MASTERS OF MAKE

The Failure of the Capitalists

BY LEWIS A. RILEY

LIFE IS both creator and destroyer. Man might be described as the physical agent of a never-ending struggle to extinguish a desire with a satisfaction of that desire and instantly to recreate a new desire no less vital. We satisfy our hunger with food but only in the hope of new and better appetites. Strenuously we convert danger into security and rush on into new and perilous adventures. As fast as curiosity conquers ignorance we must find new mysteries, or else our mental life dulls down to stagnation.

This inevitable interchange between a desire and its satisfaction takes the form in economic life of the production-consumption cycle. The maker creates, the user destroys; both together in their dynamic co-opposition create wealth. The reality of wealth does not reside in the things exchanged but only in the equality and vitality of the act itself.

Consider this situation in its simplest terms. The makers contribute only half of our economic life; the users activate all wealth, realize all economic value, by consuming what is made. No economic stability or health is possible until the power of the users to consume is as soundly financed and as steady as is the makers' power to produce.

Herein lies the failure of capitalism. We have magnified the power and security of our makers; we have neglected to safeguard our user-workers, whose power to satisfy their needs alone makes wheat into food, cotton into clothing, buildings into homes, money into human happiness. Scientists, bankers, industrialists may spin and carve and mold the elements of earth into whatever intricate shapes they please, but if the products are not usable they are not valuable.

Man's ability to make, his productive skill of hand and brain, is the living half of wealth. It cannot serve any social purpose, however, without its other half — man's ability to use what he makes: his ability to eat food, wear clothes, and live in houses. Take away from man either of these abilities and he will perish miserably. Take from him *everything else except these two abilities* — dynamite his power plants, tear up his railroads, burn his cities, scrap his factories, shove all his gold bonds and stock certificates down the fiery neck of Vesuvius — and within a generation he can replace them all as good as new, yes and better in a thousand major details.

This is but to repeat what we all know but tend to forget in our present misery. It needs reiteration and emphasis because property and possessions, habits and ritual tend to enslave man to *things*, things that persist long after they have lost their ability to serve man and even gained the power to ruin him. We, the users of modern society, established capitalism as a method, owners of tools as the managers, and machinery as the instruments to satisfy our needs. If to-day they do not so operate we need not endure them patiently as if they were fate, thus making ourselves the victims of our own mechanisms. To do so is supinely to admit that the mind which made the thing is inferior to the thing it made.

The idea of the sacredness of property has gradually developed and solidified into the rib-rock of individual integrity and social security. When such a petrification takes place in the economic cycle — whose very existence and reality consists as we have seen not in a safe immobility but in a dynamic interchange — the correction must be drastic, perhaps even a physically violent release which breaks these rigidities and restores the freedom of balanced movement. This correction we now face in one form or another. No turning back or hesitation will long be possible. We may choose the methods, we may change our leaders; but a fundamental readjustment of the ideas of property, profits, and consumer wages is close upon western civilization.

The danger now is that we will forget that a violent reaction, an over-correction that will set our civilization back for centuries, hangs over our heads by a hair. What we should dread most at this moment is a swift return of business prosperity without a fundamental revision in our economic relationships. The longer this readjustment is deferred the more violent its correction threatens to become. To the relief of millions prosperity may now return, but the conditions which in 1926–29 turned prosperity into a gambling debauch followed by a consumer collapse are even worse to-day, as we propose to show in later paragraphs.

What we should dread therefore is a swift recovery which will lull our production masters into a new arrogance. Capitalism has an organic, deep-seated disease, and the alternations between prosperity fever and depression chills leave the patient ever nearer to a final collapse. Nothing that the New Deal has so far suggested offers us a reasonable hope of establishing in the near future a nation-wide or world-wide stability between vigorous scientific production and soundly financed consumption. The best that the New Deal has so far secured for our consumers is an unfulfilled promise of collective bargaining by worker unions and the establishment of minimum wages which still lie below the subsistence level of modern life. It is our claim that there can be no permanent economic health until the present ruinous unbalance between the Masters of Make and their enfeebled servants of Use is radically altered and an equal partnership between them is established.

