

RG:0002,c.0047; FILE # 00466;
LECTURES: MASSEY LECTURES, 1931- 1933

FILE 466

LECTURES :

MASSEY LECTURES

Officers 1932-1933

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HIS EXCELLENCY
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231 ST. JAMES STREET

MONTREAL,

10th December, 1932.

Sir Arthur Currie,
McGill University,
Montreal.

Dear Sir Arthur:-

You may well imagine our disappointment at the position taken by the Hon. Mr. Massey. We realize, of course, that the matter is entirely in the hands of the Massey Foundation and that such a decision is consistent with the course followed in Toronto in relation to Lord Irwin. There are, however, these differences: In Toronto, there is room in Massey Hall for a large attendance. We are not so happily situated in Montreal. In Toronto they have the Canadian and Empire Clubs, both active. In Montreal the Canadian Club stands alone.

Because of the hall difficulty, I should imagine that in Montreal there might be a large number of people who should hear Sir Arthur Salter, but will be unable to do so.

In these circumstances, I think that the Canadian Club luncheon, particularly if it follows the university address, would not impair the significance of the lecture which is the main purpose of the visit.

Before acknowledging Mr. Massey's letter, I should like to have the benefit of your views. I know that we must accept his dictum, but should like to point out the special circumstances of Montreal. I would not do so, however, unless that course were wholly acceptable to you.

Faithfully yours,

Att.

Copy

Batterwood House

near Port Hope, Ontario

December 6, 1932.

Dear Mr. Macpherson:

I have your letter about Sir Arthur Salter. When Lord Irwin inaugurated the Massey Lecture in Toronto last April he declined the invitations from the Canadian Club and the Empire Club here on the ground that the lecturer should make no public address in the city in which the lecture itself is given. I think you will appreciate the reasons for this. It is obviously important not to impair the significance of the lecture which is the object of the speaker's visit. I think we must adhere to the same policy with regard to the secone lecture in Montreal and arrange that the lecture at McGill University should be Salter's only public address in the city. I know you will understand this arrangement.

With kind regards,

Yours sincerely,

(Sgd.) Vincent Massey

J. E. Macpherson, Esq.,
The Canadian Club,
231 St. James Street,
Montreal, P.Q.

December 12, 1932.

J. E. Macpherson, Esq.,
President, Canadian Club,
Montreal. P. Q.

My dear Mr. Macpherson,

Let me acknowledge your letter of the 10th December, in which you send me copy of a letter you have had from the Honourable Vincent Massey regarding the forthcoming Massey Lecture, to be given by Sir Arthur Salter at McGill University.

I think in this particular instance we should conform to Mr. Massey's wishes and confine Sir Arthur Salter's lecture programme to the one to be given at the University and designated the "Massey Lecture". I am quite sure that Lord Irwin and Mr. Massey concluded it would add dignity to the lectureship if the lecturer spoke but once in the city where the lecture was to be given. I have every sympathy with you in your desire to have such a distinguished speaker address the Canadian Club, but I feel unable to write to Mr. Massey and suggest that Salter speak to the Canadian Club as well.

No doubt Mr. Massey pays all expenses in connection with the lecturer's visit to Canada, and whether there is a fee attached or not I do not know, but having made such a splendid contribution, he is entitled to have his wishes respected.

Ever yours faithfully,

Principal

Officers 1932-1933

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231 ST. JAMES STREET

MONTREAL,

14th December, 1932.

Sir Arthur W. Currie, G.C.M.G., K.C.B.,
McGill University,
Montreal.

My dear Sir Arthur Currie:-

I am greatly obliged for your letter of the 12th. Personally I concur in your view, first as to deferring to Mr. Massey's wishes, and second as to the reasonableness of his opinion that the Massey lecture might well be the only occasion on which the lecturer should speak.

Of course, the local circumstances have a bearing. There is no accessible hall such as the Massey Hall. There is but the one club, and there is a considerable number of people who wish to and should hear Sir Arthur Salter who probably will not do so. However, the other reasons must and should prevail.

Many thanks for the expression of your views.

Faithfully yours,

J. Macpherson

DOCKET STARTS:

CORRESPONDENCE

7 NOV. 1932 - 22 MAY 1933

BATTERWOOD HOUSE
NEAR PORT HOPE, ONTARIO.

November 7, 1932.

Confidential

Dear Sir Arthur,

I have today received a letter from Sir Arthur Salter, who is at present in New York, accepting the invitation of the Massey Foundation to deliver the second Massey Lecture next spring, probably early in April. The subject of the discourse will be settled later. You will remember that the inaugural lecture of this Foundation was given by Lord Irwin in Toronto last April. Under our plan the addresses are to be given in a different University from year to year and it is our hope that it will meet with your approval that the second lecture should be given under the auspices of McGill. I may say that the arrangements made by the Foundation are such that the event imposes no expense on the University selected.

I should be glad to hear from you

at your convenience as to whether this proposal is acceptable. I should be grateful to you if the matter could, for the time being, be kept confidential.

With kind regards,

Yours sincerely,

Walter Murray

General Sir Arthur Currie, G.C.M.G., K.C.B.
McGill University,
Montreal, Quebec.

November 10, 1932.

Confidential.

The Honourable Vincent Massey, P.C., LL.D.,
Batterwood House,
Near Port Hope,
Ontario.

My dear Mr. Massey,

I was delighted to receive your letter of November 7th informing me that Sir Arthur Salter would give the second Massey Lecture at McGill in April.

On behalf of the University and on my own may I say how much we appreciate the honour and assure you that we shall do everything possible to ensure the success of the Lecture.

I shall be interested to know your further plans when you are able to give me the information.

Ever yours faithfully,

Principal.

HONOURABLE VINCENT MASSEY
PORT HOPE ONTARIO

GREATLY REGRET IT IS IMPOSSIBLE FOR ME
TO BE IN TORONTO ANY TIME IN THE NEAR
FUTURE

CURRIE

CPR DAY LETTER
Jan. 16

January 5, 1933.

The Honourable Vincent Massey, LL.D.
Batterwood House,
near Port Hope, Ontario.

Now that we have definitely arranged that the second Massey Lecture be given at McGill University by Sir Arthur Salter on Tuesday, April 18th, we should begin to arrange for some publicity here.

I do not know whether the subject of the lecture has been decided? I take it that you are arranging this with Sir Arthur himself, and I should appreciate being informed, when the matter is settled.

I am today writing to Sir Arthur, saying how gratified we are that the lecture is to be given here, and by himself, and I am asking him to be my guest while in Montreal.

I am sure we can count on your being present at the lecture; and, of course, at whatever functions, social and otherwise, may be arranged in connection with his visit.

The University, I think should arrange to give Sir Arthur the honorary degree of Doctor of Laws, as a mark of his outstanding services and of our gratitude as well. This is a matter which I shall shortly place before the proper University authorities.

With all kind wishes to you and Mrs. Massey,

I am,
Ever yours faithfully,

Principal

January 5, 1933.
January 5, 1932.

Sir James Arthur Salter, K.C.B.,
Care The Honourable Vincent Massey, LL.D.,
Batterwood House,
near Port Hope, Ontario.

We at McGill University are delighted that you are coming to Montreal next April to give the second Massey Lecture.

I have arranged with Mr. Massey that the lecture be given on April 18th, which follows immediately after the Easter vacation. I thought the earlier date suggested (April 11th) would be unsuitable on account of its falling in Holy Week.

While in Montreal I hope you will be my guest at the Principal's house.

When convenient, you will let me know when you are likely to arrive and anything further you have planned as to engagements in Canada.

While I did not meet you personally in New York when you spoke at the Conference arranged by New York University last November, I greatly enjoyed your address and am looking forward to hearing you again. I understand that Mr. Massey is arranging with you the subject of your lecture, but I should like to know as soon as that is settled, in order that reasonable publicity may be assured.

With all good wishes, and looking forward to seeing you in April,

I am,
Ever yours faithfully,

Principal

BATTERWOOD HOUSE
NEAR PORT HOPE, ONTARIO.
January 6, 1933.

Dear Sir Arthur,

I have your letter with the enclosed letter to Sir Arthur Salter which I am forwarding at once. His present address is:

66 Cornwall Gardens,
London, S.W.7.

I am expecting to hear at any time the subject of his Massey Lecture and I have just written to ask him to let us have it at his earliest convenience.

It is very kind of you to suggest that McGill might give Salter an honorary degree. It will be very greatly appreciated.

With all good wishes for the New Year.

Yours sincerely,

W. C. Massey

General Sir Arthur Currie, G.C.M.G., K.C.B.
McGill University,
Montreal, Quebec.



CANADIAN RADIO BROADCASTING COMMISSION
COMMISSION CANADIENNE DE LA RADIODIFFUSION

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HECTOR CHARLESWORTH,
CHAIRMAN—PRÉSIDENT

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LT.-COL. W. ARTHUR STEEL

OTTAWA,

March 22, 1933.

Dear Mr. Massey,

Mr. Charlesworth mentioned to me the matter of broadcasting a lecture to be given by Sir Arthur Salter at McGill University on April 18th under the auspices of the Massey Foundation. I understand the subject is to be "Modern Mechanization and its Relation to Society."

Would you let us know the details in regard to the arrangements? April 18th is the date of the last concert of the Montreal Orchestra, and it is possible on this occasion the Montreal Elgar Choir will be heard with the Orchestra. The hour will be from 9.00 to 10.00. Could your broadcast be fitted in before?

We should be very glad to know the details,— how long you anticipate the speech will last, whether it will be preceded with an introduction, as you did in the case of Lord Irwin and any other information that you feel would be useful in this connection.

Yours faithfully,

Mr. Vincent Massey,

Port Hope, Ontario.

BATTERWOOD HOUSE
NEAR PORT HOPE, ONTARIO.

March 25th, 1933.

Dear Sir Arthur,

I think the telegram which I sent to you last night covers the points you raised in your letter.

My wife very much appreciated your thought of her but she feels that you shouldn't think of changing your plans for a men's dinner for Salter. He will fit in admirably into a men's evening in which the talk would naturally centre on public affairs.

We shall look forward to being present at the Special Convocation for Salter on Tuesday and I shall be delighted to lunch with you at the Bank of Montreal as you so kindly suggest.

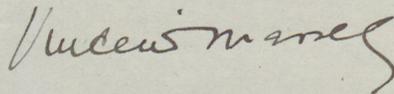
With regard to broadcasting I enclose a letter from E. A. Weir of the new Broadcasting Commission which explains itself.

- 2 -

I have asked him to get in touch with you and have suggested to him that the most convenient time would probably be 9.00 o'clock or thereabouts for the broadcast, which was the time that Irwin was broadcast in Toronto last year. It is a piece of bad luck that they have planned to broadcast the Montreal Orchestra at that time, but I have no doubt that Weir can adjust the matter satisfactorily. The Orchestra can of course be broadcast on another evening, whereas Salter cannot. They both, of course, would be heard over a "national network".

With kind regards,

Yours sincerely,



General Sir Arthur Currie, G.C.M.G., K.C.B.
McGill University,
Montreal, Quebec.

March 23, 1933.

The Honourable Vincent Massey, LL.D.,
Batterwood House,
near Port Hope, Ontario.

My dear Mr. Massey,

I must confess that I am bewildered. Did we have a conference as to whether or not Salter's address should be broadcast, and if we did, what was our decision? Was the Irwin address broadcast in Toronto?

Salter tells me that he expects to arrive here on April 15th by the S.S. "Montclair". When do you expect to come to Montreal, and is Mrs. Massey coming with you?

Up to the present time I have made no social engagements for Sir Arthur, other than that I am thinking of giving him a dinner on the evening of Monday the 17th, and if Mrs. Massey is coming with you I shall make it a mixed affair.

The honorary degree will be conferred upon him at a Special Convocation to take place on

Tuesday

Tuesday, the 18th, at twelve- ten p.m. Immediately afterwards I am taking him to lunch at the Bank of Montreal Head Office, and would like very much if you would come also. There he would meet the high officials of the Bank and some of the Directors.

For the lecture we are having an evening meeting in the Windsor Hotel Hall, owing to the likelihood of his being heard better in that Hall than in the High School Assembly Hall. The Windsor Hall holds about 1100, and I think under the circumstances it is the best hall available in the city. When the programme is complete in all respects I shall inform you of our arrangements.

But the question I want information on at once is this matter of broadcasting, because until that is decided we cannot fix the hour nor send out our cards of invitation. Perhaps you would be good enough to wire me on this point.

Ever yours faithfully,

Principal

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Night Message	<input type="radio"/>	N M
Night Letter	<input type="radio"/>	N L

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GENERAL SIR ARTHUR CURRIE

3450 MCTAVISH ST MTL

WE AGREE TO BROADCAST SALTERS ADDRESS HAVE ASKED BROADCASTING COMMISSION GET IN TOUCH WITH YOU IRWINS ADDRESS BROADCAST TORONTO NINE PM MY WIFE AND I WILL ARRIVE MONTREAL MONDAY SEVENTEENTH BUT SHE PARTICULARLY REQUESTS YOU KEEP TO PLAN OF MENS DINNER FOR SALTER

VINCENT MASSEY.

29th March 1933.

Dear Mr. Weir:

Following on our telephone conversation, I beg to inform you that Sir Arthur Salter will now deliver the second Massey lecture in the Windsor Hall at 9 p.m. on Tuesday, the 18th April. We understand that the lecture will be broadcast under arrangements to be made by your Commission.

The lecture is given under arrangements made by the Massey Foundation, an institution established by Mr. Vincent Massey for carrying on this and similar work of educational importance. The first lecture was given last year by Lord Irwin.

The following is extracted from the English Who's Who:-

"Sir James Arthur Salter, K.C.B., cr. 1922; C.B. 1918; Director Economic and Finance Section League of Nations, June 1919, Jan. 1920, and since 1922; General Secretary Reparation Commission, 1920-22; b. Oxford, 15th March 1881; s. of James E. Salter, Oxford; unmarried. Educ. Oxford High School; Brasenose College, Oxford. First Class Classical Moderations, 1901; First Class Literae Humaniores; Senior Hulme Scholarship, 1903. Higher Division Clerk Transport Department, Admiralty, 1904; Assistant Secretary National Health Insurance Commission, England, 1913; Assistant Director of Transports, Admiralty, 1915; Director of Ship Requisitioning, 1917; Secretary of Allied Maritime Transport Council and Chairman of Allied Maritime Transport Executive, 1918; Special Shipping Mission to America May 1918; Secretary British Department, Supreme Economic Council 1919; Officier de la Couronne Belgique 1919; Commandeur de la Legion d'Honneur 1920; Commandatore Order of the Crown of Italy 1922."

The title of Sir Arthur's address will be "Modern Mechanisation and Its Effect on the Structure of Society."

E. A. Weir, Esq.)

Sir Arthur has since the above been awarded the Honorary degree of LL. D. by this University, which will be conferred on him the day of the lecture.

Yours faithfully,

Wilfrid Bovay.

E. A. Weir, Esq.
Director of Programmes,
Canadian Radio Broadcasting Commission,
OTTAWA, ONT.

BATTERWOOD HOUSE
NEAR PORT HOPE, ONTARIO.
March 30th, 1933.

Dear Sir Arthur,

I was glad to hear from Charlesworth in Ottawa last Tuesday that the arrangements for Salter's broadcast had been satisfactorily adjusted. I hope you don't feel that the time allotted for Montreal in Salter's itinerary is too long. The arrival of steamers at this time of year is so uncertain that I thought it wise to have him arrive ~~at St. John~~ well in advance of his Montreal engagements.

I meant to tell you that my young Secretary, Steven Cartwright (who is a son of Brigadier-General Cartwright of Toronto whom you probably know) is travelling with Salter during his Canadian itinerary and will be in Montreal to meet him. I thought that Salter should have someone travelling with him as a temporary Secretary while he is here. Cartwright is a charming boy-just back

- 2 -

from Oxford last year and will fit in to any plans that may be made. Please make the fullest use of him in connection with Salter's arrangements.

With kindest regards,

Yours sincerely,

V. W. Murray

General Sir Arthur Currie, G.C.M.G.
McGill University,
Montreal, Quebec.

*P.S. If it fits in with your plans
I should like very much to ask
a few people to meet Salter at
lunch with him on Wed. 19th April*

V. W.

April 4, 1933.

Honourable Vincent Massey, LL.D.,
Batterwood House,
near Port Hope,
Ontario.

My dear Mr. Massey,

Thank you for yours of March 30th. Please do not think for a moment that I have any notion that Salter's visit to Montreal will be too long. There are many people, I know, who wish to meet him, and I daresay his time will be fully taken up. Is his Canadian itinerary definitely settled yet? I should be glad to know whether he plans to go from Montreal to Government House, or whether he will accompany you back to Ontario.

One little difficulty has arisen. Salter's lecture-broadcast is on the 18th. On the evening of the 19th, Reginald Coupland, Beit Professor of Colonial History at Oxford is being brought to Montreal by the University to lecture in Moyses Hall on "The Irish Controversy, or Ireland and the British Empire." This date has been set for a long time, and all arrangements made. Notices concerning the lecture have already gone out to our mailing list.

