

CHAPTER XII

The Alchemy of Adjustment

THE ALACRITY with which the American people took to the multitude of interventions imposed by Franklin D. Roosevelt, known collectively as The New Deal, simply emphasized the capacity of the human being to adjust himself to any conditions put upon him. So long as these conditions permit him to live. Within a year after he had got into office Mr. Roosevelt had obliterated the American tradition of self-reliance and substituted for it a new value called "security"; and the people—including particularly those who pride themselves on their initiative, the business men—embraced this new value and all the restrictions that went with it. There was hardly a voice raised against the establishment of a host of regulatory agencies and the laws that spawned them. Like a conqueror, he destroyed the tradition of freedom that had been three centuries in the making, and set up, as if by magic, a contrary manner of thought and life; and the people promptly adopted this new pattern, forgetting all that their history had taught them.

It occurred to me at the time that people are like cats. You take an alley cat into the house and pretty soon he appropriates for himself the best chair in the parlor. The adjustment is easy, and the cat resents any disturbance of

it. Now, if circumstances compel the cat back to the alley he will pretty soon, under the compulsion to live, make a new adjustment to the garbage can, and will snarl when the garbage can is removed; he will snarl and act distrustfully even if you offer him a good meal and a good home. But, it seemed to me, the cat is a cut above the American, because the latter did not snarl at the mess of pottage offered him by Mr. Roosevelt; he grabbed for it, utterly disregarding the noose of bondage that was surreptitiously slipped over his neck.

Of course, the depression facilitated the conquest and the adjustment. The people had become accustomed to their fictitious prosperity, which was nothing but a speculative orgy, and now that reality hit them full in the face, they were unprepared to take it. They were afraid, lost confidence in themselves, and were ready to accept any promise of relief at face value; they were in no mood to analyze the promise or to assess the effect of its fulfillment. In previous depressions, also following speculative booms, they had taken their losses in good grace, pulled in their belts, gone to work and so got out of the troubles of their own making; they were free men and accepted all the responsibilities of freedom. But, Mr. Roosevelt had in his arsenal a secret weapon which had not been available to politicians in the past: the income tax. With this instrument he could rob the people of their substance, dole out subsistence to those who needed it and bail out the speculators; values would be kept up at any cost, either in earnings or in human integrity. That his program involved an accumulation of political power at the expense of social power did not even occur to the perplexed populace. They accepted the shift

without question and settled down to live under the conditions of conquest. They seemed to like the garbage can.

It was a revolution, to be sure, for a revolution is nothing but a shift in power from one set of individuals to another; in this case, the shift was from the people to the political establishment. But, it was done without any apparent violence, effected with grandiose promises, a Harvard accent and a cigarette holder tilted at a studied angle. What struck me at the time was the willing acceptance of conquest by the conquered. Overnight, as it were, they gave up their heritage. And then it occurred to me that in this fact lay a facet of human nature that reformers are wont to overlook; namely, that the will to live pushes us to an adjustment with any conditions that may be imposed on us, provided those conditions leave us with a meal and a mate. Principles, tradition, absolutes are something to talk about, for reformers to play with, but have no bearing on the necessity of living, now. It is this necessity that tends to make us a partner in the status quo, no matter what it is or what it leads to; having made our adjustment to this status quo, we even defend it.

Yet, I could not help thinking about this adjustment to the Rooseveltian revolution. History told me that the urgency to acquire power is inherent in the State, any State. The American State had been held in leash by its peculiar Constitution, adopted at a time when the people were conscious of this urgency and were intent to hold it within bounds. They were particularly aware of the fact that the power of the State is in proportion to its income, and made sure that the State would not go hog-wild by limiting its power to tax. But, within a century new peoples with new ideas came upon the scene and this limitation was removed.

Under the slogan "soak the rich" the income tax was introduced into the law of the land. With this power to dip its hands into the earnings of producers the State would come into its own; that was inevitable. In the confusion induced by the depression (and later by World War II) Mr. Roosevelt, being a sagacious politician, made good use of the income tax to increase political power, at the expense of social power, and by deft management made the people like the shift. Their adjustment to the new mode was made easy.

But, how far would the adjustment go? I knew that more and more power would be acquired by the State, and I knew that in time the people would give up entirely on their tradition of freedom and adapt themselves to the new bondage as if it were their due; the alchemy of adjustment would see to that. Cogitating this thought, in a spirit of fun I came up, in 1945, with the following prognostication:

*The Generation Hereafter:
A Colloquy (circa 1990)*

Tell me, grandpa, what did you mean when you said your father opened a store. How were such things done?

Gr: When you decided to take a walk this afternoon you went out. You made the decision of your own free will. Well, my father exercised his free will in opening a store.

Boy: There is no such thing as free will; our philosophers prove that. Besides, my taking a walk is a personal matter. The opening of a store must have been economic in nature and therefore of consequence to society as a whole. Accord-

THE ALCHEMY OF ADJUSTMENT

ing to you, such things were done without a by-your-leave from the State.

Gr: All right, I'll try to explain to you how in my father's day an individual opened a store. Follow me closely, because I shall use words that mean something else these days, and many of the ideas will be strange to you. You may interrupt with questions.

