

# THE FIG TREE

*A Douglas Social Credit Quarterly Review*

Edited by C. H. Douglas

Contributions by

The Editor

The Weapon of Taxation

Miles Hyatt

Europe on the Verge

Norman Webb

Social Credit and the Christian Ethic

Helen Corke

The Work Complex in Politics

J. Crate Larkin

Some Experience with Real Credit

W. L. Bardsley

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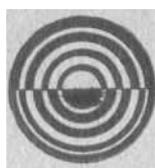
The Choice Before Western Civilisation

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The Great Doom's Image

Major Douglas on Security—Institutional and Personal

A. W. Coleman, Charles Jones, R. L. Northridge,  
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K. McCarty, Geoffrey Dobbs.



Published by the Social Credit Secretariat Limited  
163A, Strand, London, W.C.2

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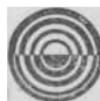
No. 5

JUNE 1937

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Although Major Douglas, as Editor, controls policy, the selection of articles for THE FIG TREE is made by the Associate Editor



Published by the Social Credit Secretariat Limited  
1 63A. Strand, London, W.C.2

By Annual Subscription 10s. 6d. or 3s. 6d. a quarter. Post free everywhere.

*But they shall sit every man under his vine  
and under his fig tree; and none shall  
make them afraid. Micah iv., 4.*

# The Weapon of Taxation

BY THE EDITOR

WITH the suggestion to pay the leader of the Opposition £2,000 per annum the last vestige of pretence that we have alternative policies available through the party system has been discarded. It should not require any further evidence to establish the fact that Great Britain, at any rate, and probably nearly every other country, is a localised administration of a world policy, in which "opposition" is merely constructive criticism. The outlines of this policy are also clear. A pyramidal organisation of society, based fundamentally upon the figures standing to the credit of the account in the various books of world finance, and accompanied pro rata by a servitude inversely proportional to the magnitude of these figures, seems to be the essence of the organisation. To maintain this servitude, the dispensation of money, for the most part in return for some form of industrial activity however disguised, is the primary mechanism.

It will have been noted by those who followed the debate upon the Budget that it took the form that might be expected, having these considerations in view. The effect upon the individual of increased taxation, already far in excess of that in any other country on earth, was treated with levity, Mr. Chamberlain remarking in regard to the increase in income tax that "the inconvenient figure of 4s. 9d. was replaced by the more manageable figure of 5s." The criticism of the so-called Liberal Opposition was, in effect, that the rigours of financial orthodoxy had not been sufficiently enforced, and the discussion in regard to the re-imposition of excess profits duty became merely a wrangle as to why profits should be taxed rather than something else. To the Labour Party taxation rhymes with hallelujah and is equally praise of the same sadistic god.

Perhaps nothing very fundamental can be expected until the present world policy has been superseded by something a little less insane. But nevertheless, within the limits of the policy, the attack upon any profits of manufacturers, whose lot for the past fifteen years has been far from a happy one, is worthy of remark. It is probable that it is prompted by those financial interests to which Mr. Chamberlain so gratefully referred as having assisted him with his proposals, as an outcome of the only real terror which the bankers have experienced for some time. The tremendous financial reserves which were accumulated by the American manufacturers in the boom years succeeding the war were employed so successfully in competition with the bankers themselves that it became clear that only a few years would be necessary to secure financial emancipation and, still worse, the elimination of the banker as a large commercial lender. This had to be checked at any cost, and the fantastic call rates, which were imposed in 1929, together with the drastic reduction of outstanding bank loans, were the result of a determination to bring the manufacturer to his knees, a policy which was only too successful. The tax has the additional advantage of setting every section of industry against its neighbours.

It is no doubt felt that prevention is better than cure, and that although the world will stand almost anything, it is better not to make it stand depressions at intervals which are unduly short. The limitation of profits will, no doubt, cause the manufacturer to increase his costs by the purchase of expensive and, possibly, unnecessary plant, but it will prevent him from accumulating financial reserves, and thus achieve its main objectives without the use of such easily identified action.

The "bond-washing" tax seems capable of explanation only as an excuse for obtaining information in regard to the stock-dealing operations of the individual. It has always been a matter of some remark that profits made out of stock operations by the individual are not taxable except through the agency of stamp duties. The information which will be obtained in connection with the collection of what, on balance, must be a trivial amount will enable the authorities to obtain all the information necessary to ensure that one more source of purchasing power to the individual is drastically reduced.

C. H. DOUGLAS

# Europe on the Verge

By MILES HYATT

IN London recently we were treated to streets bedecked with flags and other signs of gay prosperity. There were, however, no buses to get to them or through them, because the drivers and conductors had struck against the inhuman conditions under which they were forced to work.

Europe in the great prosperity year of 1937 presents a similar picture. Politicians and press of every country advertise booming trade, rising commodity prices, the return of the good times already here; and in every country alike the anti-Christ of finance is reducing human beings to the level of ill-kept, soulless work-machines.

## FINANCE VERSUS LA FRANCE

In 1931 only the self-willed Frenchman still clung to his independence, and the financial autocracy found it difficult to bring him into line with the "Mr. Obedient Worms" in other European countries. Something in the nature of a five-year plan was required to break his spirit.

The campaign was opened by a period of intensified loyalty to the franc, which brought producers to the verge of ruin and the French working class to incipient revolt. The simultaneous granting of the 40-hour week and higher pay completed the distress of the industrialists and effectively settled the hash of one powerful group. The franc was "pegged" at a level which allowed terrified capitalists to take their money out of the country, but was unpegged this year (on the advice of London) before it led to an insulation of the money system on the German model. An Exchange Equalisation Committee was set up as in Britain, whose operations were veiled in mysteries for the common good.

Prices rose, of course. M. Jenny, of the *Temps*, estimated that rising prices had deprived the worker of most of his gains, and the official of more than he had won. The fixed income holder suffered worst of all. Every import became much dearer, and curiously enough a National Wheat Marketing Board, set up to restrict production and raise the price of wheat by 60 per cent, entirely failed to alleviate the situation.

It now seemed unhappily possible that small retailers might be rather too comfortable. So in March a tribunal, from which there was no appeal, was set up to try all dealers who over-stepped the maximum limits established by an arbitrary price-fixing committee. No class was to escape the pressing attentions of the gentry who were out to make the world safe from democracy. Nevertheless, the "ignorant" bourgeois and peasant proprietor remained neither mesmerised nor entirely crushed. M. Vincent Auriol's "honest" budget of January, which like most self-respecting budgets contained everything except the assets, was designed to frighten this conservative class into making sacrifices for "*la patrie*"; but the effect was singularly unforeseen. Warnings of unbalance to the extent of £43,000,000, and the need for a loan to the tune of £340,000,000, caused the obstinate peasant to draw out his savings and hide them in the chimney along with his stock of gold, or so the story goes. Certain politicians were so disloyal to "democratic institutions" as to foment this resistance. The knowledge of the existence of gold not yet brought under centralised control was the most annoying thing of all, and might still have presented an insoluble problem had not some brilliant mind evolved a remedy. Such gold, if the owner had no receipt for its purchase, was now assumed to have been "smuggled," and a decree authorised domiciliary search for any contra band which individuals might have inherited from their ancestors.

More trouble, however, was raising its head against the Blum Government, which had promised no further financial commitments after the defence loans, now reduced to about one-fifth of the Auriol Budget estimate. The workers' unions were again growing restive and threatening to strike against the high cost of living. French builders demanded a ten million franc public works programme. Their demand was supported by M. Jouhaux, and London feared that this would lead to large-scale creation of work-credits on the German model, with consequent exchange control in Paris. The so-called "industrial truce" attempted by M. Blum in early May has succeeded only in increasing the tension between employers and employed, and, incidentally, between the Government and employers, as witness the resignation of M. Dautry, general manager of the French State Railways, from a position which had become intolerable.

Irrespective of who dictates German policy, or what it is, Social Crediters may find one aspect of it to commend. It appears to be making international finance subservient to national ends. In Germany they are bent on making their own private hell; but it is something to be said for a hell that it is private.

In pursuance of this policy, Dr. Schacht continues to evade the clumsy efforts of Lazards', the Westminster and other banks, to pin him down to a promise of settlement in respect of £47,000,000 "commercial" debt still outstanding. With equal skill he parries Van Zeeland's gentle advocacy of "freer trade," accompanied perhaps by a long-term loan, and points out that exchange-control must remain so long as the burden of debt on the international ledgers is so heavily against Germany.

In fact, it seems clear that Schacht has no intention, either now or in the future, of accepting a loan on orthodox terms. Instead, by means of his clever clearing arrangements, he contracts a constant succession of short-term debts to Balkan, South American and Far East countries, which he will settle only by payment in German-produced goods, raw materials from German exporters in South America, or the acceptance of tenders from German firms for constructional contracts in the creditor countries. Internationalists describe this as blackmail, but it is noteworthy that, though from time to time the "victims" protest and pass laws restricting German imports, probably inspired to do so from London, they usually, as in the recent case of Yugoslavia, repeal them within a very short time. In a real sense, these countries may be enjoying unwonted prosperity from this barter system. From an orthodox standpoint, of course, it is sheer ruin to obtain more than or as much as you send away.

The national policy Schacht is making finance serve, however, is not in itself a comfortable one for the German individual. The Reichsbank Report for 1936 makes this quite evident. Dr. Schacht's technique for financing internal production and export seems directed towards building up military power, keeping everyone employed and expanding foreign markets, regardless of their cost to Germany in terms of real loss on each exchange that is in terms of quantity of goods. This technique, described by our own "kept" press as miraculous, is simply one of inciting effort and snatching away the prize. He creates unlimited credit. This drives the wheels of production. But credit has a way of becoming purchasing power if it reaches the individual, who might buy butter with it. Therefore, Dr. Schacht snatches it back from the industrialists in the form of enormous taxes, levies and forced loans, and these are used to subsidise exports in order to quote 50 per cent lower than the lowest possible British tenders for the same goods and services. The effect abroad is a rush to buy German; but in Germany itself life has become a glorified treadmill—glorified, that is to say, with unflagging persistence by the instruments of Dr. Goebbels. Incidentally, there is, of course, no "inflation," at which fact our own economists raise their eyebrows in pious wonder.

How is this credit-expansion accounted? At present it is entered separately as "secret debt." But only Dr. Schacht knows what he will do with it eventually. How they love to move in mysterious ways!

All Germany has become a vast organised work machine. The new four-year plan completes the Bolshevisation of Nazism, by bringing into existence six great-centralised departments for planning raw materials, labour distribution, food supply, foreign currency and price-fixing. The Berlin War Office has recently issued a casual announcement that no German of military age may henceforth leave the country without permission from his local army headquarters; but whether this is an ominous military move, or merely a logical extension of labour serfdom coated with the saccharine of patriotic necessity is not clear. Taking this measure with the allocation of an enormous section of the Leipzig Fair to an exhibition of colonial products for export, and the fact that Schacht has recently been forced to intensify his drive to obtain foreign securities (it has been made a capital offence in Germany to conceal ownership of them), it is quite possible to assume that the barter system is facing failure. If it fails, the intrigues of London will have been largely responsible, and Dr. Schacht must know this.

#### ITALY APPEALS TO SOHO

In Italy, too, foreign currency must be obtained for trading purposes, and so the government has issued a quantity of treasury bonds to be subscribed for in pounds, francs, dollars and any other reputable alien money. How these bonds are to be marketed or who, apart from the Italian population of Soho, the East Side and Chicago's underworld, will buy them, are matters still veiled in mystery.

The German army's resolve not to write on one side of the paper only has been followed in Italy with a veto on all new periodicals. A shortage of cellulose is suggested as the main reason; but indeed it seems scarcely efficient in a totalitarian state to leave more than one magazine or newspaper for the population to glance at while hurrying to or from work.

Apart from certain credits given him in London, Mussolini has decided against a loan for rearmament from abroad. Instead he is levying a compulsory loan on property, 90 per cent of the money to be advanced to owners by the banks. The Abyssinian campaign hardly diminished the gold coverage of the country's note-issue. This has been variously explained as due to devaluation or to the sacrifice of wedding rings and other gold property by individuals.

Italy's most important success in the political and economic field is the detaching of Yugoslavia from the Geneva ring into the Italo-Austro-Hungarian orbit, which probably means the German orbit also. Vienna has just co-ordinated all her men and materials on the German model "for war purposes," and Mussolini now seems to be acting there as little more than bailiff for Germany until the latter is ready to take Austria over. With Goering's visit to Rome in April, Italy reaffirmed her intention of acting with Germany in all major political questions.

#### THE BANKSTERS' LEAGUE

If we are to look upon Germany and Italy as wholly or partially breaking loose from the international financial ring which is sometimes known as Geneva or Basle and sometimes Lombard Street, it is not difficult to name the group of peoples which since 1932 have been slipping deeper into its clutches.

The World Economic Conference of 1932 was an undoubted setback for the moneylenders. In the last year, however, signs have not been absent that they are regaining lost ground. There was, of course, the tripartite monetary agreement, and this has been followed by a Conference of the Oslo Powers (Scandinavia and the Netherlands) called at the Hague to discuss the possibilities of "freer trade." The British and French Governments have cast the popular M. Van Zeeland for the role of stimulating interest in "exploring the possibilities" of extending this discussion to powers outside the Oslo group; though it is rumoured that a certain London gentleman whose beard was badly singed in 1932 is wary of another world conference. Van Zeeland's activities include a visit to the United States. The usual formulas, "the economic interdependence of the world unit," "disastrous economic nationalism," "peace" and the like, warn us that the stage is now set for keeping Denmark true, if not to her salt, which at present comes from Germany, at least to her "credit," and for detaching any of the rival barter-group whose leaders can be frightened, bullied or bribed back into the cosmopolitan camp. Finland and Sweden have been suavely told that they must not leave the sterling bloc to follow any private monetary policies of their own.

To this scheme the detachment by Italy of Yugoslavia from the world-unit-trust movement has come as a great blow. Unlikely as it appears at present, it may even result in a swing over of the other Little Entente countries to the German orbit—a grim prospect indeed for the internationalists. It is already taken as certain that Carol of Rumania, who had joined the ranks of those good boys for whom *The Times* reserves the epithet "statesmanlike" has now deserted to link up with Poland in a more or less hard and fast trade treaty.

Poland, which the financiers hoped to win over to the freer trade crowd, is now unlikely to move. Only Czechoslovakia may be looked upon as firmly tied to Geneva. Nevertheless the existence of these two hostile camps, a fact that is not in dispute, does not necessarily mean that there are two hostile policies. The effect of French and British policy upon the individual is similar to that of German and Italian: rapid or gradual diminution of all personal freedom. The difference is one of method, not of objective. In England, where democratic forms are a hindrance, continued hypocritical concern for the moral welfare of our neighbour is constantly playing upon all that is masochistic and puritanical in our nature. The method is slower but not less effective than the German use of naked force.

To our cost we know that, although internal political parties are often on opposite sides in industrial warfare, they take their orders ultimately from the common source from which they get their funds. It is not improbable that the policy of both European camps is dictated from the same source, to which the risk of possible international war seems unimportant beside the wider issues involved.

The general situation, therefore, grows daily more ominous. There is small doubt that if Basle succeeds in upsetting the German-Italian trading plans, either covertly or overtly, Europe cannot be saved from a vast extension of the conflagration now consuming Spain.

“There is an idea abroad among moral people that they should make their neighbours good. One person I have to make good: myself. But my duty to my neighbour is much more nearly expressed by saying that I have to make him happy—if I may.”

## Social Credit and the Christian Ethic

By NORMAN F. WEBB

SINCE the dawn of history the cry of reformers has always been for a “change of heart.” Of the practical efficacy of that unqualified appeal we have no means of judging other than an examination of the actual condition of the world as it is today. Under that test it would appear to have failed. Nevertheless, the great majority of society, with, it must be admitted, considerable encouragement from the press and the pulpit, and the pronouncements of bank chairmen, still holds blindly to the belief that a change of heart is an essential preliminary to any change for the better in social conditions, and denies environment any claim as a means to a change of heart. In short, although we like to think of this world of aeroplanes and scientific wonders as very modern indeed, the truth is that the pre-Darwinian, pre-Baconian attitude of mind still rules. In support of this attitude Christ's words are often quoted: “Seek ye first the Kingdom of God and His righteousness, and all these things shall be added unto you,” manifestly a searching truth; but it seems to me the weak point in the argument is always the fact that so few of those who hold the view appear themselves to have experienced the change they recommend.

Until the rise of the Social Credit movement, there has never been a constructive, co-ordinated opposition to the monopoly which this theory enjoys, and a challenge to it is long overdue. As Major Douglas very profoundly says in his book “Social Credit”: “Virtue may flourish in the gutter, but if virtue can only flourish in the gutter, as some people would have us believe, then it is time that the nature of virtue received severe scrutiny.” Social Crediters, applying the discoveries of Darwin, assert that if the conditions of life are changed, the heart will respond. That, shortly, is the Social Credit declaration of faith, and I believe it to be both sound and Christian. Christ said: “If ye love not one another whom ye have seen, how shall ye love God Whom ye have not seen?” Obviously for Him charity begins at home.

Here, it would appear, the problem reaches a deadlock. It is a sort of spiritual stalemate, and in the ensuing check and pause an acute sense can plainly detect the premonitory tremors of a vast society breaking up. It can serve no purpose to become either impatient or “rattled,” but it must be admitted that the matter is urgent, since it is quite possible that the future of an entire civilisation depends on its solution. If it were just a question of giving a decision on the side of one or the other school of thought—the change of heart or the change of environment—how simple it would be; but we must not forget that the core of the problem, our practical difficulty, is that both sides appear to lack the essential dynamic that is needed to stir up the public to a realistic sense of the present state of affairs.

My personal belief is that judgment cannot be given to either; that the truth of the matter lies somewhere between the two; as I firmly believe Truth itself to be a balance of forces. I suggest the two changes are interdependent. They must, so to speak, occur together; the job is to be tackled at both ends simultaneously, like a tunnelling of the Alps. In his book “Social Credit,” contrasting the claims of what he calls the classical and modern spirit—which, broadly speaking, correspond to the two schools of thought I am considering—Major Douglas says, “It is probable that, as in many controversies, there is a good deal to be said for both points of view, but it is even more probable that approximate Truth lies in an appreciation of the fact that neither conception is useful without the other.” Or, as I wish to suggest, it may be just their combination that would produce the spiritual impulse for which we are searching. For since it is a fact that the nearest the human mind and language can get to a statement of Truth is a paradox—“He that would save his life, the same shall lose it,” and many others—it is quite probable that the approach to a practical problem, even our very actions themselves, may require to be in a sense paradoxical in order to be sound.

It is, you see, a “live” problem, a spiritual problem, which is a conclusion that we Social Crediters have to some extent avoided, for the reason that, as a class, we possess that trained cast of mind that is intensely apprehensive of emotional excess. I believe that it is our destiny to live down that fear, as, indeed, in the near future many fears and prejudices will have to be overcome; and that the road by which it will be achieved is through a realisation of the fact that the scientific mind is the type of the modern religious mind, in fact the neo-Christian. Science is knowledge. In action it is the research and documentation of natural law. For that job there is only one essential, besides training and

common intelligence, and that is integrity, singleness of purpose: the “single eye” that, as Christ said, is the only means to enlightenment. In that sense the scientist is truly religious in spirit. He knows that all personal bias and preconception must be eliminated from the mind; that facts as they come to light must be accepted, not for any moral reason, involving punishment, but simply because it is only in that obedient, impersonal, selfless spirit that Truth, his objective, can be attained.

To me Christianity is realistic in the highest degree; but it was not the Church, but two superficially mundane interests that brought me to an appreciation of the realistic and practical quality of Christ’s teaching. In the first place it was the study of art, and later the study of that philosophy we call Social Credit. And the more I examine them the more do Christ’s teaching and Social Credit identify themselves and fuse in my mind. I put down here my interpretation of the fundamental principles of Christianity, solely for the purposes of my analogy; not minding though I must be treading on ground already covered and re-covered by commentators and theologians, whose books I have never read and never shall read. What I have found, then, in Christianity is a technique of living; and it is with me that, whatever adherence I may give to Social Credit or anything else, the technique of personal existence must be my primary concern. I cannot, I will not, let my interests be an escape from my personal problems. Rather, I must solve my personal problems for the sake of prosecuting my interests more effectively.

Christ was a realist, the greatest that ever lived by my definition of Realism, which is a concern with the immediate present, with facts as they are. “The Kingdom of Heaven is within you,” said Christ, and that to my mind is an eminently realistic statement. It was Idealism that shoved Heaven up into the sky, and that has persistently postponed human blessedness to any time and place except here and now; when just here and now are all that we really possess to work on. It is surely a devil’s trick to rob us of the present, the only possession we can really call ours. And it is surely a be-devilled world that displays all this passion for securing the future and leaves the present to shift for itself. It is because of the realism of their belief that Social Crediters find themselves so markedly opposed to a world that sees no hope other than in Plans—Four, Five, and Ten Year—and Hoards and Leagues, and Conferences; all idealistic, all projecting themselves outward from an unsolved, immediate present, into an intellectual, Utopian dream of what might be, of what ought to be.

“Take care of the present and the future will take care of itself,” is the lesson of both Christianity and Social Credit; and I say it is Realism as opposed to Idealism. It may be impious, it certainly is both unscientific and misguided, to try to see any distance into the future: acceptance of, and obedience to, facts is the creed of both Christianity and science. Newman’s “One step enough for me” may be childishly simple; but it is profoundly and truly a summing-up of the Christian point of view and, I would add, the scientific also.

The Christian task, as I see it, is to attain the right attitude towards life, to understand and carry out its laws as disclosed. What follows, follows; and it is just here that faith comes into operation. It seems to me an astonishingly foolish mistake, and one very frequently made, to confuse faith with blind belief; they are in no way related. Faith might be defined as an unshakable understanding that obedience to a known law must produce correct results, even though, as Major Douglas puts it, “the end of Man is unknown”; in other words, even though the actual nature of the ultimate result is hidden from us. The Social Credit faith is of that nature, and so, too, is the truly Christian, and it is with that quality of faith that we need to inspire society. Lacking it, people dread any change, and demand to see the whole social programme complete with blue prints and a five-years unconditional guarantee. The best analogy I can think of is learning to ride a bicycle. The doubting, human intelligence wants to be assured that its owner will be held up before it can permit him to pedal off, whereas the truth is that until he pedals off he cannot be supported.

