

BOOK RECORD

Conducted by ANTAR

"The Flivver King" Defended

A Correspondent Takes Upton Sinclair
And The "Record's" Reviewer To
Task on Economic Grounds

SOME weeks ago the "Record" published a review of Upton Sinclair's latest expose novel, "The Flivver King." The review created controversy, even before the novel had been read, but here a correspondent, R. J. F. Porter, who read both, takes up pen to defend Ford and attack author and reviewer. Whatever your personal opinions, the economic arguments adduced by Mr. Porter are interesting and worth the space they occupy in this section. Mr. Porter writes:

His Satisfaction

I AM completely beaten by the unmitigated nonsense written by Upton Sinclair and supported by O.E.W. in the "Record" review of Sinclair's book, "The Flivver King"! It is evident that neither Sinclair nor O.E.W. have had a grandstand seat overlooking the industrial process.

In 35 prosperous years, less has been taken out of the Ford business than has been taken out of some other concerns in two depression years. It makes hard-fisted money-makers wonder why Mr. Ford is in business at all. The principal satisfaction he gets out of his business, and he gets plenty, too, is the satisfaction of seeing his production ideas work out in the interest of the public and his men. Plain people very readily understand that; the exceedingly clever often find it a little difficult to grasp.

In the first four months of 1937 the Ford Motor Company spent £68,000,000 for materials and £18,000,000 for wages, as compared with £50,000,000 and £14,000,000 respectively for the first quarter of 1936. Always remembering that materials in the last analysis, are wages, this is a substantial increase in general benefit. The industry, and therefore those countries associated with it, would seem to be making some progress in spite of numerous remarks to the contrary.

Sinclair's one idea is apparently that "Mr. Ford is obsessed with keeping his hundred million." Sinclair does not seem to realise that money rouses less emotional interest, and less of it is actually seen in a big industry than almost anywhere else on earth. It sometimes appears so low in the scale of usefulness, that even were it physically present in heaps of silver and notes it would hardly rank in importance with a pile of coal.

The only intelligent thrill one can extract from money is in considering its ceaseless flow and the good it effects

in its course. It is like the stream that turns the mill wheel and passes on, and, as in nature the water returns again in rain, so in the economy of work the money returns to all who previously earned and spent it. All one sees of money is its endless flow from buyer to seller, which instantly makes the seller a buyer again and the buyer a seller, with wages all along the line. So that distribution and redistribution actually take place. If this proves insufficient, the only positive remedy is more production.

THE mention of large sums of money causes people to wonder what they would do if they had it. The answer is that if it came to them by honest industry there would be little choice what to do with it (although apparently Sinclair does not see this point). They would first have to pay it out before they could receive it at all, and then, if everything worked well, it would return to them; but, in order to keep everything working well, they would immediately have to pay it out again—that is the way the world is made. Money is just part of a mechanical round. Our basic wealth is the life that money helps to support.

When a manufacturer announces that he will produce 100,000 cars, the purchasing department proceeds to buy material to make those cars. The disbursing department pays for the material. The money goes back to every community that contributed in any way to the manufacture of the cars and that means farms, mines, mills, oil wells, railroads, and laboratories. It would in fact be difficult to name anything the automobile industry does not use. The money for this comes from everywhere and goes back everywhere.

Profit Takers

THE real profit of any useful business, however, cannot be stated in pounds, shillings and pence. The profit of a loaf of bread is not in pennies received by the baker, but in the nourishment of the family that uses it. What people buy must be worth to them more than the money they pay, or they would not buy it. Critics of point that the major gain is always in the article produced, and in legitimate exchange the user's profit is always greater than the maker's. The real profit taker is the public; business could not continue otherwise. Great are the values that have flowed towards the Ford Motor Company, but immensely greater values have flowed from it.

IN a big concern only a minute per cent. of the incoming money is spent on improvements and economics,



HENRY FORD.

for public benefit, the larger proportion being paid out immediately it comes in.

The ultimate value can be estimated only in human terms. This material wealth went out into the world to be used by the people in the business of life. So did the money involved in its creation. The money from the Ford Motor Company that has gone to increase the common wealth has nourished and reared and educated and started out in life two generations during its thirty-five years of existence. It built homes, garages, schools, workshops and machines and cities. That is the destination of profit as of any other money.

Everyone hears of the Ford Motor Company; they hear its strong industrial heart pumping the lifeblood of employment, production and exchange through the economic arteries of the nation.

His Life Object

HENRY FORD'S life object has not been money, but better transportation. It is more than his living, it is his motivating principle. When financiers offered fabulous sums to buy the Ford Motor Company in order to sell it on the stock market and turn it into a mere dividend-producing concern, Henry Ford standing at the window of his home, from which the tall stacks of the factories were visible, said, "This house would have to go before I would allow that plant to be touched. If this were to go only my family would feel it but if I let anyone tamper with the plant not only the families supported by it would be affected but thousands of other families." And that is exactly Mr. Ford's mind to-day.

(More book reviews next page).

LISTENERS whose sets get Australian clearly might do well to tune in next week, when Richard Tauber will be opening his tour for the Australian Broadcasting Commission. Australian long and shortwave programmes in this issue give the times of his recitals.