. Swanberg seems to agree with Hearst on his responsibility for the war. But in retrospect and with what we now know about U.S. and world developments, this is only superficially true.

In the first place, Admiral Dewey had been steaming up in Hong Kong for weeks, waiting for the signal to go to the Philippines. McKinley had briefed him some time earlier on what he was to do. Cleveland, in handing over the reins to McKinley a year earlier, had spoken about possible war with Spain.

More fundamentally, U.S. business had been penetrating South America and Mexico for twenty years and was looking hungrily at East Asia.

Swanberg does make a good case for Hearst's responsibility for the war, however. He shows how both Mark Hanna and Cleveland dragged their feet on getting into the war. And when the U.S. battleship Maine was blown up in Havana harbor, Hearst accused McKinley of "treason" for not declaring war immediately.

Spain, of course, needed a war with the United States like it needed the proverbial hole in the head. It apologized all over the place for the incident and conducted investigations. No one has ever proved who set the bomb, if there was one, or found out what made the explosion. 23

Not only Hearst but a majority of big newspapers demanded the war and pressured McKinley. But then the question arises: Who and what did these newspapers represent?

When McKinley, after delivering an ultimatum to Spain, finally did ask Congress for a declaration of war, he knew that Spain had yielded to every one of the U.S. demands, but he withheld this news from Congress until later.

Ferdinand Lundberg summed up the factors responsible for the war as follows:

[T]hese facts are certain: Rockefeller's paid henchmen on the floor of Congress wanted the war; Hearst and Pulitzer demanded it; Roosevelt and Lodge forced it; McKinley and Hanna acquiesced in it; and the Rockefeller-Stillman National City Bank benefited most directly from it, for Cuba, the Philippines, and, indeed, all of Latin America soon afterward became dotted with National City branches, and the Cuban sugar industry gravitated into National City's hands. The most evil role was played by McKinley himself, for he withheld from Congress knowledge that Spain at the last hour before war was declared had capitulated to every single American demand. ²⁴

But among the other big changes in North American life brought on by the war was a less perceptible one involving the independence of the U.S. government from its manipulators. The big political parties became more pliable on the crucial questions of war and peace. The press proved to be a key instrument in this change.

While the war with Spain took four months, the war with the Philippine revolution took four years. Emilio Aguinaldo and his revolutionary followers had not asked for any U.S. help in their war with Spain. After the defeat of the Spanish fleet, U.S. land forces conducted a long Vietnam-type war against the people of the Philippines.

There were 385 U.S. soldiers reported killed in Cuba during the four month war with Spain.²⁵ But over 4,200 died during the next four years in the Philippines.²⁶

Of course, the newspapers played down this war in the Pacific. However, there was sturdy opposition to it. An Anti-Imperialist

League was formed with some very prominent people leading it, among them the great writer Mark Twain and the super-wealthy Andrew Carnegie. At this time the Democratic Party was opposed to the slaughter in the Philippines and took the position that the United States should not incorporate itself into an empire.

Idealism was the spur for some. But there was a real material reason why the smaller business people, especially those of the South, would be opposed to taking the Philippines into the U.S. trade area. A lot of light manufactured goods and agricultural products might come in duty-free and undersell domestic products – cotton, for instance.

So the Republicans taunted these Democrats for oppressing the Black people in the U.S. but not wanting to oppress the Brown people in the Philippines.

The U.S. did not automatically take over the Philippines with the suppression of the revolution there. Because of the factionalism over free trade and the temporary but strong Democratic opposition, there had to be some congressional action.

So at the end of 1899 the Senate resolved “that the Philippine Islands are territories belonging to the United States; that it is the intention of the United States to retain them as such, and to establish and maintain such government control throughout the archipelago as the situation may demand.”

There are people, including even some historians, who believe that the U.S. stumbled into this imperialistic mode and point to the “independence” of the Philippines after 1947 to prove this. This independence, however, is purely political rather than economic, and the continued military occupation by U.S. forces belies any freedom of action.

In this same year, 1898 – Hawaii was annexed to the U.S. as a “possession” 2,400 miles from California. Like the Philippines, it was a profitable colony in its own right and commanded a highly

strategic part of the Pacific Ocean for U.S. hegemony. It was only a year or two later that U.S. troops were putting down revolution in China. John Hay, McKinley's secretary of state, was fashioning the "Open Door" policy to shut the door on Chinese independence while asserting the right of U.S. business to share at the vultures' feast in that country, along with Germany, Britain, Japan, czarist Russia, and others.

At the same time, the Caribbean was turned into a U.S. lake by the all but formal acquisition of Cuba and the annexation of Puerto Rico, thus defying England and the other European merchant fleets as well as Spain.

CHAPTER 17

Imperialism grows at a gallop

Perhaps the best short answer to the thesis of “accidental” imperialism is the actual discussion in the Senate and in the newspapers following the 1899 Senate resolution on the Philippines. Albert Beveridge, a freshman Republican senator from Indiana, startled the country and became a national hero with a speech containing the following super-hawk sentiments:

Mr. President, the times call for candor. The Philippines are ours forever: “territory belonging to the United States,” as the Constitution calls them. And just beyond the Philippines are China’s illimitable markets. We will not retreat from either. We will not repudiate our duty in the archipelago. We will not abandon our opportunity in the Orient. We will not renounce our part in the mission of our race, trustees under God, of the civilization of the world. And we will move forward to our work, not howling out regrets like slaves whipped to their burdens, but with gratitude for a task worthy of our strength and thanksgiving to Almighty God that He has marked us as his chosen people, henceforth to lead in the regeneration of the world. ²⁷

U.S. ships had been trading with Asia for over a century. And attempts had been made to take over Japan in the 1850s. But U.S. business had never actually taken territory so close to China itself as this. The imperialists of 1898 and 1900 were keenly aware of all this and talked about the China prospects at every opportunity.

“China is our natural customer,” said Beveridge, and the Philippines “give us a base at the door of all the East.” Looking far ahead to the age of Lyndon Johnson and Ronald Reagan, who asserted that the U.S. is a “Pacific power,” he said: “The power that rules the Pacific is the power that rules the world.” ²⁸

Beveridge did not forget to explain that the riches of the Philippines themselves were so fabulous that its hardwood could supply U.S. needs for more than a century; the plantations and mines were immensely productive, too. Nor did he forget the character of the new country as a great outlet for U.S. manufactured goods. This warmed the soul of big business but raised doubts among small business, which could not begin to

take part in the export trade. By and large the Democrats opposed the takeover of the Philippines and could make it an issue in the 1900 election. But they said little during the euphoria over Beveridge's speech.

It remained for Republican Senator George F. Hoar of Massachusetts to give some kind of answer to this unabashed imperialism on the Senate floor. Hoar, now seventy-two, had entered the Senate at the beginning of Reconstruction when Beveridge was six years old. He had lived and legislated through a swiftly changing age.

Yet Mr. President, as I heard his eloquent description of wealth and glory and commerce and trade, I listened in vain for those words which the American people have been wont to take upon their lips in every solemn crisis of their history. I heard much calculated to excite the imagination of youth seeking wealth, or youth charmed by the dream of empire. But the words Right, Duty, Freedom, were absent, my friend must permit me to say, from that eloquent speech. I could think of this brave young Republic of ours, listening to what he had to say, of but one occurrence:

"The devil taketh him up into an exceeding high mountain, and showeth him all the kingdoms of the world, and the glory of them; and saith unto him, All these things will I give thee, if thou wilt fall down and worship me. Then saith Jesus unto him, 'Get thee behind me, Satan.'" 29

The aging senator was obviously not qualified to answer the bold speech on its merits and was no match for Beveridge in any case. But he remained, as far as that was possible in the new political atmosphere and the changing party tradition, loyal to the ideals of his Republican youth. He must have loomed like a ghost above the spit and polish of the new millionaires' club. He must have seemed like a stranger in a strange place, with shreds of the struggle for equality still hanging on him from the battles for elementary democracy in a bygone epoch.

While the newspapers were almost unanimous in their praise of the Beveridge speech, the holdout *Springfield Republican* of Hoar's state editorialized: "Mr. Beveridge talks like a young Attila come out of the West, and if his Americanism is now the true brand, then indeed is the Republic no more." 30

The speech not only anticipated the sentiments of the dominant Republicans and their big business patrons; it also expressed them more directly. Beveridge had shown this speech to some of the most important Wall Street kings of high finance several days before delivering it in the Senate. George Perkins, a Morgan partner, found it excellent. So did Ira Dodd of Dodd, Meade and Company, a Morgan-influenced publishing firm, as did President McCall of the New York Life Insurance Company, also Morgan-dominated.

It was becoming almost a required custom for the very topmost politicians, Democrats and Republicans, to show the drafts of their speeches, if not the whole word-for-word oration, to the real rulers for approval. And whereas speech writers were not unknown in the nineteenth and early twentieth centuries, such important speech-critics as big bankers, stock manipulators, wholesale bribers of city councils, and steel and coal barons were operating with full authority behind the scenes.

Expressing himself even more boastfully if less religiously, but putting his finger on the economic source of the war's popularity, Chauncey Depew waxed forth at the Republican Convention of 1904: "The American people now produce \$2 billion worth more than they can consume and we have met the emergency, and by the providence of God, by the statesmanship of McKinley and by the valor of Roosevelt and his associates, we have our market in Cuba . . . in Puerto Rico, in Hawaii . . . in the Philippines, and we stand in the presence of 800 million people, with the Pacific as an American lake, and the American artisans producing better and cheaper goods than any country in the world. . . . Let production go on . . . let the factories do their best, let labor be employed at the highest wages, because the world is ours. . . ."

Despite his talk of high wages, Depew probably understood quite well that the main export to the Philippines and/or to China, etc., would be capital goods, that is, the means of hiring

labor at super-exploitative wages, ultimately to compete with U.S. labor.

This process had already been going on around the edges, so to speak, when he delivered this cocky message. And he himself was closely connected to just those capital-goods industries that were seeking this kind of foreign market.

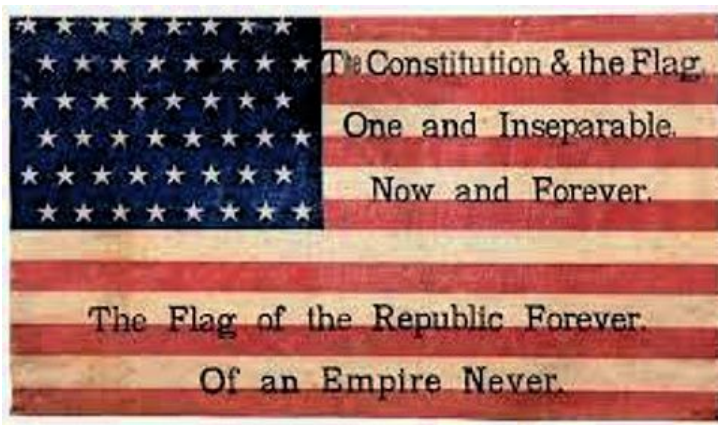
It is estimated that U.S. foreign investment, much of it in Latin America at the time, totaled \$700 million in 1897, just before the Spanish -American War. By 1914 this had grown to \$3.5 billion – five times as much. Without the war this could not have happened. The figure may not sound so big in comparison with the total product of the United States, even in those days. But it must be emphasized that then – and now – the owners of this foreign investment were the same small number of people who ran the government and the political parties.

The railroad tracks, steamship docks, mines, sweatshop factories, and so on were getting into place for more young people to die for their increase and perpetuation. This would be delayed until 1917, however, when the Democratic Party played the part that the Republicans had in 1898.

Big money was well satisfied with the Republican William McKinley and once more united behind him in the election of 1900. He had proved to be most compliant and agreeable and managed to fill his cabinet with the most outstanding representatives of big business. He did this again at the beginning of his second term.

His election campaign was run by Mark Hanna, who went on the attack against the “free silver” advocates while painting McKinley as an advocate of sound money and thus a friend of the working people. This was the general Republican line and, as in the 1896 campaign, they captured a great many industrial workers’ votes, often by threatening as in 1896 – that businesses would be shut down if William Jennings Bryan were elected.

Bryan did not emphasize free silver as much as he had in 1896, nor did he repudiate it. He attacked the imperialism of the Republicans very strongly and fairly effectively. While McKinley won again, the wave of super-patriotism washed up only another percentage point or two in the margin of his victory. McKinley got 7,207,023 votes to Bryan's 6,358,138. Bryan had slightly more votes than in 1896. But the wonder is, in light of today's apparent indifference to foreign conquest, how vigorously he and the Democrats opposed the imperialist drive.



Sign from Democratic convention in Kansas City in 1900 expressing opposition to the ongoing imperialist war in the Philippines.

The Democratic platform explicitly condemned imperialism and called for the U.S. to get out of the Philippines. At the Kansas City convention, there were festoons of flags and slogans, as at most conventions. But here the slogans had a radical bite. On one large sign was painted the U.S. flag and on it the words: "The flag of the Republic forever, of an empire, never!"

The Democratic Party was still leaning leftward, although many of the gold-standard crowd had come back to it, including some anti-imperialists among the wealthy.

Bryan took the lead in declaiming against the imperialist course that the Republican-led government had taken. Both Bryan and his party thought this course could be reversed if they were elected. They probably had little understanding of the more or less inevitable character of imperialist expansion, arising out of the economic realities of the productive system and its push for ever more markets.

“[Bryan] counseled merchants that trade is profitable only when mutually advantageous. He admonished missionaries that their duty was to teach the gospel of love and not to act as advance agents for fleets and armies?” 31

His view of imperialism, like his view of business, was not dynamic but static. He wanted to keep things as they were (eliminating corruption and outright illegality, of course) and saw nothing wrong with the smaller businesses, including some multi-million-dollar ones, just so long as they did not become too big.

Imperialism, Bryan contended, was a new chapter in the struggle between plutocracy and democracy. The two major parties were instruments of the struggle. The Republican Party was dominated by those “influences which constantly tend to elevate pecuniary considerations and ignore human rights.” The Democratic Party, in contrast, was friendly to “the honest acquisition of wealth; it has no desire to discourage industry, economy, and thrift”. . . .Property rights, he argued, are most secure when human rights are respected. 32

CHAPTER 18

1900 Guns and butter

In 1898 William Jennings Bryan had supported the Spanish-American War, like so many others who saw it as helping the Cuban revolution against Spain. But by 1900, when he ran for president for the second time, he began to take a more militant pacifist position. In this he was somewhat in opposition to the Democratic Party, but so great was his popularity that this was taken as part of his political personality and was, by and large, accepted.

Said Bryan about the war in the Philippines: "It is our duty to avoid killing a human being, no matter where the human being lives or to what race or class he belongs." 33

Considering all that has been said about Bryan as a demagogue and a superficial thinker, these sentiments of his are worth thinking about. However, the times were very different then and he represented different social forces than now hold the political arena.

No doubt it was not easy for him to take this position. But there was a tremendous anti-imperialist sentiment among the middle class, if not such a noticeable pacifist feeling. And the United States was truly at a crossroads in its history. Bryan must have felt it his duty to raise these issues in the starkest and most final way he knew how.

We should add that the Democratic Party did get a few large campaign contributions from William Randolph Hearst and the silver mining interests.

Hearst owned silver mines as well as his newspaper empire. But he was a long-time Democrat and made a veritable profession of baiting Wall Street in his papers, identifying himself with the Democratic left for quite a period in spite of his wild chauvinism in the Spanish-American War. When he started the *Chicago*

American newspaper about 1900. he made it a Bryan organ. He also started a national network of Democratic clubs that worked for Bryan.

So while the Democrats got funds from Hearst, any direct Wall Street contributions were always refused by Bryan. The total election fund of the Democrats was still less than half a million dollars in 1900.

Bryan pledged that if elected he would call Congress into special session to declare immediate independence for the Philippines. Revolutionary promises like that are unknown to the big parties today. Even in those days, that promise was a guarantee that the party would be defeated by big business.

It should be clear that the Bryan phenomenon was indeed a preview to some extent of the later development of the Democratic Party. This was even somewhat true in respect to Black freedom. Like all politicians, Bryan wanted to get the African American vote, although he probably was very cautious about upsetting the Democratic *status quo* in the South, which did not include many votes for Black people. This contradiction generated opportunism among the Democrats on many occasions. And Bryan was not immune.

But he spoke at the 1900 convention of the Negro National Democratic League, which had branches in twenty-eight states. The convention was the “largest of its kind ever assembled” up to that time.

One of Bryan’s happier campaign days was a meeting with a delegation headed by Bishop J. Milton Turner, minister to Liberia in the Grant administration. Turner and his followers stressed their dissatisfaction with McKinley’s policies and predicted an upsurge of Negro votes for Bryan, as did W.P. McAllister, president of the Afro-American Protective League, who confidently predicted the support of “free thinking Negroes.” ³⁴

Although William McKinley again definitively won the presidency in 1900, and with the same old political line, he really presided over a different United States than the one he had known in the

Senate. Even the pictures of him are redolent of the nineteenth century. But the sense of incongruity went deeper than that.

With nearly half the electorate voting for a program of social reform, it should have been obvious that different conditions were making themselves felt. Even if a new age had not already begun, certainly it was time for the government to make some adaptation to the crying needs of the people.

The social situation was tense. Wages had risen little since 1896, when the yearly average pay was \$406 – even less than in 1892. The workweek was from fifty-four to sixty-three hours. The number of strikes was increasing. The newly formed labor unions had doubled their membership in the previous four years to 868,000 members. Although the Populist vote was low, it was largely because it had virtually been taken over by the Democrats (leaving the Populists with just 50,000 votes in 1900).

The Democrats seemed to be the main sponsors of reform and the Republicans the stand-patters. The Republicans and Democrats seemed to be polar opposites on social questions, especially judging from the extreme intensity of the 1896 election and the not much less confrontational 1900 fight. But such was not really the case, as was to become clear in 1904.

McKinley was assassinated in 1901. His replacement, Theodore Roosevelt, made a number of concessions to the broad masses. Roosevelt was such a different kind of a person that his personality alone seemed to be the stimulus for a wholly different path in government. But this was an illusion.

To understand this proposition, let us look at another party, the new Social Democratic (Socialist) Party, and its reception among the people. It alone was by no means the spur that prodded Roosevelt to make concessions to the workers and farmers. But looking at the socialists' electoral achievements in comparison with our own age, we can see and feel the very different political atmosphere that must have prevailed.

Eugene Debs, who had led the Pullman strike and then served six months in jail because of it in 1895, used his time in prison to good effect. He studied various socialist writers, including the German Social Democrat Karl Kautsky (who had not yet become a renegade). Debs came out of prison a convinced socialist at the age of forty-three. By 1900 he was running for president of the United States on the ticket of the Social Democratic Party, which had been formed in 1898. He got 86,935 votes.

He ran again in 1904, getting 402,489 votes, and in 1908 with 420,380. The 1912 election netted him 900,369 – nearly a million votes out of 15 million cast, or 6 percent. And at that time every candidate took a position that seemed friendly to labor.

The Democrats, on the other hand, ran a very conservative candidate in 1904, making their peace with Wall Street, although Bryan himself was still very much in the picture and still exposing the big money interests.

The Republicans, under Theodore Roosevelt, had made what appeared to be a 180-degree turn on domestic issues. They led an anti-corporation drive, especially from 1901 to 1909. How real and how effective this drive was, we shall see in the discussion of Theodore Roosevelt's politics.

CHAPTER 19

1900 Mr. Imperialism

Theodore Roosevelt has been a subject of fascination for biographers because of his tempestuous personality, his energy and the rather romantic path he took to power. But the biographers – with the possible exception of Henry F. Pringle and Gabriel Kolko – have all left out the most obvious thing about him as an individual. At the age of forty-two, shortly after the assassination of President William McKinley in 1901 and his own accession to the presidency, Roosevelt changed from a reactionary to a “progressive” – while within the Republican Party.

This oversight is partly because they don't recognize his basic conservatism in earlier life. He was even then generally regarded as a reformer because he was a fighter against corruption in politics and government.

It is also because they are somewhat dazzled by his more socially oriented reformist posture later on as president, and fail to see it in a critical light. And in spite of his services to the big capitalists, he was never loved by the majority of them. This tends to obscure the class reality underneath.

Their omission probably arises also from their failure to see that his “progressivism” was one-sided in the first place, where it was not actually phony. We have already noted his desire in 1896 to line some of the left Democrats up against the wall.

Roosevelt purposely oriented toward regulation of big monopoly business without discouraging the further growth and concentration of that monopoly. (Kolko's *The Triumph of Conservatism* [35](#) is a thoroughgoing documentation of the regulatory aspect of “progressivism” and how big business needed it, if it did not always welcome it.)

“There are good corporations as well as bad corporations,” said Roosevelt, “good trusts and bad trusts.” Since all the trusts survived his supposed trust busting, we have to assume that the bad ones reformed. And where his progressivism actually did give some benefits to the people, it was calculated to win them over for the new imperialist course the country was now taking.

His changeover might be considered a personal aberration of Roosevelt’s and only of slight interest to us here. But considering that he started a whole new trend in government – one common to both Republicans and Democrats, although the Democrats are more identified with it in modern times – it is worth examining more closely.

TR had a reputation for civil service reform and honest government, having served several terms in the New York State Assembly where he defied the machine politicians and their various “bosses.” But practically all his legislation in Albany was around this and similar issues, having little to do with social benefits for the masses of people or even with regulating the excesses of big business at that time. However, he was radical enough to antagonize the important political leaders of the Republican Party machine.

At one point, he actually voted to reduce the fare for the elevated railway in New York City from ten cents to five. Grover Cleveland, governor of New York, vetoed the law with a tortured explanation of its possible unconstitutionality. The Republican Roosevelt thanked the Democratic governor for his perspicacity and changed his vote so as not to override the veto.

Meanwhile, New York working people were getting one to two dollars a day in wages, from which they paid the banker-owners of the elevated a dime for each trip to and from work.

Being a prolific writer, Roosevelt left his mind-prints in several books written during the 1880s. His well-known *The Winning of the West* [36](#) reveals him as an anti-Native chauvinist and, in effect,

a preacher of Manifest Destiny. But the book does have merit as a kind of history.

On the other hand, two biographies he wrote for the American Statesman series were nothing but excuses to put every half-baked right wing theory of the age into print. These were his biographies of Gouverneur Morris and of Senator Thomas Hart Benton.

The following quotations are from his *Thomas Hart Benton*, written in 1884, seventeen years before Roosevelt became president.

On the Native people, he wrote:

Much maudlin nonsense has been written about the governmental treatment of the Indians, especially as regards taking their land. For the simple truth is that they had no possible title to most of the lands we took, not even that of occupancy, and at the most were in possession merely by having butchered the previous inhabitants. ³⁷

In front of Manhattan's American Museum of Natural History, you still may see a statue of the flamboyant "Westerner," as this scion of New York bankers liked to be called, seated on a horse beside which a Native man is shown kneeling in a supplicating way. Indian groups today have protested this turning of the truth on its head.

Another gem, this one from his ideas on government, was that "the presidential power of veto is among the best features of our government." ³⁸ During the French Revolution of 1789, someone thought up the bright idea of giving the power of veto to the French king and queen. This prompted the Parisian people to call the monarchs "Monsieur et Madame Veto" before chopping off their heads. But of course Roosevelt would have called the Parisians of that time an ungovernable mob.

In our own time President Gerald Ford issued fifty vetoes in two years, nearly all of them against progressive legislation. And Ford wasn't even elected by the people; he was foisted upon them by a cabal using the House of Representatives to "elect"

him. President George Bush, by the fall of 1992, had issued thirty-two vetoes, only two of which were overridden.

Not wasting much time on his hero, Senator Benton, TR devotes a great deal of his book to the thesis that the Abolitionists were a nuisance and a harmful lot in general, who should have stepped aside and let the Republican Party (as he knew it) take care of freeing the slaves.

This was beginning to be a common thesis with the ascendancy of the New York banks, who indeed had wanted no “meddling” (as Roosevelt put it) with slavery before the Civil War and did their best to re-enslave the slaves – in a more modern way – after the Civil War.

Roosevelt made the following argument to support his thesis that the Abolitionists were wrong to try to change the government in favor of ending slavery. Note how he belittles the rights of women in order to belittle the horrors of slavery.

The plea that slavery was a question of principle, on which no compromise could be accepted, might have been made and could still be made on twenty other points – woman suffrage, for instance. Of course, to give women their just rights does not by any means imply that they should necessarily be allowed to vote, any more than the bestowal of the rights of citizenship upon blacks and aliens must of necessity carry with it the same privilege. But there were until lately, and in some states there are now, laws on the statute-book in reference to women that are in principle as unjust, and that are quite as much the remnants of archaic barbarism as was the old slave code; and though it is true that they do not work anything like the evil of the latter, they yet certainly work evil enough. The same laws that in one Southern state gave a master a right to whip a slave also allowed him to whip his wife, provided he used a stick no thicker than his little finger; the legal permission to do the latter was even more outrageous than that to do the former, yet no one considered it a ground for wishing a dissolution of the Union or for declaring against the existing parties.³⁹

Roosevelt was around twenty-six at the time these books were published. However superficial his thought may have been, there is no doubt about the depth of his conviction. That is, he sure did believe what he was saying, and with all the self-confidence of a strong ego and a pugnacious mentality.

Furthermore, at the age of thirty-nine, when he was running for governor of New York State, he republished the books without changing a line. This was just three years before he became president.

The *New York Times* raved about these books when they first came out, and in fact the paper helped him in his political career. Coming from the newspaper organ of the big New York bankers with whom he was so intimate from birth, this was not so surprising. But it was an especially nice plum.

The *Times* also wrote editorial consolation when he lost the election for mayor of New York City in 1886. It referred, in a cloudy sort of way, to his someday running for president. He actually came in third for mayor. The Democrat Abram Hewitt, another millionaire, froze out Henry George, a Populist advocate of free land and a "Single Tax" on the mine owners and other monopolists of the land.

It was widely thought that Tammany stole the vote for Hewitt, even though Hewitt was a reformer pledged to clean up Tammany. The Republican machine was told to take the fall and vote for the Democratic Hewitt in order to beat Henry George, who ran on a labor party ticket and had the support of most of the oppressed workers in the city.

Appointed chief of police of New York City in the 1890s and then to the national Civil Service Commission, Roosevelt gained additional credibility from his five-volume *The Winning of the West*. Then, after the 1896 campaign, McKinley named him assistant secretary of the navy, a job that was straight up his alley.

The story has been told many times of how the regular secretary of the navy was out of town the day the U.S. declared war on Spain. Theodore Roosevelt, sitting in Secretary of the Navy John D. Long's chair, cabled orders to Admiral Dewey in Hong Kong

telling him to steam up to Manila and take the Philippines from Spain.

But why was Dewey in Hong Kong in the first place? It is seldom mentioned, but he must have been waiting for just such orders as the ones he got from Roosevelt.

A frustrated militarist if ever there was one, Roosevelt couldn't wait to enlist in the war. Right after the famous cable to Dewey, he collected a group of Western acquaintances and others to form a so-called "Rough Riders" regiment and got himself made a colonel. The regiment was shipped to Cuba but its horses were on a different boat, so its performance was somewhat ragged.

However, there was a battle area that succumbed to its prowess. It was called San Juan Hill. And Roosevelt was heralded as the leader of the charge. Actually, according to widely circulated stories, a Black regiment rescued the Rough Riders from the hill and provided them with some horses they otherwise would not have had.

However, public relations were already a developing art in 1898. Roosevelt was soon known as "the hero of San Juan Hill." He ran for governor of New York State almost as soon as he got home, and won the election by a close majority.

During the campaign, as was the custom in those days, he spoke from the observation platform on the last car of his train. And at every town and whistle stop, he was preceded by a bugler in uniform, who sounded "Charge!" on his instrument.

He proved to be an independent governor, defying the political "bosses" on several occasions. They decided to ice him out by making him vice president in 1900. Mark Hanna was said to oppose the nomination and warned that no good could come of electing this "cowboy." But the New York machine leaders were adamant and Hanna yielded. Then, with McKinley's assassination in 1901, Theodore Roosevelt became president.

He was hardly in office more than a few weeks when he surprised both friend and foe by a series of announcements for radical change. He spoke strongly against the rule of the big financial and industrial monopolies – the “trusts.”

How was it that he changed from being so conservative to adopting much of the program of the very people he had wanted to line up against the wall?

We have shown the general social situation. Roosevelt saw it as clearly as anyone else. While most of his talk about “trust-busting” was empty bluster, and his and the Senate’s activities for regulation of big business – the pure food laws, etc. – were geared for the perpetuation of the status quo, he nevertheless became the most popular of U.S. presidents. He sponsored arbitration of a big coal mining strike, the first time a president had done this. And along with many warnings against excesses, etc., he spoke more favorably of organized labor than any previous president.



Both Theodore Roosevelt and Woodrow Wilson got the nods that launched their political careers at elegant Delmonico's restaurant in New York City.

CHAPTER 20

Teddy Roosevelt and Wall Street

Theodore Roosevelt's father, uncles, and paternal grandfather were all bankers. His friends and acquaintances came largely from the New York banking fraternity. His mother, Martha Bulloch, was a daughter of the Old South whose paternal ancestors were slave owners.

In splitting up the family fortune, his father left him a little less than a million dollars so as to accommodate the other children. But in spite of this relatively small stake, his family connections put him well inside the charmed circle led by the Astors and the older multimillionaire families of New York.

When Roosevelt went into politics at the age of 23, his generation in his social class were somewhat surprised and shocked. It was like a Southern heir in a big white-pillared house taking a job as overseer of the slaves: very vulgar.

Even with a little money, he could not automatically buy himself a seat in Albany, nor would he have wanted to. He had to have the backing of the New York Republican machine. This was controlled by various ward-heeler types but, over all, it was dominated by the J.P. Morgan banks, through the agency of Chauncey Depew, who was a U.S. senator by the time Roosevelt became governor.

Roosevelt never acknowledged his debt to Morgan or to Depew. He didn't even mention Depew in his autobiography. But Depew mentioned Roosevelt in his. And it is on the public record that it was Depew who nominated Roosevelt for mayor, for governor, and for vice president. Depew added that he also was instrumental in nominating Roosevelt for the less prominent post of New York state assembly member. This does not seem to be an exaggeration, especially in light of Roosevelt's own silence on the question.

Why was Roosevelt silent about Depew? Perhaps it was not so much because of the Morgan connection as the fact that Depew was in such bad odor by the time Roosevelt wrote his autobiography in 1913. The smell would have been that much harder to eradicate from Roosevelt had he himself admitted the connection.

By that time, the Wall Street influence on government was becoming more and more hateful to more and more people. It was actually irreversible by then, but it had to be made more indirect, subtler, and less painful to the middle class, if not to everybody else.

Roosevelt himself, with a pugnaciously independent kind of personality, liked to show his individuality and publicly defy J.P. Morgan, along with the other tycoons of big business. Even though Roosevelt was a member of the same social grouping as Morgan, his independence and anti-Morganism, so to speak, did not sit so well with Morgan himself, who got even with Roosevelt in the campaign of 1912. But Roosevelt's personality convinced millions of people that at last there was a president who could take on Wall Street and effectively control it.

The main achievement of the Theodore Roosevelt administration, according to Roosevelt's own commentaries and his daughter's autobiography, was the taking of the Isthmus of Panama. Actually, the plunder of that territory was greatly facilitated by the Spanish-American War of 1898, the consequent weakness of Spain, and the vulnerability of all the Latin American countries.

A glance at a map of the hemisphere shows that the isthmus is flanked on the eastern side by a chain of islands – Cuba, Hispaniola (Haiti and the Dominican Republic), and Puerto Rico being the largest. All of them would soon be occupied by the United States, which had the most effective naval base in the Western world at Guantanamo, Cuba. (The U.S. Navy is still there, against Cuba's wishes.)

Panama had been part of the South American country of Colombia. But Roosevelt engineered a “revolution” in the Panama district and got a “declaration of independence” from the inhabitants. After this the U.S. began in 1903 to dig the canal and arbitrarily reserved to itself the central part of the new country, to be known as the “Canal Zone.”

Tens of thousands of Black workers from Jamaica and other Caribbean islands were imported to do the work. They died by the hundreds in mosquito-infested swamps, decimated by the then-deadly yellow fever.

A few years after his conquest of Panama, Roosevelt boasted to a large audience of students in California that he had to take the isthmus single-handedly because Congress would have been too slow and disorganized to do it right!

The idea of a canal between the two continents is a good one, of course. It shortened the steamship trip to Asia by several thousand miles – the dream of visionaries for a century.

But the question always was: Who will control the canal and what will they do with it?

U.S. control of the canal meant that both Germany and England would be frozen out from further money-making in Latin America except at the will of the U.S. government. And since the U.S. government represented no one else but U.S. big business, this was a plus for their prosperity. But more significantly, it was a gauntlet thrown down to the other imperialists, with a possible threat of another war to insure the success of the new status quo.

However, Roosevelt’s rank-and-file supporters in the Republican Party had their eyes fixed on his “progressivism,” not his imperialism. What they did not know was that they would have to pay for the former by dying for the latter – in 1917-18.

If anything was more scandalous and hateful to the average U.S. citizen at this time than the monstrous power of the Rockefeller Standard Oil Company, it was the emergence of the United States Steel Company, organized by the J.P. Morgan plunder gang. This company had a virtual monopoly of the steel business. By buying up a number of smaller steel companies, along with the huge plants built by Andrew Carnegie, the Morgan banks became steel producers as well as railroad operators, farm machinery makers, and utility kings.

Much more than Standard Oil, the U.S. Steel Company specialized in “watered stock” – that is, selling twice as much stock as the company was worth. And of course it was a big barrier to any other steel company starting up in the “free market.”

These days people hardly notice the phenomenon of banking interests in industry. The Morgans and du Ponts started General Motors; the Rockefeller banks started the Radio Corporation of America (and its subsidiary, the National Broadcasting Company); they also established International Business Machines and several other super-corporations. Practically no sizable corporation these days just evolves from a small operation to a large one without the intervention of at least one big bank. But in Roosevelt’s time, this was quite new and highly suspect.

In addition to the monstrous inequality involved, which prevented “small” business from breathing, this process was of course accompanied by outright corruption and the fleecing of the middle class at the beginning. The stock market played a big role in all this.

Everything cried out for regulation. The biggest capitalists themselves needed it – in self-defense against the newer predators who were more than ready to do to them what they had done to others. The great masses were refusing to accept

the abysmal wages and terrible conditions of labor that had been imposed upon them by this new development.

Roosevelt came on the scene with a burst of energy, declaiming against the injustices of the new life, although without proposing more than the most elementary legislation to correct them. He was attacked for this in the conservative press, which made him all the more popular with the masses.

A rather significant note about all this is the fact that this Roosevelt was a Republican. Whatever the feelings of the Republican moguls of Wall Street, he convinced a very large part of his party that Wall Street could be controlled by the Republicans. His distant cousin Franklin Delano Roosevelt, the Democrat, would operate more or less the same way – in a bigger crisis for the system, to be sure – to create the impression that only the Democrats could defend the working people and save society.

At the same time as the emergence of Theodore Roosevelt as a “progressive,” there also emerged a group of so-called “insurgent” Republican senators who by and large accepted Roosevelt’s leadership. Together with a number of Democratic senators, they began to pass much of the Roosevelt program.

None other than William Jennings Bryan was partially won over by Roosevelt’s demagoguery. Roosevelt came out for several of the very measures that Bryan, who, you remember, had once been Roosevelt’s candidate for the firing squad, had been fighting for. How could TR be faulted for that?

The fact is that he was the first of the big politicians to advocate guns and butter. He saw that imperialism must be accompanied by concessions to the masses in order to be stable and self-perpetuating.

Having made many a speech against the “malefactors of great wealth,” and tweaked the noses of some of his own wealthy friends in business, Roosevelt was understandably worried

about where the campaign funds would come from to conduct his re-election campaign in 1904.

The big corporations hardly blinked. They came through with much better contributions than they did for the Democrats, who ran a conservative slate headed by Judge Alton B. Parker of New York.

The Democratic leaders thought they could ride the anti-Roosevelt sentiment among the most conservative tycoons and play on their worries about his unpredictability. But they were wrong.

J. Ogden Armour, most prominent of the super-rich Chicago meat packers, said: "We are going to support Roosevelt most emphatically." Andrew Carnegie, most famous of the money makers, declared: "I hope Roosevelt will win. I am convinced that Republican rule is best for the country." And they accordingly backed him with heavy contributions.

According to Lundberg, the New York Life Insurance Company, which was going through an investigation for malfeasance and corruption, donated \$48,000 to the Republican National Committee. The Mutual and Equitable insurance companies gave a similar amount. E.H. Harriman, the railroad king, later admitted to donating \$50,000 and collecting \$200,000 more from his rich colleagues. J.P. Morgan testified that he had given \$150,000 in cash, while E.T. Stotesbury, a Morgan partner in Philadelphia, gave slightly more than \$165,000. ⁴⁰ Rockefeller's Standard Oil gave a check for \$100,000, which Roosevelt declined in a show of virtue. But Rockefeller was so unpopular by this time that the money would have been far outweighed by the loss of votes once it was made public.

Judge Parker was too conservative and too much impressed with big money himself to make much out of Roosevelt's dependence on Wall Street. But Joseph Pulitzer, editor of the Democratic *New York World*, had no such inhibitions. He published a front-page

editorial over his name which put Roosevelt on the spot for these donations. Roosevelt's campaign manager was Secretary of the Treasury George B. Cortelyou, who was a leading reformer of the day. He is mentioned prominently in the editorial.

Pulitzer posed a series of questions to Roosevelt. Didn't the corporations that were "pouring money into your campaign chest assume that they were buying protection?" And he then went on ask how much each of the great combinations of capital – the beef trust, the paper trust, the coal trust, the sugar trust, the oil trust, the tobacco trust, the steel trust, the national banks, the insurance trust, and the railroads – had contributed to Cortelyou as manager of the Roosevelt campaign." 41

This rather devastating editorial – with appropriate colored ink and judicious use of capital letters – was never adequately answered. By various tricks, Roosevelt was actually able to turn it around to his own advantage.

CHAPTER 21

1904 Aim at barn, hit bull's eye

In the 1904 election campaign, President Theodore Roosevelt gave instructions to his aides to soft-pedal his “trust-busting” and boast more about his achievements in foreign policy – that is, his imperialist takeovers and triumphs that would benefit U.S. capitalism as a whole, not just one corporation over another.

Secretary of War Elihu Root gave the keynote address at the Republican National Convention in Chicago. Roosevelt instructed him to emphasize the Open Door in China, the administration of the Philippines, the “independence” of Cuba, the advances in U.S. forestry, the army, the navy and his enforcement of the Monroe Doctrine against England and the other imperialist rivals.

This evidently hit the bull’s eye, because the Republican money-men nearly all came through for Roosevelt.

Roosevelt may not have invented “progressivism,” but he adapted himself completely to the mood of the majority of the people. He was so successful at this that the so-called “muckrakers,” who really did expose some of Roosevelt’s friends as much as anyone else, were often regarded and sometimes regarded themselves as together with TR in the same crusade against the big money.

The very word “muckraker,” however, was coined by Roosevelt himself as a put-down of the more militant writers who exposed political and corporate corruption at this time. He did this to chastise and slow these writers down, as even the most casual study of his words will show.

Here, for instance, is what he said as president in defense of the Senate, just at the time when a series of articles called “The Treason of the Senate” was appearing in the Hearst press.

In Bunyan's *Pilgrim's Progress*, you may recall the description of the Man with the Muck-rake, the man who could look no way but downward, with the muck-rake in his

hands; who was offered a celestial crown for his muck-rake, but who would neither look up nor regard the crown he was offered, but continued to rake to himself the filth of the floor.

In *Pilgrim's Progress* the Man with the Muck-rake is set forth as the example of him whose vision is fixed on carnal instead of on spiritual things. Yet he also typifies the man who in this life consistently refuses to see aught that is lofty, and fixes his eyes with solemn intentness only on that which is vile and debasing. . . .

If, on the other hand, it turns into a mere crusade of appetite against appetite, of a contest between the brutal greed of the "have-nots" and the brutal greed of the "haves," then it has no significance for good, but only for evil. If it seeks to establish a line of cleavage, not along the line which divides good men from bad, but along that other line, running at right angles thereto, which divides those who are well off from those who are less well off, then it will be fraught with immeasurable harm to the body politic. . . .

The eighth commandment reads "Thou shalt not steal." It does not read, "Thou shalt not steal from the rich man." It does not read, "Thou shalt not steal from the poor man". . . No good whatever will come from that warped and mock morality which denounces the misdeeds of men of wealth and forgets the misdeeds practiced at their expense. [42](#)

And so on and so forth.

Roosevelt said this in 1906, right after Philips had attacked Chauncey Depew in one of the earlier articles. Depew was the senator from New York state and represented the Morgan interests. Roosevelt did not mention Chauncey's name because of the latter's bad reputation, which was at its low point at this time. But his defense of the Morgan interests shines through his pastoral letter like a beam of holy light. The language is not so different from his youthful outbursts against women voting and slaves being too thoughtlessly emancipated.

Perhaps we have over-emphasized Roosevelt's synthetic "progressivism" in order to clarify its connection with his imperialism. The fact is that he also advanced the art and possibly the science of government farther than it had been before. This diminished the real role of the big political parties as independent ruling bodies at the same time that it enhanced their activities and made them work harder.

It is perfectly true that no trusts were really broken during Roosevelt's reign and no regulations of big business were adopted that really hurt the existing giant corporations. Gabriel Kolko's *The Triumph of Conservatism* shows again and again how the Rooseveltian regulations were in the interests of the biggest industrial combines and not against them. But even Kolko tends to downplay the more or less genuine aloofness that TR felt from the Wall Street crowd and the fact that while he was ultimately dependent upon the Morgans, he rather enjoyed taking them on.

Ferdinand Lundberg, who was well aware of Roosevelt's posturing and his failings, summed up his service to government in the following pithy manner:

Roosevelt's outstanding contribution was that he made the government infinitely more efficient than it had ever been before. The civil service was extended, forest lands and water-power sites were reclaimed, irrigation projects were launched, and the Navy was made into an effective bill collector at foreign ports. The money spent to elect Roosevelt had brought not only special favors to the major contributors but had also given them the best government, from the standpoint of businesslike opera.⁴³

But did the biggest money kings fully appreciate their *enfant terrible*? They, like other kings and queens, had a predilection for executing the messenger with the bad news and sometimes a lack of appreciation for the dentist who pulled out their rotten teeth. J.P. Morgan, at any rate, made sure that Roosevelt would never again be president, as we shall see in the election of 1912.

We have remarked on the power and presence of leading capitalists at the very heart and brain of the two big parties, particularly the role of William Whitney for the Democrats and Mark Hanna for the Republicans. But with the accession of Roosevelt in 1901, Hanna's power began to fade.

Another very big Wall Streeter had entered the picture by this time. That was George W. Perkins, a leading partner of J.P. Morgan, who resigned from his banking activities and busied himself almost exclusively with national politics. He became

quite close to Roosevelt, but was influential with the Democrats, too.

Perkins was overshadowed, of course, by Roosevelt himself, who really played the role of the direct representative of the ruling class, even though he wasn't politically identical with that class. At least that was the situation during the actual years of Roosevelt's presidency. Perkins, however, did play the role of presidential adviser to Roosevelt and, after getting his confidence as a friend, in 1912 intervened in the election process (at the behest of J.P. Morgan) as well as the governing business to outmaneuver Roosevelt.

Roosevelt's duel with the radical "muckrakers," as he called them, took place in 1906. It put him on the wrong side in the popular campaign for a constitutional amendment allowing the electorate to vote directly for U.S. senators. They were still at that time selected by the state legislatures. It took another seven years for the amendment to pass.

The people had tried to change this undemocratic procedure several times in the nineteenth century. The first resolution demanding a popular vote for the Senate was introduced in the House of Representatives in 1826. From then until 1915, 197 similar resolutions were presented. Six of these came to a vote and were passed by the necessary two-thirds majority in the House, but not in the Senate (in 1893, 1894, 1898, 1900, 1902, and 1911).

As it became a hot issue in the 1890s, the People's Party featured it in its platforms of 1892, 1896, 1900, and 1904. The Democratic Party and the Prohibition Party took it up in 1904. A California referendum passed such a motion by a vote of fourteen to one in 1892. In Nevada it was seven to one in 1893 and in Illinois six to one in 1902.

But of course, even after there was a popular election for this aristocratic body, the body still left much to be desired. Only a

half dozen of the most corrupt senators were retired and the six-year term guaranteed a big hangover of conservative time-servers.

Even the structure of the Senate is so flawed as to prevent anything like real popular representation from ever taking effect.

For example, there are two senators from each state, regardless of size. Little Delaware with 600,000 people today has two senators; California with a population of 30 million also has two. According to the most elementary principles of democracy and arithmetic, California should have one hundred senators if Delaware has two!

However, the phenomenon of the “insurgent” senators appeared well before the popular-election amendment was passed. The best-known insurgent senator was probably Albert Beveridge, Republican of Indiana, who was also the most vociferous supporter of imperialism, as we have shown in his panegyric to the U.S. conquest of the Philippines. He was somewhat more “sincere” about his “progressivism” than Roosevelt, and much less of a maneuverer. But his interesting duality about imperialism at the same time illustrates and accents our thesis about Roosevelt, although from another point of view.

Beveridge was a “typical” American chauvinist who was also a leader in the fight for the regulation of big business. He apparently thought he was fighting the good fight on both fronts.

CHAPTER 22

1908 A new king-maker chooses Taft

Theodore Roosevelt, the Republican, was so popular he could name the next president – William Howard Taft – and get him elected. The only other president who has come even close to this was Lyndon Johnson, the Democrat, who pushed the convention to nominate his vice president, Hubert Humphrey, even though Humphrey hadn't won a single primary. But he couldn't get Humphrey elected. (Other presidents have also supported their deputy commanders, but usually with less enthusiasm and effect.)

Taft was another member of the country's moneyed elite. His brother, Charles P. Taft, was among the wealthiest dozen or so people in the United States. He gave \$800,000 to the Republican campaign fund in 1908 – about \$10 to \$15 million in today's money. That did not make Roosevelt's choice more difficult.

Aside from a few generals, Taft was probably the only president who had never held a previous elective office.

He began political life as a judge in Ohio. He was then appointed solicitor general by Republican President Benjamin Harrison, who also appointed him to the Federal Circuit Court bench, where he served from 1892 to 1900. Taft was dean of the Cincinnati Law School from 1896 to 1900. Roosevelt made him governor general of the Philippines and then secretary of war after he served a hitch as provisional governor of Cuba.

He seems to have really wanted to be Chief Justice of the Supreme Court more than chief executive of the U.S. And he did wind up with that position some years after being president.

Taft was a first-class example of how a political personality can be created simply by virtue of receiving appointments from friends in high places. The great mass of voters never heard about anybody else – at least, not in the then-popular

Republican Party – and were thus compelled to vote for someone who didn't represent them at all.

There were other candidates in the Socialist and Populist parties who really stood for something. But they were so mercilessly attacked in the press, or in some cases ignored, that most voters were frightened away from them.

Nevertheless, it is significant that over 420,000 people voted for Eugene Debs, the Socialist candidate, and there was little talk of the "lesser evil." According to one analysis, in the 1896 election no more than 14,000 additional votes "properly distributed" among key states would have resulted in the election of the Democratic candidate, William Jennings Bryan.⁴⁴ The more political voters who voted Socialist in 1908 must have been very aware of this analysis, but voted their convictions regardless of the negative effect on Bryan.

The Democratic Party was not quite back in the lap of Wall Street. After running Judge Alton Parker, a well-known conservative, in 1904, it turned leftward in 1908 with Bryan once again as its standard-bearer. The wave of anti-Wall Street feeling swept over a tremendous number of people – including many who did not vote for Bryan because they were intimidated into supporting Taft, just as they had been intimidated into voting for McKinley in 1896 and 1900.

Bryan was still anti-monopoly and anti-Wall Street and refused to accept donations from any corporations. He also directed that no individual be allowed to donate more than \$10,000. His total election fund was not much more than it had been in 1896. He still fought for the eight-hour day and demanded an end to anti-labor injunctions.

But he gave up the demand for nationalization of the railroads, while letting it be known that he still favored it at a future time. This let down his supporters without winning over any of his wealthy opponents. In addition, he gave up the struggle against

imperialism as such, but delivered lectures on the “Prince of Peace.”

He advocated international peace treaties and arbitration between nations – things that have become commonplace and somewhat cynically manipulated as slogans today, but were shining lights of idealism in 1908, being counterpoised to the frank imperialism of the Republican leaders.

