THE FIG TREE

Quarterly
Contributions by

George Hickling
D. E. Faulkner Jones
H. E. Halliday
Stewart Mechie
Arthur Brenton
Frewen Moor
V. A. Demant
Jean Campbell Willett
Hilderic Cousens

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Right and Left
How the Caravan Got Its Start
Law and Gospel in a Fresh Context
Peace and Posterity
The English Poor
Christianity and Social Deadlock
Chinese Economic Wisdom
Economics of Rearmament

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But they shall sit every man under his vine and under his Fig tree; and none shall make them afraid, Micah iv., 4.
WAR preparation is now a fever that has all the nations in its grip. All the politicians who presume to speak for the peoples of the nations to which they belong are careful to say that they hate war, and that their war measures are for defence only.

Readers of THE FIG TREE will recognise that this is an argument very similar to the one put up to justify the marketing boards. It was claimed that they must have legal powers and sanctions to defend the producer from bankruptcy. Very few people realised that the plausible plea of defence entailed a widespread aggression against the consumer by the raising of prices and the restriction of supplies.

The whole business also served to obscure the real cause of the trouble—a money system incapable of financing the consumption of what is and what could be produced to the satisfaction of both producer and consumer.

The apparently casual presumption that the interests of the producer must necessarily be opposed to those of the consumer is a false premise; but once it is accepted, the “defence” programmes of fixed high prices in the consuming market, and restriction schemes in the production field, both backed with “powers,” begin to appear reasonable—just as our national defence rearmament programmes, in the face of Germany’s air force, appear on the surface to be reasonable. The false presumption is the same in both cases; so are the victims; so is the cause of conflict from which attention has been diverted.

The marketing boards (typical of all commerce today) obtained powers which in their ultimate effect will be used against both producer and consumer. Power to raise and fix prices and to restrict production was claimed and obtained for the boards chiefly by capturing the support of the farmers through pointing out that if they produced a bumper crop, prices in the market fell to a ruinous level.

It was not pointed out that the money in consumers’ purses does not increase in proportion to the bounty of nature and the producers’ power to tap it. The omission to state this fact served to distort the picture; it insinuated the consumer as a hostile party whose interests are opposed to those of the producer, thus diverting the producer’s attention from the real cause of the trouble—a lack of money.

A true picture would show the consumer-buyer in the market, at any time, glut or no glut, willing to give the producer a square deal, a fair price—if he could. If he could not, then both parties should be made aware of the fact, and of the reason for it—namely, an out-of-date money system—so that the cause of conflict might be replaced by a better system, satisfactory to everyone concerned.

Instead of this, vital facts relevant to the conditions are consistently suppressed, and demands for “powers” are made, granted, and ultimately used. Every act of the marketing boards has been an act of aggression against those who buy in the markets as ultimate consumers; but every act is labelled “defence” of the producer.

There is an alternative that would have rendered the necessity for dictatorial marketing boards, armed with powers, unnecessary. It is to give consumers an augmentation of purchasing power, in the form of money that has not gone into costs, such augmentation to vary as supplies of commodities vary, but always at a rate equal to the flow of financial costs. If this were done, then there would not only be room in the market for every producer, but also scope for sales satisfactory to producers and consumers alike.

This remedy, by curing belligerency at home, would cure it between nations—the belligerency which is but the automatic effect of a faulty financial system in operation everywhere. All the time the preparations for our “defence” go on, our politicians are assuring Germany that there is room in the markets of the world for both countries. They stop short at that; they do not say there is effective purchasing power in the markets to satisfy both countries, because that would be obviously untrue; such a statement would betray to the people of both countries that the real bar to peace is the financial system. Goodwill is not enough to buy or sell in the market, or to pay debts to bankers.

If it is asked why there should be all this suppression of truth, or why the financial system has not been adapted to
fit progress in production and the needs of peace, the answer is that such changes are opposed powerfully by those who own and direct the financial system itself. The first line of opposition is the dire threat that any change in the direction required would bring disaster: “There must be no monkeying with ‘sound finance,’” say the “medicine men” of the cult.

