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To Chairman Eccles

From Lauchlin Currie
LMC

Subject: Industrial Policy and Economic Stability

Attached are some reflections of Dr. Sweezy on the "monopoly" problem. I think you will find it of interest.

Alan R. Sweezy
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INDUSTRIAL POLICY AND ECONOMIC STABILITY

In the past the Government's concern with industrial policy has arisen entirely out of a desire to protect consumers and small businessmen against the power of large business. Recently, however, students have come to realize that price and production policies are relevant to variations in general economic activity and in the national income. The object of this paper is to explore this relation.

Extreme Policies

In current discussion of the so-called "monopoly problem" there has been a tendency to urge one of two extreme policies: (a) a trust-busting crusade, (b) "self-government" in industry.

a. Trust-busting - So far as the achievement of greater economic stability is concerned, the object of a trust-busting crusade would be to make prices flexible. The argument of the trust-busters is that because prices in many important industries are inflexible, they fail to perform their function as part of the economic system's mechanism of adjustment to change. (See Gardiner C. Means' "Industrial Prices and their Relative Inflexibility.") Change is concentrated on the real variables, that is, on production and employment. Greater price flexibility would not in itself prevent recessions in demand and inactivity, so the argument goes, but it would greatly mitigate their severity.

The disadvantages of this approach to the problem of securing greater economic stability are of two sorts. In the first place, it accepts periodic shrinkages in total purchasing power as inevitable. Its aim is merely to mitigate their severity. This in itself is an unwarranted admission of defeat, since there is every reason to believe that a national policy aimed at the maintenance of continuing prosperity can be successfully worked out. But even measured by its own more limited objective, a trust-busting policy is not likely to be effective. It is important to examine the bases for this conclusion before turning to the discussion of the more ambitious policy of sustaining purchasing power at a continuing high level.

(1) It would be quite impossible to enforce throughout industry pure competition of the type we have in the markets for agricultural commodities. Pure competition implies that each producer contributes so small a part of the total output that his influence on the price is negligible. This means that it would not be sufficient in our major industries to break up the existing firms into a mere twenty or thirty smaller concerns. Hundreds, and even thousands, would be necessary. A superficial knowledge of technical conditions in industries such as automobiles, agricultural machinery, petroleum refining, electrical machinery, steel, and so forth, is sufficient to show that in industries of this sort nothing remotely approaching so large a number of competitors is possible. In actual fact, we find that three or four, or at most a dozen, major competitors dominate the industry. Moreover,

each one of them is likely to have special advantages which differentiate him or his product from the others. These advantages may consist in an advertised product (cigarettes), a favorable location (railroads), control of raw materials supply (steel), control over distribution outlets (agricultural machinery, motion pictures),--in any case they constitute monopoly elements which are inherent in the structure of competition itself.

But this is perhaps laboring a point that will be readily conceded by the advocates of more vigorous anti-trust law enforcement. In its more sophisticated form their argument is that, although complete flexibility is impossible, we can have greater flexibility and that every step in this direction is all to the good. The more competitors there are, the more likely is someone to break away and start price cutting. Thus a dozen competitors are better than six and six are better than two. Also, the more vigorous is the prosecution of all types of concerted action, the more difficult it is for an industry to hold its members in line. The advocates of trust-busting rely, in other words, on the chiselers and on secret price concessions to weaken price control in the face of falling demand.

(2) The degree of flexibility that can actually be expected as a result of such a policy is severely limited. Inflexibility in periods of depression is most marked in the

durable goods industries. Spokesmen for these industries, however, have repeatedly expressed the belief that the demand for their products is highly inelastic in periods of falling national income. There is no reason for thinking that they are mistaken. Because of inelastic demand, competition in these industries quickly becomes "ruinous". Overhead costs constitute a relatively high proportion of all costs and prices can go very low indeed before they fail to cover out-of-pocket expenses. This means simply, of course, that forcing prices down to direct costs in industries of this type, i.e., industries where demand is inelastic and overhead costs high, would force these industries to accept huge losses. This, in turn, means that the pressure to defeat the Government's policy would inevitably be very strong. Ways of circumventing the anti-trust laws are already well developed (price leadership, sharing the market, cultivation of sentiment against price cutting). In a period when business is losing money, attempts to prove violation of the anti-trust laws are furthermore bound to be difficult.

