

NEW OUTLOOK

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RACIAL PREJUDICE: A RACKET

The Coming Boom in Hate

by Cedric Fowler

One hundred and three American organizations participate today in the revival of the business of race and creed hatred. Its springs are in the historic origins of man.

The modern world-wide revival begins with Hitler. His most successful year: 1933.

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"Ya kin search me. All I know is that fourteen generals lived at Headquarters with their wives and kids. Art J. Smith, he's the top shirt so he lives on the top floor. He chows best in the outfit and alone too."

—From the testimony of a frightened follower.

THE fifth year of the world economic crisis has brought a new contribution to the history of human cupidity—the deliberate, organized exploitation of racial hate. The world has had antagonisms before, in the medieval persecutions of the Jews, the hatred between Christian and Moslem, conflict between Latin and Teutonic peoples, but never on the planned, disciplined scale we are witnessing now. Racial hate has become a definite political

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force, roused and formulated for definite material ends, and expressing itself in the policy of whole nations. It has progressed from sporadic bitterness to a settled plan and an accepted régime.

This development has come about, largely through Fascism; an aftermath of the war's upheavals. Germany is today its highest exponent. For the first time in history, the ruling powers of a modern state have made racial terror a major basis of their dominance. The highest Nazis have not repudiated it. For the benefit of foreign visitors they have made denials so disingenuous as to deceive no one, but to their own people they proclaim and glory in a vicious and relentless policy of racial hate.

This phenomenon is modern in every outward respect. It is the newest thing in stepping stones to political power. It utilizes all the advantages of present day technique. Every resource of propaganda—and that includes a considerable field—is employed in carrying it to fruition. No matter how medieval the background of racial prejudice, its exploiters have known how to employ every up-to-the-minute device. And with it goes a drilled and ordered cruelty unparalleled in the history of persecution. Under Hitler and his subordinate commanders, the art of sadism against minority groups has been pushed almost to perfection. No torment or no humiliation is too primitive or too erudite for the Nazis to adopt. They have shown themselves masters both of past methods and inventors of new.

The Nazis are not alone. Other countries have duplicated the German model. In general, anti-Semitism has been the favorite racial note. In some countries the Fascist politicians have had a simple task in utilizing hatreds already at hand. In others it has been necessary to manufacture them from the beginning. Austria, for example, has never been noted for racial bitterness, yet under *Heimwehr* rule the Viennese are learning to hate the Jews as rapidly as their natures will allow. The Rumanian Fascists—the Iron Guard—found a virulent anti-Semitism waiting for their organizing talents to work upon. Most of the Balkan countries, notably Bulgaria, Yugo-Slavia and Turkey, have embraced Fascism, and with it one form or

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another of organized enmity to their fellow men. The three smaller Baltic states are under Fascist rule, with the same ethnological trimmings hiding the nakedness of dictatorial government.

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The virus of race hatred has spread all over the world. In every case it has been seized upon by shrewd and unscrupulous racketeers as a prime support in their bid for power. Both the method and the purpose of its exploitation are universal. The Fascist leader has had the wit to find discontent and to direct it into racial lines—strictly for his own benefit. He has turned latent emotions—fear, resentment and the desire for a personalized evil—into political gold. Such a talent and such opportunities know no boundaries; their spread is worldwide.

All the nominally democratic countries are supplied with ambitious impressions of hate whose chief stock in trade is racial neurosis. France, England, Ireland, several of the British Dominions, a number of Latin American republics, Japan, the sober Scandinavian countries, even the quiet Netherlands have their professional saviours, thrusting for power and wealth on the strength of some fictitious menace to the national life. The Fascist model is distinctly an export commodity. Already there is plenty of evidence that it has crossed the Atlantic. The race business is now being taken up in the United States. And the evidence points unmistakably to one aspect of the whole unsavory deal—the aspect of racketeering. Racial hate in America, as in Europe, is predominantly a profit making enterprise.



