new left notes

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Make 1967 ...

a big year for SDS

AUTOMATION...

THIS IS THE FIRST of a projected series of articles on automation. These articles will summarize, rather briefly, the results of a research project which is not yet ready for publication in complete form. For the sake of brevity, statistics, footnotes, etc., have been largely eliminated. Anyone who would like further information, statistical references, etc., is invited to write to me at 1135 S. Divinity St., Phila., Pa. 19143

–Ed Jahn
U. of Penn. SDS

The NY *Times* recently reported that the number of computers sold in 1966 equals the number sold in all previous years of computer-selling history.

If an Establishment economist had been presented with that statistic a couple of years ago he would have thrown up his hands, crying, "My God, we're going to have a Depression!" Today, however, the Establishment economists look benignly on automation: Merely a minor technical adjustment, maybe it will create some dislocation here and there, but nothing to worry about . . .

The reason for the economists' new optimism is not hard to find. A couple years ago we were in a recession; now there's a boom going on,* which can create jobs as fast as automation destroys them. And the economists feel sure that the boom will go on forever -- or as long as the Vietnam war lasts, at least.

'Prosperity'

Prosperity of a sort can be bought with Vietnamese and American blood. The war may indeed prevent automation from creating mass unemployment -- for a while at least. But at the same time it speeds up the rate of automation. The war feeds the boom, the war and the boom make profits for the corporations, and the profits are invested in automation equipment. Today's automation is laying the basis for tomorrow's unemployment; but after the boom is over, rising unemployment and falling profits will slow down investment and automation. Now, therefore, *before* automation has created a serious social crisis, is a good time to examine the effects of automation on American industry.

Even apart from its effect on employment, the introduction of automation represents a deepgoing change in American society. The vast majority of people work for a living. Automation, by transforming the conditions under which they work, transofrms their daily lives.

Myth & Reality

We will begin by challenging some widely-held myths.

Myth Number One: Automation cuts down unskilled, "blue-collar" jobs but increases the white-collar "middle-class." This is almost the exact opposite of the truth.

The type of automation which is most successful today is Electronic Data Processing, which *primarily* effects office work. The computer is, after all, a *calculating* machine; it can easily take over the job of an account, bookkeeper, or payroll clerk. In order for it to take over factory jobs, it must be linked up with assembly-line machinery. For technical reasons, therefore, automation is easier to accomplish in the office than in the factory.

Office Automation

The punch-card phone bill, the electronically-graded test paper, the automated savings account: these are the kinds of office automation that we see all around us. Today, they represent the commonest type of automation.

The idea that automation hits blue-collar jobs hardest arises from the past experience of the economy. Technical progress in industry has, up to now, led to a shrinkage of the blue-collar work force and a relative increase in white-collar labor. This is because *older* types of mechanization -- the assembly-line, etc. -- were easier to apply in the factory. It was easier to design a machine to replace a welder than a book keeper -- to replace "muscle work" than to replace "brain work." But the "electronic brain" has changed all that.

Sales Double

Between 1961 and 1963 computer sales nearly doubled -- but the number of workers employed in computer manufacturing *shrank* (this according to figures in the government's *Annual Survey of Manufactures*). The manufacture of computers is, not surprisingly, just about the most-automated industry in the country.

Consider IBM, the major manufacturer. There automation begins with the designing of a new computer: "the engineer does rough drawings . . . directly on the screen of a visual display unit. . . The computer squares off the lines of each drawing, checks its logic against the standards in its program . . . Then it turns out drawings for the engineer and stores the design in its master file." (these quotes are from the IBM *Computer Report*, Dec. 1965).

Design Tapes

The design tor the new device is directly recorded on master engineering design tapes, which are sent directly to the factory: "At IBM's plant at Endicott, NY, for example, IBM 1410 and 1401 systems, working from the master tapes, produce bills of materials data for numerically-controlled machine tools, and data for the most efficient routing of materials through the production process as well as for final product testing."

Creates Few Jobs

Gone is the job of the draftsman, gone the jobs of a whole series of technicians and office workers who previously would have worked out the production schedules checked inventory, and calculated production costs. Going too -- though not quite so rapidly -- are many blue-collar jobs on that production line.

As for the workers who *operate* the automation machinery, it is true that. for some of them, jobs are increasing. Programmers and keypunch operators are in demand. But the more modern form of office automation, which employs keypunch operators, is displacing older forms which employed bookkeeping-machine and tabulating-machine operators. For the latter, jobs are declining. Overall, therefore, automation is creating very few jobs for those who operate the machines.

