he was associated with, seemed to have the type of "brains" that is needed to make money. Henry Villard, a Morgan associate, ran the business end of the company while Edison managed and worked in the laboratory.

While this was going on, two English inventors by the names of Thomson and Houston, like Edison possessors of the wrong type of brain for money-making, had established a small electrical equipment factory in Connecticut. A certain shoe making entrepreneur from Lynn, Massachusetts named Charles A. Coffin, backed by Morgan, then moved into the picture and the Edison and Thomson-Houston companies were merged under the name of General Electric Co. Coffin, the ex-shoe manufacturer became the president, and the inventor partners became ex-partners. It is said that Edison first got the news from his secretary, who had read about it in the newspapers. Matthew Josephson, in his "The Robber Barons" records the following concerning what happened to the two Englishmen:

> "In a moment of confidence, Coffin, president of the General Electric Company, confessed to George Westinghouse (as Barron's notes record) how he had done this trick (of 'squeezing' out Thomson and Houston):
>
> "'He told me how he ran his stock down (says Westinghouse) and deprived both Thomson and Houston of the benefits of an increased stock issue. He was enabled by the decline in stock which he had forced, to make a new contract with both Thomson and Houston, by which they waived their rights to take new stock in proportion to their holdings under their agreement with the Company.
>
> "'I said to Coffin, you tell me how you treated Thomson and Houston, why should I trust you after what you tell me.'" (p. 384)

Such was the origin of that great champion of free enterprise, General Electric Co.

As time went on and free enterprise evolved, General Electric engaged in a series of price wars with its competitors and succeeded in forcing most of the smaller fry out of the business. It became a fifty percent partner in the giant German electrical combine, Osram, and established connections with other giant European and international enterprises such as Philips of Eindhoven setting up "gentlemen's agreements" on pricefixing and other forms of rigging with the European combines. In his "All Honorable men," James Stewart Martin tells us that:

> "In 1935, for example, H. F. Van Walsem of Philips had written to Clark Minor, head of International General Electric, in connection with an international agreement which they were then negotiating. As Mr. Van Walsem put it: 'We have...refrained from embodying in the present draft the provisions agreed between us with regard to the collaboration between your company, Siemens and us on minimum selling prices and conditions. It was rather difficult to do so and at the same time keep the agreement free from conflicts with the American antitrust laws. We are, therefore, content to leave this understanding to a gentlemen's agreement between you and us, which will, we are sure, be carried out by both of us in the spirit in which it was entered into." (p. 140)

Just another example of an evolving free enterprise. According to Martin, whose book is based on documents which his group of U. S. government men seized in Germany in 1945:

> "From 1929 onward, the relation between Osram and International General Electric developed along lines similar to the working arrangements of I.G. Farben with its foreign partners. The American firm, by adhering to quota agreements and arrangements for keeping out of marketing areas reserved by the Osram group for itself or its other partners, received in return the protection of the combined technology and patent rights of the whole group. With this power, General Electric could and did beat down any threatened competition in the American domestic market." (pp. 146, 47)

And so, in "peacetime" and even in wartime, through thick and through thin, the General Electric Co. continued to collaborate with its international partners and its American "competition" such as Westinghouse, in price-fixing as well as in the establishment of its formula for arriving at the "economic life of lamps." The government's "trust-busters" were unable to crack down hard, however, until quite recently when the government-owned Tennessee Valley Authority, which does business with the electrical corporations, was offered a series of identical bids. This could only mean collaboration on prices among the "competitive" corporations. The "trustbusters" could finally do something to justify their existence.

In light of the known facts on General Electric and on all capitalist enterprise, however, facts which should be common knowledge not only of the executives but also of the judge who berated them and sentenced them, the trial was sheer hypocricy. If Judge Ganey's tongue was not in his cheek, it should have been.

On the other hand, he was eminently fair in the prison terms he handed out. The average salary of the G.E. and Westinghouse executives is probably around 8-9 thousand dollars A MONTH. This sum, along with the fines, would seem to be ample in paying off the "debt to society" of one charged with such a crime. The fact that a worker who earns even $100.00 PER WEEK would obviously be unable to pay such fines and would consequently have to serve almost a lifetime to work off a comparable debt, would also seem to be in harmony with the policies of "free enterprise."

And one thing more should be said in appreciation of the ordeal suffered by the condemned executives. The imprisonment, if only for some 25 days each, of such outstanding pillars of society, has done something to make imprisonment perhaps a little less onerous, even just a little exciting. Think what it will mean to the working man, convicted of petty embezzlement or thievery or any of the multitude of crimes inspired by capitalist society, to be able to live within the same walls or even possibly in the same cell as a 100-thousand-dollar-a-year executive! If such a realization can lighten the load for such a worker, the sacrifice of the Boy Scout and Church leader-executives will not have been in vain.

HARMO

PETROCHEMICALS

Competition — Automation — Unemployment

Building Blocks. The building blocks of this new giant are hydrogen and carbon atoms left over from refining natural gas and cracking crude oil to make gasoline...

Ethylene, for example, becomes polyethylene plastic, which, rolled into sheets, is used for dry cleaners, bags and bread wrappers. Extruded into thread, it is used in cloth and rope; molded, it is used in squeeze bottles. As a liquid, it also becomes the ethylene glycol base in permanent-type antifreeze. Petrochemicals products go into nylon, Dacron, vinyl, chemical fertilizers, aspirin, sulfa drugs, detergents, rubber, etc., etc. Some of the newest products pose a serious threat to zinc, steel and aluminum: Celanese Corp. and Du Pont have each developed plastics that are so tough that they may replace metal parts in autos, appliances and business machines. Nails of Celanese Celcon plastic can be driven into wood...

Expanding Needs. For all their burgeoning, petrochemicals come from such highly automated plants that they have not created jobs in proportion to the gross output. Only a handful of aluminum helmeted workmen are needed to watch gauges and run the plants.

With its scrambling expansion, many worry about overcapacity and destructive competition. But no one is willing to back out. Says Jersey Standard President M. J. Rathbone.

Time Magazine 3-17-61

CRITICS OF SOCIALISM

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