Yesterday I learned accidentally from Dean MacKay that the Canadian Institute of International Affairs, Montreal group, were arranging to have Salter spend the evening

with them on the 19th, Wednesday. This is the night of the Coupland Lecture, and I feel it would probably take away from that lecture a goodly number of men who would like to hear him. It would be a pity if this clash should occur. Coupland, I may add, will also be my guest most of that week. I understand he plans to sail from Quebec on Friday, the 21st, for England.

Any arrangements I have made will permit your having Salter for lunch on Wednesday, as you suggest.

Ever yours faithfully,

Principal.

P.S. Mr. G.R. Parkin informs me, later, that they have decided to postpone the group meeting with Salter on the 19th. It seems they did not know that Coupland was lecturing that evening.

March 31st, 1933.

Honourable Vincent Massey, LL.D.,
Batterwood House,
near Port Hope, Ontario.

Let me acknowledge your telegram of the 25th
and also your letter of the same date.

The matter of broadcast has been definitely
settled, Mr. Weir having very kindly postponed the
engagement of the Montreal Orchestra.

The Lecture, as I intimated, will be given
in the Windsor Hall, at 8.45; the broadcast to begin
at 9.00 sharp.

I asked Mr. Beatty, the Chancellor of the
University, to take the chair, but he has refused to
do so, so that probably I shall officiate.

The Convocation will take place in Moyse
Hall, McGill University, at 12:10 p.m. on Tuesday,
April 18th, and I have written to Salter, saying
that we would expect a ten-minutes acknowledgment.
The whole ceremony would not last more than half an
hour.

After which, we can go down to the Bank for
lunch.

On Monday evening I shall give him a men's
dinner at my house at eight o'clock, at which I shall
expect you.

Will you kindly send me something about the Massey Foundation and the Lectureship, because in my introduction of Salter I wish to refer to it. What you gave out at the time you established it would probably suit me very well. I know that this is the second lecture, and that Irwin gave the first.

I shall keep you fully informed of arrangements, as they are completed. I am expecting Salter to be here on the evening of Saturday, the 15th. Do you know what his movements are after the 18th?

With kindest regards,

I am,

Ever yours faithfully,

Principal

BATTERWOOD HOUSE
NEAR PORT HOPE, ONTARIO.

April 6th, 1933.

Dear Sir Arthur,

You asked me in a recent letter to send you something about the Massey Foundation and the Lectureship on which Salter is appearing. I think probably that the following will give you the information you wish.

The Massey Lectureship was established by the Massey Foundation, the origin of which was as follows. In 1896 my grandfather, Hart Massey, died, leaving an estate, the income of which, under the terms of his will, was used by the executors chiefly for educational purposes. In 1918 we incorporated the estate as a permanent trust known as the Massey Foundation. I have been its chairman for some years and my wife is also a trustee. We have used the income of the funds largely in the interests of education, using the term in its broadest sense.

The Massey Lectureship follows, roughly

speaking, the lines of the Romanes Lecture at Oxford. Apart from the contribution which the annual Lecture will make to the particular subject involved, the Lectureship is intended to provide an additional link between contemporary Canada and present day thought and achievement in Great Britain. Under its terms someone of eminence in such spheres as public affairs, letters, science, & religion will visit Canada from the old country each year and deliver the Lecture before one of the Canadian Universities. The Lectureship, as you know, was inaugurated last year by Lord Irwin when he addressed the University of Toronto on "Some Aspects of the Indian Problem."

I enclose Salter's itinerary. He will be leaving Montreal on the morning train for the west on Thursday, April 20th.

Yours sincerely,

Vander Maer

General Sir Arthur Currie, G.C.M.G., K.C.B.
McGill University,
Montreal, Quebec.

P.S. I have taken the liberty of asking W. L. Evans (of Upper Canada College) who is one of the original trustees of the Maer Foundation, to come to Montreal for Salter's lecture

April 10, 1933.

Honorable Vincent Massey, P.C., LL.D.,
Batterwood House,
near Port Hope,
Ontario.

My dear Mr. Massey,

Thank you for your note of April 6th.

I am glad to know that Grant is coming down. Had I known sooner, I would have had him to dinner on Monday evening. But I am having it at my house, and I can only accommodate so many at my table. So far, everyone I invited has accepted with alacrity.

The C.P.R. tell me that they expect the boat to arrive late Saturday evening in Montreal. It may mean such a late arrival that Salter will remain on the boat all night, but I shall get in touch with him when the boat reaches Quebec.

Sunday is Easter Sunday, and I have left that day quite free for him.

The only function I have arranged for Monday is dinner at my house that evening.

On Tuesday at noon, or 12:10, to be exact, there will be a Special Convocation in Moyse Hall, McGill University, when Salter will receive the degree of Doctor of Laws, honoris causa. This will be largely a student affair, but I hope that you and Mrs. Massey will come. The Registrar will see that you are met and properly accommodated.

Immediately after Convocation is over, Beatty, Salter, you and I will go down in Beatty's car to the Bank of Montreal head office for luncheon.

That evening, I know that you and Mrs. Massey are dining with the Greenshields, and I have thought that Salter would best appreciate a quiet meal at my house. I know that if I must make a speech, comparatively long, I do not care for a dinner party immediately preceding it. I might have Grant to dine with us, if he is available.

Now, as to the Windsor Hall. I should think that Salter will take quite an hour. I shall introduce him, and the broadcasting people are anxious that all the time be made available for him, if he needs it. I shall have to begin my introduction five or ten minutes before nine o'clock and time it so that I shall finish about one minute after nine. I would like very much to have you come on the platform with me. The platform party will then consist of Sir Arthur Salter, yourself and myself. When he finishes, will you thank him on behalf of the audience?

Can you tell me definitely what is Salter's main preoccupation at the present time?

Have you any suggestions to make?

Ever yours faithfully,

Principal

BATTERWOOD HOUSE

NEAR PORT HOPE, ONTARIO.

April 12th, 1933.

Dear Sir Arthur,

Many thanks for your letter of April 10th. The arrangements which you outline seem most admirable. I greatly appreciate your thoughtfulness and I know Salter will too.

If you would really like me to say a word of thanks on behalf of the audience after Salter's Lecture, I should be glad to do so. I shall only speak very briefly.

As far as I know Salter's activity at the present time is writing and speaking on the economic crisis. He retired from the League of Nations Secretariat in 1930 and since the publication of his book "Recovery" last year he has performed the very useful function of acting as a publicist on that and kindred subjects.

I hope you will be able to lunch with me on Wednesday, April 19th when I am asking

*I see that the
Census who
who says the
Salter has been
a member of
(British) Economic
Advisory Council
since 1932*

- 2 -

a few men to meet Salter. We shall lunch at the Ritz Carlton at 1.15 o'clock. I very much hope you can come. The personnel of my party will probably overlap yours to some extent, but I don't suppose that matters. I intend to ask Salter to speak informally and confidentially on the international issues of the moment.

Yours sincerely,

Walter Murray

General Sir Arthur Currie, G.C.M.G., K.C.B.
McGill University,
Montreal, Quebec.

BATTERWOOD HOUSE
NEAR PORT HOPE, ONTARIO.

May 20, 1933.

Dear Sir Arthur:

A few copies of Sir Arthur Salter's lecture at McGill have now arrived and I have pleasure in sending you under separate cover a dozen copies with my compliments.

In connection with any inquiries you may be receiving, I may say that the Oxford University Press, University Avenue, Toronto, have now a supply on hand.

Yours sincerely,

Vincet Maney

General,
Sir Arthur Currie, G.C.M.G., K.C.B.,
McGill University,
Montreal, P.Q.

May 22nd, 1933.

Honourable Vincent Massey, P.C., LL.D.,
Batterwood House,
near Port Hope, Ontario.

My dear Mr. Massey,

Let me thank you for your courtesy
in sending me the copies of Sir Arthur Salter's lecture
in pamphlet form. I am very glad to have them, and to
know that others may be secured in Toronto at the Oxford
University Press. We had a good many requests for copies.

With all kind wishes, and looking for-
ward to seeing you on Thursday,

I am,

Ever yours faithfully,

Principal

DOCKET ENDS:

CORRESPONDENCE

7 NOV. 1932 - 22 MAY 1933

March 21st, 1933

Professor Walter Rautenstrauch,
Professor of Industrial Engineering,
Columbia University,
New York City.

Dear Professor Rautenstrauch,

I have just discovered a most unfortunate conflict of dates. On Tuesday the 18th of April next you are booked to address the Montreal Junior Board of Trade in the Windsor Hall. At the same time the Annual Massey Foundation Lecture is being given by Sir Arthur Salter, Director of the Economic and Finance Section of the League of Nations, who is lecturing upon "Modern Mechanization and its Effect on the Structure of Society". I think that a considerable number of Montrealers would particularly wish to hear both lectures and feel that the conflict should be avoided if it conveniently can.

Unfortunately the Massey Lecture was arranged and widely announced in the Press some weeks ago, so that it would be impossible to change the day. The Board of Trade would be willing to change the date of their dinner, but naturally they desire to consider your convenience first. I am informed that the 19th, 24th, or 25th of April would suit them very well as alternative dates and feel that you would be doing a favour both to the Junior Board of Trade and to the University if you could conveniently postpone your Montreal lecture to one of these evenings.

I am sending a copy of this letter to Mr. Stanley Cook, the Secretary of the Board of Trade, and will let him know your decision as soon as I hear it.

I should be grateful if you would reply by wire, collect.

Yours faithfully,

Principal

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Night Letter	N L

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NCU NEWYORK NY MAR 22 1933 255PM

ARTHUR W CURRIE

PRINCIPAL MCGILL UNIVERSITY MONTREAL QUE

CAN BE IN MONTREAL MONDAY APRIL 24

335PM

WALTER RAUTENSTRAUCH

USE OUR DIRECT ALL-CANADA SERVICE TO VANCOUVER, VICTORIA AND BRITISH COLUMBIA POINTS

March 23, 1933.

Professor Walter Rautenstrauch,
Professor of Industrial Engineering,
Columbia University,
New York City.

Dear Professor Rautenstrauch,

Let me thank you for your prompt
reply to my letter of the 21st and for so
kindly consenting to change the date of your
Montreal address to April 24th. I am sure,
however, that it would have been regrettable
had the two lectures been on the same evening,
as a great many people would have wished to
hear both.

I have informed the Board of Trade
of your communication to me.

With all kind wishes,

I am,

Ever yours faithfully,

Principal

Columbia University
in the City of New York

INDUSTRIAL ENGINEERING

March 29, 1933

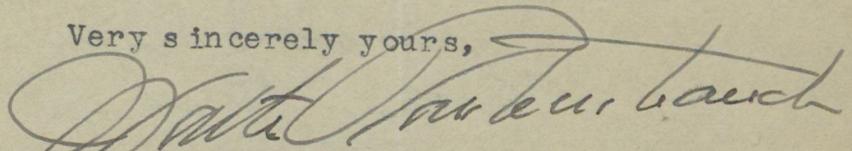
Sir Arthur W. Currie, G.C.M.G., K.C.B.,
Principal and Vice-Chancellor,
McGill University, Montreal.

My dear Sir Arthur:

I have your letter of March 23rd and assure you that it was no inconvenience for me to change the date of my visit to Montreal. In fact, I think it was very kind of you to suggest to me the conflict in the two lecture dates and to give me the opportunity to select a date which would make it more convenient for your people.

I trust I may have the pleasure of meeting you on my visit to Montreal.

Very sincerely yours,



Walter Rautenstrauch
Prof. of Ind. Engr.

WR/c



The Royal Empire Society

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SECRETARY OF THE SOCIETY IN LONDON
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April 4th, 1933

Sir Arthur W. Currie, G.C.M.G., K.C.B.,
Principal and Vice-Chancellor,
McGill University,
Montreal

Dear Sir Arthur/—

I have to thank you for your prompt and kind reply to my letter of yesterday. Thanks for the return of Mr. Pilcher's letter. I thought I would like you to see it. It was rather a pity he did not tell me that Sir Arthur Salter was coming to give the Massey lecture. I had not heard about it.

I am wondering if Sir Arthur Salter will be in Canada on the 24th of May?

We would greatly appreciate anything you could do for the Society in the way of suggesting speakers who would address us on suitable topics.

Thanking you again for your letter, I am,

Yours faithfully,

W. Tees Curran

April 7, 1933.

W. Tees Curran, Esq.,
Secretary, The Royal Empire Society,
Sun Life Building,
Montreal, Canada.

Dear Mr. Curran,

Sir Arthur Salter, according to present arrangements, plans to leave Canada on May 2nd. I think you will find that his time is entirely taken up and that Mr. Vincent Massey has mapped out an itinerary which is more or less hard and fast.

I note you say that you had not heard about the Salter lecture. We have had a good deal of publicity about it in the Montreal press. I am enclosing a few notices, in case you would care to distribute them among your members.

Yours faithfully,

Principal

Enclosure.

INTRODUCTION OF SIR ARTHUR BALTER, K.C.B., LL.D.

At The Windsor Hall, Tuesday, April 18, 1933

by
Sir Arthur Currie, C.C.M.G., K.C.B., LL.D.
Principal of McGill University.

Ladies and Gentlemen,

It is my honour and pleasure, on behalf of McGill University, to welcome this distinguished audience to the Second Lecture in that perpetual series made possible by the beneficent generosity of the Massey Foundation. That Foundation has a unique place in our Dominion, and its influence will be an ever increasing and potent force in the coming years. The late Hart Massey, of revered memory, who died in 1918, made provision in his will for the setting aside of a definite portion of the income of his estate to be used specifically for educational purposes, - the term "education" to be interpreted in its widest and broadest

2.

sense. To apply and administer that income the Massey Foundation was established in 1918, with the Honourable Vincent Massey as Chairman.

The purpose of the Massey Lectureship established by the Massey Foundation is to bring to Canada from Great Britain each year a distinguished and outstanding authority in the realm of letters, science, education or religion, to give a public lecture in his chosen field of endeavour and achievement at one of the Canadian universities, selected in rotation. In this way the thought and opinion of Great Britain on special or / ^{vital} problems is brought authoritatively and impressively before the people of Canada and the opinion of Canada is brought into enlightened and enlightening contact with the opinion of Great Britain. The in-

influence and value of such contact cannot be adequately expressed, nor its far-reaching results fully measured.

There are some of us who entertain the hope that there will be established by some man of vision in Great Britain similar foundations or other means by which outstanding authorities or spokesmen from the Overseas Dominion may be enabled to interpret the thought and the opinion of their country to the people of the old land. Such exchange would, we believe, be of inestimable value in developing a wider knowledge and a more sympathetic understanding among the peoples of our far-flung Empire. The lead given by the Massey Foundation is worthy of all emulation and should be followed elsewhere. I am sure that all of us express in our hearts and minds our silent gratitude for the far-seeing vision, the firm and buoyant hope and the munificent example

of this family, always famed for its generosity, - the Massey family, - who have given us the privilege we enjoy to-night and who have provided for similar privileges to future audiences and future generations of Canadians.

A year ago the Massey Lectureship was inaugurated by LORD IRWIN, who spoke on "Some Aspects of the Indian Problem". Quite naturally, the University of Toronto, the Alma Mater of the Masseys, was chosen as the medium. Tonight, the honour is given to McGill, an honour which I assure Mr. Vincent Massey, the Chairman of the Foundation, who is present with us tonight, we appreciate as a University and as a community. A year ago the perplexing problems of India were of deep interest to us. They are still of interest to us, and will be, I imagine, for many years to come.

Burnie

Salter.

Massey.

Betty

3 30

Sr. C. Lordou.

Judge Greenshields.

Prof Day.

Geo. McDonald

✓ Kemmeiss

Clark.

Corbett.

Senator White

March 23, 1933.

E. W. Beatty, Esq., K.C., LL.D.,
Chancellor,
McGill University.

My dear Chancellor,

As you are aware, Sir Arthur Salter is coming here next month to deliver the second annual Massey Lecture. He arrives on April 15th. McGill has offered him an honorary degree, which he has accepted. We are planning the Special Convocation for Tuesday, April 18th, at 12:10 o'clock. After the Convocation I shall take him down to the Bank for lunch.

I do hope you can be present at the Convocation. If you will preside, then I will introduce him for the degree, and he can deliver a brief ten-minute address.

The Lecture has been arranged for Tuesday evening, in the Windsor Hotel Hall, and as it is the only address he will make in the City we expect it will be well attended.

I am also thinking of giving him a dinner on Monday evening, April the 17th. I have written

Massey to find out whether or not Mrs. Massey will accompany him to Montreal,- Salter, I believe, is a bachelor. If Mrs. Massey is not coming I shall make it a stag party, and I hope you will reserve the evening.

Ever yours faithfully,

Principal

CANADIAN PACIFIC RAILWAY COMPANY

OFFICE OF THE CHAIRMAN AND PRESIDENT

MONTREAL

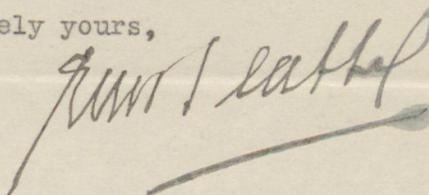
March 24th, 1933.

Dear Sir Arthur,-

I have your note of the 23rd instant.

