

A PLANNED OR A HUMANIST ECONOMY

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I

IT is scarcely a practicable proposal, but it is tempting to toy with the idea that all candidates for legislatures be required to present certificates of a year's study of the anatomy and physiology of the body politic, with special reference to the attitude of the human element to various types of law. Democracy cannot approve the entrance qualifications which made the Roman Senate the ablest constitutional assembly in history—experience in high office—but democracy does require of physicians several years' practical study of the human body before practising.

The parallel is relevant because there are two ways of regarding the body politic—as an engineer regards a machine, or as a physician regards a patient. Such difference is boundless. The engineering statesman seeks to multiply permanent controls. The physician-statesman treats the body politic as self-regulating, self-healing, self-improving, complex beyond human understanding, sensitive to shock and fear, affected in all parts by injury to one part, and wonderfully responsive to rest and hope. Even when he is most active, he plans always to eliminate himself, together with his stimulants, opiates, charts, bandages, antiseptics, tourniquets and bright, sharp knives. Permanent controls suggest to him addiction to drugs or dishonest invalidism. It so happens that the young, the thoughtless and the inexperienced regard engineering statesmanship as the more “constructive”; they assume that a law once passed “comes into force”; and from that proposition it easily follows that the physician-statesman, who does not meet each new evil by abolishing it, is an out-of-date and heartless exponent of *laissez-faire*.

Now the triumphs of legitimate engineering have depended entirely upon the use of constructional units of almost mathematical constancy. But the constructional units of the body politic are human beings, no two of whom are equal to each other, and no one of whom is equal to himself for two days in succession. It is not experienced legitimate engineers who are foremost in political engineering; they have had to deal with bricklayers as

well as bricks. Apart from the young, the thoughtless and the inexperienced, the engineering view of government is most often advocated by men of ultra-logical minds and highly specialized experience, who would rather think clearly and wrongly than think confusedly. Very often the pattern of the planned economy is but a corollary of mechanistic philosophy. The cosmos is viewed as built up of mathematically perfect units, indivisible, inert and wholly obedient to external forces. Freedom for any unit, or concurrence of units, is non-existent and cannot exist. This older view is somewhat shaken, even on experimental grounds; each tiniest physical unit now seems to have a will of its own. In any case, there is no doubt that man has somewhere picked up the idea of freedom. It may be a bootleg idea, imported inexplicably into a universe whose mechanization is total, but it fascinates him infinitely, and seriously diminishes his reliability as an engineering constant. He is willing to accept authority which he regards as properly constituted and "humanly" exercised; and he can be wonderfully responsive to the magic of uninterfering example; but when that engineering process known as "laying down the law" is applied to him, his opposite reaction is likely to be extreme and incalculable.

II

To Anglo-Saxons the most intelligible example of planned economy is that of early militant Puritanism in England. After grandly smashing the Stuart tyranny, they set up a machine of their own, designed to make every man godly and sober, technically at least, by the twin engines of punishment and propaganda. Its energy was astonishing both at home and abroad. But eventually the machine went to pieces internally, though undefeated; partly because no engineer could be found to take the place of the rather moderate and extremely practical Cromwell, and partly because the human cogs had begun to wonder, first in a small way, and then in a big way, why a Christian England could not also be a Merry England.

The opposite reaction was characteristic. Charles returned from his travels with his wise-cracks, his borrowings and repudiations, his secret, paid subservience to France, his astonishing galaxy of gold-diggers, his cold persecutions, his inertia when a Dutch fleet burned an English ship in an English river. The rising generation of great minds, led by Newton, turned with relief, and wonderful success, from the deafening noise of battle, debate and propaganda to geometry, optics, astronomy, clock-

making, banking, insurance, architecture, music and other quiet or harmonious studies. Then the Puritans themselves, in the gloom of defeat, turned to persuasion and example, and found in that method how best to handle ungovernable human nature. Bunyan, an ex-soldier without a bonus and in jail, (his side won the war and then lost the peace) began *Pilgrim's Progress*. Milton, "fallen on evil days" after only just escaping the gallows,

In darkness and with dangers compassed round,
And solitude,

began *Paradise Lost*. Instead of the wild-eyed Ranters, Levellers, Antinomians and Fifth Monarchy Men, the Friends, or Quakers, began to attract attention with their programme of systematic peace and quietness; later came the unpolitical Methodists. "Quietly and without a struggle," says Green, "as men who bowed to the inscrutable will of God, the farmers and traders who had dashed Rupert's chivalry to pieces... became farmers and traders again, and were known among their fellow-men by no other sign than their greater soberness and industry. The whole history of English progress since the Restoration, on its moral and spiritual sides, has been the history of Puritanism".

