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THE PARALYSIS OF TRADE

THE PARALYSIS OF TRADE

an examination of the defects
of our industrial structure

by

PERCY G. DONALD

*The commonest error
in politics is sticking to
the carcase of
dead policies*

LORD SALISBURY

London

George Allen and Unwin Ltd

FIRST PUBLISHED IN 1939

X : 54-742.3

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11553

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PRINTED IN GREAT BRITAIN BY
UNWIN BROTHERS LTD., WOKING

PREFACE

WRITERS on present-day political and trading problems seem to fall into three classes:

- (a) Economists who lack commercial experience.
- (b) Business men who lack a knowledge of Economics.
- (c) Protagonists of some panacea or other that promises to bring the "mullennium" in return for its adoption.

All these writers accept as foundations for their arguments certain facts of our present system of economy and finance, without any apparent realization that these very foundations may themselves be at the root of all the trouble.

Few writers attempt to trace the effect of their suggestions on the many departments into which the whole economic body of the world we live in is divided.

To-day we have on the one hand a "capitalist democracy," facing the challenge of a new-born "democratic autocracy," questioning its suitability to modern conditions. This challenge is delivered in ways that reveal a planned policy directing every field of domestic and foreign affairs. This new type of "democratic autocracy," the successor to *Laissez-faire* and procrastination, has developed a rapidity of action in both home and foreign spheres that may yet be the deciding factor in the future of the world.

It may be that these old democracies of ours can yet adjust themselves and remedy their inherent defects, while retaining their democratic principles.

They are like an old-fashioned business, faced with a new virile competitor. The newcomer is unhindered by

hide-bound principle and tradition such as obstructs the older rival. It has studied the weaknesses of the older concern and starts well ahead of it.

It is no good the directors of the older business shaking their heads in disapproval of the newcomer's method remaining aloof and cold. That will not harm the newer concern, far from it; it will keep the older concern inactive and ensure a freer field for rivalry.

Only complete reorganization can save the older firm; it must examine the technique of its young competitor and improve on it.

Capitalism and the old democracies must face the issue in the same way. Patchwork will help very little. We must make a careful study of the good results that may have been achieved by these modern "democratic autocracies." We must adjust our own principles to "go one better." The magnification of certain bad aspects of these new regimes by a politically biased Press will lead us nowhere. Reject the bad; copy the good with improvements of our own. This must be our watchword.

"Democratic autocracies" have recognized and acted on the principle that to-day home and foreign politics are really a huge business organization, concerned in exchanging goods and services to maintain and improve the standard of living of different peoples. It is from this business standpoint that I have attempted to deal with these problems.

I am conscious that it would have been possible to write a whole book about each chapter. But to have done this would have been to defeat the whole purpose of my work—which is to interest the elusive man-in-the-street in the grave issues we have all got to face, sooner or later.

In trying to write in a way that will be understood by the ordinary man or woman, I have had to translate

great deal of financial and economic jargon into everyday English.

If my readers find the subject interesting, they will find a wealth of books mentioned in the Bibliography at the end of this volume, which will help them to go deeper into the subject and to form conclusions of their own.

I have to thank those friends who have read my drafts and helped me to eliminate, as far as possible, such "jargon" as I fell into notwithstanding my endeavours to avoid it. It is unfortunate that our present educational attitude to economics is such that it is necessary to avoid the terminology of the science if other people are to understand one.

I have also to express my appreciation to the many writers on the same subject, noted in the Bibliography, whose views I have had so much pleasure in reading.

What I write is based on extensive travel and my experience as Council Member of the London Chamber of Commerce, Chairman of its Import and Export Merchants Section, and of its Iron, Steel, and Metal Merchants Section; as British Representative on the International Chamber of Commerce Committee on Trade Expansion and on the International Maritime Committee, and as Chairman of the Distributors of Builders' Supplies Joint Committee. I also draw on my experience in the management of my own business. Naturally, however, these bodies take no responsibility for the views expressed, which are entirely my own.

PERCY G. DONALD

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