Before that can be achieved it seems necessary to examine the nature of the disease which our capitalistic masters have induced in our social body. The soundness of any course of treatment is dependent upon the accuracy of the diagnosis.

II

Our exaggerated respect for productive property is quite a natural outgrowth of the million or two years of our savage evolvement. So long as individuals competed with each other murderously and each consumed his own products, the selfish possession of weapons, tools, and shelter offered almost all advantages. Now that we co-operate, depending on each other in a vast complex integration of individuals, communities, and nations, property ownership has come to mean quite a different thing. It has gained a new function and must adapt itself to a new necessity.

Most ownership to-day is absentee in character or, better expressed, consists of a remote control over social tools. The modern owners of industry do not personally subsist on or make selfish use of any but a small fraction of their "possessions." Contrary to our primitive instincts, the value of "private property" (except for a small proportion of personal belongings) depends on its public use — that is, upon the ability of the public to buy and use its output. A man does not own a factory in the sense that he owns his own house or his clothes. The value of the factory is entirely dependent on its use by the community; the value of a man's house and clothing is strictly personal and depends only on himself.

As an example on a national scale we may observe that only 20 per cent of the profit income of the United States is used by the producer-owner classes for clothes, food, country estates, steam yachts, or other personal satisfactions. The other 80 per cent under the capitalistic system is merely entrusted to their management. Their only use of or connection with such a fund is to specify its investment so as to extend and perfect the industrial tools of society. Contrary to usual ideas, when the producer-owners inflate profits they do not thereby noticeably increase their luxury spending, their personal security, or their happiness. That portion of their income is already provided for. Even in the leanest and most desperate years, the great majority of owners have enough to live on in the sense of enough to satisfy their most luxurious demands on existence. In the lean years and the fat alike there is an excess of profits which must either find productive investment or stand idle as a vast amount of it is doing at the present moment. There is to-day 20 billion dollars of inactive money in our banks. These idle funds were foolishly withdrawn from the wage stream, that is from basic purchasing power, by a ruinous excess of profit. Such an excessive subtraction benefits nobody; it merely weakens public demand at the very moment it strengthens private supply. It turns our economic progress chart into a series of ruinous swings between an overproduction and a purchasing collapse.

It is the heart of our argument therefore that private management of productive industry cannot be justified in theory or practice unless it performs this 80-per-cent portion of its ownership duties in such a way as to maintain the purchasing power of its partners, the consumer-workers. If the producer-owners manage their function of profit collection and reinvestment well, the scale of living of the whole nation advances; if ill, all society suffers. In the latter case their position as managers should fall into contempt, and their own self-interest be damaged. The owners' failure in this duty is the failure of any manager, and its punishment should be the loss of managerial power — that is, of "ownership." Unfortunately for capitalism such an automatic penalty for failure in management does not now operate. If it did our *laissez-faire*, boom-crash economy might correct its own evils. As a matter of fact the present boom-crash cycle offers mismanagement not a punishment but a somewhat ironic advantage — that is, an increased ownership of idle property, an entrenched control over the chaos it creates.

The failure of capitalistic management, in the form of excessive profit accumulation, culminating in fairly regular crisis intervals, operates to destroy the small margin of security and wage savings of the consumer-workers and at the same time to increase the already-unwieldy accumulation of productive property in the "possession" of the producer-owners. The process is this: When our production system had had too much profit invested in it and its drive to make and earn interest and dividends can no longer be balanced by the purchasing power of wages, an economic stroke of paralysis occurs. The industrial machinery is now slowed down, wage workers are discharged, and payrolls drastically reduced. This instead of curing immediately doubles the difficulty. The excess of profits (interest and dividends) which brought on the disaster continues while the insufficiency of wage purchasing power deepens into a consumption collapse.

To-day the consumer-workers, their earnings cut from a normal of 61 billions per year to 23 billions, find it necessary to sell such savings investments as they have been able to accumulate and spend the proceeds to keep alive. They bought these investments at prosperity prices, they sell them at depression lows. Who buys these bargains? Who else could buy them but the producer-owners whose excessive dividends and interest, still continuing, cannot now go into new factories and machinery?

