

The Machine and the Depression

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FOR the first time in the history of the world, it has been certified by official, charitable and other organizations, through their investigations, millions of people find themselves actually starving in the midst of plenty.¹ A recent German book—“*Amerika—Untergang am Ueberflus*,” (America—Perishing Amid Plenty) by A. E. Johann, is highly illuminating on this particular point.

Many well-informed people immediately jump to the conclusion that it is the machine, pure and simple, which causes the depression by producing too much of everything; which in turn debases the prices, consequently reducing profits and earnings, and throwing many people out of employment.

It is perfectly true that the machine has speeded up output a good deal, which is as it should be; but to say that the machine is the sole cause or even the major cause of depressions is foolish. Moreover, it can easily be proved that this assertion is not true. It is only necessary, for example, to point to China, where periodically people are starving; and where literally millions are always living on a few pounds of rice, with no other foods, for entire weeks. Yet China is not yet industrialized, and is not overrun with machines.

The same logic can be applied to other countries which have not been industrialized, but where people are also starving, and where there is also a tremendous amount of unemployment. Evidently, then, the idea that the machine is the sole cause of depression must be wrong. But most people who so glibly denounce the machine have never gone to the trouble to get statistics of how many people the machine employs.

In his book, “Jobs, Machines and Capitalism,” Prof. Arthur Dahlberg points out that only one of ten employed people is concerned with work directly on or

¹This inaugural issue of *Technocracy Review* contained essays by

with machines. The rest of labor has no direct contact with the machine itself, but only *takes care of the output of the machine*. In other words, they may be shipping clerks, salesmen, clerks of the so-called “white-collar” labor class; or they may be in the professions—doctors, lawyers and the like. But remember, that even during 1929, when there was very little unemployment, there were employed only ten million workmen who came in direct contact with the machine itself or who had anything to do with the so-called industrial machinery.

For the first time in the world’s history, PEOPLE ARE STARVING IN THE MIDST OF PLENTY. The author of this highly illuminating article has spent a number of months in trying to get at the direct causes of the depression. All of the conclusions reached in this article are not his own; he has quoted from authoritative sources wherever it was found desirable to do so. In the main, this article tends to prove conclusively that the usual idea, that the depression is caused by the machine, is pure bunk. Only one out of ten people have directly to do with machines or products by the machine. The rest of the adult population are business men, professionals, salesmen, common labor, and the like. Out of the fourteen million unemployed, there are, therefore, only about three millions, so far as an estimate can be made, directly connected with the so-called machine.

There were, on the other hand, forty millions of men and women employed outside of machine operations. From this, it will be seen that the idea of the machine’s displacing millions and millions of people is erroneous.

Incidentally, this claim leaves out of the argument entirely that the machine itself creates employment which would otherwise never be there. Take such a recent addition as the radio industry, for instance, which was created out of “blue sky.” It was not existent before 1920 because there was no broadcasting. Immediately (that is during the years from 1921 until the present) it gave employment to literally millions of workers for whom there would not have been employment otherwise. The same statement is true of electricity in general; and it is true even more so of such a tremendous invention of our machine age, the automobile.

I have stated all this before, editorially and otherwise. This time I will not repeat my own observations, but quote from a recent issue of *Fortune Magazine*, as follows:

“As to the statistics, it appeared, if the figures given by the U.S. Bureau of Foreign and Domestic Commerce in 1928 were valid, the demand for automobiles, radios, telephones, moving pictures, etc., had so increased during the same period that 1,280,000,000 men had found employment since 1920 as chauffeurs and the like, 100,000 had been taken in in the servicing of electric refrigerators, oil burners, etc., 185,000 had been hired as teachers, and 100,000 had become life-insurance agents. There was also between 1920 and 1928 an increase in the school population of 3,500,000. But part of this was due to the rise in population. The actual increase in percentage of the school-age population attending schools was 2.7 per cent. Other surveys found an enormous increase (407,000) in the medical and allied professions, and in hotels, restaurants, moving pictures, and banking, with the result that 1,907,000 new positions