The individual soul, and the right understanding of its relation to its original source, was for Christ the beginning and end of existence, and nothing recorded that He did or said suggests even faintly that man exists for any other purpose. “Render unto Caesar the things that are Caesar’s,” as a pronouncement, gives stable government its proper place and emphasis, as a means to an end; but “. . . unto God the things that are God’s,” postulates without defining the end to which government is to be the means. The true, democratic, interpretation of the Sovereignty of the People, as defined by Social Credit, is exactly this attitude applied to the structure of the State and the place and the function of the individual, as that for which and by which the State exists. Christ’s short life was spent in defence of the individual, and nearly two thousand years later Social Crediters find themselves waging the same battle. He clearly foresaw the danger of the elevation of means into ends, which has culminated in the Collectivist State and its suppression of the individual to the group. No dogmatic Church could have bound Christ in His lifetime. It was only after His death, and not until several centuries after, that it succeeded in shackling and dogmatising his troublesome dynamic philosophy; but in the eyes of Him Who had created the philosophy, “the Sabbath was made for man, not man for the Sabbath.”

The identity of Christ's teaching and what we call Economic Democracy is, I believe, fundamental. The two are in contact at every point—even to this extent, that the primary obstacle to the realisation of both of them is the same. That obstacle is, literally, the very devil, and its name, for want of a better term, is Puritanism. To any that are hurt by that use of the word, I say, give me a better or as good, and I will gladly substitute it. But puritanism as I understand it (erroneously connected in many minds with purity) has, I affirm, nothing in common with Christ's teaching. Again we are in need of a definition; although, indeed, this quality is so diffuse, so universal, so "human," as to be almost indefinable in a phrase. The will-to-power perhaps comes nearest to the root of it, but that phrase itself requires defining. Let me put it negatively.

When Christ, One Who for all His countrified simplicity, understood more of life than anyone before or since, said to the young man who asked Him for a decision between his brother and himself, "Who made Me to be a judge over thee?" He was demonstrating in the highest degree the opposite impulse to that which I designate Puritanism. "Judge not, that ye be not judged." There is a law of life; and I think that Christ has plainly demonstrated for us that the primary fact of existence is that we are here and conscious, for the purpose of learning to understand it. The puritanical misconception is that we are here to administer the law. Is it surprising, therefore, that the world presents the picture it does, when the individuals, who compose society, each of them to a greater or lesser degree, conceive of themselves as administrators of their own interpretation of a law that has as yet been only faintly apprehended by a handful of choice spirits?

Puritanism, as I said, is of the devil, clothing the very deepest and darkest passion of the human mind—the impulse to dominate over one's fellow mortals—in a moral disguise. And can we wonder if the hedonist, who for all his shallowness, at least has sufficient love for his neighbour to allow him to work out his own salvation, gets away with so much of our sympathy? It is the Puritan who has always been ready to shed blood in the past (for there is no more terrible human phenomenon than the man who identifies God with his own abysmal will-to-power), and it will be the Puritan who will be ready to shed it in the future.

Christ's realistic mission was to free man, and the opposition He met is precisely the opposition presented to Social Credit. The truth is that the Puritan element in man does not wish to be free, because its desire is to dominate over its fellows; it opposes the idea of their enfranchisement, which is its own. The Devil fears freedom above everything, and his own most of all. It is quite natural then that when applied science comes along offering material freedom and abundance, the Puritan—the Devil's advocate that lurks in each one of us—should be arrayed against it; or that when we espouse a movement calling for a realistic acceptance of the fact of economic freedom, we are met with deadly resistance from the vested interests of the prince of darkness.

The foundation of the Christian teaching is Love. It is a difficult matter to grasp, and very wide in its application, and the word itself has been so narrowly identified with sexual attraction that we can hardly employ it profitably. There are many definitions, but it will serve our purpose to take one, trust, in the sense of absence of fear—"perfect Love casteth out fear." That form of love Social Credit represents. Social Crediters affirm a belief in the fundamental decency—goodness, if you like—of human nature in the fact of a world cowering abjectly before its own degraded picture of itself. Coercive legislation, and armaments, and leagues, are all the direct outcome of fear and hatred—distrust of human nature. Into that dark abyss our present civilisation seems to be descending; and constructively opposed to that worldwide tendency there are literally only two forces, the teaching of Christ, and the philosophy of Social Credit, which I say are one and the same. The actual clash that is to herald the social break up cannot be very long delayed. In the interval still remaining, can these forces not be brought together, and from their identification a real Christian-democratic nucleus be created, round which the remnant of this present marvellous and tragic civilisation might re-form? It is conceivable that the actual break-up might even be averted, and the spirit of the age take that sudden renewal and swing upward with which an apparently dying piece of music sometimes starts off again on a fresh and finer flight. That, as we know, is the vision that Social Credit has opened up for some of us; but, so far, we have not been able to communicate it to the great mass of the people. In this combination I have suggested, may lie the secret of the dynamic we search for, when the change of heart and the change of environment become, as I believe they should, complementary to one another.

# The Work Complex in Politics

By HELEN CORKE

THE work complex provides the impulse which stimulates public effort to recreate a world wherein each unit of the “working class” shall be provided with a wage-earning “job.”

Note that this common persuasion as to the desirability of the job is not concerned with its nature. Public satisfaction at the opening of new factories and extensions is not extinguished, nor even much lessened, by the knowledge that purely destructive products will be manufactured. The unsalutary industry will “make work.” Work is the essential commodity.

Moreover, there is no public anxiety to suit the work to the worker. We do not enquire into the capacity and bent of young people leaving elementary and secondary schools, but press them into whatever local industry will supply the all-essential job. Genius of the less combative variety may be destroyed in adolescence by a monotony of unintelligent labour, but even if the fact is admitted it is regarded as an unfortunate necessity. We complacently hand the pneumatic drill to the contractor’s workman who may know himself for a C3 man but accepts the tool without complaint or question. The work complex is at the bottom of such a policy of stupidity and cruelty.

Let it be recognised that the abode of this complex is the subconscious, larger area of our mentality. The iceberg floats with one-tenth of its bulk visible above the surface of the sea, with nine-tenths submerged. So may we image the mind of man: so small the conscious area, ruled by observation and reason, so large the sunken field dominated by impulses inherited from immediate, remote and remoter ancestry.

“If a man will not work, neither shall he eat !” The average man, drawn from any section of the community, and representative of his section, will react to that saying with a feeling of instinctive approval. The work complex is common to all classes, and particularly evident in the minds of the labouring class. The great majority of the dole-existing millions assert emphatically and truthfully that they want work and only work. Instinct invests the sense of leisure with a feeling of uneasiness.

This is entirely natural and very simply explained. The youngest student of human history need only glance at a rough time chart showing to scale some 7,000 years, the approximate period of written records. Neglecting prehistoric possibilities, we know certainly that for this 7,000 years the civilised races of man have been dependent upon muscular energy and physical labour for food, clothing and shelter. Up to the dawn of our own century it has been essential in every community that the majority of persons should engage in constant, sustained, mechanical work, in order that the community might be provided with its primary needs. Leisure and abundance were possible only for the few, labour and scarcity the lot of the many. Upon this principle the ancient civilisations Egypt, Persia, Greece, Rome, India, China—were maintained. It could not have been otherwise, because human and animal energy was the only known source of productive power. The amount of food consumed, the quantity of commodities available, was limited precisely and finally by the physical labour which might be utilised for the tasks of production and distribution. The principle was not handed, consciously, by one generation to the next. It was essential, unquestionable, belonging to each man’s inherited racial mentality. Thus, as an instinct, our generation received it.

We have been considering an approximate 7,000 years of human history. One century ago—one-seventieth part of that period—Faraday invented the dynamo. This last century has seen electric energy with its illimitable potency harnessed to the service of man. A spate of invention has filled the world with robot labour—a machine for every kind of mechanical work. The displacement of human labour began, accelerated, goes on accelerating. Leisure and abundance are now possible for the whole human race. But public reaction to the new conditions is one of bewilderment, discomfort, fear. Instinct still prompts us to require men to work. Conditions point to the conclusion that they need not work as mechanisms any more. Here is mental conflict which only individuality is ready to face. We temporise, we evade the issue.

The politics of a democratic nation reflect its instinct rather than its thought. The work complex naturally finds expression in the utterances of politicians of all parties. Party supremacy may depend upon success in persuading the electorate of the party’s capacity to cope with what is called “the problem of unemployment.” There are, obviously, only two possible courses open to any government; it can turn employer, and improvise, on a colossal scale, public work on mediaeval lines; it can subsidise similar action on the part of industrialists generally. In either case it will be compelled (under the present monetary system) to demand a huge increase in revenue, an increase which the taxpayer will sanction only if spurred by a lively apprehension.

Rearmament is the present Government's major response to the urge of the work complex. We shall have the opportunity of observing that policy's issue in due course. A minor response is the administration of the Special Areas. Mr. Malcolm Stewart, first Commissioner for those areas, tendered his resignation last autumn. In his last report he says:

"It has to be admitted that no appreciable reduction of those unemployed has been affected. Such increased employment as is likely to result from the operation of the many schemes initiated will prove altogether insufficient in the absence of a spontaneous growth of new industries and the expansion of existing industries to offset the release of labour brought about by increased mechanisation and rationalisation."

The Government subsidy to the Land Settlement Association will enable the latter to transfer 2,000 of the 148,500 unemployed persons in the northern division of the Special Areas to rural districts, under the Homesteads Scheme. The homestead, or smallholding, is a most effective work-manufactory. Without electric power or modern appliances, and better still without water and sewage systems, a family can readily realise the dawn-to-dusk ideal; and it will not produce on its few acres enough food either to feed itself or to market for a livelihood. The dignity of labour will be the only dignity its threadbare poverty achieves. But "homestead" is a picturesque term, with an unflinching appeal for the mediaevalist.

Government pamphlets are circulated among the adolescents of the Special Areas, with a view to inducing them to leave home and seek work elsewhere. A Ministry of Labour pamphlet says:

"If you live in lodgings and your wages are not sufficient for you to pay your expenses, you will receive each week a grant which, with your wages, will normally leave you with 4s. per week pocket-money if you are under 16, and 5s. per week if you are over 16, after paying for board and lodging, laundry, daily fares to your employment, insurance contributions and any other necessary expenses."

Such a subsidy will tend to reduce the general wage rate for adolescents, and to secure the vacant job for the Special Areas' applicant; it seems unlikely to increase the number of jobs available. But there is no need to urge the child into the overstocked labour market; if he is to be subsidised, let the money be invested in his further education. I submit that the Special Areas would solve their own problems as easily as the City of London, given National Dividends instead of schemes of labour.

A clearer conception of the essential conditions of modern life will eventually eradicate the work complex from our minds. That is the next step in human evolution. It must be taken soon or western civilisation will perish in confusion. Electric power and the wage slave cannot be maintained indefinitely within the same industrial system. The power of any complex is exercised fully only while it remains in the darkness of the unconscious mind. Drag it into consciousness, examine it, challenge it to justify its claim by objective fact, and it shrinks, becomes ineffectual, becomes ridiculous. Let those who have thus dealt with the work complex as individuals help to displace it from politics, exposing it as the dangerous legacy of an ancient era of scarcity, which, saving the possible folly of international war, has passed away for ever.

## Some Experience with Real Credit

By J. CRATE LARKIN

*Mr. Larkin relates how the Larkin Co. Inc., of Buffalo, U.S.A., of which he is Vice-President, tried the experiment of issuing their own currency and succeeded in a practical and profitable demonstration of retail discount ideas.*

AT the beginning it seems advisable to state plainly that, to the writer, economics as taught in college text-books hold no attraction. Having been born into a family extensively engaged since 1875 in the business of manufacturing and merchandising, and being familiar by personal experience with the various phases of these operations, economic facts have appeared simply as everyday business matters of costs and prices, markups, gross profits and turnover, rather than the dusty abstractions set forth in standard volumes. In business practice these elements were combined in the effort to buy and sell according to the principle, "Save all costs that add no value."

During the years just preceding the financial crash of 1929, the attention of businessmen engaged in merchandising was forcibly drawn to problems of credit by reason of the rapid increase in the volume of sales to consumers,

financed on the instalment plan. The depression following the 1929 crash played havoc with credit conditions of every kind and many of us during this period received a severe but enlightening initiation into the workings of the financial system. In these circumstances it was quite natural that we should begin to question the nature of credit and its creation, and to ponder about the sources of buying power.

Beyond doubt, the fundamental purpose of any business (and of the economic system which represents all business) is to produce and deliver goods and services for consumption. Already it has been quite generally agreed, even by governments and their advisers, that the full accomplishment of this purpose is frustrated by a shortage of consumer purchasing power. For instance, the under consumption admitted in the studies of the Brookings Institution was correctly identified by N.R.A's General Hugh Johnson as due to a shortage of buying power when he stated in 1933, "The ability of the people to buy is not so great as the total cost of what there is to sell."

As early as 1931 the fact became apparent that the then current depression was due primarily to financial rather than industrial causes. Following out this line of thought, some of the members of our research department encountered in their reading the New Economics and undertook a study of money and credit from this viewpoint. In gathering material, they met with the ideas of Major C. H. Douglas and began an intensive investigation of his Social Credit proposals. At first sight the Douglas proposals seemed to us almost too good to be true. However, the realistic diagnosis of the causes of shortage of buying power, and particularly Douglas's conception of the nature of real credit, enlightened and stimulated us greatly, explaining exactly many things we had sensed but never before realised so clearly. The practicability of the retail discount idea impressed us so forcibly that we requested our cost accountants to make an experimental application of the procedure for recording retail discounts. Results of this study indicated that it would be much less expensive to maintain the necessary records on a large volume of business than to supply tax information to the Government as now required. But it was not until December 1935, that our checking was completed by other investigations in which we sought to apply various modifications of Douglas's ideas to our own business.

We arrived at this point by a rather roundabout route, but, broadly speaking, it was an understanding of our own real credit, "the ability to deliver goods and services, as, when, and where required," that served as the basis on which we undertook to initiate our experiments. Being possessed of large manufacturing and distributing facilities, functioning at only a fraction of their capacity, we set to work to devise some method of drawing upon our real credit to finance increases in our business activity. The nature of the business being extremely diverse, encompassing both production and distribution, we had a wide field in which to work. Our business includes the manufacture of food products, clothing, paint, soaps and cleaning preparations, toilet articles, perfumes, cosmetics and pottery. Most of these products are distributed mainly from factory-to-family by mail and through our own chain of food stores. Wholesaling, warehousing and gasoline stations are other phases of the business.

The scope of the business made it no easy task to develop a means of implementing our productive capacity with some form of credit other than the financial credit customarily monetised as debt by orthodox banking methods. We made little progress with it until March 1933. Then events began to force our action. It became apparent that the epidemic of bank closings would assume the proportions of a complete breakdown. Anticipating trouble ahead, about a week before the so-called "bank holiday" (in which all banks were closed and deposits immobilised by government order), we prepared in our printing plant approximately \$36,000 worth of our own currency. We called this currency merchandise bonds. This money of our own was designed in the same size and general appearance as U.S. currency, bore a portrait of the founder of the business and a serial number, and was printed on our own special watermarked paper so that it could not be counterfeited. On the face of the Bonds appeared the statement, "This Bond, properly endorsed, is redeemable in merchandise purchased at the Larkin Department Store, or any Larkin Food Store, or Larkin Gasoline Station."

#### MERCHANDISE BONDS SERVE AS CURRENCY

As soon as the banks closed, bank credit was of course frozen solidly and it became impossible to secure sufficient currency to meet the needs of business. We therefore submitted to all our employees the question of how much of their salaries and wages they wished to take in Merchandise Bonds. Some took 100 per cent, others 75, 50, 33½ per cent—all according to their own desire. No compulsion whatever was attached to their choice. They could have had the whole amount in currency if they wished, but no one asked for it. They took Merchandise Bonds and began to use them. Their families began to present this currency in exchange for merchandise in our stores.

The news of what we had done spread rapidly throughout the city. Other business houses called up to advise us that these Merchandise Bonds would likewise be accepted by them in trade. For example, the theatres were among the

first to make use of the Bonds, since they knew they could purchase cleaning supplies from us in exchange for the Merchandise Bonds they accepted from their customers in payment for admissions.

It became necessary to supply Merchandise Bonds as change to our chain food stores scattered throughout Western New York and Northern Pennsylvania. Many of our customers, knowing that the Merchandise Bonds were redeemable at their face value in goods, accepted them readily as change for purchases made with U.S. currency. In short, the Bonds started to circulate, stimulating our business directly. The original issue of \$36,000 of our own Larkin currency accomplished a turnover of more than \$250,000 worth of merchandise before we cancelled it out of existence.

The principal banks reopened after the Government had guaranteed bank deposits with the Federal Deposit Insurance Plan, and we gradually suspended the use of Merchandise Bonds, issuing them only to those of our employees who requested them. Certain political dignitaries expressed an interesting disapproval of what we had done, and now that the banking crisis was past the Bonds were no longer vitally necessary.

But we had added to our sales some considerable volume of additional business and we learned a great deal out of this experience. In a new light, the relationship of money as buying power to money as a financial creation was revealed to us. It had cost us only paper and printing expense to issue our own valid currency, backed solidly by actual goods and services. We could issue these tickets for goods and services up to the full limit of our capacity to deliver the wanted goods and services. And the currency thus issued maintained its value so long as its holders were able to exchange it freely for wanted goods and services. No disturbance in prices and no possibility of so-called inflation existed, because we issued these circulating monetary instruments against only a small percentage of our total real credit. Customers and employees alike evidenced their appreciation of our action.

The more this experience was digested in our thinking, the more we became convinced that these things being true in our own particular experience with our own real credit, it should be equally practicable to make use of national credit backed by real wealth and introduced into business in the form of a retail discount.

#### DISCOUNT POSSIBILITIES

As we discussed this among ourselves, the possibility of using our Merchandise Bonds to offer a retail discount to our customers began gradually to evolve in our minds. Quite naturally, we were limited in our ability to make a full application of this discount idea. All our costs had to be recovered in the prices at which our goods were sold. We had no National Credit Account back of us to reimburse us for discounts offered to the public. But, on the other hand, any economical means of increasing our total volume of business would correspondingly reduce our percentages of expense. Our past experience indicated public acceptance and approval. Even though our customers did not intellectually grasp the underlying mechanics of what we had done, they liked it. So after careful consideration we determined to try a further experiment.

Certain conditioning factors in this experiment appeared at the outset. Obviously, it was logical to use some simple and generally known vehicle to ensure enthusiastic support for the experiment. All of our employees were already familiar with our Merchandise Bond currency and thoroughly "sold" on its use. We decided therefore to utilise their experience and enthusiasm in presenting our experiment to the public based on the idea of a contest, for which we chose the name, "Buy from Larkin" Contest. The following excerpts from the rules drawn up for the conduct of this Contest will serve to explain the basis of the plan:

1. The "Buy from Larkin" Contest will be open to all Larkin employees, including Buffalo Pottery, branches and all departments of the Larkin business.
2. The Contest starts at 8 o'clock Monday morning, September 16, 1935, and ends at midnight Saturday, December 7, 1935.
3. Larkin Merchandise Bonds, which form the basis of this Contest, will buy anything from Larkin Co. anywhere, just like U.S. Government money. The Bonds are accepted by Larkin Co. at face value the same as cash for any goods sold or services rendered at retail by Larkin Co.
4. Larkin Merchandise Bonds are issued in denominations of \$10.00, \$2.50, \$1.00, 50 cents, 25 cents, and 5 cents. *During the period of the Contest any contestant may purchase \$1.10 worth of Larkin Merchandise Bonds for \$1 cash.* This arrangement offers Merchandise Bonds at a saving of 10 cents on each \$1 purchase. Employee contestants can sell Bonds to their friends to be used for the purchase of Larkin merchandise or services. The Bonds can be sold by

employees in any quantity to any purchaser. They are permanently good for redemption at any time.

5. The purpose of this Contest is to secure additional new business for Larkin Co. Merchandise Bonds sold in the Contest provide a discount on all purchases. The Bonds are an inducement to secure extra business, and the employee is rewarded for this extra business. Contest credits will be awarded, based on the sale of Merchandise Bonds. The contestant winning the highest number of credits will be adjudged winner of the Contest. Contest credits are not transferable and must be individually earned.

Fifty prizes were offered to the 3,000 employee contestants, the grand prize being a new deluxe model Ford car.

The plan was as well received by customers as by employees. Instead of allowing the currency to circulate freely, we cancelled the Bonds as they were presented at our stores. This was done for accounting purposes. To summarise briefly, during the twelve weeks of the Contest a total of \$536,210 worth of business was transacted by means of the Bonds. The business done exceeded our expectations both in volume and in facility of handling. Aside from satisfying ourselves experimentally as to the feasibility of offering a retail discount, we gained an important volume of business which would otherwise have gone to our competitors. The undertaking proved profitable in more ways than simply the acquiring of information. In fact, it succeeded so well that its outcome made us wish the Government might be persuaded to designate our stores as a testing ground for the practical application of a real retail discount, financed by national credit.

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It seems logically appropriate that a few of the many impressions gathered and conclusions formed out of this experience might be listed herewith. Perhaps these may be of some interest to persons desiring to discover something of the truth about money and its relationship to the business of supplying goods and services to many millions of consumers eager to enjoy the abundance that industry can provide.

1. Money is NOT wealth. Money and wealth are two separate and distinct things, the former being a symbol for the latter.

2. The modern use and consumption of wealth is dependent upon an adequate and dependable supply of money. But while a great deal of cost and energy is required to produce wealth, the production of the money necessary to accomplish its consumption is relatively costless.

3. Wealth and the ability to produce and deliver more of it constitute the only scientifically reasonable basis for the creation and issuance of money.

4. The present practice of regarding money as more important than wealth is a fatally dangerous illusion. Moreover, the highly profitable business of creating and issuing money is fraudulently misrepresented. The profits of money-creation are maintained at the expense of the consuming public. Eventually, large-scale mass consumption cannot continue unless these illegitimate gains are made available to the public in the form of lower retail prices and relief from the burden of exorbitant taxation.