(3) Another disadvantage of a vigorous trust-busting campaign would be its probable effect on wages and labor organization. Pressure by the Government on prices would, with few exceptions, be transmitted by industry into pressure on wages. This latter pressure would--except in the rare cases when it could be linked with a guarantee of increased employment--seriously endanger the organizational gains labor has made in the last few

years, since it is difficult to hold an organization together in the face of marked wage reductions. The attitude of the membership is that they do not need a union to take wage cuts and that they see no sense in the added expense of paying union dues.

(4) To be really effective deflation of prices and costs must be general. Debts and salaries must be reduced as well as prices and wages. There is little prospect, however, with the constitutional guarantees enjoyed by creditors in this country, that an all around deflation could be put into effect. Such an attempt would run into the strong opposition of institutional investors such as insurance companies, savings banks, and trust companies.

(5) To be really effective deflation should proceed at different speeds in different lines. The prices of durable goods should fall faster than prices of non-durable goods. Incomes of wage earners and other 100-percent consumers should fall slower than other incomes. In both these cases it is obvious that the desirable rates of change are precisely the opposite of those that would be likely to prevail.

(6) The short-run effect of the kind of price reductions anti-trust policy could bring about might do more harm than good. Prices would be forced down piecemeal and against strong opposition. Buyers would consequently tend to hold off, waiting for them to fall further. This would, temporarily at least, intensify

depression and make further reductions necessary to compensate for the decrease in purchasing power distributed. In other words, unless price and cost deflation is both prompt and general, which anti-trust policy cannot possibly make it, there is little prospect that it will significantly alleviate depressions. In the case of Australia in the last depression, the deflation was both an all around one and effected in one move. Furthermore, it was combined with a strong upward stimulus in the form of a large increase in exports. The Australian policy was thus entirely different from a policy of enforced flexibility through application of the anti-trust laws. Anti-trust policy is purely negative. It inhibits agreement and relies on the "natural" workings of competition to bring about the desired result.

(7) Finally, a policy of relying on price and wage reductions--it must be repeated here that the two will generally go together--is bound to have undesirable social and political effects. Since it relies on the ordinary pressures of the market, it intensifies the conflict between the various groups and interests in the community. Each group must necessarily fight as hard as it can against taking any reduction at all. Buyers try to force the largest possible concessions from sellers and employers from labor. Sellers and labor in turn resist yielding any more than they can help. Any group that is successful in its resistance is passed by and the pressure

concentrated on less strongly organized groups.

b. Self-government in industry - Advocates of self-government in industry usually think in terms of a revival of the type of organization which prevailed in the steel and other well-organized industries under the N. R. A. Opponents of such a course raise the objection that it would put power in the hands of industry representatives, which they would be unlikely to use in the public interest. Since industrialists are primarily concerned with making as good a profit showing as possible, they would use their powers of "self-government" to reinforce restrictive policies. They would tend not only to restrict output and to keep prices up in the face of falling demand, but also to raise prices unduly in periods of rising demand.

Another objection to industrial self-government is that it would inevitably tend to restrict new investment, particularly by outsiders, and thus to retard technological progress. Experience both with the N. R. A. codes and with European cartels is cited in support of all these objections.

It is impossible to deny the force of the arguments against granting industry anything like full powers of self-regulation. The practical problem is rather to devise ways and means of realizing the potential advantages of a higher degree of industrial organization, while at the same time avoiding its dangers. This is, of course, a difficult task which calls for a careful weighing of all the factors involved. In what follows an attempt will be made to analyze the potential benefits of cooperative effort in industry and to suggest ways of guarding

against its familiar dangers.

An Experimental Middle Policy

In the preceding section we have explained the disadvantages and dangers of either of the extreme policies proposed in current discussion of industrial policy. Instead of taking either of the extremes we need rather to steer an experimental course between them. Such a course would involve retention of the anti-trust laws, with modifications, however, to allow greater flexibility in their application. The object would be to allow cooperation where it is needed and to inhibit it where it is harmful. In order to implement a discriminating policy of this type it would be necessary, of course, to secure much information not now available as to how price and other industrial policies are actually determined.

