

**SOCIAL MAN AND THE NEW STATIONARY STATE**

by

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before the

1971 Annual Meeting of

**THE NATIONAL ASSEMBLY FOR SOCIAL POLICY AND DEVELOPMENT, INC.**

April 30, 1971 - 12 Noon

New Albany Hotel

Denver, Colorado

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There are two kinds of people in the world today: those who are primarily concerned with making a living and those who are primarily concerned with living with their fellows. The first might be called Economic Man; the second, Social Man.

One of our main problems these days is that Social Man and Economic Man see the same things differently. Social Man urged his Congressman to oppose the SST because it would make too much noise and might induce skin cancer; Economic Man, if he opposed the SST at all, did so because it would not get off the ground financially. Social Man sees the moon shots as an extravagant use of resources at a time when much of the world is starving; Economic Man sees them as spinning off many scientific by-products that some day can improve everyone's standard of living. Social Man faithfully lugs his used Coke bottles to the neighborhood collection center every Saturday morning for recycling; Economic Man is inclined to feel that if empty bottles were worth anything, somebody would pay for them.

My point is not that Social Man is soft-hearted and -headed or that Economic Man is a Scrooge, but that both have much to learn from each other. I have developed this theme in a general way elsewhere\*, but would like to explore one important aspect of it here.

To introduce this aspect, let me read an excerpt from the writings of a distinguished philosopher:

Towards what ultimate point is society tending by its industrial progress? . . .

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\* Federal Reserve Bank of Philadelphia, BUSINESS REVIEW, "Economic Man vs. Social Man," October 1970. THE NEW YORK TIMES, July 26, 1970.

. . . the tone and tendency . . . /of the speculations of political economists of the last two generations/ goes completely to identify all that is economically desirable with the progressive state, and with that alone.

. . .

I cannot . . . regard the stationary state of capital and wealth with the unaffected aversion so generally manifested towards it by political economists of the old school. . . . I confess I am not charmed with the ideal of life held out by those who think that the normal state of human beings is that of struggling to get on; that the trampling, crushing, elbowing and treading on each other's heels, which form the existing type of social life, are the most desirable lot of human kind, or anything but the disagreeable symptoms of one of the phases of industrial progress. . . . the life of the whole of one sex is devoted to dollar-hunting and of the other to breeding dollar-hunters.

. . .

There is room in the world, no doubt . . . for a great increase of population, . . . But even if innocuous, I confess I see very little reason for desiring it. . . . /There is not/ much satisfaction in contemplating the world with nothing left to the spontaneous activity of nature . . . with . . . scarcely a place left where a wild shrub or flower could grow without being eradicated as a weed in the name of improved agriculture. If the earth must lose that great portion of its pleasantries which it owes to things that the unlimited increase of wealth and population would extirpate from it, for the mere purpose of enabling it to support a larger, but not a better or a happier population, I sincerely hope, for the sake of posterity that they will be content to be stationary, long before necessity compels them to it.

It's all there: a challenge to the unthinking assumption that growth, per se, is good; a denunciation of money-grubbing and over-consuming; a clear brief for the zero population advocates; and an eloquent appeal for preservation of the environment.

The only thing missing is a complaint that we have become slaves to technology. This is missing because it was written a century ago. The author is John Stuart Mill, a genius who began learning Greek at the age of three and ultimately became the outstanding economist of his age. One of his most intriguing contributions is the concept of the Stationary State. This concept is now captivating many who, overwhelmed by the

problems confronting society, wonder whether the solution might be simply to stop this hectic pace of change and growth. It is now fashionable to talk of a new Stationary State.

What are the chances that a new Stationary State is the solution to our social problems? Let us look at this question from the points of view of both Economic Man and Social Man.

### Recipe for Growth

Economic Man has developed a most sophisticated recipe for growth, and for the past century or so has been proudly serving up his product for us all to consume. The recipe relies heavily on the ingredients of science and technology. Scientists must be free to indulge their limitless curiosity about how nature works. Technologists must be free to apply the fruits of science to the satisfaction of human wants. People must want things and be willing to work to get them. Producers must be free to turn out these things with an ever-decreasing input of human effort--that is, with ever-increasing productivity.

Economic Man may say that he attaches no moral connotations to the result. It is neither "good" nor "bad"; is simply what people want, and if people want to risk cancer by smoking cigarettes, that is their decision; the system is neutral. Actually, Economic Man is seldom content with that position. He really believes that the freedom which the system requires is "good," and that the system has tremendously improved the physical well-being of mankind and that is "good."