Even in these hard times a large surplus of interest and dividends keeps piling up, which cannot find productive investment. The producer-owners are inevitably using such idle funds to take over the savings investments of the half-starved consumer-workers. When the storm is over and the sun of "prosperity" appears again, the industrial owners whose inflation of profits was the cause of disaster will find themselves "punished" for their sins by being put in possession of a large part of the bonds, stock certificates, and foreclosed mortgage property of their consumer customers, the consumer-workers. Such a crazy "readjustment of ownership" as this will make our next period of profit expansion more steep and the resulting collapse of purchasing power swifter and more disastrous. If this were a piece of Machiavellian exploitation by which the owners deliberately increased their security and happiness it would suggest a certain satanic vitality and purpose; but that our society should perish of a blind and stupid greed which benefits no one offers capitalism an exit so sordid and ludicrous as to mock our pompous stupidity.

Some readers may be inclined to regard this criticism as exaggerated. If they will consult the statistical record they will find it even more startling than the above statement of events. It will be observed that mounting profits do not cause any increase in legitimate trade. They gave us nothing but a gambling debauch. The volume of trade increased only with wages and fell steeply with wages. That is to say, honest business waxed and waned exactly as did the mass purchasing power of the consumer-workers. From 1923 to 1929 profits skyrocketed to 220 per cent of normal (1923). Wages had no corresponding rise. The result was an enormous increase in productive investment and no corresponding increase in either purchasing power or in the volume of trade. The resulting crash in 1929 further reduced the already-inadequate payrolls, but it did not reduce even the dollar totals of profits *until 1931*. Up to April Fool's Day, 1933, the purchasing power of profits steadily increased to 306 per cent of their 1923 value as wages fell to 53 per cent of the 1923 level and the volume of trade fell to 56 per cent.

We might sum up this "division of national income" during the depression as follows: *the total deficit in national wages* from 1929 to the end of 1933 — basing that deficit on 1923 wages as normal — equals roughly 100 billion dollars. In contrast to this the surplus of profits during this period (again using 1923 as normal) was over 40 billion dollars. These sums taken together, amounting roughly to one half the present national wealth, suggest a major shift in ownership. They suggest more; they offer evidence of the moral and material degradation of millions of self-respecting citizens. In them we find the economic record of the three hundred thousand boys and girls who have been driven from decent homes to ride the railroad freights with the criminally degenerate dregs of society, of the hundreds of thousands in our cities who have eaten from garbage cans. Here in cold figures stands the epitaph of a decaying civilization, a corruption of honor and decency which all the gold since Crœsus could not cure or justify.

This liquidation of the consumer-workers' investments has another phase which threatens to alter the entire position of organized labor. The conservative rôle played by the labor movement in England and the United States, the reluctance of our workers in general to establish a political solidarity or united front, has been the result in part of the workers' faith that the profit-sharing schemes so widely advertised by employers would enable any industrious worker to make himself a gambling master, an investor, so-called. The country has been flooded with propaganda. Here and there this promise of profit sharing has actually been fulfilled. The winners of these lottery tickets of capitalism have been well advertised to their less-fortunate brothers. The folly of this hope is now plain to everyone. This bulwark of the owners against radicalism has been destroyed by their own misguided act. It is writ now where all men can read that there is nothing but despair in such a painful frugality and self-denial, such a patient climb out of poverty into modest security, when every decade or so a depression forces the workers to sell their "security" to the owners at a fraction of the price they paid for it.

Professor Kemmerer of Princeton University describes this situation as follows:

> The most widely held stock in the United States, that of the American Telephone and Telegraph Co. distributed among 450,000 stockholders, when the crash came declined from *249* on June 15, 1929 to *73* on June 15, 1933, although there was no reduction in dividends. For the same dates, Pennsylvania Railroad stock of which there were 175,000 stockholders in the autumn of 1929, declined from *95* to *8*. United States Steel, with over 100,000 stockholders, declined from *201* to *23*. . . . The shocks which these declines have given the American people have been terrific. For literally millions the accumulated savings of a life-time have been wiped out.