I fully expect to be able to attend
Convocation on Tuesday, April 18th, and if a
dinner is held on the 17th, I think I can assure
you of being able to accept your deeply appreciated
invitation.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "J. W. Lathrop". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Sir Arthur W. Currie, G.C.M.G.,
Principal and Vice-Chancellor,
McGill University,
MONTREAL, Que.



Acting Chief Justice's Chambers

April 11th, 1933.

My dear Sir Arthur :-

It will give me much pleasure to dine with you at your house on Monday, the 17th instant, at eight o'clock p.m., to meet Sir Arthur Salter.

Faithfully yours,

Alfred Smith

General Sir Arthur Currie,
Principal McGill University,
C i t y.



APRIL. 10th 1933

GENERAL SIR ARTHUR W. CURRIE, G.C.M.G.
PRINCIPAL, MCGILL UNIVERSITY
MONTREAL.

Dear Sir Arthur:

Owing to my absence from
Montreal, acknowledgment of yours of the
5th has been delayed.

I will be delighted to
accept your invitation for Monday the
17th to meet Sir Arthur Salter, K.C.B.

Yours sincerely

Sutherland White



Montreal, April 10th, 1933

Dear Sir Arthur;-

I very much regret that I will be unable to have the pleasure of dining with you next Monday as I am taking Mrs. Molson and family to Atlantic City for a few days.

With many thanks, I remain,

Yours sincerely,

Herbert Molson

Sir Arthur Currie,
McGill University,
Montreal.

" Modern Mechanisation
and its effect on the structure
of Society

Salter-

February 1st, 1933.

Rev. Canon James E. Fee,
Montreal High School,
M o n t r e a l.

Dear Canon Fee:-

The University would be very grateful if you would allow us the use of your hall on the evening of the 18th of April next. The occasion is a most important one. As you know a series of lectures has been instituted by the Rt. Hon. Vincent Massey under the name of the Massey Lectures. The first was given in Toronto, the second is to be given in Montreal, and we are responsible for the arrangements. The lecturer is to be Sir Arthur Salter and, without doubt, a very large number of people will wish to attend.

I hope that it will be possible for use to use your hall on that date and at that time.

Yours faithfully,

Wilfrid Bovey.

PROTESTANT BOARD OF SCHOOL COMMISSIONERS
OF THE CITY OF MONTREAL

3460 MCTAVISH STREET

MONTREAL March 22nd, 1933.

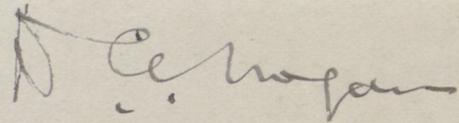
Sir Arthur Currie, G.C.M.G., K.C.B., LL.D.,
3450 McTavish Street,
Montreal.

Dear Sir Arthur,

Relative to our conversation about
the High School Hall, I am sending herewith a re-
port on the acoustics as prepared by J. T. Donald
Co. Ltd. a little more than a year ago when the
work of correcting the unsatisfactory condition,
that seems to have given the hall its bad name,
was completed.

I am sorry I have not been able to
get this to you sooner.

Yours very truly,



Superintendent of Schools.

Handwritten notes:
5/5/33
1933
L/MAK.
Sellen
month
to the canon
to be decided
wonder hall
P.B.

REPORT
TO THE
PROTESTANT BOARD OF SCHOOL COMMISSIONERS

ON
THE ACOUSTICS
OF THE
ASSEMBLY ROOM - MONTREAL HIGH SCHOOL

December 19th, 1931.

J. T. DONALD & CO. LIMITED,
1181 Guy Street,
Montreal.

According to your instructions we have made tests of the acoustics of the Assembly Room in the Montreal High School.

We have measured the period of reverberation of sound of different frequencies in this room. No perceptible difference was found in the period of reverberation when measured at different points in the room.

These tests were made with the room empty. From the results obtained we are able to calculate with a satisfactory degree of accuracy what the period of reverberation will be with the room filled or partly filled with an audience. The results obtained are given in the following table:-

<u>Frequency</u>	<u>Period of Reverberation of Assembly Hall.</u>		
	<u>512</u>	<u>1034</u>	<u>2048</u>
Room Empty - Period actually measured.	2.60 Secs.	2.50 Secs.	1.70 Secs.
Room 1/3 Full - (400 people), Period calculated.	2.10 "	2.00 "	1.45 "
Room 2/3 Full - (800 people), Period calculated.	1.77 "	1.64 "	1.27 "
Room Full - (1200 people), Period calculated.	1.52 "	1.40 "	1.13 "

Discussion of Results:

The volume of the Assembly Room is approximately 250,000 cubic feet. For a room of this size, the period of reverberation usually regarded as best is 1.6 seconds.

Our results show that for frequencies of 512 and 1024 the room approaches closely to this desired condition when it is between two-thirds full and completely full. We consider this very satisfactory. For a frequency of 2048 the period of reverberation is somewhat shorter than desirable. Best results for this frequency will be obtained when the room is about one-third full. Owing to the design of the ceiling the Company installing the acoustic board found it necessary to install 3150 square feet instead of 2700 square feet as first planned. As a result the period of reverberation for all frequencies has been reduced.

Comparison of Results with those specified:

In the following table we have compared the results actually secured with those specified in your order to the Company making the installation. We have calculated our results for audiences of the size mentioned in your specification.

	<u>Period of Reverberation</u>	
	(Frequency 512)	
	<u>OBTAINED</u>	<u>SPECIFIED</u>
Audience 466 Persons	2.0	2.0
Audience 932 "	1.7	1.57
Audience 1400 "	1.4	1.3

The agreement between these figures is close, and we would consider that the period of reverberation specified has been satisfactorily attained.

Other Treatment of the Assembly Room:

Echoes are a fault in auditoriums quite distinct from disturbances caused by too great a period of reverberation. There is a suggestion of echo at the back of the Assembly Room caused by the curved walls in the recess at the back. This condition is not serious but we believe this could be eliminated if necessary by blocking off this recess by means of a partition or heavy curtains.

Summary:

We have found that the period of reverberation of the Assembly Room for frequencies 512 and 1024 is quite satisfactory. For frequency 2048 it is somewhat too short.

We have found that the specifications regarding the period of reverberation to be produced have been fulfilled by the Company which installed the acoustic board.

J. T. DONALD & COMPANY, LTD.

Sgd. (J.R. Macaulay)
Vice-President

March 24th, 1933.

Canon James E. Fee,
The Montreal High School,
University Street,
M o n t r e a l.

Dear Canon Fee:--

At the request of a large number
of people we have decided to transfer the Massey Lecture
to the Windsor Hall, and therefore shall not need the
school hall on April 18th.

May I thank you very much for all your
kindness and courtesy in this connection.

Yours faithfully,

Wilfrid Bovey.

March 27, 1933.

D.C. Logan, Esq.,
Superintendent of Schools,
Protestant Board of School Commissioners,
McTavish Street,
Montreal.

Dear Mr. Logan,

Thank you for your letter of the 22nd of March enclosing a report on the acoustics of the High School Hall. We have now decided to hold the Salter lecture in the Windsor Hall. It was felt that as this was the only public lecture in Montreal, it would be more convenient. I appreciate very much the willingness of the Protestant Board to co-operate with us in this matter.

Yours faithfully,

Principal.

BATTERWOOD HOUSE
NEAR PORT HOPE, ONTARIO.

April 6th. 1933.

Dear Sir Arthur :-

I am writing for Mr. Massey concerning Sir Arthur Salter's visit to Montreal. I believe that you have been sent his complete itinerary, but there are one or two points which it does not cover and about which Mr. Massey wished me to write to you.

Arrangements are being made to have Sir Arthur speak to the Montreal Branch of the Institute of International Affairs on his way to New York after his Ottawa visit in order to avoid the clash with Professor Coupland's meeting. Although the date for the Institute's meeting has not been definitely settled, the 29th. has been suggested, in which case Sir Arthur would stay at the Ritz for that night and proceed to New York on the morning of Sunday, the 30th., for

As regards his arrival, the Montclare is expected on the evening of the 15th. or the morning of the 16th.,

BATTERWOOD HOUSE
NEAR PORT HOPE, ONTARIO.

although the Canadian Pacific seem to think that the
latter is the more probable time.

Yours sincerely,

A. Cartwright

General Sir Arthur Currie. G.C.M.G. K.C.B.
McGill University.
Montreal. P.Q.

SIR ARTHUR SALTER.

ITINERARY.

Sunday. April 16th. Expected Montreal per C.P.S.S. Montclair.
Stays with Sir Arthur Currie.

Monday. " 17th. Dinner. Sir Arthur Currie.

Tuesday. " 18th. Special Convocation, McGill University. 12 a.m.
Lunch. Bank of Montreal.
Massey Lecture at Windsor Hotel. Broadcast 9 p.m.

Wednesday. 19th. Lunch. Mr. Massey. Ritz Hotel.

Thursday 20th. Morning train to Kingston.
Stays with Principal Fyfe.
Evening meeting of C.I.I.A.

Friday 21st. Afternoon train to Batterwood.
Dinner. Batterwood.

Saturday. 22nd. Batterwood.

Sunday. 23rd. "

Monday. 24th. To Toronto in morning. Stays at Royal York.
Lunch. Toronto Canadian Club.
Dinner and meeting of C.I.I.A.

Tuesday. 25th. Lunch. Toronto.
Dinner and meeting of Hamilton Branch, C.I.I.A.
Night train to Ottawa.

Wednesday. 26th. Arrives Ottawa.
Stays at Government House.

Thursday. 27th. Lunch. Ottawa Canadian Club.
Dinner and meeting of C.I.I.A.

Friday. 28th. Ottawa.

Saturday. 29th. To Montreal. Stays at Ritz.
Dinner and meeting of C.I.I.A.

Sunday. 30th. Morning train to New York.
Sails from New York about May 2nd.

April 20th, 1933.

Mr. G. Cartwright,
Batterwood House,
near Port Hope,
Ontario.

Dear Mr. Cartwright,

I was unsuccessful yesterday in reaching you to ask you to let me have a copy of Sir Arthur Salter's lecture for the editor of the MCGILL NEWS. He is particularly anxious to have it appear in the next issue. This is a quarterly, as you probably know, published by the McGill Graduates' Society.

I do hope it is not too late to get this copy.

Yours faithfully,

Secretary to the Principal

Batterwood House.

Port Hope.

April 21st. 1933.

Dear Miss McMurray :-

I am sorry that you were unable to reach me before I left Montreal. Several copies of Sir Arthur Salter's address were made for the press and most of them were distributed from the office of the Ritz Carlton Hotel. I did not have time to inquire before I left, but I rather think that the one marked for La Presse was not collected by their representative. I suggest, therefore, that the McGill News should have this one. Failing this, could you let me know; I have the fair copy which I could send to you although Sir Arthur may want it back afterwards. There are also one ~~or~~ two unrevised copies which could be corrected and forwarded. If the copy is not at the Ritz, would you let me know; I shall be at the Royal York, Toronto, from the 24th. to the afternoon of the 25th. and then at Government House in Ottawa.

I am sure that this matter can be arranged and I am sorry that it could not have been done sooner.

Yours sincerely,

J.S. Carlwright

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Night Letter	N L

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MISS D MCMURRAY

1921

PRINCIPALS OFFICE MCGILL UNIVERSITY MTL

PLEASE DISREGARD MY LETTER OF 21ST STOP MASSEY LECTURE
DELIVERED BY SIR ARTHUR SALTER IS BEING SPECIALLY PUBLISHED IN
BOOK FORM STOP REGRET THAT IT CANNOT THEREFORE APPEAR IN OTHER
PUBLICATIONS FOR REASONS WHICH I HOPE YOU WILL APPRECIATE
CARTWRIGHT.

April 24, 1933.

Mr. G. Cartwright,
Secretary to Sir Arthur Salter, K.C.B., LL.D.,
Government House,
O t t a w a .

Dear Mr. Cartwright,

I have your letter of the 21st and
telegram of the 23rd of April.

Perhaps I did not make myself clear.
The MCGILL NEWS wished only the usual press copy
such as was handed out to all the Montreal newspapers.
From this they would make a running report, quoting
some parts. They did not wish to publish the lecture
in full. Would it not be possible for Sir Arthur
Salter to release a copy for this purpose?

Very often, with lectures of this
kind at McGill, I have taken them down in shorthand
and furnished the University with a transcript. I
did not do this, as it was apparent Sir Arthur was
using notes. Had I done so, though, I presume there
would have been no objection.

I am not quite clear as to whether
your telegram means that Sir Arthur Salter is publishing
the lecture in one of his books, or whether, as in the
case of the Massey Lecture by Lord Irwin last year,
it is to be published by the Foundation in pamphlet
form.

We have received a good many requests
from the public for copies of the lecture. Will you
please let me know whether to send these requests on
to you or to answer them here; if the latter, what am
I to say?

Yours faithfully,

Secretary to the Principal.

GOVERNMENT HOUSE,
OTTAWA.

27. IV. 33,
—

Dear Miss McManis:-

Many thanks for your letter of the 24th. I am sorry I misunderstood the purport of your previous communication, and also that the copy of the Masses lecture at the City is not available.

As you may surmise, copies are rather scarce, but I shall do as much as I can to secure you one. I shall be in Montreal on Saturday at noon, so perhaps

It would be best if I rang you up
then and made the necessary arrangements.

~~By the way, I shall check up~~

~~the various papers~~

The lecture is to be published as
a pamphlet, as was Lord Lovin's
last year. This should be available
very soon, as it has been in the
printer's hands for some time.

Yours sincerely,

G. Cartwright.

May 1, 1933.

Mr. R. C. Fetherstonhaugh,
Drummond Court Apartments,
Drummond Street,
Montreal, P. Q.

My dear Mr. Fetherstonhaugh,

With reference to your telephone request for a copy of the Salter Lecture, I am now enclosing it herewith. Mr. Cartwright, his Secretary, wrote and said that as it was being specially published in book form (by the Oxford Press) he regretted it could not be used in other publications. Whereupon I wrote him that the MCGILL NEWS wished only the usual press copy such as was handed out freely to all the Montreal newspapers, from which they would make a running report, quoting some parts if they desired. They did not wish to publish the lecture in full.

He has now furnished me the enclosed copy, with the request that when you have finished with it you send it to Sir Arthur Salter, The University Club, Fifth Avenue, N.Y. where he will be until May 15th. I am sure it is quite all right for you to use whatever you want of the lecture.

Yours sincerely,

May 1, 1933.

G. Cartwright, Esq.,
397 Russell Hill Road,
Toronto, Ontario.

Dear Mr. Cartwright,

I am enclosing herewith the requests
we have had for copy of the Salter Lecture, in
accordance with our understanding that you will
distribute these from Toronto.

Yours faithfully,

Secretary to the Principal.

P.S. None of these letters have been acknowledged by us.

McGILL UNIVERSITY

MONTREAL

PRINCIPAL'S OFFICE

Bartwright
397 Russell
Hill
Road
Toronto -

The University Club
25th Avenue
Saltersbell
May 15th
Send him
the
copy.

CANADIAN INSTITUTE OF INTERNATIONAL AFFAIRS

MONTREAL BRANCH

OFFICE OF THE SECRETARY
SUN LIFE ASSURANCE COMPANY OF CANADA
MONTREAL, QUE.

April 12, 1933.

Sir Arthur Currie, G.C.M.G., K.C.B.,
McGill University,
Montreal.

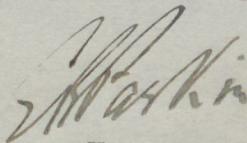
Dear Sir Arthur,

I am glad to say that we have managed to make very satisfactory new arrangements with Mr. Vincent Massey regarding the date on which Sir Arthur Salter will meet the Montreal Branch of the Institute. This has now been fixed for the evening of Saturday, April 29th. It was most unfortunate that the original arrangement clashed with McGill's arrangement with Prof. Coupland. Some weeks ago Mr. Massey definitely advised us that he had arranged for Sir Arthur Salter to meet the Montreal Branch of the Institute on the night of Wednesday, April 19th, and it was unfortunate that you did not receive definite advice on this point from him at the same time. However, the whole matter is most happily settled now so far as we are concerned.

We are arranging to send out a notice to all our members in the next day or two advising them of both the Salter and Coupland meetings and we hope this will be of some assistance in helping McGill to make these meetings a success.

I shall get in touch with you after Prof. Coupland's arrival to see if it will be possible to arrange for a group of the Institute to meet Prof. Coupland at lunch on Thursday, April 20th, as suggested by you. We should certainly very much like to do this, if it should fit in with Prof. Coupland's and your own arrangements.

Yours sincerely,



Honorary Secretary,
Montreal Branch.

G.R. Parkin:JB

McGill University



McGill University cordially invites you to attend the second annual Massey Lecture to be given in the Windsor Hall on Tuesday, the eighteenth of April, 1933, at 8.45 p.m., by

Sir Arthur Salter, K.C.B.

the Director of the Economic and Finance Section of the League of Nations, who has chosen as his title

*“Modern Mechanization and its Effect upon the
Structure of Society.”*

Tickets, which are free, may be obtained at the Registrar's Office, McGill University, on and after April the 10th.

March 31st, 1933.

April 13, 1933.

Dr. M. M. Marven,
Royal Bank of Canada,
Head Office,
Montreal.

