

KATONA George

This Week

MAGAZINE

**You're wrong, Mr. Toynbee!**

# American Prosperity Is Freedom's Best Hope!

**By Dr. GEORGE KATONA**

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Does our "affluence" betray the ideals of '76? In a searching analysis, a brilliant social scientist refutes our critics and shows why today, more than ever, the world looks to America

ANN ARBOR, MICH.

**I**N THE UNITED STATES right now, we are living in the middle of a revolution. It consists in a very simple, almost homely fact which has far-reaching significance: *Today, in this country, for the first time in history, the majority of families own, wear, drive, live in, eat, drink and otherwise use a vast variety of consumer goods far beyond what is necessary for subsistence.* Nothing like this has ever happened in the past. And it is the glittering exception even today in a world where poverty remains the rule for the great majority of people and where the good things of life are still restricted nearly everywhere to a thin upper class.

## **Our unseen revolution**

Amazing is the fact that few Americans are really aware of this revolution. Perhaps even more remarkable is the fact that several distinguished social critics have gone on record denouncing it!

One eminent critic, economist John Kenneth

Galbraith, has dubbed us "the affluent society." This image of "affluence" (which seems to imply that we have *too much* money) clouds another vital point. This is something else completely new in history. For the first time a nation's economy is largely controlled by plain, ordinary people — consumers. Whether we have prosperity or depression, stable prices or inflation, depends largely on how much consumers decide to spend, save and borrow.

## **Too many sports cars?**

In the view of the critics, all of this is not good. Professor Galbraith says that a consumer-dominated economy leads to "private opulence and public squalor" — too many yachts and sports cars, not enough schools, hospitals, research centers. The popular writer Vance Packard pictures American consumers as foolish puppets in the hands of Madison Avenue tricksters who sell them things they do not really want, for which they pay with

money they do not really have. Finally, Arnold Toynbee, the distinguished British historian, goes so far as to say that such a society as that we have created in America in these last few years "is *unlikely to survive very long.*"

Mr. Toynbee put this assertion a little more categorically in his speeches than in his new book, "America And The World Revolution," but even in the book what Mr. Toynbee thinks of our consumer-dominated economy is perfectly clear.

"*Though I am a foreigner,*" he writes in one place, "I can tell you what was not one of the aims of the American Revolution. It was not its aim to provide the people of the Thirteen Colonies with the maximum amount of consumer goods per head. . . . It [affluence] has sidetracked America from the main line of her own revolution. . . ."

Thus our critics have leveled a three-pronged attack against today's American society. The three myths which they are pro- — *continued on page 14*

## **Three critics of "affluence" level their charges . . .**



"America's present affluence . . . has side-tracked America from the main line of her own revolution"

ARNOLD TOYNEE  
"America And  
The World Revolution"



"The superabundance in quantity of the good things of life in the U.S. may quite possibly be producing a deterioration in the quality of life"

VANCE PACKARD  
"The Waste Makers"



"An economy that is preoccupied . . . with the production of private consumer products is supremely ill fitted for [scientific and technological] frontier tasks"

J. K. GALBRAITH  
"The Affluent Society"



So soft you forget them, so safe that you can.....

## The First Freedom Bells

In July, 1776, when the Continental Congress approved the Declaration of Independence, Delegate Adams returned to his Philadelphia boarding house and wrote the words at right to his wife, Abigail, to inform her of the historic event.

For many years Independence Day was observed with just such celebrations as Adams described. In recent times the meaning of the day has become diluted by other events. It is hoped that the revival of 4th of July bell-ringing next Thursday will fire Americans everywhere with a new spirit of freedom.

— THE EDITORS



"I am apt to believe that [this day] will be celebrated by succeeding generations as the great anniversary festival. It ought to be commemorated as the day of deliverance by solemn acts of devotion to God Almighty. It ought to be solemnized with pomp and parade, with shows, games, sports, guns, bells, bonfires and illuminations from one end of this continent to the other, from this time forward forever more."

*John Adams*

FREEDOM'S BEST HOPE — Continued from page 7

## Exploding the "affluence" myths

pounding can be fairly re-stated thus:

**1. Affluence sidetracks the American Revolution. We're getting rich but forgetting our ideals.**

**2. We're getting fooled by advertising — Madison Avenue makes us think we want things we don't really want.**

**3. Private opulence robs the public — while consumers buy gadgets, needed schools and hospitals go unbuilt.**

Now let's take up each myth.

