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SPENDING IN WAR  
TIME

BY

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## BASIS OF PUBLICATION

This series of Papers is based on the following convictions :

1. That Great Britain was in August morally bound to declare war and is no less bound to carry the war to a decisive issue ;
2. That the war is none the less an outcome and a revelation of the un-Christian principles which have dominated the life of Western Christendom and of which both the Church and the nations have need to repent ;
3. That followers of Christ, as members of the Church, are linked to one another in a fellowship which transcends all divisions of nationality or race ;
4. That the Christian duties of love and forgiveness are as binding in time of war as in time of peace ;
5. That Christians are bound to recognize the insufficiency of mere compulsion for overcoming evil, and to place supreme reliance upon spiritual forces and in particular upon the power and method of the Cross ;
6. That only in proportion as Christian principles dictate the terms of settlement will a real and lasting peace be secured ;
7. That it is the duty of the Church to make an altogether new effort to realize and apply to all the relations of life its own positive ideal of brotherhood and fellowship ;
8. That with God all things are possible.

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WE are in a dilemma, we spenders of money whose incomes furnish us with more than a bare livelihood. The use we make of our money has suddenly become a matter of national importance ; on it depend grave issues of industrial welfare, the continued employment of many workers, the continued stability of many trades, the solvency of many captians of industry. But when we face the question, How shall we best spend this or that pound ? we are met by insoluble difficulties. On the one hand, there is the persistent appeal of the trader, whose motto 'Business as usual', with its corollary that it is our duty to go on buying and so keep the flag flying, seems to express a common-sense patriotism which very strongly attracts us. On the other hand there is the equally insistent appeal of innumerable new claims, of new forms of distress at home and abroad crying aloud for our aid. Can we or should we turn a deaf ear to these ? Obviously not ; and yet, if we give free expression to our charitable impulses what will become of the shopkeepers and the army of workers behind them ? The rival claims clash ; that is the plain fact of the matter. We cannot subscribe to any single fund, however worthy it may be, without hurting our tailors and dressmakers and many other people who are, in a real sense, dependent upon us. Then what on earth are we to do ?

A closer analysis of the rival claims does not help us out of the dilemma. At first sight, I confess, it seems to open a way of escape. There is plainly something illusory about the tradesman's claim. His plea for business as usual will not hold water ; nothing can or

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ought to go on as usual when the times are quite abnormal. A nation which has suddenly quadrupled its manufacture of guns and boots and uniforms and huts, to say nothing of withdrawing a million men from productive work altogether, cannot possibly go on with all its other business on the same scale as before. From the side of the buyer or spender, also, it is clear that there must be a change. Incomes are reduced ; prices are higher ; some economies are therefore imposed upon us by necessity. Others are dictated by common prudence. The future is uncertain in every respect but one, and that is the fact that heavy taxation will curtail every income, and therefore our power to spend. And, further, there is a worthier motive at work. However great may be our sympathy with the shopkeeper and the manufacturer who need our custom, we find ourselves held back from much of our usual expenditure by the sheer incongruity of the business. To go on spending on all our trivial luxuries while our brothers are facing death and incredible hardships a hundred and fifty miles away is too suggestive of Nero's fiddling while Rome was burning. We simply cannot do it, and we ought not to be asked to do it.

But these arguments are not convincing. We know perfectly well that we owe a first duty to those whose livelihood depends directly upon the orders we give them for goods and services. The well-to-do men and women, who cut down their normal expenditure in order to give away all they can afford, feel a real uneasiness when they think of the many thousands of dressmakers and tailors' assistants who are thrown out of work, or of the many hundreds of worthy tradespeople who see bankruptcy creeping up to them through no fault of their own. We cannot argue ourselves out of our responsibilities here. But how are we to meet them ? And if we do our best to meet them by continuing to spend as

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before, how shall we fulfil the new duties of abstinence, self-denial and charity ?

Now it must be admitted at the outset that there is no reconciliation possible. The conflict of duties is as real as it is unpleasant ; and there is no clear way out of the difficulty. The most that we can do is to find some line of action which may partially satisfy the demands of both the opposing duties, and to get quite clear as to the causes which we have allowed to lead us into the impasse.