The big boom in the hate market has come since 1933—one of the lowest years in industrial history, but the highest in the quotations on racial bitterness. In January of that year Adolf Hitler came to power. The connection is easy to discover. The rewards of successful exploitation of hatred have been glittering, in power, glory and financial gain. The Austrian housepainter, once so sadly humiliated at finding himself a working man, has become *Reichsführer*, national idol and god. With one shrewdly applied idea, he has become saviour of his country and its highest official. No one can despise him now, as he felt the world once did. Hating “the Leader” becomes simply a mark of enlistment among the national enemies he has so fearlessly denounced. Criticism identifies the critic with sinister, sub-human forces ranged against the state. The successful Leader is, in brief, the greatest man, hero, sage and counsellor the centuries have ever produced.

Fascist supporters share in this power and glory. Following “the Leader,” whoever he may be, they become minor saviours and heroes in their turn. Combatting the “menace” under his orders they save themselves and the race from almost nameless horrors. And in the process the more astute among them take their share of the spoils of office once their mob is in power.

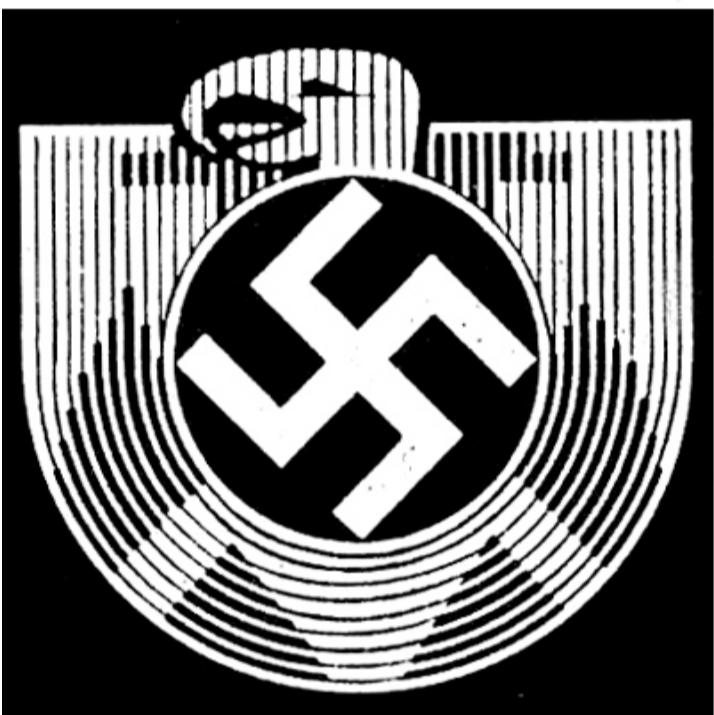
Market conditions in the race business are not complex.

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The ultimate consumer comes chiefly from one class of people—the *petit bourgeoisie*. They are the best customers the Leader can find for racial bitterness; not because of original sin, but for reasons of economic force. Prolonged economic distress hits the small white collar citizens with peculiar emotional effect. They are for the most part people with strong yearnings for respectable social position. They fear above all disasters which will reduce them to proletarian levels. They live uncomfortably close to those levels at best. Economic depression, especially with inflation, makes their struggle to stay up in vain. Their small property and their fixed incomes go, their unimportant jobs disappear in the first wave of rationalization, their savings are swallowed in the first of the bank failures.

Unlike the working class, the small white collar people have no unions responsible for the defense of their living

conditions. They are individualists, and when ruggedness wears thin under repeated economic blows, they turn to "the Leader" who knows how to build up their confidence again. As individualists, they prefer a personal scapegoat for their sufferings. The younger and more impressionable want the lay figure in plain sight, where they can get at him. This "the Leader" produces. Looking down the list of possible menaces, he finds one or more



which will do. Jewish bankers, for example, who have stolen the people's money, as part of the plot to enslave the race. Jewish reds are in the plot to mop up on what little property the bankers have left. Aliens, jealous of racial purity and national achievements, are found plotting attack. Catholic conspirators are sworn to deliver every Protestant body and soul to Rome. And to give the message a progressive flavor, "the Leader" promises to destroy slavery to capital, though at the same time making a distinction in favor of any little capital his clients may possess.