The reader will note that while these savings were being wiped out the producer-owners were accumulating a *surplus of profits* which could find no productive use, no use at all except to take advantage of the consumer-workers' ruin to buy in American Telephone and Telegraph at 73, Pennsylvania at 8, United States Steel at 23, etc.

Without exaggeration this destruction of worker investments offers the most tragic record of human incompetence in history. No industrial owner outside of a madhouse could have deliberately planned such a stupidity. The amazing part of it is that there is an unmistakable effort on the part of the owners to conceal and ignore these conditions. They cannot be ignored; they have passed their center of stability and unless drastically corrected will of their own weight grow rapidly worse. The economic and social disintegration which they evidence is not static; it is cumulative in its effects and will inevitably involve all of capitalistic society in its collapse. If recovery is brought about without an actual and radical correction of this evil the next boom-crash will be worse if not final.

III

DESPITE THE STUPIDITY and injustice of this record we must stubbornly remind ourselves that any workable system of productive management will inevitably require the concentration of authority in the hands of an able few. There is no escape, in an enormous and complex social co-operation such as civilization enforces, from a concentration of authority. We can call our directors "Peoples Commissars," or "Fascist Dictators," or "Private Owners"; the name does not matter. *What does matter is that their control shall not be absolute, shall not extend over both the production and the consumption halves of wealth.* What is needed is an organization of those who use as a check and balance upon those who make. There is equal need of a concentrated authority over Make which will counterbalance any tendency toward despotism on the part of the Users. Social stability demands a balanced opposition between forces. Any absolutism tends to destroy the trial-and-error system by which nature develops life.

Sanely balanced by a consumer-worker monopoly over consumption, productive control might offer no despotism but merely a delegation of social responsibility to competent leaders. If any kind of productive plan or system is practicable, if it embodies an intelligent purpose it cannot dispense with leadership. That leadership however must so manage the production of goods and services as to satisfy the reasonable wants of ninety-two per cent of our people, and it must not merely provide a stupid and suicidal exercise of power for eight per cent. Private ownership of industry is obviously a failure if it cannot ensure continuous public use for the output of its so-called private productive machinery. That means that it must permit ample and steady mass purchasing power in the form of consumer wages. Nevertheless the active organization and defense of this mass purchasing power is a most unreasonable, indeed *impossible* function for the producer-owners to perform. Their self-interest is logically bound up in developing and expanding the creative half of the Make-Use cycle. The management of consumption, the destructive half of value, must be entrusted to those who exercise it and whose lives depend upon it rather than upon the charity of those whose self-interest lies elsewhere.

In developing their production half of wealth the Masters of Make face a tremendously important and difficult task. Our scientific conquest over nature cries aloud for a centralized and efficient direction over the enormous forces it has released. Under capitalism there is no pretence of such a control. We rightly call such a centralized directive authority "monopoly" and frighten our children with the horrid word. Nevertheless the vastness and complications of our mass production cannot long proceed without authoritative, centralized control. Hand in hand overproduction and undernourishment, starvation and waste mock our present system and shame our management.

The natural tendency to establish a central control over industry was early attempted in the form of a dictatorship over price, wages, and goods distribution. Such a dictatorship is an absolute form of control over both production *and* consumption. Naturally it was found dangerous.

To meet its threat of tyranny we offered it not the co-oppositional balance of consumer organization but the stultifying and disastrous check of "profit competition." This enforced competition is to-day the cause of the profligate wastes of our natural resources and the suicidal necessity producers are under to exploit the worker and destroy the balance between production and consumption.

Productive monopolies could be despotic only if they were permitted to pass beyond the mere control of production and usurp control over the whole Make-Use cycle. If the consumer-workers were to establish a practical and unshakable power over their mass purchase and consumption of goods, such a balanced check would render harmless the centralized management of industrial production which we now fear so desperately. It would on the one hand remove the threat of wage slavery and exploitation from the worker and on the other hand it would permit the producer-owners to reform the present conditions of waste, chaos, and human incompetence which characterize, for instance, our coal and oil industries.