The truth is that being for an anti-imperialist plank in 1900 had been easier – although unsuccessful – than raising some of the other issues. Many prominent and wealthy people had joined the Anti-Imperialist League, and the majority of them supported Bryan and the Democrats. The eight-hour day, however, raised the hackles of the respectable employers of labor and frightened the wheelers and dealers who really make presidents.

Anti-imperialism in 1900 was in fact almost a respectable issue in spite of the chauvinism and “America first” fervor generated by the Republicans. There was no talk of “politics stopping at the water’s edge,” etc. And it still seemed possible to turn foreign policy around in a less aggressive direction.

This was an illusion flowing from another illusion about the nature of business and big business. The Democrats of the time never saw the connection between “small” business and big business. (Some economists today regard any business grossing less than \$50 million a year as “small.”) Nor did they see that the inevitable drive of big business into foreign markets would be the engine of the modern imperialist chariot, although they did indeed, unlike their modern descendants, see that business and imperialism were linked in one way or another.

Even the Socialists did not spell this out. But they did have a fundamentally different view. They were for eliminating the market altogether and producing for “use” instead of for profit. Their approach was to just put everybody to work making things and then let everybody have the product as a result of their

work. This would end “overproduction” and depression. But to do this, of course, they would have to expropriate big business and nationalize not just the railroads but the factories, mines, mills, transportation equipment – in a word, eliminate capitalism.

The Democratic Bryan was definitely not one of the many socialists of this period and in fact drew a line between himself and them. He let it be known that he opposed government ownership in general. Nevertheless, he articulated what the majority of people were thinking and saying at the time. And in that sense he was a true U.S. politician – a follower of his followers.

Thus there was no mystery about the fact that many formerly conservative politicians began to support Bryan, at least far enough to vote for him. The whole cabinet of the second Cleveland administration declared for him and the conservative Judge Parker was photographed shaking hands with him in a mood of reconciliation.

Whatever bourgeois respectability the Democrats achieved from this was entirely negated by the radicalism of the candidate. Big business again conducted a fear campaign in the East and Midwest.

Naturally, it was difficult to prove open intimidation on the part of employers. But a Bryan biographer carefully documented the following:

In Philadelphia, a separator works, with 1,000 employees, announced it would move away if Bryan won. The Atchison, Topeka, and Santa Fe railroad disclosed that in the same contingency it would abandon a \$3,000,000 program of extensions and improvements, and the New York Central Railroad threatened its employees with reductions in wages.”⁴⁵

At the same time, the reactionary white rulers of the South voted for Bryan as a part of their Home Rule and “solid South” strategy. The anti-Wall Street sentiments of this reactionary anti-Black section were genuine enough, however. And since Bryan had no

concrete program for Black liberation, they saw no contradiction in supporting him.

The majority of Eastern working-class voters voted for Taft, but only partly because of intimidation. Big business had a certain ideological hold over the workers from early times. And in addition, many city workers were convinced by the “trickle down” theory and the fear of “rocking the boat” of capitalist prosperity.

In this sense, Bryan had the same problem as the socialists, even though he was against socialism. His opposition to big business’s high tariffs, his demand for bank deposit guarantees and income tax on the rich, and even the eight-hour day probably seemed like things that would require much fighting and self-sacrifice. They were looked on as “pie in the sky” demands.

Furthermore, the Republican Roosevelt was adopting much of this program. And since his party was the beloved of Wall Street, and Roosevelt’s good friend William Howard Taft was the Republican candidate, it would be safer to support them than the Democrats. Only much later, during Franklin Roosevelt’s New Deal and the workers’ own amazing militancy of the 1930s, was this hypnosis by the Republicans to be broken – at least temporarily. The election results of 1908 give some testimony to the temper of the times:

Republican	Taft	7,662,258
Democrat	Bryan	6,406,801
Socialist	Chafin	252,821
Peoples	Watkins	29,100
Socialist Labor	Gillhaus	14,022

The minor parties did not have to contend as much with today's argument that one has to vote for "the lesser evil." This was always an element in the two-party system, but never so strong as today, when it means so much less.

CHAPTER 23

1912 The parties in disarray

John D. Rockefeller publicly declared his support for William Howard Taft almost the moment Taft got the Republican nomination in 1908. This was motivated as much by the Democratic candidacy of William Jennings Bryan as by Rockefeller's belief that Taft would be kind to Standard Oil.

The Morgan group came through with hefty campaign donations for Taft. The J.P. Morgan Company itself gave \$20,000, Andrew Carnegie another \$20,000. E.T. Stotesbury, a Morgan partner and future father-in-law of General Douglas MacArthur, gave \$15,000; Frank Munsey, the publisher and stock market manipulator, and George Perkins, the ex-partner but still Morgan-oriented amateur politician, \$5,000 each. And so on and so on.

The stock market went up when Taft took the oath of office as president and the financial fraternity felt that the country was in good hands at that point. Theodore Roosevelt felt the new president would continue to carry out his policies, and Taft was very grateful to Roosevelt for practically bestowing the presidency upon him. But in a few months there was a cooling off in the friendship of the two men and Taft was in trouble as president.

What went wrong in his relationship with Roosevelt?

It was not that Taft stopped Roosevelt's anti-trust campaign. As a matter of fact, his administration initiated suits against forty-five trusts, as against Roosevelt's twenty-five. But he made less noise about it and aimed at different trusts.

Ferdinand Lundberg and others show that Taft favored Rockefeller over Morgan. Both were Republicans but were nevertheless in sharp competition in some fields. The breakup of the Standard Oil trust, which did not hurt the Rockefeller fortune

although it checked the growth of his oil company somewhat, was not due to any act or policy inaugurated by Taft.

It appears that Taft actually tried to carry out the Roosevelt policies. He at first identified himself with the so-called "insurgent" senators who were sponsoring legislation for corporate regulation and conservation. But his instincts and his methods were in another field altogether. His associations were closer to the Rockefellers and some of the more reactionary in big business. And he shrank from the kind of fighting and posturing that Roosevelt was so happy with.

Taft's dignity was important to him. And thankful as he was to Roosevelt for the chance to be president, he insisted upon living the same life and conducting himself in the same way he had in private. This was not fundamental, perhaps, and did not upset most Republicans. But it indicates a human obstacle in the course of government.

Plagued by the rebellious progressive Republicans – who were infuriated by . . . the general abandonment of Roosevelt's policies – Taft indulged in furtive golf games with Henry Clay Frick [a reactionary lord of the steel industry – V.C.] of Pride's Crossing as the summer of 1910 wore on. [Mrs. Taft had] prevented Will from playing golf with John D. Rockefeller a year before – all felt that "Frick is a bad name to have coupled with that of the president." Taft stubbornly insisted that "he likes Frick and there is an end to what one can say or do in matters of this kind." 46

This change in style was also a change in substance. Fully as convinced an imperialist as Roosevelt, he lacked his predecessor's broader understanding of government and had no feel for active politics, not to mention effective demagoguery.

He hardly blinked at the wildly protectionist Payne-Aldrich Act that raised the tariff on 600 items, signing it as "a fine piece of legislation." He liked Senator Aldrich personally, even though the latter had been thoroughly excoriated and exposed in the Hearst press as a venal politician in the direct pay of big business.

At one point he entertained Aldrich, his daughter Abby, and Aldrich's son-in-law, John D. Rockefeller, Jr., in the White House. But he let them in by a back door and told the guard not to

register them as guests for that day, so he was well aware of the unpopularity of his action.

The falling-out with Roosevelt that received the most publicity was the dispute between Secretary of the Interior Richard A. Ballinger and Chief Forester Gifford Pinchot, a close friend of Roosevelt. It was over the disposition of extensive coal-mining lands in Alaska. Ballinger wanted to give them to the Guggenheims and the Morgans. Pinchot vigorously opposed this.

This would make it appear that Roosevelt, who sided with Pinchot, was in reality opposing the Morgan interests and that this underlay his dispute with Taft. But there was a bigger dispute that was less publicized. This was Taft's action against United States Steel's acquisition of the Tennessee Coal and Iron Company. U.S. Steel at that time was the biggest jewel in the Morgan crown.

Roosevelt was particularly incensed because Taft had voted for the merger of the two companies when he was Roosevelt's secretary of war. This is given as the main reason for his difference with Taft, especially by Lundberg, who, as a former financial news writer, was very well informed on these things.

There can be no doubt whatsoever that TR had to listen to many private complaints about the Taft action on U.S. Steel and queries as to why he could not control Taft in this field.

In any case, the general liberal view that the friendship of Taft and TR had cooled simply because Taft revealed himself to be a conservative plodder does not hold much water.

The truth may well be that Roosevelt knew Taft very well indeed and expected that after eight years of Taft, the people would turn to him, Roosevelt, as the modern savior against the big corporations and trusts. But he also thought that Taft would ask his advice on all the big things that could hurt the Morgan interests, like the U.S. Steel-Tennessee Coal and Iron affair, the

International Harvester deal, and, in a different way, the proposed Alaska coal giveaway. This did not happen, or happened only for a short period.

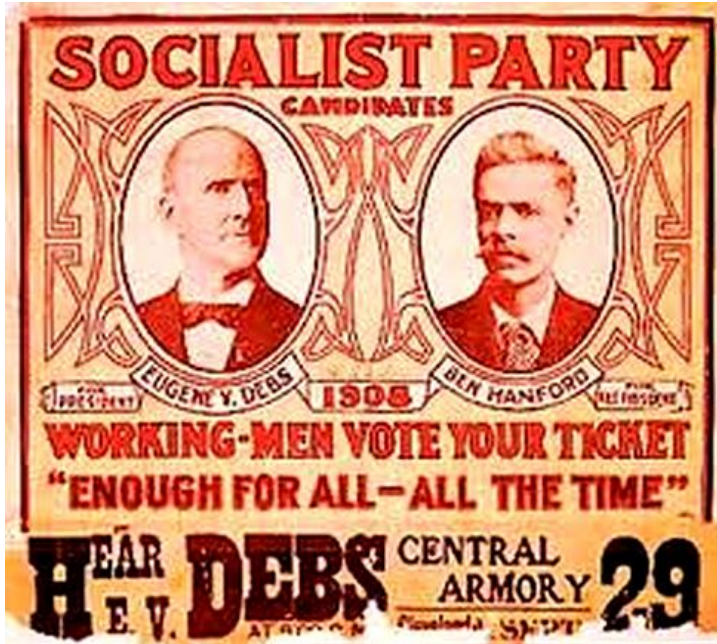
Taft's weak political thrust did indeed make him a voice for Roosevelt, but only at first. Later he became a voice for other elements, including his own plodding, conservative self. Roosevelt could not use him as his alter ego, as he undoubtedly had expected to do. Thus, maneuver politics has its limitations in great affairs, even when practiced by the mighty.

At any rate, Roosevelt's attempt in 1912 first to take the Republican nomination away from Taft and then, when that failed, to run independently on the Progressive Party ticket, must have been motivated by very strong considerations. Ego played its part but was not fundamental, since he must have thought he could run in 1916 with a much greater chance of victory.

Nevertheless, we find him in 1912 divorcing himself from the Republican Party. With all his undoubtedly great talent for politics, with all his great popularity, some of it well deserved, and with all his ego and his talent for listening to the political pulse of the people, how could he have made such a grievous mistake?

The election of 1912 was a complicated and exciting affair, quite different from most previous contests (except 1860 and 1896). For one thing, there were three major candidates plus the Socialist nominee. And every candidate in the election appeared to be pro-labor, although nobody but the Socialists paid much attention to Black freedom.

Roosevelt ran this time on the Progressive Party ticket, surpassing his erstwhile friend and fellow Republican Taft by more than 18 percent of the vote. But Democrat Woodrow Wilson received the palm of victory, and with all the lofty grace that was his political trademark.



Eugene Debs, the union leader and socialist, had few campaign funds but got nearly a million votes in 1912 on an anti-war, pro-worker platform.

Eugene Debs polled 900,369 votes for socialism, more than doubling his showing of 1908. The Socialist Labor Party (which had predated the Debs Socialists by a couple of decades but was now taking a sectarian position on several burning issues) polled 28,750.

The Prohibition Party received 206,275 as opposed to 253,840 in 1908.

Roosevelt's Progressive Party – or “Bull Moose” as it was popularly called – split the Republican vote, leaving the party (now called “the Wreck”) to bind itself together over the next eight years.

Clearly the hold of big business on the parties was at least somewhat in disarray. And almost just as clearly the popular upheavals were making themselves felt in the programs and activities of the parties, big and small.

As the reader might well suspect, the pressure of mass protest, struggle, strikes, and class conflict was making itself felt, however faintly or unsuccessfully, in the corporate boardrooms and election boards of the country.

The big moguls of the United States had plenty to worry about in the face of a more and more radicalized electorate. The Socialist vote of over 900,000 was especially impressive given that the incumbent president got 3,486,333 votes and Roosevelt himself 4,119,207 million votes.

When one considers the minuscule size of the socialist campaign funds, the hostility of all the big newspapers, not to mention the magazines, college faculties, and big churches, this showing of close to a million votes is all the more remarkable.

One writer observed recently that "much of this intense activity for Progressive reform was intended to head off socialism. [One authority] talked of 'the menace of Socialism as evidenced by its growth in the colleges, churches, newspapers.' In 1910, Victor Berger became the first member of the Socialist Party elected to Congress; in 1911, seventy-three Socialist mayors were elected, and twelve hundred lesser officials in 340 cities and towns. The press spoke of 'The Rising Tide of Socialism.'" ⁴⁷

But behind all the optimistic figures and radical flurry were some very cynical and hard-boiled calculations, which have to be aired and understood if we are to form any opinion of big political party development in the twentieth century.

As 1912 dawned upon the electoral arena, the leaders of big business were still confronted with a Democratic Party in partial revolt, a party that, strictly speaking, was not under control. When Bryan declined to run in 1904 and supported the

conservative Judge Alton Parker, it was an attempt to patch things up with the Eastern establishment. But it was by no means a complete rapprochement or the surrender of the party's new radicalism. This was made more evident by Bryan's third candidacy in 1908.

True, Bryan's 1908 program was hardly more radical – in words – than Roosevelt's had been. But it was coming from a different class and would be implemented by a different class if it were to be victorious in the election. It is also true that much of the Eastern establishment spoke well of Bryan by 1912, but few of them would support him. And lurking beneath the surface, ready to break out anew, was always the battle cry of "Down with Wall Street!"

On the other hand, Theodore Roosevelt was not exactly what big business viewed as the ideal president, either. He had become so popular and so identified with the Republican Party that much of Wall Street would have pinned a medal on any lion that finished him off when he embarked on an African safari right after his exit from the presidency.

J.P. Morgan, in particular, whose minions had helped his early political career so much, was incensed at Roosevelt personally, and regarded him as an ingrate for his (mostly verbal) attacks on Morgan businesses. But Morgan was smart enough to conceal or soft-pedal his opposition in the light of TR's extreme popularity.

Many impartial estimates show that Roosevelt had been basically good for business and certainly was a strong and aggressive leader of U.S. business in the field of foreign policy.

Nevertheless, the question for Wall Street was how to get rid of Bryan and Bryanism in the Democratic Party and how to cut Roosevelt and Rooseveltism out of the Republican Party.

CHAPTER 24

1912 The Wilsonian answer

The question for Wall Street of how to regain absolute control over the Democratic and Republican parties was answered in 1912 by two developments. First was the ascendancy of Woodrow Wilson, a Democratic anti-Bryanite who stood on the right wing of his party. The other was the breakaway of Theodore Roosevelt from the Republicans into a new third party, the Progressive Party.

In addition, big capital was not very satisfied with Taft, even though Taft was “to the manor born” and on good personal terms with most of the moguls of finance and industry. This president had always wanted to be a Supreme Court justice. He got his wish in 1921 and became Chief Justice under Harding, Coolidge, and Hoover. He died in 1930, with the plaudits of the ruling class and the hosannas of high school civics teachers ringing in his ears.

The Old Guard of the Republican Party, influenced mainly by President Taft’s use of patronage and for the sake of the credibility of their own power, remained committed to Taft, running him for president once more in 1912. These elements were based mainly in the Senate and the majority of them had been in conflict with Roosevelt at one time or another.

So it became clear by the time the three conventions were over that Taft would be beaten, Roosevelt would almost inevitably come in second, and Wilson would win.

Could all of this or any part have been actually planned by the big capitalists of the country? Was not at least some part of it accidental or due primarily to the interplay of personality?

No. There was plenty of personality and personal ego involved. But the final outcome was determined by a series of maneuvers, which were all calculated for precisely such an end. It is seldom,

indeed, that maneuvers as such can change the fundamental line of political development. But in this case, everything was poised and in place for the maneuvers to meet the capitalist needs of the day, even though they were in conflict with the expressed wishes of the majority of the electorate. (The 6,293,152 votes for Wilson were only 42 percent of the total.)

The tycoons got all they wanted in Woodrow Wilson – and then some. They rejected him somewhat after World War I, but only as regards his advocacy of the League of Nations – which is another story and because, after he had done his duty in suppressing the Democratic left wing, the political darlings of Wall Street, the Old Guard Republicans, could now pluck the fruits of world war victory.

Looking into the story of Wilson's election – and the defeat of Taft and Roosevelt – reveals not only the maneuvers that accomplished this but also how various capitalists could wield the power to swing whole political parties behind one leader or another. We now find out how much they controlled the election process and how much democracy was contained in the U.S. democracy of 1912.

Roosevelt's first move in 1912 was at the Republican Convention, where he tried to get the official nomination before accepting the nomination of the Progressive Party, or even establishing that party. This alone casts a peculiar light on the wild enthusiasm and middle-class idealism that emanated from the Progressive Party of 1912.

By some accounts he just went through the motions at the Republican gathering, well aware that he could not be nominated there. By others, he made a serious try – or would have made one, except that the convention refused to seat his delegates. And this got him “fighting mad.”

There was a strong logic on the side of his really trying to get the official party nomination, however. He was so popular with the

general electorate and perhaps still acceptable to a number of conservatives that he could be a winner. But a winner was not exactly what the Old Guard of the party, especially the more conservative senators, wanted – if that winner was Roosevelt. He had stepped on too many toes and wounded too many dignities. These powerful elements were more interested in ruling the party so they could pick future presidents than they were in winning with Roosevelt as their standard bearer. So they gave him the ax. Said his leading biographer, Henry F. Pringle:

TR, tossing his hat into the ring, had no other idea but a fight to take the regular Republican nomination from Taft. The time for revolution [meaning into the Progressive Party – V.C.] would not come until the G.O.P., following the ruthless methods that had prevailed at every national convention in history, refused to seat Roosevelt delegates. Then arose Roosevelt's cry of fraud, and he decided to abandon the associates, with whom he had marched through all the years, down the middle of the road.⁴⁸

In other comments, Pringle implies that Roosevelt was just going through the motions during the whole Republican Convention. But this ought to be seriously discounted.

Roosevelt arranged for the governors of several Midwestern states to petition him for permission to sponsor him at the Republican Convention. Pringle himself names seven of them. And he made some other major attempts to influence the convention.

But all his efforts failed to get him the coveted victory. And, of course, it would be underestimating the magnitude of his ego to suppose that he could be objective enough to see at every step how inevitable his failure was going to be. There were some unknowns that are still unknown today. For instance, how many of the Old Guard delegates were turned around by big business in addition to the biggest leaders?

The majority of people certainly seemed to want to vote for Roosevelt. If they only could get the chance, why should they not do so? He was well aware that the system, did not work that way. But he could be pardoned for thinking that the Old Guard might

want a victory badly enough to run him as the candidate when they knew Taft would lose.

He was somewhat blinded by ego, of course. But he had certain illusions as well that contributed to his misunderstanding of the role of big business.

Just to take one of his rather liberal and somewhat logical positions and show how it wouldn't work, let us consider his repeated phrase about "malefactors of great wealth," which he blared more vociferously than ever in the 1912 campaign. Knowing his personal background, we can assume he did not want to send these particular malefactors to the guillotine. But on the other hand, he most likely did consider them to be bad citizens, as he declared them to be – harmful to the stability of society. And why not?

Here were people with \$100 million – and some with fortunes approaching one billion. Even the \$100 million fortunes were more like a billion or two billion in today's money. And he was judging on the basis of the millionaire consumer, not the billionaire producer. Why should anyone want or need \$100 million?

The interest on \$1 million at 5 percent is \$50,000 a year – \$1,000 a week. At that time this should have kept any family in all ordinary personal luxuries without any undue sweat. Money was worth ten to fifteen times then what it's worth today.

The interest on \$1 billion at 5 percent comes to \$50 million a year. And that was old-fashioned golden money, equal to more than \$10 million a week today.

But Roosevelt was thinking like a consumer, not a producer. His knowledge of capitalist economics (which he understood mostly at the water's edge outward in the form of imperialism) did not tell him that even a billion or 10 billion income was never quite enough, because the corporations needed money to expand

their operations. And, if they couldn't expand, they might have to go bankrupt.

However, economics or no economics, the basic membership of the Republican Party would have voted for him. He ran in several primaries (there were many fewer primaries then) and won more than Taft did – including Taft's home state of Ohio! There is no doubt he would have been the Republican nominee if the rank-and-file membership had made the choice.

He made an appeal for a progressive program at this convention and apparently did not try to straddle the issues as so many big politicians do. This lost him still more of the delegates' votes. Even this sudden intransigence might not have meant he was preparing for a break. But for big things to swing into place, some advance preparations do have to be made. And the Republican split in 1912 was indeed a big thing, as was the formation of the Progressive Party.

In retrospect, this formation was not unlike the opposite tendency in 1896 when the independent People's Party all but merged with the Democrats to run Bryan on a program of middle-class radicalism. Many of the slogans and demands were again the same – such as income tax on the rich, votes for women, popular election of senators – and the defiance of the ruling powers in the Republican Party rivaled that of the Democrats in the earlier contest.

One big difference, however, was the fragility of Theodore Roosevelt's resolve. While Bryan remained in the struggle for decades after 1896 and continued to oppose big business as far as he could in the way he understood things, Roosevelt folded up before the 1916 election. He became one of the most vociferous of the warmongers, accusing Wilson of cowardice for not getting the U.S. into the war.

Of course, Bryan occupied the more comfortable position of a politician who never made a formal break with his party, even

though he led a great rebellion against its leadership.

But Roosevelt had been president of the United States for nearly eight years and did have a fighter's instinct – without a fighter's staying power. This came from political rather than psychological causes. Roosevelt had no really deep convictions about the progressive path on which he was now embarking. Rather he was responding somewhat histrionically to the popular radicalism of the moment, trying to ride it to power with whatever degree of "sincerity" he could.

CHAPTER 25

1912 Democrats on the 'right' track

George Washburn Perkins was one of the line of king-makers and presidential advisers that had begun with William Whitney and the election of the Democrat Grover Cleveland in 1884. Perkins had actually entered the political picture nearly two decades before the 1912 election. He was a close adviser to Albert Beveridge, the imperialist-minded liberal senator from Indiana. And he was so close to Theodore Roosevelt that the latter showed him practically all his major speeches before delivering them.

Perkins was a partner of J.P. Morgan. After 1900, he left active participation in the Morgan office and devoted himself full-time to politics. Unlike Whitney and Hanna, he took neither cabinet position nor senatorial honors. And unlike Vice President Levi Morton, the big banker who also became a Morgan partner, he never held elective office.

While fundamentally continuing the process begun by Whitney, he had to play a more complex role. According to some authorities, he was the real force behind the Progressive movement – that is, the Roosevelt and senatorial part of the movement.

Together with Frank Munsey, a publisher who was also a Wall Street stock speculator close to the Morgans, Perkins provided the core of financial support for the new Progressive Party. Naturally, in advocating this party with Roosevelt, he assured the latter that funds would be forthcoming. The funds came, but in nowhere near the amounts necessary for such a countrywide campaign to approach success.

At the same time, Perkins sponsored the publication of a newspaper in New Jersey, the *Trenton True American*, which only saw the light of day for the period of the election campaign. It

supported the candidacy of Democrat Woodrow Wilson and was mailed all over the country.

While Perkins's role in the paper is publicly known today, it was fairly secret at the time. But Roosevelt must have known about it. How could he possibly have squared this with Perkins's apparent interest in progressivism and in Roosevelt's candidacy for the Progressive Party? Is it conceivable that anyone pouring his or her energy into a new party of any kind would want to contribute to a rival political party to defeat the new one?

It was actually the oldest political trick in the world.

That is, Perkins's support for the Progressive Party was the trick; his support for Wilson and the Democrats was the aim of the game. The support for the Progressive Party, needless to say, made sure under the circumstances that the Republicans would lose and Wilson would win.

There is no record of Roosevelt having any kind of showdown with Perkins over this. Perhaps he closed his eyes and resigned himself to it in the hope that he could still win anyway, that although he was the victim of a maneuver, he could still overcome it all by sheer popularity.

Woodrow Wilson was on the right wing of the Democratic Party. He was an open opponent of William Jennings Bryan and a racist Democrat of the "solid South." He was well known to the Wall Street money crowd as a fund raiser for Princeton University, of which he had become president in 1902.

The Wall Streeters made him their chief candidate in a series of secret maneuvers. These are now known, primarily because Wilson himself was so deceptive and disloyal to his friends and supporters that several of them told "the whole story" about his candidacy.

Being a university president, he had an aura of liberalism about him that appealed to the electorate in those tumultuous days.

But with such conservative personal views, he could be depended upon, or so it seemed, to bring the Democratic Party “back to its senses,” safely ensconced in Wall Street’s golden bosom.

Like the Republicans Roosevelt, Taft, and McKinley, and like the Democrat Cleveland, Wilson had a Wall Street angel hovering over him. This angel’s name was George Harvey.

Harvey was an editor of *Harpers* magazine who was appointed by Harper Brothers to be publisher of the company’s several magazines and books. He was an experienced political operator with enough very high connections in the ruling class to make his operations effective.

Harvey was a very talented, even brilliant journalistic servitor of the big rich who had proved himself quite useful in lining up “opinions” in syndicated columns to help the plans of some of the Morgan interests. (This was before quite so many newspapers were owned outright by the same corporations.)

At this particular time, the Morgans were helping Harper Brothers through bankruptcy and were reorganizing the company. Harvey’s relation with the Morgans was close and friendly.

Whether Harvey coordinated his pro-Wilson activities with Perkins is not known. But it is probably not necessary for our understanding and analysis of the election of 1912. Harvey played the Democratic side of the street while Perkins played the Republican and Progressive. Each of them did a masterly job at it.

Harvey was probably not as able as Whitney, and certainly not as wealthy as Hanna. Perhaps he was even a little light-minded, as the following incident, related by Harvey’s biographer, Willis Fletcher Johnson, shows:

At a dinner party given in 1919 by one of the leaders of New York society, the guests were in a merry political mood and vied with each other in guessing who the next chief executive would be. Harvey refused to join in, because, as he said with modest humor, "I know who it will be." But he agreed to write down the name of the winner and seal it in an envelope to be opened after the Republican Convention of 1920. When the great lady opened the envelope in the summer of 1920, she found the name "Warren Gamaliel Harding."⁴⁹

Neither Perkins nor the other king-makers would have been so indiscreet as this. But Harvey, by this little show-off, has given us invaluable evidence that the big money does choose the presidents.

Harvey first decided upon the candidacy of Wilson well before the 1908 campaign, but knew he had to build his candidate up for a time. Thus it was that Wilson ran in 1912.

Wilson first came to Harvey's attention – at least as a presidential possibility – when the former submitted his five-volume *History of the People of the United States* to Harpers. Harvey was so impressed with it, so the story goes, that he immediately sent for all Wilson's other writings and studied them with a view to Wilson's qualifications to be president.

Actually, he must have been acquainted with Wilson for some time before this, mostly through Wilson's little fund-raising speeches for Princeton among the wealthiest New Yorkers. What probably impressed him most about Wilson's history was his clear support for the new imperialism and his open rejection of Bryanism – which were clearly stated in the book.

If the majority of people had read this Wilsonian exercise, it is somewhat doubtful that they would have given him even the plurality of votes he received, much less a majority. For one thing, he showed his racism and his contempt for foreigners just as blandly as he would have talked about the color of his necktie.

He differentiated, for instance, between southern and northern Europeans, saying only the latter were desirable citizens of the United States.

He was apparently embarrassed that the early white population of Georgia was mostly composed of prisoners, so he explained in his book that they were only prisoners for debt and not real criminals, a fact that he could not verify any better than we can. (He spent much time in Georgia before becoming a professor at Princeton.)

Unlike Theodore Roosevelt, who kept silent on the matter, Wilson was unabashedly reactionary on the question of Reconstruction, if not the Civil War itself. Roosevelt hardly ever discussed the Radical Republicans and Reconstruction in his official or unofficial writings. No doubt he was ashamed of these political ancestors. He was careful to describe his father, and by implication himself, as a "Lincoln Republican" in his autobiography, by which he meant that he supported the Emancipation as a "war measure" to end the Southern slaveholders' revolt, and not for its own radical and human merits.

Wilson, however, did publish his opinions about these things on several occasions. One quotation will suffice. It is from a historical essay in the *Atlantic Monthly* of January 1901 entitled "Reconstruction in the Southern States." The following paragraph tells it all.

An extraordinary and very perilous state of affairs had been created in the South by the sudden and absolute emancipation of the Negroes, and it was not strange that the Southern legislatures should deem it necessary to take extraordinary steps to guard against the manifest and pressing dangers which it entailed. Here was a vast laboring, landless, homeless class, once slaves; now free; unpracticed in liberty, unschooled in self-control, never sobered by the discipline of self-support; never established in any habit of prudence; excited by a freedom they did not understand, exalted by false hopes, bewildered and without leaders, and yet insolent and aggressive; sick of work, covetous of pleasure, a host of dusky children untimely put out of school.⁵⁰

Beneath his restrained and polished language is the same sharp harpoon of racist hatred heard in the fulminations of the vulgar

Southern lynchings of the U.S. Senate in that same period.

Harvey, in his capacity as editor of *Harpers* magazine (which we quoted earlier in connection with the vituperations against the Bryan Democrats), was well aware of Wilson's attitude on this important subject, too.

Accordingly, he floated his first trial balloon in the South. He made a speech in Charleston, South Carolina, in which he advocated a Southerner for president on the Democratic ticket. This was in 1904, just after Judge Alton Parker, the conservative New York Democrat, had been defeated by Theodore Roosevelt, the Republican Progressive. The speech, which created a mild sensation, was widely reported in the South and drew some national attention, too.

Two years later, Harvey definitely put Wilson's hat in the presidential ring at a private dinner for the bigwigs of New York finance held at the Lotus Club. J.P. Morgan and others were in attendance, and Harvey's speech caused quite a stir.

Practically spelling out the motive of the big capitalists in backing Wilson, Harvey said:

As one of a considerable number of Democrats who have grown tired of voting Republican tickets, it is with a feeling of almost rapture that I occasionally contemplate even a remote possibility of casting a ballot for the President of Princeton University to become the President of the United States.⁵¹

This was an ingenuous way of saying, "It's about time that we, the real ruling class, put a final end to this radicalism of the Democrats and make the party more like the Republican."

A few other less influential people had mentioned Wilson for the high honor, but with infinitely less effect. Harvey's biography compares this Lotus Club nomination with "Columbus's discovery of America." Leif Eriksson, not to speak of the Indigenous peoples, were here first, but that didn't count in the history books. Harvey's nomination, unlike other proposals, took root and became a living force from that time on.

That Lotus Club dinner was attended by most of the wheelers and dealers who would really choose the president, even though they had to wait until 1912 for this particular one.

Harvey then proceeded to sing a constant refrain for Wilson in his publications. However, his plans suffered from the fact that it was mainly his own project, even though the Morgans and others were favorable to it. So he got the help of Joseph Pulitzer, editor of the *World* newspaper, and persuaded him to run a lead editorial on January 10, 1908, supporting Wilson.

This might have been meant for the 1908 election, but Roosevelt's sponsorship of Taft was so powerful with the people and so acceptable to at least the Rockefellers, if not the Morgans, that Taft won both the nomination and the election very easily.

Harvey had once been managing editor of the *World* and was a good friend of Pulitzer. So Pulitzer let him write the editorial himself, although this was kept secret from both the *World* staff and the general public. The editorial began:

If the Democratic Party is to be saved from falling into the hands of William Jennings Bryan as a permanent receiver, a Man must be found – and soon. Dissociated opposition will no longer suffice. There must arise a real leader around whom all Democrats uninfected by Populism, and thousands of dissatisfied Republicans, may rally with the enthusiasm which springs only from a certainty of deserving success and at least a chance of achieving it.⁵²

The editorial mentioned Wilson by name. It identified him as from the South as well as being president of Princeton. Observed and quoted all over the country, it made Wilson “the recognized candidate of an influential section of the Democratic Party,” says Harvey's biographer, who also presents an interesting rationalization for the failure to pursue the 1908 nomination. It is both cynical and naive – or at least mechanical– but is worth thinking about.

Harvey's beliefs were summed up by his biographer:

One candidate must stand for the opposite of what the other candidate stood for. Thus, in 1896 and 1900, the Conservative, gold-standard McKinley was opposed by the Radical, free-silver Bryan. In 1904, Roosevelt was a pronounced Progressive, and the Democrats opposed him with the Conservative Parker. Now, in 1908, the Republicans had nominated Taft, who, despite Roosevelt's sponsorship of him, was more Conservative than Progressive and was certainly at the very antipodes of Radicalism. It behooved the Democrats, therefore, to nominate a decided Progressive. But Wilson was a Conservative, and it would be illogical to set him against the Republican Conservative, Taft. There was not time to transform him into a Progressive. Such a conversion, especially while out of office, would seem too sudden to be true. So Harvey shrewdly chose to keep his candidate not a 'stand-patter' nor a reactionary, but what might be termed as an open-minded Conservative, waiting to see what would happen in 1912, or before, and whether it would be necessary for Wilson to run then as a Conservative or a Progressive.⁵³

If this was the true situation, then Harvey was saying that it was better for Bryan to have the Democratic nomination in 1908. And the truth is that Taft was not at all distasteful to big business at the time of his election. Known as a judge and legal worker, governor general of the Philippines and secretary of war, a personal friend of the Rockefellers, he could hardly have better credentials as a member of the ruling elite. As the choice of Theodore Roosevelt, he would be a good vote-getter as well.

Indeed, this may have strongly influenced the Morgans, Rockefellers, etc., enough to treat a Wilson candidacy with only tepid enthusiasm at that time. It took Taft's ineptness in office and his innocent continuation (through his administration) of some of the more serious "trust busting" against Rockefeller's Standard Oil to convince the Rockefeller group that he should be replaced. His moves into the no-no area of the Morgan empires would temper the enthusiasm of the Morgan crowd and lose the support of Roosevelt, if not the rest of the Progressives.

CHAPTER 26

1912 King-makers, God and Wilson

For Woodrow Wilson to be able to go directly from being president of Princeton University to president of the United States was quite a long jump, indeed, and probably would have required a greater public dissatisfaction with the other candidates than seemed apparent.

So king-maker George Harvey conceived the idea of making Wilson governor of New Jersey in 1910, as a prelude to the struggle for the Democratic nomination for president of the United States in 1912.

Harvey had been a newspaper editor in New Jersey and was well acquainted with the political leaders of that state. They were well aware of his connections with big money and listened to him respectfully. James Smith, the Democratic political leader of the state, was especially willing to do his bidding and even to withdraw from the race for U.S. senator when that proved necessary to achieve Harvey's aim.

After a great deal of wire-pulling and innumerable maneuvers of all kinds – big, small, principled, and unprincipled – Wilson was finally nominated to run for governor by a Democratic Convention that didn't know him and hadn't even seen him. He redeemed himself by making an inspiring acceptance speech (driving in from a nearby town where Harvey had stashed him for the big moment).

Thus Wilson became a national figure.

While he was governor, the political battle heated up. Some of the local politicians broke with him because he was too conservative. When he saw which way the wind was blowing and how important it was in those times to be a liberal, if not a progressive, he broke with James Smith, who was known to be

the immediate architect of his Jersey victory. And then he broke with Harvey himself!

Harvey's connections with the Morgan financial group were well known to all the more politically sophisticated people. And so they had attacked Wilson for being a stooge of Wall Street. Wilson, who was closer to Wall Street than many a crooked small-time politician, then said he wanted no support from Harvey. This was Wilson's own decision and not orchestrated by his managers at all. Harvey, to his great credit as a master politician, put his wounded feelings in his pocket and simply took Wilson's name off the masthead of his *Harpers* editorials, lying low for a while.

But Wilson, for all his other talents, knew very little about U.S. politics and was completely unable to navigate the treacherous waters of presidential maneuvers without both the abilities and the connections of George Harvey to help him. So a reconciliation was arrived at.

The break was significant, however, because it showed how far Wilson was willing to go to be president. And like many another super egotist, he actually thought it was his own great talents that got him the job. For instance, he told his presidential campaign manager, William F. McCombs:

"I owe you nothing. . . . It was ordained of God that I should be president." This was after an exhausting campaign and finally a nomination on the forty-sixth, ballot at the Democratic National Convention.

McCombs, who later became chair of the Democratic Party, told this story on himself. He may have exaggerated, but you don't make up things like that. And if you do, you don't expect it to be taken seriously.

It is true that Wilson made some of the campaign decisions himself. For example, like Roosevelt, he felt the strong wind of popular antagonisms to Wall Street. In one of his very first

speeches, he came out for the right to put initiatives and referendums on the ballot, which he had always opposed in the past. He did not have his ear so close to the grassroots as to invite the grasshoppers in, but as a man with a strong character, determined to be president, he was not a mere echo of his Wall Street managers. But this conservative's decision to run as a "progressive" did not upset his canny managers, either.

At the Baltimore convention, his forces were outnumbered for a long time. Had it not been for the two-thirds rule, Champ Clark of Missouri would have been the nominee, since he gained a majority on the tenth ballot. (This was the first time any Democrat received a majority at the convention without going on to get the necessary two-thirds. It is also interesting that where Clark and Wilson had run against each other in primaries, Clark had usually won.)

The Bryan delegates were opposed to Wilson on the basis that he was too close to Wall Street. So McCombs and Harvey, especially the latter, maneuvered to convince Tammany Democrats of New York to vote against Wilson but not for Clark. This vote against Wilson finally convinced Bryan that the New York money crowd was against Wilson and he would be in the left wing of the Democratic Party. So Bryan threw his large voting strength to Wilson.

Wilson himself, says McCombs, was for throwing in the towel at several points. His pride and ego conjoined were too much to endure the long drawn-out scramble for votes and the humbling, handshaking "stroking" that the situation required.

But given all the unknowns and all the possibilities, the nomination was truly remarkable. It was especially remarkable in light of the plans of the big moguls of New York finance. George Harvey's feat in getting Wilson elected – of course with the collaboration of George Perkins and his colleagues – was an even more startling example of the big bankers' ability to control

the elections than the work of Mark Hanna and William Whitney had been earlier.

CHAPTER 27

1912 *Wilson as reformer*

In addition to the powerful forces at the very peaks of society that moved Woodrow Wilson into the presidency ahead of Theodore Roosevelt in 1912, there had to be behind both of them a galaxy of smaller stars who were openly in the act and tireless in their efforts.

Wilson had several other important backers besides George Harvey and William F. McCombs. Grover Cleveland, a trustee of Princeton and a classmate of Wilson's, was of great help, although he stayed mostly in the background. Henry Morgenthau, of banking and real estate, and Cleveland Dodge of Phelps, Dodge & Company joined much more visibly in Wilson's campaign than the Harveys and Morgans.

They were neither so skilled nor influential as Harvey, but were wealthier and much more interested in Wilson personally, whereas Harvey's main intention was to revamp and reform – or rather counter-reform – the Democratic Party itself.

Cleveland Dodge received favors from the Wilson administration for his support. To repeat what may not be necessary to repeat, while the very large political donors often invest in a sort of impartial democratic philanthropy for all capitalists, they seldom forget their own particular interests.

Henry Morgenthau was of a different type, however. He was appointed to important ambassadorial positions by Wilson but was apparently not involved in any shady business dealings that required government assistance.

He worked full-time in politics from 1912 onward and quickly became a leading Democrat, having quit the Republican Party in the wake of Theodore Roosevelt's gigantic split. He had retired from his very profitable New York real estate speculation activities to do just this, as a sort of "civic duty."

Morgenthau was so skilled in real estate that nearly all the directors of the National City Bank, including at least one Rockefeller and one Morgan, had at one time gotten a huge pool of speculative money together and commissioned him to invest it in real estate at his own discretion. Morgenthau's connections with these important bank officers constituted another channel for Wall Street influence on Wilson.⁵⁴

Colonel Edward M. House was the most famous and publicized millionaire in the Wilson team. House was a banker, but was somewhat anti-Wall Street in his outlook. On one occasion he advised Wilson to break with Harvey, the Morgan-Rockefeller mouthpiece. Wilson had already broken off with Harvey once before, but found the relationship vitally necessary for his campaign.

In a surprising twist, Wilson early in his first term not only repudiated some of the political "bosses" and right-wing forces who had nominated him, but he also made an appointment that satisfied most of the country that he was in earnest about uniting and liberalizing the Democratic Party. This was his appointment of William Jennings Bryan to the position of secretary of state. The appointment may have been due to House's influence.

Bryan resigned the position in 1915, however, because of his opposition to the United States getting involved in World War I. He was replaced by Robert Lansing, a tireless emissary for J.P. Morgan.

When one remembers that Bryan's resignation was two and a half years before the actual U.S. entry into the war, the upper-crust reaction to it seems almost hysterical. The ordinarily sober *New York Times* editorialized about it as though Bryan were soft-headed, much as an extreme right-wing organ today might take someone to task for being "soft on communism."

Under the headline "The Bryan Idea of War," the paper wrote:

He proposes that the question of whether there shall be war or not shall be voted on by the nation, women included. [This was before women had the legal right to vote – V.C.] Lock Mr. Bryan in a cell incommunicado, deprive him of books and take away his writing materials and he would still be a happy man, for he could delve into his mind morning, noon and night and always bring up something that would astonish him.⁵⁵

Of course, the majority of ordinary people opposed getting into the war, but the right wing – or “war party” – could always make the leading anti-war figures look like impractical dreamers or even flabby cowards.

Wilson himself played the anti-war game somewhat in the way Julius Caesar had played the democrat, refusing the crown – each time more weakly than the last.

At the very time the Morgans were moving into the secretaryship of state, Wilson was still posing as a liberal and actually sponsoring some liberal legislation. His liberal stance, at least for some of the pre-war years, raises an interesting question and to some extent answers it. That is, how much can the pressure of the electorate on the nominee affect the nominee’s real political program?

We have seen that Theodore Roosevelt, the Republican, changed his political image drastically while in office. The Democrat Woodrow Wilson changed his image, although not by as much, to gain his office, and did sponsor some progressive legislation.

In later years, the reconstituted Democratic Party, by then more or less free from Bryanism, was to become the apostle of the New Deal, which was relatively quite radical.

In the 1930s, the dissatisfaction of the great masses was obviously the whip that beat the Democratic Party into more radical shape. On the other hand, the unanimous Supreme Court school desegregation decision in 1954 was handed down by the Republican Earl Warren. And its implementation was officiated over by the Republican President Dwight Eisenhower. Again, the stirrings of the Black people were evident and the desegregation

move was probably calculated to eliminate any greater Black protest.

In the Reagan years, the Republican Party moved so far to the right that any such phenomenon would seem impossible to duplicate now. But the Democrats have also attempted to move to the right in recent years, feeling the majority of the voters would accept a more conservative program. However, this has produced new contradictions, which may or may not be resolved by the Clinton administration.

Under capitalist democracy, the parties do have to reflect, at least to some degree, the feelings of a large section of voters. A great upsurge or "sea change" in the population will lead to certain adjustments in at least one or another ruling political party. And this is all independent of our main thesis: that Wall Street dominates the political parties and by that token, however flexibly, it rules the country.

It was during Wilson's reign that the Sixteenth Amendment, providing for an income tax, was passed. So was the Prohibition amendment and one for women's suffrage. He had not been in favor of any of them but nevertheless basked in a certain liberal glow because of them. He was more responsible for the creation of the Federal Reserve banking system, which had been a demand of the Bryanites but turned out to be an instrument of the biggest New York banks acting as a "central bank" for the government.

The income tax at that time was directed mainly against higher incomes, and remained so until World War II. The first payroll deductions were taken from the working people only in 1942.

Wilson had at first been opposed to child labor laws, farm subsidies (which really were meant for small farmers in those days), and the eight hour day for railroad workers. But he finally caved in and supported all these measures. As one well-informed writer put it:

Wilson planned to push through Congress a minimal program of unavoidable legislation touching on banking and big business. This, hopefully, would keep the progressives at bay until Wilson felt it politically safe to declare – as he would actually do in November 1914 – that all remediable grievances had been remedied and the business of reform was at an end. Wilson’s chief concern was that the enacted legislation look as though designed to demolish the money trust; that his anti-trust laws look like the comprehensive attack on monopoly that he and the Democrats had promised the voters in 1912. [56](#)

While it may seem odd to us now, the creation of the Federal Reserve Board was also supposed to be a concession to popular feeling and a sort of discipline for bankers. Actually, it was really the establishment of a central national banking institution that gave the bankers, especially from New York, a new political as well as economic power.

The conservative press of both parties would duly praise Wilson’s Federal Reserve Act as a milestone of reform legislation, but reform leaders in Congress would assail it for what it was – a “big bankers’ bill,” in Senator La Follette’s words, that actually legalized the money trust it was supposed to dismember.[57](#)

The people had somehow got the idea that government rule over the banks would straighten out the money system to the benefit of the whole people. Whatever partial truth there was in this proposition was more than negated by the bigger control the banks got over the economy, however. One writer expressed the situation at the time as follows:

For several months [William G.] McAdoo and [Colonel] House had engaged in a tug of war over the selection of the Board. McAdoo argued that the appointees should be men in sympathy with the administration’s broad policies, House advising that the president choose leading bankers and businessmen. . . . When the membership of the Board was announced, it evoked almost unanimous approval from bankers and business leaders. Progressives, on the other hand, were shocked and astonished. “Why, it looks as if Mr. Vanderlip [president of the National City Bank] of New York has selected them!” one progressive Republican senator exclaimed. [58](#)

CHAPTER 28

The preparedness hoax

If Woodrow Wilson intended to be a genuine liberal and reformer, his performance left a great deal to be desired. For example, he and his associates presided over a further humiliation of the Black people when they segregated government office facilities between white and Black. One of the worst examples was in the Dead Letter Office, where Black workers were segregated "back of a row of lockers in a corner of the room."⁵⁹

Princeton University, where Wilson was president from 1902 to 1910, was probably the only major Northern university that absolutely excluded Black students. And Wilson as governor of New Jersey failed to lift a finger for the slightest amelioration of the oppression of African Americans.

Although Wilson took office as a reformer and a liberal, "Wall Street was not disturbed. As George Harvey later wrote, vested wealth accepted Wilson's election 'without serious misgiving'; the capitalists, he said, 'felt no animosity toward Mr. Wilson for such of his utterances as they regarded as radical and menacing to their interests. He had simply played the political game.'" ⁶⁰

However, there is no question that he did move to the left during his first term in office. The program Wilson effected was often compared favorably with that put forth by William Jennings Bryan in 1896.

Wilson's "leftism" nevertheless had no relationship to the program of Eugene Debs, the Socialist Party candidate, which was more revolutionary and oriented to the working people. Wilson was relatively more progressive than the Republicans purely on domestic questions, and then only if one put aside the

eternal double-cross of Black citizens that was the rule with both Republican and Democratic politicians.

Any of the three major candidates would have taken a more progressive position on general social and economic matters, however. The pressure of the masses at this time – that is, the white majority, who had the *de facto* vote – was too great to do otherwise.

It was in this atmosphere that W.E.B. Du Bois, the leader of the left wing of the Black protest movement and active in the socialist movement, supported Wilson for president, quitting the Socialist Party to do so.

Du Bois supported Wilson mainly on the basis of his promises in the 1912 campaign shortly before the election. Du Bois, however, was not merely taken in by Wilson's personal demagoguery but was planning bigger strategy with the Democratic Party as a whole. That is, he seems to have felt that the Democrats' anti-Wall Street line was attracting enough progressives in the North to swing the party nationally into a better position as far as African Americans were concerned.

This strategy persists today, with the Congressional Black Caucus solidly in the Democratic Party. But Du Bois also showed later, in his 1936 book *Black Reconstruction* ⁶¹ that the Democrats as well as the Republicans had been firmly controlled by Wall Street as far back as 1872.