Let us take the causes first. In times of peace and plenty we all form certain habits of expenditure which tend to become fairly fixed so far as the spending of seven-eighths of our income is concerned. This habitual expenditure is determined not only by the size of our incomes, but also by our class and position and family and tastes and interests. On these habits of spending the even course of industry and commerce chiefly depends. If anything upsets them, then industrial dislocation at once occurs. But the habits are not all of the same kind. They may be divided, very roughly, into two classes, the stable and the unstable, or the necessary and the unnecessary. By the former class I mean those forms of habitual expenditure which are common to all or nearly all members of the community who have a living wage or income : we are all habitual buyers of bread and meat and necessary clothing, for example. The other class includes those forms of habitual expenditure which are open only to those who have more than the average income to spend ; only a minority of the community can habitually buy expensive clothes or ornaments, or the thousand and one things which fill the best West End shops. Now an important difference between these two classes of spending habit is this : though in normal times both equally serve to 'stimulate' our industry

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and our commerce, in abnormal times the latter class—the spending habits of the well-to-do—tend to break down at once, and thereby to cause industrial failure and distress. We all go on buying bread, but none of us goes on buying ball-dresses at a time like the present. That is why we are bound to call the spending habits of well-to-do people more unstable or even more dangerous than those of the people who have small incomes. And our dangerous habits bring a nemesis upon us whenever a crisis arises ; only, in this case, the nemesis falls upon others, in the shape of widespread unemployment and misery. It is therefore no exaggeration to say that the distress of the luxury trades, which is so painful and obvious a calamity at the present moment, is due to our bad habits of spending at normal times.

But our responsibility can be brought home to us in a still clearer way. We well-to-do spenders have flattered ourselves into believing that, by the very act of spending our money, we have been rendering signal service to industry by 'benefiting trade' and 'giving employment'. This, as every economist knows, is really a fallacy. But it is a most plausible fallacy, and very popular ; and its plausibility lies in the fact that it contains a half-truth. This half-truth we have now to face ; the fallacy we will deal with in a moment. It is undoubtedly true that all spending of money means a directing of industry into particular channels. Whoever spends a pound on boots is thereby stimulating employers and workers to make boots and to go on making boots, instead of producing something different. He does not support or maintain the boot industry in any real sense ; but he causes labour and capital to devote themselves to the making of boots rather than to the making of bags. We see this going on on a big scale at the present moment : an enormous amount of money is being spent

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on khaki clothing, with the result that a correspondingly large quantity of labour and capital (including that of some former bootmakers) is being directed into the production of khaki uniforms. Now this direction of labour and capital involves something more than just ordering them to make this thing instead of that. It usually means causing both the workers and the employers' capital to become highly specialized for the particular work required ; they therefore become adapted for that work and no other. This is most true of the directing of labour due to the spending of the rich ; there is generally more specialization required on the part of the makers of very expensive dresses or boots, for instance, than on the part of the makers of cheaper dresses or boots. Now the trouble with all highly specialized workers (and the highly specialized capital and employing ability which work with them) is that they cannot easily adapt themselves to doing any other work. The skilled dressmaker cannot turn to and sew khaki ; the skilled jeweller is not of much use as a gun-maker or a hut-builder. That is why the most pitiable groups of sufferers to-day are just those workers who have for years depended upon the custom of the well-to-do. And they really have depended, and do depend, upon us in this literal sense, that we have called upon them to open shops and practise trades in order to supply our wants, and to earn their living by doing that and that alone. They are therefore *our* workers, *our* dependants, as literally as are our domestic servants ; and the moment we stop or alter our habitual spending, they are ruined.