Such elimination of the inefficiencies of the competitive system would in itself cut productive effort in half. The dilemma of labor as now organized and no less that of the present railroad administrations and indeed the whole NRA program (in its bewildered conflict of theory and practice) is that this most essential reduction in productive effort will cut payrolls, reduce human toil, and increase unemployment. If the consumer-workers, however, had an effective control over mass purchase and distribution and were able to bargain as a unit with the producers for their growing services of consumption rather than for their dwindling contribution of physical toil, the dilemma would disappear.

There is every reason in the world why the savings of the consumer-worker should not be invested in production property as they are at present. We have already discussed the destructive effect which a depression causes on such worker investments. During a period of expansion the effect is equally vicious and even more ludicrous. A strange and ironic spectacle: the wage workers offering their savings to buttress a system whose intensive effort is to increase profit and reduce wage costs. Slaves investing their pennies in heavier chains.

The Masters of Make are themselves the victims of this system. Their only hope of a sane management of production lies in freeing themselves of the chaos of competition. They must be freed to use the tools and powers that science is offering mankind. If industrial life were rationalized and controlled, science might usher in a new age of creative leisure in which man's effort could escape its present excessive absorption in physical and animal satisfactions. Nevertheless such a development of leisure is at present not a promise of freedom but a threat of starvation.

It seems plain common sense that as science reduces the toil necessary to support life the toilers in particular should benefit. Many of us, however, have been led to believe that as machinery is perfected no wisdom or generosity on the part of our industrial captains can save the workers from the fate of unemployment. Recently a purported statement of the United States Department of Labor was broadcast in the press, to the effect that if industry were now lifted to full speed it would require four million less workers to operate it than in 1929.

Such a statement is misleading. It would be true only if we insisted that in that longed-for to-morrow all wage workers must toil as many hours per week as they did in 1929. We had almost 50 million men employed in 1929. Their average working time was well above 48 hours per week. Granting that new inventions have reduced the total toil required to produce goods — reduced it say to 40 million men working 48 hours per week — it is not a difficult problem in arithmetic to accept this reduced total of man-hours yet to alter its distribution into more men at shorter weekly hours. With the same output of goods and a much healthier purchasing power our producers might make the equation read 64 million workers employed for 30 hours per week.

The fact is that any efficiency in management whatever, any increase in labor-saving machinery imaginable can be made socially harmless by shortening the workers' total hours, *provided such shortening of hours does not decrease total payrolls or total mass purchasing power.*

This seems so obvious a remedy that we wonder why employers have fought desperately for years, as they are fighting General Hugh Johnson and his NRA staff to-day, against the shortening of working hours. As a matter of plain fact the opposition of the employers is a blind prejudice arising from our present system of competition for a selfish profit. This system of profit competition has persuaded the producer-owner that he cannot survive unless he reduces his labor costs — below those of the most ingenious and desperate of his competitors. If a rival employs children at long hours and starvation wages a competitor must follow suit or his costs will be higher; he cannot then sell goods in competition with this rival. The whole effect of such competition on the owners as well as the workers is morally degrading and economically suicidal. When we consider that the producer and the consumer, equal and indissoluble, form the economic body of society, the effort of the producers appears that of a snake trying to swallow its own tail.

The truth is that we have managed to perfect a system of productive mismanagement in which individual "success" ensures national disaster. The open effort of every employer in the country is steadily to increase profits and decrease wage costs — that is to say, to increase the private supply of goods and services by decreasing the public demand.

The situation is analogous to that of foreign trade. Exchange with a foreign customer is "successful" if we are able to sell him more than he can pay for. The balance of trade, we note joyously, is "in our favor" when we have shipped him a greater value of goods than we are willing to take back in exchange. In like manner domestic production managers receive the plaudits of Wall Street and have their salaries doubled whenever they succeed in producing a surplus of goods and a deficit of labor purchasing power to exchange for these goods. It is an economic Mad Hatter tea party with the consumer playing the Dormouse!