The policy recommended here involves no sharp break with the general trend of policy over the last decade. If we omit the brief period of the N. R. A. codes, the direction of policy has been toward a modification of anti-trust procedure with the object of not only prohibiting monopoly but also of improving competition. The Federal Trade Commission has put increasing emphasis in its activities on enforcing fair methods of competition. The anti-trust laws have been used to attack monopolistic practices rather than monopoly itself. This indicates a more discriminating approach to the problem. The pure logic of anti-trust policy recognized no middle ground between monopoly and competition. The task was simply to restore competition by breaking up monopoly. The present attitude,

however, recognizes that the two cannot be separated in actuality and that the object of attack should be the way monopolistic power is used rather than the mere existence of such power itself. We are recommending here the further exploration of this line of attack, especially with respect to its bearing on the problems of maintaining stable prosperity.

1. Objective - We have seen that there is little hope of avoiding economic distress through an attempt to enforce price flexibility. A policy of maintaining stable prosperity must be concentrated rather on a direct stimulation of community expenditure through measures designed to keep consumption and investment at continuing high levels. On the consumption side, income taxation combined with Federally supported health and other social services offers an effective means of increasing the proportion of total community expenditures that goes into consumption channels. Since consumption remains relatively stable, in the absence of disturbing factors elsewhere in the economic system, such a policy would be a stabilizing influence. On the investment side, there is a vast field for the expansion of publicly controlled investment activity. A vigorous program of public investment should be able to provide outlets for the community's savings for many years to come. Industrial policy plays a subordinate but very important part in this scheme of things. Its primary objective must be to remove obstacles in the way of securing full employment of human and material resources through the program for increasing and maintaining the community's expenditures. This means, in practice, that price policy must be concentrated on preventing price rises which might nullify increases in aggregate demand.

2. <u>What are "excessive" price rises</u>? - There is perhaps a danger in current discussions of the recovery problem of going too far and condemning all price rises as excessive. Such an attitude would imply, of course, complete abandonment of prices as part of the system's mechanism of adjustment. There is no need, however, to take so extreme a position. As will be shown below, a rough distinction can be made between necessary and excessive price increases. With further analysis and experience this distinction should become sufficiently clear to serve as a guide to policy.

For purposes of policy formulation "excessive" price rises should be divided into two groups: (a) those resulting from the operation of the "natural" forces of supply and demand, and (b) those resulting from decisions of policy of organized industrial groups. In practice "natural" and "artificial" forces are usually combined and it will be one of the major tasks of policy-executing bodies in the future to distinguish the one from the other. The necessity for making a distinction lies not in any difference in the effects of the two types of price increases--the one can be quite as damaging to sustained recovery as the other--but rather in the different kinds of treatment they require.

Undue price increases which result from the decisions of strongly organized industrial groups are clearly a fit subject for restraining action on the part of the Government. The anti-trust laws could probably be adapted to this purpose. The only change that would be needed would be a redefinition of the grounds for action. Emphasis should be laid on the percentage of capacity being used (qualifications of this criterion

will be discussed below) rather than on the proof of collusion. In other words, the attack should be a direct one on the undesirable effects of the policy in question rather than an indirect one on the means used in carrying it out.

Excessive price rises caused by shortages of supply relative to increased demand call for treatment of an entirely different sort. Mere prohibition of the increase in prices would be quite futile in cases of this kind. Efforts must be directed to removing the causes of the increase.

As already pointed out, not all price rises can be considered excessive. Where they are the result of lasting changes in the relation of demand to supply they must be considered a necessary feature of a new long-run adjustment in the allocation of economic resources. It is only where the excess of demand in relation to supply is temporary that public policy must be concerned with remedial measures.

A few illustrations from recent experience will make this point clearer. In 1937, competitive sales pressure by the major automobile companies resulted in the concentration of demand into an unnecessarily short period. This concentration was bad in itself since it was bound, under the circumstances, to be followed by a falling off of demand the following year (as many customers as possible were persuaded to advance the date of buying a new car). It was also bad because it put a sudden strain on productive facilities, which resulted in the crowding of additions to plant capacity into the shortest possible period. In addition, it resulted in a temporary bulge of demand for the steel and other

materials-supply industries, which created a similar situation of strain in them.

In the steel industry the sudden European rearmament demand intensified the effect of the automobile demand. Added to both was an unusual inventory demand, which was likewise bound to be temporary. Steel prices rose sharply in response to these forces--organized groups in the industry, both employers and labor, may have accentuated the rise, but were in large part merely taking advantage of the extraordinary demand for their product--with adverse effects elsewhere, especially on building activity.

