

VII. A MONOPOLY CAPITALIST LOOKS AT THE FUTURE

I.

THE *New York Post* of January 30 gave more than a full page to the text of an address, delivered the previous evening before a scientific institute by Mr. Charles Wilson, the head of the great monopoly, General Electric.

This address was of more than ordinary interest. It was an attempt to assess the depth of the world crisis, to find its causes, and to chart a way out within the limits of capitalism. Rarely, indeed, does any spokesman for the bourgeoisie even permit such questions to be placed, not to speak of attempting to answer them. Mr. Wilson is therefore a courageous man, and what he has to say should be carefully studied.

"The world is immersed in more than a war of historically conventional character," said Mr. Wilson. "Our own beloved nation is involved in more than a temporary emergency." He calls for "recognition of the revolutionary character of this world conflict," arising from "the conflicts and confusions which have brought civilization almost to the brink of chaos."

Frankly enough, Mr. Wilson recognizes that the masses have lost faith in the capitalist system, in a paragraph worth quoting entire:

Today, the practical controlling fact is that hundreds of millions of people throughout the world have been persuaded, to the point of evangelistic conviction, that the capitalistic system is the cause of the economic insecurity of the common man and that, as the root of his economic ills, this system must be drastically modified, or failing that, destroyed.

Not so frankly, but by implication, Mr. Wilson also recognizes that the reason the masses have lost faith in capitalism is because capitalism has failed to "prove by deeds as well as by words" that it is able to meet the needs of society.

Mr. Wilson sees the present as the second stage in a world crisis that began in 1914, and which is "likely to last, with intermittent armistices of one kind or another, for two or three decades more."

He is no facile optimist. Dire forebodings for his beloved system of monopoly capital obtrude from beginning to end of a long address with the prominence of raisins liberally strewn in a rice pudding. A few samples, picked at random from the page, will convey the atmosphere he brings to us from the heights of Big Business executive circles: "dark days ahead"; "critical and confusing times"; "chaos can be the consequence of confusion and procrastination"; "world disorder"; "suspicion and condemnation"; "never before . . . such a serious challenge"; "needs are so frightfully pressing"; "the coming dangerous decade"; "final stage . . . most serious challenge"; "bedeviled and bewildered world"; "destructive forces flooding the world"; and so on.

HOW MR. WILSON SEES CAPITALISM MASTERING THE CRISIS

Despite this gloomy view of the decades ahead, Mr. Wilson bravely insists that capitalism will—must—come through and re-establish itself. He even has a program, modestly presented as a mere tentative, but a program. It looks imposing at first glance, with its division into four stages (identified as "Recovery," "Stabilization," "Backlog Building" and "Final Challenge," with eight numbered planks for the first stage, six for the second stage, five for the third stage (with four lettered sub-points) and seven for the final stage. Ah, here is the scientific mind at work, the best brains of capitalism getting down to fundamentals!

Now turn the microscope on this chart: "Recovery's needs" are listed in eight points: (1) "infinite patience" with democracy, which he sees as a drag rather than a help; (2) "respect . . . the laws of our land"; (3) "free and enterprising system of free enter-

prise"; (4) "full-time employment of all employables"; (5) "free flow of goods . . . for production"; (6) "new inventions . . . aggressive promotion"; (7) "rural electrification . . . industrialization of agriculture"; (8) "hemispheric self-sufficiency . . . South America as a source of raw materials . . . subsidized."

I assure the reader that in this list I have omitted nothing except oratorical padding. These are the decisive features of Mr. Wilson's program for the first stage immediately ahead. All but three of these points are empty platitudes, or expressions of desired aims without the slightest hint of means to realize them, that is, without any "policy" at all. Point 4 on employment has meaning only in relation to armaments, which question is otherwise ignored; Point 7 is merely expression of the desire of General Electric for expansion of the rural market for its products; Point 8 is the only clear and definite policy indication, that of imperialist domination of the Americas, but even here the only hint of means to the end is "subsidy." One can only wonder how we are to pass from this first stage to the second. But taking that transition on faith, let us next try to see how Mr. Wilson will "stabilize" us.

The "stabilization stage" has only six points, as follows: (1) "credit and price control against inflation"; (2) "full supply of normal needs"; (3) "modernization of industry"; (4) "reduction of governmental activities . . . non-defense"; (5) "balance the non-defense budget"; (6) "industrial development of the temperate zone of South America." Here again, aside from platitudes and empty wishes, there is hardly a hint of program, except the warning that war-expenditures may be expected soon to create all the dangers of inflation, a warning canceled by Point 4.