Dear Dr. Marven,

I am enclosing 25 tickets for the Salter Lecture. I am very sorry indeed that we cannot give you any more. The facts are these:-

You asked for 40. These I sent. I sent 40 at the same time to the Bank of Montreal. They also phone this morning that they have a tremendous demand. We cannot give out more tickets than there are seats, or we should incur the wrath of the public.

We have made arrangements for an overflow meeting in the York Room of the Windsor Hotel. All those unable to be accommodated in the main Hall may hear Sir Arthur Salter over the microphone in the York Room. We are not issuing tickets for this, as we feel there will be plenty of space for all who come. Announcement to this effect will be made in the press.

(over)

2.

I do hope this will enable you to adjust the matter with the members of your staff. We had no idea there would be such a rush for tickets; in fact, at the first of the week the demand for them was slow, but for the last two days they have been going out steadily.

With thanks for your very kind co-operation,

Yours faithfully,

Secretary to the Principal

April 10, 1933.

Gerald Halpenny, Esq.,
President, Students' Executive Council.

Dear Mr. Halpenny,

On Tuesday, April 18th, at 12.10 o'clock
in Moyses Hall, Sir Arthur Salter will receive the
honorary degree of Doctor of Laws, honoris causa.
Mr. E. W. Beatty, our Chancellor, will preside,
and I shall present Sir Arthur for the degree.

I understand that notices of this
Convocation, of the Salter Lecture in Windsor Hall
on the evening of that day, and of the Coupland
lecture in Moyses Hall on the following evening,
have been sent around to the different buildings
for distribution to the students.

I am especially anxious that the stu-
dents should attend this Convocation, and should
appreciate anything you can do to see that they
are present. Lectures on that day are cancelled
from twelve to one o'clock.

Ever yours faithfully,

Principal

Office of the Principal and Vice-Chancellor

April 10, 1933.

To all Deans:

(1) Agenda, Canadian Universities Conference

(1) On February 2nd I wrote you, asking for suggestions as to suitable subjects to be discussed at the forthcoming Canadian Universities' Conference. Only one Dean has replied.

I am in receipt of a reminder from the President of the Conference, and if you have any suggestions to make will you kindly let me have them?

(2) Special Convocation, April 18th

(2) Will you please see that the students in your Faculty are reminded of the Special Convocation to be held at 12:10 o'clock on April 18th, when Sir Arthur Salter will receive an honorary degree? I am anxious that there should be a good student attendance. The Chancellor will preside.

Students should also be reminded of the Salter Lecture in the Windsor Hall, April 18th, at 8.45 p.m., and of the Coupland lecture on "The Irish Controversy" in Moyse Hall, April 19th, at 8.30 p.m. There is no admission charge for either lecture.

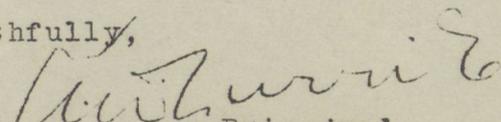
(3) Carnegie Corporation Grants, 1934-35

(3) I am advised by the Secretary of the Universities Bureau of the British Empire that 12 Grants of £320. each to be spread over the years 1932-33, 1933-34, 1934-45 and 1935-36, have been provided for. They are to be again open to members of University staffs, whether administrative or teaching, to visit Great Britain for such research work or special investigation as may approve itself to the Executive Council of the Bureau. Arrangements made for the distribution of these grants for the years 1932-33 and 1933-34 are to be repeated for the year 1934-35.

Nominations are open until January, 1934. I shall send you further particulars later on.

I am not yet advised as to the successful candidates for the 1933-34 grants.

Yours faithfully,


Principal.

INTRODUCTION OF SIR ARTHUR SALTER, K.C.B., LL.D.

At The Windsor Hall, Tuesday, April 18, 1935

by

Sir Arthur Currie, G.C.M.G., K.C.B., LL.D.
Principal of McGill University.

Ladies and Gentlemen,

It is my honour and pleasure, on behalf of McGill University, to welcome this distinguished audience to the Second Lecture in that perpetual series made possible by the beneficent generosity of the Massey Foundation. That Foundation has a unique place in our Dominion, and its influence will be an ever increasing and potent force in the coming years. The late Hart Massey, of revered memory, who died in 1918, made provision in his will for the setting aside of a definite portion of the income of his estate to be used specifically for educational purposes, - the term "education" to be interpreted in its widest and broadest

2.

sense. To apply and administer that income the Massey Foundation was established in 1918, with the Honourable Vincent Massey as Chairman.

The purpose of the Massey Lectureship established by the Massey Foundation is to bring to Canada from Great Britain each year a distinguished and outstanding authority in the realm of letters, science, education or religion, to give a public lecture in his chosen field of endeavour and achievement at one of the Canadian universities, selected in rotation. In this way the thought and opinion of Great Britain on special or ^{vital} problems is brought authoritatively and impressively before the people of Canada and the opinion of Canada is brought into enlightened and enlightening contact with the opinion of Great Britain. The in-

influence and value of such contact cannot be adequately expressed, nor its far-reaching results fully measured.

There are some of us who entertain the hope that there will be established by some man of vision in Great Britain similar foundations or other means by which outstanding authorities or spokesmen from the Overseas Dominion may be enabled to interpret the thought and the opinion of their country to the people of the old land. Such exchange would, we believe, be of inestimable value in developing a wider knowledge and a more sympathetic understanding among the peoples of our far-flung Empire. The lead given by the Massey Foundation is worthy of all emulation and should be followed elsewhere. I am sure that all of us express in our hearts and minds our silent gratitude for the far-seeing vision, the firm and buoyant hope and the munificent example

of this family, always famed for its generosity, - the Massey family, - who have given us the privilege we enjoy to-night and who have provided for similar privileges to future audiences and future generations of Canadians.

A year ago the Massey Lectureship was inaugurated by LORD IRWIN, who spoke on "Some Aspects of the Indian Problem". Quite naturally, the University of Toronto, the Alma Mater of the Masseys, was chosen as the medium. Tonight, the honour is given to McGill, an honour which I assure Mr. Vincent Massey, the Chairman of the Foundation, who is present with us tonight, we appreciate as a University and as a community. A year ago the perplexing problems of India were of deep interest to us. They are still of interest to us, and will be, I imagine, for many years to come.

But today other problems crowd upon us with terrible and distressing pressure. We are living in a tortured and sorely battered world. On the troubles which surround us and which prevail throughout the world, it is unnecessary for me to dwell. They are felt, more or less painfully, by everyone here present. We are looking within ourselves and without for some ray of light, some hope, some confidence, some solution, some lasting remedy. Many suggestions have been made, many voices have been heard, many theories have been advanced, and many restoratives advised. Books and pamphlets issue in abundance from laboring presses. Many speeches are made from many platforms, but as yet there is little change for the better. Recently, one book has appeared which by its penetrating analysis and simple sincerity, ~~and its~~ ~~author~~ has commanded the respect and attention of the

world. It is a book entitled, "RECOVERY", from the stimulating and thought-provoking pen of Sir Arthur Salter, a trusted servant of his country in many spheres of endeavour and in many difficult international tasks.

R A D I O :-

Sir Arthur Salter is with us tonight. All of you who have followed with acclaim and admiration his strenuous and conspicuous career, who have listened to his guiding voice on the air and who have read his books and utterances with quickened vision and sounder knowledge, must rejoice that it is our privilege tonight to see and hear him personally. At any time his presence amongst us would have provoked a joyous satisfaction, but at this crisis in a stumbling and groping world, no more fortunate choice of a speaker could have been made by the Massey

Foundation. It is, therefore, my pleasure, ladies and gentlemen, to introduce to you this distinguished leader of his people, a man endowed with courage and vision, boundless energy and an exceptional executive ability; a guide and authority in all social and economic, national and international problems; a lover of peace; the highest example of a true public servant; and, in the multifarious duties he has undertaken for his country, always a master mind, - Sir Arthur Salter.

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MODERN
MECHANIZATION
AND ITS EFFECTS ON THE
STRUCTURE OF SOCIETY

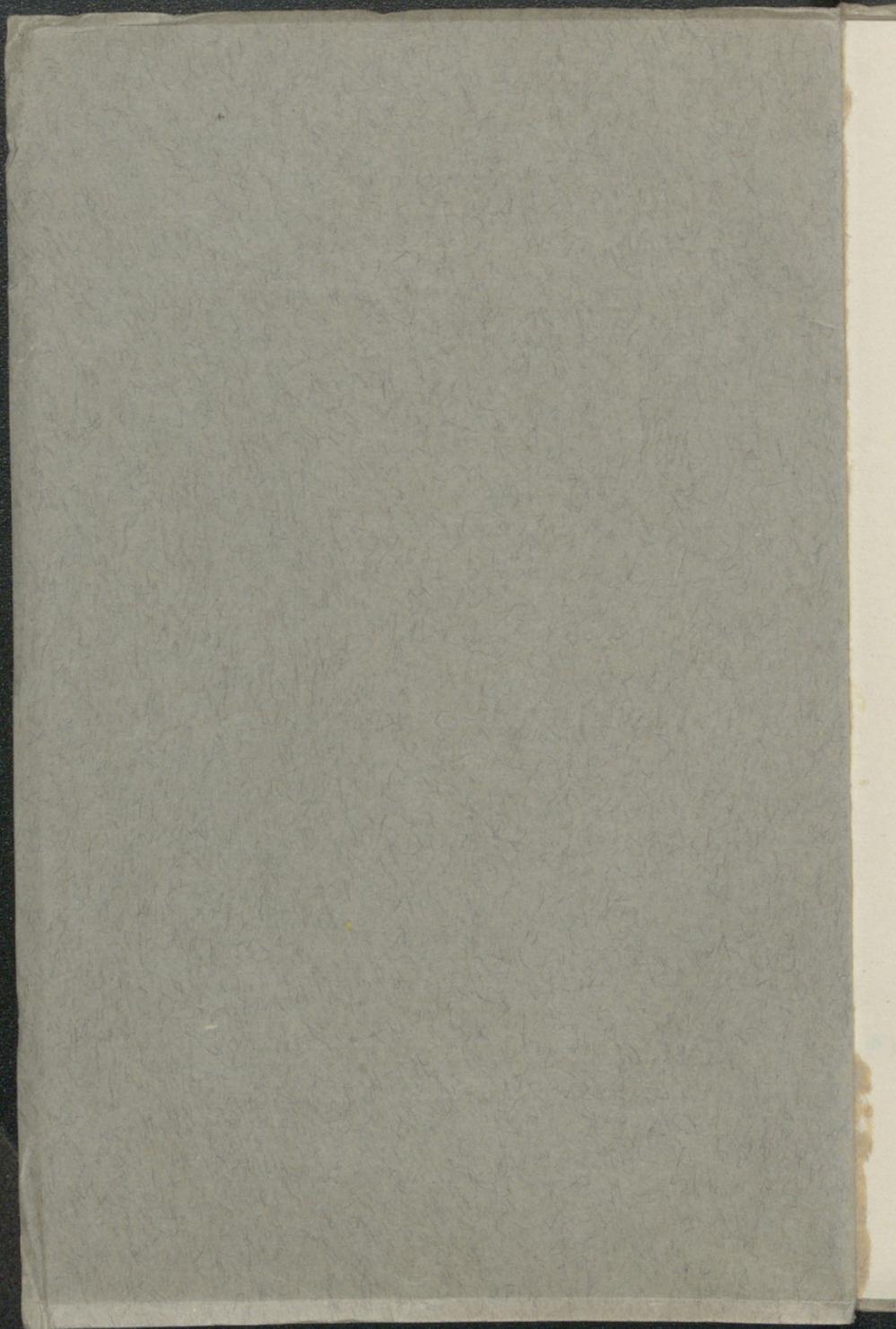
Being the Second
MASSEY LECTURE

DELIVERED BEFORE
MCGILL UNIVERSITY
on 18 April 1933

BY
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THE MASSEY LECTURE, *under the terms of which persons of eminence in public affairs and other spheres of activity are invited to visit Canada from Great Britain, is delivered annually before one of the Universities of the Dominion*

THE LECTURESHIP *was inaugurated in April 1932, by Lord Irwin's Lecture before the University of Toronto on 'Some Aspects of the Indian Problem'*

MODERN MECHANIZATION AND ITS EFFECT ON THE STRUCTURE OF SOCIETY

A YEAR ago Lord Irwin took as the subject of his inaugural lecture on this Foundation the political problem of India. It is my privilege to follow him to-day by speaking of one of the most fundamental of our economic problems, the effects upon the structure of society of modern mechanization.

In the history of man, mechanization is a thing of yesterday. For it depends upon the use of the stored energy of inanimate nature to supplement the feeble muscles of living creatures. And only with the invention of the steam-engine did man begin to enter into his present illimitable treasury of new power. Till a hundred and fifty years ago the principal machine in the world was man himself. He harnessed horses and other animals to his service; he caught the power of falling water in water-wheels, or the winds of heaven in his sails and windmills; he devised tools and skilful instruments to weave and spin; he invented the wheel to reduce the energy needed for him to travel or transport his goods. But the forces of nature were only trapped and used where and when they could

be found. The wind bloweth where it listeth; and when it fell his ships were becalmed and his windmills stopped. He could not store Nature's energies and had no access to those she had stored herself. And for the vast bulk of his work he had only the strength of his own limbs and that of a few animals little stronger than himself. His machines had no other power to drive them and, thus limited, were little more than magnified hand-tools.

Even with resources so restricted the life of man was of course by no means always and everywhere poor and brutish. At fortunate periods, and in favoured regions, there have been advanced, and even materially rich, civilizations, of which the earliest were several millennia before Christ. In art, in literature, in philosophy, in all that expresses the rich potentialities of the human mind and personality and makes possible the highest form of human happiness, man achieved a quality which he has never surpassed since he entered into his heritage of greater power. Yes, but civilization through all these earlier centuries was, of hard necessity, the privilege of a few. In the most fertile regions man might wrest from nature a little more than his necessities with a little less than his full measure of strength and time; out of the margin must come the cost of his government and defence,

the spoils of those who attacked him or ruled over him, the riches of any privileged class whose strength enabled them to live on others' labour. In less fertile regions the margin was less, and the toll exacted from the ordinary man compelled him to the most arduous toil and the most meagre existence. Under these conditions population was restricted by an ever-near margin of subsistence; starvation, actual or imminent, was the most potent force in determining the size and character of all human societies. The inexorable fate of the vast proportion of mankind was almost unceasing struggle for bare necessities. No virtues or wisdom, individual or collective, could fundamentally change the hard limits set to man's possible total of material wealth. If just and wise government were added to individual skill and industry, all might be happy and a few rich. But even then the population of the world must have been relatively small; men must have lived in small communities, with few and slow opportunities of inter-communication; the riches of distant climes must have been rare luxuries; the experiences of distant races, cultures, and civilizations known mainly to each other only by indirect report. Man might of course achieve a level of general happiness still unknown to him; an individual quality not

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surpassed, nor even frequently equalled, since he has acquired his new heritage of power; and a structure of society as capable of giving the individual everything he can get from the company of his fellows as any which we have since devised. All this is true. But the nature of the society then possible, if not inferior, was profoundly different; the range and scope of human achievement, if not surpassed in quality, much more restricted in range; the possible total of material wealth incomparably less and the numbers of those who could enjoy more than a bare existence inexorably limited.

This was the inescapable lot of man but a century and a half ago; and it must have seemed that it would be his lot for ever. It is so no longer. The stored energy of nature first released for man in steam has given him all the power he requires for all his needs. Oil has been added to coal, and electricity transmits their energy and that of moving water too. And with power at his call his skill and science have devised machines to replace his personal toil and multiply beyond imagining the commodities that minister to his sustenance and his comfort. To these have been added the means of instantaneous communication, which enable man's messages and instructions, and even the very accents

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of his spoken word, to cross the world in a moment.

These three factors, power, mechanical appliances, and the instantaneous transmission of news, are the dominant forces in determining the material basis of man's life; the structure of his society and his government; the character of his opportunities and his problems. We now have, for the first time in human history, all the material resources and the human skill needed to provide both the necessities and the comforts of life to the whole of the world's population; to support indeed a population several times as great at standards very much higher than any hitherto known; and to give to every man not only material wealth but the leisure and opportunity which he needs to realize the full potentialities of his nature and enjoy the full heritage of the civilization in which he lives.

Yes, we have the material resources. But that is only half, perhaps the easier half, of what we need in order to attain the result. Ordered human progress depends upon two factors, requires two kinds of quality, two kinds of activity. Man must *make*; and for this he requires power over nature, knowledge, industry, and skill; he must learn to use tools and machines and organize productive organizations in which he can work

collectively and co-operatively. But man must also *regulate* and control these individual or group activities so that they do not react disastrously and destructively upon each other. The first is a problem of creation—and he has solved it; the second is a problem of what, in the widest sense of the term, we may call government—and he is indeed far from finding its solution. The first needs knowledge, the second regulative wisdom; and knowledge comes, but wisdom lingers. For the first he needed a mastery of nature—he has acquired it; for the second he needs to control human relations—and this more difficult task he is as far as ever from accomplishing. It is not indeed that, even in this sphere, man learns nothing. On the contrary the industrial organization which links together a thousand specialized activities involves, within its limits, a triumph in the control of human relationships. But every new increase in the complexity of individual or sectional activities creates a new problem of government. The forms and methods of government are always adapting themselves; but they are always lagging behind. The pace set by progress in scientific invention and improved industrial technique is too hot for man's regulative control to overtake. And when it lags behind, every new progress in

specialized activity is a new danger; every new access of power threatens destruction to what we have more than it promises increase. That is why mechanization is compelling, and will compel, profound changes in the whole structure of our society.