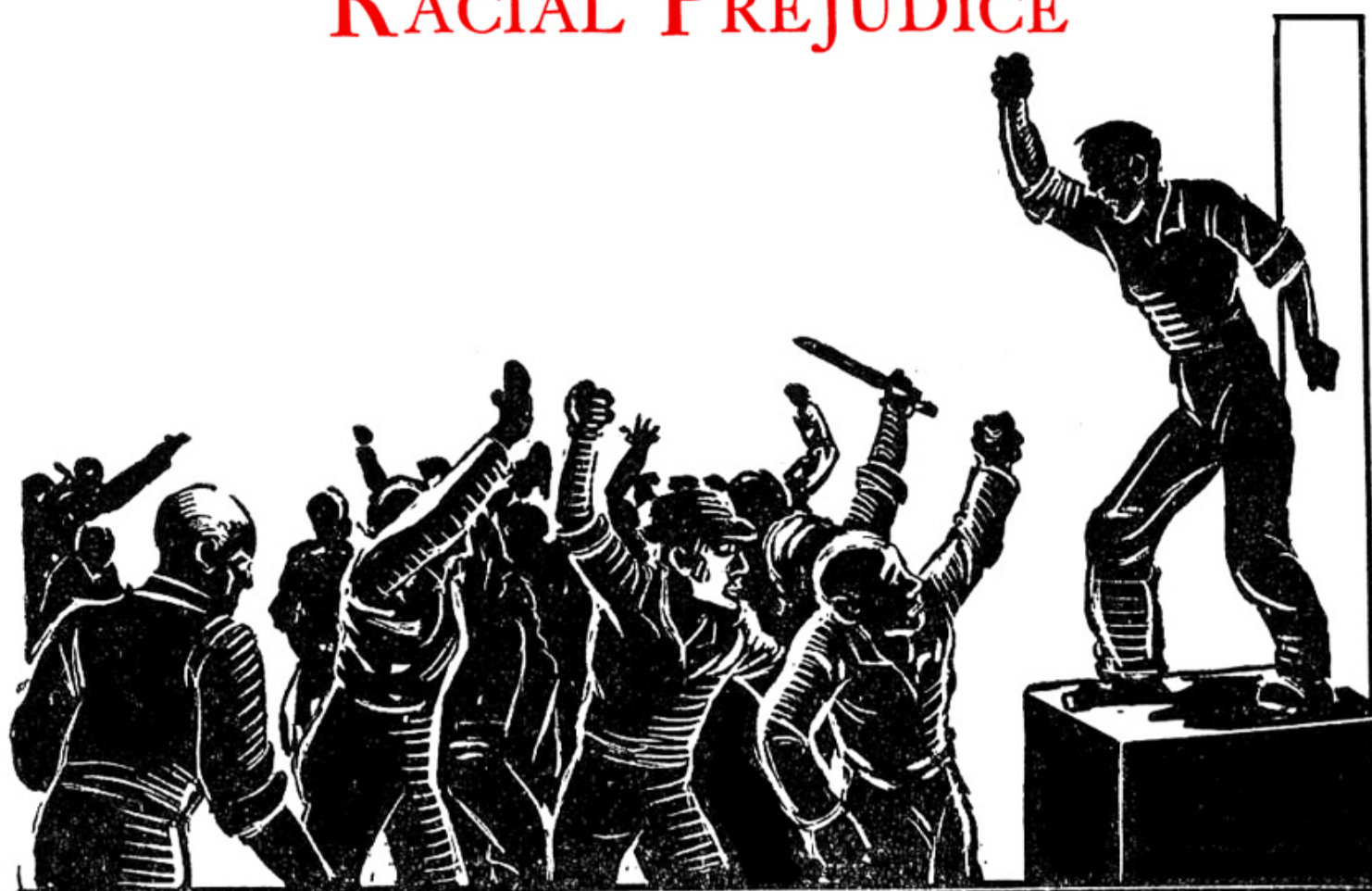


Having announced the peril, "the Leader's" next task is to put courage into his supporters. This is done through the use of uniforms, drill, parades and belligerent gestures on every possible occasion. The Menace is threatened in military formation every Sunday, holiday, day off and almost every evening after work. At each meeting "the Leader" speaks to his men, promising them violent action as soon as they can lay hands on their enemies. Guillotines, scaffolds, shootings figure very prominently in his remarks—indicating that at last something will be done. To the bewildered, frightened body of his supporters this is reality. It is also very up-building. No one else has ever bothered to tell them what heroic fellows they are, and no one else has offered such a chance to show the world what they can do.

This is the formula. Given similar class conditions and a similar state of social and economic crisis, it can be applied in any nation. The people wait. "The Leader" comes, scapegoats are found, hatred built up against them,

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at a price. To be a Lieutenant cost twenty-five dollars, a Major fifty, while any amount from seventy-five to two hundred and fifty dollars made you a General. Special uniforms for these high ranking officers came from ten to fifteen dollars; epaulettes were reasonable at thirty cents. To make sure that Khaki money stayed at Headquarters where it belonged, Commander Smith wrote into the Constitution: *"No state organization shall be permitted to manufacture, sell or purchase any part of uniform or equipment. All uniforms, equipment or otherwise must be purchased through General Headquarters, as we have an exclusive contract with the manufacturers."*

Smith was, without doubt, simply a racketeer. All the money from dues and uniform sales went to him. At the break up of the organization, when its Philadelphia Headquarters were raided by police and process servers, Smith fled, taking an amount estimated at twenty-five thousand dollars with him. None of this was ever returned. One humble private, testifying in court after the collapse, replied to questions on benefits to members with: "Ya kin search me. All I know is that fourteen Generals lived at Headquarters with their wives and kids. Art J. Smith he's the top Shirt so he lives on the top floor. He chows best in the outfit and alone too."