Key Punch Jobs

Furthermore, keypunch operating is likely to become obsolete before long -- when punch cards are replaced by more efficient methods of feeding information into computers. All in all, the idea that automation makes jobs for those who build and run the machinery is at least questionable. Those jobs that it does create are insecure, since they are likely to be eliminated by the technical progress of the next five or ten years.

Myth No. 2

Myth Number Two: Automation creates jobs. The crude version of this myth, as propagated by the Chamber of Commerce, hardly needs refuting; nobody believes it. But there is another version which is more plausible: If it does not create jobs overall, automation must at least create jobs for the workers who build and operate the machinery. Yet even this is questionable.

Case studies of automated plants in a wide range of industries show that the jobs that remain after automation require no more skill than the jobs that remain atter automation require no more skill than the jobs that were eliminated. True, the job of a programmer requires training and is fairly interesting. But in the first place, the skill level of programming is being steadily lowered -- today, high school students can be trained to be programmers in a session or two of summer school. In the second place, an automated industry requires relatively few programmers.

Myth No. 3

Myth Number Three: Admitting that it will create unemployment, nonetheless, automation eliminates heavy, monotonous labor. The jobs that are left after automation comes in are lighter, more highly skilled, more interesting and generally more pleasant.

The only *large* category of jobs that automation creates is keypunch operating; keypunch operators make up about a third of the employees in an automated office, whereas programmers, technicians, etc., make up only a tiny percentage. Keypunching requires virtually no skill beyond knowing how to type -- I myself learned how to keypunch in about two hours of an afternoon. It is as dull, monotonous, and stultitying a job as can be found anywhere.

Three shifts

There is another fact about keypunching which is instructive: It is not really a "white-collar" job. A keypunch operator does much the same kind of work as a linotype operator. the main difference being that keypunching requires less skill and is lower-paid. In general, the jobs that remain in an office after it is automated are more closely tied to machinery than before. Even if they are not directly concerned with operating the machines, they involve servicing them or supplying them with data. The machines swallow vast quantities of data and operate at incredible speeds, and the worker is pressured to keep up with them.

The conditions of automated office work therefore more and more resemble the conditions of factory work -- the pace of work being set by the machine, schedules are tightened and there is more pressure to work fast and hard. Furthermore, automation brings *shift work* into the office. In the insurance business, for example, shift work was almost unheard of five or ten years ago.

But now that all the big insurance companies have computers they are working three shifts around the clock. And this for the same reason that shift work has been brought into factory production: Where you have millions of dollars ties up in big, expensive machinery, it is unprofitable to let it sit idle at night.

White Collar Automation

Automation, therefore, eliminates white-collar jobs; and those which it does not eliminate it makes more and more like blue-collar jobs. If it were not for the wartime boom, there would probably be serious white-collar unemployment today. The longer the boom lasts, the more offices are automated, and the greater grows the danger of unemployment for the white-collar workers.

The chances for a blue-collar worker, or his son or daughter, rising into the white-collar middle class, are correspondingly cut down. For millions of young men and women, the Expressway of Success runs through a white-collar job to a house in the suburbs. It is people like these who, once they have made it to Levittown, riot to keep Negroes out. They are, to put it mildly, resistant to radical ideas. But more and more of them will find their road to the suburbs blocked by an IBM/360 computer.

This points the way to a potential radicalization of the white-collar workers -- and of the higher-paid blue-collar workers who aspire to rasie their children into the white collar class.

(to be continued)

* -- According to the Administration, this boom has been going one for five years or more. This is nonsense, since unemployment did not got down significantly until the middle of 1964.

$ REDISTRIBUTION OF

by Bill Higgs
Washington, D.C.

When the poor and the less fortunate are championed by the New Left, there is often much heat and lesser illumination generated over the need for taking from the rich and giving to the poor. The economic egalitarian repeatedly points to the $100,000-plus annual salaries of the industrial moguls, complete with stock options, expense account and Beechcraft. The lesser business leaders come in for their share of the New Lefter's attack as well. Bitter is the assault upon the exalted position of the commercial titans such as the Rockefellers and the H. L. Hunt's.

The attack is fierce. But the industrialist's answer has always magically calmed the troubled waters: "Even if you took all that we have and distributed it among the poor, the increase would be barely perceptible." And the mathematics support this position. Clearly, even a Rockefeller fortune of over a billion would result in only $5 each when parceled out to our nearly 190 million citizens.

Power!

The attack subsides, for who would humble the rich only to accomplish no good?

However, there seems to be another side to this coin of wealth redistribution; and this side concerns the identical twin of wealth in a capitalist society -- power.