I have said that, by the scale of human history, mechanization is a thing of yesterday. This is true. But it is no less important to remember that, by the scale of an individual's life, it already has a considerable record, sufficient to enable us to judge of its tendencies and estimate its future results. A century and a half covers six generations or the span of two full lives. And throughout this period mechanization has been working its effects upon human society. Modern mechanization, such as we have known it in the last two decades or so, presents indeed certain special characteristics of its own. It may be proceeding at a more rapid rate—I will discuss this in a moment—and its progress is cumulative. But after all, the twentieth century is more like the nineteenth in its economic processes than the nineteenth was to any previous period of man's history. Steam and the cable were more revolutionary in their effects than any subsequent inventions. The dividing line in human history is the Industrial Revolution and not the accelerated

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mechanization that accompanied and has
followed the late war.

I have begun with these familiar, perhaps too familiar, facts and generalizations because I think it is necessary to have them clearly in mind in order to keep a due sense of perspective and proportion as we look at the many-faceted phenomena of modern mechanization. I shall now comment in turn upon the special features which this presents as compared with the earlier mechanization of the last century; and the changes which it seems to indicate in our economic and financial system, in our forms and methods of government, in our educational policy, in our social structure and social ethics, and in the kind of life which man may hope to enjoy in the generations ahead of us. Let us throughout remember, and remember equally, that mechanization offers a conditional promise to man of all the material elements of happiness and civilization for the whole of the world's population; that the condition is that man should reform the organization he has himself created and learn to control his own human relationships; that mechanization is at once new in the scale of human history, but old by the scale of the lives of individual man; and that, while the accelerated developments of recent years present us

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with new problems, there is much which we can learn for their solution from the experiences of the last century.

II

With this preface let me comment upon the special features of the mechanization of the last two decades. At what rate is it taking place? Is it substantially more rapid than in the past? What part has it played in causing the present depression and crisis? What is the scale and character of what is called 'technological displacement', the displacement of men by the introduction of new machines? Does it suggest only transitional or permanently increasing unemployment? What place may it be expected to occupy when other causes of unemployment are removed? The answers to such questions will help us to see what changes are to be expected, and what are to be desired, in the structure of our society.

A report recently prepared by the International Labour Office at Geneva states that 'exact information as to the rate of technical progress in recent years is not available, nor can precise comparisons be made with the rate of change characteristic of earlier periods; it is, however, generally considered that technical progress was unusually rapid during

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the post-war decade, and there is much to indicate that it has continued at a rapid pace even during the period of the depression'.

We have a good deal of information to enable us to confirm and give substance to this general statement. But the available statistics illustrate rather than measure its truth; and they need a perspective given by much information which is not capable of statistical expression.

We have probably all of us seen the startling figures published in connexion with the 'Energy Survey' of the technocrats in America. Such figures may be accurate but at the same time very misleading if we allow ourselves to generalize from them. They are taken from exceptionally mechanized factories in forms of production exceptionally suitable for extreme mechanization. They allow certain reasonable inferences as to the probable course of development in one category of human activities, the production of standardizable articles, but we shall have a very distorted vision if we consider them as applicable to the whole of man's work and life.

In order to keep a due sense of proportion we need some general picture of occupations and conditions of work in the world.

Let me start with agriculture. This may

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seem paradoxical, since mechanization is usually thought of mainly in connexion with industry. I do so for several reasons. First, agriculture remains the occupation of some 70 per cent. of the world's inhabitants. Secondly, mechanization of agriculture is relatively novel; it did not complicate the processes of adjustment in the first industrial revolution, while it is a serious factor in the present one. Agriculture has normally been not only the reserve on which industry draws when its demand for men exceeds the supply, it is the occupation to which superfluous industrial labour retreats in time of depression. This is the customary 'cushion', for example, in a country like France, where the man who loses his job in a town retires with his family to his relations in the country and takes a hand in the work. It is notable that even in the United States, after many successive years of declining agricultural population, there was an actual increase in the slump of 1930 in spite of the agricultural depression. The consequences of mechanization on those engaged in agriculture are also more serious and difficult to deal with, partly because in most countries only a small proportion of those who work on the land are easily adaptable to other occupations, and partly because the human demand

for at least the basic agricultural products is very inelastic. Man does not eat more bread because he has more to spend or because bread is cheaper. On the contrary he eats less; during the great rise of America in prosperity from 1889 to 1929 the *per capita* annual consumption of wheat flour fell steadily from 224 lb. to 175 lb.

What then is mechanization doing for agriculture?¹ If we look at particular processes in specially suitable areas the results are no less striking than in industry. Instances can be quoted of agricultural machinery accomplishing certain forms of work with one hour's labour which a century ago took 3,000. And the development has been recent and rapid. In 1914, 270 combine harvesters were manufactured in the United States; in 1929 the number had increased to 36,957. In 1916 only about 30,000 were made there; in 1928 there were no less than 853,000 in use. Sir Robert Greig had recently estimated that since 1850 machine-farming developments through the world have released 27 million men from agriculture. These are striking figures, but their significance may easily be exaggerated. It is in the harvesting of grain

¹ For most of the information in this passage the lecturer is indebted to *World Agriculture* published by the Royal Institute of International Affairs in 1932.

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that mechanization has achieved its most striking triumphs. But it is only in the United States, the Argentine, Canada, Australia, and Russia that it has so far been pushed very far; and it would be unwise to infer any similar development in other countries where the conditions are much less favourable. In the Argentine 30 per cent. of the wheat area is reaped by combines, in Canada about half that proportion. An increase is to be expected in Canada and Russia, where the severity of the winter makes the maintenance of horses expensive, and where oil fuel is cheap as it is in Russia. But in the Argentine and Australia the present tendency is to revert to horse-power, or at all events not to extend the use of mechanical traction. Outside grain harvesting mechanization has no comparable successes, except on a limited scale in some of the processes of dairy farming. It is at present inapplicable to the lifting of roots, the picking of cotton, the pulling of flax, the cutting of sugar-cane, weeding, the planting of rice, the gathering of fruit. Even in countries where the climate, high costs of labour, and the character and tenure of the land are all favourable to mechanization, there will still be much work for the peripatetic, odd-jobbing individual which no machine can take over.

Moreover, if we are thinking of the possible displacement of labour in the present century, economic or social factors are as important as technical considerations. In Russia (160 millions), where mechanization is proceeding most rapidly (more than three-quarters of the tractors exported from the United States in 1930 went to Russia), it does not, and will not, involve unemployment. The difficulty of the Russian situation, and the Russian system, is to produce more with the men and resources available, not to find employment. There is land to develop and a potential consumption to absorb increased supplies. In China (450 millions) the average income per head is less than \$20 a year, labour is not only cheap but abundant; it is fertile land rather than men who set the limit to production. Since mechanization economizes in men but does not increase the yield per acre it has no scope in China and is likely to have no development in any easily foreseeable future. The same may be said generally of India (350 millions), where the average income per head is less than \$40; of tropical Africa and in general of most of the world except the countries just mentioned and Europe. In Europe itself the low wages of human labour in the poorer countries, and even in countries like France and Germany, the character of land division

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and land tenure, and to some extent deliberate official policy, are likely to prevent any development at all comparable with that of the great grain-exporting countries. And year by year the importance of subsidiary agricultural production, such as fruit-farming, flower, jam, scent, and honey production, to which mechanization is little applicable, becomes more important. Low agricultural prices, cheap labour, dear fuel, will also restrict the development.

These considerations do not apply to a country like Canada, where many factors combine to indicate a large displacement of agricultural labour by mechanization. As a grain-exporting country Canada has not, like France, the resource of agricultural protection; the character of the land and cheap fuel both facilitate mechanization; industrial development makes the machines readily available to maintain a standard of wages unobtainable in non-industrialized countries; the inelastic character of the world's demand for grain deprives agriculture of the resource that most mechanized industries have of tapping new markets through reduction of prices. In countries of this kind, therefore, agricultural mechanization must have profound effects in displacement and occupational redistribution. If we are looking at the world as a whole,

however, the population so affected is not great.

When we turn to industrial mechanization it is only in the advanced countries that serious displacement of labour is threatened. In India and China it will obviously mean the absorption of more labour; any displacement it involves, and this will be diminished by their rising standards of living and increased purchasing power, will affect not themselves but the countries from which they import.

We come then to the industrialized countries which comprise less than one-fifth of the world's population, but a fifth which represents our distinctive modern civilization. What does it mean for those who live in countries of this type?

Let us consider first the *rate* of technical advance in such countries. For this, as I have already suggested, figures taken from particular factories are not the best guide. We have fortunately more generalized information. In Canada there was, between 1923 and 1929, an increase in the output per person in the principal groups of industries of 17 per cent.¹ In Sweden during the same period the increase was 26 per cent. In Great Britain, between 1924 and 1929, it was 11 per cent. In the United States the increase in the eight

¹ *Report on Hours and Unemployment*, I.L.O., 1932.

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years ending in 1927 was no less than 43 per cent. These figures may not be strictly comparable but they indicate both the rapidity of technical progress of recent years and the considerable variation in different countries.

In most cases this progress involves displacement of labour. But it would of course be a complete mistake to think of this as necessarily involving corresponding unemployment. We need constantly to have in mind the experience of the last century. Mechanization has been the foundation on which for a century and a half the comforts and the luxuries of life have been increased, and a constantly growing population has been enjoying higher standards of life. The Industrial Revolution involved great transitional hardship in England a century ago, followed by great benefits for later generations, and no substantial body of continuing unemployment. In the United States fifty years later an even more rapid mechanization brought greater benefits and less hardship, and, until the Great War, America was absorbing her actual increase of population and in addition an immigration of nearly a million a year, and finding work and constantly rising wages for all. The experience of a century is not to be lightly disregarded because of a post-war decade, still less of a

three and a half years of abnormal depression, itself certainly due mainly to other causes.

It is well to keep clearly in mind what happens when a new machine enables, say, 30 men to do what 70 did before. The 40 are for the time of course displaced. But the economy made is spread in payment to those who make the machine, perhaps in higher wages to the 30 who remain, in increased dividends, in a reduction in price to the consumer. In every case the result is to increase purchasing power, which means a greater demand employing labour in other directions. The normal result should be that in the end as much labour is spent on making more goods and the average of wealth is increased. That is how the system should work, and on the whole used to work, though there was of course a time-lag, and transitional employment with individual hardship (which might in equity be partly compensated for out of the economies).

But for some time now, and not only during the depression, this system has been working less satisfactorily. Some very significant figures have been published by the American Labour Bureau. In 1923 there were about 1 million unemployed. By 1927 there had been a decline of 1,200,000 employed in manufacture, mining, and other ways, and a

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migration of a million farm-workers to the towns. Against this there was an almost exactly equal increase in automobile services, amusements, and distributive services. Meantime, however, increase in population had brought 3 million more into the labour market, and unemployment consequently rose to 4 millions.

The two main facts disclosed by these figures are equally important. First, mechanization causes great changes in occupation. The agriculturist comes into industry; men move from the old basic industries to new ones; they move from manufacture to personal services. This is a normal and inevitable development even when the economic system is working at its best.

The second fact, however, is equally important. The economic system had already, before the depression, been losing its power of rapid absorption. In America it was no longer absorbing both those displaced by new processes and also the increase in population, as it had done during the earlier period of mechanization.

III

This is the outstanding fact, and constitutes the most vital economic problem, of our age. At the precise moment when the increased

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rapidity of technical progress requires greater elasticity and adaptability in the economic system, this system has become less elastic and adaptable. The pace of technical invention has put a greater strain upon an already diminished absorptive capacity. This was the main cause of the already considerable unemployment in America even during the period of boom; and it is the main fact we now have to face. The increased displacement by machines is a less important factor than the change in the environment in which it operates, than the new sluggishness in the normal economic process.

What then is the reason for this? To find the answer we must picture the way in which the economic system normally works. Everywhere, except in Russia, supply is adjusted to demand, and each process in an infinitely complex interacting series is linked to the rest by competition operating through price changes. If demand for any article increases, the price goes up, and new capital and labour are attracted, till the supply again equals the demand; and the converse process operates when demand falls off. The individual producer feels his way to his policy by the guidance of price and cost-levels; and if he resists he fails to make profits and is ultimately eliminated. Over the whole system

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economic activity therefore depends upon a prospect of profits, that is of prices exceeding costs, operating in the minds of individual *entrepreneurs*. Everything depends upon prices and costs being flexible and responsive to new conditions, and business policy being quickly amenable to their guidance.

Now for a quarter of a century or more a number of factors have combined to interfere with, and retard, this normal adjusting process of the competitive price system. Industries have been organized on so large a scale, and fortified with such financial resources, that they can and often do maintain production after demand has fallen off and prices have become unprofitable; and then, if there is no recovery from the slump, they may make it worse by dumping a great excess of stock at liquidation prices. Others are so organized or inter-related that they can in practice fix prices, and may choose to keep them high and lose custom rather than tap new demand by reduction to the lowest figure compatible with the smallest margin of a profit. Each of these policies was impossible to the small individual manufacturer of the past, and each retards adjustment. Meantime social legislation and rigid wage rates, whatever their other benefits, have interfered with the adjustment that is made by changes

in costs. To all these causes we must add the interferences with the natural flow and variations of trade caused by tariffs and other deliberate measures of commercial policy enforced by Government. Economic nationalism as it has recently developed has, moreover, destroyed the regulative function of the former world currency based upon the gold standard. Unemployment is the result of all the maladjustments, or time-lag in adjustments, that follow; and even before the present depression it was becoming a chronic functional disease in our society.

Now, if man is to reap the heritage of his new power, or even to prevent its being a curse rather than a blessing, he must have an economic system which will translate each increase in productive capacity into an equivalent increase in purchasing capacity and so avoid the tragic disaster of chronic, increasing, and demoralizing involuntary idleness. His present system is failing in this supreme function. How shall he change it?

There are two ways in which supply can be adjusted to demand, and each economic process be linked to the others. One is by the competitive automatic process which is now failing us. The other is by deliberate planning and direction. This was used over large areas of economic activity by some of the

belligerents during the war. It is now being tried in a more complete form in Russia, where it involves the suppression of both political and economic freedom as we know it.

What then are our alternatives?

The first is that we shall restore the conditions under which the automatic competitive price system worked well in the past. This I believe to be by itself incapable of providing a complete solution. Here and there we can, and I hope, shall, remove some of the impediments which are interfering with the working of that system, especially those which are due to the special disturbances of the war and have mainly caused the present depression, and thus clear a field in which the process can work as before. But many of the tendencies which have destroyed the adaptability of the competitive price system are permanent, increasing, and irreversible. We cannot arrest the development of large-scale industrial organization; we cannot annul social legislation; we cannot destroy the trade union organizations which reduce the flexibility of wages; we cannot abolish tariffs, though I hope we shall both reduce them and make them more stable. These three factors will so interfere with the working of the automatic system that it cannot be relied upon to work as in the past, especially since the greater rapidity of

technical progress places a greater strain upon it.

I believe therefore that we need to supplement this automatic system by deliberate planning and direction. This does not, however, mean that we must replace it by a new and fundamentally different system of centralized and State control. I need scarcely recall to you the immense difficulties and dangers of any such radical solution. It is difficult to conceive its establishment without revolution. It would probably involve the supersession of all representative institutions by autocracy, and so the loss of political liberty. It would place an intolerable strain upon human character, for the ruling class would need a power and authority which (if history has any lessons) is likely to corrupt any class to which it is entrusted; and the individual would have to find his stimulus to effort, not in the prospect of positive personal advantage, but in a natural industry reinforced by threat of punishment. It would also place a great strain upon human intelligence, which is unlikely to be able to direct in detail from the centre the infinitely complex economic processes of the modern world. We should have to engage in such work as remote officials might decide, and be content for the satisfaction of our needs with what they might

choose to provide for us. We should therefore lose not only political freedom but personal and economic freedom as well.

If then there were no escape from the dilemma of having to return to an unregulated freedom which is impossible or a complete tyranny which would be intolerable, the prospect would indeed be a bleak one.

Happily there is, I believe, a third course, which is not a mere compromise between the two extremes, in the sense of being something half-way between them, but a selective and creative compromise which will give us the best of both.