### Proof of the Pudding

It is true that we have made tremendous advances in overcoming the niggardliness of nature and that the advances have been proceeding at a faster and faster pace. All of us have been made aware of this by a

barrage of gee-whiz statistics in current literature. For example, Alvin Toffler in Future Shock calculates that

. . . the child reaching teen age . . . is literally surrounded by twice as much of everything newly man-made as his parents were at the time he was an infant. . . . Since the increases are compounded, . . . by the time the individual reaches old age the society around him will be producing thirty-two times as much as when he was born.

It is also true--in the United States, at least--that a remarkably large proportion of the people have participated in the growing affluence. To some extent, this is because Social Man has made a conscious effort to redistribute slices of the income pie, but to a great extent also it is because Economic Man has done such a good job of enlarging the total size of the pie. We all owe a great debt to Economic Man, and Social Man should not forget it.

But Social Man is not so coy about attaching values to economic growth and, in his eyes, they are not all "good" ones. For most of the past century he has been striving to round off the rough corners of economic growth. His gadfly efforts have contributed child labor laws, pure food and drugs, the progressive income tax, social security, and countless other reforms.

Still he is not content. Indeed, he feels he is losing ground. Mill's idea of the Stationary State, therefore, now looks like the ultimate solution to the mounting problems of economic change.

### Reaction to Change

This is a healthy reaction. It involves questioning many long-unquestioned assumptions. In one of his columns in the New York Times, Leonard Silk has written about J. K. Galbraith:

The real problem today, says Mr. Galbraith, is not how fast we can increase production and consumption but how well--how happily--we are to live.

"In a rational life style, some people could find contentment working moderately and then sitting by the street--and talking, thinking, drawing, painting, scribbling or making love in a suitably discreet way. . . . None of these requires an expanding economy."

Some other reactions, however, are not so healthy. One has been to seek refuge in nostalgia. In Philadelphia we have a new magazine whose journalistic precept (and I'm quoting from its own advertising) is that

. . . too much attention is being directed to the counter-productive elements . . . in our society . . . The cover and graphics reflect the feel of a special quality, vintage nostalgia, wherein we can more comfortably explore the constructive workings of our people and community . . . nostalgia that reminds us that despite the problems and complications of everyday living, life can still be romantic . . .

Another reaction has been fear and uncertainty, fear of change and uncertainty in our ability to control it. J. Irwin Miller, a leading businessman and spokesman for the Committee for Economic Development--probably the most enlightened group of Economic Men in the United States--recently wrote an article entitled "Can We Afford Tomorrow?" He began by saying that no earlier generation of Americans would have asked this.

Such a reaction might have been expected. Ten years ago the most contagious idea around was that the age-old problem of scarcity had been licked. Galbraith planted the seed with The Affluent Society. Expectations, already rising for other reasons, were inflated still further.

Now we see that scarcity was not dead after all; while we were looking the other way it again has reared its ugly head, more fearsome than ever. No wonder people are pessimistic.

Recently, the president of the prestigious American Association for the Advancement of Science gave an address in which he was asking whether the ever-faster pace of growth, based on scientific discoveries, could continue. This is what he concluded:

. . . so awesome is already the accelerating rate of our scientific and technological advance that simple extrapolation of the exponential curves shows unmistakably that we have at most a generation or two before progress must cease, whether because the world's population becomes insufferably dense, or because we exhaust the possible sources of physical energy or deplete some irreplaceable resource, or because, most likely of all, we pollute our environment to toxic, irreparable limits . . .

. . .

. . . in future histories of the world the decade of the 1960's may be known . . . as the time when man, with unbridled lust for power over nature and for a so-called higher standard of living measured by the consumption of the products of an industrial civilization, set in motion the final speedy, inexorable rush toward the end of progress.

In short, the reaction of Social Man to economic growth is that he's been had. Economic Man, he feels, may be a superb producer but a miserable accountant. What kind of an accounting system adds up on the asset side all the wonderful gadgets which the system has turned out but ignores pollution, exhaustion of resources, and human frustration on the liability side? It is time to put a halt to growth, especially now that reputable scientists say growth is going to come to an end soon anyway. With our minds freed from the compulsion to increase material wealth, to consume more and more things, we can turn the full force of our attention to the social problems threatening to overwhelm us. This, I think is what Social Man is saying, and I believe he is wrong.

### Possible Courses

Consider these possible courses for society to follow. Which promises greatest success in solving our social problems?

Course #1 is to slow the rate of economic change. Population growth would be zero; the increase in consumption of gadgets would be cut back markedly; resources would be diverted to cleaning up the environment, rebuilding the cities, upgrading education, and otherwise improving the quality of life.