**Myth 1. "We're forgetting the ideals of '76."**

Our forefathers left us a magnificent inheritance of idealism, but not a fixed or rigid one. First came the struggle for political liberty and constitutional guarantees. Then came human rights and social justice — abolition of slavery, the right to organize, social security, etc. Today comes the drive for economic democracy.

I think it is important to note that

what Europe sees when it looks at the American standard of living is not the way the rich of Europe have lived in the past — country estates, many servants, jewelry, art collections. It is rather a decent, comfortable standard of living for average-income people. This is a revolutionary idea. Listen to what Toynbee himself says:

"For the first time since the dawn of civilization . . . the masses have now become alive to the possibility that their traditional way of life might be changed for the better. . . . This awakening of hope . . . of the hitherto depressed three-quarters of the world's population will, I feel certain, stand out as the epoch-making event of our age."

Unbelievably, this passage of Toynbee contains no reference to the United States! — yet it is precisely the United States which is stirring among the masses of mankind the desire for a better life. Toynbee argues that "the rich" — we Americans — are not loved. Perhaps not, but they are certainly imitated, and imitation is the sincerest form of flat-

tery. The backward nations want our help — and we must, morally and politically, give them all the help we can — and it is of utmost significance that they want our help in order to come closer to what we have.

We have set a goal for the world in a good standard of living for all, in economic democracy. This is a not unworthy successor to the standard of freedom we set in 1776, and it is every bit as revolutionary.

**Myth 2. "Madison Avenue is getting us to buy things we don't want."**

Most of our wants are not spontaneous. In the nineteenth century, nobody wanted an automobile, and even after the automobile was invented, only years of experience coupled with energetic and continuous advertising got it widely accepted. At the end of the last war, everybody knew about air-conditioning from theaters and restaurants. Yet when the Survey Research Center of the University of Michigan in 1946 and 1947 asked a cross-section of consumers what they would like to buy if they could buy anything they wanted, nobody mentioned air-conditioning, because nobody thought of air-conditioning as something you could have in your home. Then

**Professor George Katona** is a new kind of social scientist who brings the skills of a psychologist and an economist to bear on some of America's most important problems. He is director of the University of Michigan's world-famed Institute for Social Research, and author of "The Powerful Consumer" and other major studies. The accompanying article is based on material in his forthcoming book, tentatively titled, "The Mass Consumption Society."

**Fems**  
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advertising put across the message, and a whole new industry sprang up.

Can the advertising people get consumers blindly to buy things whether they want them or not? We at the Survey Research Center have found that the extent to which a consumer is swayed by advertising depends strictly on how important a decision he is making. If you think that it doesn't matter which brand of gasoline you buy, advertising may influence you to stop at one service station instead of another, and if you are satisfied with the service, you are likely to keep going to that station. *But it's precisely because you feel that it doesn't matter that you let yourself be talked into it.*

In 1957 automobile buyers turned away from big cars with tail fins, and in 1958 auto sales dropped, even though the cars were widely advertised. Consumers are not docile puppets, and any businessman who thinks they are is unlikely to remain in business very long. Consumers can think, and — perhaps most important — consumers are powerful in shaping business trends.

### Myth 3. "Private opulence robs the public."

Strictures on self-indulgence may be morally well-grounded, but economically speaking they are unsound. Our free economy depends on market demand, and unless people want things, they won't be produced. The pressure of demand keeps driving our productive capacity upward, which keeps increasing our various governments' tax revenues, and keeps making possible more schools and hospitals.

Galbraith, the main economic theorist among the critics of affluence, argues for a larger diversion of production to the government sector of the economy, in other words, belt-tightening for taxpayers to provide more funds for education, medical care and slum clearance. Defense and the Cold War of course account for the lion's share of federal government expenses today.

But the reason for our not having enough schools, hospitals and parks is not that we have too many consumer goods, or that the government spends large amounts on national defense. The major reason is that the rate of growth of our economy has been too slow.

Here no doubt is something for us to think seriously about. Perhaps there are ways we can improve our rate of growth. The most important single factor in growth is the amount of work carried out and the efficacy with which it is done. A crucial question, therefore, is people's motivation to work hard and efficiently. This common-sense conclusion has been substantiated by recent research — people are willing to work hard and efficiently, we find, if the effort they make helps them to achieve their

own concrete goals — a better life for themselves and their children.