Owners such as those who control the American Tobacco Company, for instance, who lavishly reward their executives for expanding profits and reducing operating costs in the form of farmers' and workers' earnings are to-day draining away the life blood of the nation. If all the corporations in the United States could make an equal "success" of their business management, the purchasing power of the consumer-workers would be utterly ruined instead of half-ruined as at present. No doubt in such case the sheer starvation of millions would quickly produce a violent uprising in which the stupidity of these owners would be corrected in the ruin of our society. The reason the American Tobacco Company is able to continue its present folly lies in the fact that the majority of business firms can envy such "success" but cannot imitate it. Most of our business firms are forced to pay higher wages and more money for raw materials, and in so doing they sustain what is left of the national purchasing power, in spite of the spouting leak in our economic veins which the great tobacco companies and others like them are maintaining and ever enlarging. Meanwhile these tobacco companies sell tobacco not to their own underpaid employees nor to their impoverished tobacco growers but to a vast number of other employees whose buying power has not yet been ruined by such business "success."

This paradoxical conflict of blind greed with enlightened self-interest lies at the very heart and center of our present paralysis. The correction of some of the worst of its effects is the object of the NRA emergency measures. Its permanent cure has not yet been suggested by the protagonists of our New Deal. For this reason it seems essential to restate and clarify the conditions of a production-consumption balance.

It must be understood that this relation is one which applies only to the nation as a whole. An individual business manager or owner does not sell his product or service exclusively to his own employees but mainly to the employees of other business men scattered from California to Maine. He thus makes his profits from consumers who do not directly depend on him for his wages. *The producer-owners of the nation as a whole, however, must sell their product and derive their profit from the whole body of consumer-workers, who have no buying power whatever except that which comes to them as wages and salaries.*

Over the whole of industry, therefore, decreasing payrolls are eventually ruinous to the producer and his profits. Their cumulative and inevitable effects appear to him in the guise of depression cycles of which he individually has little understanding and over which he feels he has no control. We must therefore study these economic effects on a national scale. We cannot determine the circulation of the blood by studying the finger; we must study the whole body.

Under the leadership of science, modern industrial production requires year by year less physical labor to supply society's needs. Nevertheless these needs are constantly being increased and elaborated. The satisfaction of these increasing needs, in the form of consumption goods and services, requires year by year a greater and steadier mass purchasing power. Such an increasing purchasing power must derive from increasing wages, because to-day mass consumption is financed by payrolls. This appears plain when we discover from the statistical record that the consumer-workers are approximately 92 per cent of our population and that the wages which they spend on consumption goods and services equal 82 per cent of the national income.

The law of economic development might therefore be simplified in these words: *As man's brain perfects his tools, physical toil must steadily decrease, while the consumption of goods must steadily increase.* There is an immediate and inescapable corollary to this law in practical terms. *Wages must be adjusted not to a dwindling total of toil but to a growing total of consumption.* Consumer consumption must steadily increase in total, and the length of working hours must drop, otherwise we cannot finance the rising scale of living offered us by science. In simple terms, the basic law of economics states, "The toiler must get more for less work."

There is no worker laziness nor immorality involved in this program of more pay for less toil. It is not a scheme on the part of the proletariat to cheat the capitalist and snatch a sinful share of the "unearned increment." All such ideas are delusions of a period in which labor was regarded as the producer's deadly enemy rather than as his only customer. No charity or self-sacrifice is required on the part of producer-owners in maintaining the national purchasing power by such hour shortening and wage increases. It is a strictly unemotional financing of consumption, based on the recognition that to make more goods than can be bought is a ruinous piece of folly.

Looked at from another point of view this situation offers both an opportunity and a warning to organized labor. The emphasis of the present labor movement throughout the world is upon the dignity and importance of manual labor as an element in the production of goods and the ownership of productive tools. The insistence of labor has always been upon a share in productive ownership and management as well as a reasonable security against sickness and accident and old age, all as exemplified in higher wages and savings investments. We have seen how the present system makes a mockery of the workers' hope of productive ownership. As an element in productive management, even as in productive ownership, labor is waging a hopeless fight and exhibiting a deep misapprehension of its proper function.