He wrote in the NAACP organ, *The Crisis*, in November 1912:

We sincerely believe that even in the face of promises disconcertingly vague, and in the face of the solid caste-ridden South, it is better to elect Woodrow Wilson President of the United States and to prove once for all if the Democratic Party dares to be democratic when it comes to black men. It has proven that it can be in many Northern states and cities. Can it be in the nation? We hope so, and we are willing to risk a trial.
⁶²

Whatever final vindication this concept may have had, the truth is that one of the biggest waves of lynchings took place within the next two decades after it was written.

Du Bois was most probably basing himself on the idea that the Democrats, especially in the more liberal North, were more progressive than the Republicans in general, including on the race question. In the absence of big revolts such as had occurred in the 1880s and 1890s, the Democrats had begun to become the repository of the hopes of progressives and left wingers. But this was still mostly the music of the future.

The Socialists who stayed with their party not only opposed Wilson but opposed the war. Many, including their leader, Eugene V. Debs, went to jail. Debs was sentenced to a ten-year term, with no mercy from Wilson.

Among the Socialists who turned their backs on their party was Upton Sinclair, author of *The Jungle*, an expose of the Chicago meatpacking industry, as well as several other excellent novels of social protest. He forgot about socialism long enough to support Wilson, particularly in the "he kept us out of war" election of 1916. Sinclair later said, "Wilson fooled me." Still later, in 1932, he ran for governor of California on the Democratic ticket with an "almost" socialist program. And the conservatives of the whole country joined in vituperating and defeating him.

It would have been difficult to find a citizen of Mexico in 1913 to 1917 who viewed Wilson as a liberal or "progressive." The Mexican Revolution, which had begun in 1910, was still going on at this time and Wilson intervened on several occasions, mostly in favor of the big U.S. oil companies and U.S.-owned mines.

On one occasion, when some U.S. sailors were arrested temporarily in Vera Cruz for an infraction of Mexican port rules, the Mexican superior officer apologized to the U.S. admiral, but the admiral demanded that the Mexicans give a twenty-one-gun salute to the U.S. flag to show their sincerity. This the Mexicans refused to do.

Wilson immediately mobilized the whole U.S. Atlantic and Pacific fleets and readied for a major intervention and occupation. He

gave up the idea only because there was so much opposition within the United States. This actually happened and is mentioned in several histories.

It is hardly necessary to detail the thoughtless slaughter of Mexican people that did take place at the hands of a government with such a chauvinist attitude. This intervention and relative suppression of the Mexican Revolution dictated that the United States should have hegemony over Mexico for many years to come, although not exactly in the same form as it had in the years before.

Significantly enough, Bryan, who was still secretary of state when some of this occurred, made no public objection to the Mexican adventures of the U.S. Like many of his contemporaries, Bryan did not understand all the maneuvers between British and U.S. oil companies that were involved in the fighting in Mexico. But he also did not include colonial wars in his code of anti-war positions. Such were the limits of his left-Democratic philosophy – which persist to this day in most of the Democratic Party.

All the while that Wilson was sending troops to Mexico (under the command of General John Pershing, who later was to command the American Expeditionary Force to Europe), he was preaching pacifism in relation to the European war. “There is such a thing as being too proud to fight,” he declared. The Republicans, however, established pro-war Preparedness clubs throughout the country and initiated a Preparedness movement in Congress.

The “war party” was composed of top Democrats and top Republicans. But until the actual U.S. entry into the war, it was the Republicans who preempted the war issue and identified themselves with the Preparedness campaign.

A good argument can be made that Wilson was carefully maneuvering popular sentiment toward war. But in addition to that, it was in the interest of U.S. big business to stay out of the

conflict in the early stages and then pick up the pieces at the end when the European powers were mutually exhausted. Then, with a minimal intervention, they would exercise the deciding power over the ex-combatants in Europe. Wilson and his collaborator, Colonel Edward House, seem to have been well aware of this aspect of things, too.

The sentiment in the U.S. was overwhelmingly anti-war and an early entry in that television-less age would probably not have gained the support of the majority of the people. So Wilson kept talking peace. But he did conciliate with the Preparedness forces. During his first term, in 1915 and 1916, together with Secretary of the Navy Josephus Daniels, Wilson proceeded to build what by 1924 would be the biggest navy in the world, far surpassing the mighty British. In addition, he doubled the size of the army and bought military equipment on what was then a colossal scale.

CHAPTER 29

1916 'He kept us out of war'

Theodore Roosevelt gave some signs to his biographers that he had fully expected to run for president again in 1916 – that is, if there had been no third party in 1912 and the Republican Party had held together.

Some of the biggest capitalists, even in the Morgan stable, seem to have had the same idea – or else, upon reflection after four years of Wilson, they came to appreciate TR a little more. Furthermore, as they looked forward to entry into the European war, they undoubtedly felt he would be a strong and compelling war leader for the country.

A “secret” dinner for Roosevelt was held in December 1915 at the home of Judge Elbert H. Gary, president of U.S. Steel and close to the heart of J.P. Morgan. Besides old Roosevelt supporters like George Perkins(!), Medill McCormick, George B. Cortelyou, and Cornelius Vanderbilt, it included George F. Baker, Daniel Guggenheim, August Belmont (whose grandfather had been chair of the Democratic Party during the Civil War), Jacob H. Schiff, A. Barton Hepburn, R. Livingston Beekman, Frank A. Vanderlip, Frank T. Kellogg, Clarence McKay – and a whole list of Wall Street’s finest.

Many of these names are unfamiliar to us. But they were so impressive to the *New York Times* that it quoted an unnamed top politician as saying:

A survey of those who were present with Col. Roosevelt shows that the financial side of the Republican Party was well represented, and if the financial side has decided to cast its lot with Col. Roosevelt again, the politicians will be brought into line. 63

It seemed that nothing came of this star-studded dinner to further a possible amalgamation of the Republican and Progressive party forces behind a Roosevelt candidacy. But it may have had some other significance than the *Times* implied. That is, the big moguls, many of whom had Roosevelt’s

confidence, may have laid down the law in such a way as to convince him of the exact opposite – that he should definitely not run in 1916.

When Wilson ran for reelection in 1916, his main campaign slogan was “He kept us out of war” (an achievement he did not intend to continue for very long). At the Democratic National Convention, less than a year before the U.S. declaration of war, the predominant feeling was still one of staying out of the “European” conflict.

In the 1916 campaign it appeared that much of the big money crowd was split between Wilson and Justice Charles Evans Hughes. For instance, J.P. Morgan’s man, George Harvey, came out for Hughes. The Rockefellers were also more intimate with Hughes, who was to become their general counsel a few years later. But Rockefeller agents were still prominent in support of the Democratic Wilson, as were the Morgans and their crowd.

Wilson had gotten the Democratic Party back in line. But Wall Street’s favorite was still the Republicans, and they poured a little more money into the latter’s campaign than into Wilson’s. Wilson went to bed thinking he had lost the election, but when he awakened in the morning, the then-slower returns from California showed that he had won.

The country was still basically against going to war and this was reflected in the secondary leadership of the political parties. A rather poignant incident at the Democratic National Convention of 1916 illustrates this feeling rather dramatically.

A leading delegate named Martin Glynn was assigned to make a speech lauding President Wilson for keeping the country out of war. But he went far beyond the limits generally set down or else taken too much for granted by the Wilson floor managers. He recounted the historical incidents in which the U.S. presumably suffered humiliation without going to war. Perhaps his original intention was to use these as a justification for the Preparedness

program, which was now just as thoroughly Democratic as it was Republican. The delegates, however, took up his speech and applauded it in such a way as to turn the whole thing around toward a pointedly anti-war position.

William Jennings Bryan's biographer tells it like this:

Glynn's choice of theme evidently was wholly unexpected by Wilson's managers, and the delegates' response surprised even Glynn. The passages of his address evoking his audience's most intense reception were intrinsically dull, but he had retained them, planning to rush over them in his reading. These consisted of several paragraphs in which Glynn recalled provocative incidents from history to which the United States did not respond with war. . . .

A deft and powerful orator, Glynn cast a spell over the crowd from which Bryan himself did not escape. Seated in the press stand, he was seen to weep with emotion as Glynn depicted the victories of peace. The mood was suddenly jostled when a Texas delegate, leaping onto his chair, yelled, "And don't forget that policy is also satisfactory to William Jennings Bryan." The crowd laughed, and Bryan with them.

Each instance that Glynn cited was received with rapturous cheers, and a pattern of response quickly developed. As Glynn finished his statement of a provocation, delegates from all over the hall yelled, "What did we do?" and the question was taken up in an exultant chant, "What did we do? What did we do?" Glynn answered, "We didn't go to war." A joyful roar greeted this response; men jumped upon their seats, danced about the aisles, waved flags, shouted, and screamed. With puzzlement creasing his face, Glynn read from his text, "American ambassadors who sought to adjust these wrongs were refused recognition and openly insulted at the French court." "What did we do?" came the yell again, and the chant swept around the hall, "What did we do? What did we do?" Glynn answered, "We did not go to war," and again American flags waved and the delegates shouted deliriously. "It was probably the first time in the history of conventions," an observer noted, "that one of them ever became frantic with joy over a mere recital of diplomatic precedents." When Glynn praised or mentioned Wilson, he got only perfunctory applause. 64

This would have been Bryan's opportunity to put the convention squarely on record as opposing entry into the European war that he personally was against. But Bryan was also a "good Democrat" who wanted to see Wilson and the slate win the presidency.

Bryan, standing a solid figure of rectitude, satisfaction gleaming in his eye, raised hackles of fear in good Wilson men. But consternation evaporated when Bryan immediately proclaimed an unlimited admiration for the president and the absolute necessity of the Democracy's continuation in power. Bryan acknowledged he had differences with the president, but raising his voice, he uttered a sentence that

triggered a mighty shout: "I join the people in thanking God that we have a president who does not want the nation to fight." 65

Bryan was as pacifistic as most of the non-socialist opponents of the war, but, like many another of his kind, he was taken in by Wilson, even though he had felt that Wilson's course was leading to war when he resigned his office as secretary of state. In fact, this was so true that it was Bryan's fate to be one of the most important leaders to shepherd the party into supporting Wilson and thence into support of the war itself.

Just to show Bryan's ambivalence, Koenig tells of a speech he made at the City Club of Chicago during the convention.

This time, while extolling the glories of peace, he attacked the follies of preparedness. "If individual pistol toting is a menace to the community," he cried, "pistol toting by nations in logic must be a menace to the peace of the world." He did not want to see "a single American mother's son shipped across an ocean 3,000 miles wide to bleed and die in the settlement of some king's dispute." Wilson was duly nominated, yet it was Wilson's convention less than it was Bryan's. He and his allied orators had created for the presidential campaign of 1916 a theme and slogan that unquestionably were unwelcome to the party nominee: "He kept us out of war." 66

Nor was Bryan wholly innocent about the purport of the Morgan loans to England. He had advised against allowing the Morgan banks to loan \$500 million to England, calling it an act of war. But Wilson had countermanded him.

Anyone looking at actions and discounting words could have easily seen that the road to war was being prepared at a furious pace.

This was hardly unnoticed by the makers and shapers of public opinion. The *New York Times* of August 30, 1916, carried the headline: "Wilson Completes Defense Program - Army and Navy Bills Signed." (The United States entered the war in April 1917.) And with the exception of the excitable Theodore Roosevelt, who practically called Wilson a coward, the ruling leaders of high finance understood Wilson very well.

CHAPTER 30

The 'war to end war'

In every big war of aggrandizement and oppression, both sides must justify it in some way in order to make the masses fight for the cause of their oppressors. This does not apply, of course, to oppressed countries drawn into a war with a view to colonizing them or robbing them directly of their wealth and produce. But in a war between oppressing countries, each of the warring parties tries to occupy the moral high ground of being the innocent victim of a murderous attack by the other. So it was in World War I.

The causes for such war lie deep in the economic and political relations between the rulers of the belligerent countries.

The four-month war with Spain in 1898 had ended with the U.S. acquiring an empire (in some areas, a potential empire) in the Atlantic, South Atlantic, and Western Pacific. In World War I this empire had to be defended from a newly rising Germany, and in World War II from a dynamic new Japan.

It was theoretically possible for the U.S. to stay out of World War I and simply pick up the pieces of the old empires if the war ended in a stalemate, as appeared likely at first. But Germany proved much stronger militarily than old England, while the czarist empire in Russia (fighting on the English side) literally fell apart in the middle of the war. So Woodrow Wilson, while talking like a pacifist, kept maneuvering the country toward war. His maneuvers were mostly based on the concept of "freedom of the seas."

By this he meant that while the U.S. should have the right to use the seas to send arms to England, and England should have the right to blockade Germany, Germany should not have the right to interfere with this process, particularly not by submarine

warfare – at that time the newest and considered the most horrendous type of war.

Germany took big ads in the New York newspapers exposing this false “neutrality” and explaining Wilson’s illogic, if not hypocrisy. But with little effect.

Wall Street’s aid to England and France not only exposed Wilson’s real position; it was also a material drive that itself pushed the U.S. toward war.

The war had broken out in Europe in August 1914. The media, although not as monopolized by the biggest money powers as today, nevertheless were basically pro-war and on the side of the British and French. They had a field day with the German invasion of “poor little Belgium,” although they completely ignored Belgian crimes in the Congo that had been going on for a generation.

The struggle in Europe was so bitter and intense that the whole British army was cut down to half its original size in the first three months. The battles of the Marne, the Somme, and Verdun eliminated hundreds of thousands of soldiers from combat.

In this war of “position,” featuring long trenches and sudden charges, usually of humans against machine guns, the territory won and lost at times was confined to a half-dozen square miles.

Readers of *Hamlet* will remember a scene in which the prince, stopping on a north European promontory on his way to England, sees Norwegian soldiers invading Poland to take a similar small area. He says: . . . I see the imminent death of twenty thousand men, that . . . go to their graves like beds in a fight for a plot wherein the numbers cannot try the cause, which is not tomb enough and continent to hide the slain.” 67

In World War I, of course, they were fighting for much more than a plot of land. They were fighting for a redivision of the world among the great colonial powers. But this was concealed from

the fighters themselves, who always have to be inspired with the highest sort of idealism to sacrifice their young lives in the mutual, mad destruction of modern war.

Even though the opposition to war was still very strong in 1916 and 1917, Wilson seized on every incident to maneuver the country into the conflict. And when he got Congress to declare war on Germany in April 1917, brushing aside all moves for a referendum or popular vote, he said it was a “war for democracy” and a “war to end war.”

The spigots of war propaganda were turned on full blast. There was no television in those days, but the newspapers, magazines, churches, and educational institutions, including the Boy Scouts and the public schools, all fell into line. Young women were instructed to pin white feathers denoting cowardice on the lapels of any men of enlistment age they saw in civilian clothes.

But a large number of individuals, especially those in the Socialist Party (there was no Communist Party yet), refused to be cowed. Rose Pastor Stokes and Eugene Victor Debs were among hundreds of Socialists sent to jail for opposing the war. In August 1914, four months after Rockefeller’s massacre of striking miners in Ludlow, Colorado, and while U.S. Marines were fighting in Mexico, Debs had explained what capitalist war was really all about.

“It is one thing, ye uniformed slaves,” said he, “to fight for your country and another thing to fight for Rockefeller’s oil derricks.

“You never had a country to fight for and never will have so much as an inch of one as long as you are fool enough to make a target of your bodies for the profit and glory of your masters.

“Let the capitalists do their own fighting and furnish their own corpses and there will never be another war on the face of the earth.” 68

While Debs was stumping the country talking to anti-war, working class audiences, the U.S. was making large sales of arms to Britain and France. There was a question of how they would be financed. The Morgan banks formed a coalition of dozens of

big banks and even more small ones throughout the country to make a \$500-million loan to the British government. This money – and more! – was used exclusively to buy war materiel from the United States. Even more exclusively, the purchases were from corporations dominated, owned by, or allied to the Morgans and Morgan-related interests.

Secretary of State William Jennings Bryan had advised the Morgans not to make this huge loan, on the basis that it would surely bring the U.S. closer to war. But Wilson overruled his secretary.

The Rockefeller-connected banker Frank A. Vanderlip wrote in his autobiography, “In the Morgan establishment, for a long time [during the war and immediately afterward] there was an almost godlike knowledge of what the future held in store for those industrial corporations that were in a position to make goods needed overseas.” 69

The godlike Morgans, however, like the demigod Achilles, had a heel. They were mortally restricted by England’s ability to pay back this loan. And the potential English loan payers were even more mortally restricted by the mortality rate of a war that was going against them. If England should lose the war, the godlike Morgans would lose their money and the “industrial corporations” concerned would lose their profits – and their shirts, besides. There would be depression, panic, and general financial breakdown (which happened in Germany after it lost the war).

And, not incidentally, in the minds of the leading politicians, the Democratic Party would be blamed for it all.

Eugene Debs did not know about it, but he would not have been surprised to read the following cablegram that Walter Hines Page, the U.S. Ambassador to England, had sent from London to Wilson just before the U.S. president called upon Congress to declare war.

The wire, dated March 5, 1917, read:

France and England must have a large enough credit in the United States to prevent the collapse of world trade and of the whole European finance. [If we should go to war with Germany the greatest help we could give the allies would be such a credit. . . . Trade would be continued and enlarged until the war ends, and after the war Europe would continue to buy food and would buy from us also an enormous supply of things to re-equip her peace industries. We should thus reap the profit of an uninterrupted, perhaps an enlarging trade over a number of years. . . . Perhaps our going to war is the only way in which our present prominent trade position can be maintained and a panic averted. 70

Thousands of U.S. corpses and mutilated bodies later, this cablegram was still kept from public eyes. It was only made public on October 14, 1934, by the thoroughly capitalist but anti-Morgan Scripps-Howard newspaper chain, which ran it first in the *New York World Telegram*. Later, in 1936, in the middle of the New Deal period, Page's message was reexamined by a U.S. Senate investigating committee – known as the Nye committee – which brought out a number of other startling details illustrating the cynicism of the war-makers.

Eugene Debs paid for his “free speech” against the war with a ten year sentence in federal prison. Walter Hines Page was paid for his cablegram in the following way:

Page had been close to the Rockefellers as publisher of a newspaper in Garden City, New York. It was with their help (and agreement from the Morgans) that he became ambassador to Britain. But not being an especially rich man, he complained to Wilson that the ambassador's salary was not enough to entertain the notables of London on the lavish scale necessary for his position.

The very wealthy Cleveland Dodge, backer of Wilson and semi-partner of Morgan, came through with \$25,000 a year out of his own pocket. This seems to have put Page firmly in the Morgan “family,” both figuratively and literally.*

* By the 1980s, the chair of J.P. Morgan & Company was no less than a direct descendant of our entertaining ambassador of the World War I years. He, too, was named Walter Hines Page.

The opposition within Congress still asserted itself on the day that Wilson asked for a declaration of war. Six senators joined Senator Robert M. La Follette and a larger number of representatives in a vote against the war. La Follette had been a leading figure in the Progressive Party formed in 1912. He made an eloquent speech pointing out the inequalities inherent in the war – the horrors of the front for the poor and the super-profits of the rear for the rich. La Follette had proved himself a man of courage on several occasions. But such was the pressure of the war psychosis and the power of the war propaganda by this time that he was weeping over his speech by the time he finished it. Nearly all the members of the “dear old rotten Senate,” as he later termed it, walked out on him one by one.

The allegedly liberal Wilson never forgave anybody for opposing his war policy or questioning the supposed democratic character of the war. As late as February 1, 1921, nearly at the end of his term and more than two years after the war, he once again refused to pardon Debs. Yet he did pardon a German spy and also admitted in effect that the war was neither a war to end war nor a war for democracy.

Less than a year after the war, in a speech at the St. Louis Coliseum, while advocating a League of Nations, Wilson declaimed quite clearly on what the war had really been all about.

If we do not establish this organization of nations, he said,

. . . then the reaction will change the whole heart and attitude of the world toward this great, free, justice-loving people, and after you have changed the attitude of the world, what have you produced? Peace? Why, my fellow citizens, is there any man here or any woman, let me say, is there any child, who does not know that the seed of war in the modern world is industrial and commercial rivalry? . . .

This war was an industrial and commercial war. . . . Under the League plan, the financial leadership will be ours, the industrial supremacy will be ours, the commercial advantage will be ours, and the other countries of the world will look to us, and shall I say, are looking to us for leadership and direction. 71

Thus Wilson fully understood that not only was war the continuation of politics by other means, but peace should be the continuation of the war – by economic and political means. Yet, to this day, Wilson stands in the Pantheon of misunderstood statesmen because he tried to prevent the next world war by muzzling Europe with a weaker version of the United Nations. To this day, he is mistakenly regarded as the man who was “too proud to fight” and “neutral in thought and deed.”

As for Debs, he had to wait until the Republican Warren Harding became president before he could get a pardon for having said the same things as Wilson, but from a working-class point of view.

Harding, whose administration became soaked in oil and corruption, was human enough and responsive enough to the feelings of the masses in his postwar “back to normalcy” campaign that he did pardon Debs as one of his first official acts. Debs, of course, was loved by the masses, even including many millions who had not voted for him. When Harding pardoned him, the great defense attorney Clarence Darrow was moved to say something good about Harding (which was not easy!).

CHAPTER 31

The secretaries of state and defense

William Jennings Bryan's resignation as secretary of state in 1915 marked the definitive end of an era. He left the government because of his opposition to World War I and his fear that, while President Woodrow Wilson talked so very pacifistically, he was headed toward intervention. Bryan later succumbed to Wilson's blandishments, but that is another story.

Up until this time most of the secretaries of state were leaders of the losing faction of the party in power. This had the effect of healing the wounds of internal political battle and holding the party together. For instance, after James Garfield edged out James G. Blaine for the Republican nomination for president in 1880, he then, on assuming the presidency, appointed Blaine secretary of state. President Benjamin Harrison kept Blaine in the office. Approximately the same thing had happened earlier when presidents William Henry Harrison, John Tyler, and Millard Fillmore all appointed Henry Clay.

Practically without exception, all these secretaries were long holders of elective offices, well schooled in politics, and fully capable in the arts of diplomacy. While this custom had started to die out even in the 1890s, it appeared that Wilson, with his appointment of Bryan, was going to revive it.

However, this procedure abruptly ended in 1915. Bryan's replacement, Robert Lansing, was the son of a banker who married the daughter of a previous secretary of state. Never elected to anything, he had been appointed to several important government commissions as legal counsel.

He served as secretary of state during the crucial years of World War I. He was, says Ferdinand Lundberg, in constant touch with the J.P. Morgan banks during the war.

Nearly all modern-day secretaries, whether or not they had any experience in political office, have been closely connected to the biggest bankers and capitalists.

Charles Evans Hughes (1921 to 1925), who followed Lansing, was not merely a highly successful lawyer and Chief Justice of the Supreme Court. After running for president in 1916, he was promoted to chief counsel for Standard Oil.

Henry L. Stimson, secretary of state under Herbert Hoover, was a first cousin of two partners of Bonbright and Company, a Morgan-dominated utility company. Stimson, a Republican who had been secretary of war in the Theodore Roosevelt administration, was again appointed secretary of war by the Democrat Franklin Roosevelt in 1933.

As a concession to the Morgans, FDR appointed Edward R. Stettinius, chair of U.S. Steel, to be secretary of state during World War II. Dean Rusk, a career man in the State Department at the time, thought Stettinius far “too dumb” to be secretary.

John Foster Dulles (1953 to 1959), the well-known Cold War strategist, was secretary under Eisenhower. He was a Wall Street lawyer connected to the Rockefellers and had been appointed to several important commissions before being named secretary. His appointments included one as U.S. senator from New York to fill a vacancy. He served four months until the term was up, then ran for election and lost. This was his only “elective” office.

Dean Rusk, secretary for Kennedy and Johnson and one of the architects of the Vietnam War strategy, was a Democrat (a liberal New Deal Democrat, at that) and, like several other secretaries, a former director of the Rockefeller Foundation. He had wide experience in government, but always as an appointee.

Henry Kissinger, who had been groomed at Harvard by the Rockefellers, became a star State Department performer in the 1970s without the slightest concession to being elected to anything. When Kissinger married a Rockefeller aide, Nelson

Rockefeller couldn't think of any gift more appropriate than a check for \$50,000.

George Shultz, secretary under Reagan, was president of the Bechtel Company, perhaps the biggest construction company in the world. Before holding that job, he had been dean of the business school of the University of Chicago, which was founded and subsidized by the Rockefellers. Bechtel, by the way, is interlocked with Eastern capital and cannot be considered a "cowboy" interloper in the field of government. Several of its executives have been cabinet officers.

James Baker III, appointed by George Bush, is the son of the biggest banker in Houston, Texas. His most outstanding political qualification seems to have been his role as campaign manager for Bush in 1988 and previous elections. Like Shultz, he represents new capital as well as old. In his confirmation hearings it developed that he was quite a large stockholder in Exxon, the closely held Rockefeller oil company, thus bridging the gap between Eastern and "Western" capital.

It can be shown that just about the same process has been taking place with the secretaries of defense, a position created in 1947. Before that there were only the secretary of war, which meant the army, and the secretary of the navy. The "Defense" Department now includes the air force, army, navy, and the Joint Chiefs of Staff.

From the very beginning, the secretaries of defense were recruited from the biggest Wall Street firms, along with some industrial giants. The first secretary of defense was James V. Forrestal, secretary of the navy under Franklin Roosevelt. His main qualification for that position was his stint as a successful bond salesman for Dillon, Read & Company.

Louis A. Johnson was secretary of defense under Harry S. Truman (1949 to 1950). He served one term in the Virginia legislature. But mainly he was a bank director who got important

appointments in various administrations, including secretary of war under Franklin Roosevelt.

Robert A. Lovett (1951 to 1953) first got his “government experience” with Brown Brothers and Harriman. He then received appointments to various commissions. When he retired, he was a partner of Harriman, which by that time had dropped Brown.

Charles E. Wilson (1953 to 1957), president of General Motors, and Robert McNamara (1961 to 1968), president of the Ford Motor Company, had been mainly concerned with the production of automobiles in their apprenticeship for national defense.

In the nineteenth century the job of secretary of war, contrary to the post of secretary of state, was not regarded as one requiring a high caliber of political understanding. Especially after the Civil War, it was a political plum often given to big wheelers and dealers of the party faithful who could reward their sponsors in industry with big war orders.

Of course, today, we are expected to believe that the executives of GM and Ford would forget their respective companies when it came to war orders. These “whiz kids,” as McNamara was called, were only to give the country the most efficient and economical defense – a “bigger bang for the buck,” as Wilson of GM put it.

How is it that secretaries of state and defense, with the power of life and death over U.S. soldiers, can be appointed from banking and industry, which are such interested parties to any conflict?

We can speculate that the experience with Bryan in World War I brought the real rulers up short.

The age of imperialism was in full swing. The Morgan banks had made huge loans to England during the war. A number of big industries were dependent upon English and Allied money to pay for their prosperity – during and after the war. The question

of the world oil supply, so linked to the Middle East as well as to Texas and Oklahoma, was now at the very heart of world relations. And the bankers of Wall Street dominated nearly all the U.S. companies concerned.

Just as bankers often move into a company that faces bankruptcy or tell a healthy company it is time to expand or contract the business so as to protect their loans, so the international bankers want to tell whole countries what to do.

But then the question arises: Which particular banker should be appointed? How does a president know who is the best bill collector for U.S. high finance?

Generally speaking, party loyalty now plays only a minor role in these biggest appointments.

However, the Republicans did nourish a grudge against Averell Harriman for demonstratively switching his support from their party to the Democrats in the early 1920s. From then on, this scion of one of the richest railroad families in the country was limited to ambassadorial positions and the like. It is thought he might have made secretary of state if he had remained a Republican. But he redeemed himself over the years and by sheer ability – combined with a great deal of money – made his mark on foreign policy.

Even ambassadors have to be screened by the big banks. Lundberg says:

As the rise of international finance capitalism made certain ambassadorial posts of vital importance we find that after the 1890s nearly all the ambassadors to London, Paris, Tokyo, Berlin, Rome, and lesser foreign capitals are the trusted deputies of the Morgan, Rockefeller, Mellon, and other banking camps. ⁷²

This was especially true of the post in London, where international banking was the mainstay of the parasitic old ruling class. But ambassadorships to many countries may still be obtained simply by making big contributions to the winning party here.

Some years ago, a heavy contributor sought an ambassadorship to Sri Lanka (then Ceylon). A Senate committee found he did not even know the name of the prime minister. But it ratified his appointment anyway.

The change in the character of the secretaries of state was only a reflection of a change in their function, which in turn was due to a big change in the U.S. economy. This preceded World War I, although the war speeded up the process considerably.

The war changed the political map of the world in more ways than one, of course. But the war itself was a result as well as a cause.

By examining this new function of the State Department, let us try to determine some of the real causes of the war itself.

Two young radicals wrote about this problem shortly after the war. They described the Pan American Financial Conference, held in Washington in May of 1915.

[The conference] represented the interests of those bankers who were ready to invest in foreign loans, the building of railways, canals, public utilities, and in developing mines and other natural resources. The purpose of the new type of conference was thus described by Secretary of the Treasury William Gibbs McAdoo in greeting the delegates: "The time is ripe for the establishment of closer financial relations between the people of the United States and the nations of Central and South America. . . . In a sense, therefore, the Conference will partake of the nature of a series of meetings between the official delegates of the Republics . . . and the representatives of the Secretary of the Treasury." In reality, the bankers were not the representatives of the Secretary of the Treasury, it was the Secretary who was the representative of the bankers. 73

By substituting the words secretary of state for secretary of the treasury, the same thing can be said of many similar conferences. Behind this change was the change in production and the manner in which most people got their living. The U.S. was evolving from an agrarian to a manufacturing country; from a large association of more or less independent individuals to a still larger association of immense corporations that hired what began to be the majority of the country as their wage workers.

Foreign commerce, which came to about \$93 million in 1880, by 1898 had reached \$223 million. This was not due to any inflation of the dollar, but to the rapid expansion of U.S. companies abroad.

The Bankers Trust Company, originally the Astor Trust and, like all Morgan financial creations, a coalition of some of the biggest and oldest wealth in the country, explained the above development in this way:

In the first century of our national existence, our producers were primarily concerned with meeting the local demand which steadily increased with our enormous growth in population, and were content to leave the foreign markets to the producers of the older countries excepting only those raw materials of which we have always had a surplus. The tremendous development of our manufactures in recent years, however, totally changes the aspect of our trade. We can no longer maintain our conservative attitude of doing business in our own way and on our own terms. The exigencies of foreign trade force us not only to meet the requirements as we find them, but to seek the best methods of stimulating the demand for American products in the markets of South America, Russia and the Orient, if we would more successfully meet the competition of the European producers.

Our prosperity will be permanent only when a market can be found for all the goods we produce. . . . In order to keep invested capital employed at the point of most economical production, by finding a market for all it can produce, our manufacturers are compelled to seek constantly greater outlets in foreign trade. 74

It is interesting that we hear this logic practically nowhere in U.S. history before the 1890s. The age of manufacture is supposed to be the culprit. But the system of distribution has a good deal to do with it, too, and the fact that the system became more and more dominated by monopoly business, higher prices, and the demand for ever greater profits. The earlier farming society demanded imports far more than it needed exports. And even the slave society felt little need for expansion abroad, except insofar as it needed more farmland and more slaves (rather than more markets).

But the new society demanded more government “interference” – that is, assistance. “Big government” really took over nearly a hundred years ago. This aspect of big government was not only

acceptable but vitally necessary for big business. The role of the State Department in it was surprisingly direct.

Right after the war, the armed forces, especially the navy, were busy all over the globe acting as the arm of the State Department for the benefit of the business interests.

In addition to extending commerce through treaties, acquiring naval bases, establishing protectorates, intervening in elections, withholding recognition, and using the army and navy to coerce debtors, the United States government has also acted as a business solicitor for American investors in China, the Near East, and Latin America. Naval intelligence missions sent to various countries of the world not only report on naval matters but supply the Department of Commerce with information about opportunities for investment. 75

CHAPTER 32

1920 Harvey grooms Harding

The election of 1920 was viewed in some quarters as a belated referendum on World War I. There had in fact been an attempt in Congress to hold a referendum before entering the war. It was called the "Ludlow Amendment" after the representative who introduced it. But it failed to pass. The war for democracy did not include any democratic decision to fight the war.

However, the repudiation of the Democratic Party at the polls in 1920 (they came in 7 million votes behind the Republicans!) was a belated anti-war statement. The plurality for Warren Harding was the largest any president had ever received up to that time. It was all the more remarkable considering Harding's character and competence – or rather, incompetence. Harding got 16,133,314 votes to 9,140,884 for the Democratic candidate, James Cox.

Cox and his running mate, Franklin Delano Roosevelt, might easily have been as popular as Harding. But in the postwar letdown, they suffered the same fate as khaki uniforms and songs like "Mademoiselle from Armentières."

Franklin Roosevelt was a "big navy" man who had served as assistant secretary of the navy under Wilson. No one could miss the symbolism of this. His kinsman Theodore Roosevelt had served in exactly the same capacity before becoming governor of New York State and then vaulting into the presidency by way of the vice presidency. Thus FDR's ambition must have been plain for all to see. His slate lost the election, however, and he had to take a slightly different route before ultimately capturing the presidency in 1932. But he, too, would first become a governor of New York.

James Cox was closely connected to Big Oil. He was backed to some degree by Thomas W. Lamont of the House of Morgan.

This seems to have been on the basis of Cox's support for the League of Nations, about which Lamont, unlike the majority of his colleagues, was quite enthusiastic.

Before the Republican convention, the big money had been inclined to bet on the candidacy of General Leonard Wood. But Wood proved to be a slender reed. He got himself involved in a scandal over government confiscation of alien property during the war. At least one of his partners in the deal went to jail.

HARVEY'S PREDICTION COMES TRUE

So the Republicans settled on Warren Gamaliel Harding (just as George Harvey had predicted a year earlier). Harding was a U.S. senator from Ohio with even closer connections than Cox to the Rockefellers and Big Oil. Where Wilson had been able to pretend to be anti-monopoly and anti-Wall Street, no such pretense was possible – or even desirable – as far as Harding was concerned. He exuded capitalist prosperity.

While a number of Morgan people gave strong support to Harding, he probably reported more regularly to the Rockefellers via the Sinclair Oil Company. Morgan partners Henry P. Davison, Thomas Cochran, and Dwight Morrow gave several thousand dollars each to his campaign, as did several Guggenheims, William Boyce Thompson (a big copper man and Morgan ally), and Charles M. Schwab. But so did some big millionaires behind the Rockefellers and the Sinclairs.

Of course, the most memorable event of the Harding administration was the so-called Teapot Dome oil scandal involving navy-owned wells and Sinclair Oil.

It was Will Hays of Sinclair, by the way, who made the virtuous ruling that no Republican campaign contribution above \$1,000 would be accepted. The above-named donors and many others obeyed this ruling by making thousand-dollar contributions several weeks apart, totaling \$10,000 or more. They also had several members of their family contribute, thus creating a large

amount of family values for Harding. (Hays was later to become the arbiter of purity in the motion picture industry.)

GEORGE HARVEY – AGAIN

George Harvey played approximately the same role in this campaign as the old president-makers – Whitney, Hanna, and Roosevelt – had earlier, but not nearly as forcefully. Nor did he have to. The big parties were more demoralized now, at least so far as independent action and popular will were concerned, with the Democrats suffering the same malaise that had afflicted the Republicans in 1912. Furthermore, politics was beginning to be more diffused among a large number of multi-millionaires than before, but not so diffused that the biggest moguls of finance were deprived of having the last word.

In a way, Harvey was even bolder – or more impudent – than the other king-makers. As a well-known Democrat, he could not be a delegate to the Chicago Republican Convention of 1920. But the center of strategic discussion, according to his biographer, was his suite at the Blackstone Hotel. ⁷⁶ Considering his 1919 prediction about Harding, his performance at the Blackstone acquires a special significance.

His colleagues in choosing the candidate were Henry Cabot Lodge, then quite famous as the leading U.S. senator in opposition to the League of Nations; Medill McCormick of the Harvester and newspaper McCormicks; Reed Smoot of Utah; James Wadsworth and William F. Calder of New York State, the former a huge land holder; Joseph Grundy, a fabulously rich businessman of Pennsylvania; Senator Boise Penrose, Pennsylvania political “boss,” and several of his senatorial confrères.

Concealing his real motive for refusing to give the nomination to General Wood, Harvey complained that there were still thousands of women who were singing “I didn’t raise my boy to be a soldier.” Wood was also accused of buying some delegates

to the convention. That would hardly have been much of an obstacle for Harvey.

Harvey was also in constant touch with Joseph B. Kealing of Indiana, who as liaison officer of the convention apparently could swing as many as 600 delegate votes on a few moments' notice.

"There was," said Harvey afterward, "no popular explosion for Harding. There was little spontaneity. He was nominated because there was nothing against him and because the delegates wanted to go home." ⁷⁷ Not a great epitaph, even for a minor president!

GETTING WALL STREET'S BLESSING

While Harding was still president-elect, he called up Harvey in New York to get his okay on some cabinet appointments. Harvey was delighted with the choice of Will Hays as postmaster general (at that time still the main lever for party patronage) and equally pleased with the idea of Charles Evans Hughes as secretary of state. And from some points of view the naming of Hughes was an excellent choice indeed.

Harvey was similarly delighted with the appointment of Andrew Mellon as secretary of the treasury.

Harvey himself was offered the State Department, but he took the ambassadorship to England instead in 1921. He wrote letters to Harding on the merits of velvet-pants versus knee britches at the Court of Saint James. They were published in his biography.

His acceptance of the ambassadorship to Britain had its serious side, however. He, like practically all the U.S. ambassadors to London in the twentieth century, was a trusted votary of big finance here. The following letter he received from the first John D. Rockefeller makes this plain, at least by hint and inference:

"Allow me to congratulate you on the news which reaches me . . . of your appointment as Ambassador to Great Britain. I also congratulate our President on his

wise judgment. You are entitled to this position, I join heartily with our citizens in expressing appreciation for the invaluable services you have rendered your country.

I hear testimony not only to the good statesmanship you have shown, . . ." 78 etc., etc.

'JUST A SLOB'?

When Alice Roosevelt Longworth said that Harding was not a bad man, "just a slob," she was giving voice to a generation of Washington snobs and aristocrats. Today such frank talk is muted, and only paeans to good government are heard at party conventions and other political cathedrals of the status quo.

Harding was one of the few non-millionaire presidents of the twentieth century. He came well draped with the tradition of using government to enrich the political office-holder. White House poker parties and small-time payoffs were the rule.

But his little helpers in big business were hard at work, too. As we said, he appointed Andrew Mellon secretary of the treasury and Charles Evans Hughes secretary of state. Mellon ran up the tax bill for the people of the United States and essentially shifted the war burden onto the masses and away from the big rich. Hughes, with great talent and constant effort, made the U.S. armed might felt all over the world, even though the war was well over. The accumulation of war debts and the campaign for "reparations" from Germany began about this time.

Mellon was one of the five or six richest persons in America, with control over Gulf Oil, American Aluminum, the Mellon Bank, and Koppers Coke, among others. In giving tax breaks to the rich, he did not forget his own case. He rebated a total of \$404,000 to himself during his first four years in office. During the next four years, he had to fend off allegations of malfeasance in the first four. But he was so popular with the golden fraternity that he served under Harding, Coolidge, and Hoover.

By the latter part of the Hoover administration, Mellon was under investigation by the U.S. Senate. Hoover solved that one by getting Mellon out of the country as ambassador to England.

In the nineteenth century, it would have been considered a scandal even to give such a post to a person that rich.

But the early twenties were not all liquor and poker parties. The Washington Naval Conference of 1924 rearranged power in the Pacific in favor of the United States and laid the naval basis for the next war – with Japan. Charles Evans Hughes presided over the meetings for the United States and showed real talent for imperialist diplomacy.

Hughes showed his mettle with an ironclad five-five-three treaty with England and Japan. The English and Americans agreed to make no more than five naval battleships apiece for each three the Japanese built. John Hay's Open Door treaty of 1899 had laid the diplomatic basis for this, but the Allied victory in World War I was, of course, fundamental. Japan had practically sat out the war, but as an allied neutral. The problem for England and the United States was how to keep Japan leashed until such time as a war over the Asian market for commodities and capital goods became inevitable.

Calvin Coolidge became president in 1923 by virtue of Harding's death in office. Coolidge had been governor of Massachusetts and attained countrywide notoriety when he broke the Boston police strike. This strike was particularly militant, with the police showing signs of solidarity with labor. Coolidge called in the National Guard.

The editorialists of the nation raved over Coolidge's "commitment to democracy" in a way that would hardly have surprised Governor John Peter Altgeld of Illinois. Altgeld had been politically destroyed after he protested Grover Cleveland's calling out the National Guard to break the railway workers' strike.

Governor Waite of Colorado was another one of those rare political figures who had alienated big capital. He actually

enlisted the National Guard in support of the miners in a strike at Pueblo.

Coolidge was in the general lineup of Morgan politicians, as was his Democratic opponent, John W. Davis, who had been a lawyer for the great financial mogul. With the prosperity of the country now bearing a Republican label, it was a safe bet that the Morgans would win, and in fact they did. (They would have won with Cox and Roosevelt, too. But not so definitively and having to share power with a few anti-Morgan elements in the big rich.)

Coolidge's level of intellect may be judged by the title of a series he wrote for a women's magazine: "Enemies of the Republic; Are the Reds Stalking Our College Women?" 79

Endnotes for Part I

1 All national election figures cited in this book, unless otherwise noted, have been conformed to those in *The New York Times 1998 Almanac* (New York: Penguin Group, 1997).

2 This vote is reported in the *Times Almanac* as 4,288,546 for Tilden and 4,034,311 for Hayes.

3 Election funds referred to throughout this book can be found in Ferdinand Lundberg, *America's 60 Families* (New York: Halcyon House, 1939).

4 Matthew Josephson, *The Politicos* (New York: Harcourt, Brace & World, Inc., 1938), 98-99.

5 Lundberg, *America's 60 Families*, 55.

6 Howard Zinn, *A People's History of the United States* (New York: Harper Colophon Books, 1980), 252.

7 John T. Flynn, *God's Gold: The Story of Rockefeller and His Times* (New York: Harcourt, Brace and Company, 1932), 348.

8 Gustavus Myers, *History of the Supreme Court* (Chicago: Charles H. Kerr & Company, 1912), 558.

9 Josephson, *The Politicos*, 438.

10 Lundberg, *America's 60 Families*, 57.

11 David Graham Phillips, *The Treason of the Senate* (Chicago: Quadrangle Books, 1964), 80. This book is a compilation of a series of articles that appeared originally in the Hearst-owned *Cosmopolitan* magazine.

12 *Ibid.*, 83.

13 Myers, *Supreme Court*, 574.

14 Milford W. Howard, *The American Plutocracy*, quoted in *The Populist Mind*, edited by Norman Pollack (Indianapolis: The Bobbs-Merrill Company, Inc., 1967), 240-41.

15 Quoted in Louis Koenig, *Bryan* (New York: G.P. Putnam's Sons, 1971), 196.

16 Ibid, 243.

17 Quoted in Henry F. Pringle, *Theodore Roosevelt* (New York: Harcourt, Brace & World, Inc., 1931), 114.

18 "According to the latest unbiased authorities, the number [of the dead] is somewhere between twenty and thirty thousand men, women and children in ten days." Frank Jellinek, *The Paris Commune of 1871* (New York: Grosset & Dunlap, 1965), 370.

19 Quoted in *Koenig, Bryan*, 196.

20 Ibid.

21 Thomas Beer, *Hanna* (New York: Alfred A. Knopf, 1929), 168.

22 Frederic C. Howe, *The Confessions of a Reformer* (Magnolia, MA: Peter Smith Publisher, Inc., 1979), 151.

23 *Editor's note*: The Spanish American War Centennial website contains a well researched column on "Who Destroyed the USS Maine – an Opinion" by Edward P. McMorrow. It concludes that "[O]ne hundred years later it appears that Washington made a mistake in blaming the Spanish for the disaster, a finding which led to the American declaration of war and intervention in Cuba. Even before the loss of the ship, however, there was already a strong American public opinion in favor of intervention in Cuba based on the 'yellow press' coverage of the Cuban insurrection. Thus, there is a good chance that even if the Maine had not been destroyed, some other incident would have caused an outbreak of hostilities between Washington, growing and expanding in economic and military power, and Madrid, struggling to maintain their decaying empire in the Americas." The website's location as of September 3, 1999, was www.spanam.simplenet.com/Mainem02.htm.

24 Lundberg, *America's 60 Families*, 62.

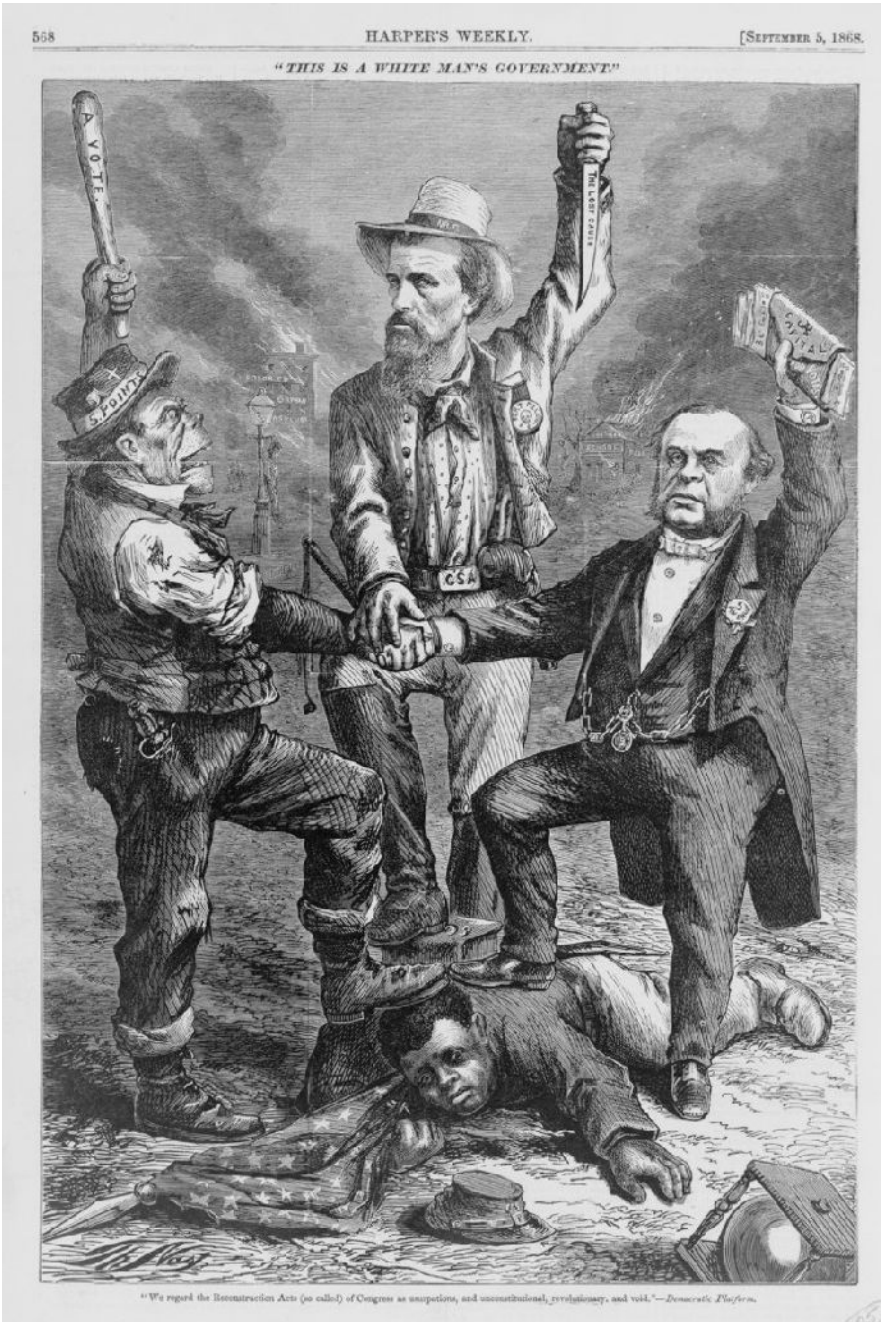
- 25 *The New York Times 1998 Almanac* (New York: Penguin Group, 1997), 149.
- 26 Scott Nearing and Joseph Freeman, *Dollar Diplomacy: A Study in American Imperialism* (New York: B. W. Huebsch and The Viking Press, 1925), 199.
- 27 Quoted in Claude G. Bowers, *Beveridge and the Progressive Era* (Cambridge: Houghton Mifflin, 1932), 119.
- 28 Ibid.
- 29 Ibid., 122-23.
- 30 Ibid., 123.
- 31 Koenig, *Bryan*, 330.
- 32 Ibid., 326.
- 33 Ibid., 326.
- 34 Ibid., 335.
- 35 Gabriel Kolko, *The Triumph of Conservatism* (Chicago: Quadrangle Books, 1963).
- 36 Theodore Roosevelt, *The Winning of the West* (Lincoln, NE: University of Nebraska Press, 1995).
- 37 Theodore Roosevelt, *Thomas H. Benton* (Boston: Houghton, Mifflin and Co., 1899), 51-52.
- 38 Ibid., 114.
- 39 Ibid., 262-263.
- 40 Lundberg, *America's 60 Families*, 83-84.
- 41 Quoted in Henry F. Pringle, *Theodore Roosevelt* (New York: Harcourt, Brace & World, 1956), 249-50.
- 42 Quoted in Phillips, *Treason of the Senate*, 217-224.
- 43 Lundberg, *America's 60 Families*, 100.