In the case of building, there seems to have been nothing sudden or inherently temporary about the increase in demand. The difficulties were rather on the supply side. The labor supply had been depleted by the long depression and shortages quickly developed in various skilled trades. The effect of these shortages was undoubtedly intensified by the short-sighted policies of local craft unions. But a comparison of the experience of 1937 with that of the 1920's, when unions were likewise strong in the building trades and wages rose but gradually, indicates that the shortages must have been the more fundamental factor. Equally serious for the continued expansion of building activity was the rise in the prices of building materials, which was due partly to the policies of organized groups and partly to shortages of supply in relation to increased demand.

The seriousness of shortages of supply in relation to expanding demand depends on (a) the rate of increase in demand; (b) the extent of the deficiency in supply and the difficulty of developing new sources;

and (c) the degree of foresight exercised in preparing for the increase in demand. Public policy aimed at securing the smoothest possible expansion in demand and in production would have to pay attention to all three of these factors. It would concentrate, according to the circumstances of the particular case, on the ones which seemed most amenable to treatment.

There is no possibility, of course, of entirely eliminating temporary bulges in demand and shortages in supply. The best that can be hoped for is a mitigation of the extremes we have recently experienced. Direct public stimulation of consumption and investment must remain the primary instrument for sustaining prosperity. But an industrial policy of the type indicated here is an essential adjunct of the basic fiscal policy.

An interesting example of what can be done along the lines suggested here is provided by the British housing policy of the early 1920's. In its first annual report the Ministry of Health had the following to say:

> "The end of the War found the building trade enormously below the strength required to deal with housing and the very large arrears of building work. So far as housing schemes are concerned the situation is that there are practically no schemes in progress on which an adequate supply of labour is employed. The result is that progress on schemes, which have already begun, is delayed, the commencement of work for which contracts have been signed is hindered, contracts are prevented from being signed, and the price of tenders is being forced up."

The Ministry's first step was the formation of a Special Committee comprising four representatives of the leading building trade

unions to assist in solving the problems associated with the scarcity of labor. This action is one of many illustrations of the extent to which trade unionism is recognized as an integral part of British industrial organization. Efforts made to increase the supply of labor were successful, as is shown by the fact that the number of skilled workers employed on building projects increased from 8,000 in April 1920, to 27,000 in October 1920, and 63,000 in April 1921. In addition, the Ministry pursued a discriminating policy in granting subsidies. In July 1922, the Ministry summarized its policy as follows:

> "Authority for the erection of additional houses was given only after careful consideration of the relative needs of each area, the preparation of those needs which would be met by the programme already authorised, the progress to date, the availability of the necessary skilled labour, and the prices obtainable by competitive tenders for small numbers of houses."

These are merely indications of the type of policy pursued, the details of which would clearly reward much more detailed study. Two important points stand out, however, from the sketchy material which is readily available: (1) The Ministry of Health pursued a conscious policy of coordinating the expansion of demand with a corresponding expansion in supply, and (2) the Ministry relied on the participation of those engaged in the industry in helping to solve the industry's problems.

The extent to which the price increases of early 1937 should be attributed to the monopolistic power of organized business is probably exaggerated in current discussions of the subject. Much confusion results from a failure to distinguish the question: What would have happened had a greater degree of competition prevailed? from the entirely different

question: What would have been the desirable policy for organized industry to pursue in the interest of sustained recovery? The answers to the two questions are by no means the same.

Under conditions of free competition price tends to approximate the added, or marginal, cost of turning out an increment of product. As demand increases beyond a certain point, marginal cost is likely to rise sharply. At the same time, profits will increase, since the higher price, corresponding to the higher marginal cost, applies to all the units of the industry's output. This rise in marginal cost and in price may occur, moreover, before the industry is producing at anything like full capacity.

Although price increases at low levels of capacity utilization, e.g., in steel and lumber under N. R. A., may well be in excess of any increase in marginal cost, this is less likely to be true at high levels of utilization. The fact that prices rose sharply in many highly competitive markets last year strengthens this conclusion. If competitive behavior is to be taken as the sole criterion, there would thus seem to be little prospect of significantly moderating price rises in periods of rapidly increasing demand.

