14. Multinational Corporations

The welfare state does not accord with the ideas and ideals of the old political economy. That earlier style could not be simply economics. It had to be visibly political, for it had to contend against a paternalistic government that stood for controls over external and even internal trade, that practised a nationalistic doctrine of mercantilism. that was nurtured by found distinctions that made social classes of the nobility, the gentry, and the people. A place in the Sun had to be provided for traders, entreprondurs, who were inaugurating an industrial revolution/

by which/ were set up

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ingd for the entrepreneurs and financiers who were about Maugurate animustrial revolution that had its origins in foudal distinctions that **BENEXXXXXI**/the **BEXX** nobility, the gentry, and the people/as social classes with distinctive roles and funsictions. There had to be provided a place in the a new class/ sun for/ of entrepreneurs and financiers who were were were when the subscript when the subscript were subscript when the subscript were subscript when the subscript were subscript with the subscript with th had begun to underpin the wealth of nations with an industrial revolution. There had to be established in practice the precepts of Xx laisser passer and laisser faire that would secure the freedom <u>RÎxirrdexxedxidexîrendanxaîxirreniinexandxiriisirtxxxxx</u> of trade, of money markets, and of invention and initiality initiative.

The old political economy contributed se much to the modern world that it could sloupgh off its political integument and become sistexx a purely scientific discipline, economics. Its likeral practigioners tended to think of science on the met model of the natural scientices, to reconceive hypotheses as mathematical models to be tested by verification, and to make verification possible by empirical research.

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For the welfare state such views are outmoded. They have been **misse** refuted by the misery of the great depremision ushered in by the crash of the financial markets in 1929. They have been replaced by the techniqueski of managing both the commodity and the money markets introduced by John Maynard Keynes, and simplified by the IS and LM curves, implemented by the action of the **REMEN** central bank and the treasury, appealing to the egalitarian symparthies of the electorate, enformed by the not merely by the legislature and the justice department but also by them massive **EXERCISENSY** dremands for information, cumulative directives, and insensitive interferences by xine **HAMINETHEREMENTSTREETERES** proceeding from appointed but unelected members of various agencies.

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Under such circumstances it is hardly surprising that memories of the good old days

It is hardly surprising that under such circumstances there should return to contemporary capitalists the memories of the good old days when flourished the captains of industry and the masters of finance. Nor again that such memories should stimulate their imaginations and their inventive powers. Nor again that such stimulus should bear some fruit.

After all the welfare state is just one state out of many. Its x juriskdiction is limited. But the human race is one, and in xxxx various not too efficacious ways its commerce and its industry extends over the globe. Why should communism/be potentially universal, while **EMPXIELIMENXIE INFORMATION interval**, while **EMPXIELIMENXIE interval interval**, while **EMPXIELIMENXIE interval interval**, while **EMPXIELIMENT**

The welfare state is powerful. But its powers are not unique. There is the power of industry, the power of finance, the power of communications. No doubt, such powers are many and separated. But they can, indeed, they have been brought together. GR 141 f, 24**f**.

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Earlier capitalists were not so bold as to conceive their motive and objective as worldwide profit maximization, but Barnet and Müller in their <u>Global Reach</u>: <u>The Power of the Multinational</u> <u>Corporations</u> (New York: Simon and Schuster, 1974) assure/more than once that such is their **sh** goal (pp. 151, 180, 303).

Nor is obscure why a global rather than a national objective should be sought. For the overriding national objective is the welfare state. Sapitalistsaaningexemnetxeexemitizestatexx by the welfare state. Sapitalistsaaningexemnetxeexemitizestatexx by the welfare state. Sapitalists and the standard of living of capitalists. But capitalist earnings are not just private profit to be spent on the standard of living of capitalists. In great part they are a social dividend to be devoted to the economic development. Taxing comporations can frustrate their immanent function, and while the taxes are reputed to mitigate the lot of the max poor and the unfortunate, it has been suggested that, while poverty is a grave misfortune, the study of poverty turns out to be

Now profit maximization is not a novel notion. It is a staple of economic texts and disncussions and **ifexativenent** ham it can be achieved is expalined in business schools. Still MERKERY in the past the maximization of profit was EMEREXYNEX supposed to be for the benefit of the national state. What is novel is that the benefit **x** the multinationals would have in mind is, like the benefit promised by commaunism, a benefit to be attained in the long run for all mankind. After all, it has been the contention of this paper that surplus income, insofar as it exceeds a capitalist's standard of living in the stationary state, has its immanizent goal in economic development, Khenxthexweltakexsistex In the measure that the welfare state by **taxatian** progressive taxation cuts into pure surplus, it is interfering with economic development. And while its laudable purpose is to mitigate the lot of the

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This study of macroeconomics differs from others mainly in two respects. First its account of the productive process is equally applicable to the American and the Russian economies. Both have their velocities and their accelerations and, as they speed up or slow down, their rhythm is concomitant with corresponding rhythms in investment or in planning, in capital equipment and standard of living. It follows that the cyclic or wave-like phenomena in/monetary aggregates is not a purely monetary event. Secondly, when the rhythm of the productive process provides the clue for determining the significant monetary aggregates

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