Another line of opposition is misrepresentation and suppression not only of the facts about money, but of news also permeating through all the channels of publicity, and operated by the power resident in the ability to create money out of nothing, and to use it—not for its proper purpose but—as a power of exercising government. So vast a racket requires, for the retention of its power of exploitation, a misinformed, ignorant and divided public.

We are arming now, and unless markets are made fully accessible to all consumers by effective augmented purchasing power, war will come; and it will be to decide who shall be left with the greater shortage of purchasing power in the world’s markets. No one would fight a murderous war for such a result if it were recognised; but the only alternative is to destroy the cause by ending the shortage of purchasing power, although to do so involves a war to overcome the will of a few financiers—a war that need not cost a single life.

Immediate action is possible in this service of real peace, prosperity and individual security. Any action taken towards increasing the power of individuals, and which does not require sacrifices of others, is effective action for peace and prosperity: lower rates and better services, lower prices and better wages, bigger and earlier pensions (non-contributory) are examples.

Merely knowing of a key to turn the deadlock in economics, in home affairs, and in the form of the international war threat, is not enough. The key must be put in the lock and turned.

Propaganda of this information is only a form of distributing keys. The will to apply and turn the key must necessarily reside with the individual who, as an elector in a democracy, has the power to do so. Brought down to terms of practical operation, this means that, to make democracy effective, electors will not only have to realise the art of controlling their political representatives, but also to practise it successfully. It is here that individuals have power. They must operate where they can make their sanctions effective, that is, in the constituency where they live. They must control their Member of Parliament, and control him effectively to represent the greatest common measure of their will. That is where individuals must begin—not by attempting to control Parliament, but by controlling their representatives in Parliament.

Miles Hyatt

WE record with sorrow the death in London on February 19 of Miles Hyatt, Associate Editor of THE FIG TREE from its foundation until last autumn.

Miles Hyatt was born on July 24, 1903, and educated at Birmingham and at University College, London, but illness robbed him of the prizes his brilliance would have placed within his reach. He worked at Geneva in 1933 under Dr. James Parkes on an inquiry into the relationship between the Christians and Jews, and subsequently in London built up a teaching practice among university students in classics and Roman law.

It was about ten years ago that Hyatt became an adherent of Social Credit principles, and, convinced that in their adoption by the people lay the salvation of the individual and the peace of the world, he gave himself to their advocacy. Frail of physique, he was nevertheless impelled by his generous nature to undertake with vigour any task that came to his hand. Readers of his masterly surveys of international affairs in this quarterly know his ability to express himself in a style that made his subjects a pleasure to read. He had, too, the rare gift of kindly satire, and, as “Frotti,” effected much useful disillusionment, mainly in the pages of our weekly contemporary, Social Credit.

With both hands, and strengthened since 1936 by the happiness of his marriage, Miles Hyatt placed his gifts at the service of a world-wide movement to readjust the relationship between the individual and the group, so that the latter shall be made to perform its proper function of serving the former. His work has brought fulfilment nearer.
Right and Left

By D. E. Faulkner Jones

IT has for some time been admitted by all shades of Right and Left opinion that the methods of financial and economic control used by Hitler are similar to those used in Russia. Paul Einzig, in The Spectator of December 3, 1938, observes: “It is very little exaggeration to say that, while Germany has retained the outward forms of capitalism, for all practical purposes her economic system is that of Bolshevism.” G. D. H. Cole, in The Political Quarterly of January 1939, comes to a modified form of the same conclusion. Yet Left leaders and writers, while admitting similarity of method, take their stand firmly on dissimilarity of aim and motive. R. H. S. Crossman, writing in The New Statesman and Nation of November 26, 1938, sums up emphatically: “Whatever the resemblance, there is an eternal gulf fixed between a totalitarian economy inspired by the ideal of social equality and one whose only motive is imperial power . . . Were it not for the character and philosophy of its rulers it might well . . . use its planned economy to raise the standard of luxury within its Empire.”

The familiar phrase “planned economy” is illuminating. Its use, and the comparison with Russia, suggest that the Left sees nothing fundamentally wrong with Hitler’s methods—the wrong lies in the spirit in which he uses them. Such a view is incredibly naive. No method of government should be considered good if it can be seized and used by evil men for evil ends. Left supporters should reflect that if the Socialist system forms an admirable instrument for a dictator, then wherever the Socialist system exists it is always possible for a potential dictator to seize hold of it.