A recent comment by the Economist on the price policy of the British Iron and Steel Institute is instructive in this connection:

> "Steel Prices Policy.-- . . . So far the British Iron and Steel Federation has succeeded in preventing an inordinate marking-up of prices which often occurs under competitive conditions during a period of stringency. Although British prices were raised substantially at the beginning of May, the prices charged in a number of other countries were increased much more. Since prices were last raised, costs of production have advanced further. Thus, between April and October, a representative grade of coke rose from

£ 1 11s. 6d. to £ 1 16s. 6d. per ton at the ovens. Similarly, freight rates for ore have shown a heavy increase. The Bona-Middlesbrough rate, for example, has risen from 10s. 6d. to 17s. 6d. per ton. In addition, wage rates have increased, though so far the advance has been relatively small. Altogether, it has been established that the cost of production of pig iron has risen by some 10 per cent, since April. Moreover, as supplies of materials have been purchased for some time ahead, the recent decline in foreign scrap and freight rates is not likely to be reflected in the costs of the industry in the near future. Wages, moreover, may tend to rise further rather than fall. Until recently it had been widely anticipated that iron and steel prices would be raised at the turn of the year. In the past few weeks, however, the demand for steel abroad, especially in the United States, has shown a marked decline. Meanwhile, lack of information concerning the future of British prices after the turn of the year introduced an element of uncertainty into businessmen's calculations and many plans, consequently, were held up. The British Iron and Steel Federation was thus on the horns of a dilemma. Obviously, a further increase in prices at this stage would have precipitated a decline in demand. Despite the rise in costs since last April, therefore, the Federation has finally decided to leave prices unchanged. Last Monday it was announced that the nine associations covering the main basic steel products had decided to maintain current quotations until the end of next year. On the whole, the announcement has been received with satisfaction in the market, for the assurance of a stable price level for a long period enables industrialists to plan ahead....."

This was a case when a high degree of organization had the effect of modifying rather than accentuating the tendency toward a rise in price. Other instances in which centralized control exerted a stabilizing influence are furnished by the aluminum and nickel industries.

	1929	1930	1931	1932	1933	1934	1935	1936	1937
Aluminum	$23.90	$21.27	$19.71	$18.42	$19.38	$20.58	$21	$21	$21
Nickel	$0.35	$0.35	$0.35	$0.35	$0.35	$0.35	$0.35	$0.35	$0.35

As against the fact that prices in these industries remained inflexible in the face of falling demand must be placed the fact that they were equally stable in the face of rising demand. Their behavior certainly cannot be counted among the disturbing influences of last year's rise.

Criticism of the policies of organized industry is usually based on an implied acceptance of competitive behavior as the standard of what is desirable. According to this view, such stability as that exhibited by British iron and steel prices would have to be condemned. The idea that price should rise with marginal cost is based, however, on a theory of long-run distribution of resources which has little relevance to short-run problems. The interesting thing about the decision of the British Iron and Steel Institute is that an attempt was made to estimate the future trend of demand. Had the conclusion been that demand was likely to continue for some time at a high level, prices would undoubtedly have been advanced. But since the prospect was for a decline in the near future, prices were left unchanged.

3. A policy for the promotion of economic stability - The foregoing discussion can be summarized as follows: "excessive" price rises--excessive, that is, from the point of view of maintaining the flow of purchasing power--are of two kinds: (1) those that would occur under conditions of free competition, and (2) those that are due to the exploitation of monopolistic power. For the problem of maintaining prosperity the first type is probably much more important than the second.

The second type occurs chiefly where there is a change from an unorganized, or disorganized, to an organized condition in an industry and where the industry is suffering from a considerable amount of excess capacity. The N. R. A. codes furnish a number of examples. It is important to remember in this connection that the Government was not only encouraging organization but was also emphasizing the necessity for higher prices. The great mistake of the N. R. A. period was probably not so much the industrial policy in itself as the Government's failure to expand purchasing power to the extent required by its industrial policy.

The first type of price increase is particularly important in periods of strong demand. Due to the widespread rise in marginal costs, in turn traceable to rising raw material prices and wages and to the appearance of physical bottlenecks as full capacity utilization is approached, prices rise even where there is no restraint on competition. The fact that a certain degree of organized action is discernible in the way prices are advanced in industries like steel, does not mean that prices would rise less if competition were freer. In fact, rather the reverse is likely to be true. Industries in which some sort of organized control exists frequently show a disposition to keep prices stable in periods of peak demand.