Here, then, is our responsibility laid bare. And our first duty emerges equally clearly. However much we may feel impelled to subscribe to special funds for the relief of the wounded or the Belgians, it is doubtful whether we have any right to gratify our impulse until

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we have made sure that these our retainers are provided for. And this can be done in three ways. First, with regard to past obligations. Whatever has already been bought must be paid for : that is the obvious right of the tradesman and his workers which takes precedence of all other claims. To put it bluntly, we cannot be generous until we have paid our bills. To send a donation to the relief funds while our tailor is still unpaid is not charity ; it is mere evasion or self-indulgence. It is what we all want to do, for an emotional impulse is much more pleasant to gratify than a sense of what is due. But we have obviously no right to do it. Secondly, with regard to current obligations of the same kind. It is clearly necessary, if our habits of spending must be broken, that we should break them as gradually as we can, and only just so far as we are able to devise ways of meeting the distress caused. If we wish to cut down expenditure in order to be generous, then we must remember that the first objects of our generosity must be the people who will be ruined by the mere cessation of our spending. But the difficulty of adjustment is here very great indeed. To talk about going on buying thirty-guinea dresses or giving costly entertainments is absurd : we just cannot do it. But these are exceptionally bad habits ; most of our normal expenditure is not so conspicuously unnecessary. And it is as much our duty to go on with it to a moderate extent as it is our plain duty to keep our servants and not turn them adrift when there is little demand for them. But I carefully emphasize the words, ' to a moderate extent.' We are unfortunately not in a position to protect our dependent tradespeople and workers from all suffering whatsoever. We are, most of us, in a position to prevent their suffering from becoming acute. And this we can do by continuing a moderate expenditure along all our customary channels—buying

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some new clothes, some flowers, some Christmas presents, and the like, even though the amount is necessarily less than before.

You will say that this is an unheroic, selfish, peddling line of action to advocate. Of course it is ; have I not said that the whole difficulty we are in is due to our bad habits, and that we cannot immediately find a satisfactory way out? The heroic course would be to break the habits right away ; but when, as in this case, the habits are such that their continuance has come to involve the livelihood of thousands of other people, we simply cannot do the heroic thing without grievously injuring these. It sounds fine to say, ' Away with all my customary comforts and luxuries while the war lasts.' But it does not sound at all fine when one realizes that this means also, ' Away to ruin with all the specialized workers whom I have called into existence in order to supply my customary comforts and luxuries.'

And there is another reason why there can be no satisfactory way out. The difficulty is due to habits of spending which in turn are based upon a dangerous fallacy. I have already referred to this, and passed it by, only noting the half-truth which lies behind it. But now let us look at it more closely, in order to understand why these difficulties have arisen as soon as a crisis is upon us. We have imagined that we ' support ' workers by spending money upon the things they make. Now no spending of money or consuming of stuff supplied in return for money spent supports any one at all, except the person who gets the stuff and consumes it. Workers and industry generally are supported in one way only—by the actual creation of real wealth for them to use and live upon. If you dig a field and grow corn you do really add to the support of all workers. If you merely buy the wheat and eat it, you support only yourself—at the expense of the

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grower, whoever he may be. And this applies to all buying or spending. Many people find it difficult to realize this ; but the matter is simple enough. The two processes of making wealth in our capacity of producers or workers and of consuming it in our capacity of spenders of money are exactly analogous to the two processes of cooking food and of eating it when cooked. If my cook prepares a dinner, the natural sequence of events is that I or some one else should eat it. But the eating of it does not at all enable the cook to prepare another meal, nor does it support her or her cookery. That is only done by supplying her with more materials to cook. Or one may liken the spending to the exploding of a gun. The explosion is the natural sequence of the loading ; that is what the gun is loaded for ; but the explosion does not help to reload the gun ; that is only done by producing fresh ammunition. If the explosion has any value, it belongs to a totally different result, which in turn is altogether dependent upon its aim or direction. So with our spending. It may have beneficial effects, if it is well directed—that is, in proportion as it is aimed at supplying the real needs of really needy people. But, qua spending, it contributes nothing whatever to the support of the people whose wares we buy. If we claim to support them, then the whole of our claim must rest on the fact that we have previously earned the money we spend by useful work, and, by that work, have really increased the resources of other workers. We do not, by spending the money earned, add anything to this good result.