The distinction between Right and Left does not disappear, however, because both aim at controlling the people through a strong centralisation of authority in the State, and because both use financial credit as their main instrument of power; it rests on real differences, in personnel and ideology. Controlling groups of the Right may best be understood if we think of them as being, whatever the origin of individual supporters, decadent aristocracies, passionately desirous of retaining the external social forms created by genuine aristocracies of the past; their members manifest some of the lesser, inessential qualities of a true aristocrat. Parties of the Left, on the contrary, are obsessed by a jealous desire to destroy all specifically aristocratic forms in the body social. The chief positive characteristic of their members is a capacity for “brain-reasoning”—reasoning separated off from imagination and wisdom—a capacity strongly developed by modern educational methods, and not found to any great extent among what remains of the original aristocracies of Europe. Brain-reasoners delight in planning a new social order; their psychic immaturity and lack of life experience make them confident that human reason can settle all the problems of life and death, can dispense with religious sanctions, sweep aside ancient traditions of government, and build up on logic alone a “planned” heaven on earth.

Marx, founder of modern Left ideology, was a Jew; and, taking Europe as a whole, it is true to say that the Jewish race has played a dominating part in creating twentieth-century Left opinion. The Jews may be described as a one-class race, since they all claim direct descent from one common historical ancestor. They excel in the abstract brain-reasoning which today passes for thought; and they know that if rank, merit and positions in every State were to be determined by open competitive examinations of the type which now dominate the Western educational system, Jews would have a good chance of rising to the top of every ladder.

Both Right and Left groups have positive qualities to their credit. The Right pays at least lip-service to the conception that the individual transcends the group; can distinguish wisdom from mere logic; and is not so simple as to mistake a planner sitting in an office chair for a man of action. Men of the Left are often stirred by genuine sympathy with the oppressed, and are quick to recognise the trickeries and superstitions imposed on the people by their “betters.” Yet it is broadly true to say that in our day the Right stands for decadence and gross personal egoism, the Left for a crude immaturity of mind and soul which is too often enhanced by destructive, dog-in-the-manger jealousy.

*   *   *

The Russian Revolution has had a decisive influence on the fortunes of both Right and Left. For the first time in history an aristocratic social order was destroyed root and branch; and a new order, created by a Left intelligentsia strongly Jewish in personnel, and inspired directly by the ideology of a Jew, was imposed on a vast European population. By their action in repudiating Russian external debts, the Bolshevik leaders declared open war on all the Right oligarchies of Europe. Their subsequent handling of finance showed that they had no intention of revealing to
In pre-war Europe the credit-controls apparently considered that a certain amount of play between Right and Left policies was useful for distracting public attention from finance, and keeping it rivetted on the political sphere. But they changed their tactics when once the Russian Revolution had shown what possibilities were within the grasp of a determined Left intelligentsia. There began on the Continent a struggle, between leaders of the Right and of the Left, for power over the masses of the people. The Right conceived and carried out the idea of influencing the masses indirectly by financing some dictator, whom they intended to be a puppet in their hands, and by giving him special opportunities for getting himself chosen as a “free” leader of the people.

Those who believe that historical evolution is governed by chance may well wonder at the coincidence by which the credit-controls of Germany selected Hitler as their tool, probably regarding him as little more than a fanatical orator who could be tossed aside when he had achieved what they desired. Hitler soon made it clear that he is an egomaniac of prodigious force, standing for nobody but himself. Mediocre personalities can gain strength for evil ends through co-operation, but the strength of such a group is weak compared with the strength of a single giant egoist. Hitler’s power is of that rare type which can be released and developed only by action on a grand scale. The German aristocracy, by placing him in the one position which would permit the extraordinary phenomenon of his historical evolution, let a genie out of his bottle—and they cannot get him back again.

