

F O R S Y T H E ' S

P A G E

Mr. and Mrs. Sinclair Lewis at Home

MR. AND MRS. SINCLAIR LEWIS are having breakfast in their little cottage. As they talk Mrs. Lewis hurries back and forth from the kitchen where she is frying the eggs. The sunlight is coming in through the windows and there is the sound of hens cackling in the back yard. Mr. Lewis is reading the morning paper between bites.

"OH, Dottie, listen!" cries Mr. Lewis. "Listen what it says here about you." "About me?" says Mrs. Lewis, stopping in the doorway.

"Somebody suggesting that you'd make a good candidate for President. President of the United States. The United States of America."

"Somebody who?" asks Mrs. Lewis.

"Just somebody," says Mr. Lewis, not paying much attention.

"Oh," says Mrs. Lewis and begins to leave.

"Why, you'd made a great President," cries Mr. Lewis elatedly. "Mrs. Sinclair Lewis, President of the United States." He pauses and begins to reflect. "It wouldn't be Mrs. Lewis, though. It'd be Miss Dorothy Thompson."

He calls through the door.

"You ever think of that, Dottie? It wouldn't be Mrs. Lewis at all, would it?"

Mrs. Lewis returns with more toast.

"You just get through here and down to that work of yours. You know who the great man is in this family."

"Oh, pshaw," says Mr. Lewis modestly.

"Didn't you get the Nobel prize?"

"Sure."

"Didn't you turn down the Pulitzer prize?"

"Yeh, I did that."

"Didn't you stand in that pulpit in Kansas City and dare God to strike you dead?"

"He didn't strike me, did he!" demands Mr. Lewis aggressively.

"Of course, he didn't," says Mrs. Lewis.

"He knew how much this country needs you."

Mr. Lewis looks at her coyly out of the corner of his eye.

"They never suggested me for President," he reminds her.

"What do you care who writes the nation's laws if you can write the nation's novels?" quotes Mrs. Lewis.

"That's right, I guess," says Mr. Lewis, mollified, and gives himself over thoughtfully to munching on a piece of toast.

Mrs. Lewis goes back to the kitchen and addresses him from that point.

"Oh, Red," she calls. "I forgot to tell you. I'll be a little late getting home tonight."

"Yeh?" says Mr. Lewis suspiciously.

"I'm making a speech before the Manufacturers' Association. A big banquet."

Mr. Lewis sits sulking, saying nothing. Mrs. Lewis returns from the kitchen.

"Now, if you're going to get angry about that again . . ." she begins.

"I'm not angry," says Mr. Lewis. "I'm sore. How do you think I like it sitting around here every night while you're out speech-making for a bunch of Babbitts?"

"Now, Red, you know what I think about that. We've discussed it before. At a time like this when everything is at odds and ends, it's a person's duty to do what he can."

"It's damn funny they never ask me to speak," says Mr. Lewis. He sees her about to answer and hurriedly beats her to it. "Yeh, I know, who cares who writes the nation's laws. . . . To hell with that. But they don't ask me to speak." His voice rises. "They didn't even ask me to speak at the Union League Club."

"Maybe they didn't know you wanted to speak," she suggests.

"How'd they know I didn't want to speak unless they asked me!"

"Now, Red, really. . . . If you're going to feel hurt about a little thing like that. . . ."

"Hurt . . . me hurt! I suppose you've forgotten that I spoke before the king of Sweden . . . and a whole lot of the cabinet members . . . dukes and things like that. . . ."

"Yes, yes, I know," says Mrs. Lewis wearily, "I've heard about that. But what do you care about those little things? You're a writer. You're an important writer. I think this new job you have with *News-Week* is going to be fine for you. It'll probably work into something pretty big."

"Thanks."

"Oh, I know. . . . You think it's just a hack job, but it'll give you a chance to get in with the right people and you can do a lot of good with it."

"The right people?" asks Mr. Lewis.

"You know what I mean . . . the people who do things in America, the people who run this country."

"The people who belong to the Harvard Club, for instance?" says Mr. Lewis.

"Yes," says Mrs. Lewis defiantly. "The

people who belong to the Harvard Club. And I'll tell you one thing, Red. . . . You're never going to reach those people with the sort of thing you did in those first *News-Week* pieces. They were too obvious."

"Now you're telling me how to be a writer."

"Well, I've had a great deal of experience lately. After all my column is syndicated. . . ."

"In forty papers. I've heard *that*, too."

