

## A "FANTASTIC ECONOMIC WORLD"

Sir Charles Addis, who from 1918 to 1932 was a director of the Bank of England, from 1924 to 1930 British representative on the Council of the Reichsbank, and from 1929 to 1932 vice-chairman of the Bank for International Settlements, gave a striking paper on the economic depression recently, of which a summary was printed in the *Manchester Guardian* of 3rd April.

Dealing with "overproduction," he said: Between 1924 and 1929 there was a 5 per cent increase in the production of foodstuffs, which was just about balanced by an increase in population of 4 per cent. Whatever truth might lurk in the popular paradox that the present crisis was one of overproduction, it had no statistical foundation.

Declaring himself an impenitent Free-trader, Sir Charles said that it was in the years since the depression that an exaggerated economic nationalism had most injuriously asserted its influence in the form of abnormal tariffs, quotas, and exchange restrictions. While tariffs enormously increased the difficulty of recovery, they could not be fairly described as the cause of the depression.

Any international policy in which one nation seeks to promote its own national advantage at the expense of its neighbours is doomed to failure. Any policy in which a national section seeks to make itself an exception to the international whole is doomed to failure.

### "EVERYBODY'S WORK MAKES EVERYBODY ELSE POORER"

After referring to the widely accepted paradox that "everybody's work makes everybody poorer," he continued: I should hesitate to quote it were it not that Mr Bertrand Russell says that practical men are now agreed as to its validity and that Mrs Barbara Wootton, who has exceptional opportunities of judging, assures us that this view, that everybody's work makes everybody else poorer, has probably never been more firmly and universally held. Not that Mrs Wootton herself shares this view. She is a distinguished Socialist. She is also a distinguished economist, and of too searching an intellect to be taken in by so transparent a fallacy. Do not let us forget, she says, that every time we enunciate any of these doctrines, or endorse any of the policies to which they lead, we are implicitly accepting the (surely very odd) doctrine that the less that is laid upon the common table the better the prospects of each individual who sits down to the feast; and that the way to enrich your fellow-citizens is not to win a livelihood by your own efforts, but to get yourself kept by somebody else.

Of the same order of ideas is the notion, which has now become almost axiomatic with politicians, that an absolute limitation of markets is the only means of averting the overproduction with which, it is alleged, we are threatened by the increasing application of science and invention to industry. A strange commentary on the economic teaching which dictated the policy of this country during the most resplendent era of its industrial advance—the doctrine that each man's product in itself constitutes a demand for the product of others, that man's desires are infinite, and that consumption has never failed yet to catch up on production!

### BEGGAR MY NEIGHBOUR

Such doctrines, I know, are no longer in fashion, but I can only say to you what I believe to be true. It is a mad world in which we are living. A world in which a patriotic press interprets its duty in a systematic endeavour to make the public flesh creep with its lurid picture of an adverse balance of trade, by which is meant, I suppose, that more goods are coming into the country than are going out of it, an increase of income which is not in itself, one would have thought, an occasion for despair. A topsy-turvy world, in which every species of ingenious propaganda is employed to exhort and abjure the men, women, and children of Great Britain, France, Germany, and the United States to buy only the goods made in their respective countries and on no account to buy anything made anywhere else, to join, in fact, an international game of beggar my neighbour.