The above completed example of planned economy illustrates the contention of humanism that the soul and mind of the body politic is not government, but, for want of a better word, "custom", and custom is formed by persuasion and example. Propaganda is an engineering process—the amplified broadcasting of selected facts—which in time mercifully deafens all ears; and punishment is effective on a permanent basis only when applied to an exceedingly minute minority, as surgery is applicable only to local conditions. It is easy to illustrate the powerlessness of Governments in the long run against minorities which are not scattered, minute and unpopular. In direct line from early militant Puritanism has been the attempt in America and Canada to make every man technically sober. This powerful effort has failed against an unarmed urban minority of buyers, and against the ancient institution of trial by jury, which from long experience refuses to condemn on a mere majority vote, even of eleven to one. Another example is the protracted and violent differences of opinion between Canadian law (the writer is a Canadian) and the Doukhobors, a Russian sect of non-resisters. The police can get their man, especially if he runs away; but they do not know the method of getting a whole community. Again, there is the failure of police regulations everywhere against motor-maniacs, because, though a

minority, they are not yet a sufficiently microscopic and unpopular minority to be treated as criminals, except when unlucky. More disturbing still to the theory of planned economies is the success of informal tax-strikes in innumerable municipalities by minorities of ten or fifteen per cent. Even tax-paying is just a custom.

The underworld is not a mechanically separable part of society, uninfluenced and uninfluencing. It rises and falls in power and insolence with the fluctuations in the general tone of custom. If custom sags, law cannot widen its area of activity; rather it must narrow it in order to maintain with dignity and inevitability the pressure on violence, fraud and murder, until custom of itself takes up the slack. Custom alone will dissipate motor-mania, for example, by imperceptibly inducing all levels of drivers to improve their technique, until recklessness becomes as little admired among motorists as it is among railwaymen and master mariners. And how compelling is custom's police formula: "What will people say?" How cheaply and quietly it balances its budget!

III

Militant Socialism, with its plan for making every man technically unselfish and comradely, may be classed as a form of militant Puritanism. Indeed the similarity between early English Puritanism and modern Russian Socialism is too remarkable to be other than a family likeness. There are in both the same high, austere motives, the same clear, ruthless thinking, the same reliance upon the twin engines of punishment and propaganda, the same inexhaustible eloquence, the same dissident extremist factions, each incapable of believing, in Cromwell's phrase, "that they *may* be mistaken."

Communists, however, outclass the militant Puritans, and indeed all other planners in the boundlessness of their plans. They propose to govern the whole world, and at the same time maintain a systematic interference of unexampled minuteness with individual and family life. They have no idea of experimenting in a small way; they say they cannot work properly unless they have the whole world as their laboratory. The early Puritans absented themselves from vanity fairs long before closing them up; and the Prohibitionists personally demonstrated the practicability of abstinence before making it a law. But Communists among us do not even attempt to abstain from the profit they deem to be robbery; they boast their acquisitiveness. Now acquisitiveness is no rare, morbid craving for metal or paper; it is a natural, deep, universal

desire for the means of personal independence and influence. Yet this natural, manly desire is to be policed out of an entire population, although the desire for certain vanities and beverages demonstrably cannot be policed out of a somewhat despised minority.

Just as the early Puritans believed human nature to be totally depraved, so Communists believe the unpoliced individual to be totally selfish. They can therefore assume that all profits are selfishly spent, ignoring the large proportion which is socially spent,—in taxes, gifts and foundations, and socially usefully capital equipment and housing which must otherwise come out of wages. By so assuming they can represent that all the profits of totally selfish capitalists may be converted into enjoyable and consumable goods for the masses. In Russia they have imposed a technical comradeship upon a minute and detested minority of capitalists and landlords, but the expected easeful plenty has not arrived; and they have now the more difficult task—to impose technical sociability upon the peasants.

