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CAPITALISM IN THE UNITED STATES: VOICES OF THE UNREPRESENTED

By Bradford Smallwood

Is capitalism right or wrong? In this essay Smallwood explores capitalism as a socio-historical phenomenon and the historical reaction of political organizations to its manifestations. The author explores the work of theorists of Subaltern Studies to address the complexity of this important economic system and its effects on people that are often unable to articulate their position.

What is the nature of capitalism and the resistance to capitalism that is present in the history of the United States from the late 1800’s to the 1930s? This brief essay is an exploration on this issue and a review of the basic themes of capitalism in the United States. It explores notable historical events of capitalism in this time frame. The principles of subaltern studies will be used to analyze the actions of the communist party against the forces of capitalism in the 1930’s.

Henry Ford and his Ford Motor Corporation are a prime example of how the complex system of capitalism work as a system of domination. The film, “Job at Ford’s,” showed that in the late 1920s, working for Ford Motor Company was an attractive option for employment. A worker could earn five dollars a day, which was twice of what other companies paid at the time. Other benefits included a shorter workday and the ability to buy the Ford Model T on credit (Hampton, 1993). While this might sound like a fair deal the film demonstrates how employment at Ford’s affected the workers negatively. Ford’s River Rouge Factory used an assembly line style of car production. A worker had one task that was repeated all day. This method of production was so successful and profitable for Henry Ford that he made hundreds of millions of dollars. But as his wealth grew, his business practices became unscrupulous. He began to speed up his assembly lines instead of hire more workers in order to produce more cars, cutting costs in the process. This required employees to work at an extremely fast pace and those who didn’t work fast enough lost their jobs. Paranoia developed among the older workers, who would dye their hair to look younger so as not to be laid off. As Ford sped up his assembly lines, companies like Chrysler and Chevrolet began to pay more than Ford. The amount of cars being manufactured at Ford created an automobile economic boom in Detroit but as earnings for Ford increased so did his fear of his own system. He had men like Harry Bennet working for him who functioned like secret police (Hampton, 1993). This kept workers fearful of losing their jobs and discouraged them from speaking out about complaints they may have had. The only way for workers to gain representation rights was to form unions.

Ford’s booming motor company came to a huge halt as his plant began to lose profits. Competition over production and the need to retool his factory for a new car caused Ford to shut down his factory in the spring of 1927. This left 40,000 people out of work. Following that came the Stock Market Crash of 1929, where it
became evident that the economic boom was going bust. This in part led to the Great Depression. The Depression was caused by over-production and under-consumption, which was essentially what happened to Henry Ford’s Company. His methods of selling employees Model T’s and other products created an American infatuation with gadgetry. However, when there was too much product on the market and the demand shrunk, this caused America to fall into rough economic times. Soon, many families were out of work and living in slum towns called “Hoovervilles.” The US government also fed people in soup lines. During this time, Henry Ford was still making millions of dollars while people lost their homes and starved.

Another aspect of Ford’s system of capitalism was his method of Americanization through which he forced his personal values onto all of his workers. For example, he required immigrant workers to go through Americanization programs and sent “human engineers” into worker’s homes to ensure that immigrants were embracing his American values. In Americanization From The Bottom Up, Barrett explains that the wage and securities Ford paid to immigrants workers created loyalty, efficiency, and thriftiness, however, this stripped workers of their cultural values (Barrett, 1992). Barrett explains the two types of immigrant workers during the time of the 1880’s to 1930’s. There were “old” immigrant workers from places like England, Germany, and Ireland. This group had already developed labor unions and dealt with wage issues. It was really the “new” immigrants that were affected by Ford’s Americanization. They were the “bottom workers” who joined blacks and Mexican migrants as a new working class (Barrett, 1992). “New” immigrants came to America from Eastern Europe and worked in less than ideal working conditions and had little control as a work force. Eventually, however, by the late 1920’s, this changed in the form of resistance by groups going together and creating labor unions and striking against Ford Motor Company (Barrett, 1992).

As Ford’s factories shut down and people were out of work, it was then that various forms of resistance to capitalism became more apparent. The Communist Party was a small group that began to protest the capitalist business practices of Ford’s companies. Unlike Ford’s system of capitalism, where a surplus of labor for lower wages was desired, the Communist Party desired more work and limited workers. As part of resistance to capitalism the Communist Party used strikes and labor unions. Both of these practices go against the nature of “Fordism” because it makes the worker the essential piece of production. No work by workers stopped the machines, which stopped the profits. As more people lost work and light was shed on how the system of capitalism benefits few at the expense of others, the popularity of the Communist Party grew. On March 7, 1932 the Communist Party led a march on Ford’s River Rouge factory. This was primarily a group made up of laid-off five dollar a day workers protesting Ford’s business practices. Police were called in and 23 people were shot and 4 were left dead. This was capitalism’s response to communism. During the Red Scare, many of the Communist or Labor Party’s headquarters or printing presses were dismantled by capitalist forces (Barrett, 1992). Readings about the Communist Party show that it was a political institution with a legitimate agenda representing a large part of the working population but it also shows that they were constantly beaten back by the so-called forces of capitalism. Despite what advocates of Capitalism claim, it seems that in
these readings what the Communist Party provided was an even playing field and strengthened the unions.