It may be quite true that a redistribution of all of the wealth of the rich would only marginally assist the poor, yet what of the power inherent in large accumulations of money? It would seem logical to conclude that in our society, power increases in geometric relation to wealth. For example, it is evident that the poverty-rooted citizen of under $3,000 annual income has little or no funds to spend outside of food, shelter, cheap pleasures such as the flicks and liquor, and his soul-salvation church. His $10,000 per year brother, though, can easily support a few charities and, if he likes, a little politics. In etched contrast is the $100,000 bracket businessman, who has tens of thousands to play around with from income alone, a line of credit for far more, and more likely than not, a business corporation of his own that secures income tax deductions for even his political activities (as he hires the favored

candidate's brother as an "industrial consultant"). After all, industrialist Milton Shapp could gather rather easily the $3.8 million necessary for this year's losing campaign for Governor of Pennsylvania. Finally, the Rockefellers' and the H. L. Hunt's swollen abilities to mould the national political scene does not need elaboration. It is a fact.

The extent and diverse nature of the abuses of the present economic structure must be noted at this juncture; however, these abuses have been catalogued and analyzed at no small length in today's left and new left literature and will not be repeated or summarized here.

The conclusion, then, appears to be that, while a redistribution of the accumulated assets of the wealthy would have no direct substantial effect upon the lot of the poor, yet such a redistribution would have a profound and revolutionary effect upon the wielders of power in America -- and, of course, thence in the world.

At this point a digression is in order. What of the entrenched corporate management that will perpetuate itself even with the legal ownership levelly divided among many thousands of shareholders? It is well known that the tools available to an incumbent management to reach its shareholders and to sway their votes are immense. Moreover, culminating with the Deleware Corporation Law, the states have passed and amended their corporation laws to progressively permit the business corporate entity to economically ravage the society at will! The sovereign State's role in chartering economic rape is nearly total. The "regulatory" agencies -- both state and federal -- are openly the bound-and-gagged captives of the industries that they themselves were created to oversee in the interest of the people.

The Motto

The two agencies with general powers in the business field, the Anti-Trust Division of the Justice Department and the Federal Trade Commission, now seem to be mere arms of the business community. The FTC, for example, is now busily engaged in distributing pamphlets telling cheated and defrauded shoppers to first go back to the merchant for redress and only as a last resort to bother the FTC, having exhausted the "Better Business Bureau" and the local and state consumer protection agencies. Moreover, with food prices going out the ceiling through chain store profiteering, the FTC has done next-to-nothing against the stores, announcing only the palliative of a trading game investigation (now moot, since the stores are dropping the games). The Anti-Trust division seems even worse, allowing merger after merger to take place along with other violations of the anti-trust laws. The motto of the regulatory agency is: "Go ahead, jack up the prices, corner the market, pollute and waste the natural resources, adulterate the food, put all your family and relatives on the payroll, corrupt the politicians (including, first of all, us), and deduct everything in sight from your income tax!" "Just don't get caught, for it might embarrass us and we'll have to slap your hand."

Yet, a little legal-political history provides clues to a possible answer to today's predatory corporate society.

First, there is the problem of how to deal with the accumulated wealth in the hands of a single individual or group of individuals.

From the very beginning the Constitution of the United States has denied the Congress the power to levy a direct tax on the *ownership* of property by individuals, unless such a tax be apportioned among the states according to their respective populations. The relevant Constitutional provisions are:

Art. I, Sec. 2, Cl. 3:

Representatives and direct taxes shall be apportioned among the several States which may be included within this Union, according to their respective Numbers, which shall be determined by adding to the whole Number of free Persons, including those bound to Service for a Term of Years, and excluding Indians not taxed, three fifths of all other Persons...

Art. I, Sec. 8, Cl. 1:

The Congress shall have Power to lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;

Art. I, Sec. 9, Cl. 4:

No capitation, or other direct Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken.

Sixteenth Amendment:

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

in *Pollock v. Farmers' Loan & Trust Co.* (157 U.S. 429, 573 (1895), the Supreme Court had declared unconstitutional a federal tax on incomes that had not been apportioned among the states, classifying the income tax as a "direct" tax. Therefore, on July 12, 1909, the Congress proposed the Sixteenth Amendment, which was finally ratified on February 3, 1913. The effect of the Amendment was to remove the "direct" tax apportionment prohibition as applied to taxes on incomes by the national government. As interpreted by the Supreme Court, the "direct" tax category does not include such taxes as estate taxes, gift taxes, or "use" taxes -- taxes dealing with the "use" or "transfer" of property. On the other hand, the Court has been entirely consistent in classifying taxes imposed on real

estate (and other property) merely because of their *ownership* as "direct" taxes.