The habit of judging the usefulness of wealth by its technical status, regardless of intentions or results, is not without potency in "capitalist" countries. In Canada we have a great privately owned railway which by its courage made Canada a nation, raised Canada's credit, pays its own way, and pays enormous taxes. We have also a great publicly owned system, most of it built through technically social voter-pressure, in ways and places unassisted private enterprise would never have dreamed of; it has injured Canada's credit, and accumulated losses in 1923-1932 of about \$550,000,000. Yet we still believe in public ownership; we venerate this enormous white elephant which is eating us out of house and home, because it is technically unselfish.

The hard technicalities of early Puritanism were mellowed by an informal humanism. Perhaps the devastating technicalities of militant Socialism must be met by a more formal humanism. Between the terms "selfish" and "unselfish" we need to establish a middle term, "human", to do justice to the complexity and confusion of human nature, and to represent action which is natural, right and social, without necessarily being sacrificial of oneself or others. The need has become more urgent since some clear thinker coined "enlightened selfishness", a slogan which has about as much popular appeal as "enlightened fraud", "enlightened highway robbery", or "enlightened murder". When a citizen leaps out of the path of a hooting motor-maniac instead of standing on his legal rights, he is neither selfish nor unselfish, he is "human".

And when the *kulak* wants his own land, he is similarly "human". He wants power, a very "human" desire, as every bureaucrat should know, and dangerous to suppress; power over an army of wheat-stalks, a regiment of sunflowers, and a retinue of horses, dogs, cattle and chickens. By making his cattle fat he is not making his neighbour thin.

And in the same way Edison, though a capitalist, was "human." He wanted profit to extend his experiments and keep the bill-collectors from trooping into his laboratory and making static in the instruments. Communists say their experts discover the Edisons and put them to work, "for use and not for profit", as if the two were mutually exclusive. As a matter of history, the Industrial Revolution in England was carried out *against* expert advice by the oddest imaginable assortment of unqualified persons—barbers, philosophers, illiterates, dukes. "The thing is impracticable," said the clear-thinking Manchester experts to Cartwright, the somewhat confused poet and clergyman who invented and introduced the power-loom. Only the institution of private capital saved these unqualified persons from being peremptorily stopped, either before or immediately after their initial catastrophes. They, and Edison, fulfilled the ideal stated long ago by Aristotle, that wealth should be privately owned and used for common ends.

IV

Militant nationalism, or militarism, is a third member of the family of violently planned economies; indeed, it is often hard to distinguish it from militant Socialism and militant Puritanism. Its design is victory abroad, and for that chief end it requires "discipline" and State control of property at home.

The absent-minded economic nationalism which merely imposes bankruptcy and unemployment upon the foreigner need not detain us, as it is scheming rather than planning. A legislature adopts a measure which it regards as purely internal, and which is designed to bring one unit of unearned economic benefit to a quota of citizens; and neglects to consider that it brings five units of unearned economic calamity to an equal number of foreigners. Humanly regarded, it is an unfortunate measure, and the situation is not improved when the foreigner reverses the operation by a similar internal measure, so that the completed phenomenon, if it is then completed, leaves the human element on both sides in quite unexpected receipt of one unit unearned of benefit and five units of unearned calamity. This nationalism is mild because

it is not intended, or regarded, as interfering; it is quickly forgiven and, better still, forgotten. In medical terms, its wounds are aseptic. Far otherwise are the wounds which militarism inflicts, in rigid, calculating conformity to the proposition that all foreigners are created inferior, and endowed with only residuary and alienable rights to life, liberty and the pursuit of happiness.

Militarism is perhaps best studied as an extreme example of a special type of stupidity—not the stupidity of youth or dullness, but the systematic stupidity of ultra-specialism. Every human field has its ultra-specialism; Socrates in his day referred to it as “ignorance unaware of its ignorance”, and it answered his friendly warning in characteristic fashion. Ultra-specialists have minds like automatic slot-machines—metallic, narrowed, polished, efficient,—accumulating formidable stores of facts and techniques of a hard, simple pattern, and rejecting or ignoring awkward or non-conformist facts and techniques. They are inclined to be proud of their “ruthlessness” as a sign of strength. It is the purpose of universities to combat ultra-specialism in every human field. Those brilliant undergraduates who have busts and pictures of Napoleon in their rooms should know that, despite his unexampled efficiency in very special conditions, he was on the whole a stupid and insensitive man, as events proved.