There is thus no virtue in our action as spenders ; is it not rather astonishing that we can ever have persuaded ourselves that there can be any virtue in so easy and self-centred a proceeding as that of spending our money to satisfy our own wants ? Often, on the contrary, there is

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a definitely harmful result, whenever the amount bought and consumed is excessive. For the workers or makers of wealth are limited in number, and, with all their hard work, the amount of things which they can make or of services which they can render in any year is severely limited, even though it may increase gradually as the years go on. And, in a land which is by no means flowing with milk and honey, no individual and no class can draw very largely on the total stock produced without leaving a deficiency somewhere. This is so true and so obvious that we may go on to assert that for every £100 we spend over and above the first five or six hundred pounds of our incomes, there is necessarily some family somewhere in our community compelled to live on less than two pounds a week—often on less than thirty shillings or twenty-five shillings. Now in 'good' times, when the cry of the needy is not very loud, we do not realize this in the least, and we therefore spend our incomes with a light heart. But a crisis gives us pause; the connection between our plenty and others' want is dimly felt, enough to make us unwilling to spend our money quite as before. Indeed, if the want is great, or if our emotions are deeply stirred, we simply cannot go on spending as before; we are ready to cut off every luxury, every comfort even, so that others may have enough. We are prepared for heroic self-denial; we demand that it shall be really heroic.

Well, it is no longer open to us, except on very difficult terms. We are debarred from the course we would choose by the very faultiness of our past habits, which commits us irrevocably to a course which is not at all as fine as we could wish. We are bound by our past actions; we are compelled to do first what those actions have made necessary. In other words, we must go on spending very much as we have been accustomed to do,

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for the sake of the people who have become dependent upon us because of our spending. Luckily for us, it is not always impossible to do this in a satisfactory way. We can spend by proxy, as it were. Many people have found an excellent way of doing this: they continue all their ordinary household expenditure, and bring in Belgian refugees to share the proceeds. We might go further along the same line. Why not—to take a single example—spend what you would normally have spent upon concerts and theatres on employing the out-of-work musicians and actors to give evening entertainments at the camps or to amuse the wives of sailors and soldiers abroad? Of all our specialized dependants few are so hard hit as the professional ‘artistes’; and yet the real need for their services is perhaps as great as ever before. But I am afraid this ‘better way’ cannot be pushed very far; we soon reach a point at which we must spend, as we have been accustomed to do, on ourselves and our own families alone. And, most particularly, let us avoid the one attitude to spending which is quite unpardonable: that is, the attitude of parsimony for the sake of prudence or economy. This is not a time for saving; it is a time for spending, or for giving, up to the limit of our capacity, and to cut down expenditure now for fear of harder times next year is not prudence but pusillanimity.

The duty of simple charity remains. But I have purposely put it last, lest any one should think it is the only duty for the well-to-do. I have tried to show why, for most of us, it is only second to the duty of fulfilling our obligations to our dependants. And even so, the right way of performing the duty of charity is by no means a simple matter. Charities have a way of appealing to us with a force which varies inversely with their real claim upon us. That is why it is so much easier to send a donation to any new fund than to go on with our

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subscription to an old one. I do not mean that the old ones are always superior to the new, but merely that their claim ranks first in most cases. However, it is not my intention to plead the cause of the old-established charities which are in danger of languishing to-day. I simply want to connect the subject with our responsibility as spenders. And the connection is this: however carefully we do our duty to our dependants by paying our bills and continuing our normal and reasonable expenditure, there must remain a very large number of workers who are left out in the cold, unemployed, unequipped for new employment, unfit for any employment except that which we no longer demand. These are *our* workers, in a peculiar sense; and these ought to be the first objects of our charity. They are, for the moment, mostly women—embroiderers, fancy shoemakers, dress-makers, milliners, and the like. What are we doing for them? I should pass far beyond my present task if I attempted to show what might be done.<sup>1</sup> But it is within the scope of my subject to point out that it is one of the saddest features of the present situation that no real attempt has been made by the late employers of these workers (I mean their real employers, the well-to-do

<sup>1</sup> It may, however, be pointed out that the existing methods of relief do not at all meet the real needs of these people. Most of them are both intelligent and very sensitive: any one who has had experience of social work will understand what that involves. But it is not impossible to help them in a satisfactory way. The most successful help given to the Lancashire cotton operatives during the cotton famine was in the form of ordinary education, plus regular pay while they attended classes! It should not be difficult to organize something of the same kind to-day, with modifications adapted to the different grades and ages concerned; indeed, a beginning has already been made, in London and elsewhere, of instituting such classes for the benefit of the younger girl-workers. They would be equally valuable in the case of a large proportion of those adult workers who will almost certainly have to find some new occupation for some years to come. Many of them would be quick learners of new processes, and their training would be a sound national investment.