"You can be funny if you want to, but I know that you can't influence the people you want to influence if you do it as you've tried in *News-Week*. You have to be more subtle. It's all right to be mad at something but you mustn't just come right out and say you're mad at it."

"If you're in favor of the Babbitts, the way to do it is come out and attack labor, but always as labor's best friend. . . . Is that it?"

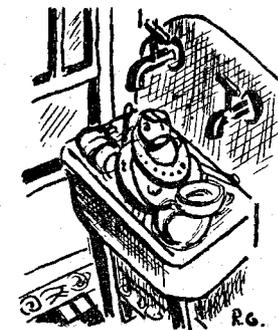
"Oh, you'd twist it around."

"But is that it? And when you want to show the common people you love them, you do it before the Manufacturers' Association?" cries Mr. Lewis.

"You needn't get so uppity about it. You don't love them any more than I do. If you

really want to know whom you love, you love Mr. George Babbitt. . . . And possibly the king of Sweden."

"No, my dear says Mr. Lewis with the guile of diplomat. "I love you, Miss Dorothy Thompson, n President of f



Ruth Gikow

United States of America, and darling of Union League and the Harvard and Manufacturers'."

Mrs. Lewis is hurt.

"If you're going to act that way about it," she says, "I won't do it."

"Do what?"

"I'll give it up."

"Give what up?"

"I *won't* be President of the United States," says Mrs. Lewis.

Mr. Lewis leaps eight feet in the air and hurls his napkin on the floor.

"Well, that's very decent of you. . . . That's very damned decent and sporting, I must say. Just to make me feel better, you won't be President of the United States after all!"

"Now, Red, really. . . ."

"Do you mean to say you've been taken in by that damned nonsense!"

Mrs. Lewis is very obviously wounded at this.

"I guess I have as much right as anybody else," she says, in a small hurt voice. "It's a free country. If they wanted to ask you, they could do it just as well."

"Let me tell you something, my fine feathered friend!" yells Mr. Lewis. "I'm a writer. I'm an artist. I don't care who makes the nation's. . . . Oh, SHUT UP!"

ROBERT FORSYTHE.

Hitler and German Capitalism

By Paul A. Kaufmann

THERE has been a good deal of controversy over the relations between the Hitler government and German capitalism in respect to the "socialist" claims of National Socialism. Some have gone so far as to assert that fascism fetters capitalism to such an extent that "free" capitalism no longer exists. On this basis, communism and fascism are sometimes considered identical in their "collectivization" of capital.

The proponents of this view have contented themselves with merely putting forth the theory without actual reference to the fact. Yet it is easy to establish the truth or falsity of their argument. Whether Hitler is a friend or enemy of monopoly capitalism may be verified by simply referring to the record.

In the years before 1933, when every Nazi agitator still shouted against usury and usurious capital, when Point 13 of the Nazi program, which demands nationalization of big trusts, was expounded at meetings of unemployed and underpaid workers, storekeepers and debt-ridden farmers, the German government became a partner in quite a number of German banks and industrial concerns. To avert the complete collapse of German economic life, the government—"of the Marxist era," as the Nazis call it—acquired majority stock in the Hamburg-South American Steamship Lines, the Gelsenkirchen Bergwerksverein (a subsidiary of the United Steel Works), the Commerz & Privat Bank, and the Dresdner Bank. It furthermore purchased a considerable block of Deutsche Bank stock.

When he took over the government in March 1933, Hitler automatically became a partner in those firms. His government held 70 percent of the Gelsenkirchen Bergwerksverein 140-million-mark stock; 70 percent of the Commerz & Privat Bank 80-million-mark stock; 88 percent of the Dresdner Bank 150-million-mark stock; and 38 percent of the Deutsche Bank 130-million-mark stock.

Here was a golden opportunity. Two of the nation's biggest banks and a good part of the steel trust were already controlled by the government. Hitler could have begun, at once, to redeem his campaign pledges, could have carried out Point 13 of his program. However, he did nothing at that time. The Nazis have now enjoyed almost five years of complete rule, and one is justified in asking what steps were taken to nationalize the trusts and break the power of the big banks?

