



If the Machine Wants Our Jobs, Let's Buy It

Editorial, August 14, 1964

Although the U.S. business boom is well into its fourth year, there is hardly an economist who sees anything but more roses and records for the next year or more. The near-term unanimity of the seers is downright boring. Not so their longer thoughts about the next decade or two.

Said Charlie Cooper, 46, on giving up his \$29-a-week clerical job in London, "I've had a happy working life, but there's no point in doing any more, is there?" He had just won a \$630,000 soccer pool. He sipped a little champagne to celebrate (although "a mild beer is really my drink") and settled down to a life of leisure.

Charlie's personal problem is not very common; but his question about the "point" in work may some day be addressed to most of us. The month he retired (last March) a group of far-out thinkers, calling themselves the Ad Hoc Committee on the Triple Revolution, announced the imminence of a U.S. job crisis that renders our work and wage system "no longer viable." The reason: cybernation. Self-regulating machines, based on computers and feedback (LIFE, July 19, 1963), will do so much of the economy's productive work that human labor will command less and less income. The Ad Hoc boys demand a "new science of political economy" to match this "subversion of work," and to start it off they propose that the government guarantee every American "an adequate income as a matter of right" whether he works or not. That, they argue, is the logical step from an economy of scarcity to one of abundance.

This abrupt leap into socialism is not likely to be a voting issue in the 1964 campaign. But theoretical worries about cybernation may already foreshadow the voting issues of 1972 or 1984. For instance, here's a switch: one critic calls the Ad Hoc proposal a sinister plot by the middle classes to keep the poor in their place with a dole. An Ad Hocer, economist Robert Theobald (with tongue only partly in cheek), replies that the Goldwater nomination augurs radical change in any case, and that if the senator's insistence "on the basic American values of truth and freedom" were reinforced by free incomes for all, the "dignity of the individual" would enjoy a neo-Jeffersonian revival. Some degree of severance between work and income may be closer to real politics than you think.

How close, really? For a well-informed conjecture, consider a new report by Leo Cherne's Research Institute of America, called "Your Business in the Next 15 Years" and addressed to R.I.A.'s hardheaded corporate clients. It foresees a long-term business expansion, with a gross national product of \$1.2 trillion by 1980, nearly double 1964's. New materials (from laboratories or the sea), new energy sources and cybernation will force an "ever-accelerating rate of change." This will be neither smooth nor uniformly pleasant.

There will be a special boom in "golden age" communities and services for "the affluent elderly" who, like the young, will loom much larger in the 245 million population in 1980 than in today's. There will also be a boom in a "privacy market" — from soundproofing to secluded cabins — to enable those who can afford it to escape from the increasingly maddening crowd. Besides a lot of old folks and too little elbow room, there will be a shortage of people of 40 to 55 (born in the low-birth rate 1930s); hence trained management will be "the most critically short resource of all," and three executives in 1980 will have to

do the work of four today. The great majority, however, will work less hard — whether they want to or not.

What we now call "unemployment" will take such forms as shorter hours, longer schooling, earlier retirement, "portable pensions" and various kinds of featherbedding both in office and plant. Even skilled labor will be relegated to "simple tasks for which it is not worth inventing a machine." Hence "the day is not far off when 'man-hours' will be a meaningless measure of output," since the steady gains in productivity will be clearly attributable to machines and not to men.

The spread of forced leisure in its various disguises will greatly enlarge our educational system and shift its emphasis toward arts of "personal growth." Teachers will gradually prepare us for "the death of the 'Protestant ethic' and the birth of a new, more 'Grecian' attitude toward work and life values." Finding psychological substitutes for the ethical discipline of work will be a lot more painful than the mere adjustment to a second or third car. In fact, it may mean real trouble: "Give a man leisure," says Sir Roy Harrod, "and he will be up to some mischief. He will not rest content with fun and games." But that's another story, which economists are not especially qualified to tell.

In R.I.A.'s view, the unemployment problem in 1980 will be statistically no worse than it is now, partly because of all the spread-the-work expedients and partly because automation creates as well as destroys jobs. But the rate of job destruction and the net loss or gain are in considerable dispute. Even today experts can't agree whether technological unemployment is growing by 4,000 or 40,000 jobs a week. It is growing fast enough so that the seeming logic of the Ad Hoc Committee's plans for free incomes, or instant socialism, may grow too.

That would be doubly unfortunate because it is not that logical. Piecemeal adjustments to cybernation, as realistically expected by R.I.A., have more than one radical alternative, if radical alternatives should be needed. It is private capitalism, after all, that has brought us to the brink of this daunting affluence, and there is an obvious capitalist solution to the problem that the success of capitalism is creating. It lies in the ownership of the machines and processes that are destroying the old jobs and creating the new wealth.

A hundred years ago, when land was the chief form of capital, the Homestead Acts distributed it to all comers and cured the unemployment problem of that day. Today, as Arthur Larson and others have suggested, an analogous solution would be to place ownership of U.S. industry in the hands of workers and let them live off their dividends as their job incomes fall. Profit-sharing programs are already growing at the rate of 5,000 a year; by tax and other policies, the government could turn this into a massive redistribution of equity property. One proposal, by Mortimer Adler and Louis Kelso in *The New Capitalists*, would guarantee bank loans for new stock acquisition through a Capital Diffusion Insurance Corporation, modeled on FHA.

An answer to cybernation that relies on private property and the profit system would be more acceptable to Americans than turning the whole income problem over to the government. Meanwhile the problem is fortunately academic, at least for the time being, and we will just have to go on working through this old-fashioned 1964 boom as best we can.

Charlie Cooper, by the way, is keeping out of serious mischief in his new Rover, still drinking more beer than champagne.