

TECHNOLOGY, CORPORATIONS AND THE GENERAL WELFARE

by

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The first lecture is concerned with the problems raised by technological improvements. After citing a number of interesting illustrations of technological advance, the argument is put forward that while technology has made possible a greatly increased per capita output we have neither been reaping the full benefits nor have the benefits derived been equitably distributed. Technological improvements have tended to make for greater rather than less equality. "On the whole, it seems clear that in industry as in agriculture a rather high percentage of the benefits of increased productivity, resulting from new inventions and new methods, goes to the people who are already better off. Organized labor tends to benefit more than unorganized labor, and the well-to-do farmers benefit more than the poor farmers. Corporations, and especially large corporations, tend on the whole to benefit more than the small corporations and individual business men. There are plenty of exceptions, but on the whole technology exalts the dominance of those already on top and makes more hopeless the position of those at the bottom of the pile. Unfortunately, the landless, the homeless, and the unemployed have nearly twice as many children as are necessary to replace themselves; therefore, the problem seems to grow as the machine becomes more triumphant."

As a first approach to the problem, some of the things we should not do are listed:

1. We should not adopt the policy of scarcity instead of abundance.
2. We should not attempt to share the work through a drastically reduced work week.
3. War is not the answer.
4. Exports other than to get more goods in return are not the answer.
5. We should not attempt to offset increased production in agriculture by holding the displaced farm population on even smaller farms on a more and more self-sufficing basis.

The second lecture is on the impact of corporations. The point is made that, partly because of the phenomenal rate of growth of large corporations and partly because of the price and production policies of corporations, they are one of the dominating factors in causing the alternating periods of booms and depressions. They tend either to advance prices in the upswing or to hold prices too high, and they meet a reduction in demand on the downswing by curtailment of output and hoarding of cash. While a single corporation cannot be expected to behave otherwise, corporation executives in general should recognize the facts and should have a more enlightened attitude toward the government in its efforts to see that corporation management does not produce such wide fluctuations in production, employment, savings and profits.

The final lecture is on government and the general welfare. The argument is that since organized business, labor and agriculture, left

to themselves, will produce booms and depressions, it is necessary to extend the concept of the government's duties and functions so as to embrace responsibility for law and order and dependable security in the economic world as well as in the social world. Various ways in which the government can work toward this end are indicated. In particular, the government should use its tax power to prevent excessive savings and deficient consumer purchasing power. The mistake of the Twenties must not be repeated. There is need for government expenditures to bring about stability and balance between productive power and consuming power, to conserve human resources, and to conserve natural resources. A major danger spot is the housing industry which, unless something is done about it, will result in the building boom crash of the Forties.

There is need to appreciate the over-all picture and to develop social responsibility in connection with it. "It is perfectly true that any one group can for a time get a larger share of the national income, but it doesn't work when all try it at the same time. Sooner or later the pressure game will blow up in our faces unless we provide a constantly larger national income to divide up".

Economic democracy in any basic industry can only be established if there is cooperation within an industry in behalf of the general welfare, continuity of production and employment, and equality of bargaining power for management and labor.