

cations of the maximum production policy or doctrine to which we give lip service. Both Sir William Beveridge as the British prophet Isaiah of the full employment gospel and Alvin Hansen as its American John the Baptist stated the postulates in quite explicit terms.⁵ These prerequisites were: widespread economic sophistication and a pervasive spirit of social cohesiveness or national unity.

Reverting to Hansen's comment that, in terms of economic sophistication and social unity, we were, in 1947, "out of the kindergarten but still have a long way to go," what can be said of progress made since then? The record seems to me to be seriously disquieting. The most charitable estimate is that we have moved on to the stage of teenage turmoil, with its undisciplined aggressiveness, adolescent frustrations, and intellectual confusions. There was a flash of economic insight in the steel companies' statement of the need to get the cost-price mechanism under control if we are to attain a competitive stance in world markets and competitive dynamism among domestic industries. But there was egregious economic stupidity (and even business stupidity) in their bland assumption that price and profit factors should be immune from any part in the readjustment process, while wages and volume of employment took the full brunt. There was a flash of economic perspicacity—even precociousness—in the argument of the vice-president of AFL-CIO that our basic problem is that of "learning how to distribute abundance" and in his reasoning that wages cannot be adequately analyzed—and adjusted—in isolation from price and profit information and analysis. But I do not find equal or even minimal grasp of the global economic process in his supposition that money wages can be advanced by larger and larger amounts on each contract renewal date, that those with the highest rates should get the largest new gains, and that each of the leaders get more than any of the other front runners.

I have already stressed the responsibility of our profession to provide clearer analyses of the complex problems of this real world and more cogent and practical proposals for positive devices for meeting them. But a means of selling as well as producing such intellectual merchandise is needed. This over-all factor or condition necessary to the successful practice of economic democracy is referred to by its proponents as the educational approach or "intellectualism on the economic front." It is tagged by its detractors as the hortatory approach, admonition, or the "jawbone attack." Only at our peril do we sneer at "creeping admonitionism" and declare that "statesmanship is for the statesmen" and thus that private statesmanship is "for the birds"—even in the day of multi-billion-dollar corporations and multi-million-member unions and the still more powerful solidarities of both.

It should be remembered that admonition is an art widely practiced by many who ridicule it when practiced by the professor or by the President. Business organizations carry on an elaborate campaign of admonition to their workers, their shareholders, and the public against the economic fallacies of labor, or government, and of "liberals" generally. The unions conduct a parallel crusade to educate the public as to the errors of capitalist practice and theory. They are now embarking on even more ambitious plans to admonish voters against endorsing measures or electing men who fail to understand the role and needs of labor in a full-production economy. And, of course, the political campaign, the legislative process, and the executive branch of government reek with admonition. As I told a meeting of business executives while I was on the firing lines from the colonial town meeting to the modern business convention and the Congressional hearing, the endlessly wagging jawbone has been one of our best devices for making progress both in common understanding and in the mutual tolerance essential to a self-regulating society.

This is the distinctive economic weapon of a free society in its battle against authoritarian imperialism. If we allow it to rust or use it but feebly, we shall not have validated the inherent potentialities of a self-disciplined enterprise system and of economics in the public service.

⁵ Beveridge stipulated "a coordinated attempt, not a blind groping and pressing by numerous groups each of which sees only its own sectional interest and tries to exploit its particular strategic advantage"; voluntary arbitration of wage disputes; and both prices and wages "determined by reason, in the light of all the facts [employers opening their books to public scrutiny] and with some regard to general equities." Hansen gave us the admirable generalizations already quoted: "a balanced wage-and-price policy and, above all, social unity and cohesiveness."