Again we must jump to the next stage, without knowing how the transition would be made in life. We come to the "Backlog Building Stage," which is to prepare "for the days ahead, when employment connected with defense could diminish in a degree sufficient to be dangerous to our economy." That seems to indicate that this "stage" comes immediately after the war ends. The "backlogs" are (1) "further credit and term restraints" to limit consump-

tion; (2) savings, through (a) personal, in government securities; (b) increases in unemployment insurance; (c) increases in social security payments; (d) health insurance; (3) "drastic curtailment of all governmental activities . . . non-defense"; (4) "restraints on business expansion"; (5) "taxation for reduction of the national debt"; (6) "diversion of promotion expenditures to speculative promotion of pioneer products." "Here," says Mr. Wilson, "the catalog of requirements of the backlog building stage is concluded."

Here we begin to find some confusion and contradiction even in the desired aims which are expressed. Our "scientist" is not sure whether he is wishing for inflationary or deflationary influences; he is not clear whether increased governmental insurance is desired for its expanded reserves, or for its expansion of payments for immediate consumption—if for the latter, there is contradiction with other points; there is contradiction between demands for restraints on business expansion and for speculative promotion. In general, the whole conception of "backlogs" is here very confused indeed, not to mention the larger question of what role is played by this whole "stage" in the economic process.

"And now," Mr. Wilson announces with extreme gravity, "I come to the final stage—the stage when the private enterprise system will meet its most serious challenge."

This "final stage," it seems obvious, is the period of post-war crisis, although Mr. Wilson is not very clear about it, when the prop of war expenditures is taken away, when the masses are stirring and revolution is in the air everywhere, after having taken over one or more major European countries for socialism. And how is the President of General Electric, one of capitalism's most gigantic monopolies, going to lead his system to meet "its most serious challenge?" He gives the answer in his first point:

Here I submit, in all seriousness, as a first step—prayer . . . as a be-deviled and bewildered world seeks the solace of Divine inspiration.

Admitting without argument that Mr. Wilson and his capitalist system will need all the Divine aid it can possibly obtain, and that

his whole program requires for its operation the miraculous intervention of Providence at every stage, we pass on to his other points: (2) "Credit and term expansion"; (3) "More and cheaper goods"; (4) "Intensive sales promotion and advertising"; (5) "Intensification of industrial modernization"; (6) "Conversion of war plants to consumers goods"; (7) "Permanent government public works."

Well! One can only gasp at this revelation of how the best minds and most efficient leaders of monopoly capitalism foresee the solution of the gigantic problems piling in upon them. All the mighty labors of this great mountain could not even bring forth a mouse, but only this flea whose anatomy we have dissected.

Truly, these gentlemen dwell in Stygian darkness even in respect to the structure and functioning of their own beloved system of capitalism!

There is no need to go deeper into the analysis of Mr. Wilson's "program," to point out how he has evaded the biggest problem of all, namely, the war and its consequences, and the fact that the United States is plunging into the very heart of this world struggle for empire, bringing upon our land the full consequences of the catastrophe. Even when he abstracts America from all this, he cannot give a coherent picture of how he would *wish* the economic process to be directed in order to restore it to strength, without mentioning the problem of how such a direction could be given it in real life. He can only indulge in learned chatter, altogether unrelated to the storms that sweep over the world of reality, to the problems of the people.

Only the people can solve these problems, by taking their destiny in their own hands, by taking their national economy away from the capitalists to be operated by and for the people, through their own state power.

We can thank Mr. Wilson for his speech, because it is such a brilliant confirmation of the bankruptcy of capitalism, morally, politically, physically and intellectually. The full knowledge of that bankruptcy is the beginning of wisdom—and of revolution.

2.

Two separate and distinct approaches must be made: First, to examine the coherence of Mr. Wilson's proposals as a program, their consistency; to fix the direction in which they would lead, if any; and to relate the program to other efforts of "great thinkers" of capitalism in crisis: Second, to evaluate the program in its relation to the inherent contradictions of imperialism, its relation to the real world.

Taking up the first set of questions, we naturally want to know, in the beginning, what is Mr. Wilson's attitude toward the intervention of government in the sphere of economics. On the surface, the answer seems to be that he opposes government intervention. One of his first slogans is: "Free and enterprising system of free enterprise." Repeatedly he demands "reduction of governmental (nondefense) activities." And finally, he proposes that the capitalists shall "exercise internal self-discipline" to impose their agreed-upon program, including the decision as to how far "free enterprise" shall surrender the field to governmental "regimentation."