The rise of Stalin is as enigmatic as that of Hitler. There was little in his youth to suggest that he would become a man capable of dominating 160,000,000 people, and of wiping out completely the powerful Marxist group which had carried through the greatest revolution known to history. Stalin’s personality is so shrouded, so remote, so unexpressed, that the Western world is apt not to notice him. Yet he forced his way to power without the extraneous help which Hitler received; he did not copy another man’s methods; he never reveals his aims; his blows are swift, deadly and wide-sweeping. His very silence is significant, for it leaves one wondering by what spell he maintains his hold over the Russian people. Like Hitler he is an egoist who stands for himself alone, and overbears by the sheer force of his will all group opposition.

The ideological strife on the Continent between Right and Left has acted as an immediate cause in creating the present world-situation; but this strife has no meaning for Europe in the year 1939. What matters is that the Right has given birth to Hitler and the Left has given birth to Stalin. Through these prodigious births Right and Left alike have settled their own destiny. In Hitler there lives, drawn grotesquely yet terribly into the orbit of a single personality, that madness of swollen self-glorification which beats feebly and ineffectively in the veins of every decadent aristocrat. Hitler and his German followers do not “represent” the twentieth-century Right because they are the thing-in-itself—they have drawn the poison into their own souls. They stand like a gigantic world-abscss, ripe for lancing.

Stalin is the apotheosis of passionless brain-reasoning. He has reasoned himself into power—reasoned his enemies to their death—killed them off judicially by thousands, with very little fuss. He disdains Hitler’s panache. Cold reason shows him clearly enough his path to world-power and that path he will make his people tread, as the world will know ere long. Brain-reasoning has hypnotised the Russian people into regarding themselves as the sole hearers of scientific sociology, the supreme planners of the universe. But the ultimate end of brain-reasoning is the advantage and advancement of the reasoner. Stalin’s destiny is to demonstrate this simple fact, quite conclusively, on the vast scale of world history, to all the reason-dazzled proletarians of the earth.

Social Credit writers have frequently pointed out that in England the Money Power has steadily attacked the landed gentry; not only by destroying land values, but by causing economic distress among the workers, and so stimulating prematurely and unhealthily their political and social consciousness. The present writer, in a previous contribution to this review, pointed out that such a policy is in itself direct proof that representatives of the traditional English governing classes have never been the dominating brains behind credit-control. No class willingly and consciously destroys its own power and prosperity. We grasp the real significance of British money policy only when we recognise to what a great and growing extent that policy has made it possible for men not of English stock to tap the enormous real credit of the English land and people, and to win a degree of personal power far beyond anything their own country or race could ever have given them.

There is no need to deplore unduly the passing of what might be termed the Third English Aristocracy. Like its
predecessors, the Saxon and the Norman, the “Elizabethan” aristocracy had finished its work, and interwoven that work into the very essence of the nation, before its virtual extinction during the course of the nineteenth century. The creative strength of this aristocracy lay in the field of aesthetic culture. The basic English economy, for both town and country, had been laid down by the Saxons, shaped and integrated by the Normans, and modified to suit the succeeding centuries by Elizabeth herself. The nineteenth-century English aristocracy inherited a social order it had not the wit to comprehend nor the sense to defend. Its downfall, though achieved by forces external to itself, could never have been brought about except for its own inherent weakness in the spheres of science and economics. It was ruined because it could not adapt itself, and the social order which was its hereditary charge, to scientific industrialism. Its decadence was—and still is—one of inanity and lethargy rather than of positive ethical or moral corruption. With rare and outstanding exceptions, those remnants of the English nobility and gentry which have survived into our age consistently support orthodox finance, appearing not to mind who governs England provided their dividends are paid regularly, and Bolshevism—their great bogey—is kept at bay. As a source of power and of directing intelligence, the specifically English part of the ruling oligarchy counts for very little. In material wealth, in vigour of mind and body, in willpower, in capacity for hard work and in brain-reasoning, the English gentleman of the old school has been long outclassed by his own countrymen of lower rank, and still more by Scots, North Irishmen, Americans and Jews. His role is to support these more powerful protagonists of finance and to act where necessary as a political figurehead or a social decoy. The English aristocracy has been a very effective cover for the credit-controllers; its titles, traditions and trappings serve today as sheep’s clothing for many a financial wolf. But all who genuinely desire the overthrow of finance in this country must have the courage to look facts in the face, and recognise that the secret power now dominating England and the entire British Empire does not derive its effective strength from English sources or from English national traditions.

