of things, I suppose; a lack of basic ability; lack of desire; et cetera; lack of opportunity, maybe. But if you are going to sit in a relatively static position all your life, and look forward to having nothing any better than you have today, it seems to me that this is an awful defeatist outlook in what should be a growing economy. Why, in a growing economy, should somebody have a static position?

So long as the worker's increases in the plants do not exceed their productivity; so long as you can keep a constant price or maybe cut the price, then I think it is all right. Personally I do not get unhappy about the unions coming in and asking me for more. If you go back to the history of this country and consider the 1920's where increases were restricted and many did not recognize the fact that gains should be shared by a lot of people--look what came behind it; you do not get too unhappy about sharing increased productivity.

The other thing that is a much bigger problem to my mind than this is the fact that we now have industrial capacity to produce far more physical goods than we are producing. I cannot name an industry that is working anywhere near capacity. We are not, autos are not, chemicals are not, oil is not. And this being true, and at the same time we have these rather large pockets of poverty--compared with the rest of the society in the United States; the thing that President Johnson was talking about in his State of the Nation speech--how do you get a distribution, then, when you have the productive capacity and facilities that will make sure that you do not have poverty in this country?

And I am inclined to believe, having once taught economics, that it is more of a philosophy than a science; that you are going to have to find some better method than we now have for the distribution of goods, because the technology has gotten to the point where we are capable of producing what people cannot buy. This is a real tough one and I do not think anybody knows the answer to it.

CAPTAIN HENRY: Mr. Caples, like previous classes, this one has had a fine hour-and-a-half with you. Thank you very much.

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