

BOOKS

WEALTH v. WELFARE

THE SOCIALIST CASE. By Douglas Jay. Faber and Faber Ltd., London, 1947.

(Reviewed by Dr. W. B. Sutch)

THE first problem of the author of this book is to give a name to the thing he is talking about. He gives as his reason for not calling it "capitalism" the fact that capital is necessary in any economic system; he rejects "competition" because there is very little competition in it; he similarly rejects "free enterprise" because "our modern restrictionist business men all too frequently dislike freedom and enterprise above all else." So he falls back on that old-fashioned term *laissez-faire* which has come to mean "leave me alone to do as I please." In the 19th Century *laissez-faire* became the creed of all those who wanted to justify a method of profit-making which would admit no responsibility to society whatsoever. The scramble for profits, the chaos of production, and the waste of lives and resources were in some inscrutable way thought to be a perfect system of satisfying everybody's needs and rewarding everybody according to their deserts. In fact, in some quarters *laissez-faire* was said to be divinely ordained, the opposing devil being "governmental interference." Anarchy became the god of the capitalists.

But Douglas Jay is not content to assume that we know all these things. With fairness and restraint he dissects *laissez-faire* and displays the lawful specimen so that we can check his dissection.

His first question is: What are the results of *laissez-faire*? Does it produce poverty, inequality, insecurity? In Great Britain, for example, how has the wealth and income of the people been distributed? Here recognised British authorities, including the British Government itself, have supplied the answers. And they are devastating. Before and during the war, the total of rent, interest, and profits was as great as the total of all wage payments. Wage payments went, of course, to a vastly greater number of people.

BEFORE the war, nine out of every ten income-receivers or families received under £250 sterling a year. Six out of these nine received an income barely above the subsistence level, that is, less than £125 a year. Contrasted with this was a rich class, one in every 60, with four figure incomes, taking as a group nearly a quarter of the total of personal incomes of Great Britain.

This is bad, but perhaps it was worse before. Jay says no. The wage-earners' share of the national income in 1935 was appreciably smaller than it was 75 years before. In 1860 wage-earners received 55 per cent. of the national income; in 1935 the figure was 40 per cent.

So much for income. What about property? Of the people over 25 who died in England and Wales in the years 1924-30, four out of five died leaving only a negligible amount of property. "It appears that 6 per cent. of the population hold 80 per cent. of the property," says Jay. Here is inequality of distribution so grotesque as to be

almost unbelievable. But there is no doubt that these figures are substantially correct.

In the absence of government measures such as taxation and various controls, "the workers would never gain an increasing share of the national income under *laissez-faire*," and "a huge and growing total income would accrue to profits." But, even taking taxation into account, the author shows that before the war the whole of the money spent for the benefit of the working classes was raised by indirect taxation on the working classes themselves, that is, they themselves paid for their social services.

JAY then goes on to argue that there is no reason in economics why rent or interest should be paid to private individuals, and that paying these things does not mean that the recipients earn or deserve them. In fact, British tax authorities classify this type of income as "unearned." The author is not very concerned about differences in earned income, but is bitter about the unearned income that comes from inherited property. In Britain to-day, he says, the typical man of property is the holder of a huge block of securities, probably inherited from his father, which confer on him the right to compel a certain share of the world's land, labour, and capital to be exclusively devoted to the satisfaction of his needs and desires. It is this inherited income, he insists, that is the main factor in perpetuating the inequality of wealth.

Jay, who does not belong to the rebel group of the British Labour Party, puts forward the abolition of income-earning property as the key to socialism, apparently not realising that it would take a revolution to achieve it. He feels that capitalism is so stupid and dreadful that one only has to show how silly it is and how workable a British alternative would be to have people recognise the fact and elect a parliament to carry out the change. In the old days he would have been called a Utopian Socialist. To-day he must be called politically naive. But politics, naiveté, and revolutions aside, he is a good economist. Many who call themselves socialists should read it to see how far they go with the author. They will find that they go a long way with him, for he is an English humanist, steeped in the theories of the English economists, and formulating typically English compromises as the ultimate way of life.

AT THE THEATRE

LOOKING AT A PLAY. By W. Bridges-Adams. Phoenix House, London.

THIS is an interesting little book in which, in the short space of 48 pages, Mr. Bridges-Adams gives us much factual information about plays, acting, playhouses, and drama generally. It is not a history of the play and it is not intended to be such, but rather the filling in of the background of the world of the theatre. Mr. Bridges-Adams shows how the theatre has reflected the taste of the people through the ages. He tells of famous actors and famous moments in acting, as when Betterton, as Hamlet, turned white when he saw the ghost

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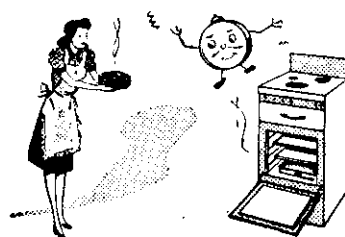


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