The upshot of the taxation provisions of the Constitution, as interpreted by the Supreme Court, is that, unless the Court is willing to sanction some indirect scheme of taxation that accomplishes the same end, the Congress cannot lay an unapportioned tax upon an individual (or corporation) based upon his ownership of property. (To describe this

review:
GO AHEAD AND LIVE

GO AHEAD AND LIVE, edited by Mildred J. Loomis. Philosophical Library, 1965. $4.00 196 pp.

In a time when criticism of the sterility of protest literature abounds, it is interesting to find within this category a "sport." Or one might turn the qualities around and say: in a time when self-help literature presents silly means to nauseating ends, it is interesting to find within this category a "sport."

In truth, easy categorization of *Go Ahead And Live* is so impossible that, quite likely, no one will buy it. An age which distrusts any man upon whom it cannot pin a label, and any idea which does not imply a recognized system "ism," does not read books which slash through the preserves fenced by liberals and conservatives, intellectuals and "ordinaries." *Go Ahead And Live* is far too simply and guilelessly presented to appeal to the dignity of intellectuals who delight in the challenge of literary cryptograms. It is also far too profound and searing in its criticism of the entire base of our present culture to be acceptable to simple souls seeking peace, popularity, and prosperity through positive thinking.

To whom, then, is *Go Ahead And Live* addressed? Well, hopefully, to Holden Caulfield, now grown and married, and all the other young people trying to face the realities and responsibilities of adult life with only the negations of their youth to guide them.

The book is a potpourri of letters, visits and personal reports chronicling one young couple's movement from unexamined malaise in the American-way-of-life (typical marital, financial and job woes), through the early and easy salvation of examined personal habits (rudimentary psychology, good nutrition, natural childbirth and breast feeding investigations), to some confrontation with the underlying disease of civilization (exploitation in credit, land, nationalism), and, eventually, into an attempt to build an alternative way of life on the fringes of freedom still existing in the U. S. (in this case, modified homesteading in a modified intentional community). Insights, therefore, do no. come in an intellectually ordered sequence nor with an academically researched finality. Many more issues are raised than Ron and Laura, the pseudynonymous young couple, grasp or pursue. But the reader, starting at his own level, is free to skim those sections which may seem either elementary or trite; there is profundity enough suggested for any intellectual.

The editor's hope, however, substantiated by a life given to offering lifelines to those who are not already well read and well trained, is that this simple report of awakening will find its way into the hands of many other Rons and Lauras to whom no part of it will be elementary or trite.

For Ron and Laura are not intellectuals--they are very ordinary but alert young marrieds with no comprehension of the forces which wall them off from the simple happiness of their unexamined expectations. As such, they are the most important--and most numerous--people in our civilization. Seen as "squares" and ignored by the more advantaged, they will develop automatically into discontented, conformist adults who project their self-disgust on convenient boogiemen at home and abroad, ever eager to punish and bomb those strange people whose hopes for change threaten the miserable bit of security they have wrung from a husk of the status quo.

It is the genius of Mildred Loomis and the counsellors who dot the pages of this book that they see hope in the early despair of such people, and maintain confidence in the ability of the human spirit to chip footholds up the very mountain of despair which overshadows it. They believe that there are interstices in our society where one may live with simple dignity, and they believe that simple people can be helped to direct their energies toward finding and building such ways of life. In the process of helping these simple people toward understanding, the counsellors lay open the sores of society with a precision that may well startle some who have not considered themselves at all simple.

NEW LEFT NOTES

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THE NATIONAL WEALTH

legal condition, some might be tempted to employ the phrase "Constitutional cornerstone of capitalism.")

Valid Tax

(Though the pitfalls of an *apportioned* direct tax upon ownership of property are generally considered fatal to the attempt to place a ceiling on excessive individual wealth, such a conclusion is by no means certain. In particular, it should be noticed that, while, under Article I, Section 8, Clause 1, "Duties, Imposts, and Excises" must be *uniform* throughout the United States, apparently no such qualification applies to "direct" taxes. Thus, it is probably the case that a *direct, non-uniform, apportioned tax on the ownership of property* is perfectly constitutional. In other words, a tax that started with the wealthiest individual in each state and moved on down -- individual by individual -- until the tax revenue so raised was proportional in terms of the state's population to that derived from the other states would seem to be a valid tax. Of some interest is the fact that a not-wholly-dissimilar apportioned tax was assessed by the Congress to finance the Civil War. Of course, the imposition of such a tax would mean that the process of elimination of excessive wealth would proceed somewhat unevenly among the states and that initially some of the "poorer" wealthier individuals would be taxed first in some states before their brothers-in-wealth in other jurisdictions; however, this unevenness does not appear to be a too serious drawback and it may well be a far more welcome alternative than the cumbersome procedure of amending the Constitution.)