5. Considering that businessmen deal constantly with costs, prices and operating statements, it seems indeed strange that they have so little interest in the economic process of price making, being concerned much more with the dollars and cents of prices than with the how and why. It is quite generally taken for granted that buying power and prices are always equal to each other in a more or less constant relationship over any period of time. And so long as business prospers, businessmen do not trouble themselves to inquire into economic causation.

Herein appears to lie a logical reason which explains why it is not clearly understood by anyone who considers the problem fairly that in the process of production and distribution the buying power released via salaries and wages, dividends and profits, is only a fraction of the accumulated price figures. Hence this buying power cannot purchase the goods to which these price figures are attached. Yet the failure to realise this obvious fact is the basic cause of violent strikes and labour troubles, exemplified by those now besetting the shipping and automobile industries in this country.

6. It seems evident that the level of economic development and the standard of living in the U.S. is conditioned by the conflicting action of two mutually antagonistic opposing reciprocal pressures: (1) The pressure of the system of organised finance with its various devices for the control of wealth upon the mass of the population, painfully ignorant of their submissive state of exploitation and the means by which it is accomplished. (2) The pitifully

disorganised defensive resistance of the population against the domination of the highly organised financial system.

The average man, if it is permissible to make use of such an abstraction, is caught between these pressures and suffers in every department of his life from this conflict.

7. Reluctantly, experience convinces us that in round figures, out of every thousand of population, 100 persons may be said to be capable of discerning the most elementary principles of money and economics. Out of this 100 who become acquainted with the facts of their plight, only one may be expected to take any active part in doing something constructive about improving the situation.

8. Neither Socialists nor Fascists recognise the most evident financial facts, although the doctrines of both seem to be growing increasingly in popular acceptance. Whether Fascists or Communists win out in their struggle with each other, the financial system wins from both, and all the time. As opposed to these extreme viewpoints, the Social Credit proposals represent a very conservative procedure to preserve the values and eliminate the defects of capitalism by removing its illegitimate private control over the money supply, and its associated chronic shortage of consumer buying power.

9. We have been forced to the conclusion that progress in economic improvement and monetary reform is a slow and painful process of education by experience. Meanwhile debt accumulates so rapidly that it seems likely within the not far distant future that our existence in the economic sphere will have to suffer a major collapse before man's intelligent administration of his material welfare can become fundamentally better.

10. In our opinion, Major Douglas offers a most businesslike basis for maintaining progressive economic balance. His Social Credit proposals involve no regimentation, and no confiscation. Their adoption would encourage the present efficient organisation of business, preserving and protecting private property and individual initiative based upon the just reward of profit for service rendered. Our investigation of Social Credit has resulted in the conviction that it is not a matter upon which judgment may be passed lightly. The Douglas proposal for National Dividends, payable partly as a reduction in retail prices, deserves the careful study and thoughtful attention of forward-looking businessmen everywhere.

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They took infinite pains to inculcate, as a fundamental principle, that, in all monarchies, the people must themselves mediately or immediately possess the power of granting their own money, or no shadow of liberty could exist.

— EDMUND BURKE, Speech on Conciliation with America.

## Security—Institutional and Personal

By MAJOR C. H. DOUGLAS

Notes for the speech delivered at the City Hall,  
Newcastle-upon-Tyne, on March 9, 1937

THE matters on which I propose to speak to you tonight are so simple that, were it not for one fact of human experience, I should hesitate to trouble you with them. The fact is that it is the simplest matters which always form the subject of the most profound misunderstanding, and in regard to which the average individual is the most difficult to convince of any error in his belief. You will remember that it was a matter of common certainty for many thousands of years that the sun revolved round the earth, and when the astronomer Galileo produced quite unshakable evidence to show that, on the contrary, the earth revolved round the sun, he was regarded as a blasphemous heretic and was severely punished.

Now the first of these very simple matters, which I propose to bring to your attention, is the difference between policy and administration, together with the primary importance of policy. If a man is standing on the platform of Newcastle Central Station it is obviously of primary importance whether he decides to go to Edinburgh or Darlington. The question as to whether he goes by a fast or slow train, whether he finds that the railway is well or badly operated, or whether he decides finally to go by motorcar, is of secondary importance to the question of his making up his mind *where* he wants to go.

In all the discussions which are allowed to obtain wide publicity on the affairs of the world at the present day, every effort is made to concentrate attention upon questions of administration, on how to make the railway in my allegory better, or how to improve the road or the motorcar.

The point I want to impress upon you at the outset is that we are having a policy imposed upon us, and that policy is the cause of our troubles. Any discussion as to how that policy shall be administered, whether by a dictatorship, by so-called democracy, Fascism, Bolshevism, Nazi-ism, or otherwise, is merely irrelevant.

This policy, which is practically identical everywhere, whether in Russia, Italy or Germany, is the gospel of work. "If a man will not work neither shall he eat." It is not for nothing that Paul, the Roman Jew, is the patron saint of the City of London.

I must emphasise the point that the policy is not "If a man does not work there will be nothing to eat." To the extent that such a statement is true, the other statement is reasonable. But to say that all men have to work in industry at trade union rates for trade union hours before it is possible for all men to eat, is flagrantly untrue, and becomes less true every day, except as a policy.

I propose to bring as forcibly as possible to your attention that it is not the prime object of existence to find employment. I have no intention of being dogmatic as to what is the prime object of existence, but I am entirely confident that it is not comprised in the endless pursuit of turning this originally very beautiful world into slagheaps, blast-furnaces, guns, and battleships. It is just at this point that the extreme simplicity of the dilemma in which the world finds itself becomes evident, and it is at this point that it is so difficult for most of us to grasp what is equally simple, which is that the mere fact that some of us may earn our living by building a battleship does not in itself mean that it would not be possible for us to live much better, more comfortably, and more safely, if that battleship were not built.

Do not misunderstand me. This is not an address on pacifism. On the contrary, I think the determined opposition of the oligarchy, which rules us to any effective financial reform, has made war nearly inevitable and rearmament imperative. What I am endeavouring to explain is that the fact that you were paid wages for designing and building a battleship, and that with those wages, salaries (or, if you are shareholders in the companies that build them, the dividends), you buy yourself the amenities of life, does not mean that it is written in the law of nature that you cannot get those amenities unless you build a battleship. If, in addition to having your energies diverted to building a tool of destruction instead of a tool of construction, you are going to be taxed to pay for it and for the money the banks create out of paper and ink to pay your wages, you will be a triple loser.

#### PASSPORTS TO PROSPERITY

But you have no doubt noticed—though you have perhaps not noticed it so much on the North-East Coast as we have noticed it in the South—that the setting to work of a large proportion of the industrial population of this country on the manufacture of things intended to kill or wound or otherwise inflict pain and misery upon other human beings, has been accompanied by what our lords and masters refer to as a revival of prosperity. And they are already explaining that their best efforts are being devoted to finding methods by which we shall all be kept busy, when, if ever, we have enough battleships. The most hopeful avenue, they consider, is to capture further export markets. But they do not explain that other countries also, under this remarkable system of ours, wish to capture export markets—that this effort to capture further export markets will, therefore, require the building of further battleships so as to keep other people in what we consider is their proper place.

If you were to say to an intelligent child that the aim or objective of the average human being was to live in a pleasant house, have sufficient to eat, and to be well-clothed, I think that child would say at once that what you ought to do was to build sufficient pleasant houses, grow sufficient food, and weave whatever clothes you require—and then stop and enjoy yourself. But most of us, I am afraid, are not intelligent children. Some of us are even economists! And to an economist it is impossible, apparently, to imagine a state of affairs in which, if you want something, you proceed to make it. The economist says it cannot be done that way. If you want a loaf of bread you must obtain employment making radio-sets, or machine-guns, or something else.

Once again, do not misunderstand me. I am not saying that you should not make radio-sets or machine-guns. What I mean is that it is not fundamentally necessary to make radio-sets or machine-guns in order to obtain a loaf of bread. An easier and shorter way is to grow and grind the wheat and then bake the bread. The radio-set which you do make will probably be used for the purpose of misinforming you in regard to the true price of bread, and the machine-gun will probably be used to shoot you down. But that is entirely your business.

Now if you say this sort of thing to an orthodox economist or to your bank manager, he will probably look at you with pity for your simplicity and will say, "Ah, but this country cannot support its own population." The first reply which I think most of us would make to this remark is that it does not support its own population very well at the present time; and the second comment one would make is that if it is a question of feeding the population, how is it that the amount of home-grown food which is produced is steadily decreasing, rather than that efforts are being made to increase it?

The point which I am endeavouring to get you to realise is that what is called full employment is always put forward as being the aim of our modern society, and it is assumed, and never argued about in official circles, that without full employment it is impossible for the population of the country to be fully supported in food, shelter and clothing, and that it is better to have full employment making poison gas, than any unemployment.

#### INSTITUTIONS FILCHING SECURITY

I do not propose this evening to go over the well-known fact of the startling increase in productivity per unit of human labour during the past 150 years. I am going to ask you to take it from me that it is only the diversion of a very large percentage of human activity to ends which either do not conduce to its health and happiness, or are even a direct threat to them, which prevents us from supporting ourselves in great comfort and security with the accompaniment of an amount of leisure which would enable us to make the fullest use of our opportunities.

Employment as an end in itself is a concerted policy to be found in practically every country. It is an international policy, and it proceeds from the great international power in the world—the power of finance. It is conscious, and it is sustained by every argument and force at the disposal of that great international power, because it is the means by which mankind is kept in continual, if concealed, slavery.

May I ask you to divest your minds as far as possible of every political preoccupation and to consider whether the fundamental policy of Fascist Italy, so-called Communist Russia, the United States, Germany, and Great Britain is not identical, and that it is, by varying methods but with identical objectives, to force people to subordinate themselves, for a number of hours per day greatly in excess of those really necessary, to a work system?

It is a matter of common observation that this full employment becomes increasingly difficult to insure in respect of what is called the home market; therefore, foreign markets, which it must be remembered are equally desired, under this insane system, by every country and, therefore, are matters for fierce competition, are stated by our bank chairmen to be essential to our prosperity.

Since these foreign markets are equally matters for the competition of every country, sooner or later this competition leads to friction, and from friction to the threat of war, with the result, which is very much to the advantage of our lords and masters, that we have to build large and expensive navies and air forces to deal with the situation which our competition for foreign markets has brought about. Of course, the building of these fleets provides more employment, and therefore the system is carried on a little further towards the inevitable catastrophe.

If you have followed me so far, you will begin to see that all the efforts which we made towards so-called security at present are merely action taken to preserve, for a little longer, institutions, and notably the financial and industrial institutions, and that in working to preserve these we only ensure ourselves, as individuals, further hardship and anxiety and eventual catastrophe.

#### CORRECT ACTION THE ONLY SALVATION

It is not too much to say that the whole future of the human race depends, if not upon an understanding of the problem which I am trying to put before you tonight, at any rate upon correct action in regard to it.

I can at once imagine that you will say, "How is it possible to obtain correct action in regard to this problem until a very large proportion of the people concerned understand what the problem is?" Well, the answer to that is really very simple, too.

*If you could only persuade people to ask for what they want, instead of for some method through which they think that what they want can be given to them, the problem would be half solved already.*

Nothing is more dangerous than inexact knowledge. It is the man who thinks he can sail a boat who wrecks a boat, not the man who knows he can't and doesn't try, but merely says, "Let me out." At the present time the affairs of

practically every country are at the mercy of a small group of people who know exactly what they want, which is not what you want. This small group manipulates much larger groups, who don't know what they want, but think they know how to get it.

The working man of this country has been taught by propaganda of all kinds that it is a meritorious thing for him to say "I want work," but a contemptible thing to say "I want money." Once again, please do not think I am suggesting that there is anything virtuous about laziness. Far from it. There is nothing specially virtuous about work either. I have worked at least as hard as most people, and most of the time I did it because I liked it. The healthy human individual requires work of some kind, just as he requires food; but he is not a healthy individual, mentally at any rate, if he cannot find work for himself, and probably find work which he can do far better than that which is arranged for him by somebody else. If he cannot, he ought to be in a mental institution, which, in fact, is where most of us are, the headquarters being the Bank of England.

There has been a cant phrase in politics in this country since the days of Mr. Asquith that the will of the people must prevail. Mr. Asquith was probably one of the greatest experts in modern history at arranging that the will of the people did not prevail. And the method which was followed though not initiated by him—a method which still appears to be successful—is to divide up the population into warring sects, each of which imagines that it has a complete set of blue-prints for the construction of an immediate Utopia. Since practically all these Utopias are schemes for penalising somebody else, you have only to adopt each in turn and eventually you will have reduced everyone to a dead level of slavery, which is what is happening.

#### ESCAPE FROM UTOPIA

Now, once again, I can imagine quite a number of people in this audience saying that I am one of those people who have a complete set of blue-prints for the construction of a Utopia, and therefore perhaps you will allow me to explain exactly why I should not agree to that charge. I have no views whatever as to how my neighbour should spend his time, so long as his method of spending it does not infringe upon my own liberties.

To me it is a matter of no consequence whatever that many or most people are very much richer than I am. The only financial matter which is of consequence to me is that I shall be well enough off to meet my own needs, which are quite modest, as I believe are those of most people. The technical proposals which I have put forward from time to time may be considered to differ from, let us say, the well-known beliefs of Utopianism such as Fascism, Communism, State-Socialism, and so forth, in that, so far from exerting further compulsion upon individuals in order that they may conform to some machine-made conception of a perfect state, I should like by the simplest possible methods to provide people with the means of making their own individual lives approximate to their own ideas, and not to mine.

The more I see of Governments, the lower is my opinion of them and I am confident that what the world wants at the present time is a great deal less government, and not a great deal more.

Now I want to get a further perfectly simple idea into your minds. And that is that Governments are your property, and you are not the property of Governments. There is no more pernicious and blasphemous nonsense existent in the world today than the statement which has been incorporated in the constitution of the modern dictatorships, which claims that the State, by which is indicated the Government, is everything and the individual is nothing. On the contrary, the individual is everything and the State is a mere convenience to enable him to co-operate for his own advantage. It is this idea of the supreme State in its various forms which has made the State the tool of the international financier who has mortgaged all States to himself.

The first step towards the security of the individual is to insist upon the security of the individual. I hope that is not too difficult to understand. If you place the security of any institution before the security of the individual, you may prolong the life of that institution, but you will certainly shorten the lives of a great many individuals. Institutions are means to an end, and I do not think it is too much to say that the elevation of means into ends, of institutions above humanity, constitutes an unforgiveable sin, in the pragmatic sense that it brings upon itself the most tremendous penalties that life contains.

#### THE COMMON WILL

A great deal of our trouble in this country arises from the fact that, while we place great faith in the aristocratic ideal (if you prefer to call it the principle of leadership I shall not object), yet we have allowed all those influences which make the aristocratic ideal reasonable and workable to be sapped and wrecked by the exaltation of money as

the sole certificate of greatness, and have allowed cosmopolitan and alien financiers to obtain a monopoly of money. We have retained the ideal and allowed the material of which it is constructed to become hopelessly degraded. In consequence, we are governed in the aristocratic tradition by a hypocritical and selfish oligarchy with one idea, and one fundamental idea only: the ascendancy of money, and the essential monopoly of it.

The essence of the aristocratic tradition is detachment—the doing of things in the best way because it is the best way, not because you get something out of it. That requires that the leader shall be secure. No one is secure nowadays. At the root of the growing danger of government and other embodiments of execution is the idea that human beings are all alike. So far from this being the case, I believe that as human beings develop they become increasingly different. But they have common factors, and those common factors are the only part of the human make-up which can be dealt with by a democratic system, and ought to be dealt with by a democratic system.

It was, I think, Emerson who said that “we descend to meet.” Whoever said it, it is profoundly true. We all require food, clothing, and shelter; and we can combine, and ought to combine, to get those necessities as a condition for our further acquiescence in combining for any other agreed purpose. The primary use of a Government in a sane world would be to make it certain that the greatest common measure of the will of the population, from whom it derives—or ought to derive—its authority, is enough money for decent sustenance.

### THE MENACE OF UTOPIANISM

Now a great deal of what I have been saying can be reduced to the good old English advice to “Mind your own business.” But I should like to expand this to “Don’t meddle with your neighbour’s business, but assist him to mind his own.” The difference is the difference between saying to a destitute friend, “I will convey you to a Poor-Law institution where you will be given three meals a day if you do exactly as you are told,” on the one hand, and on the other hand saying, “I will settle £50 a year upon you for life, which will at any rate keep you in necessities; what kind of necessities you obtain you can judge for yourself.”

There is no more dangerous individual in the world at the present than the Utopianist. Mr. Montagu Norman, Governor of the Bank of England, is a Utopianist. Mr. Chamberlain is a Utopianist. Lenin was a Utopianist. Hitler is a Utopianist. Just see where Utopianism has landed us. It is the Utopianist who provides the public excuse for nearly every theft of public property which has ever been committed.

Let me give you a simple instance of what I mean. We have all heard of the agitation for the nationalisation of the coal industry, and, in particular, of the raw material, coal itself. Now the actual amount which is obtained by the royalty-owner averages about threepence per ton, so that whatever the ethical aspect may be, the practical effect upon the price of coal is quite trivial. But the international bankers who hold this country in pawn consider that their mortgage upon it would be more secure if it was backed by the coal deposits, and I can assure you that the result of nationalising coal would merely be to increase the security of the debt which we owe to certain international financial houses, and would not affect the well-being either of the miners or the consumers of coal to any perceptible degree.

### FREEDOM THE ONLY POLICY

It is not my intention in speaking to you tonight to go to any extent into technical details, or I should like to explain to you the colossal fraud of taxation. But the device of arbitrary taxation, for which the public justification is obtained from carefully worked up “popular” opinion, is one of the most powerful weapons by which the various sections of the population are kept in antagonism with each other, and by which at the same time the power and independence of each one of them is reduced.

One of the greatest difficulties with which we in the Social Credit Movement have been faced has been the skilful exploitation of human frailty by our opponents, the financiers, so that the community, and even the Social Credit Movement itself, has been split and kept from effective action. Another has been to persuade the industrialist that the financier was just as much his enemy as he is of every other section of the community at the present time.

There is only one policy which will obtain the unquestioned acceptance of everyone for himself, and that is comprised in the word “freedom.” And it is exactly that policy which, in my opinion at any rate, requires to be made universal. The oligarchy which rules us is, of course, favourable to freedom for its own members, but it is implacably opposed to freedom for the general public. Since the key to economic freedom, as the world is organised today, is the command of money, it follows that differential and arbitrary taxation is the greatest enemy of freedom which the legislative authority has at its disposal.

Taxation is a negative dividend. There is a short cut, straight and simple, from the present system of modified slavery to one of comfort, security and freedom, and that is the abolition of a negative dividend and the substitution of a positive dividend.

As many of you here are aware, the money system is an entirely arbitrary system, and the manufacture of money in the modern world costs little more than the cost of paper and ink. In saying that, I do not mean that a money system can function satisfactorily without some underlying theory which ultimately governs the amount of money which it is desirable to have at our disposal. But I have no hesitation in stating categorically that the existing taxation system is completely unnecessary, is wasteful, irritating, and predatory; and, further, that, in place of it, it would be possible to issue a dividend to every man, woman, and child in this country without depriving any individual of the privileges which they may now possess, but, on the other hand, increasing the privileges of everybody.

But such a policy would deprive certain individuals of unjustifiable and anti-social power over others which they now possess, and since, unfortunately, these persons have come into control of the sanctions of government, the problem is not so much a technical one as a political one.

#### REPRESENTATIVE GOVERNMENT

Now I am entirely convinced by my own investigation and experiences, not merely in this country but in many parts of the world, that while democracy in policy is absolutely essential to the functioning of the modern world, there is at the present time no such thing as a genuine democracy anywhere, and probably less in this country than anywhere else.

In this country the two main obstacles to a genuine democracy are the party system, with its offshoot, the Front Bench oligarchy, and, secondly, a mistaken idea on the part of the Member of Parliament that he is supposed to understand the methods by which results desired by the general public should be attained, and to pass laws which specify the actions of executive bodies and interfere with technical undertakings. None of these is correct.

A Member of Parliament should be a representative—not a delegate. It is his business to learn what it is his constituents want and to see that they get it—not to tell them what they ought to have or to make himself responsible for its production. Policy and administration are two entirely separate things, and administration in this country is admirably carried on by a trained Civil Service. I include in the phrase “Civil Service” the staff of great productive undertakings just as much as the officials of Government Departments. They are all technicians, and on the whole they are admirable. What they lack is clear instruction in regard to policy, and it is your business to give them that instruction through your representative, your Member of Parliament.

Now we have devised a mechanism which, if we could induce you to carry it out, would impose your policy upon your Member of Parliament quite infallibly, and if you imposed the same policy upon a majority of Members of Parliament, that policy would come into existence. First of all you have to agree upon that policy, and, secondly, you have to take very simple action.

To agree upon a policy, it is only necessary to find a common factor of human experience. There are certain people who foolishly say that it is impossible to agree upon a policy. I think that is ridiculous. It is sometimes difficult to get agreement upon a policy for the other fellow, but there is no difficulty in getting an agreement about a policy for oneself. The first thing that we all want is at least a minimum supply of money. We may want more, but none of us, I think, wants less. If there is such a person in this room and he will give what he does not want to me, I will see that good use is made of it.

What is certain, however, is that the mechanism of democracy can never be applied with success to methods of realising a policy. An understanding of this has enabled our lords and masters to split the so-called democracy of this country on every occasion on which it was desirable for the maintenance of their power.

To submit to a democracy a highly technical question such as Free Trade or Tariff Reform, with its endless implications, is as absurd as to submit to a democracy the relative advantages of driving a battleship by steam turbines or diesel engines. Any decision obtained upon such a subject by means of a popular vote can be demonstrated mathematically always to be wrong. The more complex a subject is the more certain it is that an understanding of it will be confined to a few people who will, of course, always be outvoted by the majority who do not understand it.