- 44 Koenig, *Bryan*, 253.
- 45 Ibid., 452.
- 46 William Manners, *TR & Will* (New York: Harcourt Brace Jovanovich, Inc., 1969), 174.
- 47 Howard Zinn, *A People's History of the United States* (New York: Harper & Row, 1980), 346.
- 48 Pringle, *Theodore Roosevelt*, 390.
- 49 Willis Fletcher Johnson, *George Harvey, A Passionate Patriot* (Boston and New York: Houghton Mifflin Co., 1929), 279.
- 50 Quoted in Rayford W. Logan, *The Betrayal of the Negro from Rutherford B. Hayes to Woodrow Wilson* (New York: Da Capo Press, Inc., 1997), 378.
- 51 Johnson, *George Harvey*, 112.
- 52 Ibid., 133.
- 53 Ibid., 136-37.
- 54 Henry Morgenthau, *All in a Lifetime* (New York: Doubleday, Page & Co., 1921), 39-100.
- 55 *New York Times*, October 19, 1915.
- 56 Walter Karp, *The Politics of War* (New York: Harper & Row, Publishers, 1979), 158.
- 57 Ibid.
- 58 Arthur S. Link, *Woodrow Wilson and the Progressive Era* (New York: Harper and Row, 1954), 76-77.
- 59 Logan, *Betrayal of the Negro*, 364.
- 60 Lundberg, *America's 60 Families*, 120.
- 61 W.E. Burghardt Du Bois, *Black Reconstruction* (New York: S.A. Russell Co., 1935).

- 62 Logan, *Betrayal of the Negro*, 363.
- 63 *New York Times*, December 19, 1915.
- 64 Koenig, *Bryan*, 563-64.
- 65 *Ibid.*, 564.
- 66 *Ibid.*, 565.
- 67 William Shakespeare, *Hamlet*, Act IV, scene 4.
- 68 Ray Ginger, *The Bending Cross: A Biography of Eugene Victor Debs* (New Brunswick, NJ: Rutgers University Press, 1949), 328.
- 69 Frank A. Vanderlip, *From Farm Boy to Financier* (New York: D. Appleton-Century Co. 1935), 248.
- 70 Quoted in Matthew Josephson, *The President Makers, 1896-1919* (New York: Harcourt, Brace and Co, 1940), 530.
- 71 Speech of September 5, 1919, at St. Louis Coliseum in *The Public Papers of Woodrow Wilson* (New York: Harper & Brothers, 1925), vols. 5-6.
- 72 Lundberg, *America's 60 Families*, 65.
- 73 Nearing and Freeman, *Dollar Diplomacy*, 272-73.
- 74 *Ibid.*, 243.
- 75 *Ibid.*, 271.
- 76 Johnson, *George Harvey*, 275.
- 77 *Ibid.*, 278.
- 78 *Ibid.*, 286.
- 79 Lundberg, *America's 60 Families*, 150.

Part II

Rigged Elections, 1876 to 1976



CHAPTER 33

Why only 1876 to 1976?*

* Part II of this book is based on a series of articles by Vince Copeland, called "Rigged Elections: 1876 to 1976," which appeared in *Workers World* newspaper from January 9 to December 10, 1976. This first chapter is a combination of the last two installments in the newspaper. While Part II overlaps the period covered in Part I, which starts with George Washington and ends with Calvin Coolidge, Copeland follows new themes in this series.

This study of U.S. presidential elections was first written at a time when the Bicentennial of the United States was receiving a great deal of attention. Yet these chapters begin with 1876 instead of 1776 – that magical and starry year when "everyone" was "created equal" and from which all blessings, particularly that of democracy, are supposed to have flowed. But there is a reason.

How could the buying and selling of elections be discussed when there just weren't any elections? In New England town meetings, yes. In the white-on-white Virginia House of Burgesses, maybe. But for presidents of the United States, definitely not.

'ELECTING' THE FATHER OF HIS COUNTRY

A dozen years after the Revolution there was a president, but still no election. Or rather, so the story goes, George Washington was elected unanimously. Just who elected him unanimously is not clear.

If those half-frozen soldiers whose shoeless feet left bloody tracks in the snow at Valley Forge had survived, remembering the clinical way he watched them push an impossible wagon without giving them a helping hand, would *they* have voted unanimously?

And the angry farmers of Massachusetts who followed Daniel Shays, one of Washington's captains, in rebellion against new taxes and higher interest – would *they* have voted unanimously for the man who rode up there to shoot them down?

And would his slaves, especially, have been unanimous – if they had been allowed to vote – unanimous in his favor, that is? Nobody ever votes unanimously for the boss, except on those sad occasions when the whole gang chips in for flowers.

And surely the Native people, had they been consulted, remembering that he had helped the British shoot them down without mercy between 1754 and 1763, and aware that he was still exterminating them in favor of huge landholders like himself, might have been less than unanimous.

The numerous debtor class in the infant country – leaving out those in debtors' prisons, who couldn't have reached the polls – would also have been dubious about a man whose chief political adviser was a banker.

The women who, generally speaking, make up half of any human population, were not consulted, either.

For the above and other reasons the unanimous election statistics were not published and nobody should expect an analysis of the ins and outs of that "unanimous" election.

Therefore, interesting as it might be to pursue the trail of those who really did elect George Washington in 1789, it does not fall within the approach of this book, which is to show how a whole popular electorate is manipulated, how one faction of big business steals a march on the others (not counting assassinations), and how, when the people do rise up in the voting booths, they cannot rise very high.

John Adams, too, was "unanimously" elected in 1796, having obtained the agreement of the Virginia and Massachusetts

aristocracies and the previous promise from their respective back rooms that he would be next after Washington.

So it is equally difficult to discuss Adams from the point of view of buying elections.

MISSING BALLOT BOXES

Thomas Jefferson, the third president, was elected by the “Revolution of 1800,” according to the historians. But this “revolution,” which was electoral in character, did not produce any reliable statistics, either. Nor did the elections of his two close political allies, James Madison and James Monroe, in 1808, 1812, 1816, and 1820.

Jefferson, the “progressive” slave master, really did get a few votes from the (white) plebeians, it appears. But he seems to our modern eyes to have operated in a circuit almost as closed as that of his predecessors.

He did do some extremely energetic politicking and acquired some interesting political bedfellows, but he seems to have been above buying elections in the way it is done nowadays and throughout the past century.

He and Madison took a trip up to New York State in 1800 (hoping to outwit the hard-boiled, anti-Virginia clique behind Adams in Massachusetts). And they got hold of the Democratic New York Governor, George Clinton, along with that estimable political and financial hustler, Aaron Burr. Thus they forged a new alliance between the New York banker merchants and a rejuvenated Virginia aristocracy – an alliance that lasted dynamically for twenty-four years and statically until the Civil War.

FATHER OF THE CHASE MANHATTAN

Burr, incidentally, got to be vice president in 1800 as part of this deal (doing his best to double-cross Jefferson and take the presidency).

What made this possible for Burr was simply that he was the main political instrument for organizing the Bank of Manhattan by a certain skillful and slightly crooked legerdemain in Albany. This institution is now known as the Chase Manhattan Bank.

This bank in turn needed a strong representative in Washington to see, among other things, that the Bank of the United States and the Bank of New York didn't crush it at the outset.

The Manhattan Bank was run by a newer capitalist and merchant grouping under the Democratic label and was a deadly financial and political threat to Alexander Hamilton's Bank of New York.

The election of 1824 was the first one after Jefferson in which there was "bad feeling" – the intervening years having been called the "Era of Good Feeling." But it had the great advantage of leaving, for the first time, a record of how many people actually voted. That number was 365,833 out of a total population of well over 10 million – and that total did not include the Indigenous peoples.

WINNING BY A BIG MINORITY

The winner, John Quincy Adams (son of John), received 113,122 votes, defeating Andrew Jackson, even though Jackson got 151,271 votes, *nearly half again as much*. This feat was accomplished by the perfectly constitutional and legally acceptable method of throwing the whole thing into the House of Representatives, because neither Jackson nor Adams got enough *electoral* votes to win.

In the House, the good politicians supported John Quincy Adams because the statesman Henry Clay, who also had run for president, had a few electoral votes in his pocket and still more representatives there, and gave them to Adams rather than to Jackson because he didn't like Jackson. Or so any bourgeois historian will tell you.

All Adams gave Clay for his services was the office of secretary of state. But this was very high-level compared with the

Rockefellers getting the head of the Rockefeller Foundation into that position, or General Motors and Ford Motors getting their respective presidents in as secretaries of defense in modern times.

In 1824, there was still no real corruption of elections – because there weren't really any elections.

John Q. became president with considerably less than 1 percent of the people of the United States voting for him. And this was something of a record. So there isn't much to be said about buying elections with multimillion-dollar campaign funds or bribing ward politicians or getting "free" television publicity at that time.

However, Andrew Jackson, after being cheated of his popular victory in 1824 and often viewed as a second version of Thomas Jefferson because of his popularity with the people – by which they meant the white people – was elected president in 1828. He received by far the largest vote of any president up to that time – a number equal to about 5 percent of the recorded population.

JACKSON AND THE NEW YORK BANKS

This is not to say there was no struggle, no politicking, no temporary alliances, and so on. To the contrary, Jackson got the help of another and much more developed representative of the New York banks than Jefferson had found in Aaron Burr. This character was Martin Van Buren, who was not necessarily so much more skillful a politician than Burr, but who represented bigger banks and more complex constituencies in a now more capitalistic age.

Van Buren had been governor of New York State, which took some doing and required considerable support from the New York City banks even then. But he quit after only a few weeks of his first and only term as governor in order to run to Washington and join President Jackson as an aide and adviser. He became

vice president in Jackson's second term and, in due time, president.

From the end of Jackson's term to the Civil War, the eight presidents who occupied the White House came and went with surprising speed, primarily because of the growing pre-war crisis. They were mostly mediocre – and mostly vicious on the question of slavery. The story of their respective elevations to first Citizen is a seamy one. But the electorate was only slightly bigger, and today's scale of corruption is a technicolor fantasy by comparison.

True, the rapidly growing population created a larger absolute number of people with the vote. And in the 1840s there began the custom of national party conventions. This opened the way to a slightly more modern type of bribery and election horse-trading. But the percentage of the population that voted was still minimal by today's standards.

GENTLEMANLY SLAVE MASTERS

The really important thing was that, regardless of the favored position of the New York banks, the Southern slave owners still ruled the Washington roost. This near-monopoly of power was far more important in restraining the all-out buying of elections than is realized nowadays.

Competition among slaveholders could be quite gentlemanly, for instance. They had to keep themselves united day and night in order to keep the population that served them from rising up against them. Their duels ran more to fights over card games and women than to disputes over charters for banks – as had been the case with Hamilton and Burr.

More fundamental, perhaps, was the fact that, like the British lords, they did not compete with one another for the finite amount of land nearly as much as the vulgar merchants, bankers, and industrialists of the North competed for an all-too-infinite amount of trade, money, and capital. The Southern

landowners' battles over multimillion-acre grants had mostly been fought out at an earlier date.

The fact that the Northern vulgarians could turn capital into land and land into capital so much more easily was one of their greatest advantages over the Southern aristocrats. This, in fact, was only exceeded by their ability to turn human labor into saleable commodities and commodities back into capital. This was on a larger arena and at a more dazzling pace than the Southern traders in human flesh could possibly manage.

But before 1860, this was only a potential advantage because, even when things began to boom up North, the plantation lords were still in the saddle politically, and could hold back their rivals' progress.

Only the Civil War and Reconstruction ended the rule of the old statesmanlike, frock-coated scoundrels and brought about the wide-open cash plunder of the government by the modern scoundrels in that direct communication of big business with the public treasury that inaugurates the modern age.

A MINORITY PRESIDENT WHO REPRESENTED PROGRESS

Is it really fair, then, to let Abraham Lincoln off the hook in an account of undemocratic elections? Whatever his personal character, he ushered in this modern age, so perhaps some will say this book should have dealt with his election first of all, instead of that of 1876.

True, Lincoln received only 39.8 percent of the votes – of those who *did* vote in 1860, and that is worth recording. When Salvador Allende of Chile received only that much in an election a few months before he was murdered, the U.S. press leveled no end of criticism about the lack of democracy in Chile.

However, Lincoln, like Allende, complied with the constitution of his country. And the Southern overlords, like Allende's reactionary enemies, did not. The reason was the same: No ruling class leaves the stage of history merely because the

people wish it to do so, even if they express their wish at the ballot box.

Lincoln's election, even though he received the largest electoral vote in a field of four candidates, had to be tested in civil war. And that war, which historian Charles Beard correctly calls the Second American Revolution, superseded the election process and indubitably laid a great deal of the basis for modern society in the United States.

That does not mean the election of 1860 should not be examined and criticized like everything else in existence. In the present work, however, it does not exactly fit to do so.

Lincoln had been a railroad lawyer, and his presidential campaign fund was high by previous standards. But he was the leader of a new class – the industrial capitalist class – which was compelled by its own needs to crush the Southern slave masters. Furthermore, it would hardly be fair to begin this work with a man who returned \$199.25 of a \$200 campaign fund to its donors after his unsuccessful campaign for Congress.

GRANT'S CORRUPTION AND BLACK FREEDOM

It is necessary to turn, then, to the much stickier problem of the two elections of Ulysses S. Grant in 1868 and 1872, respectively. The corruption of the Grant administration has been described many times and was probably never surpassed from the point of view of the *suddenness* of the golden onslaught. But the political meaning of Grant's elections was qualitatively different than the succeeding ones. He did not *betray* those who voted for him, for example. His elections, particularly his first one, represented an outpouring of pro-Union, anti-slavery sentiment on the part of white people in the North and Black people in the South.

And even his second election took place while Reconstruction was still going pretty strong and found Grant playing the dual role of the most willing servant of big business corruption but at

the same time still the leader, no matter how muddied, of a continuing revolution against chattel slavery.

Grant combined corruption, nepotism, and an anti-people support by big business (represented by Jim Fisk, Jay Gould, John Jacob Astor, and J. Pierpont Morgan) with a more or less sincere collaboration with the Radical Republicans in implementing Reconstruction and continuing the revolution for more political power for the freed Black slaves.

The fact that his associates had already begun to whittle away at the gains of this revolution by the time of his second election did not fundamentally alter the above picture. His victory in 1872 was historically progressive while Reconstruction still lived and was still Republican doctrine.

But that progressivism soon died – or was killed – in the virtual re-enslavement of the Black people, the *de facto* nullification of the Fourteenth and fifteenth Amendments, and the restoration of white-supremacist political and economic rule of the South. And the counterrevolution was signed, sealed, and delivered by the reactionary election “compromise” of 1876.

That is why this story of rigged elections begins with the election of 1876, the one that was really the fountainhead of *modern* political corruption – that is, the legal and illegal corruption of imperialist democracy.

CHAPTER 34

1876 Stuffing ballots, smothering Black freedom

When the election returns of November 7, 1876, had all come in, the Democratic candidate, Samuel J. Tilden, had beaten the Republican, Rutherford B. Hayes, by 4,288,546 popular votes to 4,034,311, and 184 Democratic votes in the Electoral College to 165 for the Republicans.

After several months of maneuvering and of almost unbearable tensions throughout the country, however, it was announced on March 2, 1877, that Hayes, not Tilden, was the victor, with 185 electoral votes to Tilden's 184. (At that time, inaugurations were held on March 4 rather than on January 20, as at present.)

The extra votes for Hayes were supplied by South Carolina, Florida, and Louisiana – three states whose elections had been challenged by the Republicans on the morning of November 8, 1876.

What compelled these states to reverse their votes and give the election to the party that had prosecuted a war against the ruling class of these very states just a decade before?

A national Electoral Commission controlled by the Republicans formally effected the change. But as part of the deal, it promised these states' rulers, and in fact the whole South's rulers, that Reconstruction would be definitely ended and the last of the then-revolutionary Union troops would be withdrawn from their occupation of the South.

On the other hand, it really was true that these states – and nearly all the Southern states – had rigged the elections, particularly against the Black voters. But if the Republicans had initiated a drive to reverse this, it would have meant a continuation of Reconstruction, something they themselves did not want.

The story of the 1876 switch of votes is not only one of corruption at the polls but of a betrayal of colossal proportions. It was directed first of all against the Black people, second against the white majority of the North who had sacrificed so much in the Civil War, and third against the poor whites of the South, who were now slowly turned into lynch-mad servants of the very class that oppressed them most.

Thus the election of 1876, although not the first or the last rigged election in U.S. history, was clearly the worst.

THE BARONS RESTORE THE BOURBONS

It definitely pronounced the end of Black democracy in the so-called Reconstruction, and, partly for that reason, set the stage for the Tweedledum-Tweedledee character of modern capitalist politics.

In restoring so much of the power of the Southern ruling class, it gave these reactionary Bourbons more legislative power – by population – than they had ever had before.

The old “five for three” clause in the Constitution had been eliminated by the war. (Every five nonvoting Black slaves had been counted as three people in determining population for congressional representation.) Five Black people were now counted as five.

The only catch was that, as in slave days, they still could not vote.

Besides violating the Fifteenth Amendment right-to-vote clause, this was a violation of the Fourteenth Amendment in every respect. Among other things the Fourteenth Amendment provides is that any state that prevents voters from casting their ballots shall have its representation in the House of Representatives reduced accordingly. (Thus many laws passed by the House in over a century of all-white voting are really unconstitutional. But of course the reactionary “strict constructionists” would not notice this.)

To further understand the scope of the betrayal of 1876, we have to remember that the Republican Party was the organizer of the North in the Civil War, the chief political advocate of Black liberation. Its smaller radical wing in Congress identified itself to a great extent with the Black masses, fighting hard but unsuccessfully for the division of the plantations into free farms for the oppressed.

The Democratic Party, on the other hand, had been the party of reaction, the party of the slaveholders, and even in the North was generally their ally. Tilden himself had opposed the "war between the states," as the Democrats called it.

Then how, it might be asked, did the Democrats of those days get enough votes in the North to tip the balance?

For one thing the cities were now growing very fast, and the big businessmen were now riding so hard and heavy upon the workers that Democratic Party machines grew fat by "attacking" big business and the Republicans. (Of course, the Democratic bosses secretly took bribes from the Republican capitalists whenever they could get them. The principal graft of Tammany Hall, for instance, came from its shakedowns of rich Republicans.)

Secondly, the corruption of the Republican administration of Ulysses S. Grant had been so great it disgusted many of the very people who had supported the war the most.

This is a very well-known fact of U.S. history. What is not so well known or well understood is that big business had waged the war in the first place not just for personal and "political" corruption, but fundamentally for land-swindling, treasury-plundering, people-robbing capitalist "development" – only incidentally and grudgingly "freeing" the slaves.

So the Democratic Tilden ran as a "reformer," although he had secretly allied himself with the extremely corrupt Boss Tweed of

New York City's Tammany Hall before being maneuvered to join the powerful *New York Times* campaign against Tweed.

The Republican Hayes, too, was hand-picked to run as a "reformer" since the party had such a bad smell about it. But this didn't go down so well with the electorate. Some of Hayes' closest friends in Congress had been deeply involved in the big Union Pacific Railroad scandal of 1872.

And although he was not really rich, he was identified with the graft of his associates.

NORTHERN CAPITAL IN THE SADDLE

The Northern Democrats who before the Civil War were the subordinate ally of the slaveholders now became the dominant ally. Tilden, for instance, did not even have to "balance" his ticket with a Southern vice-presidential candidate to get the Southern Democratic vote.

The New Yorker Tilden's second runner was Thomas A. Hendricks of Indiana. Significantly enough, the Ohio Republican Hayes ran with a second candidate from New York.

Nevertheless, although the Northern Democrats were now the dominant ally of the Southern Democrats in national politics, they stood for restoring as much of slaveholders' former power as was compatible with Northern capitalist rule of the whole country.

The Republicans supposedly were against this.

But the majority of the Republican leadership had been secretly helping the former slaveholders to regain their former political power in the South – first of all by allowing them to beat down the Black people.

The election deal that promised the Southern ruling class a free hand in the South was thus only the parliamentary side of the bloody counterrevolution that the Democratic Southern ruling class had already carried out. Its consummation set the seal of

legality, Republican consent, and finality to the armed suppression of Black freedom.

On the other hand, the fact that the maneuvering could continue all those months with a “peaceful” outcome for the ruling class showed that if the Democrats had won instead of the Republicans, the only difference to the masses would have been the different faces of the spoilstakers in Congress.

The Republicans won. But progressive Republicanism was now forever dead. The Northern Democrats for their part began to make faint demagogic noises against the Northern capitalists – without, however, breaking from the Southern lynchers.

Both Republican and Democratic parties were, from then on, the exclusive parties of U.S. big business with no other significance (besides the enrichment of professional bourgeois politicians) than to continue the rule of big business with one or another reformist or reactionary method.

CHAPTER 35

1880 God and Garfield

James Garfield is known as the president who was assassinated because he tried to reform the Civil Service. Here is what really happened.

Extreme corruption of the U.S. government, notorious under President Ulysses S. Grant, had continued under Hayes. Basically the corruption consisted in the plunder of the public by the mushrooming capitalist corporations, each vying to bribe Congress and state legislatures with ever bigger sums to get franchises, charters, land leases or gifts, and so on.

All this was not so very well known to the public. But the lush patronage and the appointing of sleazy elements to powerful jobs (the so-called "spoils system") was much clearer and more obvious, though not so fundamental.

Republican reformers like Carl Schurz (editor of the *New York Post*) and Horace Greeley (of the *New York Tribune*) had been fighting for a Civil Service examinations system. They were hooted and jeered on the floors of Congress. Other reformers were gay-baited in almost so many words. (All "red-blooded men," it seems, were for corruption.)

But by the elections of 1880, the reform faction of the Republicans gained a very partial victory by the nomination of James A. Garfield, who was pledged to fight for Civil Service reform.

Garfield, however, was not in the reform wing of the party himself. As a member of Congress he had been involved in the big Union Pacific Railroad bribery scandal of 1872 and never satisfactorily covered up his role. He "paid back" his bribe, it appears, on the advice of one of his banker backers.

But whatever really happened, so many others were involved that it was easy to hush up the matter, so this didn't interfere with his being a "reform" candidate.

It was well known that he had been an architect of the 1876 vote steal. He was a member of the Electoral Commission that had effected the great betrayal of 1876-1877. Although a Union general himself, he was a willing and conscious servant of the counter-revolutionary reaction. But this, of course, made him all the more acceptable to the capitalist ruling class.

Originally, he was not scheduled to get the nomination at all. He was a Republican Party leader with considerable power inside Ohio. And the Ohio legislature elected him to the U.S. Senate in January 1880 as part of a deal whereby another Ohio senator, John Sherman, who was Secretary of the U.S. Treasury at that time, was to get the presidential nomination.

Sherman, however, was not acceptable to enough of the capitalists to get the necessary majority at the convention. After a series of maneuvers and hidden double-crosses, Garfield, who had been pledged to Sherman, got the nomination. All this did not prevent Henry Ward Beecher, the outstanding theologian of his day, from going on the stump and advocating "God and Garfield"!

During the election campaign, run of course by big business even in that early day, Garfield himself played practically no role at all. Amos Townsend, a wealthy supporter in Cleveland, cautioned him not to make a move, especially not to write to Rockefeller and others for campaign donations. "It is risky writing and you will be wise to keep your hands off paper and keep out of all complications," he advised Garfield.

Whitelaw Reid, a famous and influential editor, wrote to Garfield during the campaign: "Please don't make any journeys or any speeches. . . . There is no place where you can do so much for your supporters and be so comfortable yourself, from now until

November, as on your farm.” 80 Garfield did, however, participate in the campaign strategy enough to advise his main supporters not to answer charges of corruption.

WALL STREET RUNS THE CAMPAIGN

The chair of Garfield’s campaign finance committee was Levi Morton, then the wealthiest merchant and second-biggest banker in New York and later to be a partner of J.P. Morgan and vice president of the United States (1888-1892).

Garfield also got away from his farm long enough to visit Jay Gould, a big railroad financier of the time. And he was visited by Chauncey Depew, the political “errand boy” of the biggest of all the railroad lords of the period, the Vanderbilts.

Big business funded the early Republican campaigns just as it does now. Without railroad money, Lincoln and Grant would have been sunk like wooden boats in an iron navy. But they, at least, ran on more or less genuine capitalist democratic principles in a period of capitalist revolution. By the time of Hayes and Garfield and the beginning of all-out rule by the capitalist plunderers, however, the concentration of capital had already begun to produce a very small number of money kings who directly told presidents what to do.

In 1876, for instance, Cornelius Vanderbilt of the New York Central was worth over \$100 million, which was more than any lord in Old England could possibly boast of. By 1880 the Rockefeller oil monopoly was beginning to challenge the rule of the railroads, although the great predominance of oil was still in the future.

Ferdinand Lundberg observed in *America’s Sixty Families*:

The Standard Oil Company was conniving with the chieftains of both parties before 1880. John D. Rockefeller habitually contributed large funds to the Republicans in return for lucrative concessions; Colonel Oliver H. Payne, his partner, gave liberally to the Democrats, and did not hesitate to call upon them peremptorily for delivery of the political *quid pro quo*. James A. Garfield, the successful candidate for the presidency in 1880, anxiously asked an associate “if Mr. Rockefeller would be willing to assist.”

Rockefeller gave heavily for the Garfield campaign, and Mark Hanna, the statesman of Standard Oil, sent four checks for \$1,000 each to the Ohio State Republican Committee. ⁸¹

While the great monopolies were not yet the absolute lords they are today, they were definitely on their way.

As we have noted, every schoolchild knows about the assassination of President James A. Garfield by a disappointed office seeker who was convinced that Garfield, the “reformer,” would ruin the spoils system.

But very few schoolchildren know very much about his vice president and successor, Chester A. Arthur, who became president and kept the job for nearly four years.

CANDIDATE FOR PRISON, SUCCESSOR TO PRESIDENCY

One of the very few presidents who couldn't get the renomination of his party, Arthur is treated as a nobody in the history books. And there is a very good reason for that. Bourgeois history has to cover up the fact that he was one of the most venal and crooked politicians of the Gilded Age.

The first Richard Daley, master mechanic of machine politics in Chicago, or Carmine de Sapio, polished purveyor of tombstone votes in New York State, would be angels of purity in the White House compared to Chester A. Arthur. And no self-respecting ruling-class political caucus would run either of them for president – not because of their crookedness, but for fear they would steal directly from public funds, rather than preside over others doing it in the stately fashion presidents are supposed to do.

The Republican strategists of 1880 had to run Arthur as “reformer” Garfield's second man, mainly because the New York State political machine could not be left out while the Ohio machine was cut in. Some of the biggest New York capitalists, it is true, felt perfectly confident and comfortable working through the Ohio Republican machine. But the New York State machine

was exceedingly powerful in its own right and delivered a crucial number of electoral votes – for which it demanded payment.

Moreover, the New York political rascals, Democratic or Republican, were now either abject servants or respectful satellites of the all-important railroad-banking fraternity of the state, and even a thoroughly discredited scoundrel like Arthur could do a lot of good for big business in Washington.

It should be kept firmly in mind that the New York-Ohio axis directly controlled the presidency from 1876 to 1923, with the exception of Benjamin Harrison of Indiana and Woodrow Wilson of New Jersey. This was due not so much to the concentration of people as to the concentration of capital in those states.

Arthur had been Collector of the Port of New York, a position that in those days entitled the office-holder to tremendous commissions, not always legal. For example, he received a large percentage of every cargo grossly or slightly misstated in its bill of lading. Arthur was accused of making millions out of this device.

The job also entailed the appointment of well over a hundred juicy positions and the building of a considerable political machine for himself and his friends. His conduct was so raw that at one time even the obliging President Hayes had had to fire him.

Senator Sherman, a disappointed presidential candidate himself, called Arthur a “burlesque” as a running mate.

Nevertheless, the tremendous public outcry at Garfield’s assassination – especially considering that the assassin had cried out “I am a Stalwart,” the name for Arthur’s faction in the Republican Party, “and Arthur is president now!” – compelled Arthur to put on a more solemn front and even put a few more jobs under Civil Service.

In the “comedy of reform” that ensued, Arthur played his role with a skill derived from years of backroom deals on a different stage. He played one faction against another, turning his back slightly upon his own previous buddies. Says one early biographer, “In the main, Arthur’s strength in New York rested upon the support of business men, to whom his conservative and sensible Administration had been pleasing.” 82

In order to deodorize his administration somewhat, Arthur went after an especially odorous “Post Office Ring” which had been organized by a section of the Republican Party to raise funds for its machine.

This investigation was considered all the more statesmanlike of Arthur since he himself had been one of the main original organizers of the ring. However, after two interminable jury trials, both with as much publicity as possible in those pretelevision days, the former pals of Arthur were found not guilty. Arthur himself lives on in a statue in Madison Square Park in New York City.



"No harm shall come to any business interest so long as I am president," said Grover Cleveland, the former hangman. But the press attacked him for having an 'illegitimate' child.

CHAPTER 36

1884 Grover Cleveland, the honest hangman

Grover Cleveland, who received the Democratic Party nomination for president in 1884, was considered an “unknown.” But he wasn’t unknown to the capitalist class, as the following national campaign fund figures (the admitted ones) show: 83

	Republican	Democrat
1876	\$ 950,000	\$ 900,000
1880	1,100,000	355,000
1884	1,300,000	1,400,000

This dramatic shift of business funds to the Democrats in 1884 was partially due to the capitalists’ need to give a “reform” candidate to the voters. After a great amount of bribery and jobbery in government circles, the biggest capitalists wanted to put restrictions on the feeding trough. This could be (and still is) done by calling for a “reform” candidate in response to the people’s cry against corruption, and at the same time getting cheaper government.

The shift in 1884 was also partly due to a struggle of the Rockefellers against the Morgan-Vanderbilt crowd in New York. Even though Grover Cleveland was from New York State and the Rockefellers were still based in Ohio at that time, he came under the direct influence of the Rockefellers and in fact was the first real Rockefeller president.

Rockefeller’s man William Whitney had groomed Cleveland by getting him the nomination for governor of New York State, bankrolling his election campaign for that office.

Whitney had probably been impressed by Cleveland, a “poor” Buffalo attorney who had saved \$75,000 (workers still received a

dollar a day) and had become a “reform” mayor. And he was undoubtedly impressed by the fact that Cleveland was independent enough of the Morgans to refuse the offer of a cushy appointment as Western New York counsel for the New York Central Railroad (owned by Vanderbilt-Morgan).

HE KEPT THE CARFARE UP

As governor, Cleveland vetoed a ten-hour-a-day law for horse-car drivers who had to work twelve to fourteen hours without overtime pay. This won him the hearts of the reactionaries, and it didn’t hurt him with the reformers.

He also vetoed a law that would have reduced the fare of the New York elevated railways from ten cents to five – “standing up” against an immense wave of popular feeling to do so.

And even though the owners of the elevated were at that time business associates of the Whitney-Rockefeller team, no capitalist could fail to appreciate the social soundness of “Four Square Cleveland,” as this honest upholder of the status quo was called.

The capitalists were probably still more impressed by the fact that when “Four Square” was sheriff of Erie County, he personally performed the hangman’s duties to show his enthusiasm for enforcing the law. Since “law and order” was becoming more important for robber barons, who were now going legal, this was a big plus for Cleveland.

Another sample of the attitude of great wealth to the simple man from Buffalo is given in the following exchange between James Hill, the Western railroad king, and Samuel J. Tilden, the multimillionaire New York Democrat:

“What about this man Cleveland?’ wires Jim Hill to Tilden. ‘He is all right,’ is the reply, and Hill spreads the good word among his friends and retainers in the Northwest.” 84

In his first inaugural speech, Cleveland himself added reassurance enough to still the trembling of the most nervous bondholder:

“No harm shall come to any business interest as the result of administrative policy as long as I am president,” he said. “A transfer of executive control from one party to another does not mean any serious disturbance of existing conditions” ⁸⁵ – an almost Marxist description of the situation.

HONEST HANGMAN VS. DISHONEST POLITICIANS

The Blaine-Cleveland fight was an extremely hot one, though, with personal scandal charges (bachelor love affair) flung at Cleveland and public scandal charges (immense corruption) at his opponent, James G. Blaine. But the fight was all in the North among white people, who only vaguely realized that the “Solid South” would go automatically to Cleveland because of the counter-revolution against Black freedom in 1876-77.

Unlike Blaine, who was very rich by this time (his descendants are big stockholders in the Marine Midland Bank of New York State and Chase Manhattan Bank of New York City), Cleveland was relatively “poor.” The capitalist class as well as the voting middle class was on the whole well impressed by the fact that he finished his term as governor of New York State hardly any richer than when he began.

But he showed his true-blue character as upholder of capitalist order during his second term as president, when he sent federal troops to break the Pullman strike in Chicago. The Democratic governor of Illinois – the famous John Altgeld – had refused to ask for the troops, making it constitutionally wrong for Cleveland to act. But the honest hangman did the job anyway.

You would expect such a man to be well rewarded by his bosses. And he was.

The Payne-Whitneys let him in on a big stock pool that fleeced the always gullible middle class but fixed Cleveland up fine. And

not to be outdone, the terrible J.P. Morgan, who got many favors from this Rockefeller president, made him a trustee of the Equitable Life Insurance Company (incidentally giving it an "honest" cover during a time of painful scandals).

CHAPTER 37

1888 Benjamin Harrison, dark horse with a grandfather

Benjamin Harrison was what was known as a “dark horse” candidate. This means he was a way-out compromise over several others more important if not more able than himself.

One of the reasons – but only one – that explains the mediocrity of most U.S. presidents is that ever since the 1840s the ruling class has been compelled to choose its respective candidates for president in large party conventions. This in turn requires an agreement between various factions and sections, including geographical sections, upon one ruling group’s candidate who is least offensive to all the other groups.

The groups and factions involved in Harrison’s case were all within the Republican Party, which had been out in the political wilderness for the previous four years under the first Democratic president since before the Civil War – Grover Cleveland. And illogical as it may seem, this made it easier for them all to unite behind the worst (but most willingly manipulated) nonentity in order to win.

Big business, which had first welcomed Cleveland as an honest bourgeois and an exponent of cheap (i.e., less corrupt) government, was now quite irritated with him. Aside from antagonizing the spoilsmen of his own party by such talk as “a public office is a public trust,” he had begun to tinker with the holiest of the capitalist holies at that time – the tariff.

He did this not only to satisfy the Democratic articles of faith on the subject, but also because he assumed he could get more Western votes and build up a bigger Western constituency for the Democratic Party by lowering the tariff, and thus the price they had to pay for Eastern goods.

The big businessmen who had put him in the White House quickly disabused him of that notion.

WALL STREET PUTS ITS MONEY ON ANOTHER HORSE

We have noted that the advantage in the size of the Democratic and Republican slush funds, although not always an absolute clue to election victory, had been reversed in 1884 to achieve the Democrat Cleveland's victory. This happened again and more drastically in favor of the Republicans in 1888. (In each year, the larger fund belonged to the winner.)

The published funds were as follows:

	Republican	Democrat
1880	\$1,100,000	\$355,000
1884	1,300,000	1,400,000
1888	1,350,000	855,000

The Republican machine, now oiled up with far more Northeastern and Morgan money than Rockefeller's agent Whitney supplied to the Democrat Cleveland, was hell-bent on winning – but it didn't have a candidate. Sherman of Ohio and Chauncey Depew of New York were at each other's throats for both narrow "political" and broader factional reasons. So they compromised on Benjamin Harrison of Indiana, who had the one distinction, if no other, of being the grandson of another president, William Henry Harrison.

Depew, a pitchman for the Vanderbilts (and Morgans), a president of the New York Central Railroad, and a United States Senator – in that order – gave himself the credit (perhaps correctly) for choosing the Dark Horse. In a speech to the Republican national convention, he said:

Gentlemen, New York has given to me its cordial and practically unanimous support, and I have felt under the circumstances that I should follow and not lead. The situation which has grown out of this discussion here eliminates two candidates. Without the aid of [New York political boss] Senator Platt and his friends, Mr. Sherman [of Ohio] could not carry New York. Iowa has gone to the extreme of radical legislation which threatens the investment of securities of her railroads, and New York is such a

capitalist State that no man identified with that legislation could carry a majority of the vote of its people, and that makes [Iowa Senator] Allison impossible.

There is one candidate here who at present apparently has no chance, but who, nevertheless, seems to me to possess more popular qualifications than any other, and that is General Benjamin Harrison, of Indiana, I do not know him[!], never met him[!], but he rose from the humblest beginnings until he became the leader of the bar of his state. . . .

His grandfather, President William H. Harrison, had one of the most picturesque campaigns in our history. There are enough survivors of that "hard cider and log cabin" canvass to make attractive contribution on the platform at every meeting, and thus add a certain historic flavor to General Harrison's candidacy. 86 [All insertions by V.C.]

This light-fingered urbanity covered wide cesspools of corruption, but it nevertheless expressed the relative simplicity with which the capitalist class, led mostly by the New York bankers, Ohio industrialists, and the railroad tycoons, could control an election in the late nineteenth and early twentieth centuries.

With a little more maneuvering after Depew's speech, the all-powerful Senator Nelson Aldrich (maternal grandfather of Nelson Aldrich Rockefeller) came out for Harrison, too. Aldrich, it should be emphasized, was at that time still a political crook for J.P. Morgan, not to be an exclusive crook for the Rockefellers until several years later.

Morgan conducted himself like the Rockefellers do today, but more successfully. His own partner, Levi Morton, was made vice president, and without the slightest uproar from the "right."

LOSING - WITH THE MAJORITY

Cleveland still received 100,000 more votes than Harrison, so great was the mass disgust with the Republicans. But such is the rigging built into the Constitution, with its "Electoral College," that he was swamped by losing certain crucial Northern states, where the biggest capitalist potentates worked against him.

In working this out, the Democratic machine bosses obligingly switched enough of their graveyard votes, etc., to do it - for a

price, of course. According to Matthew Josephson:

. . .the Republican National Committee paid through a [New York] State leader (perhaps Platt) \$150,000 for the purchase of three local Democratic political clubs or "movements," each having from 10,000 to 30,000 votes. . . .

According to statements of numerous reporters and eyewitnesses at the time, Democratic managers were seen conferring at great length in the back rooms of Republican headquarters in Kings County (Brooklyn). One leader, it was said, took \$25,000 to deliver 3,500 votes in six wards to Harrison – this alone accounting for more than half the Republican majority in the state." 87

And that was the "making of the president" in the year 1888.

CHAPTER 38

1892 The people begin to revolt

In order to understand why the capitalist rulers rigged the election of 1892 in favor of Democrat Grover Cleveland after having rejected him in 1888, it is first necessary to look at the tremendous Populist movement that was sweeping the country at the time.

General James B. Weaver, the People's Party presidential candidate of 1892, strongly condemned Wall Street and called for nationalization of the railroads, telegraph, and telephone monopolies, and shorter hours for labor. He got the highest proportion of votes any challenger of the monopoly corporations has ever received in the United States to this day – 1,024,280 out of a total of 12,056,097, or about 8.5 percent. And this was in the face of a combined Democratic and Republican campaign fund at least a hundred times as great as his own.*

* Eugene V. Debs, who ran two decades later, received 900,369 votes, but out of a much greater total. Of course, Debs ran on a more outright socialist program based exclusively on the working class.

The majority – or rather the voting majority – of the U.S. people had gone along with the two capitalist parties in spite of corruption and plundering, partly because they had been brain-washed and indoctrinated by big business, but also because they felt the country was going forward and their own lives were improving, regardless.

In the crucial Northeast, for example, the dollar-a-day and dollar-and-a-half-a-day workers continued to vote for the multi-millionaires' candidates before 1890 because prices were going down, even if wages were not going up. The then tremendous number of farmers in this area were doing relatively well on the average. Their nearness to the growing cities gave them a guaranteed market for the surplus they grew above their own basic needs.

So the constant stories of corruption either left these farmers more or less indifferent or just moved them very occasionally to switch from the Republican to the Democratic column. The usually corrupt Democratic machines of the big cities could not always deliver the whole city along with the poor workers. But they guaranteed that no "third party" could gain much of a hearing.

REVOLT OF SOUTH AND WEST

However, in the West and later in the South a great protest movement took hold of millions of people whose economic condition went visibly backwards during the heedless drive of big capital to push aside, crush, or freeze out small capital, including the very smallest and tiniest "capitalists" – the little farmers and desperately poor tenant farmers.

First the Grange, then the Greenback Party, then the Greenback Labor Party, Union Labor Party, United Labor Party, and finally the united "People's Party" captured the hearts and votes of these boiling-mad farmers, shopkeepers, laborers, and a few larger businessmen of the almost colonially oppressed West and South.

Their anger was greatest at the railroads, which gouged them all with sky-high freight rates, even when the price of wheat and cotton was so low that country people used these commodities for firewood while city people were starving. And the labor-hating railroads were on the whole the economic base of the very same capitalists then ruling the country.

In the West, the people who had gone a thousand miles or more to get free land found that they did not have land enough to compete with the cattle barons and the big wheat ranchers. They found that they could only grow wheat on the barren 160 acres the government had given them – and precious little of that. Moreover, they were absolutely dependent upon the capitalist market to get every single thing they needed, including even the flour from their own wheat.

They were absolutely dependent on the railroads to take the wheat to market and equally dependent upon the banks to let them hold out until the next summer.

In the South, the freight rates were even more discriminatory, considered on a per mile basis, and the new Republican tariffs hurt the poor far more than the rich. In both South and West, these suffering people were well aware that the Democrats were now a big business party, too. And in the South it was all too obvious that the Democrats were at that time the party of the "Solid South" – that is, the party of white supremacy, and the Black tenant farmers were engaged in the growing protest along with the white.

Thus the poor middle-class Black and white populists tried to take the Black freedom struggle forward from where it had been betrayed by the ruling-class Republicans a generation earlier.

The Populist storm gathered strength over a period of ten to twelve years. Representatives were put in the House, Senators in the Senate, and even governors were elected. New York City itself was hit by the wave when Henry George, the famous advocate of "free land," ran for mayor on a Labor Party ticket in 1886 and beat the Republican candidate, Theodore Roosevelt, losing by a hair to the Tammany Democrat, who everybody knew had stolen the election. (Frederick Engels, still alive at the time, supported Henry George.)

'WE ARE SLAVES OF WALL STREET'

Mary Ellen Lease, farm woman, mother of four children, and leading Populist orator, electrified more than just the Populists when she declaimed to cheering thousands:

Wall Street owns the country. It is no longer a government of the people, by the people and for the people, but a government of Wall Street, by Wall Street and for Wall Street. The great common people of this country are slaves, and monopoly is the master. The West and South are bound and prostrate before the manufacturing East. Money rules, and our Vice-President [Morton, the Morgan man – V.C.] is a London banker. . . .

There are half a million looking for work. . . . We want money, land and transportation. . . . We want the accursed foreclosure system wiped out. . . . We will stand by our homes and stay by our firesides by force if necessary, and we will not pay our debts to the loan-shark companies until the Government pays its debts to us. The people are at bay; let the bloodhounds of money who have dogged us thus far beware! 88

With the growing depression of 1892, not only the South and West but the half-starving cities of the East turned a listening ear to this flaming voice of the people.

This was the real reason, or at least the preponderant reason, why the political leaders of the capitalist class decided to go back to supporting the Democrat Grover Cleveland in 1892. They had gleaned a very golden harvest from the Republican Harrison and what was called "the billion-dollar Congress." But they were now maneuvering to hold back the wave of radical mass protest, and wondering if they might also ride the wave long enough to secure their power again, this time with their Democratic servant, Grover Cleveland.

THE GOLD DEMOCRAT, OR THE REFORMER'S RETURN

With the new wave of protest only partly captured by the Populists, big business felt that the Democratic Party might well benefit from the swelling anger of the voters, so it switched its preponderant support back to the Democrats in 1892. The voters, it will be recalled, had given a majority to the Democrat Cleveland in 1888, but Harrison had won the presidency because of the constitutionally rigged Electoral College. With a general dissatisfaction about this and a rising popular anger at Harrison's all-out pillage of the public purse, the cool move was for business to go back to Grover Cleveland.

The Hangman President was at that time associated in the public mind not so much with hanging as with "honest government." (He hadn't yet sent U.S. troops against striking workers.) But he was associated in the capitalist mind with hard-boiled defense of big business. Furthermore, in his four years out of office, he had, unbeknownst to the general public, become a New York City

lawyer, establishing connections with the Morgans as well as with his earlier associates, the Rockefellers.

He had an additional virtue that was even more important for the capitalists at this particular time than his "reform image," important as that was. He was what was called a "Gold Democrat."

There was a tremendous movement, sponsored mainly by the Populists, to demand the coinage of silver as a basis for the U.S. currency, with sixteen ounces of silver commanded by the law to be equal to one ounce of gold. (The actual exchange was more like twenty – or even more – to one.)

The popular basis for the demand was the need for "cheap money." The many millions of people whose homes or little farms were mortgaged found that, because of falling prices, they had to pay the banks much more in the product of their labor than the worth of what they had originally borrowed.

Silver, as such, would not really have accomplished what the movement wanted. But there was no question that the slogan's thrust was aimed at the big banks, the credit institutions, and to a very real extent, against big business itself.

THE SLUSH FUNDS WERE GOLDEN, TOO

Cleveland, as a Democrat and a Gold Democrat at that, was thus almost indispensable to big business at this stage of the cheap money campaign. So in his third run for office, big capital united behind him as it had eight years earlier and brusquely discarded the Republican Harrison, even though the latter now had the gilt-edged New Yorker, Whitelaw Reid, as a running mate.

We have shown the published Republican and Democratic national slush funds of the time as a clue to the shifts of big business back and forth between the two parties during this period. Here is a further extension of the figures to 1892:

Republican Democrat

1880	\$1,100,000	\$355,000
1884	1,300,000	1,400,000
1888	1,350,000	855,000
1892	1,850,000	2,350,000

It will be recalled that Cleveland had some ideas on the tariff that were not to the liking of most of big business. He was persuaded to change these misguided notions. He declared in his 1892 campaign: "We wage no exterminating war against any American [i.e., capitalist – VG] interests. We believe a readjustment can be accomplished in accordance with the principles we profess without disaster or demolition." 89

To come down from these lofty phrases to more mundane facts, the Sugar Trust gave \$200,000 to the 1892 national Democratic campaign fund, and therefore the tariff on sugar had to be regulated accordingly. This publicly admitted transaction, eighty years before Watergate, was undoubtedly only one of dozens like it.

ROCKEFELLER WEDDING WITH TAMMANY HALL

William C. Whitney of the generally Republican Rockefeller empire was still the main fundraiser and organizer for the Democrat Cleveland among the biggest capitalists.

When Cleveland, who was personally bluff and "independent," refused to "lower" himself to seek the support of super-corrupt Tammany Hall in New York, Whitney was enraged at him. New York was a crucial state and might easily swing the election. Whitney wrote Cleveland as follows:

"If you think best not to even write a friendly letter to the Chairman of your State Committee [a crook on a somewhat

more vulgar plane than Whitney – VGJ who has come in and is acting in your interest to straighten out difficulties, I had better stop where I am.”⁹⁰ That is, stop financing the campaign.

Cleveland wrote the letter. And he met with Boss Croker and bosses Murphy and Sheehan, all of Tammany Hall, to “talk matters over.”

Considering that Cleveland, when he was governor of New York State, had attacked Croker for his corruption and had totally frozen out all Tammany’s ward heelers from state jobs, it was very kind of Croker and his associates to help Cleveland now. Their kindness had an interesting basis in hard cash, however. The above authority goes on to say:

“Whitney later helped matters, according to Croker, through such gestures as the inclusion of the Tammany boss in a betting pool that Whitney organized to change the odds from Harrison’s to Cleveland’s favor. Whitney used his own money to put Croker in for \$100,000, and after the election handed \$100,000 to Croker as his share of the profit of the pool.”⁹¹

It would be the height of naiveté to think of being able to buy New York City’s vote for \$100,000 in the year 1976 as it was bought in 1892, even allowing for inflation. Nevertheless, the general resemblance of those faraway politicians to those of today is not that of primeval monkeys to modern human beings, but of multi-millionaire bankers and bosses to their not-so-kissing cousins, the billionaire architects of Watergate and Dallas.