Amendment

If a Constitutional Amendment is necessary, such an Amendment might read:

AMENDMENT XXV

Section 1. The Congress shall have power to lay and collect taxes on all property, of whatever kind, without apportionment among the several States, and without regard to any census or enumeration.

Section 2. The Congress shall have power to enforce this Article by appropriate legislation.

With the way cleared by Constitutional Amendment for the free use of direct taxation, the Congress could then proceed to the consideration of imposing a *direct, sharply progressive, uniform, high cut-off point tax on all property owned by every individual.* A simplified version of the tax might read as follows:

90th Congress
First Session

H.R. 1984

(January 21; introduced by Mr. Smith and referred to the Committee on Ways and Means)

Section 1. This Act may be cited as "The Internal Revenue Act of 1967."

Section 2. There is hereby imposed an annual tax upon the property of every individual as follows:

under $50,000	none
up to $100,000	1% on all above $50,000
up to $500,000	10% on all above $100,000
up to $1 million	50% on all above $500,000
up to $2 million	80% on all above $1 million
over $2 million	90% on all above $2 million

Section 3. The tax imposed by Section 2 of this Act shall be collected at the time and in the manner as the federal tax upon the incomes of individuals.

Section 4. If any part of this Act shall be held unconstitutional, or inapplicable to any individual or circumstance, then the remainder shall not be affected thereby.

The result of such a tax should be, over a short number of years, to destroy the large accumulations of wealth (and thence of wealth-derived power) in the hands of individuals. On the other hand, the relatively large freedom to earn substantial sums without excessive income-taxation would remain unimpaired: Incomes could continue big, but they would not be derived from the use of one's already-accumulated wealth. The federal gift and estate taxes could possibly be repealed, since (1) they are presently a fraud anyway and (2) the new direct property tax would encompass whatever function they might have had. And perhaps even the income tax could be temporarily substantially reduced.

And a final point needs to be made: The national revenue structure is just now coming under heavier and heavier stress as the financial demands of the Vietnamese War increase.

We turn now to the second problem of

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dealing with America's corporate empire, that of directly controlling the structure and activities of the corporation (including the foundation, pension fund, trust, estate, and other corporate manifestations).

Again looking back for a little legal-political history, one finds that corporations gradually developed as business ventures operating under a charter from the sovereign, such as the King of England. Slowly, the ventures took on a permanent character, the attributes of corporate entity began to become more distinct, limited liability developed, and a market in the shares and debt instruments of the new commercial form grew up. In the United States, the states initially issued charters by special acts of the respective legislatures; even the Congress issued a national charter in the early years when it established the Bank of the United States. As the demand on the legislatures increased for more and more corporate charters, the general corporation laws began to be passed, led by New Jersey in 1896.

General Laws

These general laws allowed a corporation to be created by administrative procedure (with typically the Secretary of State and the Governor approving certain papers filed with a set fee by the incorporators), rather than by the cumbersome device of special direct legislative act. The first general acts required the filing of rather detailed information and were restrictive as to both the powers granted the corporation and the internal governing and financial procedures that the corporation must follow. However, culminating in the Deleware Corporation Law of 1935, the restrictive attitude toward the corporation was effectively eroded until the present-day business entity can be incorporated for almost any number of cumulative purposes and with almost unlimited powers to deal in the commercial world. Congress, meanwhile, did little, enacting only a few specialized incorporation laws touching upon such areas as small business, farming, and communications.

But there was, of course, a reason for the original restrictive attitude of the sovereign (state, national, or otherwise) toward granting the corporate *privilege:* The authority to operate in the corporate form was thought to have a potential for a far-reaching effect upon the general public. The granting of the corporate charter was, therefore, a serious matter of intimate public concern. Legal proceedings were available for checking the corporation that operated beyond the scope of its charter (*ultra vires:* charter revocation through *quo warranto* proceedings) or that defrauded its minority shareholders (stock holders' derivative action). The fact that the incorporation laws are so general and so broad today makes such corrective legal actions little more than vestiges of the past (except when a corrupt state administration such as Mississippi's attempts to revoke the charter of civil-rights-active Tougaloo College through *quo warranto* proceedings).

But these vestiges can be resurrected into the building blocks of meaningful institutions of the future.

There are at least two ways of approach to effective direct public control of corporations -- through the state legislatures and through the Congress, both of which can be undertaken simultaneously.