But this is not true of policy. Any man who is not a congenital idiot can decide for himself whether he wants to

starve to death, live in misery, or live in comfort; and I can assure you that you have only to unite implacably upon a common policy, and to pursue it, and the proper means for realising that policy will be found for you.

## Mr. Hawtrey's Giraffe

By W. L. BARDSLEY

### I

MR. R. G. HAWTREY, Assistant Secretary to His Majesty's Treasury, first publicly entered the lists against Major Douglas in a debate at Birmingham on March 22, 1933. The debate was fully reported in *The New Age* in April, and in *The New Era*, Australia, in June of that year. Nothing that Mr. Hawtrey had to say on that occasion was sufficient to convince a large public audience of any flaw in the argument put forward by Major Douglas, while for the serious student of finance who examines the full reports of the debate, Mr. Hawtrey's failure was still more marked, as will be seen.

Mr. Hawtrey's second attempt was made in a lecture which he delivered on July 25, 1936, at the Social Credit study course for Conservatives at the Bonar Law College, Ashridge. This lecture is now reproduced as Chapter X in his book, which he has named "Capital and Employment."\*

\*"Capital and Employment." By R. G. Hawtrey (Longmans, Green, 15s.). Chapter X, "Social Credit."

It is perhaps worth noting that this title is evidence of some preoccupation with the curious Twentieth Century authoritarian fallacy that the existing economic system, which requires so much apology, should be judged by the amount of employment it can stimulate. From the realist standpoint of Social Credit, industrial and commercial employment is only one of many fields of activity open to the individual, and the proper interest of the economist, who should be concerned with efficiency in the provision of man's material needs, is the elimination of all unnecessary work.

Apart from its title, however, Mr. Hawtrey's book has little concern with man's material needs; it pursues its way, superbly aloof, at about three removes from reality, and the intrusion of reality seems even to be resented. For example, Mr. Hawtrey sees fit to criticise the use by Major Douglas of the term "semi-manufactures" as "not very happily chosen." Nevertheless, a few moments' thought should be enough for any literate person to form a fair picture of what is meant by the term without any further explanation. I defy anyone, however, to say what Mr. Hawtrey means by the "widening of capital" or the "deepening of capital" without further explanation; and after one explanation it is an even bet that they will not know which is which. Yet these two terms are used constantly throughout the book, except in Chapter X.

The careful explanation, both at Birmingham and in the introduction to his book, that he is expressing personal views not to be associated with his official position at the Treasury, may provide the reason for his studious avoidance of reality. Mr. Hawtrey knows that he cannot escape his responsibilities.

### II

One of Mr. Hawtrey's flights from reality, to which he evidently attaches importance, since it appears both in the Birmingham debate and the Ashridge lecture, concerns an uninhabited island. Such excursions seldom prove the point they are meant to prove, and this is no exception; it does, however, help to reveal the gulf between the "orthodox" picture of the world we live in and reality. It will be found on page 299 of his book.

"A party of castaways on an uninhabited island may undergo great privations at the outset, while they are improving the productive capacity of the island. Then, after the preliminary work is done, they enjoy a regular and possibly comfortable subsistence. And finally, when they are rescued, they leave their improvements, their growing crops and their accumulated reserves to run to waste. There is a deficiency of consumable goods at the beginning and a deficiency of demand at the end. If they used money and arranged that everyone had a fixed income in terms of monetary units, they would pay high prices for their inadequate subsistence at the beginning. That stage would conform to Major Douglas's description in the second edition of 'Economic Democracy' (page 68): 'The public does not buy machinery, industrial buildings, etc., for personal consumption,' but it pays the price of them, 'since they form an overhead cost added to the price of ultimate

products.’

But this does not depend on the use of money or of credit. What involves the castaways in their initial privation is the need to accumulate the requisite capital equipment. They can only do so by applying to the work of improvement productive effort that is sorely needed for current subsistence. In an established community this process has been spread over centuries in the past, and the current addition to capital equipment is made without difficulty out of current voluntary savings.”

There are several points of interest to be examined before fitting this passage into its context. First of all, the whole question of “poverty amidst plenty” is begged by the assumption of an environment of genuine scarcity for the castaways. In point of fact there is a richly endowed, inhabited island in which we are all much more interested. Upon this island, as a going concern, upwards of three quarters of a million souls are cast away each year, and most of them undergo great privations throughout their stay, thanks to the gross mismanagement of Mr. Hawtrey’s department, so that the half-million or so who are “rescued” every year may well be thankful for it. Indeed, more than five thousand of them adopt desperate measures to escape. \*

\*There are upwards of 5,000 suicides a year in this country.

The next point of interest is balanced upon the hair which divides the sublime from the ridiculous. Having projected himself on to an imaginary desert island, Mr. Hawtrey, in the most matter of fact way, supposes that his castaways would adopt the precise common-sense arrangement which he is so busily engaged in attacking. If they used money, he opines, they would arrange for everyone to have a fixed income in terms of monetary units. Of course they would, unless they were so unfortunate as to have in their number a banker, an economist, or any other Treasury expert except Mr. Hawtrey. Here, probably unknown to himself, until by chance he reads these words, is one of those bits of Mr. Hawtrey’s subconscious mind which have endeared him to Social Crediters, practically alone among all the critics they have had to face.

Major Douglas, in his own address at Ashridge, \* remarked on this peculiar trait when he said:

“Only a brilliant economist like Mr. Hawtrey, with all the orthodox training, familiar with the thought of other brilliant economists, and steeped in the tradition of the Treasury—which is the Tweedledee to the Bank of England’s Tweedledum—would suggest, for instance, that a country like Great Britain, with a National Debt of £8,000 million, which is increasing daily, has on the average paid for, and is paying for, what it produced. If I manage to live by increasing the mortgage on my house, it seems to me a misuse of language to say that I am paying my way. Might I add that despite his heavy handicaps, I perceive signs that Mr. Hawtrey will join other economists who are becoming and have become realists!”

\*The Fig Tree, September, 1936.

Having provided his islanders with a National Dividend, Mr. Hawtrey asserts that they would pay high prices for their inadequate subsistence at the beginning. He does not explain why they should pay high prices, nor does he mention the price level in relation to which they are to be regarded as high. According to Thorold Rogers, \* about the time of Robinson Crusoe the price of a sheep in England was 3s., so that 4s. would be a high price for Man Friday; but so long as he had a National Dividend with which to pay it, it is doubtful if this would have worried him much.

\* “Six Centuries of Work and Wages.”

It is clear from the context that the high prices are mentioned, not to illustrate any inflationary effect of giving everybody some money, but merely to harmonise with the supposed early period of privation and capital expansion. No doubt Mr. Hawtrey thinks that is how it ought to be, in spite of the fact that capital expansion in the modern world always coincides with less rather than more privation, even if the only new capital which commends itself to our lords and masters takes the form of capital ships, bombs and bombers.

The bee in Mr. Hawtrey’s bonnet which compels him in theory, in spite of all practical evidence to the contrary, to connect privation with capital expansion is exposed in the second paragraph of the quoted passage. It must be a very respectable bee, since it inhabits the bonnets of all but a very few of the world’s professional economists, and these few prefer to keep quiet about what they know, out of consideration for the source of their income. Indeed, even one well-known monetary reformer has been unable to rid himself of it. \* It is a fallacy from the age of scarcity.

\* “Wealth, Virtual Wealth, and Debt.” By Professor Soddy.

“Modification in the creed of the orthodox,” said Major Douglas feelingly in 1918, “is both difficult and conducive to exasperation; since because the form is commonly mistaken for the substance it is not clearly seen why a statement which has embodied a sound principle, may in course of time become a dangerous hindrance to progress.”\*

\* “Economic Democracy,” Chapter 1.

Of such a character is the belief that a period of abstinence must precede any improvement in the standard of living, or as Mr. Hawtrey puts it, “What involves the castaways in their initial privations is the need to accumulate the requisite capital equipment. They can only do so by applying to the work of improvement productive effort that is sorely needed for current subsistence.”

It is not necessary to leave Mr. Hawtrey’s island to show the circumstances in which this statement may embody a sound principle, and those in which it becomes a dangerous hindrance to progress.

We may suppose in the first instance that the climate, vegetation, and animal life of the island are of the grimmest, so that the unremitting labour of every castaway is needed to maintain a standard of nutrition considerably short of the minimum recommended by the League of Nations. In an endeavour to climb the ladder of civilisation the islanders decide to add fish to their diet, and this involves the production of a boat and tackle. They can obtain this only by applying to it productive effort sorely needed for current subsistence. Those engaged in this work must have their energies sustained by food, but there are fewer to wrest the food from parsimonious Nature. The standard of nutrition of the whole community must be depressed to the level of the less fortunate half of the British population. For Mr. Hawtrey’s islanders, however, there is some hope that they will in time return to a more nourishing diet with the addition of some freshly caught fish.

But suppose the island to be one of those fortunate ones endowed with a perfect climate, so that at all seasons there is a profusion of fruit, vegetables, flowers, birds and beasts. It would be the perhaps coveted task of a few of the islanders to arrange meals for the whole community, of a standard, except for fish, comparable with that enjoyed by delegates to the League of Nations; while their companions would have the choice of devoting themselves to the arts and the sciences, or to entertaining their fellows with dancing, singing, and laughter. Suppose now that these islanders wished to add fish to their diet. What would they say to the suggestion that there must first be a period of abstinence while someone builds a boat and tackle? It is doubtful whether they would be able to speak for laughing.

Unfortunately it is no laughing matter when Mr. Neville Chamberlain (prompted by the Treasury!) solemnly informs us that “Rearmament for Britain means pulling down the standard of living for a generation to come, and ever-rising burdens of taxation.” My comment at the time upon this piece of sagacious nonsense has a direct bearing upon the bee in Mr. Hawtrey’s bonnet:

“So far from rearmament being a burden on this and future generations, it is the very activity which has released purchasing power where it is needed—in the pockets of the people. It is a silly unnecessary way of releasing purchasing power, but that is what rearmament has done. The employees of the booming armament industry are enabled to call upon the vast resources of modern production for their requirements of food, warmth and shelter, aye, and amusements, and beer and cigarettes—on one condition. That condition is that they work at making guns, battleships, bombing planes, and poison gas. A National Dividend would enable them and others to call upon the same vast resources for all they need without having to make guns first. But if we need armaments it is clear that we can make them and enjoy a higher standard of living, not a lower one. There is plenty for all, and time and resources to make armaments into the bargain if need be.” \*

\* *Social Credit*, February 5, 1937.

Mr. Hawtrey’s final quoted sentence can now be rewritten: “In an established community the improvement of process has been spread over centuries in the past, and any current addition to capital equipment can be made without difficulty from reserves of energy, without any need for collective saving or abstinence whether voluntary or forced.”

The basis for such a statement is one of the fundamental propositions of the Douglas thesis, namely, that what is miscalled production is really the conversion of one thing into another by the application of energy, while the rate at which this operation can be performed is dependent on process. Broadly speaking, all energy derives from the sun, and by natural processes the castaways on the fortunate isle were provided with a continuous supply of vegetable and animal “products,” converted from less palatable material by the sun’s energy.

The world in general is dependent for its well-being upon an augmentation of its natural processes by artificial

processes. These have now reached a very high standard, and react on each other (more and better goods, for example, can be carried further and faster by more and better transport); so that there is now no reasonable requirement of individuals which cannot be made and distributed by various methods requiring ever less expenditure of energy by human beings.

There is an obvious reserve of energy in those human beings who are “unemployed,” and in the factories that are working short time. There is a less obvious, but still greater reserve of energy which becomes apparent to the discerning when for any reason demand becomes effective through a distribution of money.

A big public works programme, a building “revival,” an armament boom, a war—all these distribute money to people who previously were short of money. The people stop just wanting and begin to buy, and it is then the reserves come into play. Yet the scarcity economist insists that abstinence is required through the medium of taxes, either now or in the future. Now the postponement of abstinence by deferring taxes to the future (the proposition which the Treasury has adopted for the bulk of the rearmament programme) is alone sufficient to expose the fallacy. You cannot borrow from the future, so the future has nothing to repay, and you cannot abstain today in order that capital expansion could take place ten years ago.

This self-evident fact has been ignored by the Treasury, and the monument to its ignorance—its criminal betrayal of the nation—is a National Debt of £8,000,000,000.

### III

Mr. Hawtrey begins both his criticisms by proclaiming his entire agreement with Major Douglas in certain respects. Among these he mentioned at Birmingham the view that the demand for commodities arises from incomes, and that incomes arise out of production; and, further, that banks create money and govern its supply.

There are still economists who twist themselves into knots trying to prove that banks do not create and destroy money; but this is of no moment, for, as Mr. Hawtrey demonstrates in his book, no one economist agrees with any other. It is a relief not to have to argue about this with Mr. Hawtrey.

It is, however, interesting to observe the very loose phrase “that incomes arise out of production.” Major Douglas has never said such a thing, and pointed out at Birmingham that incomes do not arise out of production; price values arise out of production, while incomes arise out of the bank’s creation of purchasing power. Yet Mr. Hawtrey made the same blunder again at Ashridge, referring to “the incomes which are generated by the process of production.” If we keep at him long enough he will grasp the difference between generation and distribution, and its importance, which the banks fully understand. Distribution can be left to agents to handle; it is a secondary and routine operation, which involves no initiative. Generation is an act of initiative; the banks allow no agents to perform that, not even the Treasury.

The Treasury is allowed to distribute money through the spending departments, and is made responsible for recovering it in taxation. But it is the bankers’ Bank which generates it, lends it, and demands its repayment. The constant outcry for a balanced budget is simply a demand that all the money lent in a year shall be recovered in taxation and repaid.

On the subject of agreement, real or fancied, there is a charmingly specious little argument of Mr. Hawtrey’s which is worthy of comment. On page 300 he says:

“In the course of our debate at Birmingham in 1933 Major Douglas agreed that an excess of demand for consumable goods can be caused ‘by making a large quantity of goods which are not intended to be sold to the public, and using the purchasing power distributed in making these goods to buy consumable goods. That happens in wartime. I do not regard it,’ he said, ‘as a sane system that, before you can buy a cabbage it is absolutely necessary to make a machine gun.’ But armaments are not the only products that consumers do not buy. An excess of demand is equally caused by the production of semi-manufactures of any kind.”

That word “but” is delicious. For first of all Major Douglas did not say that armaments were the only products that consumers do not buy. On the contrary, he specifically used the word “goods,” which can scarcely be taken to exclude everything but armaments.

There is something which makes it more delicious still: The fact is that Mr. Hawtrey’s whole attack rests upon a denial that there is an inherent defect in the financial system which persistently tends to create a deficiency of

purchasing power in relation to prices—a deficiency which must be made good by a further distribution of purchasing power.

One of the several ways in which such a further distribution can be made, as Major Douglas has frequently pointed out, is by loan credit created by the banks for making goods which are not intended to be sold to the public. Unfortunately, this merely tends to pile up an unrepayable load of debt, the interest upon which will further aggravate the situation in due course. It would be interesting to know what is the total sum of debt in this country if there are added together the National Debt, municipal debt, industrial debt, and individual debts, including instalments due on houses, furniture, and other effects.

Yet here we have Mr. Hawtrey blandly pretending that he has forced Major Douglas into a damaging admission, when that admission is in fact an integral part of his A + B theorem.

(To be continued)

## The Choice of Western Civilisation: Economic Freedom or Communism

By RONALD OGDEN

LOOKING back over the economic history of the last thousand years it is possible to discern several definite changes of direction in economic policy and development. Each of these changes can be shown to be the inevitable result of a clearly distinguishable trend of thought and action. The changes themselves cannot be fixed at any particular date, and were probably not recognised as being changes by those who took part in them. Today, however, they stand out as turning points in history.

Such a change of direction was that which took place in the 14th and 15th centuries, when the mediaeval manorial system began to break up and give place to the rise of the towns with their concomitants of wage-labourers or journeymen, and craft and merchant guilds. By the beginning of the 16th century the guilds themselves were beginning to break up and the Reformation with its new doctrines gave a fillip to what we now call the Capitalistic Idea. This idea came to full fruition in the 18th century. Backed by the free trade doctrines of the Manchester school, it became so inflated in the 19th century that in the 20th it finally burst.

The last quarter of the 19th century saw the development of the idea of common ownership, side by side with that of powerful trade combinations. Although the bulk of British business is still in the hands of small individualistic traders, it is probably safe to say that individualism as a practical creed is dead. More and more of the industry, not only of this country but of the world, is being concentrated in the hands of large trusts whose sole object is to eliminate those very forces of competition which the Manchester school of economists preached as being essential to healthy commercial activity. The State has been forced to interfere to a greater and greater degree in economic matters. In Russia private capitalism proved so inept that the State superseded it altogether. Today, Western European civilisation has to make a choice between Individualism, Communism or Industrial Dictatorship.

So powerful have become the combines of Western Europe and the U.S.A. that they may form themselves into an oligarchy strong enough to assume political as well as economic dictatorship; in fact, it may be questioned whether this has not already happened. It is thought by some that this very concentration of political and economic power within so small a compass may in itself be only one step removed from Communism, and that the people who are at present being exploited by the oligarchy may before long assert the political power which democracy has given them to take over the industrial machine and run it for their own, and not for its organisers' benefit.

There still remains the third alternative, Individualism; may there not be life in it yet? What is it that has killed this formerly healthy and active plant? The answer is not far to seek. Competition, which is the lifeblood of Individualism, has never been allowed to work in Western civilisation. Competition can exist only where markets are free; but in fact markets have never been free: they have always been limited by the financial factor. Put simply, the people of the world have never yet bought what they wanted, but only what they could afford to buy. The manufacturers and merchants of the world have been accelerating the increase of goods and services to be offered for sale since the middle of the 18th century. The increase of the amount of money in circulation has not been

accelerating at anything like so great a pace. Producers have therefore been competing for a relatively diminishing market. Producers have been forced to combine in order to maintain their very existence. In conditions such as have been described, competition is obviously wasteful and justifies the criticism of socialists and monopolists alike. In theory there is no reason why competition should be wasteful, as all its products would be bought provided they fulfilled a want, and only those would remain unsold which were of no use to humanity. In practice many worthless things are bought because they are cheap, while many useful things are wasted because would-be purchasers cannot afford to buy them. As long as lack of money is the limiting factor of the market, so long will healthy competition be impossible.

If Individualism is to survive, the monetary system of the world must be organised in such a way as to reflect the world's total consumable wealth. If Individualism is not to survive, then Western civilisation must make up its mind to submit either to Industrial Dictatorship or to Communism.

An increasing number of people are beginning to believe that Communism has much to recommend it. It cannot be denied, however, that Communism has its dangers. In the first place, involving as it does a reversal of the principles of private property, which are still, at least in theory, the basis of our Western civilisation, it is bound to bring with it a release of a considerable amount of perhaps illogical but nevertheless understandable resentment against those who have hitherto been in a position to alleviate the material disabilities of the poor, and who have not done so. The Russian example shows that Christian forgiveness and Communism do not go together, and there is no reason to believe that Communism in any other country would adopt any more sympathetic attitude to the bourgeois.

Communism is bound to involve a certain amount of bureaucracy. The individual is free to enjoy what the State will give him, but it is the State which decides what opportunities he will have for enjoyment. It is true that the State is the instrument elected by the individual for his own self-satisfaction. Everyone, however, who has studied the workings of democracy in Western Europe knows how easy it is for excellent democratic theory to be distorted in practice. We in England are a self-governing community; but how many of us enjoy even a small proportion of the advantages which we should like? The only freedom of any value in the material world is economic freedom, the ability to choose what one wants and to pay for it. Without it all other forms of freedom are useless. To be a voting member of a minority of nine million is equivalent to having no vote at all. A beggar is no less a beggar because he has been granted the franchise. A man is free when he can choose between alternatives, say that of working in an office or going abroad, without its having any effect upon his economic position. Those who are not blessed with private incomes are forced today to sell themselves into slavery in order to keep themselves and their dependants alive. No stretch of the imagination can call this freedom. A man who is forced to spend the best hours of the best years of his life in a coal mine, a factory, or an office is certainly not free. It matters little from the point of view of freedom whether he is forced by the economic necessity of earning money, or by the Communistic State; he is still a slave.

The choice, then, lies between economic slavery and freedom: conformity to a preconceived system or complete liberty of choice for the individual.

Public opinion is not likely to tolerate the present anomaly of compromise, whereby the economic system works so badly that two million men cannot even find opportunities to sell themselves into slavery, and have therefore to be grudgingly granted their means of livelihood out of the public purse. Some see in this a belated admission that employment will never again be reinstated as the sole condition of livelihood, and also as an admission that the wealth which civilised man is capable of producing is now more than sufficient to support a leisured community. It has been argued that leisure is likely to be abused by the uneducated. The obvious answer is that leisure itself is the only condition in which enough education can be acquired to prevent its abuse.

The greatest eras of civilisation to which we can trace the most permanent enrichment of life have always been eras of leisure, in which the temporary removal of the necessity for economic slavery for a few gave freedom for the development of science and art. Aristotle looked upon slavery as the economic basis of all civilisation; today the human slave has been superseded by the mechanical one. There is no reason why unemployment, the curse, should not become leisure, the blessing. The matter at issue is at present the method which we intend to use to turn the age of scarcity and economic subjection into the age of plenty and economic release. In the long run perhaps the difference between the two alternatives which may be chosen is immaterial. We, however, are bound to be concerned with the immediate rather than the ultimate results of the choice.

One alternative means the destruction of the whole idea of individual enterprise and economic freedom. The other means the re-establishment of both, together with all that is healthy in competition. The policy of muddling through

can serve us no longer. Already planners and restrictionists are curtailing our freedom. Perhaps it will save trouble to let them have their way. Let us, however, remember in time the truth, which lies in the platitude that no one fully appreciates even what measure of freedom he has until he has lost it.

## The Creation of Credit

By A. W. COLEMAN

A MEMORANDUM on this subject, prepared by Professor A. G. B. Fisher, of the University of Western Australia, and incorporated with others by the General Manager of the Bank of New South Wales for presentation to the Royal Commission on Monetary and Banking Systems, 1936, essays “a synthesis of apparently opposed interpretations of bank credit” with the object of concluding how far the term “creation” may fairly be applied to the process by which a bank’s substitutes for legal tender become available to its customers.