Did Hitler dismember the huge trusts? Let us take the United Steel Works as an example. When Hitler entered into partnership with Fritz Thyssen, the chairman of United Steel, this concern, besides determining the policy of the Gelsenkirchen Bergwerksverein, was tied up with a number of other similar

mining and smelting enterprises. After the Nazi revolution Thyssen set out to build a still mightier steel trust. Though Hitler was an important partner, Thyssen must not have consulted him in matters of trust building. At a stockholders' meeting in November 1933 it was decided to take the old United Steel Works, the Phoenix Corp. for Mining & Smelting, the United Steel Works Van der Zypen, and the Wissener Iron Mills, into the fold of the Gelsenkirchen Mining Corp. The capital of the latter was increased to 644 million marks, and the name was changed to United Steel Works. The Reich's share in this new combination was 15.5 percent, a considerable drop from the previous 70 percent.

The steel trust was on the march. In spring of 1934 the new United Steel Works gobbled up five additional iron and steel mills in the Ruhr district to become the unchallenged master of German heavy industry. As the steel trust grew bigger, the government's interest became less important.

Thanks to Hitler's rearmament program, United Steel was resuming handsome dividend payments. In 1936 Thyssen and one hundred and thirty-three stockholders of the steel trust decided to buy back from the Reich, at par, that hundred-million-mark bloc of Gelsenkirchen stock. While the Nazi government obligingly gave up its share in the nation's second biggest concern, other interests, at the same time, increased their holdings of United Steel common. Early in 1936 the German press reported that Rheinstahl had purchased another ten-million-marks' worth of United Steel common, making its holdings total seventy million marks, or 15 percent of United Steel capital stock. Since Rheinstahl happens to be the mining subsidiary of the powerful I. G. Dye Trust, this transaction did not indicate a dissolution of trust combinations.

Next to United Steel and I. G. Dye, the Friedrich Flick Kommandit Gesellschaft has profited most by Hitler's repudiation of his own program. Until 1933, Friedrich Flick was little known in Germany. Financial circles knew him as chairman of the Mittelstahl Corp., a holding company capitalized at forty-five million marks. Through Mittelstahl, Flick held 80 percent of the capital stock of Maxhütte, a twenty-six-million-mark iron and coal concern. In 1934 Flick became chairman of the Harpen Mining Corp., a sign of his growing influence in the affairs of this ninety-million-mark company. At the same time Mittelstahl had purchased two smaller iron works in central Germany and had acquired majority stock of two leading railway equipment shops. Finally, in 1935, Harpen Mining Corp., with Flick at its helm, reduced its capital in a way as to give Maxhütte, meaning

Flick, a clear majority. It was this Flick-controlled corporation which purchased the Essener Mining Co. from United Steel, when the latter needed cash to conclude the hundred-million-mark deal with the government.

In 1937, Friedrich Flick set up the Flick Kommandit Gesellschaft, a personal holding-company, thus completing his trust. He has become one of the dominant industrialists in Germany. His concern ranks third in the production of raw steel, right behind United Steel and Krupp. In coal output, too, the Flick mines take a leading place.

Before they seized the government, the Nazis ranked the bankers with Jews and Bolsheviks. Gottfried Feder, creator of the Nazi program, in his pamphlet *Der deutsche Staat*, is quite outspoken on the subject of banks. A 1932 edition, published by the official Eher Co., Munich, states:

Their [the bankers'] one thought is to make a profit out of interest, commission, or whatever the banking process of tapping the supply of money is called.

The government of Feder's prize pupil holds different opinions now. It did not take over the banks, although the capital of some of them was, as we saw, almost completely in its hands. Instead, every step was taken to hand back to the bankers those institutions which public money had saved from utter ruin.

In September 1936 the Reich's interest in the Hamburg-South American Steamship Line was sold to a group of Hamburg bankers. In October of the same year private banks bought twenty-two-million-marks' worth of Commerz & Privat Bank stock, and today all of the fifty-six million marks which the government held in 1933 are back in private vaults. Similarly, the fifty-million-mark bloc of Deutsche Bank stock was bought back from the government. Finally, on October 4, 1937, the directors of the Dresdner Bank announced that all of the one hundred and thirty-two million marks, which the government had taken over in 1931 to save the biggest private banking corporation in Germany, were again in private possession.

The Nazi regime has proven to be most solicitous of big business. The resignation of Hjalmar Schacht, while it probably will lead to some change of policy, will not effect any change in principle. National Socialism is essentially pro-capital. This truth has been strikingly demonstrated by the unheralded resignation of Gottfried Feder. Today, Gottfried Feder, whom Hitler on February 14, 1926, appointed final judge of all questions connected with the Nazi program, leads the obscure life of a petty official in Breslau, while Thyssen, Krupp, and Flick carry out their profitable brand of National Socialism.