Labor has as yet failed to perceive its power and importance as the *consumer-worker*, whose economic function of *mass consumption* grows more vital and important as science increases the complexity and velocity of *mass production*. As a mere partner in productive effort labor is rapidly losing its importance. Scientific invention and management is every year reducing labor's *productive* contribution nearer to zero. In another hundred years industrial management may be able to get along with very little manual labor indeed, but it can never get along with very little public purchasing power. In the year 2000, if civilization persists, labor's working hours will probably be cut to a fraction of the present total. Labor wages may also be reduced to a small fraction of the national income. *If the compensation for toil does so dwindle some other form of consumer wage or user dividends will have to be provided as a substitute in order to finance the mass purchasing power.*

There is need, therefore, that our liberals as well as our labor leaders should shift their economic front from that of dwindling toil to that of growing consumption. Labor as a purchasable commodity required in production is being ground between the upper and nether millstones of an increasing population supply and a decreasing machine demand. While organized labor has been struggling against this inevitable tendency, it has neglected its larger function as the mass consumer. Consequently this function of Use, the other half of wealth, undefended and unorganized, has fallen into such paralysis as to threaten the ruin of civilization.

The plain lesson of our disaster is this. Our workers must reorganize as consumer-workers. They must acquire possession of the tools of consumption and develop a consumer banking system whose primary object will be to finance consumption. The answer is not in any form of absolutism, either socialistic or communistic, but in a balance of power between the two natural elements of wealth, between the Masters of Use and the Masters of Make.

In a future issue Lewis A. Riley will discuss the Masters of Use

SHADOWS

A Short Story

BY BURNHAM CARTER

Drawings by Dorothy McKay

RICHARD PICKED up his skates and turned away from the ice-covered pond to glance up the slope of snow through the wood. A red sun was halfway below the ridge, and its gleam was perceptibly rising along the trunks of the trees.

"I like the frugality of winter sunsets," he said, and suddenly his body stiffened into a strained attention.

Anne was still tying her shoes. "One's feet are so pleasantly released from skates," she remarked. She looked up. "Why, Richard, what's the matter?"

The lean profile of his face barely moved as he answered in a low voice: "Get up very quietly and look where I am looking."

She rose, feeling the cold of the lonely pond leap through her. Projecting above the snow were tufts of tall grass and some fallen branches with a few brown leaves. Her gaze traveled farther on through the trees toward the queer orange light in the west. Then she saw, just as the arc of the sun slid below the hill, a dozen gray patches grouped in front of a rock.

"Richard!" she whispered.

"Wolves," he said.

In the moment's pause, in the quick descent of twilight, the gray patches were gone, without sight or sound of their going, leaving her to stare amazed at the vacant snow.

"I haven't seen that for twenty years," Richard said, still speaking in a low voice. "There haven't been wolves here since I was a boy, and then I only saw one once. It must be this hard winter and the fact that they don't trap them any more."

"Oh!" she said. She laughed and relaxed. Her city-bred sophistication was now deriding her primitive fear. "Could they really have been wolves? Why, Richard, it seems absurd."

"Yes, doesn't it?" His face had a boyish excitement. "Golly, what a sight."

"I hope they had no evil intentions."

"They don't attack. The best thing they do is run. You see, years ago the state put a bounty on their heads because they were killing chickens and pigs and occasionally sheep. The farmers used to trap them. Then they disappeared. Now maybe the cold is driving them down from the north. There isn't any bounty any more, and their fur has no value; so probably no one traps them, and you can't get sufficiently near to shoot them. They must be coming back."

He went to pick up her skates. When he turned around, she was still staring into the trees. "Yesterday I was in New York City," she murmured; "I had cocktails at Pierre's. Richard, are you sure those were wolves?"

He laughed. Adventure added a moment's intimacy to their long friendship. "And yesterday I worked in an office high up in Wall Street. That's why it's so exciting. This is the only wild thing we've ever seen."