At the outset, the Professor’s reference, even though borrowed, to writers who stress the “creative” aspect of credit as “the magical school” can hardly at this date be allowed to pass without protest. Mr. Reginald McKenna long ago stripped the magic from the process. His summing up of the matter is a masterpiece of brevity. “The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. We know how this is effected. Every bank loan and every bank purchase of securities creates a deposit, and every repayment of a bank loan and every bank sale destroys one.”\* The last sentence, when used, should be quoted in full; it should never be clipped or mangled. The picture of the banker as a creator is only one side of a medal which, reversed, presents him equally as a destroyer.

\*“Post-War Banking Policy” (p. 76).

There is, of course, an impassable gulf between such statements as “The banks can lend no more than they borrow—in fact not nearly so much” (Leaf), and “When banks increase their advances they create money, whoever the borrowers may be, and whatever their purpose” (Hawtrey); and the Professor makes no attempt to reconcile them. But he does put forward a number of considerations with a view to imposing limitations upon the latter.

Everyone would agree with him that “If any individual or any institution has the power of creating anything, its responsibility is clearly of quite a different kind from that which arises in the cases which are more common where co-operation is necessary with other individuals and institutions, all of whom must take suitable active steps if the thing in question is to be brought into or kept in existence.” They would also agree that some measure of participation in the process by the bankers’ clients is necessary, at least so far as borrowers are concerned. But the Professor claims the active participation of depositors. In his opinion the most important limitation upon the power of banks to expand credit is that set “first by the magnitude of the stream of savings as a whole, and, secondly, by the magnitude of the fraction of that stream which depositors find it convenient to leave at the disposal of the banking system.”

But as the Professor refuses to admit any essential distinction between a bank deposit which is the result of the payment of cash to a bank, and a deposit which is the result of the paying in of a cheque which the granting of an advance has made it possible to draw, it would appear that not only is the willingness and ability of the banker to increase deposits by increasing loans conditioned by a corresponding willingness and ability of the depositor to leave money on deposit with the banker, but equally the ability of the depositor to perform his part is conditioned by the willingness and ability of the banker to increase loans. True, the credit-worthy borrower is an essential factor in the process, but his credit-worthiness is itself primarily dependent upon bank policy in respect of credit creation.

Whose is the initiative? Is it possible to discuss the question without becoming hopelessly bogged in an argument akin to that raised by the question: Which came first, the hen or the egg? The Professor quotes Lavington to the effect that “in actual practice loans precede lodgments, and, in a sense, create them”; but holds that the temporal order of events is “less important than the logical order.” He says, “The efficient cause which makes the whole process possible is the increase of deposits.”

But, in any ultimate analysis, the “creation” of credit by a bank arises only secondarily as the result of initiative either by the banker or his clients. Primarily, the “creation” arises as the result of the particular system of double-entry book-keeping adopted by the banks. The Professor mentions the possibility that, if interest on fixed deposits were reduced sufficiently, “some depositors might think it worthwhile to go to the trouble of establishing direct

contact with some of the present bank borrowers, thus eliminating the bank as the intermediary between lender and borrower.” This provides a test case.

If a depositor lends direct to a borrower, his deposit changes hands, and the total of deposits remains unaltered. But when the same process takes place with the bank as intermediary, deposits are increased by the amount lent. No depositor’s account is debited. If a banker really lends his depositors’ money, then, if his book-keeping is to reflect that fact, the loan should be shown as a deduction from other deposits; thus leaving the total unaltered. The man in the street cannot but conclude that the bank is something more than an intermediary between lender and borrower, and that the increase in deposits resulting from these book-keeping methods endows the banker, as a monopolist of these particular methods, with powers which may not unfairly be described as “creative.”

The view that the banker’s power to expand credit is rigidly conditioned by the *savings* placed at his disposal by depositors may almost be regarded as the theme song of this memorandum. According to the Professor, “If a bank attempts to increase the volume of capital which is placed at the disposal of borrowers, the maintenance of such action is dependent upon depositors, so to speak, backing the banks up by producing the necessary additional savings.” And again, “The essential task of a banking system is to facilitate the conversion into real capital of part of the community’s money savings.” All of which is in line with a quoted statement from Harrod to the effect that bank policy should be directed to such measures as would “encourage additions to real capital to proceed at a rate that kept in line with the collective saving of the community.”

The foregoing is illuminating in the light of physical reality. The production of anything, whether capital assets or consumable commodities, is accomplished by the application of energy to materials. In a world where productive resources of every kind, including especially energy, are available and to spare, it is not evident to a realist—physicist or power-engineer—why anyone should increase deposits by saving money, that is to say, by foregoing consumption, before the energy can be applied to the materials. It would be quite impossible to explain the necessity for such abstention to any intelligent savage.

No doubt the professional economist would explain that the goods which we forego when we “tell our banker” to transfer our money savings to a fund for playing fields, will be purchased and consumed by the workers engaged upon the construction of the playing fields. In a world glutted with goods sufficient for both “banker-tellers” and playground constructors, and easily able to replace the glut, this argument fails to convince.

But it becomes more than pernicious when it is realised that the spending of any given sum upon playing fields, or any other form of production, cannot distribute the whole of that sum to consumers; and the more we use machinery for the purpose, the smaller will be the proportion of this sum which will reach consumers as incomes. The missing portion can, of course, be made good by the “creation” of more bank credit issued in respect of either more capital production or more goods for export without equivalent import, but this remedy would fail to appeal to our intelligent savage in a world which already possesses more capital equipment than it can utilise, and which erects tariff walls to protect its nationals from the devastating effects of allowing the other fellow to apply the sacred injunction that it is more blessed to give than to receive.

Past savings as the basis for credit creation are an anachronism. It must be many years since Major Douglas said that “so far from the modern credit system resting solely on a basis of savings—on something done in the past—it rests more and more on a correct estimate of something to be delivered in the future.”

The Professor gets a glimpse of this when, in discussing collateral security, he points out that the real significance of the security which justifies credit creation resides “in the goods and services which can be produced in the future with the aid of the capital which bank advances enable borrowers to command.” Then the light deserts him, and we find him saying: “The process of production requires capital in many other forms apart from factories and machines. A considerable part of the capital which is necessary in these other forms becomes available when the banking system redistributes the savings of depositors. Such capital, however, cannot be “created” by a bank; like every other form of capital, it depends ultimately upon the activity of savers, in this instance bank depositors”—a statement upon which war-time finance might provide a grim commentary.

The other main limitation upon the bankers’ ability to expand credit, viz., their cash basis of legal tender, is dealt with by the Professor but not stressed. He is probably aware that any monetary system which puts the cart before the horse to the extent of basing its credit upon its cash must savour of lunacy to anyone who appreciates the phenomenal growth of productive capacity in modern industry.

Legal tender requirements depend almost entirely upon the shopping habits of the community. If a large proportion

of industrial workers could be induced to open bank accounts, take their wages in cheque form, run monthly accounts with their tradesmen and pay by cheque, it is obvious that the same volume of trade, requiring the same volume of credit, could be carried on with a much smaller volume of cash in circulation. When it is realised that a simple change of this sort in habitual procedure would provide bankers with a large additional cash basis upon which could be erected a nine-fold volume of credit with its consequent additional production—assuming credit-worthy borrowers—the artificiality, arbitrariness and downright stupidity of the arrangement need no emphasis.

Credit should be based solely upon ability to produce goods and services required by the community, and should be “created” accordingly. Ability, in this connection, is a widely inclusive term; and although it covers not only plant, process and organisation, but intellectual and moral factors too intangible to assess in monetary terms, it none the less forms the only sane and sound basis for any issue of financial credit.

Cash is only one of the tools required to implement the credit, and bears no necessary volumetric relation to it whatever. Its provision, in the required amount, should be recognised as a purely mechanical matter; just as mechanical as would be the safeguards necessary to protect the community against the reflex action which might otherwise stultify any issue or recall of money.

But until credit creation comes first, and cash follows it, mankind may be almost as effectively crucified upon a cross of managed currency as upon “a cross of gold.”

## Vocation

By CHARLES JONES

IF you know the South Coast intimately you may have heard of Tanmore Bay. You are hardly likely to have been there, at least not down to the shore, for a stranger could not possibly search out the rarish footholds on the bare, red cliffs, and in any case they change from time to time as the canted strata flake away, sometimes carrying a burrowed rabbit or two to death on the hard rocks below.

In a plaid of fields above the rusted cliffs there is a farm where Farmer Darke lives with his two sons. I distinctly remember my first sight of the younger of these boys. He was astride the high ridge of a haystack, bonding a wisp of wind-torn thatch with withy thongs. That was in early June a year or two ago, just before turnip sowing. I did not know whether the farmer was away in the fields at such a time, so I called across the rick yard.

“Hey! Farmer at home?”

The boy flung his leg over the rick and slid quickly down the high-pitched side. He shot from the edge, eight feet above ground, at an appalling speed, and landed on his toes with marvellous precision between two scared hens. Laughing with a gurgling sound, he pushed a school cap back on his head, and said:

“I think he’s in house. I’ll see.”

I watched the jacket crinkling on his muscular young back, and the easy swing of his scratched legs, still in schoolboy shorts, as he dived into the house.

He was healthy and virile, promising to be a man of parts such as are freely bred under these friendly southern skies.

Where men raise a roof or two they often exclude much that is assured and sane, and under such false ceilings they argue greatly, as if life were full of menace. But these open spaces, overarched by monstrous-patterned skies, are not a challenge to claustral spirits but a firm embrace to minds sturdy enough to sustain them. The sea-filled winds besom fiddling doubts away like dry autumn leaves; there is liaison between earth and heaven, and man who stands between. Primal certainties inhabit the steadfast architecture of rock and hill.

The good race of farming men, deriving mostly from hereditary stock, are therefore somewhat aloof from the scurry of events. For generations they have escaped the fussy regimen and purposeless hurry of the well-ordered but objectless life of cities, and having shouldered the whole burden of Adam’s curse, they retain also some fragrant memories and an occasional glimpse of Paradise.

Darke's boy bore the marks of his inheritance. One would never have guessed from a glance that discernment was playing havoc with his yeoman eyes, that the primrose was already more than a primrose to him—that it was, in fact, a daedal pattern—and that his peasant blood was startled and perturbed by that curious synthesis of external form and inward apprehension which is Beauty. But in simple truth he was an artist.

I discovered the fact accidentally. One summer evening I was walking along the sands of Tanmore Bay, snuffing the rich sea fume and leaning to the slight thrust of the landset breeze, all alone as I thought, when I stumbled across him propped against a rock with a drawing block on his knees. Weighted down by a stone at his side were half-a-dozen discarded sheets covered with endless studies of waves breaking on a sandy shore.

I said nothing, and he looked up at me as a country boy does, mutely and smiling.

After watching for a time, I asked, in the blundering way in which grown-ups thrust their silly questions at boys, if he was fond of Art. He stared at me uncomprehendingly.

"I like to draw things I see," he said slowly, and I felt unaccountably shy under his bright gaze.

In the end we climbed up to the farm together.

I went in when we got there, and because I was importunate he hauled a brown paper portfolio from under a clutter of papers on a side table, and laid it before me. On the outside, in illuminated lettering, I read "Ronald Darke: His Drawings."

I turned over the cover, and on the top sheet found pencil drawings of a daisy, perhaps a hundred. There was a tight-folded daisy-bud like a lump of knotted twine; a daisy with petals shot out like a dozen tongues; a daisy just spreading, with a look of dew on it; a daisy like a spread parasol, gulping sunlight; a daisy with bent afternoon head on a straight stalk; a daisy sagging, with languorous leaves and curving stem, full-fed and tired. Not just a daisy, but a daisy living its life, intimate and complete.

I searched the many sheets, some of which were better and some worse. There were a hundred studies of birds. A snail, in all its score of attitudes; at home and snug, or with pulpy foot outspread and exploring horns; rounding a perilous thorn with elastic sang-froid, or feasting at ease on a veined leaf.

Further in there were little landscapes, snatches of colour, with here and there the precious, wavering quality of light, here and there the bold surface of an individual expression. There were designs and illustrations, limited in scope as yet.

The drawings had that apt and sure quality of line to be won only by profound observation and untiring struggle against the natural inertia of nerve and flesh. They were the product of the terrible toil of the creative spirit. There was the patience and the urge of love behind them.

Farmer Darke came into the room, twisting his moustache and grinning.

"That young scamp showing you his playthings?" he asked, with a tremor of repressed pride in his voice.

"Aye . . . some kid!" I replied, for lack of a more explicit thought.

"Never get his living at that!" commented the farmer, drily.

"But . . ."

"There's no but about it," Darke cut in curtly. "The boy and I have had that out once and for all. A man's first duty is to earn a living. It's hard enough to do that when you've given your life to it, as I have, what with bad prices, and Boards, and what not. There's a time to put these toys away and get down to the serious job of a livelihood. I'll have no boy of mine frittering his time on gew-gaws while I'm alive." His brows contracted. "How's business?"

As we talked on the boy slipped from the room with a grave backward glance. I have since been haunted by his freckled face with hayseeds caught in the eyebrows, and some radiance in the eyes not of mere health or reflected light.

This boy had his own star, a star far removed from the point of orientation of his forefathers. Would he follow it?

I have wondered often over the quaint and almost irrelevant way in which Nature throws up her shrewder and more sensitive humanities; those mutations of intellect and sensibility which she flings up inconsequently much as bright flowers spring from the foulings of the earth. But were this boy's powers, as yet tentative and frail, to be repressed, and in the end cancelled, in the struggles of the labour market? That is the question which he and his kind raise.

It is not suggested that earning a living is a mean or unworthy thing. But is it a man's first duty to do paid work, in a world where there is a bitter struggle to find it because so much is being done by the obedient machine? Surely it is time we realised that, once a tool has been invented, it frees the inventor and his heirs to follow the further work of improving the quality of life. The invention takes the inventor's place in production. In that state of affairs inventions earn livings, and the inventor's first business is to enhance his life rather than to earn his livelihood.

Civilisation in its present stage is a collection of tools, but a false finance hinders man, the inventor and master of power, from drawing the dividends of invested skill. Invention is squandered when it might become the legal tender for freedom.

Further, the consummation of the mechanical age is in view. We are in a spiritual quandary. As the conquest of utilities continues, the emphasis in human activities must shift from utilities to cultural values. These boys with the seeing eyes; these beautifiers, interpreters, creative artists, are limbs of the credit power of the new civilisation. Without them, though works may be lavish, the people will perish.

It is not the function of youth to pick a difficult living in ha'pence. Youth is teeming credit-power, endowed with the force to make real tomorrow what tired old men dream today.

The labour market, however, is fiercely selective. Only those enterprises flourish which finance feeds with its bastard credit. Vision has no selling price. So adroit fingers are cramped, vision is blinded, and youth is ploughed-in like unmarketable cotton.

For some time I had doubts of Darke's boy. I knew so little of him beyond those vague intimations which flit from mind to mind along the slender filaments of sympathy.

Certainly he had talent of a rare native order, and I waited long to discover whether the urgent flame of genius would break in him. I found myself more anxious about that than about the fate of nations, for my deepest fear is that the spirits of individual men may quail and succumb to the cramping systems set up and maintained by the exploiting bullies whom such systems favour. If that happens, the fate of nations is sealed. A race of Dumdrudges is no nation. When will fails, when genius is quenched or driven, the forward-looking soul of man has capitulated to the powers of darkness.

I last saw young Darke at the spring ploughing this year. With stubborn perversity he had a team out on Darke's big piece, a forty-acre stretch alongside the plummy wych-hazels of Becketts Copse. I thought that he was working late rather than use the coughing, ugly tractor.

Two fields away I heard his voice singing out to the heavy-footed shires. "Hoot 'ff, Star!" "C'm bither, Brace!" When I came up to him he was gathering in the last furrow of a eight-turn rache, turning in an ashy dusting of kelp and ploughing shallow, doubtless for oats to follow the roots there last fall. I thought how well he stood as a man, with the taut well-knit body of his kind, but with a certain lightness of gait as alien to his type as to that heavy soil which hissed against the share like lead shavings.

There were never any wordy introductions between us.

He hauled on the ploughline, and the tired horses slumped into sudden postures of repose.

"T's good work this," he said, twisting a bitten grass stem in his teeth. "I like it."

He patted his broad palm rapidly on a bearing-stick which stood stiffly in the ground and drove it in a foot or more.

"But," he added, intensely, "I won't be tied up in a sack. First things first. You know what I mean. I'm going to do what I want to do."

I nodded, somewhat timid of his sturdy bulk and tense speech.

"It's getting late for work," I said.

Darke's eyes kindled in the faint dusk.

“Three nights a week from now on I work late. Tonight I'll throw abroad this headland afore I bed down the team.” He indicated the crisscross of furrows bordering the greening copse where the plough had turned. “Two nights a week there's art school at the Institute in to Nupport town. I'm going. I sh'll do what I want to do. God knows how. It won't be rack and manger living. But I sh'll do what I want to do.”

So with a cry of “Hey yep!” he brought his plough about and set in. The oaten breath of the great shaggy horses puffed in my face. Without a further word, man and beasts set off in one piece across the great field that curved like the breast of the sea; past the clearing where hurdlers had piled their neat stacks an hour since, on with a slow rhythm to the verge where the land fell sharply away, till they nodded out of sight and only the iron jingle of ring and chain and buckle carried through the still air.

Good! Good! He is going to do what he wants to do, and none shall choose for him.

That is freedom.

## The Future of the Gold Standard

By R. L. NORTHRIDGE

THE recent abandonment of the gold standard by the diehards of the gold bloc called forth one more example of the hypnosis apparently induced by that metal. Quite a number of people in a position to know better professed to hail the action as a step towards the setting up of a general international gold standard similar in scope, though possibly modified in practice, to that obtaining before the last European War. Actually, of course, the general devaluation was a further departure from a general gold standard, which is now, for all practical purposes, out of sight

The major countries taking part in the recent currency changes were France, Italy, Czechoslovakia, Switzerland and Holland, and in none of them has the price of gold been definitely fixed. Indeed, of the former gold standard countries, only Belgium has formally proclaimed a new parity, although in many instances limits have been set between which the price of gold must fall. For example, in the U.S.A. the price of gold per fine ounce is \$35 (by Presidential decree), but it may legally vary between \$34.45 and \$41.34. In France and Switzerland the gold content of the respective francs must fall between 43 and 49 milligrams of gold, nine-tenths fine, and between 190 and 215 milligrams of fine gold. Italy devalued to the extent necessary to restore the former dollar-line parity, while in Holland, as in this country, the gold standard was quite simply abandoned. No gold parity was established, the exchange being left to find its own level.

Moreover, the right of private purchase of gold from the central bank has been almost universally abolished, and the right of sale to the central bank can in most cases be exercised only at the old statutory price, which is, of course, far below the market value. This prevents private traders from affecting the exchanges by taking advantage of the “specie points,” and restricts gold movements to the initiative of the central banks concerned. In addition, the amount of the gold stocks held by almost every country is now shrouded in mystery: for instance, the holdings of the Bank of England are published, but almost nothing is known of the stocks held in the Exchange Equalisation Account. Both these factors—the right of private purchase and a knowledge of the gold stocks—are of the essence of what is understood by a gold standard.

Not only has the primary requisite of the gold standard, convertibility of the currency into gold at a fixed price, been generally forsaken, but there is not even any indication in the forward exchange rates that the new values of the various currencies are anything more than provisional. The Monthly Review of the Midland Bank for October-November 1936, notes that “the spot rate on October 22 (for French francs) was just over 106, so that francs for delivery three months ahead were cheaper at about 107½.” The forward guilder also showed weakness, while the forward Swiss franc seemed likely to appreciate slightly. Nowhere is there any approximation to that first requirement of any standard—fixity.

Nor is this surprising. A “commodity” money system which, ipso facto, attaches its values to scarcity, is an anachronism in an economy of plenty, and the money systems of the world maintain their vestigial connection with the monetary commodity by means of the gold standard. The attempt to set up a rigid relationship between the

expanding volume of credit needed by any modern state and the amount of gold it may happen to possess imposes a recurring strain that, taking the nations as a whole, the quantity of new gold mined is quite inadequate to sustain. Moreover, the necessity for a “favourable” trade balance imposed by a system which is not self-liquidating places a premium upon a currency which has been depreciated in terms of gold in order to stimulate exports. The gold movements due to the War merely accelerated a tendency towards inconvertibility already at work in all the major currencies of the world. The rise of dictatorships and the growing imminence of another large-scale conflagration have now given a nationalistic tinge to monetary policy: even finance tends to become realistic under the threat of war.

When finance was truly international it was always possible to regulate gold movements by “gentlemen’s agreements” which might involve the imposition of punitive deflation upon a country which had transgressed through permitting an easier credit policy than was obtaining abroad. Today, such interference is not tolerated, at any rate to such an extent, and the freedom to expand credit, stimulate exports or attract visitors by some form of currency depreciation is recognised as a powerful weapon of State policy which only the abandonment or modification of the gold standard has made available. The present condition of Europe is therefore of itself an excellent reason for assuming that the future trend will be away from, and certainly not towards, a new gold standard.

We may thus conclude that the world is further from the gold standard than at any time since the War. Of a system then legally established in every major industrial country of the world and intended permanently to regulate its monetary affairs, there remains today only a working agreement, terminable at twenty-four hours’ notice, between Great Britain, France and the U.S.A., to protect one another’s exchanges. No doubt those whose fortunes were sacrificed to the supposed necessity of returning to the gold standard after the War will perceive the point of the jest, though they may well question whether it was in impeccable taste.....

And since we may expect international relations progressively to degenerate, there must follow a steady drift towards autonomy in money policy and technique. While finance is, and will no doubt remain, fundamentally international in outlook and policy, the mechanism by which it exercises control must in future tend to spring from within the nations concerned. In other words, the day of the international gold standard is over, whatever efforts may be made to restore it, and currencies will more and more exchange directly upon the natural basis of their purchasing power parities. Though this is a step in the right direction it would be easy to overestimate its importance; the major battles for economic freedom lie ahead.

