

INTERNAL BULLETIN NO.54

APRIL 1983

CAPITALISM AND NEW TECHNOLOGY

- material submitted for discussion by McInnes

# Capitalism & Technology

## Introduction

The long economic boom that began after the second world war ended in 1974. This was partly overshadowed at the time in Britain by the dramatic events of that year. Conservative attempts to curb working-class power had culminated in an election based on the clear-cut class issue, 'Who Rules?'. The incoming Labour government only contained this level of militancy by conceding massive wage increases, several major new pieces of employment legislation, and the admission of a host of trade union officials onto existing and newly-created state institutions.

However, 1974 was a turning point for all the Western capitalist economies. Among the members of the Organisation of Economic Co-operation and Development (the organisation that represents all the main capitalist nations), industrial production grew continuously with only minor fluctuations throughout the post-war period, but between July 1974 and April 1975 it declined by 10% and unemployment leaped from a low of eight million during the boom to 15 million by the spring of 1975.

In Britain the value of shares on the London stock market slumped by 50% in 1974 – even more than during the celebrated crash of 1929. Industrial production declined for two successive years. All over the country workers were being laid off and made redundant, and unemployment reached its highest level since the 1930s. Although money wages did continue to rise, the real wage – what that money could actually buy – fell for the first time since the war. As the gap between the state's income and expenditure widened, it was faced with a fiscal crisis and for the first time since the welfare state was established after the war, plans were announced to cut its services.

This is the background against which microelectronic technology has been developed. This is a new technology that replaces transistor based electronics. Whereas in the past, complete electronic circuits