CHAPTER 39

1896 Whirlwinds of danger

Danger for big business, danger for monopoly, danger for the bloodsuckers of high finance – all coming from a revolt of the masses, the millions without jobs, without unemployment insurance, without social security, without accident compensation or hospitalization funds – that was the situation in the election year 1896.

In addition to this, millions of tiny farm owners, pushed to the edge of the cliff of bankruptcy, and many pushed right over it by the ruthless banks, big and small, were now adding to, and to a certain extent leading the whirlwind in an attempt to blow down the mighty and restore the allegedly “equal” existence of the past.

There were unemployed marches and attempted marches on the country’s capital. Groups of jobless, hungry, desperate men roamed the countryside, sometimes commandeering a whole railroad train and demanding of the often unresisting and secretly sympathetic crew that they “Take us to Washington!”

The Populist vote had gone from one million in the presidential year 1892 to 1.5 million in the “off-year” 1894, when total voting declined. And even the most conservative prophets expected them to get at least two million, if not more, in the campaign of 1896 and fill many more congressional seats in the flood tide of the people’s anger.

But at the same time, the Democratic Party, too, was turning to the left – at the grass roots, that is – and condemning its “own” president Grover Cleveland with the most withering scorn at its command.

When the redoubtable William C. Whitney, an associate of the first John D. Rockefeller and engineer of three national Democratic campaigns, arrived at the 1896 Democratic

convention in Chicago, he was stunned by its grim and consciously anti-Wall Street composition.

He had brought three carloads of fellow brokers and bosses and, like Shakespeare's Julius Caesar, surrounded himself with "sleek-headed men, such as sleep o'nights." But the great majority of the convention he beheld had that "lean and hungry look" which his practiced eye could see at once boded no good for the respectable kind of Democratic presidency he had in mind.

SILVER TONGUE AND 'CROSS OF GOLD'

How Nebraska's favorite son William Jennings Bryan made his famous anti-Wall Street "Cross of Gold" speech and captured the nomination is an oft-told story. But it does not remotely explain the fear and trembling the Democratic campaign inspired among the Democratic Whitneys and the Republican Morgans.

Bryan's main program was devoted for the most part to the "free silver" issue, and that by itself was easily answered. The point for all the oppressed is not really the kind of money, but the quantity of money they get, assuming it will buy anything at all.

Bryan, the "Boy Orator," was not by himself such a terrible threat to the big monopolies and banks. But the force he represented was.

The real organizer of the Democratic Convention of 1896 and leader of the party as a result of the great revolt within it was John Peter Altgeld, the governor of Illinois. Altgeld had pardoned the surviving Haymarket martyrs, who themselves had fought for the eight-hour day and been accused of bombing a squad of Chicago police.

Big capital was possibly even angrier with him for his stubborn and largely successful fight against monopoly streetcar franchises in Chicago, and eventually they destroyed him for it.

Besides Altgeld there was Eugene Debs, a national hero among millions of workers for his leadership of the Pullman strike, his

defiance of President Cleveland when the latter sent in U.S. troops, and his martyrdom in prison for his stand. Debs already called himself a socialist. And he had been nominated for president by the People's Party, but he declined in order to support Bryan.

Altgeld and Debs were both labeled anarchists in the big business press and Altgeld in particular was often cartooned with a lighted bomb in his determined hands, eyes agleam with mad fury against the ruling class. Theodore Roosevelt said of both Altgeld and Debs, "They are dangerous men, a menace to the nation."

Thus Bryan, himself not a very serious opponent of the plutocracy (although a tireless campaigner, an effective speaker, and skillful politician), represented social forces which the plutocracy could not possibly overlook.

With Debs and Altgeld and their friends at the gates of political power, the program of monopoly, of international finance, and of the very soon-to-be-inaugurated imperialist foreign conquest might have had to be delayed for four years, if not longer.

Significantly, however, Bryan capitulated at the very outset on the choice of a running mate – "balancing" his ticket with a wealthy Easterner, Arthur Sewell, who, however friendly to Bryan, was himself a captive to Wall Street and, what was to the Populists even worse, a railroad director.

Half the Democratic Party was opposed to this first-class example of "pragmatic American politics," however. And the Populists themselves, who had agreed to support Bryan for president, were so enraged that they ran their own independent vice presidential candidate – a Southerner-in protest.

The principled character of this protest is underlined by the fact that the Southern radicals had to buck the "solid" Democratic South to make it.

The Southern wing of the Populists proved much more intransigent than the Western wing, which could more easily merge with the Democrats because the Western Democrats were at that time so much more radical than the Southern variety. The Southerners also had a more intimate knowledge of the duplicity of the national Democratic machine and its Wall Street control, and were at that time determined to fight against the Democratic white-supremacist rule of the South.

But in the campaign itself, Bryan had the backing not only of the now very formidable People's Party but also of Henry George's Single Taxers, Edward Bellamy's Nationalists, the Christian Socialists, and the left wing of the Prohibitionists.

Bryan closed his eyes to the fact that, by running as a Democrat, he had to enlist the support of the white-supremacist Southern Democratic Bourbons.

DEMOCRATS - BUT SILENT ON BLACK DEMOCRACY

Debs and Edward Bellamy (author of the best-selling book *Looking Backward*) and other famous socialists also forgot this inconvenient fact, no doubt telling themselves that once in power they would fight to free the Black people. In their half-defense, it should be added that the Black population of the North and West was then quite small, and the ideas of these battling white socialists had been shaped away from and apart from the real persecution of the Black people, which was then mainly in the South.

But thus the great battle lines of the plutocracy and anti-plutocratic forces were drawn, not only without the aid of the Black masses, but in the long run in the framework of sacrificing these masses to the mercies of a strengthened Southern Democratic Party (which was to wait another seventy years to run Black candidates!).

Even with this aspect of the matter ignored for the most part, both at the time and in the history books, the struggle, however,

was a colossal one under the aegis of what appeared to be an anti-monopoly mass party – the Democrats.

WILLIAM MCKINLEY, THE PERFECT CANDIDATE

After William Jennings Bryan and his friends had taken over the Democratic Party, Rockefeller's William C. Whitney walked out and formed the "National Democratic Party" – strictly for one election. This party was composed of the "Gold Democrats" previously mentioned, and was created simply and solely to split the Democratic vote so that the Republicans could win.

And while the direct Rockefeller agent, Whitney, went into the shadows, an indirect agent even more adept and powerful took over. This was Mark Hanna, who had been a schoolmate of John D. the first, but was also on his own an iron magnate, a Great Lakes shipping czar, and a Cleveland city streetcar swindler.

Hanna had been grooming William McKinley (also of Ohio) for the presidency over a period of six or seven years. And McKinley had been busy building his own base in Washington. A senator not unlike the late Everett Dirksen of Illinois, he was a great back-slapper and, though probably not as crooked as Dirksen, he was all things to all politicians – a quality extremely helpful in the country's capital then, as now.

A fine speaker, a handsome person, he glowed with righteousness when he talked and strutted becomingly when he walked. Besides that he was always to be found supporting the most conservative capitalist principles of justice for all businessmen.

"Popular and beloved," says Louis W. Koenig, "McKinley was a surefooted politician who could traverse the most treacherous political quicksand. His magic weapons were silence and the noncommittal statement." ⁹²

The very conservative William Allen White said of him that he was "on the whole decent, on the whole dumb." (This was about the same thing that the capitalist commentators said of Gerald

Ford when he took office in 1974 after the Nixon scandals.) But McKinley's "decency" and "dumbness" did not prevent him from launching the war that took over Cuba, Puerto Rico, and the Philippines for U.S. big business and laid the basis for the Panama Canal and the further looting of South America.

McKinley was not immediately acceptable to Wall Street, however, first because of his Rockefeller connections, and second, because of his ambivalent position on the gold standard. Being a Midwesterner, he straddled the issue down to the last minute at the Republican convention in order to keep his Ohio farm constituency in line.

And U.S. big business, now being international, was wedded to gold both for internal reasons of its relations with small borrowers (the farmers) and for external relations with the merchants and bankers of Europe.

HANNA PURCHASES THE POLITICIANS

Furthermore, the New York titans hardly knew Hanna before 1896. And Hanna had the double task of selling the candidate to the Eastern establishment while at the same time sewing up enough non-Eastern delegates ahead of time so as to make the sale go more smoothly when the moment came.

A whole year before the convention of 1896, Hanna was able to buy up 250 Southern Republican delegates. These men had been for sale over a long period, but Hanna got to them first with the most. He also sewed up several Western and Midwestern state delegations in the fall of 1895.

When McKinley was duly chosen as the Republican candidate, it was Hanna who advised him to stay on his back porch until Election Day, while his opponent Bryan, the far superior orator and campaigner, went from one end of the country to the other with his flaming (although basically demagogic) message.

The Republican bosses throughout the country organized pilgrimages to McKinley's back porch. And the railroads gave

such low excursion rates that one paper explained that going to see McKinley was “cheaper than staying home.”

With Bryan and his friends declaiming against the banks, “sound money,” and Wall Street itself, big business countered by declaring that a Democratic victory would mean huge plant closings, layoffs, and deeper depression. The campaign had hardly begun when the Indiana Bicycle Works, the largest of its kind in the world, closed down and laid off 1,500 workers. The event was of course well publicized.

“Plutocracy mobilized all its resources to beat down the menace,” said Lewis Corey in *The House of Morgan*, “stigmatizing Bryanism . . . as anarchism, communism and revolution, a revolt against government, God and the Ten Commandments.” ⁹³

So great was the fear of Bryan’s anti-Wall Street legions that Hanna was able to assess almost every corporation in the United States a small percentage of its assets for the Republican campaign fund. This reached the huge amount – at that time – of \$16 million. (The Democratic fund was slightly over \$2 million.)

Parades were organized for both candidates. But the Republicans, with apparently unlimited funds (Hanna “threw money around like confetti,” said one commentator), put on by far the bigger show.

On the Saturday before Election Day the organized bankers, brokers, merchants, and manufacturers of New York City held a demonstration with a parade of 80,000 people that lasted from morning until night. One section of the parade consisted of 5,000 bankers and brokers, decked in silk hats and all that goes with them – advertising that the business world, from whom all blessings flow, was solid for McKinley. J.P. Morgan’s banking house had the best display of all, topped by several 108-foot American flags.

But even with this gargantuan effort, there had to be some hokus pokus at the polls for it to take. The fraud, in other words,

was tremendous. John Altgeld, the governor of Illinois, believed that there were 100,000 fraudulent votes in his own state alone.

“Such a campaign,” said Chauncey Depew, the veteran campaigner for the Morgans and Vanderbilts, in his later years, “is irresistible. Its influence is felt by everybody; its arguments become automatically and almost insensibly the common language of the people. But the expense is so terrific that it will never again be attempted.” ⁹⁴

Even the thoroughly corrupt Depew could not conceive of the \$60 million Republican national campaign fund (and all that went with it) of 1972. But the reason for his positive take on the subject was not his awe for the huge sum of money, or any expectation that bourgeois honesty would prevail, but his confidence that the class forces behind Bryanism – the old independent middle class, in particular – had been decisively beaten.

He also knew that U.S. imperialism had exploded onto the world arena, and he assumed that all succeeding elections would be peacefully arranged among the big banking houses.

The basis for his assumption, however, was that U.S. monopoly capitalism would continue to grow and expand on the world arena without any force being capable of stopping it.

CHAPTER 40

1900 Theodore Roosevelt, the not-so-accidental president

The reelection of William McKinley in 1900 was not as important as the political character of the vice president who succeeded him (because of assassination) in 1901 – Theodore Roosevelt.

This talented but tempestuous servant of the capitalist class was given the vice presidency, according to all accounts, in order to shelve him and finish his political career. But to regard him, therefore, as an accidental figure would be a great mistake.

To begin with, Roosevelt was a member of an “old American family” – that is, a family of pillagers and robbers who had accumulated their pile some hundred years or more before he was born, making him a *bona fide* member of the ruling class before election to any office.

In addition, he was in Republican politics from young manhood, if not from childhood. His father was a Collector of the Port of New York, which was a highly political Customs House job with links going all the way up to the White House and all the way down to a large number of ward heelers in New York City. Like his father, he was in the Morgan-Vanderbilt stable of politicians, as almost any important Republican of New York State had to be at the time.

At the age of twenty-three Roosevelt was nominated to run for Assembly member in the New York State Legislature by none other than Chauncey Depew, the Morgan-Vanderbilt representative, who gave him the nod at a dinner in the famous Delmonico restaurant.

He was nominated for mayor of New York in 1886 – again by Chauncey Depew. And this nomination was checked out and approved by Elihu Root and Levi P. Morton – the Morgan partner who was to be vice president in 1888 and later governor of New York State.

Roosevelt was appointed U.S. Civil Service Commissioner under the presidencies of Harrison and Cleveland through the good offices of the previously mentioned Morgan politicians, and thus was groomed as the “reformer” that his own individual bent was also supposed to have made him. And in 1897 he was made assistant secretary of the Navy by the same Wall Street wire-pullers.

Nothing could be more characteristic of his later career as president or more consonant with the political needs of monopoly capital at this turning point in U.S. history than Roosevelt’s enthusiasm for these two very “different” jobs. Civil Service satisfied his appetite for honest bourgeois government and reform, while the navy secretaryship satisfied – and increased – his itch for imperialist expansion.

As assistant secretary of the navy, Roosevelt dispatched the U.S. battle fleet half-way around the world to the Philippines, then controlled by Spain, the day before the war with Spain “over Cuba” was to begin. He did this during the convenient absence of his superior, the regular secretary of the navy, but obviously with tremendous backing from Wall Street.

FROM COLONEL TO GOVERNOR

After a suspiciously over-publicized four-month stint as a cavalry colonel in the Spanish-American War early in 1898, he was nominated for governor of New York State in the same year.

Who nominated him? Of course – Chauncey Depew. And Elihu Root, the Wall Street lawyer, seconded the nomination.

Unlike the case of the New York mayoralty election (where he had come in third), TR easily won the governorship. It was Depew who suggested that he make patriotism the campaign issue – “patriotism” meaning the drive to spread the domain of the dollar throughout the world on the tips of bayonets and the muzzles of naval guns. This being right up Roosevelt’s alley, he

captured the now chauvinist – infected voters like an epidemic of the flu.

As governor he became very popular, more because of his flamboyant personality than anything he really did for the people. But New York State governors had been so uniformly reactionary that Roosevelt's style alone would have put him over. And he actually did sponsor some mild reforms and took great pleasure in defying or putting down the machine politicians of his own party, for whom he had an aristocratic as well as a more or less moral contempt.

As important an authority as Depew himself reveals the machinations of the party leaders over TR in his autobiography (incidentally throwing some light on the kind of candidate generally preferred by Wall Street):

Roosevelt's administration [as governor – V.C.] was high-minded and patriotic. But by his exercise of independent judgment and frequently by doing things without consulting the leaders, State or local, he became exceedingly unpopular with the organization. It was evident that it would be very difficult to renominate him. It was also evident that on account of his popularity with the people, if he failed in the renomination, the party would be beaten. So it was unanimously decided to put him on the national ticket as vice president. ⁹⁵

THE 'INDEPENDENT' PRESIDENT

But when McKinley was assassinated shortly after his second election, Roosevelt came into his own and conducted the presidency with a vigor and apparent "independence" that endeared him to the majority of the long-frustrated voting population.

Most of his vigor was spent, however, in enforcing the new gunboat policy, enlarging the navy, intervening against the Boxer Rebellion in China, carrying out the bloody counter-revolution in the Philippines, consolidating U.S. gains in Cuba and Puerto Rico, and plotting a phony revolution in Colombia that broke off Panama and gave it to the U.S. to build the canal.

His movements toward “reform” were merely an attempt to have greater stability at home in order to more securely launch imperialist adventures abroad. This recipe was so good that it was taken over by the Democrats for the first World War, the Second World War, the Korean War, and the war in Vietnam.



“Teddy” Roosevelt was the first of the big politicians to advocate guns and butter. While securing Latin America for imperialism, he appealed to the masses as a trust buster.

Thus the “accidental” election of Theodore Roosevelt in 1900 was, if not planned by individual capitalists, deeply programmed in the logic of imperialism itself.

CHAPTER 41

1904 Trusts reelect 'trust buster'

The reelection of an incumbent president is now accepted as an easy task, a more or less foregone conclusion. If Richard Nixon could do it, the argument goes, anybody can. But precisely because of his popularity with the voters, Theodore Roosevelt had some doubt about his getting another term, especially at the height of his first term, in or around 1902.

He had shown that “independence” which his mentor Chauncey Depew later complained about, and although he was the epitome of an effective imperialist president for one term, there was some concern among the real makers of presidents – the Wall Street money kings – as to whether he would fit the picture for the second term.

He was on the outs with the Rockefellers, and the all-important J.P. Morgan, to whom he owed his political career, was not always pleased with him either.

IT CAME UP LIKE A FOUNTAIN

By 1903, however, “the nomination of Roosevelt was a moral certainty,” says his Pulitzer Prize biographer, Henry F. Pringle. “[Senator] Cabot Lodge was able to relay information that J.P. Morgan and other supposedly hostile financiers would surely swing to his support. . . . Roosevelt had done his share to obtain their benedictions,” he continued, giving an impressive list of what TR had done.

Once it was decided to support Roosevelt again, the money came up like a fountain.

The Rockefellers contributed heavily (\$100,000 from John D. Rockefeller and his leading company official), but knowing that the Morgans had the inside track with the “trust buster,” they hedged their bet by secretly financing the Democratic contender, Judge Alton B. Parker. Lundberg says:

On behalf of the Morgan group, E.T. Stotesbury, Morgan partner, collected \$146,759 in Philadelphia; S.T. Wainwright, of the Wainwright Coal Company, collected \$101,700 in Pittsburgh; Senator John F. Dryden, of New Jersey, founder and president of the Prudential Insurance Company collected \$70,000; a special committee under Perkins [another Morgan associate – VG] collected \$100,000, mostly from the insurance companies. 96

Lundberg goes on to say – and document – that E.H. Harriman, the railroad king, took \$250,000 from the treasuries of his various railroads for the campaign. The Gould family who were giant railroad stockholders and connected to the first National Bank of New York (later first National City) came up with no less than \$500,000.

This was possibly topped when J.P. Morgan and three of his insurance companies each gave \$150,000. And so on and so on. It must also be remembered that the dollar was considerably less inflated in 1904 and all sums should be multiplied by five, if not ten, to get a true picture of the campaign.

With this kind of support, Roosevelt's election was in the bag. But the Democratic New York *World* newspaper tried heroically to inject some life into the campaign.

Its editor, the famous Joseph Pulitzer, published an eight-column editorial over his own signature on October 1, just a month before the election. In it he asked why the president had moved George B. Cortelyou from the head of the Bureau of Corporations (which was supposed to fight the trusts) to the post of national chairman of the Republican Party. Pulitzer pointed out that the bureau had been in existence over a year and a half and had done exactly nothing.

He asked Roosevelt, with excellent logic, did not the corporations

... that are pouring money into your campaign chests assume that they are buying protection? It makes little difference how guarded or explicit Mr. Cortelyou's promises may be. Supposing, Mr. President, even at this late day, you were to give the country a little of that real publicity you once favored by telling it: 1) How much has the beef trust contributed to Mr. Cortelyou? 2) How much has the paper trust contributed to Mr. Cortelyou? 3) How much has the coal trust contributed to Mr. Cortelyou? 4) How much has the sugar trust contributed to Mr. Cortelyou? 97

And so on and on with the oil trust, the tobacco trust, the steel trust, the banks, the insurance companies, and the railroads.

At first Roosevelt was silent about these accusations. But later, his opponent, Judge Alton B. Parker, took up the cudgels and described the corporate contributions as “blackmail” and the virtuous Roosevelt was able to make a most effective disclaimer – of blackmail – without denying the actual contributions.

But Roosevelt would probably have won even if he hadn’t turned the contributions issue around. Parker, as a reliable Rockefeller candidate, had repudiated Bryanism and was clearly more conservative and light years less of a showman than Roosevelt.

'REFORMING' THE ROBBER BARONS

The reader may well ask: “How could there have been any doubt at all about the capitalists buying the 1904 election for Roosevelt?” But it must be recalled that, however faithful he was to the capitalist class, TR had led the robber barons into new and unknown territory. Even his imperialist adventures worried some of them. And his domestic measures were positively frightening to others.

He had pushed his innocuous but popular “reforms,” including the creation of a U.S. Department of Labor and Commerce (uniting capital and labor quite neatly), and had successfully propagated the idea of arbitration for national labor disputes – particularly in the coal mining industry. Arbitration is of course an instrument of the bosses rather than of the workers, since it implies the reconciliation of classes rather than the class struggle. But in those days of all-powerful capitalist suppression of labor, it seemed to be a step forward for the workers, while nearly all of the capitalists grumbled about it being a step backward for them!

As Lundberg observed: “Roosevelt had been boosted from the bottom to the top of his political career by the Morgan clique, but it was some time before the bull-headed Morgan learned to

discount his gestures.”⁹⁸ Some of these “gestures” were extreme enough to puzzle people much less bull-headed than Morgan. At a dinner of the Gridiron Club that included most of the top money kings, Roosevelt gave an enthusiastic lecture on how he was going to reform things. And in his enthusiasm he walked over to where Morgan was sitting and said, “And if you don’t let us do this, those who come after us will rise and bring you to ruin” – while shoving his fist under the great man’s nose.⁹⁹

Years later, after Roosevelt left the presidency and went to Africa to hunt big game, Morgan was quoted as saying of him, “I hope the first lion he meets will do his duty.”

With all his thundering against the “malefactors of great wealth” to satisfy the still-strong current of populist and anti-trust feeling in the country, Roosevelt made sure to pack his cabinet with direct hirelings of big business and the biggest banks – more so than most previous presidents. And he made sure to submit all official proclamations and programs to the biggest businessmen first. Needless to add, the trustification and power of the monopolies increased tremendously during his nearly eight-year reign. These super-corporations increased their total capitalization from \$4 billion in 1900 to \$31 billion in 1908, according to Lundberg.¹⁰⁰

However, his administration did institute formal anti-trust proceedings against the Rockefellers’ Standard Oil. And his attorney general, a Mellon man, actually filed a suit against an important Morgan company. (Morgan was supposed to have been “thunderstruck.”) And while the whole thing may have been a maneuver, Roosevelt’s public reputation as a “trust-buster” persisted.

The truth is that the time for a certain small amount of adjustment and regulation in the interest of the capitalist class as a whole had arrived. Theodore Roosevelt was the first visible, although blustering and demagogic, instrument of this new time in the presidential chair.

CHAPTER 42

The undemocratic primaries

Instead of discussing the election of 1908 next, now would be a good time to say something about the presidential primaries. They are supposed to be very democratic, since ten or a dozen contestants for the honor of piloting the capitalist ship of state can get into the act instead of just two.

Assuming that this is really so, we would have to say that 1976 was the first year in which the primaries could even pretend to work that way. Because of the Campaign Reform Law of 1975, it was the first year that the majority of delegates to the Democratic and Republican conventions (70 percent) were to be elected by the “people” – that is, by a small percentage of the registered Democrats and Republicans.

In 1972 only 44 percent of the delegates were so elected and in previous years many fewer. But it should be noted that even in 1976 a contestant who won 51 percent of all primaries (and there was absolutely no possibility of an individual winning that much in the Democratic race) would still have only 36 percent of the delegates.

The other 15 percent necessary to win the nomination would be chosen in “smoke-filled rooms” at the national convention – the people in those rooms being in constant contact with plush, air-conditioned mansions and Wall Street executive suites.

STILL NO NATIONAL PRIMARY

The idea of a single national primary was proposed at the turn of the century, when only one state – Florida – had a presidential primary, and that was for whites only. The single primary idea was popularized by President Theodore Roosevelt.

In such a single primary, the Democratic and Republican rank and file could presumably choose, among several highly

publicized individuals, the actual candidates for the November election.

Such a countrywide primary has never been established in all the ensuing years since it was proposed and it is never likely to be established. For one thing, it goes against the vested interests of a large number of capitalist politicians who might lose some of their power in such an event. Moreover, the capitalist class itself is by no means sure it wants such a reform. Even with the practical certainty of two true-blue servants of the capitalist class being chosen by such a device, it is unacceptable because it is a step away from the iron centralization of capitalist monopoly power. Even the so-called anti-Eastern establishment capitalists are not so interested in destroying this centralism as in capturing it.

Let us take the case of the 1976 primaries. In the Republican contest, the incumbent, who always has a tremendous advantage, is somewhat handicapped this time by being a non-elected president in a deeply split party of a deeply split ruling class. But nevertheless, nationally unknown two years ago, Gerald Ford has won five primaries out of six through sheer machine control – and capitalist funds behind him.

The extreme Republican right represented by Ronald Reagan may yet win some more primaries, but the Republican nomination, if things take the usual balloting road, will most probably go to Ford.*

* It did, and Reagan had to wait four more years for his turn – Ed.

In the Democratic primaries the fight seems to be more exciting because there is more uncertainty. But the fact is that a contestant who is unsure of one state or another simply stays out of the campaign in that state, and then, on getting 10 or 20 percent of the vote there, claims a “psychological victory.” And the capitalist backers of that person have more flexibility at the convention.

Or, as in the case of Illinois, one candidate like Senator Henry Jackson can allow another – Jimmy Carter in this case – to win the Democratic primary with the hope that in addition to the handful of delegates he, Jackson, comes out with, he will get the nearly half the state’s delegates pledged to Adlai Stevenson III, who are really pledged to Democratic machine boss Richard Daley. These latter delegates will be sold to the highest bidder at the national convention.

WINNERS WHO DIDN'T WIN

Even when there were many fewer primaries to win, the winners rarely went on to capture the nomination, much less the presidency. In 1968 Eugene McCarthy and Robert Kennedy won most of the primaries. But McCarthy got shoved out, and Kennedy got shot. Hubert Humphrey won the nomination without winning any primaries at all.

In 1952 Senator Estes Kefauver, who had become popular by crusading against the big drug companies on television, won nearly all the primaries there were. But then-President Truman controlled the Democratic machine and engineered the nomination of Adlai Stevenson II at the convention.

One of the reasons primaries are supposed to be so much more democratic in 1976 is because corporations are not supposed to give contributions in their own names (they weren’t supposed to in 1972 either!) and because of “matching funds” from the U.S. Treasury.

THE PHONY REFORM OF CAMPAIGN FINANCES

The matching funds are a device to make the better-heeled candidate surer to win. To be eligible for matching funds, a prospective candidate has to collect a large sum from each of at least twenty different states, which guarantees that no real newcomer without some big business backing can muscle in for a share of the people’s tax money.

Secondly, the matching funds perpetuate and actually deepen the gulf between poorer candidates – or less capitalist-favored candidates – and the richer ones.

Thus, if Candidate A has collected \$100 and Candidate B \$1,000 after getting matching funds, Candidate A has \$200 and Candidate B \$2,000. The second sums are still in proportion but the gulf between them, instead of being \$900 is now \$1,800.

The 1975 campaign law limited a candidate to spending “only” \$50,000 of his or her personal fortune in the primary and general election. But the U.S. Supreme Court struck down this provision because it penalizes the rich and interferes with “freedom of speech.”

The court left standing a requirement that individual contributors can give no more than \$5,000 apiece. Such a rule might have helped Goldwater and Nixon against Rockefeller, or Humphrey against Kennedy. But it would have made no difference to the populists or the Socialist Eugene Debs, or to Dick Gregory or Bobby Seale when they ran for office.

The cost of primaries in general is absolutely prohibitive to ordinary people. Nelson Rockefeller was reported to have spent over \$3 million in his campaign to get the 1968 Republican nomination. Richard Nixon, about 10,000 times poorer but with a large chunk of big business behind him, spent more. Nixon had the bulk of the Republican machine behind him. And this latter fact demoralized Rockefeller, who might easily have spent more.

Rockefeller spent all of \$5 million in his effort to get the Republican nomination in 1964.¹⁰¹ But Goldwater, who pleaded poverty, collected \$5.5 million for the primary campaign from his pro-fascist backers.

The liberal John F. Kennedy, with a fortune of \$400 million behind him, forced Hubert Humphrey out of the primary race in 1960, when the latter ran out of funds after his defeat in the West

Virginia primary. Humphrey threw in the towel. When he ran for his Senate seat, he was \$30,000 in debt.

Fred Harris, the most radical of the Democratic hopefuls in 1976, found that he could get practically no capitalist backing at all for his potentially popular reformist program. He had to end his New York campaign, where he was unable to raise the deposit demanded by the New York Telephone Company.

The figures being spent by Jackson, Carter, Reagan, Ford, and company are just as high this year as other years in spite of the pious talk about election "reform." When all the post-Watergate primaries are in, and whoever gets the nomination, it will still cost big money.

Of course, the primaries will also test out whether various individuals can get a vote for every dollar – or every two or three dollars – invested, while they generate enormous free publicity and help to fool the voters into thinking they have "democracy."

CHAPTER 43

1908 William Howard Taft

With the powers of incumbency plus his own considerable popularity, Theodore Roosevelt sewed up the convention delegates for William Howard Taft to succeed him in 1908. Henry Pringle, Roosevelt's biographer, wrote:

By June, 1908, 125 Federal officeholders had been chosen as delegates to the [Republican] convention and of these ninety-seven were for Taft. In the Southern states, where presidential patronage is particularly strong, the Taft forces controlled nearly all the delegates. This was established custom. . . . More than half of the [convention] delegates were "under solemn pledge to Taft."¹⁰²

Taft had been secretary of war under Roosevelt and colonial governor of the Philippines. These impeccably imperialist credentials had been given him, not through any election of the people, but by appointment of the president with the advice of Wall Street. However, the voting population now knew Taft as an important figure in government and would consider him seriously if nominated by a major party.

Completely acceptable to the Morgans and immediately endorsed by the Rockefellers (although the latter had tried at first to get Roosevelt to name Charles Evans Hughes, John D.'s Sunday school chum), Taft inspired the capitalist class with the greatest confidence although not with any special enthusiasm.

The national Republican slush fund for 1908 was only \$1,700,000, as opposed to \$3,500,000 for the "trust buster" of 1904. The Democratic campaign fund was \$750,000. And with the semi-populist William Jennings Bryan running again as the Democratic candidate, it was difficult to get big business to contribute. However, after the election Rockefeller tossed \$5,000 to the Democrats to pay campaign debts.

Both Andrew Carnegie and J.P. Morgan personally gave \$20,000 to the Taft campaign, while Henry Clay Frick, the infamous strikebreaking president of U.S. Steel and a staunch Morgan

man, gave \$50,000 to the Republicans. A whole constellation of Wall Street luminaries gave similar amounts.

BRYAN'S THUNDER STOLEN

Bryan was personally more popular than Taft, and a more or less serious opponent of imperialism, as he understood it. But much of his domestic anti-Wall Street ammunition was gone. The income tax, inheritance tax (neither was yet enacted), and corporation control (never really enacted) had now become Roosevelt doctrine and, by political osmosis, presumably Taft doctrine.

In fact, George Perkins, a Morgan spokesman, now supported the income tax and corporation stooges like Rockefeller son-in-law Senator Nelson Aldrich and super-lawyer Elihu Root supported a corporation tax (but as a substitute for the income tax).

Bryan himself was really only a demagogue, and fewer of the radical forces were now behind him than in 1896. Roosevelt was at least equally demagogic. And he had Wall Street behind him.

Roosevelt, virtually Taft's campaign manager and chief orator, now had a "portrait as defender of the people, the foe of Wall Street, the chastiser of the wealthy malefactors," as Pringle says.¹⁰³ And it was this portrait, painted largely by the big capitalist media, that made it possible for him to put his own man in office to succeed him.

In fact, Roosevelt was so powerful that he "had" to come out openly and clearly for Taft at the convention in order to prevent a "draft" of himself. He got a forty-nine minute ovation there, which was by no means entirely stage-managed. It showed how effective an "anti-monopoly reformer" could be when backed by the preponderant section of the monopoly class itself!

In the election, most of big business pulled the old tricks with Bryan – threatening plant closings, pay cuts, and so on if Bryan were elected.

Bryan, on his side, began to woo Black voters away from the Republicans (who in the ancient past had led the North in the Civil War) while still keeping the white supremacist Solid South behind him. An “extreme” liberal and a genuine anti-monopolist (from a pro-capitalist point of view), he was practically a Southern white supremacist in his political outlook. Nevertheless, he laid the basis for the election strategy of Franklin D. Roosevelt a quarter of a century later.

The capitalist class as a whole was far less fearful of Bryan’s backers than in 1896. Eugene Debs, for one, had broken from Bryan and was now running for president as a Socialist. But Wall Street was far more confident of its future with solid citizen Taft at the helm of the ship of state.

THEY COULDN'T HELP A LITTLE CROOKEDNESS

How did they put Taft in with a majority of more than a million and a half votes against the anti-Wall Street Bryan? The campaigning of Theodore Roosevelt was invaluable, and the support of the capitalist press was still more invaluable. But they could not resist some extracurricular activities just to make the thing sure.

In the key state of New York where corruption was probably the greatest – and as now, exposés of it the commonest – the Democratic Tammany Hall machine double-crossed the Democratic Bryan as it had Cleveland in 1888. Raymond Robins, a social worker and a friend of Bryan, told the press how Tammany operators circulated thousands of sample ballots throughout the state the day before election – marked for the Republican Taft and the state Democratic ticket.¹⁰⁴

The New York newspapers also reported a deal between Tammany leader Charles Murphy and the New York County Republican leader Herbert Parsons. Each of them agreed to knife the reformer on his own party’s ticket. (Rockefeller’s Charles Evans Hughes, the Republican reformer, was, however, elected Governor.) While the press played this up as a mere power

struggle between small-time professional politicians, it was discreetly silent about the role of the paymasters of these politicians.

CHAPTER 44

1912 *The three-ring circus*

The presidential election of 1912 was one of the most skillfully maneuvered and bitterly fought in U.S. history. And yet the difference between the three capitalist candidates – William Howard Taft, Theodore Roosevelt, and Woodrow Wilson – would not have added up to a single serious change in the capitalist government had Wilson been defeated by either of the other two.

Taft had not lived up to expectations – especially Roosevelt's expectations. At first the latter's close friend and political protégé, he had drifted somewhat naturally toward the camp of his golfing partner, John D. Rockefeller, and away from both the Rooseveltian reformers and the Morgan-influenced orbit from which they had "broken."

And yet as a relatively honest conservative, Taft had continued the anti-trust policies of Roosevelt – such as they were – in a more impartial and consistent way than TR had done. And thus Taft displeased more of the individual capitalists than Roosevelt had. Quite inept as a politician, he had also managed to lose a number of machine supporters that the powers of incumbency would otherwise have entitled him to.

It was the Morgans, primarily, who decided to dump him. And in doing so, they were able to use both the ego of TR and the people's hunger for reform to split the Republican vote so that Woodrow Wilson, their secret candidate (of whom the Rockefellers had a piece, too) would win.

TR TRIES FIRST FOR REPUBLICAN NOMINATION

Roosevelt, after declaring war on Taft, tried first to get the nomination of the Republican Party away from him. Failing in

that, he remembered his principles and decided to run as a reform candidate on the Progressive Party ticket.

“Unquestionably, Roosevelt was the choice of a majority of the rank and file of the Republican Party,” says Pringle. “His strength in the primaries proved this.” ¹⁰⁵ In fact, Roosevelt even won the primary in Taft’s home state of Ohio. But alas, the primaries were even less decisive than they are today, when it came to electing a majority of delegates to the convention. These were determined by more Olympian – that is, Wall Street-forces.

In fact, when the pro-Roosevelt delegates appeared at the great confab, the credentials committee, led by Senator Nelson Aldrich, who was now an in-law to the Taft-supporting Rockefeller, smoothly refused to recognize them. “We have a large majority of the legally elected members of the convention,” indignantly proclaimed Roosevelt. And “This has come down to be a fight of honesty against dishonesty.”¹⁰⁶ Dishonesty, however, had more dollars and hence more votes.

THEN HE BECOMES A PROGRESSIVE

In his call for a new party shortly afterward, Roosevelt went on in still more virtuous tones: “We fight in honorable fashion for the good of mankind, unheeding of our individual fates, with unflinching hearts and undimmed eyes; we stand at Armageddon, and we battle for the Lord.” ¹⁰⁷

Be that as it may, the unflinching heart decided not to run again next time around in 1916, even though he got more votes in the 1912 Progressive Party campaign than Taft did in the Republican. The reason was simple: the party’s big business backers would not put up any money in 1916.

And the reason they would not put up the money in 1916 can be found in the reason they did put up the money in 1912. Their purpose was not to build the Progressive Party but to split the Republican vote so that the Democratic candidate might win.

Two of J.P. Morgan's most loyal henchmen, George Perkins and Frank Munsey, were the real inspirers of the Progressive Party from a financial point of view. That is, they provided the funds. And interestingly enough, they also bankrolled TR's effort to get the Republican nomination away from Taft – but only so far.

These two worthy gentlemen could easily have bought the Republican nomination for Roosevelt had they desired. Ferdinand Lundberg briefly explains this as follows:

Perkins, indeed, was the floor manager of the struggle [at the Republican convention – V.C.], in the course of which Munsey was offered for \$200,000 a block of accredited delegates' votes sufficient to assure Roosevelt's nomination. Munsey refused the offer, and in view of the vast sums subsequently spent by him and Perkins to forward the Progressive campaign and insure Taft's defeat, the suspicion seems justified that the two were not overanxious to have Roosevelt win.¹⁰⁸

Perkins also put a lot of money into the Democrat Wilson's campaign through Cleveland Dodge of the National City Bank, adds Lundberg. Perkins and Munsey officially contributed over \$500,000 to the Progressive campaign. And, in addition, Munsey spent a cool million as part payment to buy the *New York Press*, a popular morning paper of the day, for Roosevelt's support.

At that time most of the daily papers were still owned by somewhat independent capitalists and had to be handled by giving them advertising accounts or buying them up individually. Nowadays huge multimillionaire and billionaire corporations own the newspapers, as they do radio and television.

THE SOCIAL REGISTER PROGRESSIVES

One of the more sincere founders of the Progressive Party, Amos Pinchot, revealed how J.P. Morgan really felt about Roosevelt at the very time Morgan's associates were backing TR's campaign.

As [J.P. Morgan] was leaving my house one day, where he had come to see a relative who was stopping with me, he suddenly turned, with a fierce gleam in his eye, and growled at me, "I don't like your friend Roosevelt; he's no good. You'll find that out and so will Gifford [Amos' brother and another founder of the Progressive Party – V.C.].'" And he was so shaken by this sudden gust of rage, that he tripped on the steps, missed his footing, and fell down the stoop. Luckily he was unhurt, though

considerably ruffled, and, jumping up before I could reach him, he climbed heavily into his car, slammed the door, and disappeared, shouting an address to the chauffeur.¹⁰⁹

From this the reader can glean much about both Morgan's true feelings and Pinchot's in-the-family anti-Morganism, as well as the procapitalist limits of the Progressive Party.

The Pinchots were Social-Register ruling-class types who genuinely wanted to reform the unbridled aggressiveness of the robber barons, of whom they numbered Morgan as a Neanderthal carry-over. They chose Roosevelt for their standard-bearer after at first supporting Robert M. La Follette, who was considerably more serious than Roosevelt (although not as popular) about curtailing the monopolies. There were other ruling-class reformers of this type when Roosevelt's 1916 betrayal pushed toward the Democratic Party, and they ultimately clustered around another Roosevelt – Franklin D. They advocated women's suffrage, workers' accident compensation, social benefits for women, abolition of child labor, etc.

The huge vote for Theodore Roosevelt in 1912, larger than that for Taft, showed that the people were anxious to break out of the stranglehold of the two old capitalist parties and with continued massive campaigning might well have done so permanently.

But even apart from the scheming of the Morgans and others, the leadership of the new party was not of the stuff that could give and take heavy blows. Nor was its program basically different from the capitalist liberalism in which the Republicans and Democrats could now dress themselves whenever they felt that necessary to preserve their rule.

WOODROW WILSON AND THE 'NEW FREEDOM'

While it made little objective difference to the people whether Theodore Roosevelt, W.H. Taft, or Woodrow Wilson was elected in 1912, these three individuals did have different personalities. And since everything is political – and in ruling class politics, twice as political – the personality of Woodrow Wilson, the winner, is worthy of our consideration.

Wilson was a supposedly pacifist, supposedly idealistic, supposedly liberal university president, who had served one term as governor of New Jersey before getting the U.S. presidential nomination and going on to victory with the elusive program of "The New Freedom." To a public long weary of capitalist political machines and "bosses," he was the very model of an honest liberal and an anti-political politician.

FROM CATERPILLAR TO BUTTERFLY

But Wilson attracted the attention of the leaders of the ruling class for qualities that were highly conservative, if not reactionary. While president of Princeton University, he had openly attacked both Theodore Roosevelt and William Jennings Bryan as radicals (!) and he had condemned the Socialists and Populists as the worst enemies of the human race.

He would repeat all this in endless variety at the scholarly and entertaining lectures he gave at businessmen's luncheons in the course of extracting money from them for the university – this being a college president's first duty and primary responsibility.

He only began his "liberal" demagoguery during his 1910 campaign for governor of New Jersey (his first purely political office), when he got the message plain and clear that the voting masses were demanding serious reforms, and that he'd better be an "anti-monopolist" if he wanted to get elected.

With extremely flexible, if not principled, politics, he began to promise the voters almost everything, including a "New Era in New Jersey." (New Jerseyans, like New Yorkers, hear this promise every ten or fifteen years, because the preceding "eras" are so hopelessly corrupt.)

And he told the editor of the *New York Post* that he was now for "a modified Rooseveltism" – meaning that he, too, would be a "trustbuster," albeit a modified one.

He remained distinctly to the right of Roosevelt on the question of racism, however. The bold Theodore had taken the

revolutionary step of inviting the conservative Black leader, Booker T. Washington, to dinner at the White House. The Democratic Party, which was increasingly under the control of its Southern wing and going through a period of extreme reaction, was outraged at this (as were many Republicans). Wilson adapted himself to the Southern wing with no apparent effort.

Wilson's main individual financial backer was also his political mentor and chief adviser, particularly on who to appoint to high office.

This was Cleveland Dodge, who was considerably more than Nixon's Bebe Rebozo."¹¹⁰ He was heir to the enormous Phelps Dodge copper fortune, vice president of the National City Bank, owner of the El Paso and Southern Railroad, shareholder and director in dozens of big companies, including Remington Arms and, at that time, Winchester Rifle (which he sold at a \$50 million profit during World War I).

Dodge later admitted to a Senate investigating committee that he, personally, contributed more than half the funds necessary for Wilson to capture the Democratic presidential nomination – about \$80,000. The Democratic nomination came cheaper than the Republican, as a rule.

Wilson wrote his first inaugural speech on Dodge's yacht, and Dodge showed Wilson off to the reunion of the Princeton class of 1879 at a victory dinner the day after inauguration. Wilson in turn invited Dodge to attend the first official cabinet dinner as one of only two outsiders.

Besides "suggesting" whom Wilson should appoint to important offices, Dodge made sure the appointments stuck. For example, when Walter Hines Page, the Morgan-approved ambassador to Britain, complained that his salary was insufficient and he was going broke at the expensive Court of St. James, Mr. Dodge very kindly subsidized him with an extra \$25,000 a year.

DODGE AS TALENT SCOUT

Of course Dodge could not have played this role, even with all his wealth, without the go-ahead of even bigger and more general financial interests. In his position as vice president of the National City Bank, he rubbed shoulders daily with both Morgan and Rockefeller associates, although he himself was much closer to the Morgans.

He introduced Wilson to the Morgan crowd and convinced the latter that the former was their man. He had known Wilson off and on for 37 years, having been a classmate of his in the Princeton class of 1879, when college was much more exclusive (and expensive) and classes much smaller.

Dodge had become a trustee of this wealthy institution by the time Wilson gave up his Atlanta law practice and came there to be professor of history and government.

Dodge and another trustee, Cyrus McCormick – that is, the International Harvester Corporation – both backed Wilson for university president, a job that required as much politics as scholarship.

LOOKING HIM OVER AT DELMONICO'S

They felt their man was presidential material as early as 1904. They introduced him to George Harvey, president of *Harpers* weekly and the Herber Brothers Publicity Company. Harvey, a Morgan henchman, was even more impressed with Wilson. A literary man himself, Harvey was strongly taken with the idea of making the writer of *The History of the American People* into a president of the American people, courtesy of J.P. Morgan & Co.

Harvey brought Wilson to a Delmonico's dinner (remember how Theodore Roosevelt was first nominated for state office there?) and introduced him to some of the Morgan and other top people for an okay. When the introduction didn't take, Harvey brought him around again two years later and touted his name about for president in 1908.

Then Rockefeller's man, the redoubtable William C. Whitney, he of the three campaign bankrolls for Grover Cleveland, got into the act. Whitney had been dabbling in New Jersey politics in order to advance his Hudson and Manhattan Tubes and other transit interests there.

He had met a "low" Democratic politician in Jersey named James "Jimmy" Smith, Jr., and Whitney bought Smith a U.S. senatorship in the usual way, by bribing the New Jersey legislature.

Smith went on to become the political boss of New Jersey. Whitney then got Smith to push Woodrow Wilson, the distinguished Princeton president, for governor. Smith complied, first because Whitney, so it was said, gave him \$75,000, but also because he expected Wilson to get him the senatorship again in 1912.

When the time came, however, Wilson refused to do this, thus showing, like Cleveland and Theodore Roosevelt, that he could not be bossed – not by small-time politicians, anyway.

Wilson was not as close to the Rockefellers as to the Morgans, even though he owed his gubernatorial election mostly to the Rockefeller-oriented Whitney. He was genuinely close to Dodge and he was almost abjectly dependent upon Morgan-man Harvey during the presidential campaign of 1912.

But the Harvey – and Morgan – connection was only revealed much later. At the time, Wilson appeared to be "independent," as the voters wanted him to be. Morgan, Dodge, and Harvey were very understanding about this. They knew that Wilson had to have an anti-Wall Street image, especially to win the South and West.¹¹¹

CHAPTER 45

1916 'He kept us out of war'

Another aspect of Woodrow Wilson's personality was his deadpan pacifism – deadpan, but fervent and very convincing. He differed greatly from Theodore Roosevelt in this respect.

TR was a true-blue, die-hard, red-blooded, imperialist flag-waver, ready at any moment to “give his all for his country” (as a major general, of course, if Wilson would just give him an army division to command). He spent his time running up and down the then forty-eight states, organizing the Preparedness League and accusing Wilson of being a coward for not declaring war. But Wilson, who was to become by far the most relentless prosecutor of the biggest imperialist war up to his time, won the 1916 election by his constant calls for peace and his apparent extreme sincerity in attempting to mediate between the rapacious and cynical imperialist powers of old Europe.

Wilson's Republican opponent was not Roosevelt but Charles Evans Hughes, a member of John D. Rockefeller's Baptist Sunday School class (and other Rockefeller projects, too) who resigned from his Supreme Court justiceship to run.

Hughes ran a considerably more careful campaign than his Republican supporter, Roosevelt, who used all his considerable personal prestige to whip up the population to endorse an immediate declaration of war. But it seemed that Hughes was the more pro-war candidate as opposed to Wilson.

It was precisely this point – the question of U.S. entry into the war – that still somewhat divided the capitalist class in 1916, although the economic steps had already been taken that made U.S. entry into the war inevitable.

And they were also divided on Woodrow Wilson.

The national Republican slush fund was \$2.5 million as opposed to Wilson's incumbent Democrats' \$2 million. This was the first time since before the election of Abraham Lincoln that the winner had a smaller campaign fund than the loser.

This phenomenon has occurred again several times since Wilson – notably in the cases of Franklin Roosevelt and Harry Truman – but for different reasons. In the more distant past, the reason one candidate had a greater slush fund than another was simply that big capital was more or less united behind the candidate. Nevertheless, Wall Street took the mood of the voting public into consideration on some of these occasions, as we have seen.

UNCERTAIN ABOUT THEIR MAN

But in 1916 it was not so much that they were united behind Hughes as that they were uncertain about Wilson. The Princeton conservative had hit much harder at corporate monopolies than his Morgan backers had really expected. And although he was so permissive about big arms sales and big loans to France and Britain that big business never had it so good, Wall Street really seems to have wondered whether he could or would pull the country into war.