## Desires and Results

By GORDON BAXTER

IT is odd that many of the old hands at Social Credit exposition still find it hard to make the distinction between Social Credit policy and the technique of achieving it which is demanded by the definition of the will of the people given by Major Douglas at Buxton, and particularly hard to school themselves to the sophisticated reserve needed in order to make that force effective. They seem unable to put aside the old conception that it is necessary to appeal primarily to the intelligence—the human reasoning power of the people as voters—by a logical explanation of the Social Credit case and by showing how such a system is capable of delivering plenty, in order to persuade the masses to demand their cultural inheritance. Nothing could be further from the truth.

Apart from the impossibility of using the mechanism of the ballot box to record intelligence, it is our personal desires alone that can make us do anything effective in our individual lives, and thus only can the general will of the people bring forth a desired political or economic result. The pure thinker who does not feel is far too numb to act, and the political and economic debater never gets us anywhere.

If we put these two parts of our being, our desires and our powers of reasoning, into proper relationship, we find that our deep inner feelings tell us what we want; this is the great driving force. For example, our feelings tell us that we must love someone, so we marry. Or, again, we feel that we must dive into the sea and save a drowning person. We do these things only if our intellect does not get the upper hand and tell us that we cannot afford marriage, or that diving into the sea is too risky. But if our reasoning power is at the service of our emotions and desires, as it should be, it will find out how we can get the means to marry or how we can best bring the drowning person to the shore. It is our feelings that tell us what we want and provide the urge to get it, while our reason should be at their service to show us how to get what we want. Unfortunately man’s reasoning power tries to master his emotions and suppress

his desires. There are really no fundamentally wrong desires; evil desires result from instincts the expression of which has been distorted and thwarted by ignorance, convention, ill health, muddled ideas, lack of opportunity and unsuitable surroundings.

If we examine the average human of today we find him a hybrid being, a cross between an animal and a god. The physical functions of the body are essentially earthy, yet the individual is always vaguely striving towards the light of truth. The animal instincts have lost importance in the human consciousness, while the god in man is perhaps not even so clearly defined. Man tries to forget that he has the instincts of an animal and does not clearly perceive that he is a god in the making. The result is a man who is mainly a thinker, floundering about blindly, trying to be guided solely by his human reasoning power or intelligence. He flutters about like a newborn fly from one reason to another. He is not even so rational as the fly, which is at least guided by instinct.

With reason everywhere controlling emotion and desire, it is little wonder that we find man standing impotent before his problems, and the world's reasoning in conflict with the real, unexpressed and misdirected desires. All want plenty, security and freedom, yet our mis-called intelligence says we cannot have such things. We reason that without work we cannot eat; and by reasoning thus, we suppress desires both natural and physically capable of fulfilment. Our desires fix our destination, while our reason is the travel bureau that maps out the best route for us. All is well if we know where we want to go; the trouble begins when we ask the travel clerk where we should go. The clerk has not the slightest idea, but he sells us a ticket all the same. That is his job, just as the politician keeps his job by selling us political policies and slogans. When we have used the ticket the clerk gave us, we find to our disappointment that it has not taken us to the place we wanted at all, so we try another ticket. We have been playing this stupid game for centuries, both in our private lives and in our politics. We have been asking our reason what we want to do and our politicians what we should have.

If we are ever to get what we want, then our tactics must be changed. We must first consult our desires as to where we want to go, and then we must visit the best travel bureau to guide us to our destination. The job of a travel bureau is to find the best method of travel. If it plays any tricks, if it is inefficient, or the method of travel unsatisfactory, so that we do not get to where we want to go, then we must complain, and pillory the company until we are safe at our destination.

The Electoral Campaign considers first the common desires of the people and welds these desires into a common demand to the government through the medium of the Members of Parliament. The government, like the travel clerk, has to find the necessary experts who can devise the means to provide the people with what they want. The Electoral Campaign does not befog the elector with a lot of technical reasoning about methods. It is the expert's job to consider methods. The elector simply states his wishes clearly and effectively and allows himself the opportunity of complaining and even ejecting a government that does not see him provided with what he wants.

## The Great Doom's Image

### An Analysis of the World Situation

By D. E. FAULKNER-JONES

THE span of time known to history may be divided roughly into three main periods: our modern world; a period dominated by Greece and Rome; and then, stretching back to remote antiquity, the ancient world, of which Egypt and Babylon may be regarded as type representatives.

We can best comprehend the 20th Century if we realise that Europe has not yet succeeded in evolving new social forms differing as widely from those of the past as the polity of Athens differed from that of the Pharaohs, or from the governing notions of Nebuchadnezzar. Opposition to Social Credit is deep-rooted just because an entirely new attitude to money would be indispensable for the building up of a social order unknown to the past and springing directly from the creative genius of a new evolutionary epoch.

We are witnessing today the final relapse into chaos of ancient social moulds which have served as necessary temporary expedients for the transitional period between the passing of Rome and the maturing of our own fresh powers. As Rome passed through the rule of seven kings before she emerged a free republic, so the modern world has recapitulated the forms of earlier periods, monarchic feudalism and republican democracy. Today the broken

remnants of a long historic past are in the melting pot; and pessimists, if these shards are indeed “civilisation,” may well tremble for the future of the human race.

Four conceptions which strongly influence the modern mind may be traced back to the Egyptian period, when they were not ideas but basic realities without which society could not have existed. They are strong today precisely because they lived in compelling actuality for thousands of years. One of them has recently taken shape once more in the Coronation ceremonies, rites which had meaning only in pre-Christian times, when the King was a trained initiate with the special function of receiving, through occult faculties, directions from the gods themselves concerning the government of his people. Augustus Caesar, in taking the title “Divine,” signified to the Roman world his claim to be regarded as an Initiate Emperor.

It is useless to combat with reason, untempered by knowledge and sympathy, the blind ardour which many individuals of all ranks feel instinctively for a monarch, or even for a leader whose position approximates to that of a monarch.

Closely connected with this conception of a monarch highly endowed with occult powers, in part hereditary, is the organisation of society in hierarchies: the pyramid social order, with the king at the apex and a graded descent of the divine favour through slowly widening ranks, determined by heredity and function. In the ancient world there appear to have existed very marked differentiations in consciousness between the masses of the people and the limited ruling castes, theocratic and military. It is not unnatural that there should still live in many minds an ineradicable instinctive feeling that material differences between the classes are justified now, as they were in the ancient world, by essential differences—not merely differences of degree—in potentiality of rational development. Again it is useless to point out to persons in whom this idea survives as an instinct that facts belie their theory, and that the theory itself is in the profoundest sense anti-Christian.

A third survival might be described as a naive belief that the particular race to which one belongs has a divine right of conquest, a divinely given mission to superimpose its culture on other peoples, for their own good. Even this extravagant notion had some justification in the past. Large-scale migratory movements, the purpose and importance of which transcended the bounds of reason, have been set going by feelings not unlike those described above. Alexander the Great was actuated by desire to implant Greek wisdom in the East; later, the Mohammedans spread their learning by force, with beneficial results to Western scholarship.

Finally—and, unpalatable as it is, the fact should be squarely faced—the ancient Moloch-worship has left cruel traces in the instinctive nature of important groups. War was once the manifestation of a divine being to whom the virtues it nourished were ascribed.

These four instincts, now atavistic, but once united as the basis of all ancient civilisations, have separated their forces, so that each has attained peculiar power in one special region of the modern world.

Events in Germany suggest that Hitler, despite his undeniable influence over the masses, would never have attained his present position out of his own strength. He seems to have been selected and financed as a deliberate policy, by the Prussian army-group, as soon as the termination of the allied occupation, coinciding with financial ameliorations of the Versailles Treaty, left them free to direct credit towards the furtherance of their secret aims. Prussia was born of the sword, and the Junkers of today can, in many cases, trace unbroken lines of descent back to certain knightly orders, entrusted by the Church itself with the necessary task of conquering, and Christianising by force, the last pagans of Europe. These mediaeval warriors owed their virtues as well as their lands to a military ardour which was their religion and the mainspring of their existence. It is not surprising that a kind of war-mysticism survives among their modern descendants, whose hereditary gifts, combined with their control of credit, enable them to “manage” and hoodwink the emotional German masses and to foment continuously a martial spirit which is not really natural to the countrymen of Goethe and Beethoven. Men of this type can never endure the memory of an ignominious military failure. They are in essence high priests of Moloch.

King-worship is most strongly entrenched in modern Russia, where the semi-mystic feeling once centred on the Czars has been transferred to The Great Stalin. There is a remarkable correspondence between Sovietism and the feudal system. The mediaeval king had his great vassals, each of whom had sub-vassals; these in turn ruled over vavasours who also had their dependants. The electoral system of the Soviets produces the same general effect, but is developed from below upwards instead of from above downwards. Power is concentrated, and its sway progressively extended until, with the setting in his place of the dictator, the apex-stone locks this vast pyramid of hierarchical domination. Precisely the same method—reversed—prevails in Russian economics: a supreme council of

commissars—Stalin’s great vassals—puts forward grandiose plans, the working out of which is entrusted to carefully graded underlings, each of whom is directly responsible to his official superior.

The idea of group-divinity lives still, in distorted form, in Japan. Europeans do not give sufficient weight to the mystical devotion of the Japanese towards what can only be termed “Japanism.” Ieyasu, a contemporary of Queen Elizabeth, and one of Japan’s greatest soldier rulers, said: “Since our bodies are born into the Empire of the gods, to adopt the teaching of other countries *in toto* would be to desert one’s own master.” The Japanese regard their Emperor as a direct descendant of the Sun; but the most important feeling nourished in them by this conception is a religious belief in their own superiority. Since the Japanese are sole possessors of this divine wonder of a sun-descended ruler, it is clear to them that, in the eyes of heaven, they are a unique people, to be governed by whom must be an honour and a blessing. A modern Japanese soldier said, soon after the close of the world-war: “Peace will come when the whole world is under one government . . . The ultimate conclusion of politics is the conquest of the world by one imperial power . . . . The Japanese nation . . . . should brace herself to fill her destined role.”

Despite the worship of the Emperor, events in Japan suggest that he is a figure-head, and that the strongest driving-force is proceeding not from the old feudal caste, now deeply involved in finance, but from a modern army-group, drawn from the middle classes and composed of relatively young men, imbued with a passion for Japan’s divinity.

Finally, here in England, the fourth shadow-image of ancient Egypt is dominant; an intense belief that the masses of the people must be prevented at all costs from attaining freedom of action, and full individuality. For nearly two centuries English policy, foreign and domestic, has been steadily directed towards the keeping of society divided into two main orders, a small oligarchy and a vast proletariat, directly dependent for subsistence on a wage system rigorously controlled from the centre. Our monarchy and our native feudal aristocracy have long been drained of power; they are ornaments, traps and baits for the naive ambitions of the simple rich and the innocent devotion of the simple poor. War has never been an object of worship in England; Shakespeare’s treatment of Hotspur and Falstaff, and his picture of the common soldiers in Henry V, are brilliant satires of “war for war’s sake.”

Britain may indeed be accused of using a jargon which suggests belief in a divine mission to rule the earth. But England was, and still is, insular and local in feeling; her best citizens, while they are fully aware of their country’s potential spiritual power, know instinctively that, for a Christian world, there is only one true form of leadership — the setting of an example by advanced individuals, who leave to others complete freedom of choice in the matter of following it. But unfortunately England is not governed by her best men; and those who do rule are fanatically determined to keep the masses enslaved in such a way that their labour and their industrial genius can be utilised for the benefit of the oligarchy.

Interwoven with the more ancient forms, we find everywhere the electoral system of the Greek and Roman City State. Voting in some form or other has proved an admirable means of flattering intelligentsia-mentality and placating the masses. Readers of Burke will remember the solemn cynicism with which he pointed out how the American descendants of the Pilgrim Fathers, while prepared to die protesting against taxation without representation, had meekly accepted unjust and crippling Navigation Acts and a debt system which fettered them to the British investor.

Finance, the evil creation of our own machine age, preserves in a galvanised semblance of life these spirits of a dead past, which, Apollyon-like, hold the pass against advancing humanity.

An idea is powerful according to the calibre of the men who are inspired by it. In the four countries named those whose willpower is a force to be reckoned with appear to be possessed by the false conceptions outlined above. Weaker men, in all four countries, may babble and shout for a wide range of notions and ideals; but what matter for world evolution are the principles of men who can, in the long run, impel others along the paths they mark out for them. It is one of humanity’s greatest misfortunes that ideas which were once beneficent become abnormally powerful for ill when they survive the period of their usefulness:

“For sweetest things turn sourest by their deeds;  
Lilies that fester smell far worse than weeds.”

The functions and gifts of the various European nations have revealed themselves sufficiently strongly to allow of generalised definition, provided the generaliser always remembers that the past is no infallible criterion for the future. With this proviso one may be permitted to state briefly that in the wide sphere of social organisation England has hitherto led the modern world; and that the intangible quality we name “individuality” has manifested itself more markedly here than in any other land. The distorting influence of financial policy cannot hide, and should be no excuse for belittling the creative work of the true English spirit. It is the welling-up of individuality, especially among

men of the lower classes, which alarms those in whom the ancient theoretic instinct is strong, and makes them concentrate almost exclusively on subtle efforts to repress the consciousness of the people, to hold it back and degrade it. The rulers of other important nations, finding the handling of their more ductile masses no great problem, have been free to concentrate on the furtherance of very different aims.

Since, in spite of manifold shortcomings, England has been the spearhead of advancing social evolution, it is not illogical to assume, in the absence of contrary evidence, that the greatest potentialities for active good now existing on earth may well be here, hidden among those whom the present financial system holds in obscurity. Should this be so, the supreme objective of the Devil would be the destruction of England as a world power by attack from without as well as by corruption from within.

The subtle transmutation of England into Britain; the shameless debasing of moral, religious and cultural values; the now perfected network of money chains which bind the whole population, rich and poor alike—all these are signs of how deeply corruption has eaten into the folk-soul of the English people. We carefully shut our eyes to the realities of the foreign situation and to the extraordinary character of those who, behind the scenes, are controlling our policy. “Whom the gods would destroy they first make mad.” Apparently the utter impossibility of financing a war, or even adequate defensive preparations, through the whole loan system, has convinced our rulers that the threat of war must be a mere appearance, a ghost that can be exorcised by judicious use of bell, hook and candle. This state of mind, in which the wish fathers the thought, is well illustrated by the words of Mr. W. S. Morrison, Minister of Agriculture, as reported in the *Daily Telegraph* of April 17: “One frequently heard it suggested that, while the country was rearming, a policy for agriculture based on a war footing should be pursued. Such a thing would not be in the interests either of agriculture or of the nation. Although it was true that we had to prepare to survive even the worst of calamities, we must remember the great probability that peace would continue and that there was *nothing more fatal for agriculture than sudden stimulation to production* which could not be maintained in time of peace.” (My Italics.)

Scrutator, in the *Sunday Times* of April 18, again made an impassioned appeal to the holders of gilt-edged securities, conjuring them to do their utmost to preserve, at all costs, the secret of credit control, and not to press the taxpayer too far. Once more he presented taxpayer and investor alike with his favourite nightmare alternative: either they must pay their taxes like men or force the Government to admit that taxation is not the only way of raising public funds. He, too, like Mr. Morrison, seems far more afraid of the financial consequences of war than of any other aspect. We are, he says, of all countries “financially the most scrupulous, purest and delicately poised . . . On the present basis of a normal peace budget of 800 millions, war could only bring financial revolution ... a war would soon push us over, for we are much too near the limit of taxable capacity.” “Is there,” he asks, in a final burst of impeccable logic, “any financial preparedness for war except the discovery of new sources of revenue other than by taxation?” With a frankness likely to be much appreciated abroad, this gifted henchman of our governing group suggests that “The main reason why we announced our whole programme at once, instead of in instalments, was to *create an impression* of our settled determination ... We must therefore be careful not to diminish that impression and to *appear* to carry our burden with reasonable ease.” (My Italics.)

Now if such utterances reflect the policy of our credit controllers, we must conclude that the mentality of this group is obsessed by an *idée fixe* which blinds its members to all other factors in the world situation. An instinct is not amenable to reason, and when it combines with ancient racial urges it possesses abnormal driving-force. Holders of gilt-edged securities, and all Englishmen who benefit by the present financial system, should at least realise that in order to preserve their privileges they have delivered their country, bound and gagged, into the power of a band of fanatics. For it should be thoroughly understood that the leaders of this group are not mere shallow hedonists, or even materialists in the ordinary sense of the word; they are men possessed by an idea all the more evil because it was once good. These men make use of all the common human failings—apathy, egoism, love of luxury, love of power—in order to turn human evolution into a channel they obstinately consider the best. It is the perverted spiritual element in their composition which gives them so strong a hold over the minds of others, in these days when Christianity is fast losing its influence over the human soul.

If we grasp with imaginative insight the kind of madness which has dominated the policy of the British Empire since 1918, we can better realise the pent-up forces of perverted willpower which are brooding beneath the surface in Russia, in Germany and in Japan. In each of these countries there is an idol worshipped by devotees who display the cunning, the ingenuity in lying and the skill in using human weakness which we recognise as characteristics of our own financial priesthood. The British Empire is a bait too tempting not to attract the cupidity of such men, all bent on some form of racial aggrandisement. Secret fear makes us seize eagerly on the comfortable assumption that the three militaristic powers to be reckoned with are arming for internecine conflict. Commonsense would suggest a very different view: the view that it would pay the three to unite, at least temporarily, for the dismemberment of the British

Empire. An appearance of mutual enmity between two of the three conspirators would recommend itself as a simple and politic means of delaying British rearmament as long as possible, and should therefore be discounted by prudent statesmen. A sudden, concerted, threefold attack on England, launched with maximum violence and aiming at swift victory, is by no means inconceivable. A victory so gained would take away from this country, finally and irrevocably, the spiritual leadership of the English-speaking peoples, and the political leadership of the West. It would virtually force Canada, Australia and New Zealand to place themselves under American protection; a denouement which must have been foreseen by Mr. Walter Page when, in 1914, he is said to have cabled: "The British Empire has fallen into our hands." The temptation to secure, on such easy terms, the hegemony of the English-speaking world might effectually prevent immediate American intervention.

The three attacking powers might well endeavour not to embroil themselves either with America or any important Continental nation. A massed onslaught on the British Empire alone, its main strength concentrated on England, could bring to all three substantial prizes. Japan might obtain a free hand in China; Russia, power over India and the Mohammedan East; Germany might be satisfied with developing vast areas in Africa. No other power would lose by such a division of the spoils, and America would gain immensely in prestige by the elimination of England. That this hypothesis is not so extravagant as it might at first sight appear could be proved by a careful collation of extracts from books and newspaper reports spread over the last ten years. It is surely sufficiently in harmony with common sense to make influential Englishmen consider whether they are justified in leaving the destiny of England in the hands of the persons who now control press, Parliament, and, what is still more relevant to the present situation, the appointment of high officers in Army and Navy, and the selection of those who direct defence operations in every sphere. We narrowly escaped destruction in the last war; have we any chance of survival if, in a future war, the circles which then dominated policy are still supreme?

The dilemma which confronts us as a nation on the plane of world history, confronts every man, and especially every man of wealth and standing, on the battleground of his own soul. An inexorable nemesis has ordained that if England clings to the Lie she must perish ignominiously, corrupted from within and crushed from without. No men of genius, if we possess them, would be allowed to raise their heads, under the present regime. No great man, in any sphere whatsoever, would consent to serve insane atavisms. But only the mightiest efforts of the highest type of genius will avail to rescue us, if the hypothesis outlined in this article has any foundation in fact.

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THE FIG TREE gives a warm welcome to the publication of "Poems" by Herbert Bluen (Basil Blackwell, 2s. 6d.). Mr. Bluen is well known as a contributor to this and other journals, and two of the forty poems in the book, "Swallows in Flight" and "The Climbers," have already appeared in these pages.

VERSE

## Struggling Wheat

*(From the French of Jeanne Perdriel- Vaissière)*

STRUGGLING wheat, weighed down with rain,  
Which the sun scarce dries again,  
Under a treacherous cloud unkind,  
Between two passions of the wind:

Scanty wheat that cannot veil  
The doomed nest and young of the quail  
From the hawk that in the sky  
Planes with ruin in his eye:

Child of the cold grudging clay,  
Weeping when not parched away,  
By the inconstant season harried  
Even till you are cut and carried:

Still you strive with effort grim  
To touch the overhanging limb  
Of the tree that keeps the sun  
For himself, and leaves you none:

Blackened wheat, and wheat of tears,  
Earth-besmirched and ruined ears,  
Brave as some ill-fated man  
Who till the end does what he can:

A transient hand, a human mind  
Brings you at last a message kind;  
No leaden pity, but the love  
Your gallant heart is worthy of.

RUTH PITTER

# The Great Aquarium

SOME fish are big,  
Some fish are small,  
Some fish are so minute,  
They do not count at all,  
Except as food for bigger fish  
To whom they are in thrall.

Some fish are gay,  
And some fish mourn  
With tearful eyes which ask—  
“Why ever was I born,  
“To be the food of bigger fish  
“Who laugh my pleas to scorn?”

And some fish glide  
Like earl or duke,  
As if their blood were not true blue  
By just the merest fluke,  
While all the cheeky urchin fish  
Turn round and cock a snook.

Some fish have plenty,  
Some fish have nought,  
Some fish have all they wish,  
Some fish are caught  
And tossed into a net of woes  
With gaping mouths, distraught.

Some fish are vain,  
Warlike and stern,  
They mesmerise weak fish,  
And make the weak fish yearn  
To go and fight some savage war,  
And serve the Devil’s turn.

HERBERT BLUEN

## Revelation

THE vine has struck a fibre.  
Proud points of light are spearing through the mould,  
Dim shapes of men to be are taking hold  
On our unseemly prime.  
Their shadowy fingers move through veins of gold,  
Tracing new patterns through the prints of old,  
Binding sheaves of new dreams to the lusty loins of Time.

The stirring earth is waiting.  
Creation's quickening month has overpassed,  
The child lies brooding through the fashioning vast  
In the eternal womb:  
Out of the mystic chambers of the past  
Into this final earthly flowering cast,  
To open darkened golden gates to an outer room—  
Another outer room.