Action to moderate "excessive" price rises of the "natural" sort--that is, price rises brought about by essentially temporary constellations of demand and supply--can be of two kinds. First,

efforts can be made to smooth out both the increase in demand and the response of supply through advance planning, and second, control over prices can be used to moderate increases in periods of temporary stringency. Both types of action would, of course, require the co-operation of all members of the industry.

The problem is thus to permit and encourage concerted action where it is needed and at the same time to guard against its potential dangers. The following suggestions are advanced as a possible way of attaining these two objectives:

(a) In order to provide machinery for cooperative activity in planning for the elimination of obstacles to the expansion of output and employment, industry councils should be established in the industries of major importance for the maintenance of prosperity. The councils should be composed of representatives of all the firms in the industry and of an equal number of labor representatives. Labor has an even more vital stake in measures to secure stable prosperity than have management and investors. Its participation in the work of the industry councils is consequently of prime importance.

Labor representation, however, is meaningless unless labor is strongly organized. Spokesmen for labor have repeatedly emphasized that recognition is a necessary basis for cooperation. In the spring of 1937 labor organizations in the basic industries were fighting for their existence and were in no position to

take account of the broad economic effects of their struggle. Now that in most of these industries strong unions are established, the situation is entirely different. Union leaders, particularly in the large industrial unions, have shown a deep interest in the general problems of their industries and of the economic system as a whole. (Hillman, Murray, Lewis are outstanding examples.) Among other things, the fact that these unions are showing as much concern with the needs of their unemployed as of their employed members is of profound social significance.

The work of the councils should include study of market trends; supervision of sales pressure to prevent undue concentration of demand; study of the available and prospective supply of labor and materials and the planning of ways to meet deficiencies; the planning of additions to plant capacity in anticipation of increases in demand.

The councils should also act in an advisory capacity in the matter of price increases in periods of rising demand. They should be charged with the duty of collecting information on the extent to which plant capacity is being utilized and on the nature of the unused capacity (how much of it is obsolete, poorly located, or in bad condition). They should likewise analyze the behavior of costs and the probable trend of demand. In general, their efforts should be directed to preventing price increases which will have to be reversed within a short

time. Rationing of consumers through increase in the length of deliveries, although undesirable if it can be prevented, is probably preferable to an increase in price where the justification for the increase is likely soon to disappear (either because demand is likely to fall off or supply facilities to increase).

Full publicity should be given the work of the councils and interested persons outside the industry, particularly consumers, given an opportunity to make their views known to the councils.

(b) To supervise and aid the industry councils an industrial commission should be created as an agency of the Government. Representatives of the commission should participate in the regular work of the several industry councils.

The functions of the commission should be: (1) to work with the fiscal agencies of the Government in formulating policies to maintain the national income at a high level; (2) to help the industry councils in analyzing business trends and in determining price policies; (3) to guard against abuses of the freedom for cooperative action enjoyed by the industry councils.1/

In discharging this latter function the commission would, of course, have to have access to full information on costs and capacity utilization. In cases where it considered that concerted

1/ Certain industries like the railroads and building, both of tremendous importance for prosperity, require special measures. The function of the industrial commission would be to cooperate with other agencies in working out plans for the extensive reorganization needed in these industries.

action was being taken to raise prices unduly, it could recommend action under the anti-trust laws to the Department of Justice. The anti-trust laws would be suspended, in other words, only so long as an industry council continued to have a clean bill of health from the commission for its activities. Power to invoke the anti-trust laws could be supplemented by cooperation between the industrial commission and both the Procurement Division of the Treasury and the Tariff Commission. In England the prices of building materials were apparently kept within the bounds of moderation in the recent boom partly through hints that tariffs would be reduced if price increases were excessive.

In summary, the foregoing recommendations are based on the thesis that the goal of stable prosperity can be best served not by attempts to reverse the trend of industrial organization, but rather by developing in industry a broader type of economic responsibility. This requires, first, the assumption of responsibility by the Government for the general objective of maintaining national income; second, the establishment of machinery for cooperative activity of a constructive sort in the key industries in the economy; and third, the use of existing instrumentalities by the Government to prevent the power of organization being used in ways that would restrict purchasing power and obstruct the full employment of resources.