

SEYMOUR MELMAN INTERVIEW

When did you become passionate about the conversion project, from a military to civilian economy?

Around 1980 or so, a number of colleagues and I decided that the militarization of the economy was going full tilt, and that it was going to create very great difficulties for people finishing with military service. People who were spending their lives in military production were in for a very big letdown with the end of the war in Vietnam. And so, a group of us decided that we ought to form a National Commission For Economic Conversion and Disarmament.

While it's obviously true that pieces of technology, like ball and roller bearings, are going to be used not only in military technologies but in civilian stuff as well, the fact is that major new technologies were not foreseeable as having the property of being useful for both military and civil society. As a war economy deindustrializes, part of the work goes into more military stuff, but the major part of the deindustrialization is simply the shutdown of civilian work in this country and its transfer elsewhere – mainly to countries that pay low wages and, very importantly, discourage the formation and operation of trade unions. The militarization of the economy then has two sides: the continuation and the expansion of the militarization in the U.S. and the cessation of all manner of civilian work and its transfer of the investments for this work, especially to China.

What does it mean to be in a permanent war economy?

The economy that served the military was large, diverse, elaborately equipped, well financed, and was being made a continuing part of the American economy, and a continuing interest of the federal government. The military economy has become a very durable part of the economy of the United States. But I wonder these days if it ever can be truly permanent. In a book I'm writing now (*Wars Unlimited*), I give special attention to the idea of previously understood durability of the war economy. I don't think it's going to be that durable. I think it's going to be forced to give way.

Why was it conventional wisdom at one time that military spending was good for the economy?

This idea has its origin in the middle of the first Roosevelt administration. The history was approximately as follows. Roosevelt entered the White House in 1933. That was clearly at the bottom of the Great Depression. There were about ten million unemployed. There were bread lines in every major city. The Roosevelt administration tried a series of civilian public works, some of them emergency measures. The emergency measures started with food distribution, but it extended on to devices like the Civilian Conservation Corps, which invited young men to show up for an enlistment, so to speak, and were put to work on environmental conservation jobs, that were organized in detail by the Army. But these previously unemployed young men were suddenly full-time occupied and the military made available decent food and clothing. So the work in combination with the food and clothing and medical care that became available was a big boost in the level of living for hundreds of thousands of young men who were enlisted.

As you reach the end of the 1930s, starting with late 1937 and then into 1938, there was a heating up of the military political temperatures, notably in Europe. One of the

earliest things that was undertaken were programs to expand the U.S. Navy. As this was done, the economists in the United States seemed to make a discovery. The discovery was that the U.S. economy could make considerable expenditures, certainly enlarging the expenditures for the military, and it didn't detract from anything else.

Is this the guns and butter idea you talk about?

Yes. It later became known as the guns and butter theory. But it reached a new kind of peak during the Second World War, when there was a period of massive building of new industrial facilities for the military. So there was a four or five-year stint of very concentrated work for the military, which did not take away from anything civilian. The number one reason for this was that the military work had been going on with great intensity for a relatively short period, hence the understanding of the motto that the U.S. could have both the guns and the butter.

What could the U.S. administration learn from the collapse of the Soviet economy, in terms of its long concentration of production resources on the military product?

The Soviet economy clearly collapsed by 1990 and there were the fearsome conditions of shortage of every kind of consumer goods. In one of my books, I wrote as follows: "During the Russian financial crisis in September/October 1998, the relatively well-off residents of Moscow felt the sting of the fall of the ruble. What was the fall of the ruble? Formally, there were six rubles equivalent to one dollar. But then the value of the ruble to the dollar collapsed and suddenly the ruble was 21.5 rubles to the dollar. And suddenly, they were confronted by the degree to which Russia had become

dependent upon imports for the most ordinary goods. So that the opportunity for reconstruction after the Second World War didn't quite take hold in the whole realm of civilian goods."

How can the U.S. make good use of alternative use committees and redesign defence-related factories, bases and labs, to avoid something like this occurring?

During the period of lively functioning of the commission on economic conversion, we very carefully drew up a succession of plans, which finally were embedded in proposed laws. The key piece of these laws was the requirement that every military serving enterprise was required to set up an alternative use commission. Now what would the commission have as its task? First of all, it would have to go into a program of examining what alternative products the facilities and the skills of the people working in that place could be used for. And then they were also required to examine the possibilities of what the market possibility for those products would be and what would be required for the retraining of people, if that were necessary in order to produce alternative products. The key piece was to set in motion a detailed planning process with ample time to do the work. In other words, this was not to be a crash job. This was to be done in a serious, considered way.

Who's opposing the conversion today?

In the first place, it's not being proposed by anyone in either the House of Representatives or the Senate.

That must be very frustrating for you.

I don't see it as a permanent condition. I don't see the prospect of a permanent war economy going on indefinitely. I think the damage that is now in process to the American economy is very considerable, and is going to be more visible all the time. I see a prospect, though I can't put a timetable on it, for the idea of economic conversion and thereby not only the occupational transformation but also, very importantly, the industrial economic transformation. This is to say, the United States will be moved away from a war economy.

Go civilian or go broke, right, Seymour?

Hear, hear.

Do you believe that it's possible to conduct international life without a war system?

I think we'll have a better estimate of that as we see, for example, the countries of Western Europe not rushing into concentrated military production. The quality of life is high. And remember, taken together, they equal in population, and in land mass, and in value product the whole of the United States. As the conduct of life in Western Europe, with its present focus on the civilian economy, gets to be better understood on this side of the big water, it will allow for raising questions that now seem to be unreasonable or unnecessary.

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