K. MCCARTY

## Galileo Galilei

THE World was yet asleep and each man wrought  
His little selfish life from birth to tomb,  
In ignorance and fear of sudden doom.  
Alone this clear intrepid spirit sought  
For Truth amid the dark. Alone he fought  
A long unequal fight to lift the gloom  
Of false belief from men who had no room  
Within their minds for new unwonted thought.  
The very Church, the Church of Christ, took side  
With Ignorance and superstitious Dread,  
'Gainst Galileo, till, worn out with strife,  
Imprisoned, broken, old and blind, he died,  
A witness to the Truth which now has spread  
Throughout the World and changed the face of Life.

GEOFFREY DOBBS

## Alberta

“The Alberta Experiment—an Interim Survey.” By C. H. Douglas (Eyre and Spottiswoode, 5s.).

HISTORIANS of the future will inevitably turn to this book, and for one of two reasons: either to find out why it was that a movement failed which, if successful, would have averted a world catastrophe, or to trace from its inception, an experiment that marked the dawn of a new era of peace and plenty. Which of these reasons impels the future historian to study this book is as yet uncertain and must depend in large measure on the determination of the people of Alberta themselves to achieve financial emancipation remaining unshaken. A state of war exists, and, as in all wars, the final determining factor must be the morale of the people.

The book is divided into three parts and has four appendices—I. Major Douglas’s First Interim Report; II. Members of the Executive Council (the Cabinet), and Legislation enacted at the first session of the Aberhart Government; III. Correspondence between Major Douglas and the Government of Alberta; and IV. The Text of the Alberta Credit House Act.

The first three chapters were published in this review last March, and therefore need but brief reference. They deal, it will be remembered, with the background against which Mr. Aberhart, by his undoubted ability as a radio orator, uniting a religious appeal with a promise of freedom from debt slavery, was able within twelve months to mobilise such support that the newly-formed Social Credit Party won 57 out of the 63 seats in the Provincial Legislature in August, 1935.

Chapter IV gives a brief sketch of Mr. Aberhart himself, and describes how the party in power—the U.F.A.—fearful of the threat of his growing popularity, invited Major Douglas to give evidence before it, on the possibility of the introduction of Social Credit in the Province. This manoeuvre which, quite obviously, was intended to expose the fallacies of Mr. Aberhart’s version of Social Credit, was bound to fail, for the success of his appeal did not depend on the soundness of his economics, but, to quote the author, “on his vivid presentation of the general lunacy responsible for the grinding poverty so common in a Province of abounding riches . . . ”

In consequence of this error of judgment, the subsequent appointment of Major Douglas as Chief Reconstruction Adviser by the U.F.A. Government, as described in the following chapter, and the criticisms of Mr. Aberhart’s technical proposals which he was called upon to make, did nothing to weaken Mr. Aberhart’s position, in fact probably strengthened it by enabling him to state categorically that on his accession to power Major Douglas would be called upon at once. The failure of Mr. Aberhart to carry out this undertaking is vividly shown by the correspondence reproduced in Appendix III, and the possible reasons for his failure are referred to in Chapter V.

The author describes the second part of his book, consisting of two chapters only, as “A Digression on Democracy.” In so far as to digress is to turn aside, this title appears to be a misnomer, for this digression, while dealing with the wider question indicated by the title, nevertheless points directly to the policy which the people of Alberta must adopt if they are to overcome the difficulties described in the succeeding chapters.

Part III describes the counter-offensive launched immediately after the election in 1935 by those from whose stranglehold of debt the Albertan people were endeavouring to release themselves. Its success can be measured by the immediate results—Mr. Aberhart’s failure to invite Major Douglas to advise him, and the appointment of Mr. Robert Magor, previously Relief Controller in Newfoundland, and responsible for urging the adoption of the present disastrous Commission Government there, as adviser on matters of taxation, from which followed the orthodox and therefore burdensome budget introduced in 1936. Mr. Aberhart’s difficulties are in no way belittled; they were undoubtedly great, almost as great perhaps as the opportunity he had to take effective action in the early days of his premiership. He failed to make use of them, and these closing chapters show how and to some extent why.

But all is not lost, as some would have us believe. Indeed, it may yet be due to the determination of the Albertan people that—“By a process of trial and error, and with more or less struggle and suffering, the moneychangers will be cast out of the Temple, and it will become impossible for human beings to starve in the midst of plenty.”

# The Socialist's Dilemma

“Democracy and Revolution.” By Louis A. Fenn (Student Christian Movement Press, 3s. 6d.).

THIS is an extremely interesting book by a Socialist who is honestly trying to face up to realities, but cannot do so without abandoning his Socialism.

To begin with, Mr. Fenn is at heart on our side. He believes that in democracy there lies “a core of truth which will last as long as mankind, and is relevant not to a class or a race, but to human dignity in its essentials.” Throughout the book he insists on the freedom of the individual, and in Chapter IV. (Biology and Politics) he makes a refreshing and much-needed attempt to take into account “the relative certainties of modern biology” in forming his political theory.

By explaining the physical basis of heredity, he brings out clearly the uniqueness of the individual, whose “particular combination of inherited characters will never be repeated.” This is a straightforward piece of realism. Our political theories must tally with such well-established facts, or they are clearly wrong.

One small technical criticism is that, on page 51, chromosomes are said to “dissolve again to tangled networks” after a division. A chance is lost here to bring out the fact that chromosomes persist as individuals from one division to the next. Without this the chromosome theory of heredity becomes unintelligible.

One would like, also, to see the implications of the nature of the gene worked out in fuller detail. The gene itself determines only a potentiality which requires a suitable environment before it can be expressed. Even sex, as Mr. Fenn points out, can be thwarted by environment. It follows that the full development of an individual requires the widest possible choice of environment—in other words, what we mean by freedom.

In the first chapter also, entitled “Democracy in Retreat,” Mr. Fenn faces up to realities. He recognises the “very serious challenge” which modern psychology has made to the old theory of democracy. People are not moved by “bloodless and abstract things like logical deductions” (p. 17). He has read with dismay Graham Wallas's “Human Nature in Politics” and recognises “its essential truth.”

In the next sentence he flinches from this truth, “For,” he writes, “to despair of the ultimate rationality of the public mind is to become a reactionary.” He is caught in the Socialist's Dilemma—to deny Freedom, or to deny Truth, and he dare not follow the truth which he has recognised, that “the public mind” does not function in the field of intelligence, because he does not realise that it does function in the field of will; also he fears that he will be led away from his Socialism, which for him is an end in itself, and not a means, for on p. 107 we read “One can no more regard the anti-Socialist position as defensible than one can that of the blasphemer or the libertine.”

A sad end to an honest beginning—but how many of us, without the light which Social Credit has thrown on this matter, would have won through?

The rest of the book runs along well-worn lines of obsolete thought. The only issue is that between Socialism and capitalism. “The former is in essence a state of society in which power is in the hands of those who live by working; the latter, one in which power is in the hands of those who live by owning” (p. 33). In chapter vii. Mr. Fenn points out, with many telling quotations, the “complete dethronement of reason” among those who maintain, in the words of Mr. Elliot, “that improvements in technique are the great curse of the modern world.” “It is silly,” he writes (p. 101), “to do toilsomely by hand a job which might be done quickly and easily by machinery.” Yet in the face of this he believes that the way to obtain freedom is for power to be in the hands of the workers, “and for everybody to become a worker.” “Mankind will be free because there is no one left to be exploited” (p. 128), because, I might add, everybody is already being exploited by being set to work in a world in which solar energy is increasingly taking over the work of man.

I almost envy Mr. Fenn the thrill of the discovery which he will make fairly soon, I hope, that men do not live by working, nor yet by owning, but by consuming.

GEOFFREY DOBBS

# Sir Jehovah

“The Science of Social Adjustment.” By Sir Josiah Stamp (Macmillan, 7s. 6d.).

THE author of this book is probably the most outstanding example in this country of the expert in a position of power; for not only is he one of the foremost economists of the day, but also, as a Director of the Bank of England, he is one of those who “direct the policy of Governments, and hold in the hollow of their hands the destiny of the people.”

The book itself consists of reprints of three addresses to distinguished bodies of scientists: I—The Impact of Science on Society. II—Eugenic Influences in Economics. III.—The Calculus of Plenty—and a fourth chapter, Some Projects of Research, which has been added later. It is very difficult to deal fairly with such a book in a short review, for the main argument is so impressively draped in a style which gives the maximum effect of solid cautious sense and scientific impartiality, that one feels a certain impropriety in laying a disrespectful hand upon the draperies, and revealing in their withered and slightly ridiculous nakedness the underlying assumptions upon which the argument is based.

However, here are the bare bones, as briefly displayed as possible:

The impact of science upon society creates disturbances—displacements of capital and labour—which are “often a high price to pay for progress.” It follows, therefore, that both science and society must be controlled and regulated so that these disturbances are reduced to a minimum, and take place in an orderly manner.

The study of how to retard scientific innovation, and control the population, in numbers, quality and behaviour, with this end in view, constitutes the science of social adjustment which Sir Josiah calls upon his expert audiences to take up.

Exactly who is to be in ultimate control of all this regulation is not made too clear (except perhaps in one sentence on page 103), but more than one reference to “a clearing house of scientists and financiers” enables one to make a reasonable guess.

The assumptions are apparently (1) that the saving of human energy is a social loss, and (2) that experts have the right to control humanity according to eugenic, economic, or other specialist ideals. A few quotations will serve to illustrate these points!

On page 48 we are told, “If the aggregate individual advantage of adopting some novelty is 100X and the social cost in sustaining the consequential unemployed is 90X, it does not follow that it is a justifiable bargain for society. . . the moral effects of unemployment . . . . escape this equation altogether.”

Something else, however, has escaped the equation altogether, namely, the fact that the real cost of “sustaining the consequential unemployed” in food, clothing, etc., is not increased one iota by the introduction of the innovation, but in practice is greatly reduced by the reduction of their incomes to the level of the “dole.” As for the “moral effects,” when Sir Josiah presents us with a controlled experiment which demonstrates significantly the adverse “moral effects” of leisure disassociated from poverty, perhaps we will agree with him that these “moral effects” are not, like the “social cost,” purely financial in origin.

Furthermore, we are told that “the injuries to labour . . . are regarded as equitably a charge to be borne by society in general through taxation.” In other words, every increase in leisure is to be debited, instead of credited to society, and every fresh gain on the credit side of the balance sheet, due to an increase in productive power, is to be regarded as offset by the old item of cost of upkeep of the men whose labour happens to have been saved by it. It follows that where the gain is entirely due to labour-saving it is entirely cancelled by the loss, and the net gain is exactly nil, unless the real income of the unfortunate men is reduced (as, of course, it is), in which case the rest of the community gains the difference at their expense.

This sort of mad accountancy is, as we know, regarded as axiomatic among economists of the stamp of Sir Josiah, and the psychology of it should make an interesting study. It would seem that the plain facts of reality are much too obvious to be grasped by these subtle minds.

To proceed to the second assumption, I must quote one almost incredible sentence to show the arrogance of the

expert stretched to its utmost limit: “Let us,” says Sir Josiah, addressing the Eugenists, “make an ever-improving environment, not by means of cushions and buffers, but by eliminating, sifting, and sorting; by punishing, exacting standards, rewards, and incentives.”

In plainer words, let us be God!

Let us promote ourselves to the seat of judgment of good and evil, and rule the world according to our own ideas.

Against this it is only necessary to set one quotation from the first chapter (page 17): “It seems still a matter for investigation whether the development of a specialist’s thinking, on balance, impairs or improves the powers of general thinking compared with what they might otherwise have been.”

We all have odd partitions in our minds, and evidently Sir Josiah is no exception.

The third chapter, *The Calculus of Plenty*, has been so thoroughly dealt with by W. L. Bardsley in *Social Credit* (November 29, 1935—January 17, 1936) that I need add little more.

Briefly, the argument is that plenty is not plenty “in any practical sense” unless it can be paid for. Hence after a careful examination the author can find no clear evidence of plenty, nor indeed of poverty either. The situation is as though the clever boy of the class, having examined the data with the aid of a slide rule and logarithms, and other mathematical mysteries, announces that there are exactly 4.3587 apples to the ton. The answer is so obviously wrong that even the dunce can point it out, and if Sir Josiah Stamp’s methods of estimating plenty reveal practically no plenty at all, even I need not hesitate to put him right.

The fourth chapter, “Some Projects of Research,” is chiefly interesting as showing the sort of thing which a Director of the Bank of England wants investigated, e.g., the effect of population changes on “finance and governmental institutions” (not, mark you, of institutional changes on people); “the necessity for a quicker human accommodation to such change as seems desirable”; changes in patent law, and obsolescence accountancy, to ensure that “substitution would not take place wantonly or on too easy terms”; “research into the psychological reaction to unemployment relief in relation to the incentive for seeking work”; “the application of direct-subsidy methods as inducements to change location or occupation.”

Notice that the direct subsidy to individuals is not despised, *provided it is used as a method of control*. On page 101 children’s allowances are recommended as a means of encouraging one section of the population at the expense of the others. On page 39 it is pointed out that “of course” an increasing per capita income can mitigate the impact of science on a stationary population

The difference between Stamp and Douglas is not one of technique. The one wishes to control, to regulate, to punish, exact standards, rewards and incentives; the other desires freedom for all men. The difference can be summed up in one word—humility.

GEOFFREY DOBBS

## A Liberal Beside Himself

“Forward From Liberalism.” By Stephen Spender (Gollancz, 7s. 6d.).

THIS book is an appeal to Liberals to join the Communist Party. Part One, the “Journey through Time,” is a very fair criticism of Liberalism in the nineteenth century. Mr. Spender analyses the causes that led to its collapse, but acknowledges that it lit a flame which is not easily put out. He urges the development of Liberalism to its logical conclusion, International Socialism. Unless this is done without delay the capitalists will engineer a Fascist dictatorship which in its turn will be overthrown only in a mist of blood and tears.

Mr. Spender has a great deal to say about freedom, which he rightly assumes to be essential to lasting peace. Freedom, according to Mr. Spender, can be achieved in three stages; we already enjoy political freedom, the achievement of Liberal democracy; economic freedom will be established by Communism, and, lastly, world freedom will be the triumphant result of International Socialism. Freedom, he says, gives people work, bread, equality of opportunity, and finally an approximate economic equality.

This failure to grasp the real nature of freedom is responsible for most of the error in the book. No man who has work given to him is free. He is free when he can choose whether he will or will not assist in any project which may be placed before him (Douglas).

Mr. Spender's insistence on the value and importance of the workers fails to take into account the recent findings of technology, which make it plain that the worker as such is daily becoming of less importance to society. Only by insisting on his right as an individual to life, liberty and the pursuit of happiness is it possible for a man to claim freedom. To value himself merely as a worker is to deny the major and more important part of his personality.

With all their preoccupation with Russia there are few Communists who realise that there were two conditions prevailing in the Russia of fifteen years ago which helped Lenin considerably in his colossal task of establishing the Workers' State. After the Red and White Terrors he had to deal with an enormous population, more or less illiterate, who had never experienced and did not even imagine the possibility of a high standard of living. They asked only for work and bread. Secondly, this population lived in a land of scarcity. It is unlikely that such conditions will exist in England, unless after a disastrous war. Our problem is the distribution of wealth and leisure in a land of potential abundance, capable of supplying every citizen with as much as he desires. It is not the distribution of a fixed quantity of material wealth, concentrated at present in the hands of a few.

Mr. Spender advocates the education of the electorate in the aims of Communism, by means of small groups of six or more, until at last the leaders in whom the people have the greatest confidence will be powerful enough to seize the reins of government, and establish a proletarian dictatorship during the transitional period of advance towards the classless and property-less society. When this has been established democracy will be reinstated, purged of its capitalist leanings.

It is strange that it does not occur to him that a perfectly good instrument for enforcing the people's will lies ready to hand. There is no need to wait for the tedious process of education. The people are now in a position to dictate, did they but realise their sovereign power. But perhaps Mr. Spender does not trust the people. In the section entitled "Questions and Answers" he says that if everyone received a National Dividend of £300 a year the whole countryside would be built over with small houses, whereas it will be (under Communism) the pride of the whole people to live in towns that are planned as towns in a country of electric power and air transport.

Two and a half pages are devoted to Social Credit, which is not discussed as a technique but dismissed as "bourgeois," "something for nothing," and condemned because it would enable people to buy Tudor villas and to join golf clubs. The author further accuses Social Crediters of concentrating entirely on the problem of currency, forgetting that in the last analysis it is power to which the financial oligarchies cling. The answer to this is to be found in the Buxton and Liverpool speeches of Major Douglas.

Nevertheless, this book ought to be read for its sincerity, political awareness, and excellent criticism of the part played in modern life by the individualist, the constructive pacifist and the professional politician.

B. M. PALMER

## Metropolitan Muddle

"Metropolitan Man." By Robert Sinclair (George Allen and Unwin, 10s. 6d.).

IN the face of such a comprehensive and uncontroversial work as this, the reviewer can really do little more than put up a series of signposts, and send, as it were, some picture postcards to entice others to follow him. But they must cover the ground for themselves, and do the actual exploring.

The Financial Burden of London (including the "Dead Sea of unremunerative debt") Housing, Teaching, Big Business, Social Services, Road Accidents, Garbage Collection, Thames Floods, all find a place here. Underlying everything is the fundamental choice, which Mr. Sinclair is mentally honest enough to admit—money or muddle. And it is a muddle that sooner or later means chaos.

The statistics collected in this book were available to everyone. But they needed considerable excavating, and the labour involved is shown by the six hundred and forty-three references. Occasionally interpretation was necessary.

For instance, the suicide rate for inner London is officially given as one in 167 million, but this evasive statement of one suicide in 167 million of population is changed for us by Mr. Sinclair to the equally true, but much more honest proportion of one suicide to every seventy-three deaths. "90,000 future suicides are walking the streets of London today."

By comparing death figures in and out of slums it is possible to arrive at the total of deaths which can be attributed directly to slum life. In London this needless death rate is 2,700 every year. "English children, women, and men, are squeezed to death at the rate of 2,700 a year. Beside that, the Black Hole of Calcutta is just a funny story."

And what is to be done? Though Mr. Sinclair does not say, at least he points the way.

"If you find a family living in a cowshed and you exclaim, 'This is scandalous,' someone will always say, 'Well, they can't afford to live anywhere else.' But your reaction is not 'Oh, I see. Then it is no longer scandalous. It is ALL RIGHT.' Of course it is still scandalous. The practical limitation of law, the limitation of money will always explain anything. But it cannot excuse it."

Perhaps that last sentence should be written in letters of gold on the façade of the Bank of England.

R.H.B.

## Sales Talk

"The Marketing Survey of the United Kingdom" (Business Publications, £2).

FOR most people the common process of buying something culminates in an uncomfortable clash between very definite ideas of what they want and equally definite ones of what they can afford. The accelerator and the brake are both on at once. Pressure on the brake is maintained by the limit of one's income, and the salesman across the counter is grimly pushing the accelerator; he fixes you with his eye and pumps propaganda into you in the manner of a predatory wasp paralysing her prey before laying eggs on it. The display cards in the shop and the posters on the hoardings outside all tend to increase the pressure on the accelerator.

It is the first function of an advertisement to make you want fresh things, e.g., to arouse a longing for beer in one accustomed only to milk; the second function introduces discrimination, confining the longing to one particular brand of beer. Since the economic system limits the amount you can afford (with severe penalties if you overspend), an immense amount of care and labour is expended in fixing your desires to one product rather than another. As the production of goods becomes easier with the invention of more machinery, and relatively less purchasing power is distributed during the cycle of production, more effort has to be used to capture the market. This book is one manifestation of the acute nature of this problem. In it are collected data on the markets of the United Kingdom, both county markets and those of the 136 largest towns. This is the material to which is applied the skilled psychology of the salesman and the advertiser. The items on which information is given include population, the number of private houses arranged according to their rateable value and of families arranged according to their incomes, public service, standard of living factors, retail outlets, employment analyses, professional occupations and advertising services. One section contains directories of marketing services, technical specialists and supplies. A purchasing-power index, the formula for which is explained, gathers all the available information for each town into a single figure representing its relative value as a market. According to this index the best markets are found in Bournemouth (index 195), Oxford (186), and Luton (179), and the poorest in Merthyr Tydfil (45), Swansea, and Wallasey (both 57), and Motherwell (58). The average purchasing power of all the towns is 100. In some cases the index does not appear to give accurate results. Wigan comes unexpectedly high (151) and Blackburn (147) appears more prosperous than Bolton (106). The tendency at present is for all but the most basic trades (food, etc.) to concentrate on the more prosperous districts where there is the most purchasing power; but it is clear from the tables given that there is an enormous potential market in the poorer districts, a market, that is, in terms of fact. Because they have less, they need more to make up the deficiency; in fact, the inverse use of the purchasing power index would give a fair indication of the position of the real, physical markets, limited only by the extent of people's wants.

A second indication of the acute problem of buying and selling is the enormous proportion of money and employment expended in the distribution of goods. In 1935, 16.27 per cent, of insured workers were employed in the distributive trades, more than twice the percentage employed in any other category. This shows an increase of 55.3 per cent on the number employed in 1923, which is disproportionate, although increments are larger in a few other

industries. This concentration of labour in advertising and selling (which are not yet highly mechanised industries) has the effect of concealing the discrepancy between purchasing power and productive capacity; the proportion of the purchasing power distributed during the pre-selling cycle of each article, to the final price, is increased. The tendency is therefore to put fewer and fewer men into the making of an object, but more and more into the selling. This is a subtle method of creating work, as the desire for the goods is already present, and if we had the means to gratify it, such salesmanship would be beside the point. It says much for the integrity of human principles (however formulated) that so much salesmanship is needed to sell people what they want and what they know they want; and it says little for the insight of the producer that he does not demand the greater markets that would be freed if the barrier to buying—an entirely artificial conception of money—were to be removed, and purchasing power really correlated with physical facts.

ELIZABETH EDWARDS.

## Man Can Conquer Mammon

“Social Debt or Social Credit.” By George Hickling (Social Credit Press, 4d.).

