

# Boon or Menace?—The Challenge of Automation

*At a recent public meeting in Sydney convened by the Australian School of Social Science, a panel of three lecturers, with Mr. W. A. Dowe presiding, discussed the economic and social consequences of Automation in an attempt to see in its true perspective the newly-coined word which has released the pent-up fears and hopes of millions of men and women throughout the world.*

*With due acknowledgments, we reprint these extracts from the July issue of The Standard, journal of the N.S.W. Free Trade and Land Values League.*

MRS. IVY AKEROY, the first speaker, said:

In a normal state of society automation would unanimously be accepted as the long foretold achievement which will eliminate drudgery and allow to all mankind much more leisure, much more wealth and far wider horizons.

But under the present unjust and therefore morbid conditions all large scale labour-saving processes are regarded with mixed feelings, while regulations such as tariffs which "make work" are considered "beneficial to the working classes." These mixed feelings arise from the common knowledge that the distribution of wealth is inequitable. So long as the cause of mal-distribution remains, giant strides such as automation and the conversion of nuclear energy to production will accelerate the growth and increase the power of monopolies while the masses, who regard the opportunity to work as a boon, will be reduced to utter helplessness. Of course, between the extremes of power and helplessness, there are and will be many gradations including business and professional classes and those with modern educational advantages, all of whom have little to fear and much to gain from the introduction of automation.

On the surface, labour-saving methods, particularly Automation, appear to cause unemployment; yet nothing is further from the truth. Unemployment is due not to Automation, but to legislation—not all legislation, some of which is good, but that evil, anti-social legislation which, allowing society's revenue to be privately appropriated, tries to make ends meet by taxing the earnings of individuals and also every process of production.

The social revenue is land rent, that which is paid for access to national resources—and from the revenue viewpoint, the most important of all the resources of nature is city land. Here are the sites which yield the highest and most rapidly increasing revenue—revenue due not to any service rendered by landowners but to the provision of public utilities and the industrial and commercial activities of the people.

To perpetuate the error of diverting public wealth to private pockets and private wealth to the public treasury, is unworthy of an intelligent community. This maladministration has made land speculation profitable far beyond the normal level. So far as the majority of men are concerned, the opportunity of securing a working place or a living place is denied and the terms on which they could be independent of employers are prohibitive. On the other hand, the owners of valuable resources may live luxuriously, travel extensively and still have funds to invest. So, in addition to their grip on the source of all wealth, they also acquire a grip on the highly profitable mechanised industries. Also these monopolistic classes, bringing pressure to bear on governments, have tariffs and taxes arranged to suit their own interests and so are able to exact further tribute. Conversely, the majority of workers receive not the full benefit of their production, but a mini-

imum determined by authority plus the doles bestowed by governments. Since workers generally do not receive all their wages and must pay taxes to the State and tribute to monopolies on every item they buy, plus further tribute in abnormal rent, even the most thrifty cannot become large scale investors in the giant mechanised forces which seem to threaten their small measure of security.

Investigation reveals that the abolition of present unjust taxation and the socialisation of land rent would be a practicable and just means of correcting these anomalies. Access to natural resources on equitable terms plus opportunities for investment constitute the essential safeguard against unemployment. Automation is the result of the human power of improvement, the never-satisfied human desires for better and more varied ways of life and the human desire to get rid of drudgery. But its benefits will not be equitably distributed while injustice prevails.

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MR. E. B. DONOHUE, basing his observations on the prevalence of privilege and confused thinking on economic matters, said:

Ever since primitive man sharpened the first stone the human race has continued to improve its techniques in producing from the natural resources of the earth. By virtue of our nature we always seek the easiest way of doing anything and consequently labour-saving devices are constantly being invented to release us from drudgery.

Automation is just another step forward in securing command over the bounty of nature and the only thing about it that really needs investigation is the fact that workers—those who do the toiling—are contemplating it as some kind of calamity against which we must defend ourselves.

This is a very sad commentary on our thinking. The explanation is to be found, of course, in the fact that the workers never receive more than a very small proportion of any increase in production due to improved processes. Trade Unions in their losing battle to get a fair deal for the workers have tried everything except tracking down the cause that prevents a just distribution. They remain completely blind to the real cause of the exploitation that obviously takes place and concentrate the whole of their efforts on "make-work practices" under the delusion that there is a fixed amount of work in the community for which the workers must of necessity compete. Hence the explanation of such anti-social and anti-economic regulations as the minute subdivision of labour by unions; compulsory retirement; ban on overtime; trade restrictions; one man, one job; restricted immigration.

The existence of make-work practices is an unmistakable sign that we are well and truly in an economic wilderness for is it not a fact that the natural thing to do is to produce what we want with as little work as possible?

What we want is not more work but more of the product when we do work. Obviously, if workers do not get their proper or just share of the product then it must be going to non-workers. The non-workers receive a share of the workers' production as the result of legislation that confers a privilege on certain people, and not as a result of automation. Society is riddled with legislation that presents opportunities for investment in privileges which return an income without working and with avenues for spurious investment that do not contribute anything towards the production

of wealth but on the contrary are anti-productive in their effect.

By far the greatest privilege is the private ownership of the earth. Consider the utter futility of trying to effect a fair distribution of the wealth produced when a privileged section of the community is standing on the side lines armed with the deeds of the earth and consequently the power to appropriate (merely for allowing the producers to use the earth) much of the wealth produced.

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MR. BOORMAN said:

As we know, there are three factors in production—Land, Labour and Capital—and we know that when man, with the assistance of capital, applies his labour to land he produces wealth. We know also that the wealth so produced is by the nature of things divided or apportioned between these three factors in production. Land takes rent, labour takes wages and capital takes interest. It must be remembered that the amount apportioned for rent in effect ascertains itself and what is left after taking out rent is divided between labour and capital. The amount left for labour and capital can be comparatively large or small according to the quantity of wealth that can be produced on the poorest land in use, or, as we say, at the margin of production.

You may well ask what this has to do with Automation. Capital in the form of buildings and machinery enables man to apply his labour to land more effectively, and improvements in buildings and machinery enable him to produce more wealth with the same exertion or the same wealth with less exertion. It enables him more easily to satisfy his desires. As Automation advances, new desires arise in their turn to call for satisfaction. Therefore, man can produce hitherto undreamed-of wealth with very little exertion and satisfy hitherto undreamed-of desires. It is possible with Automation for every man to gather around him gadgets galore and material comforts unknown to King Solomon.

No one will deny that the masses of people, at least in civilised communities, from a material point of view are better off than ever they were. Although other factors have influenced this result the main reason is that Automation has enabled more wealth to be produced.

Under our present system, which permits private appropriation of land rent, it is essential that there be constant improvement in the means of production in order to maintain the better living conditions of the majority of people. I shall quote a particular example :

Some years ago a man owned several dairy farms on the North Coast, the tenants of which had 3-year leases. Whenever a lease expired and came up for renewal the landlord, who had himself been in the industry, examined the returns for the sale of milk and cream in order to assess the rental for the next term and as production increased so the rent increased. Each year the buildings grew older, yet the improvements made originally by the owner depreciated and if the tenant worked more efficiently or had the assistance of Automation in the form of milking machines, tractors, transport, electricity and better roads and the science of pasture and herd improvement and thus increased his production, up went the rent. The tenant was little better off than before except perhaps that his physical labour was lessened.

It should now be obvious to all that the standard of living of the masses of people can be maintained only whilst Automation constantly keeps ahead and that until land rent is appropriated for community, the real benefits of Automation can accrue ultimately only to those in whom the ownership of the earth is vested.