Boy: Fine.

Gr: My father had been a clerk in a store since he was fourteen years old. He worked for wages.

Boy: Wasn't he trained for the work in some school, like our Federal College for Merchandising?

Gr: No, he got his training in the store by doing simple jobs at first, like running errands and sweeping the floor. He was an intelligent lad. He learned the business by watching the older folks, and sometimes when it was very busy he would help out with more important jobs, like wrapping bundles or helping the customers to buy—

Boy: The customers could select whatever they wanted without rationing cards?

Gr: Rationing came in with what your history books call the War of Social Reconstruction. We called it World War I. Then came World War II and World War III, after which rationing became a permanent institution. Before that, it was customary for people to buy what they wanted and could pay for. Well, my father was quite thrifty and saved something out of his wages, no matter how small. At the age of twenty-one he had accumulated something like a thousand dollars.

Boy: Could he do anything he pleased with that money?

Gr: Anything. About that time a shoe factory employing

some two thousand employees opened at the other end of the town.

Boy: Like our Federal Footwear Plant No. 72, on State Street?

Gr: It was similar, but it was started by individuals exercising their judgment and free will.

Boy: A private plant? It doesn't make sense.

Gr: I expect not. Anyhow, Dad realized that these workers, many of whom lived near the plant, and others who would move there as soon as houses would be erected—

Boy: By the Housing Commission?

Gr: No, by private builders. We had no federal housing projects before the Great Depression of the 1930's. That was when your socialism was born.

Boy: That's what our history books say.

Gr: Father realized that these workers would want to exchange their wages for goods. The nearest store was the one my father clerked in and that was a mile from the new plant. There was need for a store in the vicinity. He suggested to a builder who was about to put up a house nearby that the ground floor provide store space, and he agreed to rent this space for \$25 a month.

Boy: You mean that the two of them made an agreement without reference to a general plan?

Gr: The only general plan was the need of the workers for a service. My father then went to the local bank, where he had been saving his money, and explained to the president—

Boy: A government official, of course.

Gr: Not at all; just a business man. In fact, he had been the owner of a large store, like your Central Distributing

THE ALCHEMY OF ADJUSTMENT

Establishment, only we called it a department store and the government had nothing to do with it.

Boy: Fabulous.

Gr: Dad told the bank president of his plan, and explained that about five thousand dollars' worth of goods would stock it up, that he could get some credit from wholesalers—

Boy: What are wholesalers?

Gr: A wholesaler was a merchant who performed the functions of your Federal Warehouse Administration. But, he had nothing to do with the government, except to pay his taxes. He kept large stocks of merchandise on hand and sold in small quantities to retailers.

Boy: Incredible.

Gr: The bank president recognized in father's idea a sound business proposition—a social need, you would call it—and agreed to lend him a thousand dollars; for which dad gave him a promissory note, payable in six months.

Boy: Why, grandpa, that sounds as if my great-grandfather had the power to issue a bond, just as our government does. But, our government has behind it—

Gr: And my father had behind him his record of ability and industry, and his general good character. So, with the loan and his own savings his working capital amounted to two thousand dollars.

Boy: Capital? That was the instrument of exploitation in your day, wasn't it?

Gr: In my day capital was defined as goods or machinery used in business. It was savings put to work.

Boy: But our book on Historical Economics says—

Gr: I don't understand your books any more than the

authors seem to understand our times. Capital was accumulated savings used to produce things that people wanted. Like machinery, plants, railroads, and so on.

Boy: Why, grandpa, those are instruments of production. When operated by the State in the public good you would not call these things capital, would you? That's a strange use of words.

Gr: Perhaps so. At any rate, my father resigned his job at the store—

Boy: Just like I decided to take a walk?

Gr: Exactly. He gave his employer two weeks' notice. Then he bought goods for his store—

Boy: With the money he saved and borrowed?

Gr: Yes. The wholesalers trusted him for a large part of his purchases. He also put up shelves, bought a counter, and so on, and when he was ready to serve the neighborhood he had an announcement printed and distributed copies among the workers as they came out of the factory. Your great-grandmother helped him.

Boy: And the workers came to buy?

Gr: That's how my father started a store.

Boy: It sounds like a fairy tale. I'll have fun telling the boys about it, but I bet they won't believe it ever happened. I've got to know more about it. There must have been a social stock control system, some estimate of community needs, what these customers would be likely to ask for, since you say there was no restraint on their whims—the whole thing is so fantastic.

Gr: Haven't you a meeting to attend?

Boy: Yes, the monthly council of the Youth of America. Tonight we discuss the proposed State sewerage plan. I'll

THE ALCHEMY OF ADJUSTMENT

see John and tell him the story of your father's store. His grandfather must have told him something about those times.

Gr: John's grandfather is head of the Political News Bureau, isn't he?

Boy: Yes. A very important man.

Gr: In that case he may not remember. Run along now. Some time I may tell you another fairy tale.

In short, the generation thereafter will have become adjusted—to a new way of thinking, to new values, new concepts, even a new tradition.

Shortly after I wrote this prognostication, I took it to the National Association of Manufacturers. The organization, after shifting me around from pillar to post, finally came to the conclusion that it was too strong for them.