The solution consists, I believe, in developing appropriate institutions throughout the main spheres of economic and financial activities which will in each case afford sufficient regulation and direction to prevent the individual activities reacting destructively against each other, and the occurrence of such abuses as we now witness, while leaving otherwise a free field for individual or group enterprise. I do not think that the State can undertake such a responsibility. I believe that we need to build up a system of collective self-government in industry and in each sphere of economic and financial activity, encouraged by and linked up to State action but not directed in detail by it. I cannot now

describe the new structure of society which I have in mind. I have tried to do so in *Recovery* and other publications. I can only now suggest what I mean by an illustration. Take for example the flow of capital. Our recent experience has shown the grave dangers of unregulated individual competition in issuing loans. There must be some regulation. This involves I think collective and to some extent institutional action. I think, for example, that each country, or at least each principal financial country, should have a National Investment Board, composed partly of representative persons from the financial organization and some public officials, which would have the power (given by the State) to *veto* certain classes of public issues but no general responsibility for *positively* raising money for specific approved purposes. Outside such prohibitions the flow of capital would be free of public direction. But issuing houses should also, I think, collectively draw up a kind of code of conditions to be observed by each of them for certain classes of loans. This is especially necessary in the cases of loans to foreign governments; and for such loans the collective action of a very few houses in New York, London, and Paris, would be sufficient. For positive action I believe some classes of foreign lending would

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be usefully encouraged and safeguarded by specialized institutions such as the Agricultural Mortgage organization recently recommended by the League of Nations. Nationally, I think the Banks and the Stock Exchange need to collaborate to improve the system under which the public are invited to subscribe capital for new enterprises, and to reduce the evils of speculation on margins and on borrowed money which so greatly increase the intensity of both boom and reaction at such times as the autumn of 1929. If the existing financial organizations of the world could be supplemented by collective action of this kind, I believe that the system would otherwise allow the free, competitive flow of capital to continue essentially as at present without causing the abuses and disastrous dislocations which we have recently witnessed. This is an illustration from one sphere only. I believe that somewhat similar collective self-government, linked up to the organs of representative government, is required throughout every main sphere of economic and financial activity; and that it needs at every stage to be in part organized internationally as well as nationally. I believe with such an institutional regulation and control, organized and directed from inside the economic system and not externally

imposed, the present defects of the system can be sufficiently remedied to make it work and still leave room for private enterprise and the stimulus of private profit.

Any such institutional self-government would of course require to be suitably associated with the machine of political government, whose methods and procedure themselves also need to be reformed. I believe that it will be necessary for Parliaments unspecialized in economic problems to delegate many of their present functions to the Executive, and for the Executive to strengthen themselves for their economic responsibilities, by much more regular and better organized advice than at present from outside experts. The failure of representative government in free democratic countries to adapt itself to its modern economic tasks has been the impelling force which has led to its replacement by systems based upon force. If representative government is to preserve the essentials it must probably be prepared to relinquish the unessentials. Among the essentials is the right of an elected Parliament to retain in power or dismiss the Executive and to lay down the main principles of policy and legislation; but the right to draft the detailed clauses of laws or to exercise pressure on the details of administration is among the

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unessentials, and the insistence upon its exercise may make the whole machine of government unworkable under modern conditions.

IV

I need add only a few words as to the present world crisis. My theme is concerned not with the temporary causes and temporary aspects of that crisis but only with those more permanent defects in our system which were already present before 1929 and will remain even after we have achieved some kind of recovery. It will be evident from what I have said that I do not think that mechanization or technological unemployment is a principal cause of the present crisis. The principal cause is to be found in a complex of factors, some arising from special disturbances resulting from the war, which have dislocated our economic system, and destroyed its previous power of adjustment and adaptation, its absorptive capacity, its ability to adjust supply to demand and to increase demand as greater supply is forthcoming. Rapid mechanization and consequent technological displacement have been aggravating factors when the absorptive capacity of the system has been reduced for other reasons. We shall be engaged mainly in the immediate future in

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removing the special obstacles peculiar to the present situation, the monetary disequilibrium, the intergovernmental indebtedness, the new tariffs, the special political dangers, and so on. But we need, while doing so, to remember the other, more permanent, causes of dislocation that will remain even when these are dealt with. I have tried to disengage these and to suggest the kind of reform of our normal system which I think they necessitate.

v

Speaking to this University audience I venture to draw one conclusion which I think follows as regards University education. Ordered human progress, I have suggested, requires two conditions; the development of man's power to make and create, by individual, or group, action; and his power to regulate these specialized activities so that they do not destroy each other and us. The whole of our trouble now consists in the fact that man's ability in this second sphere has lagged behind what he has attained in the first. Science, research, the discovery of nature's secrets still doubtless have rich gifts in store; but they bring us more harm than good unless we can use and control what we already have better than we do now. It is more important now that we should learn how

to control, use, and organize than how to make more abundantly. Indeed it might be better that even the discoveries which promise most should be postponed than that they should pour upon us before we are ready for them. Better that the aeroplane had never been invented if we cannot prevent the outbreak of wars which will make its chief employment to bomb, shatter, and poison us. Better that the mechanism for the transmission of news were less efficient if it serves mainly to extend the range and the effects of panic and speculative folly rather than wise direction. If this is so, it is more important that universities should evoke the qualities which will give constructive leadership in government and in organization, than that they should stimulate further scientific research whose gifts, if we cannot control them better, are more likely to destroy than to enrich us. I am not of course suggesting a cessation of scientific research; but I am suggesting a change of emphasis, a different distribution of effort, a new centre of gravity in our educational system. By encouraging the qualities that will help government and organization I do not of course mean merely specialized courses in political science or good citizenship. I mean above all the maintenance and extension of a broad foundation of unspecialized,

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liberal education, as a prior condition to specialized training of all kinds. And I mean rather more than this. I mean the creation of a general intellectual and social atmosphere which will encourage all those who receive University education to remember that, in whatever sphere of activity they may in future occupy a directing position, their function will be a double one; not merely that of efficiently conducting their particular business but also of taking part in a collective control which will secure that it is in the public interest. A system of collective economic self-government, associated with but not in detail directed by the State, which is, I believe, the only way in which we can combine freedom with efficiency under the conditions of the modern world, will need new resources of constructive ability and character to which University education can make an invaluable and indispensable contribution.

VI

I have tried to sketch the kind of reforms (industrial, financial, political, and educational) which I think that the modern economic situation requires, and the effect therefore that modern mechanization, which is its principal factor, will or should have upon

the structure of society. I have of course attempted only the barest and baldest outline. Its purpose is merely to serve as stimulus for thought and inquiry. I can only record my own conviction that it is along some such line of development that we must seek the solution of the fundamental problem of our day.

It may be of course that we shall fail; that our resources of constructive intelligence will prove inadequate; that the individualistic and competitive instincts bred in our race by many centuries of scarcity and the inevitable struggle for existence may prove too strong and too disruptive; and that we shall lapse into chaos or be brought out of it only by some autocracy incompatible with freedom.

But let me, for the moment, assume the best; let me assume that we shall so refashion our system that we combine order with liberty; and succeed in utilizing our increased productive capacity and in enjoying the full heritage with which nature's resources and our own skill and knowledge have now endowed us. Let me assume that we have passed not only, as we have, from the period of inescapable scarcity, but also from our present period of potential and precarious plenty to one of assured plenty and a realizable superfluity for all our needs. And on that assumption let us glance briefly in

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conclusion at the more remote effects of mechanization upon man's social structure, on the conditions of work upon which his happiness depends, on his individual quality and on his social ethics.

VII

In these spheres too I believe that modern mechanization will have profoundly different effects from the earlier mechanization of the last century. Let me suggest a few of these probable differences.

First, consider the size of the communities in which man lives. Hitherto the effect of mechanization has been to create increasing urban agglomerations, based often upon proximity to coal supplies. And the process still continues. Social motives are added to economic motives. The man, and perhaps even more the woman, who has once enjoyed the amusement of town life finds the country dull, in spite of the radio. Nowadays, however, it is less important to be near a coal-field, for oil or electricity may replace coal as motive power; and the magnet of a big town is its market. That is largely why industries in England are coming south to London.

But modern mechanization is, I believe, destined to reverse this centripetal tendency. It will not indeed send people back to the

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open country. The agricultural workers will diminish, for machines will replace human toil more rapidly than the world will increase its consumption of food. It will be invalids or those too young, or already retired, who will prefer the health and quiet which the country gives. But there will, I believe, be a movement back to small communities and the country around them. The electrical transmission of power, and cheap and quick transport will make this possible. The higher rents, and the expense and time of travelling a long way to one's work will give an economic motive; and the pleasures of quick access to the country a social one.

The next gift that mechanization will bring, if we can control it, is a margin of wealth sufficient not only to give every man all the comforts and reasonable luxuries of life, but a security of livelihood through all the chances of life. The value of this boon, and its profound psychological consequences, are scarcely imaginable by those who enjoy even the measure of greater security which professional life and, at normal times, the directing positions in industries gives as compared with the lot of the worker.

Next comes the boon of ample leisure, sufficient to construct a rich and balanced life for all who need it.

The next personal gift is more disputable and rarely mentioned. But I believe the future has it in store for our descendants. It is the re-humanizing of industrial processes. In its early stage, not yet completely passed, mechanization has had a de-humanizing effect. It took a man from a skilled and individual craftsmanship and made him a cog in a machine. But as mechanical invention progresses it makes a human being too expensive a cog and finds mechanical methods of replacing him. The men devoted to manufacture will be increasingly engaged in making the intricate machines, or be skilled engineers occupied in managing and repairing them, or administrative staff in organizing the business they serve. The work will evoke, educate, and express human personality and, since the principal formative influence upon men is the character of the work in which they are engaged, it is difficult to conceive a greater boon. Meantime, and to a much greater extent, the number of men engaged in manufacture will be diminished, and a constantly increasing number will be replaced for personal work of every variety in other spheres. They will not, if we can re-adapt our system, be unemployed—but they will be engaged in every kind of occupation which needs and expresses individuality and personal skill. It

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matters not vitally how far these occupations are within the economic process as paid work or outside it as the occupations of leisure; how far we become professional musicians or concentrate our talent in amateur musical societies and so on. The leisure, the means, the opportunity will be provided by the surplus wealth created by the machines.

The same surplus will at the same time provide the basis for a greater approach to human and social equality, by removing the material opportunities by which they are confirmed; so that increasingly the differences between men will depend upon individual variations in talent, quality, and character.

Last, but not least, the new wealth will in time have a profound effect upon social ethics, and upon the underlying psychology which determines the springs of action in groups and communities of men. Hitherto the basic material fact of existence has been an inescapable scarcity in relation to human needs and desires. It is due to this that competition has been so fundamental a factor in the lives of both individuals and of communities; the effort to create more having its counterpart in a scramble to get a larger share of a necessarily limited total. The struggle for existence throughout all the stages of evolution, due to the constant excess of living and consuming

creatures over their available sustenance, has been carried on into the economic life of man. This has been inevitable, and hitherto it has seemed that it would always be inevitable. The prospect is now changing. As our potential wealth increases, and requires only order and combination to realize a superfluity over our needs, the centre of gravity shifts as between co-operation and competition. It is already visibly doing so over a large range of economic activity. The process will continue. Competition will remain; but it will occupy a place of decreasing relative importance; and as a realizable becomes an actual superfluity, competition will assume other forms, a competition for authority, for eminence, for influence rather than actual wealth. Even then the competition both between individuals and communities will be keen—even wars will still be possible, for countries have been ready to fight to impose their religion on others, or more recently their specific form of national culture. But among the underlying causes of war in the modern world the economic are overwhelmingly the most important, and if these can in time be eliminated the task of preserving peace should be a manageable one. For the doctrine of religious toleration which was gradually established in the Western world (with some relapses indeed but not such

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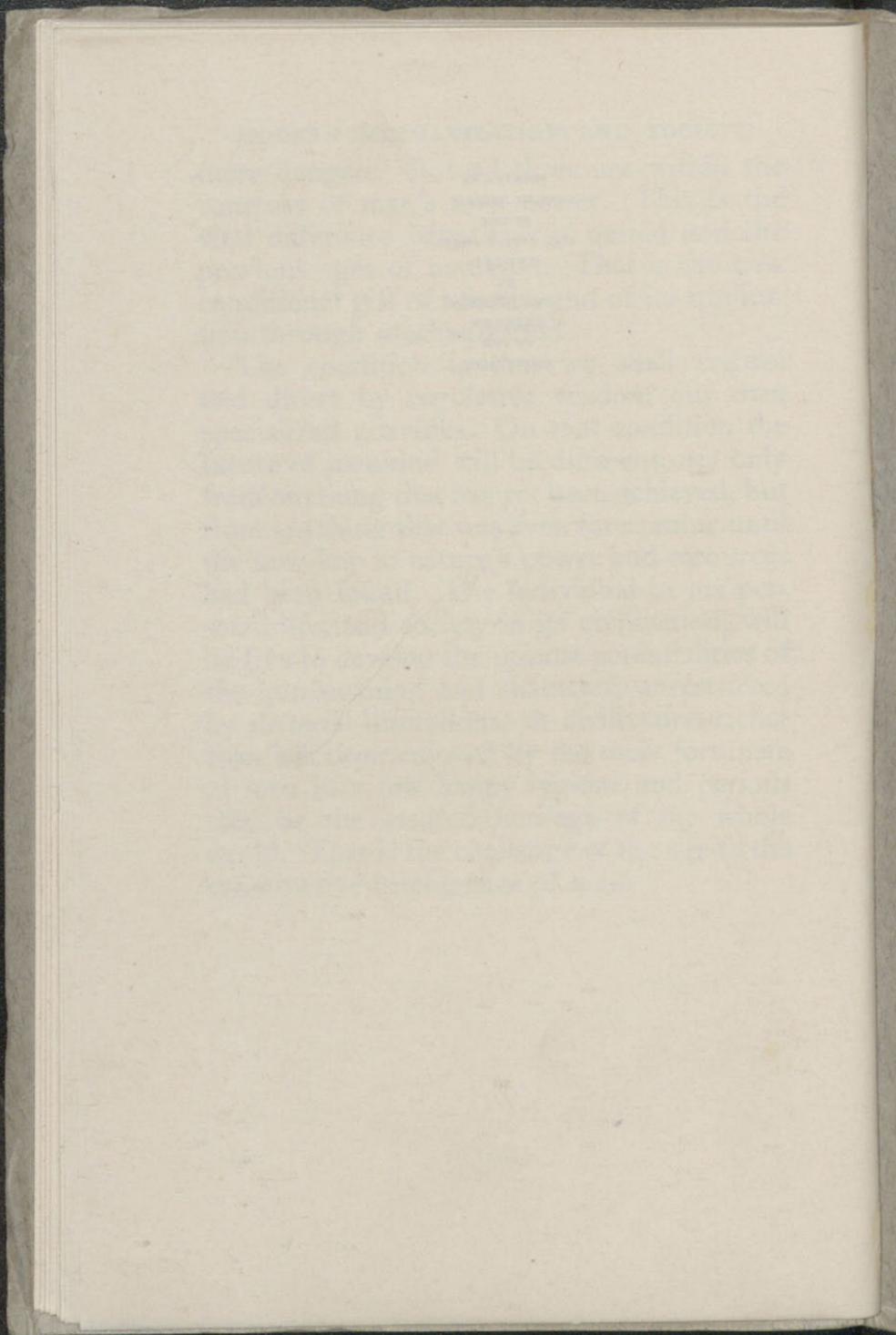
as to threaten external war) will be followed by a corresponding acceptance of cultural toleration, and peace at last will be secured.