Many of the members were unemployed veterans, desperate with insecurity and looking to Smith's promises for salvation. Scores of them used their last savings to buy shirts and membership. Smith's program was designed to catch this class first, though he had bait out for other classes as well. Immediate cash payment of the bonus was first on the list, followed by a demand for "the largest army and navy in the world." A bid for western support was shown in the demand for 16-to-1 silver. Direct Federal cash relief anticipated the carrying out of the Hopkins program. Demands for the election of Supreme Court judges, for the creation of large public works, and for nationalization of public utilities were made in an attempt to satisfy vague radical urges in potential supporters. The Khaki Shirts welcomed anyone, provided he fulfilled the simple conditions of American citizenship and could show possession of enough money to pay dues and buy a shirt.

Commander Smith was not a particularly gifted orator, and he was able to find only one Menace that seemed worthy of real alarm. This was the peril from "foreign Communists." As chief Khaki Shirt he proposed to settle this problem with clubs, and paraded his men armed with

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three-foot weapons for the purpose. For some reason, the Philadelphia police permitted this show of force, though they are as watchful as any for Communist bombs.

The Commander also proposed a march on Washington, to ensure the national salvation. At first he simply planned to make President Roosevelt dictator, placing ten million loyal Shirts at his disposal. Later he changed his mind, stating at the outset of the march, "I don't say I will be the dictator. But the Khaki Shirts will select the dictator. However, I'm quite sure they will select me.