Let those who consider this hypothesis fantastic consider the following list of representative names: the Primate of the Anglican Church, Dr. Lang; the Attorney General, Sir Donald Somervell; Sir John Reith and Mr. Ogilvie, who have ruled the B.B.C. from its foundation; the Geddes brothers and Lord Weir; Lord Lothian, Lord Londonderry, Sir Frederick Leith Ross, Sir Otto Niemeyer; the late Lord Inchcape and members of the firm of John Brown, Ltd., who together have played such a vital part in centralising shipping and shipbuilding; Sir Andrew Duncan, chairman of the British Iron and Steel Federation; Sir John Gilmour, Mr. Walter Elliot, Mr. W. S. Morrison, the trio deputed to finish off English agriculture; Mr. Malcolm MacDonald, Mr. Kenneth Lindsay, (Captain Euan Wallace, picked out and advanced by very rapid stages; Lord Perth, Sir Nevile Henderson and Sir Robert Graigie, entrusted with the most difficult diplomatic posts in Europe and the East; Sir Neil Malcolm, League High Commissioner for refugees coming from Germany; Sir John Anderson, made into a virtual dictator over A.R.P. measures and given power to select twelve commissioners who are to become local dictators immediately war becomes imminent; the American Astor family, who dominate The Times and The Observer; Lord Beaverbrook and Lady Rhondda; Lord Camrose and Lord Kemsley, the Welsh brothers, who control between them the Daily Telegraph and Morning Post, the Sunday Times, the Daily Sketch, the Financial Times—as chief of the Amalgamated Press, Lord Camrose strongly influences over 100 publications, and Lord Kemsley over twenty; Mr. Hore Belisha; the Schusters; the Sassoons; the late Lord Reading; Lord Swaythling; Lord Melchett; Lord Bearsted . . .

The list could be lengthened considerably, especially if careful research were made into the personnel of all branches of the Civil and Diplomatic services, the staffing of the B.B.C. and the leading newspapers, and the financial control of industry. But the writer contends that it would be very difficult indeed to produce so long and comprehensive a list of Englishmen whose public prestige, influence and importance could fairly be considered equal to those in the list given above. With notable exceptions, such as Mr. Montagu Norman, Englishmen are strangely missing from key positions in Britain and the Empire. Yet it should be remembered that the total population of Scotland, North Ireland, Wales and British Jewry amounts to little more than that of Greater London.

* * *

The British Left, like the British Right, is composed of many distinct and quite incongruous elements; but the mainspring of all present-day Left activity is the idea of planning. That section of the Left which prepares and promulgates the plans may be regarded as the active brain of the entire movement. The rank and file of the Left have no more power, or real knowledge of whither they are being led, than have the rank and file of the Right. The English Left is as anomalous as the English Right. In so far as its traditions are positive and noble, they are bound up with centuries of struggle, carried on by Puritans, Dissenters, Nonconformists and Christian humanitarians of every type, to win freedom of mind and body for the individual man. Today it can boast no outstanding men of the traditional type. Under a leadership inspired by Marxist ideology, and disproportionately non-English in personnel, it is being used as an instrument for destroying personal liberty, and deliberately vesting in an absolute State all the
rights that the English, from Magna Carta onward, have painfully wrested for the individual from the central authority.

The active brains behind the Left are a very dangerous factor in the present political and economic situation. A pamphlet recently published by the Liberty Restoration League has gathered together much interesting information about the planners.* It states that the Chairman of the Political and Economic Planning Group (P.E.P.), and the leading personality in the British Planning Movement, is Mr. Israel Moses Sieff, Vice-President of the British Zionist Federation, Deputy Chairman and Joint Assistant Manager of Messrs. Marks and Spencer, Ltd., Vice-President of the Federated Multiple Shop Proprietors. Mr. Sieff’s predecessor was Sir Basil Blackett; and prior to his appointment to be Civil Lord of the Admiralty, Mr. Kenneth Lindsay was Secretary of P.E.P.

*An article by George Hickling, in Social Credit of January 15, 1937, covers much the same ground and contains even more relevant facts than does the pamphlet.

