

PEOPLE'S CAPITALISM

The Background --

How and Why This Project Was Developed

THE ADVERTISING COUNCIL, INC.  
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NEW YORK

The Advertising Council has long believed that the struggle against communism is more likely to be won or lost by ideas than by H-bombs.

Thus, with ideas the ultimate weapon, it is of great importance, first, that we Americans have a clear picture of what we are and what we believe, and second, that we truthfully project this picture to the rest of the world.

This is why, in 1951-53, the Council sponsored a series of Round Table discussions on America, with some 40 experts from various fields participating. Despite disagreements on minor points, the panel was unanimous on one point of towering significance:

In America there has evolved a totally new kind of capitalism, which goes farther than any previous society toward achieving "the good life" for the average man.

Many other observers and economists reached the same conclusion. Economic studies by economic organizations such as the Twentieth Century Fund provided tons of documentation of the phenomenon.

For example, it was evident that in recent years, the middle income group in the U. S. has literally exploded, while the proportion of our very rich and very poor has shrunk dramatically. Directly or indirectly - through ownership of stocks, bonds, insurance, a farm or a savings account, or through participation in a pension fund - in the broad sense of the word nearly every American is today a capitalist. Nearly every American has money at work helping to produce goods and services.

Yet the beliefs of most of the world - about America and about capitalism - lag far behind today's facts.

The Spell of Marx and Engels

Despite islands and citadels of competitive enterprise here and there, much of the world has lost faith in capitalism as the way of the future - a situation which, if not changed, would in the long run lose us the ideological war.

This is caused partly by the sins of capitalism itself, in the distorted guise of exploitive colonialism or exaggerated cartelism. But it is also due to the tremendous influence of the teachings of Marx and Engels, which have distorted the thinking of millions upon millions of highly literate non-communists.

Vastly oversimplified, the communist thesis is that virtually every condition of life - from physical laws to historical periods - finds two opposing forces at work; that these forces finally produce a "synthesis" which represents a step upward; and that the opposing forces in capitalism will inevitably result in communism.

Marx applies this theory of opposing forces (thesis and antithesis) to almost everything. He presents it as a great law (dialectical materialism) which explains everything from why fruit decays to why the Roman Empire fell. And under communism children are taught it as the gospel of truth from kindergarten up, and believe in it passionately.

The opposing forces present in capitalism, according to Marx and Engels, are the social organization of production versus the private ownership of the means of production. The built-in conflict present in these forces, said Marx, results in crises, in which to preserve their profits, the capitalists hold back production, thus bringing about poverty in the midst of potential plenty. These crises, Marx predicts, must become more frequent and deeper as capitalism develops. The workers' condition progressively worsens, and in the end they must revolt. Hence it is inevitable that capitalism will fall and be succeeded by communism. (An amplification will be found in the footnote.)

That is why communist economists keep predicting an economic collapse in the United States and why communist leaders tell Westerners with obvious sincerity that capitalism is done for.

This is also why communist propoganda around the world incessantly thumps away on the theme that this is a war between capitalism and communism. Capitalism is the evil oppressor. Communism is the White Knight, out to slay the dragon. Communism is Good, the Liberator of the Common Man. We capitalists - we Americans - are cast as the villains in the play. The issue hence becomes a moral one in economic guise, a fact which explains the strange lure of communism to well-meaning people around the world.

### How To Change The World Picture?

Conscious of the fact that capitalism has, indeed, dark chapters in its past, American propaganda has for the most part shunned the word. We have acted like people with a guilt complex.

In 1955, following a Round-The-World study of propaganda by Council President and Eisenhower Fellow Theodore S. Repplier, the Council proposed that the U. S. start fighting back - that we start making clear that a completely new kind of capitalism has come about which actually gives its citizens benefits which, under communism, have remained empty promises for nearly 40 years.

The Council proposed that to emphasize its newness and its differentness this new system have a name - a name which truthfully described it, and which by its mere repetition dealt a blow to the theories of Marx.

The Council proposed that our unique American and Canadian form of capitalism be called "People's Capitalism," thus liberating from the Russians a word made famous by the Constitution of the United States and by Abraham Lincoln.

### American and Russian Reaction

The U. S. press reacted quickly and favorably to this proposal. Close to one hundred editorials were written, all except a handful favorable.

Government gave prompt approval. President Eisenhower,

common man a chance to realize his full capabilities, to develop culturally and spiritually under freedom.

It is vital that Americans themselves understand these facts. Americans going overseas must be informed and intelligent about our unique society.

In the words of the final panel of the "People's Capitalism" exhibit:

"Since the dawn of time, men have dreamed of a day when there would be more to life than a grinding struggle for food and shelter.

"They have dreamed of a time when the better things of life would be within the grasp of all men, great and humble alike and not just a fortunate few.

"They have dreamed of a society in which all men would be free with each man as good as his neighbor.

"America, like the rest of the world, has marched toward this shining goal. Thanks to good fortune and hard work, a dynamic new way of life has come about in the United States.

"It is, in truth, People's Capitalism -- capitalism 'of the people, by the people, and for the people'.

"It is man's newest way of life.

"It is bright with promise as the way of the future."

## FOOTNOTE

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The Marxist thesis is that capitalism, producing only for profit, cannot raise the living standards of the masses. In fact, the "contradictions" in capitalism, resulting from the private ownership of the means of production, must cause it to become a block on production, thus bringing about economic stagnation and widespread poverty.

But this contention that capitalism cannot improve the condition of the people, nor even keep them from sinking lower and lower into starvation and misery, is obviously disproved by the example of the United States. The facts show that the exact opposite of the Marxian prophecy has been the case with our American "People's Capitalism". For instance, since 1914 the average wage level of the industrial worker has risen 507 per cent while the prices of those things which enter into his present standard of living have increased only 168 per cent. At the same time, from 1914 to June of 1956 his average weekly hours have been reduced from 49.4 to 40.1.

Unable to deny America's productive superiority and, despite economic ups and downs, its steadily rising standard of living, the communists try to shift the attack to other grounds, such as our lack of economic equality. But here they haven't a leg to stand on. Statistics show that in the United States the ratio of earnings for most families of the semi-skilled workers, for the skilled workers, and for the bulk of the families of the managerial class stands at 1 to 2 to 5. In the Soviet Union, the ratio is 1 to 4 to 12. In other words, the manager earns 12 times as much as the semi-skilled worker. This, of course, does not include a comparison of the earnings of the peasant on a collective or state farm in the USSR, with the earnings of the American farmer. Most important, we are moving away from extremes of poverty and wealth.