Incorporation Laws

Existing general incorporation laws could be amended, for example, as follows: (1) all corporations shall receive charters for renewable five year periods; (2) all corporations operating in the state shall receive annual licenses; (3) no license or charter will be issued to any corporation that does not have (a) annual shareholders' meetings at which all issues are fully and openly aired, (b) democratically elected, voting, non-shareholding representatives of the consuming public on both its board of directors and at its stockholders meeting controlling at least 60% of the votes, (c) election of at least a majority of the Board at the annual stockholders' meeting, and (d) full availability of proxy solicitation machinery to the shareholders' and to the consumers of the company's products or services; (4) no person can be a director of more than one corporation; (5) no one person can own more than certain graduated percentages of stock based inversely upon the size of the corporation; and (6) no corporations shall receive a license or charter whose purposes encompass more than one line of business endeavor, unless special approval is obtained; finally, a democratically-chosen state corporation commission would be created to enforce the above provisions.

In sum, the states have both the power and the means to regulate the corporation for the benefit of the people.

The second way of achieving public corporate control -- through the Congress -- would also rely upon a partial foundation that has been laid in the not-distant past.

The Commerce Clause of the Constitution (Art. I, Sec. 8, Cl. 3) provides:

(The Congress shall have Power)
To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes; ...

In 1909, the Taft Administration introduced legislation for a comprehensive federal incorporation law, but the bills received no consideration by the Congress.

Then, in 1919, Senator Kellogg of Minnesota introduced a bill (S. 2754, 66th Cong., 1st. Sess.) "to provide for licensing corporations engaged in interstate commerce, and to prevent monopolies and undue restraint of trade." A subcommittee of the Senate Interstate Commerce Committee held brief hearings on the bill, but no further action was taken. The proposed legislation would have required, among other things, (1) all corporations with capital stock or assets of $10,000,000 or more to first obtain a license from the FTC before being allowed to operate in interstate commerce, (2) detailed reporting of structure and operations, (3) revocation of license for unlawful restraint of trade or attempt at monopolication, and (4) prior permission of the FTC to purchase over 50% of a similar business.

Finally, in 1937, Senators O'Mahoney (Wyoming) and Borah (Idaho) introduced a bill "to regulate interstate and foreign commerce by prescribing the conditions under which corporations may engage or may be formed to engage in such commerce, to provide for and define additional powers and duties of the Federal Trade Commission, to assist the several states in improving labor conditions and enlarging purchasing power for goods sold in such commerce, and for other purposes." (S. 10, 75th Cong., 1st Sess.) The introductory paragraphs of the findings of fact and declaration of policy bear repeating:

The Congress finds and hereby declares --

(1) That the Constitution of the United States of America vests in the Congress of the United States full and complete power to regulate all commerce with foreign nations and among the several States, and with the Indian tribes, including all that commerce which concerns more States than one and all that commerce, whether or not carried on wholly within a particular State, which affects other States and which is not completely within a particular State; that the power to regulate such commerce includes the power to promote a more equitable distribution of the benefits thereof among the people of the United States, to foster and enlarge such commerce by improving the standard of living among ultimate consumers and purchasers of commodities and to conserve the future development of such commerce by conserving the natural resources of the Nation.

(2) That the franchises, powers, and privileges of all corporations are derived from the people and are granted by the governments of the States or of the United States as the agents of the people for the public good and general welfare; that to a rapidly increasing and, in many industries, to a dominating extent, commerce with foreign nations and among the several States is carried on through the instrumentality of corporations created by the several States which are without jurisdiction in the field in which such corporations principally operate; that it is the right and duty of the Congress to control and regulate all corporations engaged in such commerce and that to effectuate the policy herein declared it is necessary and proper to provide a national licensing system and a national system of incorporation ...

Extensive hearings were held on S. 10 (together with S. 3072, a companion bill that was a reworked version of S. 10) in January, 1937, and March, 1938, before a subcommittee of the Senate Judiciary Committee. The bills made no further progress. It is interesting that S. 10 even included child labor prohibitions as one of the conditions for granting a license. And it is abundantly clear that S. 10 only scratched the surface of Congress' power to control, regulate, and restructure corporations.

World Benefit

In short, Congress has undisputed power to comprehensively deal with corporations involved in interstate commerce (which means almost all corporations of any consequence), legislation opening up this channel of movement has received meaningful consideration at one time in the Congress (as well as lesser attention at other times), and such regulation on an intensive scale should be able to democratize on a person-to-person basis the control of the giant corporations, as well as revolutionize their structure so as to truly serve the public.

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To conclude: Through the double-edged thrust of direct, progressive taxation on the ownership of property (by statute alone or by Constitutional Amendment plus implementing statute) combined with the full assertion of state and national control over what has become a predatory corporate society, it should be possible to achieve a fair democratization and distribution of power and wealth in the nation, together with a new responsiveness of the American economy to the needs of the people.