Another group of planners is the Industrial Reorganisation League founded in 1934 (Chairman: Harold Macmillan). This league is responsible for the publication of a pamphlet advocating the establishment of a Ministry of Justice, which would submit the Judicature in all its branches, to political and departmental interference. The subordination of the judiciary to the executive was also advocated by Lord Haldane, who, according to Scrutator of the Sunday Times, was “a bureaucrat at heart, with a passion for system and a distaste for what has merely grown”—a description which would fit all bureaucrats.


The Planning Movement is undoubtedly aiming at the elimination of the independent tradesman and manufacturer. There exists a Retail Distributors’ Association closely connected in ideology with P.E.P.; the two groups have promoted a Retail Trading Standards Association which appears desirous of pushing legislation for a national census of distribution. Such a census would be invaluable as a help to the planners in settling which shopkeepers to liquidate. The general policy of the planners—as one would expect from a movement supported by the vice-president of a multiple shop federation—is to eliminate firms whose proprietors are practical tradesmen and industrialists in favour of large organisations owned and directed by financiers, and worked by salaried managers liable to instant dismissal and with no knowledge or authority outside the particular sphere entrusted to them.

The planners also aim at a parallel destruction of all professional independence in this country. State-controlled education, State-controlled medical services and hospitals, State-controlled housing and engineering schemes, are already well planned out. Standardisation, centralisation, compulsion, and the steady elimination of individual authority and initiative, are the goals towards which every branch of the Planning Movement is strenuously working.

In his inaugural presidential address of 1937 to the Institute of Public Administration, Lord Stamp—then Sir Josiah—summed up in a few words an ideal worthy of the planners: “I am quite clear that the official must be the mainspring of the new society, suggesting, promoting, advising at every stage... he must have the ability to subordinate his activities to their proportionate place in a larger whole.” This “larger whole” may perhaps include a future England which the Right oligarchy and the Left bureaucracy shall have agreed to divide among themselves by judicious compromise. Officialdom and managerdom will be delivered over to brain-logic; their plums and prizes competed for in examinations, interjected like obstacles in an obstacle race across the path of child, adolescent and adult—and thrown open with studied impartiality to every person, whatever his race, religion or nationality, who chooses to come and settle in England. Behind this hive-like and internationally-minded Utopia will be the spacious pleasure grounds of the oligarchy; from which majestic figures, such as Lord Stamp himself, will occasionally emerge to open Public Works and give a tone to the atmosphere.

There can be little doubt that the British Right is working steadily towards some such compromise with the planners of the Left. Among trusted Government men, not only Mr. Kenneth Lindsay, but Mr. Malcolm MacDonald, Mr. W. S. Morrison and Lord Eustace Percy were at one time connected with P.E.P. There are many other clear indications of complete agreement between Right and Left—such as the Milk Bill, with its patronage of the Co-operative Society; and the Plan for Agriculture put forward by Viscount Astor and Mr. Seebohm Rowntree in collaboration. The following incident, as reported in the Daily Telegraph and Morning Post, gives a further indication of Government interest in “planned control”:

Mr. Temple Morris, Conservative Member for Cardiff E., asked the Minister of Health in the House of
Commons if he was in a position to make a statement with regard to the action he proposed to take to deal with the problem of increasing rates in all parts of the country.

Mr. Elliot, in a written reply, stated: “I am asking all local authorities to prepare and submit to me programmes covering the next five years, so as to secure that new capital expenditure is carefully planned and entered into with due regard to the general economic circumstances as well as the financial position of the local authority concerned . . .”

* * *

The situation looks black. It would be sheer folly to expect that the English bondholders will ever expose and oppose the machinations of the Right oligarchy. There is still less hope that the traditional English middle classes will oppose the planning mania of the Left. The truth is that the English professional classes, once so powerful an element in the national life, are as feeble and useless as what remains of the old aristocracy. They have neither sufficient energy to hold their own against the competition of brain-logic, nor sufficient courage and wisdom to denounce, or even to perceive, the domination of the Money Power. Their birth rate is falling rapidly, and they are steadily ousted from the professions and the best official positions. Let anyone who doubts the reality of their passing count up the non-English doctors on the Medical Roll, the non-English medical officers of health, borough surveyors, chancellors and professors of universities, heads of schools, directors of education, journalists, solicitors, barristers, magistrates—and, most significant of all, the steady penetration of Anglican and Nonconformist Churches alike by non-English clergy. Dean Inge and other champions of the dying order have good cause for their lamentations.