But among these bold words there are weasels at work. At each turn in the development of his programmatic points, he relies upon governmental intervention. And this is not in order to lead gradually toward its elimination, for, with each succeeding one of his "four stages," governmental intervention becomes more pronounced. Underlying all his proposals, there is the implicit assumption of the gigantic armaments and war program now under way. His second "stage" plumps for "price control," one of the most drastic limitations upon "free enterprise," and meaningless except it is governmental control. His third "stage" relies upon expansion of governmental expenditures on social security measures. Finally, his fourth "stage" comes to a climax with "permanent government public works." It is clear, that if Mr. Wilson is a "free enterprise" champion, he is also a defeatist, who has already reconciled himself to a governmental straitjacket as being indispensable to hold the disintegrating capitalist system together.

The result of this is that Mr. Wilson is of two minds. He demands "drastic curtailment" of governmental intervention, and in the same breath himself proposes most far-reaching interventions which grow in scope and permanency. He cannot make up his mind to go consistently in either direction. Unable to plant himself firmly on either stool, he falls between them.

Mr. Wilson is equally bifurcated in his thinking about inflation. He tacitly accepts inflation tendencies, arising from huge armaments and war expenditures, as the motive force of "recovery," his first stage. His second stage begins with a warning of inflation, against which "credit and price control" must be used. In the fourth stage of development of his policy, he is back again relying upon inflation, expressed in "credit and term expansion."

Perhaps this vacillation between inflationary and deflationary proposals is explained by the desire at one point to stimulate economic activity, and at the other point to hold it back, expedients to "level out" the business cycle? If so intended, however, the inner contradictions of the program only become sharper, for along with deflationary policies he increases his emphasis on expansionist measures, at home ("modernization of industry," "speculative promotion of pioneer products"), and abroad ("industrial development of... South America"), which indeed run through his *four* stages.

Is this apparent contradiction reconciled by making expansion at one time in production goods, and at the other time in consumption goods—is it explained as measures to limit consumption in favor of capital (or war) expenditures, and then (with war ending) the expansion of consumers goods to take up the slack of the failing war market? No, this is not the answer; strangely enough, we find Mr. Wilson demanding in his "second stage" (clearly war time), "full supply of normal needs... to all strata of society," while in his next stage (clearly that of transition to peace, the ending of war), he emphasizes instead "restraints" to limit consumption, and brings forward expansion of social insurance, not as a means of distributing purchasing power among the masses, but under the

head of "savings," as a "socially desirable form of accumulation," as a means of postponing consumption.

Enough has been revealed, even in this brief examination of Mr. Wilson's economic program, to establish that it is not possessed of inner consistency, that it is incoherent, that it does not point any clear direction of economic policy.

But there is a clear political direction woven into the incoherent economic platform. There is the sharp demand that monopoly capital's private property in the nation's economy shall not be infringed upon. Behind the bland promises of "infinite patience" with democracy, and "respect for the laws of the land," lies the implied threat of an opposite attitude toward any "democracy" and "law" which dares to attack or infringe upon that private property. The demand for "free enterprise" is in reality the demand for freedom of monopoly to crush out small enterprise. The political direction of Mr. Wilson is definitely toward fascism or Nazism for America.

With Mr. Wilson, the monopoly executive, the "economic program" is only the trimmings, the "learned chatter," with which to cover up the fascist political policy. For a clear statement of the economic policy of American fascism, one can much better turn to Herbert Hoover's speech last year at the University of Pennsylvania, or the deeds, contrasted with the words, of Roosevelt. The connecting link between the Wilson and Hoover "programs" is their common demand for "South America as a source of raw materials." It is the concept of the new world empire, which Dr. Virgil Jordan developed with such richness last December before the Investment Bankers Association.

THE "PROGRAM" vs. THE REAL WORLD

It remains to measure Mr. Wilson's program with the current realities of the world in which it must be applied. That world is a world at war, a war of unexampled destructiveness, a war brought on by the inherent weaknesses, failures and contradictions of the self-same capitalist system (in its monopoly stage), a war which Mr. Wilson relies upon to deliver us out of the crisis.

Mr. Wilson's program has some very good points. For example, "Rural electrification and industrialization of agriculture." It is an essential step, upon which human progress depends. If the capitalist system could bring this about, this one thing would guarantee it another lease on life.