Here is another way of looking at the same problem. Do we spend too much on ourselves and not give government enough to spend on "their" problems of slum clearance, hospitals, schools, college scholarships? Isn't the answer to start thinking of the government not as "they" but as "we"? Shouldn't spending on things that we believe are worth-while give us a real feeling of satisfaction? It should and it can — but *only provided that our own more immediate wants are satisfied.*

### Prosperity vs. Peace?

Critics are valuable, and such thoughtful critics as Kenneth Galbraith deserve our attention as well as our respect. But we would do ourselves and the world a serious disservice by accepting the doctrine that we are "rich" and that to be "rich" is bad.

How rich are we Americans? Compared with old times and other countries we are wealthy. But are we "saturated" with consumer goods and services? Far from it. In the 1960's people desire a variety of things that were hardly known ten years before. Our surveys of what people want show a steadily lengthening list since 1946. Then it was house, car, a few major appliances. Today it includes dozens of things, with "services" more and more important — travel, recreation, leisure-time activities.

The old anti-American slander — "Americans prefer gadgets to books" — has today been disproved. We are still

far short of a genuine mass culture, in which everyone reads good books, listens to good music, enjoys the highest spiritual sustenance that is available. But today the direction in which we are moving is vividly clear. We buy books in the same profusion we buy gadgets.

*What about the biggest question of all — Toynbee's assertion that an economy depending on "artificially stimulated wants cannot survive"? I think it is very sensible to think of the question of our survival in connection with our economic system. Does a mass-consumption society such as ours hinder peace or contribute to it?*

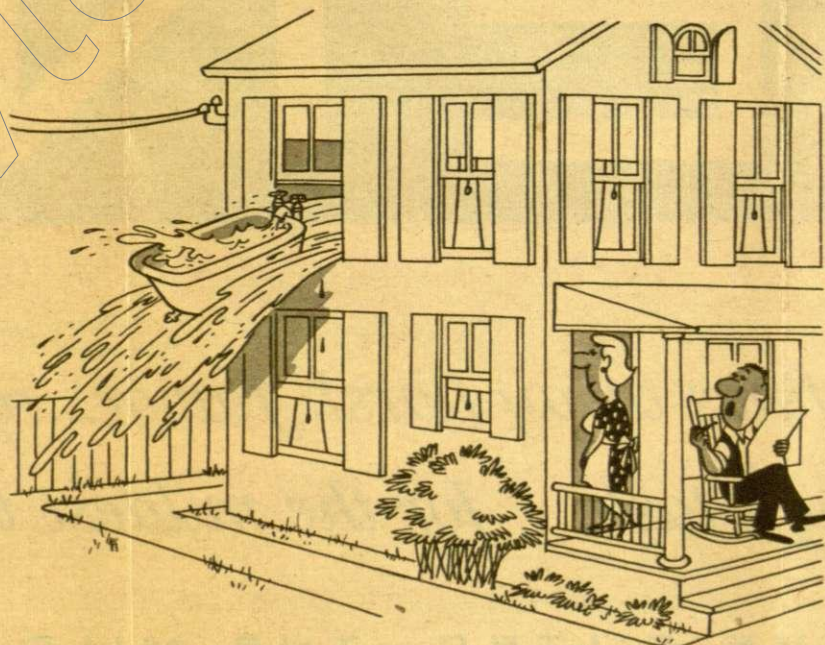
Just as the ideal of freedom spread from America over the world, so the ideal of a good life is spreading. Some newly independent nations are emerging with less strife and trouble than many observers anticipated — I think largely because they are concentrating on working toward the goal of a good life.

And most important, the Communist countries are not immune. A greater and greater concern for consumer goods is evident in Russia — and the greater the better. It is the have-nots who feel they have little to lose in a third world war. Fighting for national or ideological glory, the military notions of a bygone age, appeals far less to those with a decent standard of living.

*Perhaps, when the long perspective of history falls on our age, it will be seen that America contributed as much through the development of a high standard of living for the masses as through the invention of liberty.* —THE END

### LAST LAUGH

By TOM HENDERSON



"See if my tub's ready, will ya, dear?"

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