The dead past will have to bury its dead—the sooner the better. Nevertheless salvation has come to England before at times when hope seemed gone, and it may come again. The present “masses” may prove to be a vast melting-pot out of which may arise a new aristocracy with all its attendant gradations—a Fourth Aristocracy, widely different in psychology and gifts from its three predecessors, yet capable of carrying over the finest spiritual essence of their work into a new and more glorious social order than the earth has yet known.

Whether or not salvation comes to England, the attempted coalition between Right and Left, forced on by world events, is assuredly the last stage of madness in those whom the gods will to destroy. For it is nothing less than madness to force centralisation on a people whose most essential and permanent national characteristic it is always to work from individual impulses, and whose interest is focussed on local and personal matters. The Englishman loses interest in any institution as soon as it grows beyond the range of his sense organs. His originality, initiative and skill are awakened and sustained by direct personal contact with things and people—not by ideologies or vast plans with spider-like ramifications. What he builds is sound and durable; but left to his own devices he builds slowly and on a scale no larger than his personal superintendence can cover. His art and his religion—and what little he has of philosophy—are firmly based on Individual Man. His political and economic systems have grown organically out of the local unit as bodies are built up by cell division. The prosperity and beauty of any whole so created arises, unplanned, from the prosperity and beauty of innumerable separate parts.

Unity arises because free men, working in freedom yet sharing a common national spirit, have a natural tendency to create in harmony with each other.

Until the last third of the nineteenth century the brains behind Finance had to work warily. Their position was advisory, and though their influence was very strong in the economic sphere, it was by no means all dominating; and there were many spheres entirely beyond its reach. The Liberal victory of 1906 was an important turning point, sweeping away the last obstacles from the path of Finance; victory was assured by the great war.

The desire for highly centralised government seems to be strongly marked in races or nations which carried over into the modern world even a much modified form of the tribal or clan system. Pre-union Germany, for example, was divided up into a large number of small States, each governed in a personal and paternal manner by a hereditary ruler in whom power was centralised, and who employed a hierarchy of State officials to assist him in his task. United Germany has never really broken away from this model; and Hitler’s Reich is a gigantic copy of the miniature princedoms and dukedoms of pre-Bismarck Germany. A similar reversion to type has taken place in Italy and in Russia.

The peoples of Scotland, Ireland and Wales retained some form of clan government for centuries after all traces of it had disappeared from England. Men from these countries, unless they are on their guard against the bias, have an unconscious tendency to consider the group, not the individual, as unit. In the sphere of thought this tendency can be very valuable, as it assists the mind to work logically and to take a bird’s-eye view of any subject. The Englishman’s
lack of logic, so frequently commented on, is directly connected with his strong racial tendency to be impressed by special individual peculiarities rather than by qualities general to a whole class. But the same tendency which makes the Englishman illogical as a thinker, makes him eminently fitted for building up a social order suitable to our age. For every human being of our age has a strong urge towards individual expression; however much his inherited racial tendencies may try to keep him subordinated to the group, he none the less desires to be a separate unit and live out his life in freedom. The great advantage enjoyed by the English, the secret of their centuries of relative strength and prosperity, is that their racial instincts, as well as their national traditions, work in harmony with the spiritual urge towards individual freedom common to all men of our age. Nature and spirit, in their case, reinforce one another.

If we grant that the original English social order was not capable of assimilating modern technical industry, then we are led to recognise that the disintegrating work of Finance may have been a necessary evil. The old must be destroyed before the new can arise. We have to admit also that we owe something to the centralising brains which have, for the last half-century at least, held together the crumbling fragments of the old, and preserved some sort of order in what might have been chaos. National prejudice should not make us unjust in assessing historical values; but neither should it prevent us from recognising the unique nature of the peril in which we stand. It is one thing to patch up a dying social order so that it lasts a few decades longer than it otherwise would have done; but it is quite another matter to build up organically a new and harmonious social order. It is one thing to hold together for a short period the power, prestige and material resources which a once-great nation has garnered through long centuries; it is quite another matter to defend these assets against overwhelming attacks from external foes, when the people who originally won them have lost their strength and genius.