The march was an ignominious failure. Headquarter was raided, some arms found, and the Shirts dispersed. Smith missed his step in an attempted frame-up of an Italian anti-Fascist, and went to Sing Sing for his mistake. Obviously Smith was an adventurer, in the game simply for the money. As adventurer, he was too smart to take up an ordinary racket where the physical risks are high. Excessive greed and a clumsy play in the courts brought his downfall. But before he fell, he proved again how easy a process it is to swindle large sums from credulous people on the plea of saving them from a dismal fate at the hands of a Menace.

The Silver Shirts show more finesse. Their Leader is considerably more astute than Commander Smith, since he has neither been jailed nor seen his organization fall to pieces under him, though his career and methods are questionable enough in their own way. Mr. William Dudley Pelley, "Supernal Commander in Chief" has been successfully a short story writer, scenario maker, spiritualist, mystic and dispenser of advice and comfort to the lovelorn. In all these professions he has been successful. One of his fictions, "*Seven Minutes in Eternity*" was read by two and a half million people, and recounted his adventures in Paradise during a fit of coma. In Asheville, N. C., where Mr. Pelley has his headquarters, he has organized Galahad College, where he claims 600 students are studying "the Great Migration of Souls to this Planet; How Divine Thought Operates on Matter; The Cosmic Meaning of Romantic Love;" and similar esoteric subjects. Through his magazine, Mr. Pelley cautions his followers; "My Dearly Beloved; Know ye not my Voice by now? Harken then and hear, for I speak in sedate mien. Attune your ears to cosmic intelligence that in the last day ye may have shining armor to clothe your mortal nakedness."



Chief portion of the shining armor consists of the Silver Shirt, which Mr. Pelley will sell to all members for ten dollars. Cosmic intelligence comes through the Silver Shirt magazine, "*Liberation*," which goes to all members—estimated by the Supernal Commander at two million. Purchase of the Shirt, plus a dues payment, makes the buyer one of the "gentlemen Silver Rangers who would ride to High Adventure, sounding their own warning tocsins to the real seditionist and the syndicalist agitator, inspiring faith and hope in the great body of the dizzied, pitchforked and intimidated populace." Membership is open to all Gentile citizens of good health, who are required to fill out three significant blanks on their application cards; (1) "I have banked in the following bank. . . . (2) Average normal income from profession or trade. . . .

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our wealth and give arrogant orders to our representative officials, subverting our government to their own purposes and working a hardship on our people economically that is little short of Satanic." In Washington, Jews hold the highest New Deal positions, including President Roosevelt, who is "reliably reported to be the descendant of certain Dutch Jews." The Silver Shirts are divinely appointed to end this living hell for the American people, to lead them to become "a whole Christian nation, arising in the strength of its Gentile members. . . . hurling the Jews out of the public domain by court martial methods." Court martial methods comprise concentration camps, expulsion and execution.



But these artists of fear and hatred do not restrict their talents to the retail sale of shirts. They are out for bigger and better things. They hope to be entrusted with a more serious and a far more lucrative task—the prevention and cure of "revolution," although they are themselves revolutionists. Some of them are quite frank about it. Commander George W. Christians of the American Fascists, for example, announces to prospective organizers: "It will take the mob to get us what we want at Washington." Hints for making an impressive mass spectacle of this mob are contained in the Commander's circular. "In expanding the new organization," he points out, "long economic argument will be eliminated by referring to our achievement . . . and by pointing out that now all we need is numbers to finish the job."

The "job" is the self-elected task of arranging and policing an apparently revolutionary mass. The potential Fascist leader first enlists his supporters, picking up on the way what easy money he can find from shirts and uniform regalia, dues and party organ subscriptions. To hold his storm troopers together, he preaches violent political and economic action to them. He denounces bankers, the money trust, soulless corporations—using anything that occurs to him as good rabble rousing material. Out of this material he makes a seemingly radical program for the consumption of the innocents who follow him. Once in power, he swears, they will clean out the money masters and install a reign of justice, freedom and security for all. This involves drastic action. The barons of finance will be overthrown and, to satisfy a simple taste for bloodshed, he promises they will be overthrown with violence.

