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Remarks at the Williamstown Institute of Politics, August 20, 1931

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Remarks at the Williamstown Institute of Politics,
August 20, 1931, of F.M. Huntington Wilson, former Gov't
official, author, etc.

"The trouble with the poor is poverty; the trouble with the rich is selfishness". The issue is clear. Is American capitalism to be run exclusively for profit or is it to be run for reasonable profit and for a good life for the American people? Is life to be a by-product of business or is business to be a means to a good life for the whole nation?

The American capitalism of to-day is hardly a system. It is a wasteful catch-as-catch-can scramble for money. Naturally, among the poor the aim is comfortable subsistence and security. Once these are achieved, the motives of action appear to be greed for money and power. The motto is "equality of opportunity". The tragic and comic result is famine as the consequence of plenty.

The negro question, the results of too hasty immigration, and the enormous technological unemployment of to-day, due to too rapid mechanization, alike flow from the material greed that has been the bane of modern America.

The aim of mechanization has been profit. It has raised the productive capacity per capita ten or twenty fold. The standard of living has risen; but hardly impressively if the living experienced to-day by some six million unemployed is included in the average.

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Part of the answer to the question what has become of all this added wealth, real and potential, and why are the results so disappointing is to be found in the untrammelled excesses permitted American corporations. There have been no-par shares, shares handed around for tenuous and fictional services (often disservices), stock dividends, etc., etc., until it is difficult or impossible to know how much real money has been invested in an enterprise and, therefore, what net earnings would constitute a fair return.

If inflation of capital^{ization}~~ism~~ could be removed, probably big business could pay good dividends and at the same time support a large portion of the present unemployed. Drastic reduction of the fantastic and indefensible bonuses and commissions and exaggerated salaries paid various business~~s~~ men would also help. And, by the way, the foresight displayed by our captains of finance and industry in letting the country get into the present depression does not indicate that they are paragons of wisdom entitled to such enormous compensation.

An insidious evolution during forty years has placed the control of wealth and power in the United States in the hands of amazingly few men. These powers-that-be mostly dominate the press and the large political parties, both sadly stultified because shot through with clash of opinion and insincerities on most real issues. The spectrum of our economic and social thought seems to have only two colors,- red, and the lilly-white of our own system. This fact is a great obstacle to progress in dealing with the problem. We can socialize ~~xxxx~~ capitalism to the required extent. It is not a matter of one extreme or the other; but of something between.

This is no time for shadow-boxing. The present is not just another depression. It is a serious break-down in the American way of economic life. It may well mark the beginning of a peaceful counter-revolution which will demand that the wealth and power of the country shall be used very much more than at present to promote a good and secure life for the people.

Most of our economic thought proceeds upon the false premise that greed for money and power is the sole stimulus of human action. A society organized to fit that dogma is one organized to corrupt it's people down to the low level of such an ideal and to crush out the good qualities of it's citizenship.

The lives and welfare of millions and the natural resources of the land should no longer be left so largely at the mercy of uncontrolled seekers of excessive profits, and to the chance of new occupations springing up to employ those thrown out by machines. If it were practicable, there might even be international agreement for a moratorium on new labor saving processes; or even for demobilization of mechanized industry to a point where much of the unemployment would be reabsorbed.

Adoption of the federal incorporation of corporations doing inter-state business, proposed by President Taft in 1912, might have done much to prevent the confusion of to-day. The anti-trust laws to-day work rather to encourage waste and duplication and an expensive competition in bally-hoo and high pressure salesmanship than they do to protect the free competition in quality and price formerly contemplated.

It is the leaders of big business and finance that have made American life what it is to-day. In the process they have

gained huge profits and great power. Theirs is the responsibility and duty to make the machine they have created work to the security and benefit of the nation at large. The barons of the feudal system had duties as well as rights towards those dependent upon them. The lords of the industrial and financial system should realize that this is, to say the least, quite as true in their case.

It would seem timely that the large capital and financial interests and investors, the labor, and the management connected with each of the great and necessary industries should elect delegates with wide powers to sit in a convention with economists and experts (forgetting for the moment present legal and even constitutional obstacles) and to draw up a comprehensive plan for the relief of the present situation and for making the future course of American industry, business and finance more conformable to the social and economic interests of the nation as a whole. The conclusions of such a body, if actuated by patriotism, would have enormous weight in the field of politics. Such a body would also be infinitely more apt for the task than the political legislature as now constituted.

Whatever plans may be arrived at, one thing is clear. The Frankenstein of big business and mass production must be humanized and made the servant, not the capricious tyrant, of man. Has American capitalism the sober wisdom and forethought and unselfishness to harness the machine to the service of a good life for all?