As a matter of fact, a large part of Wilson's \$2-million fund came from 170,000 small contributions that he solicited from the "public" to prove he was "independent" and "unbossed." Thus he seemed to the more gullible to be a "man of the people" in campaign financing as well as in trust-busting and peacekeeping.

Was his election victory, then, a slap at U.S. big business and high finance? By no means! It was the best thing that could have happened to them.

Nobody could have maneuvered the U.S. into war any better than Wilson – and the war was the crucial thing that capital absolutely had to have. Nobody could have welded the anti-war part of the population together with the chauvinists in a drive to

win “the war to end war” or the fight “to make the world safe for democracy” (and other well-tuned Wilsonian phrases) any better than this hypocritical, intellectual, bourgeois pacifist.

And it took the election process of the bourgeois democracy to turn up this golden nugget, which big business, or at least some of it, might have left to shine unseen.

MASS SENTIMENT FOR PEACE

Despite the sinking of the *Lusitania* and the “rape of Belgium,” the majority of the people of the United States had no desire to sacrifice their lives on foreign soil. Even the delegates to the Democratic national convention of 1916, case-hardened though most of them were, undoubtedly reflected the mass sentiment for peace despite Roosevelt’s and the Morgan crowd’s war cries.

When Martin Glynn, ex-governor of New York State, gave the keynote address, his intention was to apologize for Wilson’s pacifism while laying the basis for a pro-war program. He had hoped to bring the audience to its feet screaming for the red, white, and blue at the end of his oration. But as he gave historical precedents for Wilson’s peaceful policy, the big audience grew more and more enthusiastic.

“When Grant was president,” he intoned, “a Spanish commander in cold blood shot the captain of the *Virginus*, thirty-six of its crew and sixteen of its passengers. . . . But we didn’t go to war.”

To Glynn’s surprise, the crowd cheered and cheered again. He brought up crisis after crisis, but began to change his prepared text by calling on the audience itself – “What did we do?”

The crowd roared back each time, “We didn’t go to war!!!” Glynn never reached his patriotic conclusion.

Then Senator James of Kentucky, permanent chairperson of the convention, smelling out the situation with the olfactory perfection of the trained bourgeois politician, opened his speech

with, "Blessed are the peacemakers, for they should be called the children of God."

There was "a wild scream of excitement," reported John Dos Passos, who was a contemporary of the event.

James went on to describe the struggle of the "lonely man in the White House" who was trying so hard to keep the peace. "If that be evil and vacillating," he wound up with virtuous solemnity, "may God prosper it and reach it to the rulers of the world."

At this, wrote a *New York Times* reporter, "the delegates did not rise to their feet, they leaped."¹¹²

After all the cheering and shouting was over, Woodrow Wilson was nominated unanimously on the first ballot. And the Platform Committee put all the above sentiments together for the noblest election promises imaginable, topped with the line that became the keynote of the campaign – "He kept us out of war."

'PEACE' ELECTION

On April 2, 1917, Woodrow Wilson called upon the U.S. Congress to declare war against the Central Powers of Europe. And true bourgeois pacifist that he was in peacetime, he persecuted all honest pacifists in wartime – without mercy.

Matthew Josephson says in his *President Makers*:

He had predicted, in intimate conversations, that if war came it would be pushed pitilessly and our people would "forget there ever was such a thing as tolerance." Pacifists, radicals, and other opponents of the war were imprisoned, mobbed, or even tortured; liberals who spoke in public in those days had agents of the Department of Justice shadowing them, or taking down their words verbatim. Hourly they waited for arrest.¹¹³

Revolutionary opponents of the war like Eugene Debs were treated worse. And the poor masses, who actually went to the war and died for the Morgan loans to Europe and for the coming expansion of U.S. capitalist oppression throughout the world, still worse.

Had Charles Evans Hughes been elected in 1916 instead of Wilson, the result would have been about the same. But the man who knew how to do it best won. Woodrow Wilson understood best that imperialist elections, like imperialist wars, have to be fought in the name of "peace."

CHAPTER 46

1920 Harding, the senator who was discreet

“Harding,” said Alice Roosevelt Longworth, in a summary that was meant to be witty but must also be considered as accurate from a bourgeois point of view, “was not a bad man. He was just a slob.”¹¹⁴

Warren Harding’s running mate was Calvin Coolidge, whose mentality may be gauged by the title of an article he wrote for a women’s magazine in 1921: “Enemies of the Republic: Are the Reds Stalking Our College Women?”¹¹⁵

From the vantage point of the latter part of the twentieth century, when somewhat slicker slob and much more energetic red-baiters preempt the political scene, it should not be difficult to understand how these two gentlemen made it in unsophisticated old 1920. But the question that concerns us here is: After eight years of the Democrats and Woodrow Wilson, how did a Republican slob become president?

We noted in our discussion of 1916 that big business was seriously divided that year and that the official Republican slush fund was actually 25 percent greater than that of the Democrats – \$2.5 million to \$2 million. (And, miraculous to say, the Democrats won.)

Obviously, the preponderant section of high finance decisively came down again in 1920 on the side of the Republicans, as it had done ever since its political emergence in 1860 – with the exception of the two successful Cleveland campaigns and Wilson’s first one.

There was a wave of bourgeois pacifism – or more precisely, bourgeois isolationism – after the war. And by a strange coincidence this corresponded to Wall Street’s needs at the time. (Wall Street’s news media worked overtime to generate just this feeling.) The needs of big business at that time were not so

much for more colonies or even neocolonies as for further investment of its huge profits from Allied loans and U.S. war industries in the U.S. itself.

At the same time, there was a tremendous anti-Red witch hunt that had been first whipped up by the Wilson administration. This could not but help the Republicans, since the latter are better known for their broad stripes and bright stars than for any “un-American” deviation like concessions to labor, welfare, etc., or a tendency to regulate “free enterprise.”

AFTER THE WAR – BACK TO 'NORMAL'

Thirdly, and more important, big business felt that this was the appropriate time to snuff out all the “trust-busting” and corporate restrictions of the previous two decades, weak and ineffectual though they were.

In light of the six years of war prosperity – for many, but by no means all the people – big business felt they could resume an all-out plunder of the Treasury, and above all make sure that the rich would not have to pay the national debt from the war but that this would be saddled on the middle class and poorer masses.

Harding was closer to the Rockefeller gang than to anybody else. But the Morgan crowd got behind him with gusto. (By 1920 the struggle between the Rockefellers and the Morgans was considerably softened, especially in some areas, and was nothing like it had been twenty or even ten years earlier.)

Harding was the last president from Rockefeller oil's Ohio (but not the last from Rockefeller oil). He had been an Ohio state senator from 1900 to 1904 and lieutenant governor from 1904 to 1906. He had been permitted to nominate William Howard Taft (a very great honor) at the Republican convention in 1912. He became U.S. senator from Ohio in 1914.

An intimate of the notorious Standard Oil Senator Joseph B. Foraker and other such types, and almost a caricature of the

sleazy but dignified-looking senator, he enjoyed the full confidence but hardly the respect of his cynical masters.

His presidency, says Ferdinand Lundberg, was “soaked, hardly by accident, in petroleum.”¹¹⁶ That is, he presided over illegal government oil sales and gifts to Sinclair, Rockefeller, and company in scandals that from a strictly economic point of view were far greater than Watergate.

Partly because of these oil scandals, much of the story of the convention nomination has been told by intimates and fellow travelers as well as critics. Charles Willis Thompson tells the more seedy story of Harding’s victory at the Republican convention in Chicago: “Harry M. Daugherty, afterward President Harding’s Attorney-General, had told reporters that the Convention would be deadlocked and that the nomination would be decided on by twelve or thirteen men ‘at two o’clock in the morning, in a smoke-filled room.’ He was correct to the last word.”¹¹⁷

WHO WAS IN THE ROOM?

Thompson didn’t say who was in that “smoke-filled room.” But North Dakota Senator Robert F. Pettigrew, an aged but still militant antimonopolist at the time, gives this information:

The representatives of the great interests arrived in a body and took charge of the convention from the start. It is the first time [?] they have ever done this. There was Gary, head of the [U.S.] Steel Corporation; Davison and Lamont of Morgan & Co.; F.H. Allen of Lee Higginson & Co.; Atterbury, vice president of the Pennsylvania Railroad; and Dick Mellon, of Pittsburgh, whose family is, I suppose – next to Rockefeller – the richest in America. Then there were George Baker [Morgan] and Frank Vanderlip [president of National City Bank] and Daniel G. Reid [Morgan, American Can].

These men took no chances. They went to Chicago, wrote the platform, and nominated the candidate.¹¹⁸ [All inserts by V.C.]

The only thing left out here is the identity of the Rockefeller representative. This was George W. Harvey, who had now switched from Morgan to Rockefeller. It was he who provided the smoke-filled room itself.

The almost foredoomed Democratic campaign of 1920 was distinguished in retrospect by its candidate for vice president – Franklin Delano Roosevelt. This Roosevelt, combining a sense of history with his hunger for the presidency, apparently decided to go the same route as his successful relative.

He had wangled the job of assistant secretary of the navy for World War I from the same financial moguls who got it for Theodore. But he was not to gain the big prize until after he had been governor of New York State and after the Republicans had been shellacked by the worst depression in U.S. history.

CHAPTER 47

Debs and the Socialists

During the period we have recently been discussing, there were six important socialist campaigns for the presidency.

Eugene Victor Debs, the great labor organizer, popular writer, and socialist agitator, ran five times on the Socialist Party ticket from 1900 to 1920, his last campaign headquarters being in Atlanta Federal Prison, where at the age of 66 he was still serving time for his opposition to World War I. (Allan Lewis Benson ran for the Socialist Party in 1916.)

The Socialist vote for each of these elections is worth studying:

1900 86,935

1904 402,489

1908 420,380

1912 900,369

1916 589,924

1920 913,664

Readers will recall that the radical Populists – the People’s Party – got over a million votes in the much smaller election of 1892, but that they were defeated in 1896. Most of their vote was taken over by the Bryan Democrats, and later some more of their program was taken over (and even more spuriously) by the Roosevelt Republicans.

In 1904 the People’s Party ran a strong candidate, but received only 117,183 votes to the Socialists’ 402,489. Theodore Roosevelt had good reason to say in 1905 that “the growth of the Socialist Party is far more ominous than any populist or similar movement in times past.” The 1912 Socialist vote, translated to

an equal percentage of the 1976 electorate, would be nearly 4 million.

The figures clearly show the emergence of a social force that a more prosperous imperialism was able to disorient after 1920, and capitalist historians have now almost obliterated from the record. This force was the revolutionary working class. Whereas the classical middle class had been decisively defeated as a political force with the defeat of the People's Party, the modern working class (although with many middle-class leaders at the time), now asserted itself at the polls.

The Socialist Party of that time was indisputably working class in its outlook and enthusiastically pro-Black – especially in the person of its leading spokesman, Eugene Debs. Debs, however, like most of the militant white Socialists, was blind to the question of self-determination and of special rights for oppressed peoples in order to correct previous and long-standing outrages against them.



Eugene Debs ran five times on the Socialist Party ticket as an anti-war, pro-worker candidate, twice winning almost a million votes. The Socialist vote was at all times far higher in proportion to the dollars spent than was the capitalist vote.

THE 'RED SPECIAL'

The campaign funds of the Socialists were unbelievably small. While the capitalists were tossing millions around and, as now, monopolizing the news media with stories and pictures of the opportunist nonentities they were grooming for office, the Socialists had to get their contributions mainly from people who earned ten to twenty dollars a week.

In one campaign they raised \$20,000 to charter a private railroad car to go through the country with Debs speaking at every city, town, and whistle-stop all summer long – until he lost his voice and his health. But the capitalists accused them of getting this “huge” sum illegally!

Samuel Gompers, president of the American Federation of Labor, charged that the Republicans were secretly financing the Red Special, as the train was proudly called. The Socialists then made public every single donation they had received and nearly all were under ten dollars, the largest being \$200.

Tremendous enthusiasm followed Debs everywhere. In the 1912 campaign he spoke to nearly twice as many people in Cincinnati as did William Howard Taft – and this was the latter’s own hometown.

Since Taft and the other big candidates at that time could not rectify this obvious deficiency in their appeal by buying a couple of million dollars worth of prime television time and becoming political superstars, they had the newspapers tell lies about the Socialists in the most scandalous way. The Socialist replies and exposés were never printed.

Debs himself – and probably most other Socialists of the time – seem to have underestimated the extreme cynicism of big business, its secret funding, and its virtual buying of every vote. They seem to have had a naive belief in the election process even while they had the greatest scorn for the system of capitalist exploitation.

It appeared to them, as it does now to the middle-class intellectuals, that no matter how enslaved the people were, they could always vote “freely” for whom they really wanted. While the Socialists believed in the class struggle – and many of them lived it – even the best of them were extremely unclear about the nature of the state and of the presidency and the congressional system itself as a political institution of capitalism.

After constant mass meetings, often bigger than those the Republicans and Democrats could muster, after camp meetings of 3,000, 5,000, and even 20,000, week after week and day after day, they were surprised at the “smallness” of their vote.

The truth is that the And in a dollar democracy, allowing for some small change here and there, it was the dollar that bought the vote. But the Socialists only half understood this, if they understood it at all. And thinking that since they really represented the immense majority, the immense majority should have voted for them, some of them began to blame the workers for their unintelligent use of the ballot.

The Socialists were in large part victims of the capitalist election propaganda themselves – that is, the more fundamental propaganda that basic class problems can be decided by a capitalist election. Most of them were probably surprised that the New York State Legislature refused to seat five socialist representatives who were legally elected to that body.

After 1920 the Socialist vote plummeted drastically, as did nearly all opposition votes. And the Socialist movement itself was also depleted. This was mainly because the first worldwide imperialist

war had brought much of the world's riches to U.S. shores and quieted the struggles of many of the most articulate. Accompanying this was a virulent witch-hunt that eliminated half a generation of radicals.

Under the conditions then prevailing, the U.S. capitalist class was able to win far more massively on the electoral arena than could the rulers of war-ravaged, class-conscious Europe, for instance.

But, to compensate, one-sixth of the earth's surface was torn from capitalism's grasp and, with a deep reflexive urge, a new and more resolute socialist (i.e., communist) grouping was born in the United States. It was determined to extend the victories of the great October Revolution into the new heartland of imperialism.

CHAPTER 48

1924 The Morgans run against themselves

The wisecracks of the 1920s used to say that Calvin Coolidge was the most bird-brained of U.S. presidents up to his time.

But this was both an insult to our feathered friends and an underestimation of Silent Cal. The latter did, after all, have wisdom enough to be a close friend of a partner of J.P. Morgan and the political protégé of another Morgan associate, Massachusetts Senator W.M. Crane – who was also a director of American Telephone & Telegraph.

Furthermore, Coolidge was smart enough never to oppose – not even as demagoguery – a single important deal that big business wanted to put over on the U.S. public. Unlike Theodore Roosevelt, Woodrow Wilson, and even William H. Taft, he went along with everything. And unlike Harding, he saved his energy and resisted wild parties and drunken poker games. Some of the better informed of the wisecracks quoted above would explain his otherwise unexplainable rise to high office in the land by pointing to this virtuous personal conduct.

Since Harding had been such a crook, the story went, Coolidge looked good by comparison. And since big business had to have a Republican in office, it got behind the vice president who had survived the death of President Harding in 1923.

The real story, however, was that Harding had on the whole been a Rockefeller man and Coolidge was a puppet of the Morgans. After the death of Harding, the Morgans got the inside track again.

As in 1920, a united Wall Street showered most of its contributions upon the Republicans and apparently the now embarrassed Rockefeller money (somewhat reduced) also went to Coolidge. John D. the First actually contributed only \$10,000 for the record, with his partner Payne Whitney loosening up for

\$15,000. (Andrew Mellon, secretary of the treasury, looked after the Rockefeller interests as well as the Morgan – and of course his own.)

A long list of contributors from the Morgan crowd was published. But the Astors, du Ponts, Marshall Fields, Vanderbilts, and Firestones also gave heavily, as did the Mellons, who played a very special role in Coolidge's administration.

Coolidge was probably just as crooked as Harding under his smug exterior, but considerably more discreet and steady about it. He accepted huge sums for his campaign from the big oil – swindle defendants of the "Teapot Dome" scandal.* Joseph R. Grundy, for example, chair of the Republican Ways and Means Committee and one of the Harding inner ring of oil thieves, collected \$300,000 for the Coolidge campaign – probably most of it from oil companies.

*The Teapot Dome scandal was a huge conspiracy, initiated by the Sinclair and Doheny oil companies, to get hold of naval oil lands for a pittance. The bribes were huge. Secretary of the Interior Albert B. Fall, who received at least \$500,000, was the first cabinet officer ever to go to jail for criminal malfeasance.

RACISM AND POPULIST DEMOCRACY

The Democrats, mostly by virtue of their Southern wing, were somewhat more racist than the Republicans. The latter would have been just as bad but they had nothing in the South, while the Northern ghettos and white middle-class suburbs were hardly born yet.

The Ku Klux Klan was so powerful in the Democratic Party in 1924 that a resolution condemning the Klan by name was defeated, although narrowly. It might have passed, but William Jennings Bryan combined his anti-monopoly demagoguery with a plea for unity with the Klan. "Anybody can fight the Klan," he declaimed, "but only the Democratic Party can stand between the common people and their oppressors."¹¹⁹ The party of the common people then proceeded to choose J.P. Morgan's personal lawyer as its candidate for U.S. president.

This combination of kindness to the worst racists and appeals to defend “the common people against their oppressors” has been a refrain of the Democratic Party in one way or another for over 150 years.

Alfred E. Smith, governor of New York State, and William Gibbs McAdoo, leading light in the Wilson administration and Wilson’s son-in-law, were at first the main contenders.

At that time, however, the Democratic convention required a two-thirds vote of the delegates to choose a presidential candidate. The reason for this provision, in effect from before the Civil War until 1932, was so the white South could have a veto over any candidate the more numerous Northern delegates might try to put over on them.

The Klan candidate was McAdoo. The Northern liberal wing, with the assistance of the not-so-liberal du Ponts, was backing Al Smith, who was nominated by Franklin D. Roosevelt. Neither man could get the required two-thirds vote.

Then the “dark horse” was trotted forward. This was John W. Davis, who had been first a congressperson from West Virginia, then Solicitor General of the United States and ambassador to Great Britain before he graduated to become a lawyer for J.P. Morgan. (Davis’s acceptability to the Klan was highlighted more glaringly just thirty years later, when he defended the segregationist side before the Supreme Court in the now famous 1954 school decision.)

The situation of two Morgan candidates running at the same time was well known to the inner circle of capitalist kibitzers. One of them, Clinton W. Gilbert, a Coolidge voter himself, made the following observation:

An argument has been put into the mouth of Senator La Follette [running on the new Progressive Party ticket – V.C.], who will doubtless say that the House of Morgan is over represented on both the old party tickets, with Mr. Coolidge, friend and classmate of one partner, Mr. [Dwight] Morrow, who has picked the two Republican campaign fund collectors, . . . with Gen. Dawes, one of the Morgan banking connections in the

West, running for Vice-President as Mr. Coolidge's associate; and with Mr. Davis, Mr. Morgan's lawyer, offered as Hobson's choice to the voters as the Democratic candidate for President.¹²⁰

The presidential election of 1924 was really no more horrible than many others in U.S. history. But the cynicism of the two major parties was more evident to the people than usual that year.

The identical banking connections of both Republican and Democratic candidates were well known in some quarters. And the electorate was well aware of the oily scandal of the Harding administration, although it was clear at the beginning of the campaign that the Republicans still had all the elements of victory in their hands.

Wall Street was so sure of itself that it shelled out a mere \$4.7 million for the national Republican campaign fund as opposed to \$9.2 million in 1920, and it gave the foredoomed Democrats less than a million – the lowest amount in decades.

LA FOLLETTE REVIVES PROGRESSIVE PARTY

It seemed a propitious time for a new edition of the Progressive Party. Robert M. La Follette, the real inspirer of the earlier edition of 1912, also founded the 1924 version.

La Follette had been slated to be the first Progressive Party presidential candidate. But Theodore Roosevelt had stepped into the spotlight and dominated the proceedings from a center-stage position.

That is, Roosevelt seemed to dominate the proceedings. With his flamboyant personality, his record as a former president, and his unearned reputation as a "trust-buster," he captured the popular imagination as one who had broken away from his Wall Street masters, when in fact he had not. The Morgans had secretly bankrolled the Progressive campaign of 1912, as we have seen, in order to split the Republican vote and allow the Democrats to win.

La Follette, unlike Roosevelt, was militantly and genuinely anti-monopolist – as genuinely as a supporter of the capitalist system can be, that is. Still burning with indignation against the now-dead Roosevelt and having mercilessly exposed him as a faker, he founded the new Progressive Party at the age of seventy (!) to have another try at rolling the wheel of history back to the days of the independent middle class and the small businessman (meaning not larger than about \$20 million).

He was opposed to the anti-labor injunction, correctly referring to it as “judge-imposed law,” and he called for the nationalization of the railroads, which in 1924 were still about the largest aggregations of capital and whose owners still ran the U.S. government.

He grew up during Reconstruction and was undoubtedly influenced by Western radicalism. But it was his anti-corruption campaign that persuaded the capitalist good-government crowd to back him for governor of Wisconsin in the 1890s.

He then became a U.S. senator and seems to have become more radical as he grew older and as the government became taken over by a smaller and smaller band of big monopolist banks.

As senator, he voted against the U.S. entering World War I and he actually stood trial in the Senate for his views.

With as many contradictions as Bryan – except that he was not allied with the Ku Klux Klan – he led the Republican reformers and the Republican radical wing as Bryan led the Democratic one.

THE ANTI-MONOPOLY CAMPAIGN

La Follette ran for president against Coolidge and the Democrat John W. Davis in 1924 and exposed their role as servants of Wall Street. He put out such campaign literature as “The Sugar Trust,” “The Bread Trust,” “The Bread Tribute,” and a piece against stock market swindles called “Stop Thief!” In an introduction to one of these pamphlets called “Government by Private Monopoly,” he

wrote: "Can the voters make their government FREE again? Where are the people to find protection? Will the government furnish it? Can they find it in the law? Bah! The PRIVATE MONOPOLY SYSTEM is the government. Private monopoly makes and administers the law."

La Follette received 4,814,050 votes. His campaign fund was only about \$221,000. It should be clear from this vote that the people, although in the midst of an unprecedented economic boom, could listen closely to an anti-Wall Street message.

La Follette was not remotely a socialist, much less a communist. And he did not have to any degree the social roots of the old populist governors and senators. Thus he was not really red-baited in 1924 (although he was cordially hated in Wall Street) and the voters were actually given half a chance to vote for him.

Nevertheless, considering the fact that nearly every major daily newspaper in the country supported his opponents and gave them by far the most publicity, his showing was remarkable.

CHAPTER 49

1928 'Who but Hoover?'

Calvin Coolidge quit when he was ahead. He could have had the Republican nomination and won the election in 1928, having served only one term and a year and a half of Harding's unexpired term. But had he accepted, he, instead of Herbert Hoover, would have been blamed for the devastating Depression that followed. Thus, with totally unconscious foresight, he made his smartest political decision.

Going to pasture as a director of the Morgan-controlled New York Life Insurance company and a regular contributor to the *New York Herald Tribune* – at a dollar a word – he retained his dubious place in history without straining himself any more than he had done as president.

Hoover was not exactly responsible for the Depression that began in the first year of his term. But the mass protest against him was instinctively aimed in the right direction.

His stubborn refusal to recognize the Depression for what it was, much less take measures to alleviate the suffering of the people, was perfectly symbolic of the predatory bankers he served and of all the smug, demagogic ruling-class politicians who had gone before him. He deservedly harvested the wrath that their after-me-the-flood policies had sown.

Hoover had been famous as U.S. food administrator during World War I, both in Belgium and in the new Soviet state, using the food grants with masterly anticommunist maneuver in the latter case.

And under Coolidge, Hoover was secretary of commerce – a post that is rarely given to any but the most intimate collaborators and faithful servants of the Wall Street banks.

For many years before being food administrator he had been a mining engineer and then a mining stock promoter, which led him into a connection with the Morgans – first through William Boyce Thompson, who was in turn a friend of Thomas Lamont, a Morgan partner.

Thompson, who was himself a member of Congress, provided much the same support for Hoover that Cleveland Dodge had shown for Woodrow Wilson. He did this if anything more effectively than Dodge had done, because of his many connections in both the political and financial worlds.

Hoover's campaign fund, according to the *New York Herald Tribune* of March 1, 1929, was \$9,433,604. And his opponent, Alfred E. Smith, according to the same source, raised all of \$7,152,511.

ENTER THE DU PONTS

This was a startlingly different financial picture than that of the election of 1924, when it was approximately \$4 million for the Republicans and less than \$1 million for the Democrats. The explanation is fairly simple, however. Whereas the Morgans were literally running against themselves in 1924, they were running against the du Ponts in 1928.*

* Both these ruling class dynasties at that time collaborated closely in exploiting the General Motors workers and plundering the middle class by selling GM stock in the stock market. So the fight could not have been precisely a death struggle. However, the du Ponts were leading a number of large plunderers. The differences between the professional Democratic and Republican politicians and their respective machines retained their usual importance.

Alfred E. Smith, the first serious Catholic candidate for president in U.S. history, had a reputation as a liberal and even to some degree pro-labor governor of New York State. This reputation was based somewhat more on his Lower East Side (of New York City) origins, his wisecracks and constant trading on his humble beginnings, than on any real social progress sponsored by him.

Allied with a liberal section of the ruling class in New York – the Lehman banking house and others – and under the tutelage of some “leftist” ruling-class social workers, Smith did chalk up a record that was slightly better than some of his predecessors (like the Republican Charles Evans Hughes, who represented the Rockefellers). Thus he appeared to be the “workers’ candidate.”

When he got the Democratic nomination for president, however, it was only with the connivance of the still-bigger and more right-wing ruling-class elements – the du Ponts.

John J. Raskob, chair of the finance committee of General Motors and long-time agent of the du Ponts, became chair of the Democratic Party at that time. Raskob was an energetic collector – hitting up Thomas Fortune Ryan and Herbert Lehman for \$110,000 apiece. (Lehman, according to Ferdinand Lundberg, bankrolled Smith for \$1 million in his various campaigns.)

Harry Payne Whitney of the Rockefeller group gave \$50,000 and Bernard Baruch of the Morgan group coughed up \$37,500 in spite of his master’s support of Hoover.

A long list of such notables supported the Democrats, with an even longer list supporting the Republicans. The usual number on both sides hedged their bets with a smaller “gift” to the other party.

The campaign was more bitter and hard-fought than this short background may suggest. The only “issues” seem to have been those of Prohibition and Smith’s Catholicism – which are of little interest today. But by 1928, after nine years of Prohibition, the amount of liquor racketeering, nightclub raids, gang wars, etc., had literally skyrocketed. In addition to this, there had been a number of well-publicized deaths from badly made liquor and poisonous substitutes such as canned heat and wood alcohol.

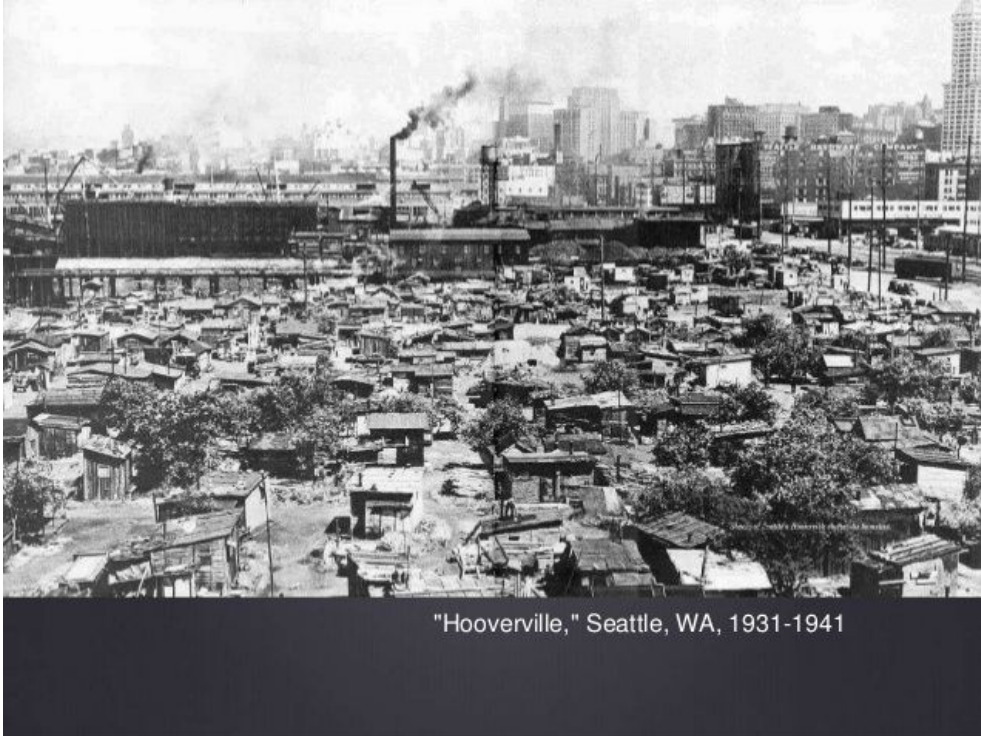
The brewers and liquor manufacturers, accordingly, were generous in their support of the anti-Prohibition Democrats.

Catholicism was an especially big issue in the smaller cities and towns and in the Protestant countryside. On the other hand, it must be noted that the Catholic Church, like certain Protestant churches, was and is deep into capitalist politics. The big-city Democratic machines were interwoven with the Catholic Church, mainly because of the Catholicism of the white industrial working class – the Irish, Polish, Italian, and other immigrants. And in the 1920s the mostly Protestant Black workers were only sparsely represented in the Northern cities. The Democratic Party had to deal with the Catholic Church in organizing the white workers. Thus the church became a political power with a number of priests learning their way around City Hall.

The Republicans, representing the open and unabashed rule of big capital, were genuinely concerned about the church edging in on their own hallowed political racket. But of course they expressed their concern in the form of anti-Catholicism and Catholic-baiting.

Smith was beaten 21 million to 15 million. This was roughly proportional to the respective campaign funds. The most memorable slogan that the Republicans came up with that year was the eloquent and apparently unanswerable question:

“Who but Hoover?”



"Hooverville," Seattle, WA, 1931-1941

Hoover was crushed in the 1932 election by Franklin Roosevelt. Depression-era shantytowns, like this one outside Seattle, became forever known as 'Hoovervilles.'

CHAPTER 50

1932 Depression and the rise of FDR

By 1932, the financial crash and the economic depression had hit so hard that at least 25 percent of all workers were unemployed. Hundreds of small farms were taken over daily by the mortgage-holding banks and auctioned off. Tar paper shantytowns – “Hooverilles” – were springing up all over the country, many of them in public parks.

Herbert Hoover, the still incumbent president, was doing absolutely nothing about giving any aid to the unemployed and the hungry. In fact, he ordered his generals to shoot down veterans of World War I who had come to Washington 20,000 strong to ask for a bonus for their dollar-a-day sacrifices in the previous holocaust.

He was still saying, as he had said at the end of 1929, that “prosperity is just around the comer.”

It was clear to all but the most die-hard Republicans that the next president would be a Democrat. (There were a lot of die-hards on Wall Street, though. They gave nearly \$3 million to the Republican campaign fund, versus only \$2.5 million to the Democratic one. They well understood that a Democratic president in 1932 could not under the circumstances be a pliable Cleveland or a Wilson.)

Anti-Hoover graffiti appeared on every backyard fence. And perhaps the most eloquent one was the workers’ own rendition of 1928’s “Who but Hoover?” slogan.

It was: “Who but Hoover? Anybody!”

HATS IN THE RING

Thus the Democratic convention of 1932 was filled to the gills with people who thought they could be president.

Franklin Delano Roosevelt had it about as sewn up as a convention ever is. But historians have pointed out that there were no less than 14 major figures who sought the nomination, the two most serious contenders being Alfred E. Smith, the ex-governor of New York State, and of course Franklin Roosevelt, the incumbent governor.

Franklin Roosevelt, a Social Registerite and hereditary Hudson River landed aristocrat, was the social intimate of a far greater number of scions of the ruling class than Smith. But he was politically in the liberal wing of the Democratic Party.

And although he had by no means yet become the apostle of the New Deal, he was rightly regarded as a progressive like Theodore Roosevelt, with the same or similar demagogic limitations, but he was not at that time considered nearly as forceful or colorful as his Rooseveltian predecessor.

To show Roosevelt's attitude in 1932 before the nominating convention, and also to show the depth of the crisis, it may suffice to recall the observation of the late columnist Walter Lippmann:

Franklin Roosevelt is no crusader. He is an amiable man with many philanthropic impulses, but he is not the dangerous enemy of anything. He is too eager to please.... He is no tribune of the people. He is no enemy of entrenched privilege.

He is a pleasant man who, without any important qualifications, would very much like to be president.¹²¹

This could have been a signal to big business to support him, of course. *Liberty* magazine, which supported Al Smith, declared with less honesty and still less foresight: "In Franklin Roosevelt we have another Hoover." But this was early in the campaign and some time before the Democratic convention. As the year wore on (and the crisis deepened), Roosevelt began to make more of an appeal for the votes of the masses in the few primaries that were held then.

In April, Lucky Strike cigarettes (!) sponsored a ten-minute countrywide radio slot in which the coming president made his

famous “Forgotten Man” speech, alluding to the desperation caused by the Depression. This made a hit with the voters. But big business was so frightened that his backers and contributors began to cool off somewhat. So he retreated and made all kinds of concessions to the conservatives for a while.

When the convention assembled in Chicago, he already had enough delegates (partly from the primaries and partly from the usual deals) to control all the important committees, including the Program Committee and the all-important Credentials Committee, and to elect the permanent chairman. The Credentials Committee seated Huey Long of Louisiana and his pro-Roosevelt delegates, with complete disregard for a legally elected anti-Roosevelt delegation.

But due to the still prevailing two-thirds rule of the Democrats, he did not have the strength to get the actual nomination.

Since they had a fair majority for the other tasks mentioned above, his floor managers thought they could pass a resolution abolishing the two-thirds provision – which theoretically could have been abolished by a simple majority – and then have Roosevelt elected on the first ballot.

REVOLT OF THE RACISTS

But a great many Southern delegates who were prepared to vote for Roosevelt were definitely and resolutely against abolishing the two-thirds rule. This rule was the sacred proviso that insured the white-supremacist South that it could veto any Northern candidate it didn't want. It had made it possible for the Ku Klux Klan to virtually run the Democratic convention of 1924, for instance.

In the meantime, the Smith forces, hating the Southern delegates for other reasons, and ordinarily opposed to them, made a bloc with them on this issue so as to “stop Roosevelt.”

Roosevelt quickly pulled back from this dangerous (to his ambitions) attempt to abolish the rule. The financial interests

behind Al Smith could not equal the Southern anti-Smith forces plus the Western and Midwestern “progressive” forces, plus of course the delegates of the other financial forces in New York State behind Roosevelt. So Smith could not get the nomination and was reduced to playing the role of “spoiler,” and that ineffectively.

But in order to make FDR’s total into the still-required two-thirds, it was necessary to make a deal with three people: William Randolph Hearst, the newspaper magnate who helped put him over in many states but who later became one of Roosevelt’s most virulent enemies; William G. McAdoo, the Klan’s presidential candidate in 1924; and Mayor Cermak of Chicago, the Richard Daley of 1932.

How did Roosevelt get even a simple majority of delegates in the first place?

As governor of New York State and an intimate of the Democratic bankers of that state, he already had access to a large part of the national Democratic machine. His very name gave him tremendous authority with the all-important machine leaders as well as with the voters. It combined the appeal to progressive Republicans that Theodore Roosevelt had had with an awakening of the liberal Democrats, each group expecting a real “new deal.”

He was fifth cousin to Theodore. And his vigorously campaigning wife Eleanor, another Roosevelt, was Theodore’s niece. He was also related to ten other U.S. presidents, including George Washington, John Adams, and Theodore Roosevelt’s nemesis, the ineffectual William Howard Taft. When one considers the number of children of Hollywood stars who become “great” actors, and the much greater number of politicians’ offspring who become “great” statesmen, this “blood” should not be underestimated.

For example, Eleanor Roosevelt's brother, G. Hall Roosevelt, comptroller of Michigan, together with his friend Frank Walker, mayor of Detroit, gave FDR the whole Michigan delegation. And Isabella Greenway, chairperson of the Arizona delegation, who had been Eleanor Roosevelt's bridesmaid, came through with her small delegation, too. Other relatives and friends helped, too.

This should not, of course, be taken as any kind of put-down of Franklin Roosevelt's remarkable ability as a capitalist politician or his indefatigable labors to come out on top.

His early financial backers – before the convention – included the politically generous Herbert Lehman of Lehman Brothers and the then Corn Exchange Bank (now Chemical Bank); Joseph P. Kennedy, father of the Kennedy brothers; the Henry Morgenthau, senior and junior; Cornelius Vanderbilt, Jr.; Joseph E. Davies, husband of the heir to the Post cereal millions; and Jesse Strauss, then president of Macy's huge department store. In the actual campaign, the staunch Al Smith supporter John J. Raskob of the du Ponts gave FDR \$23,000. Another great Smith supporter, Bernard Baruch, the millionaire Morgan messenger, gave \$60,000.

The Rockefellers were very displeased with Hoover, but still contributed to his campaign to keep their well-known inside track with the Republican Party. However, several of their Standard Oil families, like the Whitneys and the Harknesses, gave heavily to the Democrats.

CHAPTER 51

1936 A semi-Bonapartist beats the bankers

In 1936 Franklin Delano Roosevelt beat the Republican "Alf" Landon of Kansas by 27,747,636 popular votes to 16,679,543 and carried every state except Maine and Vermont, with an Electoral College win of 523 to 8. Considered from the point of view of the surprise if not setback it was to the U.S. ruling class, this election was the most remarkable in U.S. history.

Abraham Lincoln, who presided over the more important electoral victory of a new class – the industrial bourgeoisie – against the Southern slaveholders and their Northern allies, received only 40 percent of the popular vote (in a four-way fight) in 1860 and 55 percent in 1864, when only the Northern votes were counted.

The reason the 1936 vote was such a surprise was that Roosevelt had to fight a distinct majority of the Wall Street bankers to win it. The respective campaign funds were: Republicans, \$8,892,971; Democrats, \$5,671,118 – with at least \$600,000 of that coming from the militant Congress of Industrial Organizations unions.

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Never had an election been so badly lost with so much Wall Street money riding on the loser.

In Woodrow Wilson's second election, it will be recalled, the Republican slush fund was \$2.5 million while the Democratic one was only \$2 million and the Democratic Wilson still managed to win – but only by a hair's breadth. In the 1932 election, the fund for the Republican Hoover was bigger than that for Roosevelt, but the latter's victory was no surprise and was even by and large considered inevitable.

But now the ruling class was more solidly behind the Republicans, many of its figures having switched their support from the Democrats. Besides the funds reported above, many

more millions were given secretly to the Republicans. The editorials and even the front pages of most newspapers thundered against FDR, at least 80 percent of the daily press being fiercely opposed to him and the other 20 percent only tepidly for him.

The "liberal" *New York Times*, a fair example of the latter, pointed out after the vote that he had "only" won by a three to two vote and if one person out of every five had decided to vote the opposite way, Landon would have been elected!

CONSOLATION MONEY

The du Ponts, who had been Democratic for the past several elections, now gave a known \$855,000 to the Landon campaign. The super-reactionary Pews of Sun Oil (Sunoco) gave an additional \$514,000, which alone nearly equaled the huge amount given by three million CIO workers to the Democrats. The Morgans and the Mellons gave similar amounts through their various clerks and underlings.

The Democrats, of course, received considerable money from the very rich, too, but nothing like the golden outpouring that filled the Republican coffers to overflowing. The Wall Street money the Democrats got was not decisive. On the whole it was the same consolation money that Wall Street usually gives to the party scheduled for defeat, in order that big business can still use that party another day.

How then did the Democrat Roosevelt win with such an amazing majority over the party that the ruling class had undoubtedly slated for occupancy of the White House for the next four years?

Roosevelt moved millions of people into the voting arena who had been indifferent and apathetic in 1928 and even to some degree in 1932. He did it by attacking and seeming to attack the Wall Street bankers (whom he termed "economic royalists," as the earlier Roosevelt had termed them "malefactors of great wealth").

He called into being a great crusade against the starvation conditions of the Depression. Special work projects for the unemployed were created. Hundreds of thousands of idle youth were enlisted in a Civilian Conservation Corps and sent to work on reforestation, anti-erosion and irrigation projects. New laws were passed protecting poor farmers and homeowners, who otherwise would have lost everything.

At the same time the Roosevelt administration lashed out against some of the worst and wildest features of banking – really in order to regulate and stabilize the banks and to prevent future breakdowns and panics.

But this of course earned Roosevelt the cordial hatred of the bankers, in particular the Morgan group whose principal business was stock manipulation, bond sales and “money management.” It was this group that first called him “a traitor to his class.”

SAVING THE SYSTEM

But the patrician Roosevelt was one of the best patriots his class ever had. The depth of the crisis was so great that it was not only a matter of millions of people starving, but also a danger that the capitalist system itself could fall. Roosevelt, by intervening on behalf of the millions in the way he did, kept the system from falling.

It has been more or less correctly said that he opposed capitalists in order to save capitalism.

But in order to carry on such a hazardous operation as “opposing capitalists” while serving as the chief political presiding officer of the U.S. capitalist system, FDR had to gain for himself a considerable social base in the enemy class – that is, the working class, which includes the unemployed. And he had to be able to utilize this class at times against the capitalists whose system he served. The most positive and startling of these occasions was the election of 1936 itself.

This phenomenon – of calling upon one class against another and seeming to rise above classes while actually preserving the status quo has been called Bonapartism, after Napoleon Bonaparte and his nephew Louis Bonaparte.

The first Bonaparte was so all-powerful and seemed to concentrate all political power so much in his own person that the feudal kings of Europe literally pushed one another aside to kiss his hands. This was before they ganged up with the British bourgeoisie to demolish him in 1815.

Actually, Napoleon's tremendous political power flowed from the fact that with military means he could save the new bourgeois bankers from political overthrow by the feudal aristocracy, while at the same time, using the same means, he held down the revolutionary masses who were willing to fight feudalism – and the bankers – to the end.

His power also flowed from the fact that he employed huge armies of newly freed peasants to join with the serfs of old Europe to overthrow their feudal masters in other countries, thus securing his own reputation as the ever-victorious general.

Franklin Roosevelt had no such mission as the first Napoleon. He brought no new and progressive system on U.S. bayonets. And living in the age of the decline of capitalism into a system that bred world wars, depressions, racism, and fascism, his "Bonapartism" was designed to perpetuate an old and outlived system, although in a liberal and popular way – especially in the middle of his era and during the election of 1936.



Police attacked Republic Steel strikers in 1937, killing ten. Roosevelt wouldn't condemn the cops, saying instead, "A plague on both your houses."

CHAPTER 52

1940 War and the third term

The election campaign of 1940, although it involved an unprecedented third term for Franklin Roosevelt, was noticeably less vituperative than that of 1936. The capitalist class, including the top bankers, relaxed their hostility, although they seem to have preferred a gilt-edge utility president and wonder-boy banker named Wendell Wilkie, whom they ran on the Republican ticket.

Here again, those eloquent if not infallible figures – the “official” presidential campaign funds – throw their golden light on the subject. The Republicans raised more slush than the Democrats, but this time only 24 percent more. And the total figures on both sides were much lower, reflecting Wall Street’s basic equanimity about the outcome.

The comparison of 1936 with 1940 figures is:

	Republicans	Democrats
1936	\$8,892,971	\$5,671,118
1940	3,451,310	2,783,654

But after digesting this glaring difference, the fact remains that Roosevelt won again, although not so heavily as in 1936.

The fact is that there was still an element of semi-Bonapartism about his administration. The working class and the oppressed generally still hailed him as a leader of the masses and an enemy of capital, when he was in reality only reflecting and utilizing their own mighty strength in a very small way in order to regulate capital – in capital’s own ultimate interest.

To some degree this working class affection was already a memory on the part of the masses. But the masses are always loyal to those they think have befriended them – and long, long after the event, unless other events and other leaders dramatically intervene.

It was this factor, even more than that of semi-Bonapartism itself, that made a number of capitalists see the value of keeping FDR for a third term. They realized they were going to enter World War II, which had already begun in Europe, and would need a good “war leader.” On the other hand, a large number were just as stupid about recognizing FDR’s value to them in wartime as they had been in peacetime.

APPEASING THE 'ECONOMIC ROYALISTS'

As early as September 1939, Roosevelt had appointed Edward R. Stettinius, the Morgan-anointed chair of U.S. Steel, to be head of the War Resources Board (later the War Production Board).

And in May 1940, he appointed William Knudsen, president of General Motors (Morgan and du Pont) to be in charge of armaments production. Knudsen was the same man who two years earlier had praised General Goering, head of Hitler’s air force, and said Hitler himself had worked a “modern miracle.”

On May 16, 1940, FDR made his “Arsenal of Democracy” speech before both houses of Congress calling for tremendous increases in government spending for steel, airplanes, guns, ships, tanks, etc.

The spending on “defense” was now several times what had been spent in the previous period on programs attacked as “useless work projects” and “leaf-raking welfare bums.” But of course the outcry against “government spending” suddenly fell silent. The real conflict among the tops of the capitalist class after August 30, 1939, was no longer over how many crumbs to give to the oppressed, but over the question of the coming U.S. role in the widening war.

ISOLATIONISTS AND INTERVENTIONISTS

One distinct section called the isolationists said it was against entering the war altogether. This section was led by a ruling-class combination doing a profitable business with the Nazi capitalists – and usually with the British capitalists as well. It also included a large group who yearned to take over China, Indochina, Indonesia, etc., which might entail a war with imperialist Japan. They didn't want to also have to fight imperialist Germany, which was regarded as the main enemy by the opposing faction.

Lastly, there was the rapidly diminishing number who thought Hitler only wanted to kill all the communists (with the emphasis on Jewish communists) and why shouldn't he be allowed to go ahead and do so?

By and large, the isolationists opposed Roosevelt in 1940.

The other section, the interventionists, was spearheaded by those very bankers to whom Roosevelt had been so opposed in his first term and who had so opposed him – the Morgans in particular.

Hitler had repudiated the U.S. banks' loans to imperialist Germany openly and often. So the bankers had no love for him in spite of his value to them as a crusader against communism.

These same bankers looked upon the butcher Franco, for instance, with much more sympathy. Generalissimo Francisco Franco, you see, was more than willing to cooperate with U.S. big business, banks and all. The hypocritical "Neutrality Act" was passed in 1936 that kept U.S. supplies away from the legal Spanish government, thus enabling Franco to win the Spanish Civil War. The law was repealed only in 1939-40, when it was time to intervene against Hitler.

In addition, Hitler, unlike Franco, insisted upon extending his domain and breaking the rules of the imperialist status quo.

The interventionist capitalists were in reality patching it up with Roosevelt – and especially vice versa – all through 1940, and this explains to a large degree, along with his working-class support, the comparative ease with which FDR secured the historic third-term victory.

The other important candidate in 1940 was Earl Browder, chair of the Communist Party, who campaigned from a prison cell along with James W. Ford, a leading Black Communist, and received 46,251 votes by the capitalist count.

This at first sight small and even tiny tally had at least as much significance as the 913,664 votes for Eugene Debs when he ran from prison in 1920. It was a conscious anti-war and anti-imperialist vote against the most popular U.S. president of the twentieth century and perhaps of any century.

The Communist Party had labeled the war between Britain and Germany as an imperialist war – which it was. The party had lost much of its membership as a result of its courageous stand. And Browder, who has generally been identified with the soft, class-collaborationist policies of the preceding – and following – periods, sturdily refused to go along with the Roosevelt war drive.

Of course, when Hitler attacked the Soviet Union on June 22, 1941, every class-conscious worker in the world instinctively realized that the Soviet Union must be defended. But the Communist Party and Browder decided that U.S. imperialism would also be fighting a progressive war merely by virtue of an enforced, grudging, and very temporary alliance with the USSR.

So Browder was freed from prison to play a “respectable” role somewhat similar to that of Roosevelt himself, but on a smaller scale – i.e., that of calling upon the working class to stop the class struggle, since such a struggle was incompatible with “winning the war.” And Browder’s remarkable 1940 election campaign has been either covered up or forgotten.