Course #2 is to encourage economic growth and change. Economic Man would be given incentives to use technology to raise productivity, generating a rapid increase in incomes. Out of these larger incomes more would be made available for social and environmental use.

Course #1 may have more idealistic appeal, but it is not very practical. We talk about reordering priorities, but doing it is something else again. I find it hard to see the average American sitting still while a slower-growing pie is being sliced up in a radically different way. He would, of course, benefit from clean water and no ghettos, but the benefit will be hard to see and touch. Perhaps he can be educated to equate a clear stream with a new car, but this would be a long process. In any case, Course #1 would take time; for example, even if every couple started tomorrow to limit its family to two children, the population would not level off for another 66 years.

Course #2 promises more immediate results. It would follow more easily from the path we have been taking; it would be better accepted because it would provide a bigger pie to be sliced up; and it would make greater use of the productive talents of Economic Man. "But," Social Man would say, "how can we be sure this would not lead to even a worse

mess than we have now?" Unfortunately, there is no good answer.

Neither Course #1 nor #2, therefore, is acceptable alone. What we need is a course of action that combines the best of both. I'll call this Course #3. We should continue to encourage rapid growth but gradually adopt some of those aspects of the Stationary State which are so appealing to Social Man.

Let me suggest three important requirements for Course #3:

1. Incentives. Economic Man should be encouraged to do his thing. To the extent a free and competitive marketplace accomplishes this, fine. To the extent Government must provide the incentive, this should be done. And to the extent "his thing" may produce undesired social results, incentives should be provided to lead him in the right direction. I have in mind, for example, tax incentives to install anti-pollution devices. This route can best channel Economic Man's energies in directions which Social Man desires.

2. Science and technology. It is foolish to talk as if we can turn back the clock. A few philosophers may see the results of science and technology as dehumanizing, but most people see them as a miracle that has spared them a great deal of back-breaking labor. In any case, once a scientist has set his curiosity going I doubt if anyone can turn it off. We'll need all the ingenuity he can bring to bear if we are to develop a cleaner automobile engine or a quieter jet engine. What must be recognized, however, is that the results of his efforts can be "bad" as well as "good" and that some means must be found to anticipate these results and channel these efforts.

3. Planning. This will require more planning than Economic Man and probably less planning than Social Man would like. It probably means more Government intervention. I see no alternative if rapid growth is not to continue its collision course with pollution, exhaustion of resources, and over-population.

The proper emphasis should be not on deliberate slowing of growth but on deliberate planning, for planning may tend to slow growth anyway. For example, the president of American Cyanamid recently reported that

15 years ago we would have been happy to develop a plastic container that could be profitably marketed because it provided a safe and more convenient package for food or beverage. Today, we must inquire into the plastic's disposability. And if the answer is unsatisfactory, we had better go back to the test tubes . . . .

Family planning will tend to slow down economic growth, although not as much as businessmen might think. Increases in population are not as important to a growing economy as some other things, particularly technology. And in any case, emphasis should shift away from overall growth to growth per capita; this is a much more sensible measure of well-being. Here, too, income per capita need not suffer significantly, and could well benefit, from a slower population growth.

Finally, planning can help to stabilize the economy. Rapid growth will be increasingly unacceptable if it is periodically interrupted by severe recessions. Stop-and-go growth can be the most wasteful use of resources, human and physical. But to prevent severe waste it may be necessary when the economy is going too fast to slow it down deliberately for a while in order to sustain growth in the longer run.

Conclusions

Course #3, with reliance on incentives and technology to stimulate growth but also on planning to channel it into socially acceptable directions, is more likely to lead us to the Promised Land than is pursuit of the new Stationary State.

Course #3 is a logical next step in the evolution of man's efforts to control his destiny. When Economic Man first applied technology to the satisfaction of human wants, he was rebelling against the blind laws of nature. Social Man wants to take the process one step further; he is rebelling against the blind forces of growth.

A century ago Mill had a visionary idea. He concluded that:

A stationary condition of capital and population implies no stationary state of human improvement. There would be as much scope as ever for all kinds of mental culture, and moral and social progress; as much room for improving the Art of Living, and much more likelihood of its being improved, when minds cease to be engrossed by the art of getting on.

In my opinion, this is something to work toward, but something we're not ready for. For now we need economic growth, and it would be a mistake to try to stop it. But we need to work toward better control of growth. Hopefully, before another century has passed, we'll have grown up to Mill's vision of the Art of Living.