And certainly the rest of the world should benefit accordingly.

Student's Contempt of Court Conviction Agitates Shield Law Controversy

The contempt ot court conviction of a University of Oregon student editor has rekindled the controversy about a journalist's right to guard the identity of his source of information. Annette Buchanan, managing editor of the Oregon *Daily Emerald*, was fined $300 last summer after she refused to tell a Lane County Grand Jury the sources of an article headlined "Students Condone Marijuana Use," which described the experiences with the drug of several university students. The court rejected her defense, which was based on the "ethical" right of a journalist not to reveal his sources. While her conviction is being appealed, the possibility of a reversal is weakened by the lack of a state statute granting privilege to reporters in disclosure cases.

A study recently released by the Freedom of Information Center (School of Journalism, University of Missouri) examines shield laws, which give newsmen immunity from revealing their sources of information. The legal status of this journalists' privilege varies from state to state. The thirteen states which guarantee this right by statute are Alabama, Arizona, Arkansas, California, Indiana, Kentucky, Maryland, Michigan, Montana, New Jersey, Ohio, Pennsylvania, and, most recently, Louisiana. Under the more limited Louisiana law, however, a judge can revoke the journalist's immunity if a court hearing shows that disclosure of the news source is "in the public interest."

Following the 1958 Marie Torre case, state legislatures in New York, Washington, Connecticut, Illinois, Iowa, Minnesota, North Dakota, Nevada, Oregon, and Texas introduced reporter confidence bills, all of which were defeated. A Wisconsin confidene were defeated. A Wisconsin confidence bill was withdrawn for lack of support.

The outcome of shield cases in the courts generally retlects the presence or absence of such state legislation. For example, in the Torre case (New York *Herald Tribune*), the United States Court of Appeals for the same circuit ruled that the First Amendment does not give newsmen automatic immunity from revealing sources. The court upheld the criminal contempt conviction of Miss Torre, who was sentenced to 10 days in jail for refusing to divulge her source for an article about Judy Garland. The United States Supreme Court refused to review the conviction.

Since 1959, contempt of court charges have also been brought against newsmen in Washington and Colorado, and courts in Hawaii, Minnesota, Louisiana, and New Jersey have ruled that newsmen cannot refuse to reveal sources of information. Favorable reporter confidence rulings, however, protected newsmen in California, Maryland, and Alabama, where judges upheld their right not to disclose their sources.

Opponents of shield laws also contend that no story should be written only on informant tips but should be substantiated by independent investigation, which would negate the necessity for shield laws. In addition, opponents argue that the reporter is not subject to the same sanctions as are other groups to which privilege has been granted. They feel that the relationship between a reporter and his source is not the same as that held with a lawyer, a doctor, or a clergyman, because a journalist is not a member of a disciplined profession with licensing or internal policing. Opponents point out that communications given to a doctor, lawyer, or clergyman are confidential and intended for the mitigation of personal problems, while the journalist aims at a wide and deliberate circulation of the information received.

Proponents of shield laws agree on the differing nature of the confidences but point out that the journalist's confidences are of concern to everyone and such laws would not be enacted to protect the information, but the source of the information. Much information dealing with corruption and the injustices of governments would not be made available to the average citizen, they contend, if sources thought their names would be divulged.

In this continuing debate over shield laws, the American Civil Liberties Union has opposed any of the legislative measures proposed thus far, believing that the principles of free press and due process cannot be combined by legislative means into a common formula "without weakening either principle."

"On the one hand," the ACLU pointed out in a 1959 statement, "there is the vital public right, implied by the First Amendment, to the free and full flow of public information, and it is well known that much of this information becomes available only because the sources are confident that their identities will not be disclosed. On the other hand, there is the vital public and private right to the unhampered administration of justice, including, under one of the most firmly established legal principles, the right of a litigant or defendant to compel the production of relevant testimony."

The ACLU further points out . . . "To require a reporter to disclose the identity of sources to whom he has promised anonymity would weaken the effectiveness of one of the principal tools he employs in his task of keeping the public informed. To grant him an absolute privilege, in all cases, to withhold the identity of his sources will lead to instances in which the reporter, if for no other reason than his own convenience, can defeat a public or private right of access to due process."

letter:

A QUESTION OF EFFICACY

THIS WAS WRITTEN as a letter to Orlando W. Wilson, Superintendent of Police in Chicago, Illinois.