CHAPTER 53

1944 Fourth term in a bonanza year

There remained a small but important element of Bonapartism in the Roosevelt New Deal bureaucracy throughout the war years. It was illustrated most vividly, although with more sound and fury than substance, when Sewell Avery, the president of Montgomery Ward, was removed from his office by U.S. soldiers in 1943 for refusing to recognize a decision in favor of his workers by the National Labor Relations Board.

Many were the capitalists who gnashed their teeth over the Associated Press picture of the gray-haired Avery sitting imperturbably in his swivel chair while the rude troops removed him, chair and all. But many more were the working masses of the country who looked upon this as proof that the New Deal still lived and the government belonged to them – and voted accordingly in 1944.

In the election itself, Roosevelt easily defeated New York State Governor Thomas E. Dewey – 25,611,936 votes to 22,013,372.

Dewey was a hand-picked, carefully groomed candidate of the Chase Manhattan Bank. He was promoted by the Rockefellers to be governor of New York State in 1942 and was accepted by the rest of Wall Street in a unanimous first-ballot choice for the presidential candidate at the 1944 Republican national convention.

It was noteworthy that the same Rockefellers who participated in the war government still conspired to make it even more profitable for business while trying to oust Roosevelt. (Nelson Rockefeller himself was assistant secretary of state for Latin American affairs.)

But both parties spent still less on this presidential campaign than they had spent in the already subdued campaign of 1940.

The official figures were Republicans, \$2.8 million; Democrats, \$2.2 million.

There never has been a complete repudiation of a U.S. president during wartime, and Roosevelt had been phenomenally popular. Furthermore, Roosevelt had by now proved to the hilt that he had no real interest in improving the lot of the masses other than to aid his program of stabilizing the system.

TURNING HIS BACK ON A MASSACRE

As early as 1937, the same year he made his famous “Quarantine the Aggressor” speech to begin building towards war, Roosevelt dramatically repudiated the oppressed workers – and in the most painful circumstances for them.

The workers of Republic Steel were on strike for union recognition. In Chicago they had a special march on Memorial Day to demonstrate their solidarity. Black and white, men and women with American flags combined their demand for better conditions with a patriotic holiday in a typically “American” display of faith that the government was behind them.

Suddenly and without warning the police moved in and opened fire on the unarmed crowd, killing ten and wounding forty-seven.

Roosevelt, asked to intervene if only to condemn the police, merely showed annoyance and blurted out, “A plague on both your houses” – meaning capital and labor.

These were workers, it should be recalled, for whom the dollar-an-hour wage, the forty-hour week, and time-and-a-half for overtime were still distant dreams.

THE WARTIME GRAVY TRAIN

In the early 1940s, while big business was getting on the biggest gravy train it had ever ridden, Roosevelt and his War Labor Board decreed a wage freeze – in the interest of “equality of sacrifice.” The “equality” imposed was felt more by the workers in uniform than by the bonanza boys in business and banking.

A small idea of this bonanza may be obtained from the following figures. The biggest annual national budget deficit in the years before World War II was \$4,425 million (\$4.4 billion) in fiscal 1936. And for all the New Deal years of the Depression, from 1933 to 1939 inclusive, the total deficit was a little over \$22 billion.

Throughout the war, the deficit ran \$60 billion to \$70 billion each year. All this deficit and much more was spent on war orders from U.S. big business. This kind of state intervention into “free enterprise” was greeted with joy overflowing.

And along with it, there were special tax breaks for capital so it would agree to build new plants. (The eighteen-year-olds in uniform got no tax breaks, of course.) Profits were guaranteed and doubly granted. In many cases – notably Bell Aircraft and Henry Kaiser’s ship-building, steel- and aluminum-making plants – massive government loans literally created new capitalists.

Furthermore, the tax load was now partly transferred from capital to labor so as to pay for all this. The tax laws were revised to hit even the lowest paid and, beginning in 1942, the withholding tax on payrolls was begun.

How understandable that so many anti-New Deal lions of 1936 had become the War Deal lambs of 1940 and 1944!

While 40 million people were being killed and tens of millions more mutilated, these ruling-class vultures sold to the government an infinite amount of materiel that was blown into the air or sunk into the sea at 20, 30, and 100 percent profit. (And they received 95 percent of all the patents on inventions that the government had worked out with public money during the war.) But there was still so much of these products left over that they had to simply scrap them or bury them if they wanted to continue to make and sell things to the government – which they did.

Pacific islands were turned into parking lots for rusting trucks and tanks. Whole fleets of "Victory ships" were left moldering in the Hudson River. Some thousands of toilet bowls were sent across the Pacific for General MacArthur's staff officers and then abandoned in the jungles of New Guinea. One Navy depot ended the war with 11 million oyster forks.

And while the bodies of war dead joined the water and the dust, big capital geared up for still more business with a government now geared for "defense." The presidency became even more of a plum for capital than it had been before the New Deal.

VICE PRESIDENT TRUMAN

Part of the move to the right – to become even more important later – was FDR's choice of a running mate in the 1944 election.

In Roosevelt's first two terms, the VP had been the conservative John Nance Garner of Texas. In 1940, the "left" New Dealer and Secretary of Agriculture Henry Wallace was chosen for the second spot (not to be confused with Alabama Governor George Wallace, who appeared on the national political scene later). In 1944 Roosevelt maneuvered Wallace out of consideration and gave the vice president slot on the ticket to Harry Truman, who was in the right wing of the New Deal – or at best the center. A great number of commentators, including some radicals, have observed that U.S. history was changed by this decision, since Truman became an architect of the Cold War, whereas Wallace was a fierce opponent of it. Had Wallace been VP after 1944, the story goes, he would have been president when Roosevelt died in 1945, other decisions would have been made, and so on.

But Wallace, whom we will discuss further under the 1948 election, did not have this position, and Truman did. Furthermore, Roosevelt's choice of Truman was not accidental, but a conscious sop to the elements who wanted the Cold War in the first place.

And finally, had Wallace somehow remained as vice president and become president at FDR's death – and remained true to his own previous political character – he would have been the center of the storm as president instead of as candidate and would certainly have been removed during the election of 1948.

CHAPTER 54

1948 Time and Chase Manhattan get a surprise

The election results of 1948 were even more surprising to Wall Street than those of 1936, although not nearly as embarrassing. Harry Truman's victory was, however, extremely embarrassing to one slick instrument of Wall Street – *Time* magazine. Its early edition, supposedly giving the election results, was embossed with the visage of Thomas E. Dewey, the Republican candidate, as the “victor” and was already in the hands of some wholesalers when the results were announced. The red-faced management had to withdraw its product with considerably more speed than General Motors withdraws autos flawed by a defective steering wheel or brake.

The Democrat Truman, having inherited the presidency when Franklin Roosevelt died on April 12, 1945, had not distinguished himself particularly among the working masses. And aside from “bravely” using the atomic bomb to commit genocide in Japan, he had not greatly impressed the capitalists either.

The Cold War had begun at the end of 1946 and it was really an undeclared declaration of boycott, embargo, and all but all-out war against the socialist countries. But Truman was so unrecognized and unauthoritative a figure that he had to invite Winston Churchill over from England to make the famous – or infamous – “Iron Curtain” speech at Fulton, Missouri.

The New Deal was now all but broken up. Roosevelt had partly filled the Washington bureaucracy with Wall Street's direct agents during the war, and Truman continued the process, appointing such anti-New Dealers as James Byrnes for secretary of state, for instance.

Furthermore, the long Northern liberal alliance with the super-racist Southern Democrats was breaking up even more dramatically. The Dixiecrat rebellion was threatening to take all

the Southern electoral votes away from Truman on the right. Strom Thurmond of South Carolina, who is today a full-fledged Republican, was then the Dixiecrat candidate and he seemed to have the still-segregated Democratic South all sewed up.

And the new Progressive Party, under the leadership of Henry Wallace, who had been U.S. vice president only four years earlier appeared to be taking the votes of those who really wanted to continue the New Deal, especially those who wanted a continuation of the wartime alliance with the Soviet Union and those who wanted Black equality or at least an end to segregation.

ANOINTED WITH OIL – ESPECIALLY STANDARD OIL

Under these conditions it appeared virtually certain that Truman would be defeated in November. And thus the bland Thomas E. Dewey was expected to demolish the mediocre Harry Truman, and many were the champagne bottles and confetti canisters that were broken over the sober and not-so-sober anticipations of Dewey's moving-up day.

As we have said, this distinguished gentleman, now running for the second time, was originally a creature of the Chase Manhattan Bank – that is, the Rockefellers – who had now gained the support of other banks, too.

His personal qualifications seem to have consisted mostly of a deep baritone (or was it bass?) courtroom voice at the time he was district attorney in New York and received his somewhat unearned reputation of “racket buster” and his promotion to governor.

But quite aside from his individual character, he was undoubtedly the choice of the majority on Wall Street, although of course Truman had a number of Democratic angels. Dewey was as definitely scheduled to be president as any anointed Wall Street messenger boy has ever been – and that is pretty definite. And yet he was beaten.

Interestingly enough, the official presidential campaign funds were \$2,127,296 for the Republicans and \$2,736,334 for the Democrats. The Republican figure was “low” this time not because of distaste for the finely groomed candidate, but precisely because of the understandable overconfidence engendered by the above situation.

The Democratic figure was higher because of their last-minute struggle for funds, because of the desperate aid of the labor leadership, the government bureaucracy, etc., along with the minority of Wall Street angels. On the other hand, the figures also show that there was no hysterical fear that Truman might expropriate Wall Street, either.

It was the “labor vote,” of course, that once more turned the trick for the Democrats. And it must be recorded that the vicious and vulgar imperialist Truman still had roots among the workers as a result of his New Deal origins. The general thrust of Congress was now in a more reactionary direction, but Truman was moving to the right at a slower pace.

He actually vetoed such anti-labor legislation as the Taft-Hartley Act, etc. (It was passed over his veto.)

This “labor vote” included the votes of the Black people, possibly even more, percentage-wise, than today. From 1936 onward, those of the Black people who could vote without getting lynched switched their historic loyalty from the Republicans to the Democrats. Before this, even though the Republican Party had conspired to hand over the Black people to the Southern Democratic lynchers in 1876, the Northern Blacks and those few Southern Blacks with any liberty still rewarded the party of Lincoln with their votes. This was diametrically reversed during the New Deal.

The New Deal had by no means taken any serious step in the direction of Black freedom as such, even on the question of the right to vote, much less of lynching, torture, and real equality in

social life. But the economic measures of the New Deal during the 1930s often aided the very poorest people – sometimes raising the pay of huge numbers of workers from \$10 to \$15 a week, putting semi-starved people to work at \$13.20 a week on federal projects, and so on. Since those most in need of these things were so often Black, a great pro-New Deal feeling arose among the Blacks, reaching into the white-supremacist, Democratic-ruled South itself.

However, when an apparent majority of Southern rulers initiated the anti-Democratic “Dixiecrat” movement in 1948, the Democratic Party seemed doomed, especially in the view of Truman’s own racism and his extreme anti-communism on the international arena, which was now being challenged on the left by Henry Wallace.

CHAPTER 55

1948 Henry Wallace and the third Progressive Party

Most political prophets thought Harry Truman was doomed in 1948. And this was only partially because of the emergence of the extreme racist Dixiecrat Party. It was also because of the great prospects of Henry Wallace.

At the beginning of the year Wallace was expected even by his enemies to get at least 3 million votes. His friends thought the figure could be 10 million, or even more. The new Progressive Party he founded – the third of that name – inherited some of the Western anti-Wall Street support from its predecessors, as well as from the more sizable left wing of the New Deal.

Considering that the New Deal had only ended in 1941, and by some estimates not until 1945 or even 1948, Wallace should have gleaned a very large harvest of votes. Theodore Roosevelt had received over 4 million on a Progressive Party ticket in 1912 and Robert La Follette nearly 5 million in 1924, a much less likely time for progressives than 1948 appeared to be – at first.

But in November of that year Henry Wallace, former vice president of the United States, friend of the downtrodden insofar as any capitalist candidate can be such a thing, and authentic apostle of the immensely popular New Deal, got only 1,157,057 votes.

The reason for this is to be found not so much in his running on a “third” party ticket as in his opposition to the Cold War.

In addition to what was then a radical domestic program, Wallace proposed a new pact with the Soviet Union and a \$10-billion reparations loan for that war-ravaged country.

Considering that the U.S. had been allied with the Soviets and the Soviets had borne the brunt of the Nazi attack and in fact of the whole war in Europe, this would have seemed a reasonable enough plan.

It would indeed – except for one thing.

The Soviet Red Army had shown unexpected strength at the end of the war and had marched across Poland into Germany – and into Czechoslovakia, Hungary, Bulgaria, and so on, and finally taken these countries out of the orbit of capitalism altogether, laying the foundations for socialist reconstruction.

Most of the oil in Romania, for example, had belonged to Standard Oil of New Jersey (later Exxon). Now it belonged to the people.

By the middle of 1948 the Cold War was being fanned up toward a hot war. One popular magazine (*Colliers*, now defunct) devoted a whole issue to consideration of a war with the Soviet Union. It was replete with pictures of atom-bombed cities (before the USSR had the bomb) and it was sweetly entitled “The War We Do Not Want.”

Thus the Progressive Party was forced to buck an unfavorable headwind from its birth early in the year. And before autumn it was facing a veritable hurricane of reaction. People who signed the nominating petitions for the party in August often found themselves persecuted in September. In Pittsburgh, newspapers published the names of every single person in the area who had signed to get the party on the ballot. Many of these signers lost their jobs, were refused loans, had mortgages foreclosed, and so on. It is safe to say that only a fraction of them still had the fortitude to vote for Wallace in November. The Communist Party supported Wallace with energy and vigor, supplying a relatively huge number of activists – doorbell ringers, organizers, vote-getters, and so on. This was a principled stand, although the somewhat uncritical approach to Wallace himself (he was a millionaire and really a supporter of capitalism) left something to be desired from a revolutionary point of view.

Meanwhile, the union movement, which up to that time had been a dynamic participant in progressive causes, was also hit by

the hurricane.

PURGE BY WITCH HUNT

Several big CIO unions had progressive or pro-Communist Party leaderships. These unions endorsed Henry Wallace and the Progressive Party in the summer of the year. The executive board of the CIO, led by Philip Murray, president of the organization, then proceeded to expel the Mine, Mill, and Smelter Workers, the Fur and Leather Workers, the Communications Workers, the United Electrical Workers, and several other unions for this horrendous "crime."

Almost simultaneously with these expulsions, the right-wing bureaucracy sent organizers and other agents to thousands of local unions to drum up support for Harry Truman, while attacking Henry Wallace and red-baiting him wherever feasible. This campaign finally convinced large sections of the working class that Truman would continue the New Deal and that he actually had a chance to win, in spite of the three-way split in the Democratic Party.

At the same time, the decision was finally made within the Truman camp to appropriate Wallace's radical domestic program – in words – while attacking his apparently pro-Soviet international policy.

That is, they decided to fan the dead embers of the New Deal again and, promising the people far more than they intended to deliver, they modestly renamed the project the Fair Deal.

They decided to challenge Wallace for the Black support he was getting, and for the first time, a Democratic candidate for president actually preached civil rights for Black people. It must be recorded, however, that Truman knew that the most extreme Southern racists were now in the Dixiecrat Party and he was thus the first Northern Democrat who didn't fear to offend his racist allies – because he had already lost them.

It must also be recorded that Truman was personally a racist and he let this be known after he left the presidency in the most ugly statements to the press during the freedom struggles of the 1960s.

Clark Clifford, later the du Ponts' famed million-dollar-fee attorney, and still later secretary of defense after Robert McNamara, was reputed to have masterminded Truman's 1948 campaign.¹²³ And Hubert Humphrey was the one who made the famous civil rights speech at the Democratic convention, living on the political dividends of its false promises ever afterward.

Truman's veritable last-minute campaign among the Black and white working class undoubtedly gave him the unexpected palm of victory, with over 24 million votes to Dewey's slightly less than 22 million.

However unevenly he lived up to his Fair Deal and civil rights promises, he came through on his anti-communism with a vengeance, producing a hot war in less than two years. On June 26, 1950, he unconstitutionally declared war on the Democratic People's Republic of Korea, cynically calling the move a "police action."

John Foster Dulles, who was to have been the choice of the Republican Dewey (and of Rockefeller) for secretary of state, immediately began "consultation" with Dean Acheson, who had wound up in that position for the Democratic administration. Acheson had previously been more conciliatory with People's China and opposed to a war with Korea.

Dulles took over in actual person when he was appointed by President Eisenhower two years later.

The main difference to big business after the 1948 election was that Truman's face was in the White House rather than Dewey's. Wall Street did have to yield on several minor points to the more liberal social program of the now conservative-minded ex-New Dealers. But in return it got its long-planned hot war in Asia.

CHAPTER 56

1952 A scholar and a soldier

Dwight D. Eisenhower was a competent general. Since even bad generals have to be both politicians and administrators, it is wrong to say that he was a complete ass, as his more intellectual bourgeois opponents have alleged. However, ten years before he was elected president of the United States, he was only slightly involved in civilian politics and it could hardly have occurred to him that he was capable of being mayor of even a reasonably large city.

Furthermore, up until shortly before his election, nobody seemed to know to what political party he belonged, if any. Harry Truman, in fact, tried to enlist him to run on the Democratic ticket in advance of 1952 and said earlier he would have moved aside if Eisenhower wanted the Democratic nomination in 1948.

The reason that the Wall Street cabal of the Rockefellers, Fords, Morgans, and so on decided to run him on the Republican ticket was that, in view of the new capitalist stabilization after World War II, they felt the Republican Party could definitely take the presidency with a more open rule of big business and that a popular general and “war hero” couldn’t miss being elected.

Even so, they spent an admitted \$6.6 million on Eisenhower’s election – after spending only \$2.1 million on the unsuccessful Dewey just four years before. This figure of \$6.6 million, however, cannot remotely convey the all-encompassing and suffocating campaign of the bourgeois news media to glorify the conqueror.

During the first postwar years he was made top commander of the Supreme Headquarters of the Allied Powers in Europe (SHAPE), the predecessor of NATO, with much publicity and fanfare.

In early 1951 Truman fired Eisenhower's chief rival, the madly ambitious, fascist-minded General Douglas MacArthur, for trying to provoke an all-out Asian war by threatening to cross the north Korean border into China. Every newspaper in the United States quoted General Ike's analysis of this: "I'll be darned," he said.

In order to convey the impression that the great hero was also a deep scholar, the big capitalists transferred him from his guardianship of all Europe to the presidency of Columbia University. And if any of the profound doctors of the arts and sciences in the institution thought this was odd or objected to being bypassed for promotion by a practitioner of the purely military arts, their comments never reached the popular press.

Even after the masters of finance and industry convinced the public that Eisenhower was a scholar as well as a soldier, and printed several million buttons with the eloquent phrase, "I like Ike," it looked like they still might not get the nomination for the professor-general. Senator Robert Taft of Ohio (son of William Howard Taft, president from 1909 to 1912) seemed to have the national Republican machine under his personal control. He was, in fact, called "Mr. Republican."

But Taft was personally colorless and not what Wall Street needed for a national popularity contest. They were afraid that with all their intended ballyhoo, Taft still might not be able to get elected. And furthermore he was somewhat rigid, not nearly as pliable as the general.

Just as conservative, although perhaps not as vicious as Ford and Reagan later, he was cordially disliked by some of the liberal Republicans and hated by most Democrats, and probably couldn't have gained the "independent" vote very easily, either.

So the big money walked into the Republican convention, bought off a certain number of professionals, and successfully challenged the Taft delegation from Texas, seating a pro-Eisenhower delegation in its place. Meanwhile Henry Ford took a

whole bunch of “uncommitted” delegates for a ride on his yacht in Lake Michigan – and they came back firmly resolved to vote for Ike.

Eisenhower was elected president at the height of McCarthyism and the Cold War. But he played the peculiar role of “ending” the unpopular hot Korean War. His main election promise was to “go to Korea” to end the war that the U.S. could not win. This role was “peculiar” because the war had been engineered by the most conservative capitalists but fronted by the “liberal” Democrats – Truman, Acheson, etc. Now it was to be “ended” by the conservative Republicans, and a leading military man at that.

The majority of the Wall Street establishment now felt they needed a few years of “peace,” since they could not win in Korea. They were now entering a stage of unprecedented bonanza – from the foreign investment that was their delayed dividend from World War II. And they had decided to accept, at least temporarily, the terrible defeat – for them – of the Chinese Revolution.

The decision was underlined by the performance of General MacArthur at the Republican convention. After Truman fired him, he returned to the U.S. to the greatest welcoming parade that anyone, bar none, had ever received here (all stage-managed by Wall Street, of course). Then he was asked to speak at a joint session of both houses of Congress, an honor usually reserved for U.S. presidents and occasional visiting heads of state.

But after feverishly pursuing the presidential nomination for the following year, he wound up with only ten votes at the convention!

Thus Wall Street was putting its World War III on ice for a while. But it did so by advancing another chieftain of World War II to office.

While the Republicans rang in a general and “scholar” and jumped him over the heads of those who had long climbed the

ladders of alleged statesmanship in the Senate, the cabinet, the courts, etc., the Democrats did even more. They jumped their candidate over someone who had actually won nearly every one of the primaries (fewer existed in those benighted days, to be sure) and was nationally known. The candidate they chose was Adlai Stevenson of Illinois, and the one shunted aside was Senator Estes Kefauver of Kentucky. Kefauver had conducted the first real nationally televised investigation of big crime and monopolies – stepping, of course, on many big toes.

Besides offending monopolies, he was regarded as too liberal on the civil rights question and so was vetoed by the Dixiecrats (who were now back in the Democratic Party). And the politically “moderate” but personally brilliant Stevenson was chosen.

Knowing of the Republican nomination of Eisenhower, and feeling that the latter could not be beaten, there was gloom in the Democratic camp. When Stevenson, the Social Register governor of Illinois, son of Vice President Adlai Stevenson of President Cleveland’s second administration, was offered the nomination, he saw defeat hanging over the convention like the well-known Sword of Damocles.

“I have asked the Merciful Father – the Father of us all,” he said in his acceptance speech, (“to let this cup pass from me. But from such dread responsibility, one does not shrink in fear, in self-interest or in false humility.”

THE SUCCESSFUL SOAP OPERA

Shining through the clouds of this ecclesiastical gloom, there was a ray of less religious joy in the Democratic camp, however, when it was discovered that Ike’s vice presidential partner – one Richard Nixon – had taken \$18,000 of a special campaign fund for his personal use. It had been given him by his California millionaire backers, allegedly to forward his crusade against godless communism. Only a few newspapers in the country front-paged this rather important news. Nevertheless, Nixon was almost dropped from the Eisenhower ticket as a result.

In a supremely well-staged television performance, Nixon, flanked by his wife Pat and his dog Checkers, told the public what a good American he was, how well he loved his family and his dog. Ike embraced him and they were both elected.

Had the news media blasted Nixon's performance with just one percent of the enthusiasm with which they publicized it – and even had the Democrats themselves torn it to pieces in the way it deserved – the Eisenhower-Nixon candidacy could not have survived. Such a development was impossible, however – first, because the capitalist class itself was much more stable and united than it became later and not at all in favor of such an all-out fight, and second, because the great majority of the politicians in both capitalist parties were tainted with the same corruption.

CHAPTER 57

1956 Affable general vs. would-be statesman (Round Two)

Although Eisenhower had not distinguished himself as a precisely “great” president, he retained his popularity after four years of presiding over the executive committee of the capitalist class and, like nearly all other first-time incumbents in a prosperous election year, was reelected.

His first cabinet was so openly representative of Wall Street that it was described as “nine millionaires and one plumber,” the latter being Martin Durkin of the plumbers’ union. Durkin was secretary of labor, and if he wasn’t a millionaire, he was a willing tool of the billionaires.

It was the most openly and admittedly capitalist administration since the time of Hoover, Coolidge, and Harding. And it was even more profitable to the Wall Street plunderers than the Robber Baron regime of Ulysses S. Grant. The oil companies in particular got mind-boggling giveaways, although in a more legal and decorous manner than their counterparts did in the notoriously Gilded Age.

But the continuing prosperity – except for the recession of 1953-54 – provided the basis for slight improvements for the masses and even a relative liberalism on the part of the general-president. The super-enriched imperialists could afford to give some moderate wage increases; and the Supreme Court decision of 1954 on school desegregation was a sign that even the Republicans recognized the rising expectations of the awakening Black people.

Nevertheless, with the end of the worst McCarthyism during the Eisenhower administration, the Democrats now thought they had more of a chance than in 1952. Adlai Stevenson was again nominated and, being a keen bourgeois student of foreign policy, he saw a chance for a new opening for U.S. capital when

the Soviet leaders made the now-famous shift to the right at the Twentieth Congress of the Communist Party in February 1956.*

* The view of the Soviet Communist Party since the days of Lenin's leadership had been that socialism and capitalism were based on irreconcilably opposed classes, the workers and the bourgeoisie, and that ultimately one or the other system would prevail. At the 20th Congress, however, Nikita Khrushchev, while denouncing Joseph Stalin for his criminal purges, also reoriented the party toward "peaceful coexistence" with the capitalist system.

POLITICAL CHARACTER OF ADLAI STEVENSON

Stevenson has gone into history as an especially dedicated liberal, although he was actually first nominated in 1952 because, among other things, he was a safe moderate.

He was really as hard-boiled an imperialist as Eisenhower, and a more far-seeing one to boot. He had been a member of the highly prestigious, Wall Street-dominated Council on Foreign Relations and on its executive committee after World War II.

In pursuit of his great interest in foreign relations – that is, U.S. imperialist domination of the world – Stevenson tried to get into the United States Senate. But his problem was to get elected to that great body. As a multi-millionaire Chicago lawyer, he was known only to a few judges, corporation executives, and the more respectable – that is, wealthier – members of the Chicago ruling class.

Jacob Arvey, then Democratic machine boss of Illinois (the predecessor of Richard Daley), didn't know Stevenson either. And besides having a number of the usual machine obligations and political payoffs to consider for the post of U.S. senator, he didn't think Stevenson could get the required number of votes.

But when Arvey was making a pilgrimage to Washington to adjust some patronage difficulties, former Secretary of State James Byrnes just happened to "bump into him." And in the course of innocent conversation, he suggested to Arvey that the latter had a good man and in fact a hidden pearl in Chicago

whom he really should run for high office. The pearl was Adlai Stevenson.

So Arvey, the “boss,” took another look at Stevenson and decided he could run him for governor (!) of Illinois, although not at that moment for senator. This wasn’t exactly what Stevenson wanted because a governor couldn’t say much about foreign policy.

But he finally settled for governor and launched his political career in 1948 by running as a “reform candidate” (they do this every so often in Chicago, just like in New York), receiving the biggest vote any Illinois governor ever got.

It should be added that James Byrnes, who had a little to do with all this, was not only ex-secretary of state but also a bosom companion of Bernard Baruch, who in turn was a millionaire messenger boy for the Morgan banks.

Thus when Stevenson ran against Eisenhower in both 1952 and 1956, thrilling all the liberals with his sterling character and his clever polemics, he was at the same time just another representative of roughly the same Wall Street interests as his Republican opponent.

John Hay Whitney, at that time publisher of the Republican *New York Herald Tribune* and heir to a Standard Oil fortune, contributed heavily to Democrat Stevenson’s gubernatorial campaign, as did the Wrigleys, the Armours, and the Marshall Fields. The Fields’ *Chicago Sun-Times* and their other news media gave all-out editorial backing.

One of Stevenson’s more significant presidential backers in 1956 was John F. Kennedy, who drew not only on the Kennedy millions but on quite a broad political support as well. Another was George Ball, a law partner who became his assistant campaign manager and later joined one of the largest Wall Street investment houses – after being assistant secretary of state under Kennedy and Johnson.

Nevertheless, the preponderant section of Wall Street still supported Ike – not so much because he could best carry out the U.S. imperialist mission abroad, but because he could more easily carry out the unrestrained rule of big business at home. This was truly the case with Eisenhower in spite of his quasi-liberalism.

Stevenson, who might possibly have made somewhat more concessions to labor, etc., than Eisenhower, tried to divert the Cold War sentiment a little during his campaign. He was the first bourgeois of his political stature to come out against atomic testing – in his 1956 campaign. Many politicians, including Eisenhower, professed to be horrified at this.

On top of that, this foreign policy enthusiast miscalculated about the Cold War. By the fall of 1956 (just a few days before the election) the hot counter-revolution in Hungary took place, with subsequent armed Soviet intervention. Britain and France chose exactly this time to encourage Israel to invade Egypt.

The soldier-president looked more than ever like the steady leader necessary for the embattled capitalist world, while the even more embattled Stevenson now moderated and almost snuffed out his own “liberalism” on foreign policy, thus reinforcing the Republican picture of him as “indecisive.”

The McCarthy reaction had not yet entirely subsided, either. And while Eisenhower was a flaming liberal compared to Senator Joseph McCarthy, he was still a star-spangled, safe-and-sound, anti-communist patriot next to Adlai Stevenson. The final score in November was Stevenson 26,030,172, Eisenhower 35,585,247.

CHAPTER 58

1960 The last 'normal' election

The only important issues in the election of 1960, or so it seemed at the time, were John F. Kennedy's Catholicism and the fact that the Republican candidate, Richard M. Nixon, was not very photogenic on television.

Nixon's \$18,000 misappropriation, his "Checkers" speech, and his anticommunist frame-ups were completely forgotten by the Democratic as well as the Republican press. The Democrats merely concentrated on billboard pictures of his not-very-happy visage with a caption saying, "Would you buy a used car from this man?"

Kennedy won the election by only 34,221,344 to 34,106,671 – considerably less than 1 percent of the total. Except for loud howls from Republican Party hacks, however, there was no real outcry by the ruling class, even though there was definite suspicion of a Democratic vote steal by the Daley machine in Illinois.

But in the light of what happened three years later – that is, in the light of the assassination of John F. Kennedy – this otherwise routine election should be reviewed more carefully. In fact, it deserves a much more exhaustive study than we can give it here.

Until 1976, this was the last election – no matter how rigged – to be held in the spirit of bourgeois stability. Lyndon Johnson was elected in 1964 as a direct result of John F. Kennedy's assassination. Johnson in turn declined to run in 1968 after the Tet victory of the Vietnamese, while Robert Kennedy, who well might have succeeded Johnson, was assassinated just after clinching his own nomination. This allowed a weaker candidate, Hubert Humphrey, to run and be narrowly defeated by the Republican Nixon.

In 1972 the fascist George Wallace was put out of the running – on his fairly strong third-party ticket – by the bullet of a would-be assassin, thus assuring Nixon of the election. And in 1974, Nixon himself was put out of office by impeachment proceedings that ended in his “voluntary” resignation. Gerald Ford, who succeeded Nixon, was appointed by the disgraced president himself after the previous vice president, Spiro Agnew, was ousted, ostensibly for income tax evasion.

The revolving-door emperors of ancient Rome on the edge of its doom could not have been more fearful for their lives and their successions than the above-named characters who presided over U.S. capitalism.

ON THE VERGE OF BLOOD-SPILLING

John F. Kennedy was by no means an anti-imperialist, nor would he have continued the pro-Black spirit of his administration very far, nor would he have made significant concessions to underpaid workers.

But he appeared on the scene precisely at the time when the world crisis of the U.S. capitalist class was beginning to become unmanageable and when the age-old factions within the ruling class were on the verge of going for each other’s jugular vein. On the verge, that is, but not yet into the blood-spilling act itself. That began in 1963. And hence the relative peacefulness of the election of 1960 gave not a whisper of a hint to the public of what was to come.

True, the election funds were escalated. The Republicans spent \$10,128,000 (admitted) on the campaign for that paragon of probity, Richard Nixon, and the Democrats put out \$9,797,000 for Kennedy.

The jump in election costs over the preceding twenty or thirty years did not arise from inflation, but was primarily due to television expenses. The owners of television themselves – primarily the big New York banks – dominated the campaign as a

whole, devoting vast amounts of air time to publicizing the two “main” candidates.

How did Nixon come to be the Republican candidate? He was the choice of the previous administration, in which he was vice president. His main Republican opponent, Nelson Rockefeller, who campaigned not too secretly to get the nomination himself, as he did again in 1964 and 1968, threw in the towel and backed Nixon in a now famous pre-nomination meeting in New York City. Thus Rockefeller gave Nixon the support of the New York Republican machine, as well as the more important backing of the Chase Manhattan Bank.

So Nixon had no announced opposition for the Republican nomination whatsoever. But he ran against himself in ten state primaries in a typical Nixon ploy to convince the ruling class he knew how to get out the vote. Considering the all-out drive to get rid of him in 1973 and 1974, the “unanimous” Republican endorsement of Nixon in 1960 should have been some embarrassment to the Republican establishment, retroactively speaking. But, of course, a willing and venal ruling class press simply “forgot” all this.

BATTLE OF THE DEMOCRATIC MILLIONAIRES

How did Kennedy come to be the Democratic nominee?

With the Democrats out of power for eight years and Adlai Stevenson, the banner-bearer of 1952 and 1956, now being weaker, the nomination was up for the grabbing by anyone who could capture enough of the Democratic machine and prove to be a reasonably good vote-getter – providing, that is, that the person had impeccable ruling-class credentials. Four such individuals – all multi-millionaires – presented themselves to the Democratic convention and fought it out. They were Lyndon Johnson, Stuart Symington, Adlai Stevenson – and John F. Kennedy.

All their fortunes, by the way, were intimately linked to politics, although they represented slightly different factions or points of view within the capitalist class.

The Kennedy fortune was by far the greatest. But this did not mean that Kennedy was the most intimate with the largest or most important factions of the ruling class, or that he was their most willing tool. On the contrary, his third-generation wealth gave him a certain independence in relation to capitalist politics and to the military. This is not to say that he wasn't dead set about carrying through his own version of imperialist statesmanship, however.

From the point of view of our exposé of the rigging of elections, it is important to note that the whole Kennedy fortune – about \$400 million – was at the service of its young scion. For example, some of the family formed the Ken-Air Corporation solely to buy a \$385,000 plane for the candidate to move around in during the primary campaign.

Kennedy was wildly praised for his brave stand in the West Virginia primary. In this den of Protestants, he bared his breast as a Catholic, and asked the voters to plunge the dagger in if they really hated him because of his religion. His stand paid off and he won the “fair play” vote and went on to become the first Catholic president.

However, his Protestant opponent in that primary, Hubert Humphrey, had just come out of the Wisconsin primary with a deficit of \$30,000 and could only spend \$23,000 in West Virginia. Kennedy spent \$100,000 in the same state, getting four times the publicity for his crying act as Humphrey got for his.

Huge sums were spent during the Democratic convention itself. And considering that all the candidates were millionaires, it was inevitable that a certain number of delegates (far more were “uncommitted” in those days) sold themselves directly to the highest bidder.

“Most observers agree,” said Herbert Alexander in 1962, “that visible Johnson spending at the Los Angeles convention was as great as that of Kennedy. Though Johnson did not announce his candidacy until a week before the convention, affluent and influential supporters in Washington and Texas early organized an effort on his behalf.”¹²⁴

And somebody organized a more successful effort that actually put Johnson into the presidency on November 22, 1963.



After 1960, no “normal” transfer of presidential power took place until 1976. Assassinations and forced resignations showed the instability of U.S. capitalism.

CHAPTER 59

1964 The peculiar split

After the assassination of John F. Kennedy in November 1963, Lyndon Johnson became president. He ran again in 1964 and easily defeated Republican Barry Goldwater, the super-reactionary senator from Arizona. Everything was done to make the 1964 election appear to be a “typical” razzmatazz American election, even to running feature pictures of Johnson and his vice presidential side-kick in white suits and straw hats at the Atlantic City convention, acting like an innocent, friendly song-and-dance team. Actually, there was extremely tense movement behind the scenes in the Democratic high command along with highly publicized explosions in the Republican camp, notably the Rockefeller-Goldwater fight at the Republican convention in California.

To begin with, Johnson maneuvered to give the nomination for vice president to Hubert Humphrey instead of to Robert F. Kennedy, for whom there was great sentimental support because of his murdered brother, and of course considerable machine support as well.

Humphrey had always been in a different faction of the Democratic Party than the Kennedys, and in fact had conducted a vigorous campaign against John Kennedy in the 1960 primaries until his financial backers threw in the towel.

Allegedly a liberal and pro-labor figure, Humphrey is now famous for taking large political contributions from the milk monopolies, Ashland Oil and Gulf Oil – the latter owned by the highly conservative Mellon family. His 1972 senatorial campaign manager, Jack I. Chestnut, was given four months in jail for accepting illegal contributions from the milk companies, the servant taking the punishment for the master like certain “whipping boys” used to take the blame for disobedient young princes.

ANOTHER 'HE KEPT US OUT OF WAR'

Johnson conducted another “he kept us out of war” campaign, promising, in effect, to reduce the small Kennedy commitment of troops to South Vietnam and attacking Goldwater for the latter’s advocacy of enlarging the war, bombing North Vietnam, and closing Haiphong harbor. But before Johnson was even inaugurated for his first full term, he sent an additional 16,000 troops to South Vietnam. On Feb. 7, 1965, he began systematic bombing of the North.

This was exactly the pattern of elections in both world wars and it duplicated the global anti-communism of Harry Truman in the Korean War.

Nevertheless, things were different. In addition to there being a real fight at the polls, Goldwater’s candidacy reflected an even bigger split among the Republican capitalists than Johnson’s candidacy did among the Democratic big businessmen.

At the Republican convention, the billionaire Nelson Rockefeller, who was to order the biggest single prison massacre in U.S. history at Attica just seven years later, cried out that there was “the smell of fascism” in the air!

Goldwater might not have been quite a Hitler or even a Joseph McCarthy, but he was a magnet for those who would have supported such types. He didn’t bother with social demagoguery and false promises like his Democratic counterpart, George Wallace. He simply came out for lower old-age benefits, lower unemployment insurance, for cutting out welfare and even for eliminating cheap government electricity like that provided by the Tennessee Valley Authority in the mid-Southern states. In general, as it was said in those days, he “wanted to repeal the twentieth century.”

Whether or not he was, strictly speaking, a fascist, all the fascist elements like the John Birch Society, the Minutemen, and the Ku Klux Klan supported him.

But how could the super-rich Nelson Rockefeller find himself in the position of opposing Goldwater's program – at that time – and declaring it fascist?

WHY ROCKEFELLER WAS AFRAID

In 1964 the masses as a whole were in a more fighting mood. The Black freedom struggles had begun in earnest and were to reach a peak in the biggest rebellions of the cities only three years later. One part of big business wished to deal carefully and buy off these struggles rather than meet them head-on, although even this section would unleash the police for hundreds of shootings and thousands of arrests.

It was not, however, from any deep liberal convictions of Rockefeller on this method of ruling people that led him to make the sharp statement about fascism at the convention. It was rather that the Goldwater forces attacked first. They labeled Rockefeller himself a dangerous liberal, a "crypto-communist," and other such wildly inaccurate things.

It was Rockefeller's own fear at that time – his actual fear of being inundated by a right-wing opposition that was going for his own throat, regardless of his impeccable credentials as a bloody exploiter himself – it was this self-preserving fear that spoke about "fascism."

WHERE DID GOLDWATER GET THE MONEY?

Rockefeller literally poured money into the primaries, admitting to \$3 million in a half dozen states. But Goldwater spent \$5.5 million in the same period. Each of the two spent \$2 million in California alone. Goldwater won the state.

According to liberal mythology, Goldwater's funds (he got another \$16 million for the general election to Johnson's \$8 million) came from the "little people" – the middle-class nuts who believed Goldwater would end the income tax and from a few small Neanderthal millionaires who thought he could immediately smash the labor unions, crush the Black people,

and so on. The facts suggest otherwise. A part of the ruling class itself was behind Goldwater and was making the first big push since the Kennedy assassination to overthrow capitalist democracy – this time by legal means.

The du Ponts of Delaware are known to have given \$71,000 to Goldwater's campaign and not even a consolation prize to the Democrats.

The Mellons gave \$93,000 to the Republicans and a hedge bet of \$17,500 to the Democrats.

The Olin family gave \$44,900 to the Republicans and the oil-rich Pews of Philadelphia \$94,510. Neither of these families gave to the Democrats.

Richard King Mellon increased his donations to the Republicans during the Goldwater candidacy.

Probably the biggest Goldwater backer was Roger Milliken, multi-millionaire chair of Deering Milliken textiles in South Carolina, who was the power behind Senator Strom Thurmond. Milliken, however crude and "primitive" in politics, was an Easterner and a director of the Rockefeller-controlled first National City Bank of New York.

Goldwater's campaign manager was Dennison Kitchel, an Arizonan from New York City. In the New York Social Register, he married into the fabulous Douglas mining fortune. He became the principal attorney for the Phelps Dodge Mining Corporation, which may be remembered as the Morgan-associated cabal that floated the candidacy of Woodrow Wilson.

Thus Goldwater was not primarily a phenomenon produced by "little old ladies in tennis shoes," but a carefully orchestrated front man for fascist-oriented wealth that was in a deep and deadly split with the Rockefeller gang on how to rule the country – and the world.

This is not to imply at all that the Rockefellers are less ruthless or will act less desperately when they feel it necessary.

Meanwhile, the Democratic camp seemed to be exceptionally powerful and united during the election – but only because a number of anti-Goldwater Republicans secretly helped bankroll the Johnson campaign and propagandized for him.

While Johnson preached about the “War on Poverty,” he formed the President’s Club with a \$1,000 initiation fee. Four thousand memberships were sold, many to small Republican businessmen of the type who were allegedly the main sponsors of Goldwater.

No doubt Johnson really did have a relatively liberal domestic program, due to the social roots of his particular political gang and in spite of the sordid maneuvers with the Kennedys and others. But Johnson ordered Humphrey to do a hatchet job on the new, mostly Black, Mississippi Freedom Democratic Party at the convention. The MFDP had challenged the regular – that is, the racist-delegation from Mississippi. And it was completely in the right, legally as well as morally.

Humphrey offered the whole MFDP two votes as a “compromise” to allow the “regular” delegation to keep its seats and thus preserve the old unity between racists and liberals. The Black delegation walked out.

And thus the new politics of ruling-class split joined with the old politics of flimflamming on the oppressed. But 1968 was to bring a new crisis, caused in the main by the ruling-class failure to defeat the revolution of the oppressed in Vietnam.

CHAPTER 60

1968 Another election by assassination

The readers of this book who remember the stately Harding campaign and the safe and sane Coolidge campaign, not to mention the “Who but Hoover” farce, can easily see that U.S. elections since the Depression have been much more hectic than the ones that preceded them, and that they all, in one way or another – even the fatuous “I like Ike” charade – were run in the shadow of uncertainty and on the edge of crisis.

But the election of 1968, equally rigged with all the others from the point of view of disregarding elementary bourgeois democracy and cheating the electorate, was the most faction-ridden and fierce contest within the capitalist class up to that time.

This was dramatically underlined by the assassination of Robert F. Kennedy in Los Angeles on June 5, just when he was celebrating his victory in the crucial California primary. Allegedly shot by an Arab nationalist for obscure reasons, his death obviously altered the outcome of the election itself. New evidence indicates there was a “second gun” and points the finger at certain Los Angeles police officials, who in turn could be only agents, not principals.¹²⁵

We could trace the career of Robert Kennedy – who, like his brother John, was a multi-millionaire imperialist politician – and prove that his factional position as against other imperialist factions led to the assassination. But let us here simply show the campaign of 1968 as it was and let the reader judge whether assassination was not inherent in the intense factional struggle of that time.

To begin with, the first, most publicized, but least important figure, Eugene McCarthy, was a so-called “anti-war” senator. His record on labor and civil rights was abysmal. But a number of

multi-millionaire fringe elements – or “limousine liberals” as they are called – backed him to run as an anti-war candidate in the famous and fraudulent New Hampshire primary. McCarthy said his campaign managers spent \$170,000 on this event, but more objective sources have put the figure at \$300,000.

The peace candidate’s surprising showing acted as a catalyst for several other developments. President Lyndon Johnson, who was reeling from the historic Tet offensive of the Vietnamese people and was no doubt under tremendous secret pressure from the military for a stepped-up war that was politically difficult if not impossible, announced his intention not to run for reelection in the fall.

Robert Kennedy, who had been expecting to run in 1972 rather than 1968, was apparently galvanized by the McCarthy showing and threw his hat into the ring.

Vice President Hubert Humphrey, who finally did get the Democratic nomination, did not run officially in any of the then fourteen state primaries and aroused a storm of opposition within the Democratic Party.

THE 'REJUVENATED' NIXON

Meanwhile, in the Republican camp, Richard Nixon was being rejuvenated after his 1960 presidential defeat and his 1962 California gubernatorial disaster.

Serving in a prestigious and well-connected Wall Street law office in the intervening years, Nixon remained extremely active in Republican Party affairs, indefatigable in speaking at fund-raising dinners – and most important, won over some of the anti-Goldwater Republicans to add to the Goldwater wing, which he virtually inherited from his original right-wing backers.

Nelson Rockefeller was bitterly opposed to Nixon – from within the Republican camp. He spent millions in a futile effort to wrest the nomination from Nixon, and not just because of his own famous ego and well-reported presidential ambitions.

The national Republican machine had slipped out of the hands of Rockefeller and allied capitalist groups sometime before 1964 – perhaps as early as the election of 1960. And the situation in the summer of 1968, with Nixon literally playing both sides against the middle, was if anything more difficult for the Rockefeller group.

Democrat Lyndon Johnson, who virtually appointed Humphrey to be the Democratic candidate, at one point went so far as to suggest publicly that Republican Rockefeller should run for the presidency. Johnson, like other Democratic presidents, was partially a tool of the Rockefeller group. His secretary of state, Dean Rusk, for example, was a former president of the Rockefeller Foundation. But for Johnson, a Democrat, to make such a proposition to Republican Rockefeller was, to say the least, unusual. It was another sign of crisis.

And in addition to all of this, the super-racist Governor George Wallace of Alabama ran for president on a third-party ticket – the “American Independent” party. This was almost a classical fascist performance, combining extreme racism with anti-Washington demagoguery. With only a small and hidden section of capital behind him, Wallace received one-sixth of all votes in the November election. The very fact that the Wall Street-controlled news media gave him the necessary publicity to get these votes was another sign of extreme crisis.

A BLOC WITH DEAD KENNEDY AGAINST LIVE NIXON

In a now forgotten effort to paper over the crisis, Nelson Rockefeller made a speech at the National Press Club on June 11, just six days after the assassination of Robert Kennedy. He called the now-dead New York senator “a man who cared.” He added that he felt a personal responsibility to fulfill Robert Kennedy’s “unfulfilled dream of peace and social justice.” And more concretely, he promised, as governor of New York State, to “appoint someone who would represent and work for the aims

and ideals” of Senator Kennedy. (He appointed the liberal Charles Goodell.)

In the course of this speech, Rockefeller hit his fellow Republican, Nixon, for accepting segregationist support. And he opposed Nixon’s attack on Supreme Court rulings that gave some small rights to the accused in criminal cases. This was demagoguery, of course, as far as principles went. But his opposition to Nixon was very real.

Rockefeller then proceeded to launch a monumental advertising campaign designed, like the appeal to the Kennedy forces, to help him reach the liberal public over the heads of the Republican Party machine leaders. The cost was \$5.5 million.

“Never before,” said the *New York Times* of June 12, 1968, “have the media been used on a national scale in a pre-convention campaign.” This was an exaggeration. The media had been used for generations in pre-convention campaigns, but in a hidden way, with “impartial” and “objective” news reporting in the capitalist-controlled press. But the essential point the newspaper was making was that something was up. And it was.

Nixon’s financial peccadilloes are now well known. But they were well known to insiders in 1968, too.

Clement Stone of the Combined Insurance Company of America gave over \$1,000,000 to the Nixon campaign, but illegally concealed it.¹²⁶ Nixon reported only \$22,000 of this amount during the legal pre-election period for revealing election-fund sources.

This was four years before Watergate.

A large number of other such contributions, including those from the Mellons, the du Ponts, and a grudging cover-gift from Rockefeller himself, pushed Nixon’s admitted campaign fund to \$24,402,000 as opposed to Humphrey’s \$11,594,000.

The clerk (!) of the House of Representatives filed a complaint with the Justice Department against twenty of the twenty-one committees that raised so many millions to elect Nixon and Agnew, accusing them of violating the 1925 Anti-Corruption Act. This really was an unprecedented action, and may well have been meant as a tentative Watergate. Ramsey Clark, then attorney general, initiated an investigation. But John N. Mitchell replaced Clark when Nixon became president. Mitchell, who had been Nixon's campaign manager, of course killed the case.