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spenders of money) to mitigate their lot. One wonders whether the women of the upper classes have begun to realize that there are already some fifty thousand of these servants of theirs in London alone, face to face with sheer starvation. Surely here is the first outlet for the charity of the rich, if it is to fulfil the time-honoured condition of beginning at home. These people *are* of our home, far more closely than any other groups of workers, with the single exception of the servants who live with us.

It is perhaps permissible to point a concluding moral. I have not asserted that our habits of expenditure are selfish or unworthy or extravagant or bad, save in the single sense that they involve a very real danger to the existing system of industry. And that they really are bad habits in that sense is proved by the fact—a certain mark, this, of any bad habit—that they do actually plunge the whole system into difficulties as soon as a strain arises. In this way, because of the danger of instability which is inherent in them, these habits of the well-to-do spenders appear to be part and parcel of that dangerous process (always inveighed against by Socialists) of trying to balance the pyramid of industry upon its apex of the wishes and wants of a small class, instead of upon the broad base of universal needs.

But I am not raising here any question of fairness or unfairness. You may assume, if you will, that every one's income is entirely deserved. You may assume that any wealth we have to spend, even the richest of us, is the exact equivalent of valuable services rendered to the community. You may insist that every millionaire has deserved his fortune to the full because he has earned it by adding enormously to the wealth of the world. Even if we grant all this, we are still left with the fact that the result of the present unequal distribution of wealth, in the form of some very big incomes to spend

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side by side with many pitiably small ones, is bad for the social well-being. The community suffers: its wealth is not doing its true work of satisfying need wherever need is greatest. Here, then, is our opportunity. A grave crisis brings to light unsuspected dangers: practices which before seemed too innocent and too natural to contain any harm are found to be double-edged in their effects. More thought is seen to be needed; and though we cannot see a simple remedy for the ill effects, we know that by taking thought honestly we shall probably find the way to better practice.

Is it too much to hope that, among other good things which may emerge from this dark crisis, there may come some awakening on our part as to the futility as well as the danger of much of our expenditure? It is not good for a nation that a quarter of its income should be spent in unstable ways. It is not good for a nation that a quarter of its working capacity should be specialized into producing things which are seen and felt to be rather valueless as soon as a crisis comes to apply a test of values. Rich people are not, of course, the only spenders who are at fault: poor people have a few useless luxuries too; but it is the rich people, and not the poor, who are individually the most responsible for the misdirection of labour, since it is they who, individually again, possess the greatest spending power, and therefore also the freedom to choose how they will use that power.

We are beginning to realize at last that upon the thoughtful exercise of this power depends the realization of the true social brotherhood which we all accept as the good end of our social actions. We believe that we are all members one of another: this is the summing up of the social side of our faith. But we have been very slow to perceive that this membership one of another applies to us just as much in all our economic activities as in our

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ordinary family and neighbour relationships. In the last century the outrageous idea got abroad that economic activities, or the business side of life, could somehow be treated, actually as well as theoretically, apart from ethics and religion. In the present century even economists admit that this was a deplorable fallacy. But Christians have yet to learn how much that admission involves. Good people feel their responsibility dimly; they will tell you that they like to buy expensive things because they like to think that they are causing people to do 'good' or artistic work rather than spend their days in monotonous factory production. But what use is it to multiply fine workers whose work shall satisfy our wants alone—often our whims alone—when the most vital needs of thousands of our brothers and sisters are unmet because there are no workers at all working for them? Every additional hundred pounds we spend on the yearly upkeep of our lives means that we call upon two more workers to devote the whole of their labour throughout the year to making something for us alone, two workers less to devote their labour to meeting the needs of others. Does it help, or does it hinder the brotherhood when we add to the retinue of our own exclusive workers, just because we have money to spend, and imagine that by spending it we are benefiting any one but ourselves?