Every act of militarism betrays its embattled, self-satisfied stupidity. It simplifies man's superb and creative fighting spirit to a biological basis; and even its biology is unsound. War selects the young and fit for elimination; and in any case the real “law of the jungle” is the proponderant replenishment of the earth by the animals which are most friendly, mentally alive, playful, family-minded, constructive, indomitable, and co-operative. Similarly the master generalization of history is that it is not the fighting nations which inherit the earth, nor the superior and automatically suspicious hermit nations, but the farming and trading nations who know how to defend themselves, and yet prefer the more complex procedure of exchanging benefits instead of calamities with both man and Nature. Militarism displays its stupid contempt of trading both at home and abroad: in its diplomacy of ultimatums; in its formula that a treaty which satisfies the foreigner is sinister, and that a burdensome and painful policy is good if it visibly hurts the foreigner; in its righteous indignation when its one-sided planning causes the human element to react—when, as the French say, “the wicked animal defends itself”; in its conception of trade as “invading”, “capturing” and “repelling”; in its conception of wealth as extractable money, and sales-resistance

as physically breakable; in its repression of free exchange of opinion and information; and in its deep dislike of intellectuals who trade discoveries with foreign intellectuals.

Militarists are not yet a sufficiently minute and detested minority of mankind to be treated as criminals by laws or treaties. We are all potentially militant, and the latent fever spreads amazingly in a wave of fear, resentment, fanaticism, poverty, or unearned prosperity. It is not the letter of an old treaty, but the slow growth of *custom* which explains the undefended land frontier between America and the British Empire. We sometimes blame scientific invention for our troubles; but that also is a phase of custom. We do not discover or invent in any deterministic order; we discover what we look for, and we invent what is on our minds; and for a century and a half we have been ultra-specializing in machines we are not able to control, whether in peace or in war.

One looks back with regret, and also with hope, at the "cheap defence of nations" of Burke's time, after the fearful complication of neighbour striking at neighbour had been eliminated by the stabilization of religious strife, and before the "calculators" of the French Revolution democratized war and mechanized the offensive. In Boswell's wide and clear window into that age contemporary wars are scarcely noticed. It was an age of strong fortifications, small armies, chivalrous professional soldiers, punctilious fairness to non-combatants, quick, final settlements, and, as Saratoga, an antiseptic humanity and courtesy to the vanquished. If, as seems likely, the world turns again, in opposite reaction, to the pre-Napoleonic idea that the best defence is the defensive, invention can easily convert that idea into fact by creating fortresses as powerless to invade as battleships, but capable of resisting invasion except by elaborate land-battleships; and these can be forbidden by agreements which honestly represent world opinion. Airplanes are comparatively unimportant; their engineering cost per foreigner killed, maimed, ruined or frightened is too great to impose a decision, especially against the latest defence.

The seas and the mountains have always been formidable obstacles to runaway militarism. Perhaps the first step to disarmament is to make the Continent a strategical archipelago of free nations, weak in attack and terrible in defence. Athens lived her century of glory as a self-made island behind her Long Walls. She would have been safe from Spartan militarism, as Thucydides movingly indicates, had she not in the cynical, sacrilegious "insolence" of success, and with unGreek savagery, entered upon a plan to reduce her island allies to tributary units in a symmetrical empire.

V

The kind of planning which is called capitalism is not strictly political planning, and does not clash with custom, but rather reflects it. There are two periods in history which interestingly illustrate this point.