But monopoly capital cannot carry out this "good point" without turning it into a new source of misery for the masses and a new basis for crisis. That is the trouble with all of Mr. Wilson's proposals. As long as monopoly capital and private property are in the saddle, the "industrialization of agriculture" could only mean the creation of new giant capitalist farms, the ruin and expropriation of the small owners, and the transformation of the whole farming population into a rural proletariat. That is the inner contradiction, the inherent fatal disease of capitalism in its monopoly stage.

In actual reality, capitalism, that system of "free enterprise," has held back agriculture from participation in technical advancement, except in stunted and fragmentary form; capitalism had plunged agriculture into a chronic crisis for years before the industrial crisis broke over the capitalist world. Exactly the same formula of "free enterprise," which stunted agriculture and brought crisis, is offered as the cure of crisis. But not the slightest reason is, or can be, brought forward to support the belief that the hair of the dog will cure his bite.

Similarly with that most admirable objective: "Full-time employment of all employables." If the capitalist system could achieve that end, in any other form than compulsory labor in a military state, then it would indeed still have some life in it yet; we could not envisage its quick disappearance. But in Mr. Wilson's program, and in that of all ideologists of capitalism, such phrases as "full employment" are empty demagogy. Capitalism requires the army of the unemployed, and in its monopoly stage it builds that army up to gigantic proportions.

There is only one country that has achieved full-time employment of all employables, and that is the Union of Soviet Socialist Republics.

The course of economic development in the United States shows that the highest productivity of labor corresponds to the greatest unemployment. That is the *reality* of America today, and it is inseparably connected with the very nature of capitalism; for, as capital increases, with the rise in the productivity of labor, it increases the part that is spent on machinery, raw materials, etc., and decreases the part that is spent on labor. In a word, as long as the economy of the country remains the private property of a handful of Mr. Wilsons, every advance in technique is made by throwing additional working people out to starve. Mr. Wilson cannot have monopoly capital and enduring economic stability at the same time.

Perhaps the best example of the impossibility of reconciling monopoly capital with social progress is the fate of new inventions under monopoly. The material progress of society depends upon the unrestricted development of science and invention; and Mr. Wilson, unable to ignore this, tips his hat to it in his proposals. But here again, *reality* shows that it is precisely monopoly capital that stands in the way of the unrestricted use of scientific inventions. Only a society based on production for use by the people and not for the profit of a handful of monopolists will permit the free, creative use of science and invention. Every study of this question that has been made in America in recent years bears this out. One of these studies entitled *Industrial Research and Changing Technology*, a W.P.A. National Research Project, shows that industrial research is controlled by the big trusts, with the result that about one hundred and fifty thousand industrial corporations that required organized research activities were without research laboratories, not to speak of the large number of unincorporated enterprises. This monopoly of research enables monopoly capital to use it to increase its own profits before anything else. As this study puts it:

The business policies which influence the course of research are directed primarily toward assuring the continued security and profitability of the existing investments. The flow of industrially applicable discoveries is

therefore channeled to a considerable extent within the requirements of a comparatively small number of concerns.

Mr. Wilson's own industry provides a sufficiently striking example of this very process, as the following passage indicates from one of the studies by the National Resources Committee:

Changes within the electric industry have been retarded by the buying and suppressing of patents by the large corporations which dominate the field. From 1896 to 1911 the General Electric and the Westinghouse electric companies had a patent-purchasing agreement that neither would acquire a patent that would tend to injure the other, and many inventors could not find a market for their patents. A superior electric lamp, which it is estimated will save electric light users \$10,000,000 a year, has been invented but has not been put on the market.

In other words, the real hopelessness of Mr. Wilson's "program" is revealed precisely by his most important proposals, those affecting the foundations of the capitalist system, namely, the question of the employment of all employables, the question of industrial and scientific progress, the question of the status of the overwhelming majority of propertyless masses. Mr. Wilson's entire "program" is predicated on the existence of monopoly capital, but unfortunately for Mr. Wilson, monopoly capital means decaying, dying capitalism which no "cure" can save.

The capitalist world is busily engaged in fratricidal war, the nations are exerting superhuman efforts to destroy one another. The net result is the destruction of the very foundations of the capitalist system. It is impossible for capitalism to be restored. The world must sink into chaos, or go forward to socialism, the common ownership and operation of the national economy by all the people. The guarantee that the world will rise out of chaos, will achieve socialism, lies in the fact that the masses see before their eyes, not only the debacle of capitalism, but also the unexampled success of socialism, as the most practical and prosperous—as the only practical and prosperous—way to peace and human progress.

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