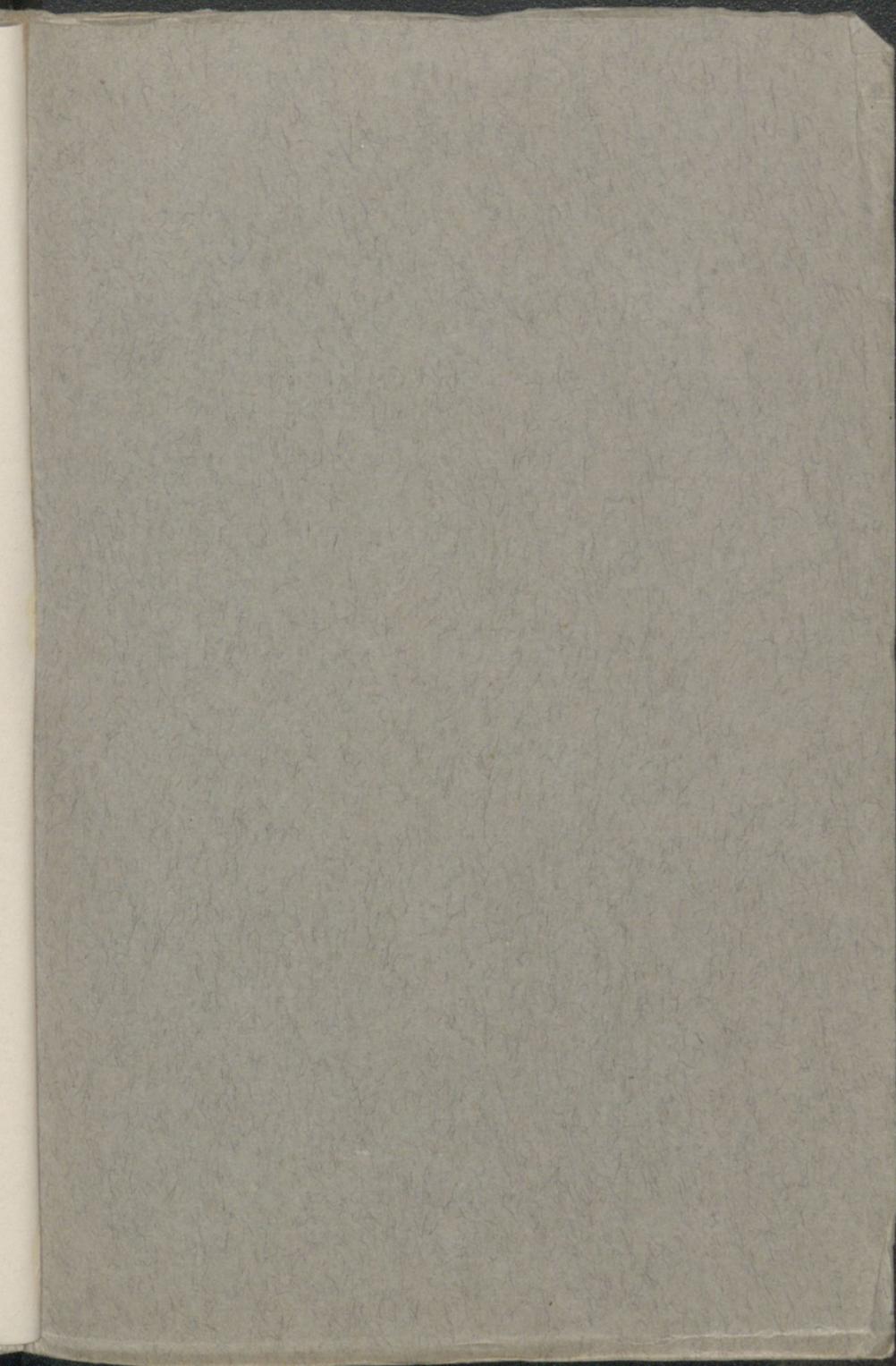
All this may seem a remote Utopia, especially at the present moment. It may indeed be unrealizable for three reasons. We may fail to construct the economic and political structure which will enable us to translate increased productive capacity into equivalent consuming capacity. In that case slumps will again alternate with booms, and perhaps be increasingly frequent and severe. If so the social structure will be strained beyond endurance; we shall have successive revolutions which will postpone progress indefinitely. Or secondly, we may fail to complete and strengthen our collective system against war and to establish a basis of agreement on economic policy which will save that system from a strain to which it will be inadequate; and a universal war may destroy the whole fabric of our civilization. Or, thirdly, population may in time so increase that, in spite of greater resources and knowledge, it may again press against the margin of possible subsistence, destroy any realized plenty or superfluity, and again make the struggle for existence, and the most intense and unregulated competition, the first factor in our lives. Modern mechanization increases

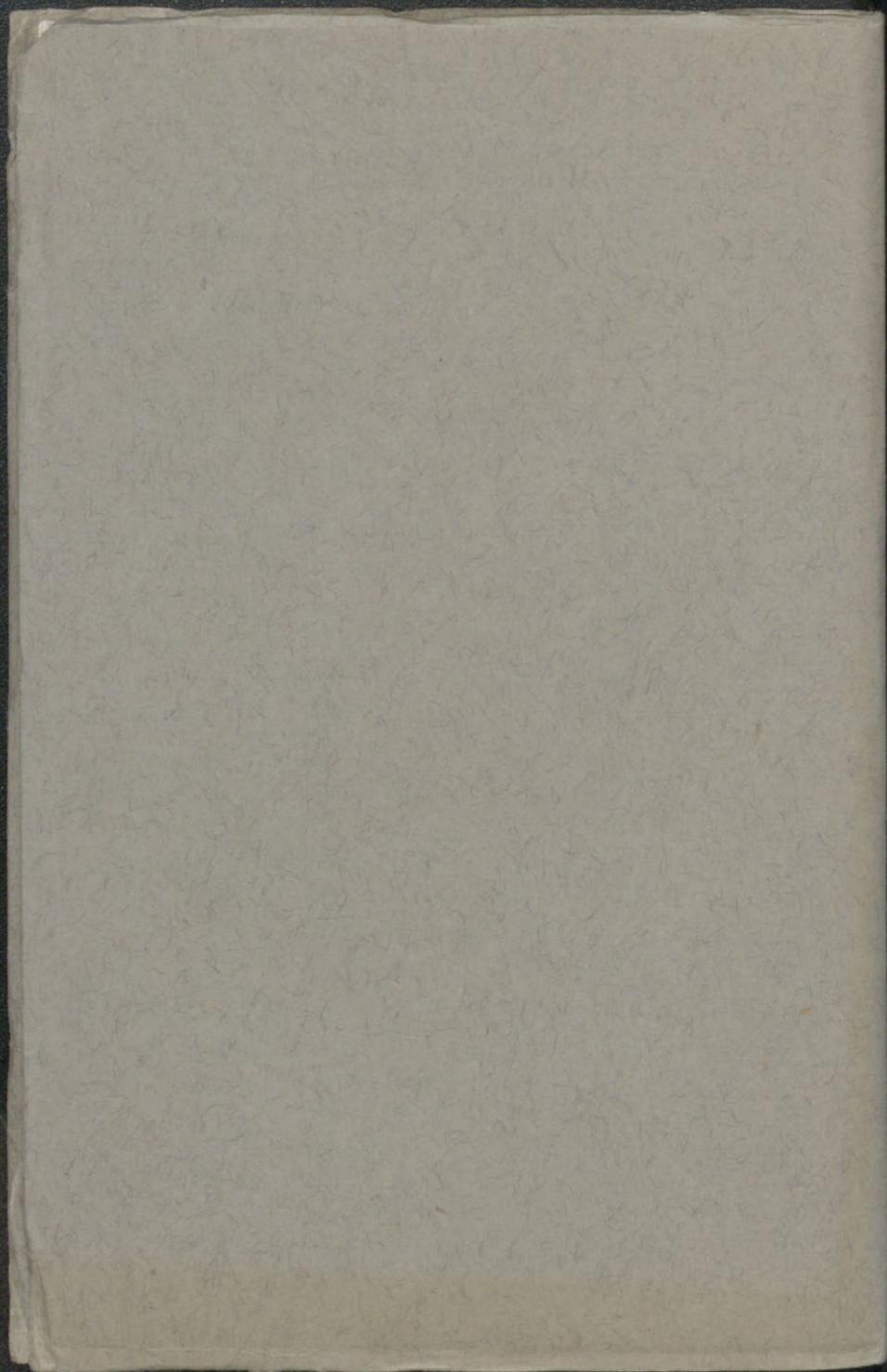
these dangers. But all three are within the compass of man's own power. This is the vital difference between our period and the previous ages of mankind. That is the new conditional gift of science, and of its application through mechanization.

The condition is that we shall control and direct by regulative wisdom our own specialized activities. On that condition the future of mankind will be different, not only from anything that has yet been achieved, but from anything that was even foreseeable until the new key to nature's power and resources had been found. The individual in his personal life, and society in its civilization, will be free to develop the utmost potentialities of the human mind and character, unrestricted by material limitations. A civilization richer than has been enjoyed by the most fortunate of men in a few happy regions and periods may be the assured heritage of the whole world. That is the challenge of the age to the constructive intelligence of man.

PRINTED IN
GREAT BRITAIN
AT THE
UNIVERSITY PRESS
OXFORD
BY
JOHN JOHNSON
PRINTER
TO THE
UNIVERSITY







INTRODUCTION OF SIR ARTHUR SALTER, K.C.B.,
By Sir Arthur Currie,
Principal, McGill University.

I have the honour to present to you, that you may confer on him the degree of Doctor of Laws, honoris causa, Sir Arthur Salter; distinguished Honours graduate of Brasenose College, Oxford University; by nature a statesman, by training, ability and personality a leader of men; diligent and devoted servant of his nation and its Government in multiform, conspicuous capacities in peace and in war; repeatedly called to gigantic and baffling tasks, he has performed them all with honour to himself and dignity to his country; charged in the war years with the difficult and perilous responsibility for allied shipping; in the post-war period Secretary of the Reparations Commission; later, for a decade,

2

the trusted director of the League of Nations in dealing with those practical problems of economics and finance that form so large a basis of the world's peace; sagacious in council on affairs that affect all nations, richly endowed with industry and patience, with sympathy and tact, he has ever been a competent advisor of his country and a powerful force in economic agreements; trusted for his broad vision, his keen insight, his judicial fairness and his sound sense, he has helped to solve delicate international problems, and with guiding voice and steady hand he has ever striven to steer the perplexed and bewildered nations of the world, - especially the two English-speaking kindred nations, - into the haven of universal and permanent peace; for his conspicuous services to our Empire and to the world, McGill University to-day delights to do him honour.

world. It is a book entitled, "RECOVERY", from the stimulating and thought-provoking pen of Sir Arthur Salter, a trusted servant of his country in many spheres of endeavour and in many difficult international tasks.

RADIO :-

Sir Arthur Salter is with us tonight. All of you who have followed with acclaim and admiration his strenuous and conspicuous career, who have listened to his guiding voice on the air and who have read his books and utterances with quickened vision and sounder knowledge, must rejoice that it is our privilege tonight to see and hear him personally. At any time his presence amongst us would have provoked a joyous satisfaction, but at this crisis in a stumbling and groping world, no more fortunate choice of a speaker could have been made by the Massey

Foundation. It is, therefore, my pleasure, ladies and gentlemen, to introduce to you this distinguished leader of his people, a man endowed with courage and vision, boundless energy and an exceptional executive ability; a guide and authority in all social and economic, national and international problems; a lover of peace; the highest example of a true public servant; and, in the multifarious duties he has undertaken for his country, always a master mind, - Sir Arthur Salter.

REMARKS OF SIR ARTHUR SALTER, K.C.B., LL.D.
UPON RECEIVING THE HONORARY DEGREE, April 18, 1933.

Mr. Chancellor, Mr. Principal and Vice-Chancellor, Ladies and
Gentlemen,

I feel it is difficult to express adequately the appreciation I have of the great honour that has been conferred on me to-day, - an honour which is greater for the words with which you have introduced me, Mr. Principal, to this assembly. I value that honour for many reasons. I have only been in physical contact with the soil of Canada for a very few hours, but for many years, by interest and by personal links I have felt myself in contact with Canada, and it has been an ambition of mine for many years to have an opportunity of visiting you here. I therefore accepted with ardor and alacrity the opportunity which this invitation gave me to come to Canada. And among the many reasons for which I shall value this honour will be the feeling that it in some sense makes permanent the link and the association which I feel that I have with Canada and the academic life of Canada and in particular of McGill University.

I suppose, Mr. Chancellor, the reason why you have chosen me for this honour today is that I have now for many years been engaged in the study, and to some extent in the practice of economic problems and policies, problems and policies which at the present period have only too pressing and too painful a claim upon our attention; and that being so I venture, if I may, to make a few comments upon the kind of contribution that I think the study of economics can make towards

the solution of the world's problems. I am speaking now to many who are themselves students of economics. The head of the Department of Economics of this University is not with us, having been called away, but leaving me a note which I received on my arrival he told me that I should recognize those of you who were honours students in Economics by the strained look on your faces (laughter) - that represents the extent to which you feel, and justly feel, the responsibility resting, as never before in the world's history, upon those engaged in that pursuit.

I do not present myself before you as a scientific economist; if I am an economist at all I am a practical, working economist. A pure economist is a man who first of all forms his theory on the basis of assumption of economics, and with the doctrine so formed then comes and looks at the practical economic processes of man and of society and modifies his doctrines in accordance with them. My own approach is precisely the opposite. For a quarter of a century I have been engaged in administration of a kind which has continually needed the guidance of economic doctrine, and I have therefore been searching and trying to get the help of economic science for the practical work in which I was engaged, thus attempting to test, by a fragment of personal experience, some certain doctrine or other. I do not know that that qualifies me to make much of a contribution to the science; if so, it is to the applied science and not the theoretical. Some time ago I was encouraged by a remark made by a university professor as to the extent to which the scientific progress of mankind,

or, rather, the practical application of science to the business of life, had been helped by what he called the artisan thinking about his job, as distinct from the researcher in the laboratory. My contribution is only that of the artisan who is trying to think about his job, and it is from that point of view I want to make a few suggestions to those who are now studying economics.

From the point of view of the practitioner trying to get guidance from the scientist, I have sometimes thought that those who are engaged in the continuous study of economics have perhaps not given all the aid they can give to the practical business of life, and the first reason, I think, is that theory has sometimes been too much divorced from practice. I am convinced that if the study of economics is going to make a valuable contribution to policy it will only be by arranging a happy and fruitful marriage between theory and practice. Sometimes from the point of view of the administrative practitioner, economists seem divided into theoretical ones, people whose theory is so pure that it has no practical relation to the facts of life, and the other kind, people so much immersed in facts, present and past, that they receive no guidance or illumination from the central doctrine or principle. I am convinced it is most important that the theorists on the one hand and the practitioners on the other should be making bridges between the two, bridges adjusted not for one-way traffic but a two-way traffic; for it is equally important that the scientist should bring what he has to bring into the practical conduct of life and that on the other hand he should welcome to the very formation of his science the practical experience only obtained in actual contact with economic processes at work in the world and

through the government, which constitutes the framework within which these processes do evolve.

I have sometimes thought, too, that among certain classes of economists there is even an inclination to feel that too close a contact with the conditions of life might endanger their own perfection, ~~and that~~ like some people who feel that the best way to keep themselves unspotted from the world is to retire to institutions, where they never see the ordinary man, as he lives in the world outside. As to that kind of life I am not competent to speak, but in the sphere of economics I do venture to say that the fugitive and cloistered type of economics is not of practical value to the business of life. One wants to make a very close and real contact from both sides as between theory and practice. When you talk about economists or economic doctrines in relation to the practical business of life and the formation of official policies, there is one comment made, that economists differ so much that it is impossible for practical politicians or other persons to take guidance from them. Well, I think these differences are really very greatly exaggerated. Of course, it is true that economists differ on many points; if they did not, economists would not be scientists, they would be only engaged in a conspiracy against the layman. Of course it is true, it is natural, that economists, discussing things among themselves, discuss mainly the points upon which they differ and not upon which they agree; it is the points of divergence to which they devote their attention. That is obviously necessary to the advancement of science, but I do think (and here I venture as a practical economist to make a suggestion to economists as a profession), it would be well for

them in their contact, not with each other but with the world, to attempt to present the things that between themselves they take for granted, and so far as there is a measure of practical, unanimous agreement, they should let us, the working practitioners, know what their agreement is. If they did that, we should find that although they would not have solutions for all the practical problems presenting themselves, either to people engaged in politics or business, that they would offer a very substantial and valuable contribution indeed.

If you look back over the history of the last twelve years, of reparations, commercial policy, war debts, I think it is true to say that to a very little extent have economists differed amongst themselves. The real difference has been between what everybody really has learnt to be the right course and the actual course that is being followed; and I think that is immensely more important than the differences there have been between economists. As it has been in the past, it is now and will be in the future, - although economists differ a very great deal as to what is the right policy for the world in certain respects, there is, for a very considerable number of the problems that now present themselves to the world, not indeed a unanimity but a substantial agreement among the great bulk of economists as to certain things which ought to be done and certain things which ought not to be done.

Well, if that is so, I think that the study in which most of you here today are engaged, the study of economics, is one of the most important studies in the world at this period. For this reason. The real problem of the world, the real task

of our generation, is the task of what in the widest sense is government. It is no longer the primary need of man to learn how to make and to produce more. The primary problem of man now is to learn how to regulate what he does produce and the way it is produced, in such a manner that the resources and the skill and the industry at our disposal should be fully realized. That is the problem of government in the widest sense, and more than half, probably three quarters of the work of government now is the problem of relating itself to the economic activities of man. Economic problems remain, but economic policies and problems will constitute a much greater proportion of the work of the statesmen from now on. To that work economists can make one contribution, and it is only one element in what is a complex problem before the statesmen of the world, but it is a contribution, a definite contribution, and I should very much hope that in future governments will use the aid economists have to give more fully than in the past.

Today I want to put before you not only certain reasons for justifying the respect and attention which those who conduct the policies of universities do give to the study of economics, but to suggest that it should have even more attention. Let me in one last word rather anticipate the theme which I hope to develop more fully this evening, and suggest to you the nature of the menace and the promise that stands before us as an inducement to try to solve the economic problems of the present day. For the first time in human history we now know that the resources, the skill and the knowledge are available to man which will enable him to secure

all the material needs, if he can only devise a political and economic system which will enable him to use these resources fully. This, as I say, is a new thing in human history. It means, on the one hand, that if we can solve that problem (and ^{correcting} it is certainly soluble by man because it is ~~caused~~ by human skill defects in the human organization) we can have a material basis for our civilization adequate, and more than adequate for all our needs. But if the promise is so great, the menace is also no less great. For it is equally true that if we fail to find the solution, we have the danger of falling back to incalculable chaos. We have, therefore, I suggest, ~~an~~ a stimulus for those studying economics, and not only economics but every other art and science related to government, - the double stimulus of the great menace if we fail in our task but of the illimitable promise if we succeed. (applause)

THE HEAD OFFICE OF THE
SUN LIFE ASSURANCE COMPANY OF CANADA
MONTREAL

April 25, 1933.

Sir Arthur Currie, G.C.M.G., K.C.B.,
McGill University,
Montreal.