The first was the machine age in Rome. The machines were slaves. The old slavery had been domestic, rural and comparatively humane; the new slavery, generated by victory and prosperity towards the end of the republic, swelled the slave population to perhaps thrice the free population, and handled them in gangs, usually chained. These gangs, controlled by capitalists or the Government, were used in every kind of mass operation, from huge-scale mechanized farming to publishing and office management, and from mining to commercialized entertainment. The reader may remember the galley-slaves in the photoplay, *Ben Hur*, and their thermo-dynamic-efficiency expert, or *hortator*. What is relevant to us is the effect of this new efficiency upon its beneficiaries. Rural Italy lost its lovely Vergilian fruitfulness and repose when its soil was no longer, in a Roman writer's phrase, "fertilized by the footprints of the owner". The free, unemployable rustics crowded to Rome, to demand and get free "food and entertainment." The period became more "modern" than the Victorian age. Poets like Catullus were more "modern" than Tennyson; more vividly, passionately "modern" than our "moderns". It was an age of unexampled plenty, also of unemployment relief, debt relief, farm relief and veteran relief; an age of irresponsible capitalism and political looting; of "the unholy craving for gold"; of multiplied and fortified gluttonies because "food and entertainment", divorced from work and cosmic purpose, had lost their natural savour; of scepticism, satire and superstition; of chariot-maniacs, gross stage-plays, flaunting spectacles and gladiatorial shows; of fantastic divorce frequency; of superficial culture and supercilious foreign lecturers; of travel and cosmopolitanism; of smoke, smells, noise, speed, jerry-building, war, panics, agitators, body-guards, kidnappings, assassinations and disorder.

This age produced, as its dictator, Julius Caesar, the greatest of all political engineers. He was a good general, though lucky and rash; a consummate politician; a fop and a playboy who could adroitly mix politics with philandering, as in the case of Cleopatra; a gambler and a spender; a well-born popularist leader with alleged underground connections with the impudent gangster Cataline; a sceptic and an indulgent man to himself and to others.

Mommsen almost adores him; yet the most he can say for him is that he gave the Mediterranean world "a tolerable evening" before a "long historical night". He set up a machine of sufficient flexibility to endure, technically, until Napoleon pushed it over; but for custom he did nothing, and custom collapsed.

The other period is the sixty years in England after the Civil Wars and collapse of militant Puritanism. It was an age of scepticism, cynicism, laxness and barren sophistication; of specialism and then ultra-specialism in science, machinery and money; of wars and political corruption; of slave-trading; of the wild-eyed inventors, promoters and technocrats so amusingly caricatured by the great satirist of the age in *Gulliver's Travels*; an age which invented stocks and paper values, and witnessed the first raids of bulls and bears into the market-place, and which staged as its final effort the South Sea Bubble, whereupon the tight-fisted, pacific, physician-statesman Walpole entered into his long lease of power, and custom righted itself as a strong body recovers from wounds, exhaustion and delirium. The writer believes that this second age is the more relevant to our case.

It is, however, a sobering reflection that according to our most trusted instruments for measuring the health of the body politic—those of money-economics—the Roman machine-age was extraordinarily healthy. It is as if a trainer measured the "condition" of an athlete by his immensely increasing girth and avoirdupois. Money-economics is the ultra-specialism of general economics, and reflects a kind of planning which, while not political, manifests the same sub-human stupidity as militarism. For example:

(1) Its "standards of living" are calculated only upon commercially exchangeable values, mostly material. It ignores the blue sky unless it can be sold to tourists. It ignores technological losses in personal skill (which Adam Smith recognized as capital) and in taste, which is the daughter of skill; also in natural resources, health, honesty, quietness, child welfare, apprenticeship and joy in work. It ignores goods and services exchanged in the communism of the home and neighbourhood, and counts it a clear gain to the "standard of living" when these are displaced by commercialized industry, hospitality and entertainment.

(2) It ignores the fact that the first \$1,000 in a family's income is, in human terms, worth perhaps ten times as much as the second; and that succeeding increments, unless invested in socially useful capital, diminish in human value, and may become negative by promoting soft living and envy. It consequently over-

values the invention which throws twenty men out of work and then stops working itself. It discounts the ruin, helplessness and humiliation of unemployment; it objects, and always has objected, to such losses being made installation charges on invention, because that would impede the progress of gross money-making, and gross money-making is to money-economics what raw speed is to a motor-maniac and what military necessity is to a militarist.