Recently, Mr. Orlando Wilson issued a statement complaining about the rising crime statistics. His suggested means of combating this relentless trend was to, first, complain about the shortage of police officers and, second, to launch a campaign to enforce many old laws that had long gone the way of all good archaic rules, such as firing a cannon in the city. It appears that the standard approach of administrators everywhere with respect to controlling certain human behaviors is to blindly resort to FORCE--more cops! Why not? Look at how effective Force has been up to now. Look at how fantastically the crime rate is dropping. This must be a result of an increased population in the police force as well as a more *conscientious* enforcement of any law Mr. Wilson can find on the books.

Creates Disrespect

Come on, Mr. Wilson. Has it been *that* long since you studied Elementary Psychology? Can you tell us how effective Negative Reinforcement (force, punishment, police) is for behavioral regulation? For decades, psychology (the science of behavior) has been teaching, as rather *obvious* from research data, that negative reinforcement is definitely undesirable, it not totally ineffective, for "actual" behavioral regulation. The result of negative reinforcement is (1) to *inhibit* the prohibited act only while the enforcers are actually present, (2) to create a desire to violate more frequently and more intensely the limits set by the power structure, (3) to create antagonism, hatred and *disrespect for police*. Did you hear that, Mr. Wilson? Your system creates the very disrespect for law you complain of so frequently. Respect cannot be argued or demanded into existence--it is the result of the dynamics of certain interpersonal relations. Is lack of police respect rampant? Why? The system?

Okay. So perhaps the system is faulty. What alternative can be offered? First, Mr. Wilson will argue that his approach is the only one practicable. In fact, it is so practicable that crime rates are dropping phenomenally. But Mr. Wilson will say that this is due to a shortage in the number of enforcers. A *reductio ad absurdum* of his position will give us a totalitarian state like that of *1984, Animal Farm,* or *Brave New World*. Good for you Mr. Wilson. You see, the error in your thinking comes from the assumption that behavioral control must come from outside the individual. So you choose a few humans from the society and so condition them that they consider it a divine duty to betray their fellow man. YOU program these things converting them into humanoid gestapo to guard your power structure. Is it working, Mr. Wilson?

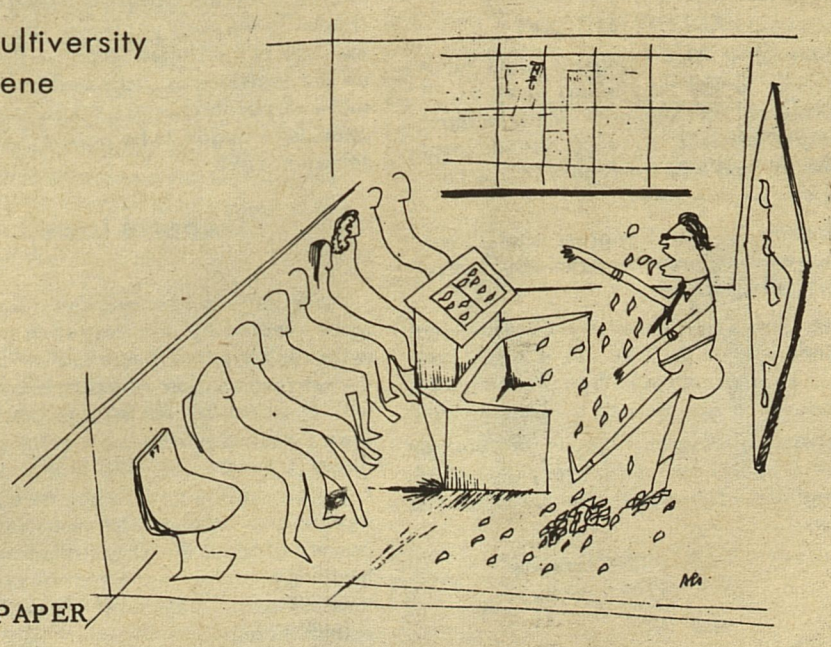
Socialization

Control, to be truly effective, must be internal via a process called, in the vernacular, *socialization*. This involves internalization of *values* which must be instilled without FORCE. This is done via positive reinforcement (reward) of desirable behavior. Obviously, this process must begin early in youth. But our Puritan heritage has always taught us that people must be punished for violation of rules. After all, it's for their own good. Rarely do we reward desirable behavior. We operate, instead, on an inverted, ineffective psychology. Socialization accomplished, total liberty can be given to everyone. Laws, rules, cops are no longer necessary because the greatest amount of individual responsibility and restraint result when each individual is the sole regulating agent of his own behavior. And yet freedom.

There exists a problem of implementation. Can our social structure modify itself or is it doomed and in the words of Theodore Reik: hopelessly insane. Here it is America. Here it is Mr. Wilson--the challenge: science versus insanity. Only you can choose.

Donald H. Tylke, M.S.
Experimental Psychologist

multiversity scene



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