To end on a more familiar and traditional note – one of ordinary 100-percent American capitalist demagoguery:

Hubert Humphrey managed to address both the Textile Workers Union (AFL-CIO) and the American Management Association on the same afternoon – June 3. At the union confab, he recalled how he had stood “shoulder to shoulder” with the workers fighting for the right to organize in the South, and reminded the audience of his “pro-labor voting record as senator.”

At the management meeting he said: “Government at best can be the junior partner. I want to talk to the senior partners.”

CHAPTER 61

1972 When Watergate wasn't noticed

The 1972 presidential election campaign is known to history mostly for the Watergate bugging scandal and the enormous campaign funds of the participants. The official Republican presidential fund was \$61.4 million; the Democratic, \$25 million.

Less known today – such is the bias of capitalist history – is an event somewhat more startling if not so fundamental as Watergate: an attempted assassination of one of the candidates. This time the assassination was attempted against the fascist George Wallace. As in the case of the liberal Robert Kennedy, the attempt was made during a fairly successful primary campaign.

While the usual “crazed” person shot him, Wallace’s subsequent incapacity was of great benefit to none other than Richard Nixon.

In 1968, due to a three-way split, Nixon had won by less than half a million votes. By the elimination of Wallace’s racist American Independent Party in 1972, the racist Richard Nixon gained the largest total vote and the second-largest plurality (Lyndon Johnson received the largest in 1964) in U.S. history. It should be added that the ruling class had mounted a fiercely racist propaganda campaign after the liberation struggles of the mid-sixties.

Furthermore, after the Watergate scandals were publicized in 1973, a *New York Post* news item revealed – that one of Nixon’s own associates had secretly visited Milwaukee and burgled the house of Arthur Bremer, the would-be assassin of Wallace, immediately after the shooting.¹²⁷

Daniel Ellsberg, who had been a deputy assistant secretary of defense in the Nixon administration before he leaked the “Pentagon Papers,” told *Rolling Stone* magazine that getting the Wallace votes was “absolutely critical” to Nixon’s election. But

Nixon was unable to make a deal with Wallace. "Knowing now what the Nixon team was prepared to do to help his election, knowing that prominent members of that team were professional managers of assassination – I'm referring here to Hunt and to people who worked with him – and knowing that Wallace's not running was crucial to their success in '72, I think we must face the fact that the attempted assassination of Wallace deserves very close reexamination. . . ."128

SIGN OF CRISIS

This shooting, like the more successful ones of the two Kennedys, directly affected the election, and was another sign of the intense faction fighting within the ruling class. The enormous slush funds were still another sign. The official Republican fund of 1948 had been barely \$2 million. And as recently as 1964, Lyndon Johnson had won his overwhelming victory with only an \$8-million war chest. Nixon's \$61 million, although padded with funds from smaller-time crooks who expected (and received) favors from Nixon, really constituted a more desperate push by some capitalist elements against others, some of these others being within the Republican Party itself and also contributing to Nixon.

The Republican bugging of the Democratic headquarters at Washington's Watergate complex was discovered late in June of 1972. But there was no public outcry, no serious editorials, much less a U.S. senatorial investigation on television – until after the election and after the inauguration. This could only have been because the anti-Nixon elements did not feel strong enough to accomplish it, or else because the anti-Nixon Republicans of the ruling class were not ready to join with the Democrats of the ruling class against Nixon until the Republicans had been safely elected.

In any event, Clark MacGregor, who was named head of the Nixon campaign on June 30, 1972, successfully shrugged off the Watergate bugging, and the *New York Times* reported: "He said

he had carefully looked into the alleged attempt to bug the Democratic National Committee and had satisfied himself that the episode which he described as 'bizarre' was not known or authorized by the president, John Mitchell, or anyone in a senior status at the White House."¹²⁹

E. HOWARD HUNT – JUST A STAFF MAN!

White House sources admitted, however – the article continued – that E. Howard Hunt Jr., one of those arrested at the Watergate, had once worked on the staff of Nixon's White House assistant, Charles Colson. (Hunt was also the man who had burgled the home of Wallace's would-be assassin immediately after that shooting.¹³⁰

This remarkable admission was not even commented upon at the time. Nor was MacGregor's equally remarkable disclaimer of Nixon's responsibility for Watergate. Instead, the Democratic convention, which chose George McGovern but was split over his first choice for the vice presidential candidate, Senator Thomas Eagleton of Missouri, soon blanketed the news media sufficiently for nobody to ask any questions.

It was not for lack of opposition to Nixon, however, that the Watergate affair was silenced. It must be recalled that George McGovern, even after a long, drum-fire drubbing from the news reporters of the capitalist class, still received 30 million votes and had a number of big millionaires behind him, including his chief sponsors, the half-billion-dollar Kennedys.

As early as February 16 of the election year, the *New York Times* ran a half-page story about Nixon's California backers. And although it did not remind its readers of his 1962 crookedness in using the funds provided by these same extreme right-wing individuals for his own personal expenses, the paper did show some sinister aspects of the California cabal. These right wingers were members of the Lincoln Club of Orange County, made up mostly of multi-millionaires with "124 carefully screened members." It was a club whose only purpose was to contribute

to reactionary candidates for office, a club that had no headquarters and no meetings except for the above purpose.

“The donations, often split into unpretentious \$5,000 segments, are funneled into the [Republican] party’s national treasury,” the *Times* revealed, “through a variety of convenient committees set up for that purpose.” Members of this club take an oath not to discuss the organization’s activities in public, according to the *Times*.

Arnholt Smith was probably the largest contributor, “whose conglomerate holdings include banks (the United States National with branches throughout Southern California), a baseball club, hotels, a shipbuilding and insurance empire, an airline (Air California), and a virtual monopoly of taxicab franchises.” Smith “exerts a strong influence on the club,” with “three officials of his bank and thirteen officers of his various companies on the membership rolls.”

Readers will recall that the Morgans, Whitneys, Rockefellers, Dodges, Mellons, and so on were used to giving huge amounts to presidential candidates, usually buying them in advance, and in a buyers’ market at that. Political “contributions” in themselves are nothing new.

The idea that some “club” would spend large amounts on its political servants, “often split into unpretentious \$5,000 segments,” is hardly surprising – at least from the point of view of the amounts of money involved – to students of the U.S. political scene. The 700-odd members of the du Pont family alone might give \$5,000 apiece – as a large number of them actually do – and the amount could reach \$3.5 million.

But neither the du Ponts, the Rockefellers, nor the Mellons were directly attacked at any time by the big business press, either before the 1972 election or even during the Watergate investigation after it.

However, the exposé of these particular right-wing California capitalists may well have been a signal that larger attacks were to come – and indirectly on larger game – and that the “club’s” especially anointed savior was to be crucified on a cross of Scotch recording tape.

CHAPTER 62

1973 Nobody investigated the Watergate investigators

The famous Watergate investigation was a result of a tremendous crisis and a factional split in the capitalist ruling class. But it was also the temporary resolution of that crisis and the papering over of part of the split with a coalition of different interests against the Nixon group, breaking off some of the latter and eventually isolating Nixon and removing him from the presidency.

In the course of the investigation enough criminal evidence was found to convict and jail several of Nixon's highest White House assistants, in addition to the "ex"-CIA operatives who helped them bug and burgle the Democratic Party headquarters in the summer of 1972.

A large amount of testimony in the long hearings revealed a very high degree of illegal corporate financing for Nixon's election. But no corporate executive (much less any top corporation owner) has gone to jail for this American-as-apple-pie offense. And with the exception of Robert Dorsey, chair of Gulf Oil, none has even been removed from office for this crime.

THE JUNE 5 CONSPIRACY

Far more important than the election crookedness, which was only quantitatively worse than in previous years, was the revelation of the "June 5 conspiracy." This was revealed and then quickly concealed. It was an attempt of Nixon on June 5, 1970, to assume virtually dictatorial powers, making a rupture with bourgeois democracy, by using the FBI, the CIA, and the Army in a semi *coup d'état*.

It was almost casually mentioned in the hearings during the summer of 1973 and then as nonchalantly covered up.¹³¹ But it revealed a great deal more of what the hearings were all about

than did the long explanations and *mea culpa* self-incriminations of certain now famous – or infamous – White House assistants.

Less fundamental but at least equally sensational – and more relevant to our story about rigged elections – was the mine of information that was unearthed about corporate “contributions” – that is, corporate control of the electoral process.

In a capitalist democracy the most “honest” president is only the most impartial servant of all the corporations. Such honesty has never existed in the United States but, like the alleged honor between thieves, it is the standard around which presidents are occasionally criticized or vaguely called to account. Richard Nixon – or “Tricky Dick,” according to a well-earned nickname – would never have been called to account at all, had it not been for a falling out of the very thieves who had backed him in 1972. But he did manage to gouge out the best slush funds in the business before he was discarded. From his \$18,000 illegal pocket fund in 1952 to a \$61.4 million campaign fund so big it couldn't even be entirely spent in 1972 – that was a pilgrim's progress few capitalist politicians could hope to equal!

CROOKEDNESS OF ATTORNEY GENERAL

Outside the burgling of the other capitalist party's headquarters, perhaps the worst crime from a purely legal point of view was the bribe given to (and accepted by) Attorney General John N. Mitchell. Mitchell elicited a campaign fund donation of \$250,000 from one Robert L. Vesco, a person of much less importance than a Mellon, Rockefeller, or du Pont, but of some definite wealth. Vesco was in a Swiss prison when he came to Mitchell's attention. He had stolen – illegally – about \$224 million from Investors Overseas Service, a mutual fund. The money had originally been stolen – legally – from some thousands of GI mutual fund “investors” who were stationed in Europe.

Mitchell, the great exponent of “law and order” – for the oppressed – and chief law officer of the United States, got Vesco out of jail in twenty-four hours with a telephone call. In addition,

he used a CIA agent to tell the Swiss authorities that Vesco should be released on his own recognizance – that is, without bail. Vesco was released accordingly. Mitchell, who made no serious move to extradite Vesco, is also well known for calling off an anti-trust action against International Telephone & Telegraph, a conglomerate that gave \$400,000 to Nixon's campaign fund.

Dozens of corporations kicked in \$100,000 apiece. But the news media pretended that each of these companies was entirely separate and was merely buying one or two special laws for itself. Most of these corporations are part of super-conglomerates or controlled by banks whose other subsidiary corporations also gave \$50,000 to \$100,000 – and not always to the Republicans.

Mobil and Amoco (Standard of Indiana) and Atlantic Richfield (Arco), Continental (Conoco) and Exxon are all a part of the Rockefeller oil chain and controlled, like hundreds of other companies, by the Rockefeller Chase Manhattan Bank. They all gave substantial amounts to Nixon, although they were by no means the principal target of the investigations.

In the course of the inquiry about Nixon's bugging, it was brought out (by another faction, of course) that Henry Kissinger, Rockefeller's international imperialist trouble-shooter, had also been guilty of bugging. In this case, he had eavesdropped on his own ex-Harvard associates. By extremely intense maneuvering, which included throwing two gigantic parties for Kissinger and inviting key figures of the ruling class to show their solidarity, the Rockefellers were able to quash the Senate investigation of Kissinger.

Nevertheless, the Rockefellers went along with the Watergate investigation of Nixon, although perhaps as uncertainly as they had gone along with Nixon's election in the first place.

THE ROCKEFELLERS AND THE MELLONS

Difficult as it was to see who was really who in the crossfire of accusations and the all-but-universal corruption, a ray of light appeared to shine around the investigation of the Gulf Oil Company. This super colossal company, which admitted to having a \$12 million bundle put aside for bribing politicians,¹³² is part of the Mellon empire.

After Watergate, a special review committee was set up to take care of Gulf's case. The chairperson of this committee was none other than John J. McCloy, former chair of the board of the Rockefeller Chase Manhattan Bank. This did not mean, of course, that the Rockefellers were about to put the Mellons in jail for using a \$12 million slush fund (laundered in the Bahamas) to buy politicians who were already bought by the Rockefellers. But the Mellon-controlled Union Oil Company of California had been a most enthusiastic supporter of Nixon, and the Rockefeller empire a most unenthusiastic one.

From a revolutionary working-class viewpoint, McCloy gave Gulf only a very light tap on the shoulders. But from the standpoint of the leading figures in Watergate, it was a rather neat riposte, as they say in fancy dueling, and understood as such in the ruling class.

Later, in order to hit back against those who were exposing Gulf and undercutting the great Mellons, a Gulf attorney stated that every single U.S. senator on the Watergate investigating committee (excluding the chair, Senator Sam Irvin, for some reason) had received payoffs from Gulf! This attorney – Thomas Wright of Pittsburgh – also revealed that Democrat Lyndon Johnson had been the recipient of at least \$60,000 in Gulf money shortly after his election to the vice presidency.¹³³

Although this interesting news was published in the *New York Times*, there was no reaction to it from the Watergate senators. There was no protest from the Democratic National Committee at the injustice done to the memory of the late Lyndon Johnson, nor in fact any further news at all about the matter.

CHAPTER 63

1974 Not an election but a cold coup d'état

In the summer of 1974, the long so-called constitutional crisis of what to do about Nixon came to an end. Nixon was forced to resign – but not before his vice president, Spiro Agnew, also resigned. And Nixon's appointee as vice president, Gerald Ford, later became president. With the universal hallelujahs in the capitalist press after this event, it was clear that the ruling class had decided to call it a day for a while and patch up the intense internecine struggle in the interest of stability.

When Ford was appointed by Nixon to be vice president, the Democratic-controlled Congress approved the appointment overwhelmingly, with Rockefeller Republicans such as Senator Jacob Javits of New York even more rapturous about it. And why not? Part of the secret deal was for Javits's boss, Nelson Rockefeller, to become vice president when Ford was promoted. Javits commented even before Rockefeller's appointment – in fact, the day after Ford's approval for vice president – that “the critical phase is over.” And so it proved.

The accession of Ford and Rockefeller to power, then, was not all a *coup d'état* from the point of view of the contending imperialist factions, but only from the standpoint of the constantly betrayed working-class electorate. The whole thing was worked out in utter contempt for the people themselves.

However, the long Watergate hearings did prepare the people psychologically for the ousting of Nixon. But as to the question of who would oust him, nothing much was said.

WHY NO POPULAR ELECTION?

It would have been relatively easy to hold a general countrywide election for Nixon's replacement. Capitalist countries such as Italy – and even Germany and Britain on occasion – hold elections for their top officials much oftener than does the

United States. Why was no such election held here? Why, in the great reaffirmation of the great American system, sung in unison by the chorus boys of capitalism, was nothing said about having an old-fashioned American election?

The answer, of course, is that in the temporary resolution of their differences, the ruling-class factions were so poised on the razor's edge of open battle that there had to be the most precise agreement on just who should hold the top two executive positions for U.S. capitalism before any political equilibrium could be established. The tendency toward military dictatorship was extremely strengthened during this period. Even now it has not been wholly erased. The imperialist generals are waiting in the wings.

The formal procedure followed is still fresh in the memory of many observers. But it is worth repeating here – if only to fill out the story of rigging the elections with one of the worst cases, if not the very worst, since 1876.

Nixon, it will be recalled, was accused of conspiring to cover up the Watergate burglary. It couldn't be proved that he had actually participated in it – just that his closest associates planned the crime! But then came the "White House tapes" containing conversations that proved Nixon's complicity to any listener's satisfaction. While Nixon defied the Congress and the public and refused to surrender the tapes, the lawyers went after him for income tax evasion (a tactic that he himself had used liberally against his political enemies in the ruling class).

Of course, the fact that he had railroaded the liberal Alger Hiss to jail and manufactured the evidence against him, the fact that he had murdered tens of thousands in an undeclared war, the fact that he had invaded Cambodia and secretly bombed Laos, the fact that he was a reactionary, racist enemy of the poor and working people and a known purloiner of funds twenty years earlier – these facts were hardly mentioned. But there was much

talk about “respect for the presidency” and “following constitutional procedures.”

The obvious embarrassment in getting rid of Nixon was that Spiro Agnew would become president. So before forcing Nixon to resign, the Watergate investigating group “discovered” that Agnew had taken bribes from engineering contractors for the state when he was governor of Maryland. This was a fact well known to every capitalist politician in Maryland for nearly a decade.

REMOVING AGNEW FIRST

The revelation forced Agnew to resign to avoid criminal prosecution. And every knowledgeable person was now aware that the individual picked to fill Agnew’s vacated position was the one finally slated to take Nixon’s place – if all went well. Gerald Ford, a twenty-five-year member of Congress (thirteen terms, no less), was the one for whom the heavens opened.

Ford had been a close friend of Nixon, although not as deep in the Nixon politics as Agnew, and highly acceptable to the Nixon forces. At the same time, Nelson Rockefeller, the then-hidden choice for vice president after Ford’s elevation, was from a different faction.

Ford, was reactionary and racist to the core, an all-out supporter of the military, and even more crooked than the average member of Congress.¹³⁴ He had conducted a long feud with another militarist, Melvin Laird, who happened to be in the Rockefeller group, over who would get the post of House minority leader.

This made him still more acceptable to the anti-Rockefeller forces.

Rockefeller himself was supposed to be in the “liberal” wing of the Republican Party, a wing owned by a number of old established Northeastern fortunes and usually led by the Rockefellers. But the “liberal” label is merely a fiction fabricated

by the right wing. At the time, it was clearly a compromise between two broad tendencies in the ruling class.

The Democratic Party faction of the ruling class (if people who bribe both parties' politicians can be called such a thing) was very much in on the deal. Democrat Clark Clifford, the last secretary of defense under President Johnson and a Washington "super-lawyer," advocated the course followed in getting rid of Nixon to the letter. In fact, he practically wrote the scenario and had it published on the opinion page of the *New York Times* in March of 1973. (The *Times* was so enthusiastic it reprinted it again in the fall.)

Clifford was, of course, fronting for at least one section of the ruling class and making a proposal to the others. He was an instrument of bigger forces, but, judging by his record, the proposal really was his own scheme.

He is reliably credited with masterminding Harry Truman's remarkable win in 1948 and with shepherding through Congress the measures that saved the du Ponts \$2 billion in General Motors capital gains taxes. He also finessed the measure through a veritable maze of Washington bureaus, any one of which could theoretically have made the money-gorged family cough up.

Despite his connections to the right-wing du Ponts, Clifford spoke especially to the Democrats in Congress. But even so, he must have been surprised at the large number of "liberals" and "independents" in Congress who voted for the reactionary Ford and the equally reactionary Rockefeller without a murmur.

CHAPTER 64

1976 Reagan vs. Ford in the party of Lincoln

Just as the reactionary Barry Goldwater surfaced as the Republican candidate for president after the first Kennedy assassination, so the reactionary Ronald Reagan made his attempt in the first election after Watergate. In each case, the capitalist class had just avoided a rift so deep that only a military dictatorship could have bridged it. And in each, too, the so-called Southern and Western or Sunbelt Rim group fielded its own candidate without attempting to make a coalition with other factions of the capitalist class, as it did, for instance, in the case of Richard Nixon.*

* The "Sunbelt" label should be used for identification purposes only. There are some very large Eastern capitalists in the faction, who perhaps even dominate it.

Actually, Reagan's attempt to get the Republican nomination was not as great a threat to the other factions as some other moves might have been, and Reagan was blocked even more effectively than Goldwater was blocked in 1964. How on earth did two such creatures as Gerald Ford and Ronald Reagan become the most favored sons of what is allegedly the party of Abraham Lincoln?

It is easy enough to explain the "sudden" rise to fame and political fortune of that Democratic fake friend of the people, Jimmy Carter. If he didn't exist, it would have been necessary to invent him – necessary for the preponderant section of the ruling class, that is.

But how explain the brazenness of an unelected president who vetoed fifty acts of Congress in two years? (George Washington vetoed only two such acts in eight years.) And considering that almost every one of these vetoes was a blow against the most elementary principles of democracy or a slash at the already meager provisions of relief for the needy, how could another person – Reagan – insist that Ford was not conservative enough,

not cruel enough, and not imperialist enough “for the good of the country”?

How did Reagan differ from Ford? The former openly said he would send more troops to Panama and also to Rhodesia (soon to become Zimbabwe). The latter didn't say it, but everyone knew he would do it the first chance he got.

Reagan wanted to cut back more sharply on welfare and give bigger tax breaks to the rich under cover of a pretense of lower taxes for the middle class. Ford wanted to do exactly the same thing, and was only slightly restrained by the responsibilities of being in office.

For example, Reagan won the Texas primary overwhelmingly, it was said, because Ford had been compelled to take a slightly progressive position on the matter of cutting the oil depletion tax. But the fact is that more big oil companies supported Ford than Reagan.

Could it be that the fight between these two not-so-Olympian contenders was really a struggle of California and Texas capital against the capital of the East – that is, Wall Street? Or was it a fight between two different points of view within the same capitalist class?

TWO SECTIONS OF CAPITAL?

There once was a fight of light goods industries against heavy goods industries. It was described by the French author Daniel Guerin in the book *Fascism and Big Business*¹³⁵ and by Ferdinand Lundberg in the United States. But this was in the 1930s and earlier. Today the same banks own both light and heavy industries.

It would be utterly impossible that the old Southern and Western populists of the nineteenth century, many of them half-starving farmers bitterly opposed to Wall Street, could have grown so rich and powerful by the 1970s that they would be ready to

overthrow Wall Street with their by then reactionary weapons to put a West Coast Wall Street in office.

And yet that was what was implied in one way or another by the idea that Western capital was trying to take over. True enough, the great fortunes of the Hunts and Murchisons of Texas played a very reactionary role, often directed against some of the more "liberal" Wall Street crowd. But they were really trying to muscle in on Wall Street (and did so with some success) rather than overthrow it.

True, there was a shift of population, votes, and some wealth to the so-called Sun Belt. But the economic center remained in Wall Street, New York City. And conversely, Wall Street was still in California, Texas, Nevada, Colorado, Washington State, Oregon, and Idaho, not to mention North Dakota, South Dakota, Montana, and other Western and Southern states.

As governor of California, Ronald Reagan had to reckon with the people who owned California. The Texas-based Tenneco Corporation owned about a half-million acres of California land. But the New York-based Union Pacific and Southern Pacific railroads owned just as much. General Motors, Ford, and Chrysler had huge plants and retail outlets in California. Surely they had something to say about who the governor was and what he would do.

The Rockefeller-controlled Atlantic-Richfield Oil Company (Arco) and Continental Oil (Conoco) literally dotted the West and Southwest with their service stations. Exxon, the super-colossal oil company of the world, invaded the same territory along with Mobil. Both were owned lock, stock, and oil drum by the Rockefellers. And even the "homegrown" Standard Oil of California was strongly influenced by the Rockefeller Chase Manhattan Bank and was part of a consortium with Exxon and Texaco in the exploitation of the oil of Arabia.

A dozen big utility companies in California were run from Wall Street. In addition, the Greyhound Bus Company, Pan American Airlines, Trans World Airlines, United and National airlines, all controlled from Wall Street, had big influence in California.

THE MYTH OF SMALL-TIME BACKERS

Reagan was originally backed by smaller California capitalists, as was Richard Nixon when he began his ugly crusade as a member of Congress in 1946. But when the *New York Times* listed Reagan's backers as only a couple of automobile dealers and wealthy lawyers in the Sunshine State, they knew they were lying through their teeth.

Serious national candidates for president of the United States are not made with dough like that. The *Times* conveniently omitted the big executives of General Electric who backed Reagan, and, above all, the Union Oil Company, a well-known Reagan supporter and a branch of the Eastern establishment Mellons. And furthermore, no important reactionary scoundrel could begin to get off the ground for a nationwide political fight without some branch of the always hopeful fascist family, the du Ponts, getting in on the action.

It is perfectly possible that one or another associate of the Rockefellers themselves gave some kind of backing to the supposedly anti-establishment Reagan. It was not at all a case of one section of capital being in mortal opposition to another. Nor was it just a bunch of ignorant yahoo millionaires taking on the sophisticated billionaires, as some of the organs of Wall Street would have us believe.

It was a difference in program, a difference in outlook, a difference on how to rule the country and how to take on the world. And while Ford – or Carter – might ultimately do just what Reagan was advocating, there was a majority in Wall Street who thought they could solve all the problems with the old political promises and the patchwork of capitalist democracy and who

were deathly afraid of facing the mad “solution” that was inevitably posed by their insane system.

To be sure, Reagan had built (with the indispensable help of the right-wing news media a rather large and snarling middle-class base of people who thought he was going to cut their taxes by cracking down on welfare and cutting other social programs. The truth is that before World War II, nine-tenths of the tax burden fell on the rich and near-rich. But ever since 1941, there has been an enormous shift of the tax burden onto the shoulders of the workers and middle class. A tremendous propaganda campaign by both Democratic and Republican capitalists has convinced the people that welfare and social benefits generally are the cause of those taxes, rather than imperialist war.

FORD INSISTED HE WAS JUST AS BAD

Gerald Ford, who was not one bit better than Reagan, once belonged to the same right-wing faction. But in the deal between the Republican right and “center” during the cold *coup d'état* of 1974 – that is, the replacement of Nixon and Agnew by Ford and Rockefeller – he fell under the political pressure of the Rockefeller wing, refused to remove Henry Kissinger, as the Republican right was demanding, and went along with Rockefeller’s foreign policies.

Ford’s fifty vetoes, on the other hand, were just as much calculated to convince the right-wing Republicans that he was still in their corner as they were to help his Wall Street masters stabilize the shaking economy on the backs of the poor, the oppressed, the lower-paid workers.

Meanwhile, the Rockefellers and most other Wall Street figures who backed Ford were not more liberal than the Reagan forces, but only imagined themselves to be more realistic. And being “realistic,” they laid at least half their bets on the Democrat Carter, as well as on the very lame duck Gerald Ford.

CAPITALIST COALITION FOR CARTER

To state the case before explaining it, the same general coalition of capitalists who came together on the Watergate investigations decided to support Jimmy Carter, the Democrat. It in fact engineered his candidacy all the way from Plains, Georgia, long before the New Hampshire primary election machines had even been taken out of storage for that January farce.

At the same time the Rockefeller group, which was more or less secretly a leading part of the Carter coalition, also supported Gerald Ford, although how enthusiastically is hard to determine. And it thus had both major candidates fairly well in line – that is, after Reagan was defeated at the Republican Convention.

Gerald Ford, it is true, was from a different faction of the Republican Party than the Rockefellers. And earlier, Ford was quite close to Richard Nixon, if not to Goldwater and Reagan. But Ford seems to have crossed, at least a little way, toward the Rockefeller group as early as 1975, thus deeply antagonizing the Republican right.

How the average right-winger could be displeased with a president who had the nerve to veto fifty pieces of more or less progressive legislation in two years, when he wasn't even elected by the "people" of the United States, is hard to see. However, Ford was not as far right as Reagan in words, Reagan in words, if not deeds, and Ford's semi-friendship with the hated Rockefeller was regarded as a great betrayal. And the billionaire puppet masters of the right had convinced their followers that Rockefeller, the billionaire butcher of Attica, was really a "crypto-communist."

It is not too difficult to discern Carter's principal backers. The 1976 election law restricts national campaign funds to \$20 million per candidate. But that is after the candidate has won the nomination. There is no restriction on the amount spent to get the nomination.

The law restricted individuals to \$1,000 per donor. They can easily conceal their hand by having dozens of their employees do the donating.

But the Federal Elections Commission revealed in June 1976 that, in addition to the usual concealed donations, a whole galaxy of Rockefeller multi-millionaires had donated to Carter to help him win the primary campaign and the nomination at the convention. These individuals were led by John J. McCloy, former chair of the Rockefeller-controlled Chase Manhattan Bank; Alexander Trowbridge of the Rockefeller-controlled oil super-company, Exxon; and Thomas H. Clark of Standard Oil of Indiana, another closely held Rockefeller company.

Members of Lehman Brothers and Lazard Freres, both important investment banks and the oldest power behind the giant New York Chemical Bank, have long been known as Democrats. They also were revealed as helping Carter – instead of their usual favorite, Hubert Humphrey.

A number of important Morgan banking figures also donated to Carter during the primary campaign, according to the Federal Election Commission's figures.

While it is at first sight surprising that the now ironclad-Republican Rockefellers gave such all-out – even if concealed – support to Carter, it should be remembered that the Rockefellers conspired against the then-Republican Morgans in the old days by backing the Democrat Grover Cleveland through their satrap, William Whitney. And of course they have required both Republican and Democratic presidents to yield on the key position of secretary of state and other important posts for the past quarter of a century.

The multi-millionaire Lehmans have always been Democrats, but the Morgan group has moved back and forth with the nimblest kind of footwork ever since the time of Woodrow Wilson.

The leading political associates of the Morgan-backed John Lindsay – the Republican and later Democratic mayor of New York – came out for Carter and worked hard for his election. (Lindsay had been in a constant feud with Nelson Rockefeller before Watergate, but now found himself in agreement with him on the presidential candidate.)

Even in the primaries, one of the top campaign managers for Carter was Angier Biddle Duke, a scion of the Philadelphia Biddles and the Carolina Dukes – and of course an associate of the Morgans.

A POLITICAL 'BOSS' GETS DOWN ON HIS KNEES

One mention of the smaller fry will suffice to show the power of this team to sway the supposedly all-powerful machine politicians. Abraham Beame, mayor of New York at the time, supported Henry Jackson in the 1976 Democratic primaries and was in fact elected from New York State as a Jackson delegate to the Democratic convention. But even before Jackson threw in the towel in the face of greater financial forces, Beame publicly endorsed Jimmy Carter.

No apology was given to all those people who elected Beame as the delegate to vote for Jackson at the convention. There was no explanation of why the people can vote for one person and get another – just a friendly statement that Jimmy Carter was a great fellow and Abe hoped that he would get the Democratic nomination.

Such is the great power of a machine politician to deliver for his favored man, Jackson, when the real powers tell him to be for Carter!

The total slush fund for Carter in the primaries was put at around \$10 million – and that sum (underestimated, as always) was considerably larger than that of any other Democratic contender. So the “outsider” was soon carried to the top of the “inside.” That few million dollars, however, would have been

insufficient for Carter to win, had not the financial coalition arrayed its various news media to blare out his many virtues.

Newsweek, the important Democratic weekly (formerly owned by the Astors, then by the labor-hating *Washington Post*, with connections to some of the very richest families), ran picture after picture of Carter on its cover, beginning with the New Hampshire primary in January.

Time magazine, ordinarily Republican and controlled mainly by the Republican Rockefellers and secondarily by the flexible Morgans, ran four important cover pictures of Carter in the spring and summer, plus a six-page biography of him during the early primaries. The president of Time, Inc., Andrew Heiskell, was also a contributor to Carter during the primaries. And so was Henry Luce III, the vice president. *Time* had also run a cover picture of Carter in May of 1971 when the latter was governor of Georgia. Carter's backers for that post – besides *Time* magazine – were the Coca-Cola Company and Southern Bell Telephone. The former was a Morgan outfit and the latter Rockefeller-Morgan.

Other big contributors to Carter at that time were the usual crooked contractors for the state and the liberal owners of the *Atlanta Constitution* and the *Journal*, who at first opposed him but mysteriously changed their position and gave him plenty of good publicity besides money.

Fortune magazine, also owned by Time, Inc., ran an interview with Carter the winter before the election dealing very sympathetically with his intentions to regulate business. This interview was one of the signals to many, many smaller potatoes among the bankers and bosses – and newspaper publishers – to give favorable coverage to Jimmy.

Why else would they have featured front-page pictures of the farm boy washing his socks in the hotel bedroom sink so the masses would know about his down-home folksiness?

This image was belied by the official Carter campaign fund, however. At \$35 million, it was the largest amount of Democratic presidential slush ever. The extras in free publicity and the hidden machinations in paying money-hungry Democratic machine leaders to get out the vote must have made the Carter campaign the most expensive ever until that time, bar none.

“Mr. Carter spent a total of \$13.2 million to win the nomination,” said the *New York Times* of Nov. 18, 1976, “\$3.5 million of it in Federal matching funds.” And that was just to win the nomination.

The Carter backers admitted to spending \$209,000 in the tiny but propaganda-wise crucial state primary of New Hampshire. They spent \$568,000 in the next primary in Florida, where it was so important to beat George Wallace. They spent an additional \$654,000 in California, even though they lost to Governor Jerry Brown there. And so on.

More than 1,500 people were on the official Carter payroll, with an average salary of \$180 a week – which for some of these types was literally a labor of love.

THE SAD END OF THE SENATOR FROM BOEING

The turning point of the primary campaign was Carter’s win over Senator Henry Jackson in Pennsylvania. The latter was strapped for money at this point in his campaign, and bowed out altogether after losing the state. Due to President Ford’s maneuvers with Congress over the issue of the new election rules, Jackson’s crucial federal matching funds were not forthcoming. And no friendly financier was willing to bail out the prestigious Senator from Boeing. Carter, however, stepped into Pennsylvania with \$465,000 and a known one hundred “volunteer workers,” who may actually have been two or three hundred, since they appeared in several cities and could not be reliably counted.

The financial coalition behind Carter – the Rockefellers (more or less secretly) and the Morgans and Lehmans (more or less openly), with the close Rockefeller allies Henry Ford and Averell Harriman giving all-out support – was the most powerful capitalist cabal in many an election year. Not even the Mellons and the du Ponts – who supported Gerald Ford, with some of their number even more enthusiastic about Ronald Reagan – could assemble quite so much wealth, quite so many newspapers and television stations, or quite so many votes.

Analyzing the vote pattern, it is clear that there was a shift away from the Republicans in the working class. But this shift had less class significance than at first appearance.

If one judges by the overwhelming victory of Richard Nixon over George McGovern in 1972, it was indeed a great reversal. Compared with Nixon's 500,000-vote edge over Hubert Humphrey in 1968, however, the shift to Carter was more – about a 1,700,000-vote lead – but not really so much more.* It should also be remembered that most of the 16 percent of the overall vote that went to George Wallace in 1968 was taken by Nixon in 1972.

* The final returns in these three elections were: 1968 – Nixon 31,785,148, Humphrey 31,274,503; 1972 – Nixon 47,170,179, McGovern 29,171,791; 1976 – Carter 40,830,763, Ford 39,147,793.

The Carter backers, having carefully analyzed 1968 and 1972, knew they had to win the South for the Democrats and win it solid. They did not, like Nixon in 1972, benefit from the shooting of George Wallace. So they decided to run a Southern Democrat with a liberal image – but not liberal enough to antagonize the super-racists like senators Stennis and Eastland. Carter took great pains to give fulsome praise to these two and offer his cooperation to George Wallace after winning the nomination.

A further and perhaps more fundamental reason for running a man with such credentials was the possibility of Ronald Reagan capturing the Republican nomination. As of 1975, or even 1974,

when these plans were crystallized, Gerald Ford's chances to win the nomination seemed very dim indeed. And in the final event at Kansas City, he won by only a nose. The racist Reagan would have done at least as well in the South as Nixon had done. But against a true-blue Southerner – and a military man at that – Reagan was not likely to take Dixie.

Finally, there had developed a strong Democratic vote among the Black people and their sympathizers in the South. So Carter was programmed from the very beginning as a friend, albeit a very patronizing one, of the Black people. At the same time, he let the racists know that his heart was really with them by his “slip” about “ethnic purity” early in the campaign.** The revelation that his church had excluded Black people, however, coming as late as it did, was most probably engineered by the Republican strategists and was calculated to lose him more votes among the Black people than he would gain from the racists.

***Editor's note: On a campaign stop in Indiana on April 6, 1976, Jimmy Carter said he'd oppose government funds for low-income housing in richer areas because the federal government should not imperil the “ethnic purity” of white neighborhoods. Calling for maintaining the “homogeneity” of neighborhoods, he said that a “different kind of person” being “injected” into an area would have a “bad effect.” None of the other candidates denounced him as a racist. See Kandy Stroud, *How Jimmy Won* (New York: William Morrow and Co., 1977), 277.*

It is hard to pin down exactly who masterminded the whole elaborate scheme to bring in Carter. It has the earmarks of a real professional – like the redoubtable super-lawyer Clark Clifford, who engineered the Watergate “solution” for his imperialist bosses in 1974. In fact, the suspicious agreement of so many Democrats on Ford and Rockefeller back at that time could have meant that the Carter candidacy was part of a package deal.

But where did Gerald Ford fit in with all this wheeling and dealing? Since he was not fully expected to win the nomination, he did not fit in so well. And having been a compromise president in the first place, he was undoubtedly not 100 percent in the confidences of the above coalition, regardless of his reactionary credentials.

That is not to say that Gerald Ford would have been really hostile to the Rockefeller group had he won. Didn't Nelson Rockefeller ostentatiously hand him 125 formerly "uncommitted" New York Republican delegates on a silver platter? Not even Richard Daley, the Democratic political dictator of Illinois, could do that much for the Democrat Carter. He "only" gave the newly appointed Georgian one hundred convention delegates. (Daley had been in Hubert Humphrey's camp, by the way. We might ask what dross consideration – and from whom – could have turned his idealistic heart the other way?)

On the other hand, Gerald Ford knew well that Rocky had no other place to go with his delegates, since Rocky himself no longer had a chance to be president and Ford was in a mortal battle with Ronald Reagan. However much Ford had "betrayed" his former right-wing supporters who were now in the Reagan camp, he was most probably not a real Rockefeller man. And in the November election, the anti-Rockefeller forces appear to have rallied around Ford.

JIMMY 'SCARES' WALL STREET

At the same time, Jimmy Carter, once nominated, moved substantially toward the Democratic "left." He had to do this to unite the party and get himself elected. But he also showed signs of understanding the economic crisis to the degree that he might be serious about proposing more progressive social legislation than had Gerald Ford – which would not be very hard to do. This in turn led many of the undecided, lesser bourgeoisie to come down strong for Ford – in addition to the Mellons and du Ponts and the double-dealing Rockefellers.

In the early fall one poll found that "85 percent of Wall Street" was supporting Ford. Of course, if 85 percent of the *wealth* of Wall Street had been behind Ford, he would undoubtedly have been elected. Even in the semi-Bonapartist year of 1936, it is doubtful if Franklin Roosevelt had less than 15 percent of big capital behind him. But this poll reflected a large number of

brokers, executives, and even some bankers who may well have taken alarm at Carter's "compassion." And the big bourgeoisie took steps after the election to make sure that the campaign rhetoric would remain – rhetoric. They dragged out Arthur Burns, president of the Federal Reserve Board, to tell Carter he could not "tamper" with the economy for the benefit of the people. (That would cause more inflation, you see.)

REPUBLICAN STICK, DEMOCRATIC CARROT

In this connection we should remind ourselves of the wisdom of the workers who say, "With the Republicans we get a depression; with the Democrats we get a war."

The Democrats generally, at least since the Depression days, have stood for more social benefits for the masses and a more liberal approach on the theory that a few such benefits are the cheapest riot and revolution insurance obtainable. They are usually willing to pay a higher premium than the Republicans, who generally want the all-out rule of the capitalist big stick instead of the Democratic carrot.

The Democratic Party line, however liberal on occasion, is capitalist and imperialist through and through. Carter's backer, Averell Harriman, for instance, who was one of the most sagacious multi-millionaires in the whole gang, was a Republican until 1929. Then, seeing the logic of the crisis and the necessity of maneuvering with the masses, he became a Democrat.

But it is precisely because the capitalist Democrats have more credibility with the workers that they are the best party to lead the capitalists' wars for them. If Carter makes a large number of concessions to the masses in the early part of his term, he will very likely ask them to pay the piper by dying in another war before the end of his term.* That is not because he is any more evil than other imperialist politicians but because he will preside over a system in mortal crisis – a crisis that knows no solution except in the greater crisis of imperialist war.

**Editor's note:* In Carter's one term in office, the draft was reinstated and U.S. troops were deployed in a spectacularly failed "hostage rescue" mission involving Iran. Carter didn't send U.S. troops to Afghanistan, but authorized what was to become a multi-billion-dollar covert operation there by the CIA. Carter claimed that U.S. support for the anti-woman, pro-feudal Afghani counter-revolutionaries was to counter the intervention of Soviet troops, which had been requested by the Afghani government. But much later Carter's national security adviser, Zbigniew Brzezinski, admitted to the French journal *Nouvel Observateur* that the CIA had begun funding the Afghani contra war in mid-1979, six months before the Soviet intervention (Agence France-Presse, January 14, 1998).

CHAPTER 65

Shedding a tear for Humphrey

On April 29, 1976, Hubert Humphrey, with appropriate tears and farewells, announced the end of his presidential ambitions to an unbelieving populace. This loyal servant of the ruling class had been kicked in the teeth by his masters.

Humphrey's "liberalism" had its roots in the old Farmer-Labor Party of Minnesota, a party which he as much as anybody helped to whittle down and housebreak into the Democratic Farmer Labor Party – the Minnesota branch of the capitalist Democratic Party.

He was a founder of Americans for Democratic Action, which began in 1947 in order to propagate ruling-class liberalism during the Cold War – under the banner of anti-communism. One of this organization's first accomplishments was to provide the bombastic Harry Truman with a liberal wing and a so-called "civil rights" program in order to undercut Henry Wallace in the crucial election of 1948, whose stance was friendly to Black people and to the Soviet Union.

Humphrey made what seemed to be a ringing call for civil rights in an oration at the Democratic National Convention of that year. And he has been living on the dwindling dividends of that calculated political investment ever since. But faker, mountebank, and scoundrel that he is, he does represent a more liberal capitalist political constituency than the evasive "Jimmy" Carter. He is associated with those liberals and labor leaders who, although pro-capitalism to the core, have a stake in better housing for the poor, a decent minimum wage for the workers, more or less massive aid to the cities, and so on.

Our hero made his noble farewell after surveying the results of the Pennsylvania primary and the surprising victory of Carter over the pro-Humphrey Henry Jackson. The country's

newspapers and media, including the “labor” media, treated him like an old marathon runner with a sudden varicose vein, or a “happy warrior” now inexplicably sad. Much was written and spoken about his previous runs for office and his political battles, along with other reminiscences. But not a word was spoken or written about the people he was supposed to represent. Not a tear was shed about the program he was supposed to have espoused!

If Humphrey were really running, however slyly and secretly, for president, it was to carry out his alleged program, was it not? He knew very well that Carter was against any concessions to the mass of the people. He knew that Carter was just a Democratic version of Ford, the vetoer of all the last two years’ “progressive” legislation. He knew that Carter was against labor unions and above all that Carter was neither a hypocrite nor a liberal on the race question, but an out-and-out racist.

Why didn’t Humphrey fight Carter? Why didn’t the “happy warrior” make war?

He didn’t lack all power to do so. It was clear to all political observers that he had a large part of the Democratic political machine and that he had a very large number of “uncommitted” delegates on his side. And furthermore, he had the opportunity to get into the primaries and get a great deal more votes than the senator-from-Boeing Jackson.

Up to the last week, he could have entered the New Jersey primary and a number of others. But he didn’t. Why? Because he was personally afraid to fight? Because he was afraid to proclaim to the people that there should be more jobs and more houses and a higher minimum wage and better conditions for the workers generally?

Yes, he was afraid! But not from personal cowardice so much as from political opportunism. That is, he would get no campaign funds to speak of for such a program. It would not be allowed.

And speaking of cowardice, why didn't he or Jackson or Udall – all of whom were strapped for funds in Pennsylvania – demand to know who was financing Carter?

The other candidates could not get the federal “matching funds” that they were depending on because Congress was being maneuvered to hold them up. But Carter had all the funds he needed. Furthermore, he admittedly had a hundred “volunteer” workers who “spontaneously” came up from Georgia to help him in Pennsylvania. Nobody knows for sure that it wasn't five hundred or a thousand. Who paid their expenses? And who paid for all the extra television publicity? The reason no self-respecting capitalist politician would ask such an indelicate question, of course, is that he would never get any more contributors himself – not even for dogcatcher.

Thus it wasn't necessary for Nelson Rockefeller (whom Humphrey had secretly asked to be his running mate in 1968) to tell him the bad news. It wasn't necessary for Stewart Mott, Angier Biddle Duke, Thomas Fortune Ryan III, or the Goldman Sachs brokerage company, which had organized the Wall Street campaign fund for Humphrey and Johnson in 1964, to tell him the bad news.

He saw it on the front pages of *Time* magazine, of *Newsweek*, of the *Washington Post*, the *New York Times*, the *Chicago Tribune*, and anywhere else his tear-filled eyes could still look. The Democratic angels were behind Carter and no significant section of the capitalist ruling class was going to stay with Humphrey for the White House run. Their Democratic bandwagon had a new driver.

So Hubert Horatio Humphrey did the honorable thing, about as honorable as any of the other thieving, lying, pretending, smiling, posing capitalist politicians running for president would have done had they been in his shoes.

Endnotes for Part II

- 80 Both quotes from Robert Granville Caldwell, *James Garfield, Party Chieftain* (New York: Dodd, Mead & Co., 1931), 296.
- 81 Lundberg, *America's Sixty Families*, 54.
- 82 George Frederick Howe, *Chester A. Arthur; a Quarter-Century of Machine Politics* (New York: F. Ungar Publishing Co., 1935), 258.
- 83 From Lundberg, *America's 60 Families*, 55.
- 84 Matthew Josephson, *The Robber Barons* (New York: Harcourt, Brace & World, Inc., 1962), 351.
- 85 Josephson, *The Politicos*, 362.
- 86 Chauncey Depew, *My Memories of Eighty Years* (New York: Charles Scribner's Sons, 1924), 131-32.
- 87 Josephson, *The Politicos*, 430-31.
- 88 Josephson, *The Politicos*, 476-77.
- 89 Quoted in Horace Samuel Merrill, *Bourbon Leader: Grover Cleveland and the Democratic Party* (Boston: Little, Brown, 1957), 165.
- 90 Ibid., 166.
- 91 Ibid.
- 92 Koenig, *Bryan*, 222.
- 93 Lewis Corey, *The House of Morgan* (New York: G. Howard Watt, 1930), 181.
- 94 Depew, *My Eighty Years*, 150.
- 95 Depew, *My Eighty Years*, 164.
- 96 Lundberg, *America's 60 Families*, 83.
- 97 Pringle, *Theodore Roosevelt*, 249 – 50.

98 Ibid., 66.

99 Lundberg, *America's 60 Families*, 71.

100 Ibid., 100.

101 *New York Times*, June 17, 1964.

102 Pringle, *Theodore Roosevelt*, 351-52.

103 Ibid., 353.

104 Koenig, *Bryan*, 455.

105 Pringle, *Theodore Roosevelt*, 393-94.

106 Ibid., 394.

107 Ibid., 395.

108 Lundberg, *America's 60 Families*, 110.

109 Amos Pinchot, *History of the Progressive Party, 1912-1916* (New York: New York University Press, 1958), 20.

110 *Editor's note*: Bebe Rebozo, a wealthy Florida businessman, was a close friend and political crony of Richard Nixon. Both profited from the relationship.

111 These revelations and many, many more may be checked in the pages of *Theodore Roosevelt* by Henry Pringle; *The President Makers* by Matthew Josephson; *America's 60 Families* by Ferdinand Lundberg; and *Woodrow Wilson & Co.* by Frank Harris Blighton (New York: The Fox Printing House, 1916).

112 *New York Times*, June 15, 1916, 1.

113 Matthew Josephson, *The President Makers, 1896-1919* (New York: Harcourt, Brace and Co., 1940), 534.

114 Alice Roosevelt Longworth, *Crowded Hours* (New York: Arno Press, 1933), 325.

- 115 Lundberg, *America's 60 Families*, 150.
- 116 Ibid., 159.
- 117 Charles Willis Thompson, *Presidents I've Known and Two Near Presidents* (Indianapolis: Bobbs-Merrill, 1929), 326.
- 118 Richard F. Pettigrew, *Imperial Washington; the Story of American Public Life from 1870-1920* (Chicago: Charles H. Kerr & Co., 1922), 399.
- 119 Koenig, *Bryan*, 621.
- 120 Clinton W. Gilbert, *You Takes Your Choice* (New York: G.P. Putnam's Sons, 1924), 57.
- 121 Walter Lippmann, "Today and Tomorrow," *New York Tribune*, January 8, 1932.
- 122 *New York Times*, March 5, 1937.
- 123 Bert Cochran, *Harry Truman and the Crisis Presidency* (New York: Funk & Wagnalls, 1973), 228-29.
- 124 Herbert Alexander, *Financing the 1960 Election* (Princeton, NJ: Citizens' Research Foundation, 1962), 19.
- 125 See "Sirhan's Gun" in *The Assassinations, Dallas and Beyond*, edited by Peter Dale Scott, Paul L. Hoch, and Russell Stetler (New York: Vintage Books, 1976), 336-350.
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- 127 *New York Post*, June 21, 1973.
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