(3) It assumes the customer's valuations to be accurate. Its silly instruments therefore photograph the bubble-stuff of inflated capital as solid masonry; but what is more insidious, they register approval of inflation in goods and services through adulteration, decline in taste, and imitative, machine-made shoddiness. Thus if advertising, appealing to gullibility or choiceless poverty, "puts over" cheap grades of shoes giving half the dollar-mileage of hitherto accepted models (neglecting comfort and sightliness), money-economics measures this change as a doubling of production, and a doubled consumption and enjoyment of shoes. Apparently this science would be delighted to have us all going around in papier-maché shoes of one-tenth the dollar-mileage of accepted leather models, and no comfort or sightliness whatsoever.

In short, money-economics is incapable of detecting a honeycombing of civilization by inflation in both capital and consumers' goods; and yet it is just this honeycombing which seems to constitute a "capitalist system", ancient or modern. Capitalists, after all, are only the servitors who are most faithful, efficient, or obsequious in giving the public what it "orders". They cannot be treated as a single class. The "capitalist system" is neither capitalist nor a system; it is a state of affairs, partly socialist and partly free, in which a declining custom "demands" an effortless abundance of things as its conception of abundant life, and calls upon the Government to punish "the capitalist class" for what happens.

Why should we wish to deceive ourselves by blaming the capitalists when, everywhere we cast our eyes, we behold a buyer-governed world? The most important single buyers are Governments, and their purchases are most spectacular: wars, gifts to favorites, enormous, gluttonous white elephants, and machinery for suppressing trade. But although governmental buying is increasing with advancing "capitalism", the bulk of the "ordering" is still in the hands of private customers, in other words, of *custom*. It is the customer who "orders" homes; and decides whether they shall be neat, gaudy or slovenly, and whether in apartments, or solid rows, or islanded by greenery. It is the customer who de-

cides whether food shall be fresh, or preserved, or canned, or de-vitalized. It is the customer, following a singular custom called "style" or "appearances", who decides what shall be spent on clothes, and to what effect. It is the customer who determines the output in quantity and quality of books, songs, scandal-sheets, photoplays, cars, gin, prize-fights, dance-halls, gambling promotions, cigarettes, chewing gum, reducing machines and patent medicines. It is the customer who sets wages and distributes profits, and breaks monopolist price-fixing plans of capitalists, trades-unions and Governments by "buyers' strikes". It is the customer who decides the fate of inventions, "securities", real-estate and banks. There is an almost fairy tale irony in the literalness with which the capitalist-servitors, in terror of demotion or dismissal, have filled our every "order". We "ordered" an abundance of things, and they engineered such an abundance as to burst the customary channels of distribution. We "demanded" to get rich instantaneously but respectably, and even that was supplied while fundamentals permitted.

The remedy of physician-statesmanship and of humanism for the kind of planning of which money-economics is a reflection may perhaps be summed up in the formula, *steady spending*. A habitual, planned, steady flow of "orders", cautious in prosperity, courageous in depression, would mean steady prices, steady profits, steady credit, steady employment, steady taxes, steady tariffs and steady government. Planning of that kind is not too complex for human understanding. It would imply that savings would be spent—on semi-permanent capital goods—instead of being hoarded. It would make it easy for labour to bargain for steady livelihoods for all who wish to work; and on that rock foundation a super-structure of invention may be built which is truly economic.

But in a larger sense, steady spending would mean quality spending. It is no accident that things which are humanly good in use are humanly good to make; and that bad bargains subsidize bad conditions. A demand for an abundance of bad bargains creates an economic system which is excessively urban, wildly unstable, and tending to the replacement of skilled labour by coolies, children and automatic machines. A demand for fewer and better things, all of them good bargains, would put machinery in its proper place as the servant of skill and the destroyer of drudgery. Such ordering would bring security to the best types of gardeners, farmers, masons, joiners, weavers, potters, cutlers, engravers, flesh-and-blood musicians and makers of musical and scientific instruments. It would decentralize capital naturally, and

mitigate the ruthlessness of competition naturally, both locally and internationally; and yet it would involve no turning back of the hands of the clock in technique, but going forward.

It is a liberating thought that it is not forces but persons who make history. Forces are blind and deaf; but persons can see where they are going, they can hear what people say, they can change their minds. Nothing in earth, or heaven, or history prevents us from "ordering" and getting a better civilization by spending steadily and as private citizens rather than taxpayers, and by buying the things that are honest and lovely, both in the making and in the using.