Dear Sir Arthur,

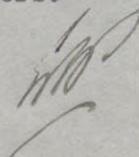
Sir Arthur Salter will be in town again on Saturday, April 29th, and, with the co-operation of Mr. Massey, I have been able to arrange that he shall arrive here in time to have luncheon with a few of us who would like an opportunity of discussion with him. I should be very glad if you would join us. The luncheon will take place at the University Club at 1.00 P.M. and the expense (about \$2.00 each) will be shared by those present.

Yours very sincerely,



G.R.Parkin:JB

P.S. This luncheon is entirely private, not an Institute affair. I am only getting together a very small group including, I hope, Mr. Jackson Dodds, Mr. George McDonald, Mr. E.A. Macnutt and a few others.



April 28th, 1933.

Extract from the Quarterly Report of
"Skandinaviska Kreditaktiebolaget" - 1933.
(Scandinavian Credit Bank)

MONETARY RECONSTRUCTION

By Professor Gustav Cassel

Though the many different ideas regarding the character of the present crisis and the way in which it should be remedied make an impression of almost hopeless confusion, we can distinguish two fundamental views which are absolutely incompatible with one another, and to which we should in the first place adopt an attitude.

According to the one of these diametrically opposite views, a deflation, that is, a continuous lowering of the general level of commodity prices accompanied by a corresponding rise in the value of the monetary unit, is an extremely dangerous process, which is ultimately bound to lead to the complete ruin of the whole world economy. Those who take such a view have naturally forewarned people against such a process of deflation, have combated it when it has nevertheless commenced, and, when it has proceeded so far as it has now done, are endeavouring to remedy its disastrous effects by a counter-movement, aiming at the restoration of the price-level, if not exactly to the starting-point, at any rate to a level considerably above that which has resulted from the process. To this end it is evidently necessary to take measures which otherwise are not normal, and it may be needful to intervene actively in order artificially to induce a rise in the level of commodity prices by increasing the supply of means of payment.

Those who hold the opposite view will not recognize at all that any process of deflation has taken place. They regard the fall in the level of commodity prices as merely the result of economic factors, are totally unable to conceive the fall of prices as a monetary phenomenon, refuse to recognize that the unit in which commodity prices are expressed has changed at all, and regard any attempt at a restoration of a higher price-level as unsound. When commodity prices fall and the equilibrium of the social economy is thereby disturbed, those who cherish these notions have no other remedy to suggest for the restoration of the equilibrium than the reduction of all costs in the same proportion.

They entirely ignore the difficulties of such "adjustment", and insist on enforcing it at any cost. They do not see that the pressure which has to be exerted for this purpose will lead to a further depression of commodity prices, so that in this way equilibrium can never be restored. They do not trouble about the social strife which a forced reduction of wages is bound to provoke, and they demand that even existing debts shall be adjusted to the falling price-level, without realizing what a complete economic ruin is bound to follow on such spread of insolvency.

The notion that the fall of prices is a natural process to which we must resignedly submit has been proclaimed during the whole period in which the deflation has been proceeding, those who proclaim it having learnt nothing from the terrible consequences which the deflation has entailed. Not even such a catastrophe as the collapse of the international gold standard system in September 1931 could bring them to their senses. Deflationism recognizes no responsibility for the havoc it has caused, and even in the United States it has continued to the very last, whilst a general collapse has been impending, to clamour for a further "adjustment" to the falling commodity prices.

To combat views of people who have proved to be so incapable of learning even from the most cruel experience, is a hopeless undertaking. Nor do I propose to resume the campaign for a deliberate stabilization of the monetary system which I have carried on ever since, in my Memorandum presented to the Brussels Conference in 1920, I pointed out the dangers of a deflation. What I now have to say is merely that any compromise between these opposite points of view is impossible, and that those countries which elect to proceed further on the path of deflation will alone bear the responsibility for the resulting ruin. At an international conference it would be quite futile to try to agree on a more or less vacuous formula intended to disguise the insoluble conflict of ideas which exists here. On the contrary, the only hope lies in an increasing realization that this gulf cannot be bridged.

In the United States the deflationists make out that the crisis was caused by a previous inordinate expansion, encouraged by an unduly liberal grant of credits. They maintain that America has been lured into this hazardous lending by her desire to accommodate herself to the monetary policy of Europe and of Great Britain in particular. This view is indeed wrong - I have confuted it, in fundamentals, in the October 1932 number of this Quarterly - but we must reckon with the fact that it still persists and is an important factor in the attitude of America to the world economic problem. If this view continues to prevail, it can scarcely be expected that America will be willing to cooperate with England and the rest of the world in order to bring about an extension of the monetary supply and thus to break the force of the deflation and raise the general level of commodity prices. Cooperation on such important questions must be based on agreement in regard to basic principles. We may venture to hope that the unprecedented distress of the American farmers will force the United States fundamentally to revise their attitude towards the monetary problem. At all events, until such a change takes place, there is no prospect of the crisis being overcome by a united world policy for the regulation of the monetary system.

Each individual country, however, is at liberty, within its own sphere, to stop the process of deflation, to bring about such a rise in the level of commodity prices as is absolutely necessary, and afterwards to maintain a certain stability in the internal purchasing power of its currency. In this way a country can protect its industry and commerce from the most serious dangers with which it is menaced as a result of the continuous process of deflation. If such a sensible course is adopted merely by a small group of countries, that little group will, of course, be unable entirely to escape the evils attendant on the continuous decline of the world economy.

Experience, however, has shown that the right of self-determination of an individual country in the monetary sphere is liable to be misunderstood and to be wrongly utilized. Instead of concentrating efforts on a judicious regulation of the internal purchasing power of the currency, attention has often been focussed on the foreign quotations of the currency. This tendency has been accompanied by a very ill-advised desire to lower these quotations in order to gain commercial advantages. In England it was supposed that the pound sterling on the restoration of the gold standard in 1925 was quoted at rates of exchange higher than those which corresponded to the internal purchasing power of the currency, and that this had an adverse effect on the balance of trade. France, on the other hand, when in 1928 she reverted to a gold standard at a new parity, fixed that parity so low that her exports were favoured, at any rate for a time, whilst her imports were handicapped. This experience has evidently been taken as a basis for well-nigh universal endeavours to keep down the international value of the currencies. Since England in September 1931 was forced to abandon the gold standard, British monetary policy has deliberately aimed at a low international valuation of the pound. The

"Exchange Equalization Fund", which was created in the spring of 1932, has in fact been directly utilized in order to prevent such a rise in the dollar rate of exchange for the pound as might be considered detrimental to the British balance of trade. Similar endeavours have subsequently been made in other countries. When Australia, after great difficulties, had managed to stabilize the exchange value of the Australian pound in London at £1.25 to £1, New Zealand considered herself handicapped and resolved to raise her London rate of exchange to the same level. It was not long before another competitor, Denmark, followed this example.

Such a competition in exchange values is obviously quite incompatible with equilibrium in the international monetary system. This equilibrium imperatively demands that all currencies shall be valued in approximate correspondence with their purchasing-power parity. Therefore, if a world monetary conference is to achieve anything whatever, it is a sine qua non that an agreement should be reached to take no steps which aim at keeping the external value of a currency at a lower level than that which corresponds to the internal purchasing power of the currency.

On the other hand, it should be left to each country to determine the internal purchasing power which it desires to assign to its currency, in other words, the monetary unit which it desires to reckon with. International interests merely demand that this purchasing power shall, as far as possible, be kept constant. The time is not yet come for such a stabilization. What is of paramount interest at the present moment is first to get the purchasing power of money reduced, and thus to bring about a rise in the level of commodity prices. It would, of course, be a very great advantage if the countries could agree on such a policy, so that the level of prices could be raised simultaneously all round. But, as indicated above, there is but little prospect of a general agreement of this nature. In many countries, therefore, people have been hoping that England would take the lead in that part of the world which has abandoned the gold standard, and resolutely proceed to raise the level of prices in terms of the pound sterling. It seems fairly certain that such a policy would immediately win very wide adherence, and that in this way it would really be possible to create the much talked-of "sterling-area", within which stable money could afterwards be maintained.

The British Government has repeatedly given expression to its sympathies for a rise in the price level. The monetary negotiations at the Ottawa Conference were terminated with such a declaration of policy. On such questions, however, we do not get very far with a general expression of sympathy. Active intervention is required in order effectually to bring about a rise in the level of prices, and this intervention must proceed from a clear view of the problem as a purely monetary question. So long as people cling to notions such as that a rise in the level of prices could be promoted by restricting production and imports, nothing whatever can be achieved.

Nor, in the monetary sphere, should people content themselves with the consoling reflection that the rates of interest have been brought down. Low rates of interest will not bring about any rise in prices unless they lead to increased investments of capital. In such abnormal conditions as at present positive action with intent to increase the purchasing power will be necessary. The measure to that end which immediately suggests itself is that the central bank should buy bonds and thus force means of payment out upon the market. Had such a policy been adopted in time, and with the predetermined purpose of raising the level of commodity prices up to a certain limit it would no doubt have been successful. Under present conditions, however, it may be necessary to bolster up such a policy by the direct issue of central bank notes to meet the expenditure on such public works as are considered to be absolutely necessary in order to relieve unemployment. In such a case it is of vital importance that the normal budget should be balanced, so that the State will not find itself constrained to create means of payment to meet its current expenditure. Should the State be compelled to take such steps, there is no limit to the inflation which may ensue. It is essential that the

new supply of means of payment should have the definite aim of bringing about a predetermined rise in the level of commodity prices.

Such a programme for bringing about a rise of prices often encounters the objection that a country which raised its level of prices in isolation would weaken its power of competition on the world market. This objection is untenable. According as the country raises its level of prices, the exchange value of its currency on the world market will be lowered, so that the country's power of competition in international trade will remain unchanged. When England has striven to keep down the international exchange value of the pound by large-scale purchases of foreign exchange and gold, she has, as shown above, been aiming at an undervaluation of her currency which is incompatible with equilibrium in the world economy. It would have been far better if the money available had been used to increase the purchasing power on the home market. In this way the level of prices would have been forced up, and the apprehended rise in the dollar rate of exchange for the pound would have been precluded in a natural way.

The observations made above are applicable to all countries on a paper standard. England has been taken as an example in view of the special importance of the pound, and of the desirability that England should take the lead in the reconstruction of the monetary system. But, pending such a lead, the other countries by no means need to remain entirely passive. There is nothing to prevent them individually proceeding on the right road and introducing a rise in their price-level. A small country which thus finds itself constrained to act independently will obviously be obliged to keep the rise of prices within rather narrow limits. None the less, active steps in the right direction will be greatly to the advantage of the country itself, and will undoubtedly prove to be extremely useful for a world which is only waiting for the right signal to be given and for the first step to be taken towards the reconstruction of a sound monetary system.

BEAVER HALL BUILDING
MONTREAL

May 8th, 1933.

Sir Arthur Currie,
McGill University,
Sherbrooke Street, West,
Montreal, P.Q.

Dear Sir Arthur: -

In the light of Sir Arthur
Salter's recent visit, I thought you might be inter-
ested in the enclosed copies of the annual address
of the Rt. Hon. Reginald McKenna, Chairman of the
Midland Bank, and article by Professor Cassel, of
the Scandinavian Credit Company, both of which are
in sympathy with some of Sir Arthur's opinions.

Yours sincerely,

R. Ross Macdonald
.....

RIGHT HON. REGINALD McKENNA

ON

INFLATION



At the Ordinary General Meeting of the Shareholders of the Midland Bank, Limited, held on the 27th of January in London, the Rt. Hon. R. McKenna, the Chairman, in his speech had the following to say with regard to inflation.

STERLING AND GOLD

WE have had experience now of sterling divorced from gold for over sixteen months, and nothing catastrophic has happened. A number of other countries are using sterling as their standard, and it is still the medium of a large amount of trade throughout the world. How have the groups of countries using gold or sterling respectively fared during this period? The clear evidence of improvement in a number of countries off the gold standard has no counterpart in those still on gold, whose position, generally speaking, has become worse.

This fact demonstrates afresh the ravaging effects of falling prices and the benefits to be obtained by relief from the downward movement. A rise in commodity prices has indeed become much more essential for the gold standard countries, whose plight is growing worse, than for other countries, whose position is improving. Yet we cannot rely upon the so-called "natural" action of gold for such a movement. The pre-war gold standard, so far as its control over the level of prices is concerned, is no longer operative, the misnamed "immutable law" of supply and demand, which was thought to apply to gold as to any other commodity, is of no effect. The enlarged output of the mines and the unloading of hoarded gold from India and Great Britain on the one hand, and on the other the reduced demand for gold involved in widespread departure from its use, have in no way checked its unceasing appreciation.

It is sometimes alleged that our departure from gold was itself responsible for the continued downward movement of gold prices, and that a fall in the gold exchange value of sterling provokes a further decline in gold prices. The price level in each country, however, is governed by the quantity of money available for immediate spending, and the goods and services available to be bought. It follows that the exchange rate between any two of the dominant currencies tends to move in accord with the fluctuations in their respective purchasing powers, though the movement may be temporarily deflected from its course by disturbing transfers of capital and short-term funds. Price levels affect exchange rates, but exchange rates have little effect on price levels as distinguished from the prices of individual commodities.

The price level in Great Britain is of the first importance to the world at large, not because of its effect upon exchange rates, but because of our predominance as a consumer of primary commodities produced abroad. If sterling prices move upward, the ultimate result is to stimulate demand throughout the wide area on a sterling basis for the products of countries not within the group. The increased demand for such commodities as cotton, wheat, copper, and coffee tends to harden their quotations in the countries producing them, whether these countries are on a gold basis or not. Thus a rise in the sterling price level to a strengthening of prices even in the gold standard area.

But is it possible for us to raise our internal price level, in particular can we do so by monetary management; and if we can and do, will it not be evidence of that abhorrent thing inflation? In the actual circumstances we have so much ground to recover that I confess the thought of inflation, so long as it is controlled, does not alarm me. In these days the word is no longer a term of reproach, though some tender consciences find ease in using the innocent substitute "reflation." Almost everyone now recognizes that a rise in primary commodity prices is essential to world recovery, and most would agree with Mr. Hawtrey when he argues, in his recent book, that the evil consequences even of uncontrolled inflation "are definitely surpassed by the evils of deflation." Controlled inflation, from being the remedy of fools or knaves, has become widely regarded as the best available solution of our troubles, particularly since it has become realized that a substantial rise in wholesale prices need have no more than slight effect upon the cost of living.

ALLEGED FAILURE OF REFLATION

It is, I believe, possible to achieve a rise in the internal price level by monetary management, and I am unshaken in this opinion by the frequent charge that reflation has already been tried and found wanting both in Great Britain and the United States. If we examine the course of affairs in these two countries we shall find that deliberate monetary management specifically designed to raise the price level has not been tested in either. In our own country, it is true, an expansion of credit has been effected, but only under conditions which could give it but partial success in raising the price level; and partially successful it has been, for our price level has not accompanied the downward movement of gold prices. In the United States, notwithstanding the current talk of vast new credit having been pumped ineffectively into the banking system, the experiment has not been tried at all. Reflation means the expansion of bank deposits, and therefore of potential purchasing power, to such an extent as will restore the price level to the point at which it stood before the present great slump began.

PROSPECTS FOR AN EXPANSIVE POLICY

Mr. McKenna then outlined the course of monetary affairs in the two countries, and proceeded: There is nothing, then, in recent experience to give ground for discouragement or scepticism regarding the benefits to be derived from an expansive monetary policy. We are free to regulate in great measure our own price level by increasing or diminishing the quantity of money. But we must not allow ourselves to be disturbed by the fact that if gold continues to appreciate while our price level remains steady or rises the inevitable effect is a fall in our exchange. If we become alarmed by the fall and counteract it by a renewal of deflation, our exchange, it is true, will recover, but only at the expense of our trade. Internal prosperity, with a balanced Budget, lower taxation, and reduced unemployment is far more important to us than the rate of exchange. Sooner or later, even if no voluntary measures are adopted, Budget deficits in gold-using countries will themselves produce a remedy for falling price levels, and we ought meanwhile to allow nothing to deter us from the policy of restoring our internal price level to a higher standard.

Two conditions, however, are essential for the success of this policy. First, it must be pursued wholeheartedly; the maintenance of an abundant supply of cheap money must be accompanied by full facilities for its use. And secondly, we should set aside, at least for the time being, all thought of returning to gold, either at the old or any new parity. There should be no attempt to govern our monetary conditions by reference either to the gold value of sterling or to the size of our gold stocks. There is no reason whatsoever, for example, for suggesting that money should be dearer and scarcer here because gold has been sent to America in payment of an instalment of war debt. In one respect at least the reported attitude of the British delegates to the preparatory commission of the World Economic Conference is cordially to be welcomed; it is worse than useless to consider returning to gold unless and until it shows some reasonable prospect of becoming a stable standard.

If under such conditions as I have mentioned an expansive monetary policy is consistently and strenuously pursued, I have little doubt that the enlarged supplies of money will lead to a higher level of commodity values. This result would have every prospect of paving the way to prosperity. Our national finances have been brought under better control; the spirit of our people, notwithstanding grave sufferings and disappointments at home and incessant difficulties abroad, is still firm and progressive; and the basic position of most of our industries is healthy. If, then, we match industrial and trading potentialities with a liberal and enlightened monetary policy we can ensure the fullest enjoyment of our own economic resources, and, at the same time, contribute to the restoration of world-wide prosperity.