IN this pamphlet a brief account is given of the National Dividend and the complex of ideas with which it is associated. The argument is logically presented. First the physical basis of a National Dividend is illustrated by some effective examples of the use of power in the production of plenty. Then the Dividend is derived theoretically from the accretion of inventions and discoveries of the past, to which, in the end, the individuals composing the community alone can have the title. This title to the goods of the earth is obscured during the operation of the money system which, instead of easing the distribution of real abundance, tends to suppress it, and to divert what it cannot suppress from the people in need of it. Submission to this system is ensured by the introduction of an appropriate moral code. The implications of National Dividends are then summarised, and it is pointed out that those at present holding the accumulated power actively oppose the will of the people in this matter. They realise that it means freedom. In our Parliament we have the rudimentary expression of a democracy, but by the use of party politics and insistent discussion of methods, the possibility that it might instrument the will of the electors is eliminated. To transform it to a real democracy the electors must insist that their Members of Parliament obtain for them the results for which they have asked, without confusing them with the technicalities of how to get it. The responsibility of the electors is to express what they want; the responsibility of their representatives is to obtain it for them. The first objective, of course, should be a National Dividend.

The simplicity with which the argument is developed, the vivid language and forceful illustration all make this pamphlet particularly suitable for those unacquainted with the idea of the National Dividend.

ELIZABETH EDWARDS

## The Hush Hush Department

“Bank of England Operations, 1890-1914.” By R. S. Sayers (P. S. King and Son, Ltd., 6s. net).

THIS book presents a detailed summary of the methods by which the Bank maintained the gold reserve and controlled the money market during the period. It gives an account of the difficulties met with in making bank rate effective and the devices by which it was enforced. The book is prefaced by a short summary of the economic history of the period.

While all this talk of “Gold Devices,” “Restricted Eligibility of Bills,” “Buying for the Account,” and the like is by no means without interest to those whose tastes lie in these regions of abstract manipulation, there is no escaping the suspicion that these diversions are the games of mental childhood. The whole subject is too reminiscent of a conference of witch-doctors debating the apportionment of fragments of the scapegoat without which their fields will not be fertile, and it will no doubt one day engage the attention of a new Frazer.

It is significant that the Bank did not allow the author to inspect its records, even on behalf of so innocent an enquiry as this. What is the reason for such secrecy, if there is nothing to hide?

R. L. NORTHRIDGE.

# A New Parlour Game

Synopsis of the Income Tax Codification Committee's Report. By Chas. H. Tolley, A.C.I.S., F.A.A.  
(Waterlow and Sons, Ltd., 2s. 6d.).

A SHORT foreword gives the now well-known terms of reference to the committee :

“To prepare a draft of a Bill or Bills to codify the law relating to Income Tax, with the special aim of making the law as intelligible to the taxpayer as the nature of the legislation admits, and with power for that purpose to suggest any alterations which, while leaving substantially unaffected the liability of the taxpayer, the general system of administration and the powers and duties of the various authorities concerned therein, would promote uniformity and simplicity.”

The personnel of the committee is set out and the principles upon which it acted for years are stated. The Synopsis is in alphabetical form with references to pages of the report and clauses of the draft Bill, with cross-references. It makes a good index, such as the Government publications lack. The Report of the Codification Committee does not, strictly speaking, come under this review; but it is useful to recall, in connection with Mr. Tolley's Synopsis, that it is a volume of 541 pages and that it examines income tax law exhaustively. The draft Bill is based on the report.

The taxpayer is vitally concerned in these things, though his desire to be relieved of grinding income tax was frustrated from the beginning by the terms of reference to the committee. As to the law being made “intelligible to the taxpayer,” the report demolishes that hope very shortly; “. . . simplification of the law, in the sense in which the ordinary taxpayer understands that term, was not practicable . . . ”

The “ordinary taxpayer,” therefore, can hardly take much interest in the Bill, but, as second best, he might use the report and draft Bill, together with this excellent Synopsis, as a basis for an attractive parlour game with which to while away a wet evening, something on the lines of that brain-twisting pastime “Bradshaw.”

To the student of taxation the Synopsis shows clearly the suggested reclassification of income under letters “A” to “O,” instead of the present more condensed and all too familiar form of return of tax; an alteration which, whilst making things easier for taxing officials, appears likely to make more work for the taxpayer when filling in his return.

Points of interest revealed in the Synopsis can be assimilated from the report without reading through the whole of it. For example, under “A,” Administration, sub-title “Commissioners,” one learns from clause 354 of the report that

“The rights of the Governor and directors of the Bank of England to act as Commissioners in respect, not only of the interest on Government securities paid through them, but also of the trading profits of the Bank and the salaries of its officers, conferred by section 68 of the Income Tax Act, 1918, is preserved unaltered in subsection (L) of this clause.”

And that—under clause 163 of the draft Bill—married women are no longer grouped (as in I.T.A. 1918, sec. 237) with “infants, lunatics, idiots and insane persons,” as “incapacitated persons.” And so on.

It is a good synopsis.

A. WELFORD

## Each in his Narrow Cell

“Flats. Design and Equipment.” By H. Ingham Ashworth, B.A., A.R.I.B.A. (Pitmans, 25s.).

THIS is a technical work and will be of great use to architects, and interest to the building owner, the speculator, and those of the general public who are intrigued by the geography of buildings.

The author is not biased in favour of flats; he balances their advantages—such as “concentration of units made possible,” reduction of travelling costs, of maintenance charges, and domestic responsibilities, the prevention of ribbon development, and facilitation of slum clearance—against their disadvantages: family difficulties, rooms too small, objections of Englishmen to living in a crowd, lack of personal ownership, and high rents. “There are many thousands of people whose earning capacity is not, and never will be, more than £250 per annum. How, then, can this

section of the community afford to pay a rent of £130 per annum? It cannot be done. The result has been that the speculative builder who can put up a five-room house to sell through a building society at 25s. a week has won the day so far." In London an all-in rent of £80-90 per annum is paid for a one-room flat or "flatlet."

The book deals with flats for the rich and the not so rich, and with the municipal—or subsidised—tenement; with the conversion of old property into flats in both town and country, and very slightly with municipal housing by means of "cottages." Copious plans and photographic illustrations are given of examples at home and abroad. The "concentration of units" called a block of flats is the chief concern of the book, and the letterpress deals with this from the economic and financial issues and the acquisition of a site, through planning for the various types and sizes of flats, water and electricity supplies, heating and drainage, wireless service and the elimination of noises, down to refuse disposal. In fact, it discusses all the amenities that are possible within the circumstance of the "financial issues."

These last will be interesting to Social Crediters. Many useful tables of figures are given, showing costs of building and maintenance, etc., as against rents. It is stated that from 33 per cent, in the case of Class II flats to 45 per cent in the case of Class I flats must be allowed out of the income received from rents for outgoings, including the familiar sinking fund which "generally takes the form of a Capital Redemption Policy."

As the author says, "the flat is essentially a part of city life"; it probably has been so throughout history and in all countries in great cities, but one agrees that it is "forced upon us by actual necessity rather than undertaken from personal choice."

The book conveys a strong impression of the clever way in which architects and engineers have dealt with the problems met, and of their efficiency in the face of financial odds; and an apprehension of the swarming millions of humans in great cities who must have at least shelter and warmth. As if a stranger to this planet were to ask, "What's this place?" "London." "Anyone live here." "Yes, millions—in layers."

A. WELFORD

## The Morality Cart and the Freedom Horse

"Work and Property." By Eric Gill (Dent, 7s. 6d.).

THIS is a curiously self-contradictory work. The author talks quite a lot of Social Credit, and of personal responsibility and private property rights, and then denies the logical conclusion of that philosophy. It is the idea of leisure that appears to him to be all wrong, though it is not clearly defined.

"Either private ownership, for the sake of the work to be done, must be re-established, or, deliberately surrendering men's immanent and proprietary right to imprint on matter the mark of rational being (turning away, in consequence, from the Christian society in which there shall be private ownership for the sake of the public use), we must accept communistic industrialism and look forward to the Leisure State."

"And because work is sacred and leisure secular, it was said that the free man 'does what he likes to do in his working time and in his spare time that which is required of him.' This is exactly the opposite of what we say in modern England, and what we say in modern England, in our whole money-lending, mass-producing world, is exactly what we must necessarily say unless we return to widespread private ownership of the means of production."

Mr. Gill might consider whether economic freedom is not the best way in which this reversal of the popular idea could be achieved, a reversal which is a permissible conclusion of Social Credit method. And whether personal responsibility—which implies corresponding rights—would not be more quickly re-established by the acknowledgment of the private property right of each individual to his just share in the monetised (to retain freedom) increment of association in work. Mr. Gill describes man as a rational creature, but sometimes his strongest argument seems to show that he himself writes from the heart. All to the good in some ways, but not for opposing the mathematics of Money.

There is much in these lectures against working for profit, though the author does not necessarily blame the individual who is the victim of a bad system, but there is something which he has not taken into account. It may, or

may not, be true that, in the mediaeval period which Mr. Gill quotes with admiration, a man might make a fair living by his hands in money and kind, but in the present day he usually cannot because, being associated far more closely with others in work, the monopolistic control of credit, out of which money profits come, has robbed him of access to that part of the increment of his association with those others which he earns but does not get; and the State forbids the payment of wages in kind.

Probably there are not many still unanaesthetised men who really admire the industrialism which Mr. Gill hates but, here it is. Let us take in hand the job that is nearest and not stand to one side and crab the efforts of others to put it right whilst sighing for a return of a medievalism which is gone.

Religious feeling is strong throughout the book, and the reader may be forgiven for concluding that work for work's sake is advocated. It is, altogether, just the sort of writing that the "art loving" financier would approve. It damns him, it is true, but what would he care for that? To him it would extol work and condemn leisure, and the efforts of "reformers" "to make the poor richer instead of more holy." To him that would be good enough Mr. Gill's remedy? "It is production for use, rather than for sale, for service rather than for worldly success and fame." Sentiments honouring to him, but not to be achieved without first killing the usurping dragon of credit finance which has him and all of us in its coils; he must first attain economic freedom—or leisure perhaps? And by what medium is his desired end to be achieved? Through the art schools! The confidence trick monopoly, though already bankrupt, nevertheless will harness them more firmly to its own chariot as soon as it has reason to fear them.

"Men are rational creatures, therefore they have free will, therefore responsibilities." What is Mr. Gill going to do about it?

A. WELFORD

## City Against King

"Commonwealth and Restoration." By Professor A. S. Turberville (Nelson, 7s. 6d.).

THE book amply fulfils the objects laid down in the prefatory note. It certainly does "stimulate interest in the era," and admirably serves "as a guide to the sources of fuller information," so well is it documented and indexed. The two-score years involved were "crowded with vivid and dramatic incident," and "made illustrious" by the great men in every walk of life—Cromwell, Blake, Milton, Clarendon, Browne, Bunyan, Wren, Purcell and Newton, to name only a few of those who made history in politics, literature, science and art in the second half of the 17th Century.

The amount of information crowded into some of the chapters is amazing, yet by skilful use of the wise, witty, laudatory or disparaging sayings of contemporaries or posterity concerning the actors on the great stage, memory is aided in the retention of their deeds, bad and good alike.

We have space for but a few of them. Of Cromwell's Council of State it was said, "They are prodigal in their devotion to public affairs . . . each man [toiling] as if for his own private interest." Buckingham was "versatile, but hopeless volatile." "Godolphin," said the King, was "never in the way, and never out of the way." In Parliament, sturdy John Coke gives utterance to his patriotism in the memorable saying, "I hope we shall not be frightened from our duty by a few high words." A pamphlet by Lord Halifax on the Indulgence warns the dissenters, "You are being hugged now in order that you may be squeezed later." It is "a dangerous thing to play fast and loose with law." King James dubs the Seven Bishops "trumpeters of sedition."

Again, interspersed, here and there we have little vivid thumbnail sketches of scenes and personages, such as that of King Charles sitting in the House of Commons "quite informally by the fireplace" listening "to abuse of himself with the utmost good humour."

To intelligent students the account of the "Stop of the Exchequer" in 1672 is of no little interest. The appropriation by the King of a sum little short of a million and a half pounds, as Pepys said, "ruined the reputation of his Exchequer forever." And when the time came in 1688-89, Big Money (for in those days the sum mentioned was very big money) had its revenge, and the City turned against the elder Stuarts once and for all. The complete list of these defrauded goldsmith bankers is to be found in a pamphlet in the London Guildhall Library. A refund of 50 per cent of the capital was made at long last in 1705. And Big Money has ever since watched over its own interests, both at home and abroad.

J.Y.W.

# Abdication

“His Was the Kingdom.” By Frank Owen and R. J. Thompson (Arthur Barker, 2s. 6d.).

ON a regal dustcover the writers, who are pressmen, ironically quote the Archbishop: “Who can doubt that in all the events of these memorable days God has been speaking?” At the moment most of us can doubt it easily, but after all we may not be justified by the event.

These King’s enemies launched a torpedo which may yet turn out to be a boomerang. Men will always prefer drums to freedom, until they catch a glimpse of the mean-souled drummers—and that has happened now to most of us. We have seen nobility hated for its nobleness, gentility befouled because it was gentle. Through eleven days of sorrow among the common people these men used every scrap of offal and filth upon which they could lay their coarse hands, to bespatter what in the end they could not bespatter—the honour and repute of an English gentleman.

Mr. Owen and Mr. Thompson have given us a frank and revealing record, more or less in the form of a diary, of what actually happened. Their work will help to make men aware of certain devilish instruments prepared against our freedom. It may even result in the recall to religion of certain prelates. Intelligent readers will ponder long over this beautiful blossom, culled from the Morning Post on the accession of George VI. :

“There was a fervent demonstration of loyalty at the Stock Exchange . . . when three verses of the National Anthem were sung.

“Mr. Alan Kirby conducted from the balcony in the gilt-edged market...”

M.H.

## Money Against the Man of Destiny

“Napoleon: The Portrait of a King.” By R. McNair Wilson (Eyre and Spottiswoode, 12s. 6d.).

ACCORDING to a popular textbook on handwriting, Napoleon’s hand “has puzzled experts for over a century.” This Mystery Man of Europe! There is a fact in religious experience, however, which Major Douglas has shown to be equally applicable to mundane transactions, that the greater the mystery, the greater in reality the simplicity.

Mr. McNair Wilson quotes us the deep, dark problem of Napoleon: Was he a power-maniac, driven by lust for conquest to undertake new and ever more difficult wars upon wars? Or was he the champion of the Revolution against a swarm of wicked kings and aristocrats? All the facts of his upbringing and family life seem to point to a character very different from either. His habits were cautious, sensible and businesslike. At great cost of time and labour he made himself master of economic and financial theory, as a good merchant would if he found himself managing-director of a large company. As for the Republic, Napoleon soon disposed of most of its outward forms, and after his coronation by the Pope set up a court rivalled only by that of Le Roi Soleil.

So why in the name of reason did this man wage the bloodiest of aggressive campaigns throughout his life?

Mr. McNair Wilson’s cogent argument, well documented by the records of Canlincourt and others, is that Napoleon declared war on the London Debt System—that all his reign was a struggle to free France from the international financiers operating from Lombard Street. His proofs carry conviction, and this is one of the most valuable contributions to realistic history that has yet appeared. Perhaps the clinching proof is contained in Napoleon’s own words that his wars had left France without one penny of internal debt. When we remember how the English National Debt “won the war” for our lords the London bankers, this becomes indeed a significant remark.

The book is written in a style which would make it pleasant to read even if the contents were not so stimulating.

M.H.

## The Abomination of Desolation

“A Form of Prayer and Dedication for use on Sunday Evening, May 9, 1937, commended for general use by the Archbishops of Canterbury and York.” (Printed by Eyre and Spottiswoode for the Church of England.)

MANY Churchmen saw with grief and shame certain passages of these prayers for the Sunday before Coronation. The italics are mine.

“Let us pray for all who are in need, and *especially* for those who suffer *through lack of work*.

“O God, remember in thy mercy the poor and needy, the widow and the fatherless, the strangers and the friendless, the afflicted and the sick; guide and inspire all those who are responsible for the government of this land and empire, *that they may find means to provide work for the workless...*”

It is time our Lord Archbishops stood reproved. A god who supposes that hungry folk, who have long earned their freedom and the bounty of the fruits they have produced, require wage-slavery in making armaments or competing with foreigners in the interests of foreign investment before they can eat, is either a scoundrel or an imbecile. And therefore he is not God. Yet we are justified in feeling a deadly terror that this prayer will be answered, since the one who *will* receive it uses every possible occasion for his own profit.

Slavery always has been and always will be utterly incompatible with Christianity, whether it is disguised as employment, physical training, or debt. In the armory of the Devil it is the one weapon, the destruction of which will render all his other weapons ineffective. M. H.

## Typography and Philosophy

“An Essay on Typography.” By Eric Gill (Sheed and Unwin, 10s. 6d.).

A MAN whose work results in his name being adopted during his lifetime as an ordinary word in the language is almost certainly an individualist, and probably in the true sense a philosopher. Eric Gill has achieved this distinction, and even those readers of this volume who knew nothing of him except as the designer of “gill sans” type, can no longer be ignorant of his individualism and philosophy. This essay was first published in 1931 (at 25s., in an edition of 500 copies), and it is necessary to a just appreciation of the volume to bear this date constantly in mind. The author reminds us, for example, that “the determination to have all necessary things made by machinery, and to organise industry in such a way as to have only a few hours’ work per day is now much more clearly defined than it was even six years ago.” Even when his book was first drafted, however, Eric Gill had no confusion in his own mind regarding the great gulf between the power of industrialism and the humanity of craftsmanship. He premises that the handicrafts cannot be killed because they meet an inherent, indestructible, permanent need in human nature, but declines to forecast the future of industrialism—“the industrial world may be wrecked by its bad finance and the wars which bad finance foments.”

Regarding the future, the author makes but one definite assertion, namely, that imitation “period work” is doomed. Handicraft standards are as absurd for mechanised industry as machine standards are absurd for the craftsman; the two worlds are distinct, and the application of these principles to the making of letters and books is the special purpose of this volume. Although the Roman alphabet has remained basically unchanged for centuries, tools and materials have had a very great influence on letterforms. Gill shows clearly and concisely the evolution of modern letters as the result of such influences and also what constitutes the essential form of a letter. This line of thought leads naturally to the conclusion that, as modern machine typesetting and printing are practically unencumbered by considerations of tools, the ideal is to adhere fairly closely in lettering to essential form and to arrange and print the letters with the object of securing mechanical perfection and readability.

A new chapter included in the present edition is entitled “But Why Lettering?” This advocates the abolition of spelling and its difficulties through the abolition of lettering as we know it and the general adoption of shorthand—“let us call it phonography or even simply writing.” When the designer of five different sorts of sans-serif letters says that the only way to reform modern lettering is to abolish it, the idea cannot be dismissed lightly; but even in these days of broadcasting the present reviewer (being a Southerner) finds conventional spelling the only sure means of communication with a Sunderland friend, and recoils with horror from the thought of that friend’s vocal sounds being expressed phonographically.

C.E.L.

# SELECTED BOOKS

For the Student

*By Major C. H. Douglas*

The Alberta Experiment  
Economic Democracy (4<sup>th</sup> Edition, 1934)  
Credit-Power and Democracy (4<sup>th</sup> Edition, 1934)  
Social Credit (3rd Edition, 1933)  
The Control and Distribution of Production (2nd Edition, 1934)  
Warning Democracy (2<sup>nd</sup> Edition, 1934)  
The Monopoly of Credit (2<sup>nd</sup> Edition 1937)  
These Present Discontents: The Labour Party and Social Credit  
The Nature of Democracy ("The Buxton Speech")  
The Tragedy of Human Effort ("The Liverpool Speech")  
The Use of Money ("The Christchurch Speech")  
Money and the Price System ("The Oslo Speech")  
The Approach to Reality ("The Westminster Speech")  
Social Credit Principles

*By Other Writers*

The Meaning of Social Credit, by Maurice Colbourne  
Money in Industry, by M. Gordon Cumming  
The A.B.C. of Social Credit, by E. Sage Holter  
The Economic Crisis (Southampton Chamber of Commerce Report)  
The Nature of Social Credit, by L. D. Byrne  
Social Credit, by A. Hamilton McIntyre, C.A

*For the Citizen*

When the Devil Drives. A Play by Margaret Carter  
You and Parliament, by Dr. Tudor Jones  
What's Wrong with the World? by G. W. L. Day  
This Leads to War, by G. W. L. Day  
Poverty Amidst Plenty, by the Earl of Tankerville  
The Fear of Leisure, by A. R. Orage  
Open Letter to a Professional Man, by Bonamy Dobree  
Social Debt or Social Credit, by George Hickling  
Why Poverty in the Midst of Plenty? by the Dean of Canterbury  
Women and Poverty, by Jean Campbell Willett  
Thy Will Be Done, by Lt.-Col. J. Creagh Scott  
Debt and Taxation, by L. D. Byrne  
Armageddon, by Lt.-Col. J. Creagh Scott  
How to Get What You Want, by G. F. Powell and G. W. L. Day  
Waste; The Chosen Fast of God; Feeding Ravens;  
A Family Needs Money; Foreign Trade; Wasted Lives.

*Homeric Laughter*

(Dickens would have abolished imprisonment for debt by the power of humour. Attempts are still being made.)  
Life and Money, by Eimar O'Duffy  
Economics for Everybody, by Elies Dee

Obtainable from The Social Credit Secretariat Ltd., 163A, Strand, London, W.C.2. (Postage extra.)

BOUND COPIES of the first volume of the FIG TREE from June 1936, to March of this year are now available at 15s. each. Binding cases may be obtained separately for 3s. 6d. (post free).

Readers are reminded that there is a heavy demand for the FIG TREE. The March issue was sold completely out, to the disappointment of many who ordered late. The one sure way of obtaining a copy is to become an annual subscriber (see foot of contents page).

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The official organ of the Social Credit  
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Published at 163A Strand, London, W.C.2

Every Friday

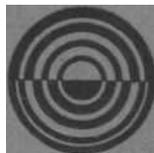
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One year 10s.; six months 5s.;  
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Printed by The Blackfriars Press, Ltd.  
1 a Middle Temple Lane, E.C.4;  
and at Leicester.