Gyan Prakash’s essay which analyzes subaltern studies can be used to analyze capitalism. Subaltern studies were formed in the 1970s as a response to history that had formed in India, which had originally been written by the British. The Indian state had been ruled by Britain for a long time, and as India’s nationalism grew, they needed their side of history corrected and written so that it better represented them. Subaltern studies are written from the view of the dominated or subordinate group. When Antonio Gramsci defined the subaltern he referred to “subordination in terms of class, caste, gender, race, language, and culture and was used to signify the centrality of dominant/dominated relationships in history.” (Prakash, 1994). The aim of subaltern studies is to give voice to these subordinate groups and attempts to balance the scales of history. Prakash quotes Gayatri Chakravorty Spivak, who states the goal of the subaltern is “reversing, displacing, and seizing the apparatus of value coding.” (Prakash, 1476). The “apparatus” is the system of domination that the subaltern aims to disassemble. In Prakash’s essay, he uses ideas from Edward Said, author of Orientalism, as well as Ranajit Guha, who helps the reader understand the methodology of giving subaltern groups voice as well as history’s relation to the subaltern. Said stressed an essential part of gaining proof of one’s history takes “reading against the grain” of past documents (Prakash, 1994). If you read into what and who made this history, and do it correctly, you can find the voice of the subaltern and the history that occurred. The term “history” itself is key to understanding when analyzing subaltern studies and the history of dominated groups. Guha points out that the West created “history,” not the subaltern. The means that the notion of history itself is foreign to subaltern groups. As groups have emerged over time, as in India’s case, they find that history has not accurately represented them. When they look to the model of “history,” they often find only one model of who created this history. Unfortunately, the model for this history or man is the oppressor.

Goldfield’s article “Worker Insurgency, Radical Organization, and New Deal Labor Legislation,” argued the effects of labor militance and radical influence on the passage of the National Labor Relations Act (NLRA) during the New Deal period (Goldfield, 1989). The New Deal, created by Franklin Delanor Roosevelt, was made to bring to United States out of its tough economic times and create jobs and better rights for the American worker. In Goldfield’s essay, he describes the formation of the NLRA, which certified and legalized unions and penalized employers who didn’t follow its guidelines. Before the 1930’s, unions were illegal and employers, like Henry Ford, could use brutal tactics to control workers. Goldfield presents arguments explain the passage of the NLRA. A prime example of an argument against Goldfield was presented by Skocpol. Skocpol, argues that state-autonomous and all political groups view the state as influenced by another group. She also argues that the New Deal was autonomous from state influence (Goldfield, 1989). However, Goldfield’s argument ties in closely to subaltern studies when he argues that the New Deal actually saved capitalism. The country was so close to the verge of revolution against capitalism that something had to be done to dismantle the forms of resistance against the system of capitalism. Before the New Deal, capitalism was going in a downward spiral and would not be able to
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recover from a revolution. Passing the New Deal smashed all hopes of crushing capitalism and took the wind out of the Communist Party’s sails. By passing a piece of legislation that claimed to give the economy a push and rights to workers, it “answered” the problems presented by the communist resistance. But instead of giving the communist resistance what it demanded, it was really a case of saving one’s of system (capitalism) from itself. The documents from the New Deal period do not the show voice of the subaltern group here. It takes reading against the grain, which Goldfield has done, to extract the real motive and history behind the New Deal. The New Deal takes all the resistance and struggle the communist party went through to gain representation, only to be dismissed as a group that got what it wanted. Goldfield’s argument on the New Deal undoubtedly uncovers an unrecorded history of the subaltern. According to capitalist groups these communists were a radical threat with chaos as an agenda. However, according to the subaltern, this is not the case. What subaltern studies would show here is a well thought out political movement and possible revolution that was crushed by the oppressor, the system of capitalism. Concluding the subaltern studies relation to the New Deal, the threat of communist revolution was crushed. From there the system of capitalism continued on and still thrives as a similar system of domination today.

Learning about the system of capitalism in these past readings and lectures has made me feel like an uneducated individual. I have grown up in the system of capitalism and have never questioned this system. I truly believed capitalism was essentially an “extension” of our freedom here in the United States and this gave us control over our own economic destiny. I have unquestioningly frowned upon communism and socialism. The more I have read, the more I realize that this is exactly what capitalism wants me to do. I was taught years ago about what a great employer Henry Ford was to the American worker. “Pay a man a good wage and in return he will buy your cars and products” is a quote I have been taught in reference to what a great person Henry Ford was. But what this person also did was give his son a million dollars in gold for his 21st birthday when the 40,000 people he had laid off wondered where their next meal would come from (Hampton, 1993). It takes the “reading against the grain” that Edward Said describes when approaching and analyzing capitalism (Prakash, 1994). Instead of simply accepting what you read, you must read against it and you will likely find that there is another side of history that has not be represented. It is history that has been silenced because it has benefited a dominant group and exploited a subordinate group.

Capitalism is complex and constantly evolving. This is where my self-reflection has really challenged me. The bottom line of capitalism is that everything is for profit. I am not necessarily going to do this but say I went out and purchased the hottest Che Guevara gear at Hot Topic. His political agendas decry the evils of capitalism yet the Hot Topic and the clothing company is making profit off of the Che Guevara image of communism. This example was brought up in class and resonates in my head as an action against capitalism can actually be an action for capitalism. I have concluded that my action against capitalism is trying to keep it in check personally. When earning capital or profiting, you must realize the effect it will have on others. I have also tried to adhere to a bumper sticker I saw that reads: make a living, not a killing.
In conclusion, capitalism is a system of domination that continues in the United States. It is a system that is about profitability for individuals and those that most benefit from it will do whatever it takes to protect it. This was evident in the passage of the New Deal and in the 30’s and concurrent fighting communism. But as capitalism continues, one must ask where it is taking societies to? This system creeps across our borders and falls heavily on the shoulders of other groups and countries at the benefit of a relative few. The theme of profiting at others expense categorizes it as a system of domination and is one that is shed in a positive light here in the United States.

References