To crisis ridden industry, this ominous tableau can be made to seem real. Strikes, growing unionization and a militant working class movement are an active threat to the established economic system. A skillful Fascist captain, with a well organized force at his back, can make himself look like the one man appointed to rescue society from *revolution*. He is in an excellent position to persuade a harassed capitalism that his services are indispensable. He can point to the mob outside the window, shouting for a new social order. He can also point to the disciplined way in which the shouts are raised. He can promise to control the revolutionary spirit behind the uproar—and can offer to do it, for a fee.

This stage has not yet been reached in our native efforts towards a new régime based on hate.

Mr. Pelley has concentrated on the racial hate side of the Fascist business. Other organizations spread their lines

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for more purely political and economic Menaces. The Industrial Defense Association, Inc., of Boston, specializes in patriotic services, running a "Patriotic Speakers' Bureau" which will furnish lecturers on Americanism, Liberty, Preparedness and the like—all at a fee. The Order of '76, a semi-secret outfit centred in New York, specializes in industrial and radical spying. "For two years now," Mr. Royal Scott Gulden, its chief, explained recently, "we have been carrying on espionage to get at the root of things. We have been spying on racketeers, criminals and subversive interests." By racketeers, Mr. Gulden means labor agitators, union organizers and radicals of all kinds. The Crusaders of Economic Liberty devote themselves to attacks on the New Deal, with the interesting theory that Mr. Roosevelt and all his Brain Trusters are receiving constant shipments of Moscow gold. The White Shirts of California, an offshoot of the American Legion, offer their services in strike breaking, particularly in the sweated labor fruit and vegetable gardens. The National Watchmen in the East also offer a vigilante, anti-labor service to employers. The White People's Club of West Virginia devotes itself to keeping the Negro in his place, especially in the mining districts where strong arm methods are in demand.

All these Fascist and semi-Fascist organizations are in existence for a definite purpose—to capitalize fear and hostility wherever found, and to foment them where they do not already flourish. Profit is the dominant motive. Shirt organizations exist for dues, magazine subscriptions, and uniform sales. Vigilante outfits organize in the hope of employment by industrialists in need of anti-union experts. All of them have a chief or "Leader" who profits directly from their activities. The element of genuine patriotism they may possess is entirely clouded by this profit angle. The "Leaders" are shrewd and for the most part entirely unscrupulous promoters, using racial and economic hostility for their own ends. Some of them are successful go-getters in other lines, and it is impossible to credit them with belief in the racial and political nonsense they use for propaganda. William Dudley Pelley is such an example—a prosperous, self-made business man who cannot be deceived by the mystical and ethnological twaddle that he talks. It is, purely and simply, sucker bait and when properly applied is highly profitable. But it should be remembered that Hitler as a gifted impresario earned an excellent living by playing on his bewildered and anxious public. German industry came to a time where it required Hitler's services, or so he convinced them, in part by manipulating the sound effects of approaching revolution. Economic crisis deepened to the point where the German masses were threatening radical conversion. Hitler had a method which promised control. His oratory and his organization could be used to divert discontent into channels harmless to the masters of German capitalism. He was engaged; in his last legal election campaign, for example, Thyssen, the great Ruhr steelmaster, contributed nearly a million dollars to Nazi funds. In power, Hitler repaid his employers by smashing trade unions, driving radicalism underground, and reducing wages and social insurance costs. In addition, he placed enormous armament contracts with Krupp, Thyssen and others. Their original investment has been returned many times, with the living standard of the German people as ultimate source of funds.

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If American industry finds itself in the German situation—deepening crisis, increasing mass discontent and growing labor radicalism—it may turn to one or another of the potential Fascist Leaders now offering themselves.



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