LETTERS TO THE EDITOR

Merwin Memorial Fund established at Penn

Editor:
A number of Computer Society members who are friends of Dick Merwin would like to contribute to the University of Pennsylvania in his memory. Accordingly, I have set up the Dr. Richard E. Merwin Memorial Fund at Penn. Contributions should be sent to the School of Engineering and Applied Science, University of Pennsylvania, Philadelphia, PA 19104. Checks should be made out to the Trustees of the University of Pennsylvania and marked for the Merwin Fund in the lower left corner.
The intent of this fund is not to compete with the Computer Society's Richard E. Merwin Memorial Fund but rather to provide an avenue for those who wish to have their contributions directed to the University of Pennsylvania.
Dick's dad was a newspaper publisher and Dick had a lifelong interest in publications. Accordingly, I feel that the contributions should be accumulated for a period and then a decision made on how to spend them, with publications a high priority. Perhaps the Moore School Library or an award for the best computer paper produced by Penn faculty or students would be appropriate. If contributors have any ideas on how the fund should be spent, please get in touch with me.

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Technology: good or bad? — and for whom?

Editor:
I read with great interest Herbert Simon's "Prometheus or Pandora: The Influence of Automation on Society" in the November Computer. The question posed by Professor Simon is essentially, technology: good or bad? He addresses the critics of technology itself, but he does not address those who view the control of technology as the crucial question.
The thread running through Professor Simon's article is that society controls technology. Would that it were so! When was the last time the average employee was asked whether a certain technology should be deployed, or even how it should be deployed? In fact, I am at a loss to identify any democratic institutions in our society that have any real impact on the use of technology. Professor Simon's naivete of the way decisions are made is simply amazing. We are told, for example, "Technology is something we, collectively as a society...must design." I must remind Professor Simon that while our polity is democratic, our economy most certainly is not; those with economic power will inevitably use that power not for the good of "society," but for their own good. And, of course, it is those with economic power who make the decisions on the use of technology.
Professor Simon quotes Say's Law, which notes the macroeconomic identity of expenditures and income. From this he concludes, "...the books wouldn't balance unless there were as many payees as payers." Thus, automation can't lead to unemployment. This is obviously, patently false. Say's Law is a macroeconomic statement that does not address the distribution of wealth. What automation does—and I suggest, is in fact intended to do—is concentrate wealth. Rather than pay 10 secretaries, for example, hire two and pocket the difference. Obviously, expenditures are still equal to income. Yet eight secretaries aren't spending anything because they have no income.
Most US businesses measure productivity by how many people they can put out of work. Consider this admonishment written by an AT&T vice president to Bell System managers describing a new computer system called MLT: "A word of caution. The savings available from MLT implementations will only occur if you plan for them to occur and then actually get the people off the payroll [my italics]. Too often we are intrigued with the capabilities of new mechanized systems and forget the real reasons for their existence..."
This is not to say productivity increases are bad, just that talk about "benefits of increased productivity" raises the obvious question: benefits to whom? Professor Simon avoids the question by speaking of benefits to "society." When workers and unions are involved in decisions on how to use technology; when the productivity increases are used to benefit everyone, not just to enrich a few; then I will believe that automation benefits society. Until then, I see it as yet another way for the rich to grow richer.

Michael Kelly
Chicago, Ill.
Author's response

Editor:

I will not quarrel with Michael Kelly as to which of us is being naive. A full reply to his letter would require a treatise on politics and economics which could not be accommodated in this space. Part of that treatise is contained in my book, *The New Science of Management Decision* (revised edition, Prentice-Hall), particularly Chapters 3 and 5, and I commend it to Mr. Kelly and other interested readers.

Of course advances in technology cause reductions in the work force at the point of application. The social purpose of that is to enable us to use those human (and other) resources to produce other things, and that is exactly what has happened in our society and in some others over the past 100 years—with benefits that Mr. Kelly and I are now enjoying. But there is no relationship between total employment or unemployment and the level of productivity; otherwise only five percent of our labor force would be employed today instead of 90 percent. The fact that it is not nearer 100 percent is a consequence of misguided government policies, not of automation.

Are the rich getting richer and the poor poorer? I expect they are just now, given the unconscionable tax and other economic policies being followed by the current administration; but this is not because of increased productivity of our industries. Taking a longer view, I think the evidence is pretty clear that the distribution of income in our society today is less unequal today than it was 50 years ago. And one probable reason is that labor has become increasingly scarce relative to capital, and is remaining so. Again, this issue is discussed in the last chapter of my book.

Whatever the limitations of market mechanisms, and however carefully they need to be surrounded by governmental regulations, tax programs, and safeguards, at a pragmatic level they have been much more successful than any of the alternatives in securing a wide distribution of goods and services in our society.

Herbert A. Simon
Carnegie-Mellon University
Pittsburgh, Penn.

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