Today there are ominous signs that the morale of the English people as a whole is giving way under the steady pressure of social and economic systems which are either forcing them into inactivity or trying to make them work in ways alien to their nature. The Englishman is in a tragic case when his will to action is persistently thwarted; for not only his spirit but his natural racial instincts are condemned to atrophy. In such conditions he degenerates with alarming rapidity, losing all zest in life, becoming weak in mind, soul and body. The decay of the two upper classes, whose descendants have for the most part sunk into the masses of the people, has left a leaderless, bewildered nation at the mercy of the brains behind Finance; and at the mercy also of the numerous strangers within their gates, with whose descendants have for the most part succeeded in imposing on them alien ways of thought and action. The ruling groups of Right and Left certainly contain many Englishmen; but they are dominated in thought by strong non-English elements. Those who are decreeing centralisation, and those most commonly entrusted with the task of carrying through this process, desire it for material reasons; but they are also obsessed by racial tendencies which make them regard centralisation as an end in itself, as the best way of managing any institution, and as the most perfect form of government. Even if our rulers decided to release adequate credits, they—and an imposing majority of men in key positions—would insist on working through rigid plans, concocted at the centre and spread downwards by a hierarchy of officials. Neither English genius nor English instincts can achieve anything through this method, and a fatal national paralysis would be the only result of such efforts, however well meant.

Unless the death grip of the present domination, racial as well as financial, can be shaken off, certain ruin awaits all of us. A paralysed England cannot possibly win a war against exceptionally adverse odds; and if England falls the rest of the British Empire will collapse like a house of cards. The fact that British Finance would also fall would be small consolation for the loss of that spiritual and political liberty which still exists here in potentiality, and to some degree in practice. At the moment of writing there are no signs that salvation can come quickly enough to counter the ever-accelerating speed with which external dangers are approaching us. Yet clarity of mind is always valuable; and if students of Social Credit could be brought to recognise the true bearing of the facts they know so well, they would at least be preparing themselves to strike for the right objectives if the chance for striking should come. The hour of our most extreme need is drawing near. Freedom from the tyranny of Finance will be of little avail to us, in this terrible hour, unless it is accompanied by conditions which ensure freedom of action for the English will; and which at least make it possible for new creative leaders to rise quickly out of the masses of the people. All the peoples and races of the British Empire must stand or fall together—and it will not pay any of them to refuse to recognise that England has always been, and always must be, the keystone of that great sustaining arch.
How the Caravan Got Its Start

By H. E. Halliday

IN times like the present, when so much fiction is dressed up as fact, and the people are deliberately misled by those who control the newspapers, it is refreshing to find the fundamental truths of banking history set forth—without fear or equivocation—in one of the best selling novels of recent years. Notwithstanding its great and unusual length, “Anthony Adverse” (by Hervey Allen) was one of the most popular books of its year throughout the English-speaking world, and those who had the interest and perseverance to progress beyond the first part which was frankly along “novel” lines—were more than rewarded by the solid truth that was presented in Part 2. Here the author had delved deep into the archives which contained the facts of the muddy stream of pollution wherein the “sound principles” of banking were born, and if Montagu Norman had ever found sufficient time to devote to any other than his own particular set of “Books of Fiction,” he might have discovered that by training his forces on the B.B.C. and other obvious channels whereby the truth might become known, he had missed one of the most damning indictments of his terrible power.

However, I shall let the author himself be the mouthpiece, and provide the information which he has tracked down so courageously. For those who would like to pursue the subject further, I give page and chapter. We start at page 730, and the chapter is frankly entitled “What Banking is About.” The time is about 1799-1800, when England under her Prime Minister, Pitt, was at war with France and Spain, and Vincent Nolte, the Italian banker is speaking:

“What all the governments must have is bullion in immense quantities, and at the present time that is exactly what they haven’t got. England must have it to pay her sailors and her subsidies to her allies to fight France; the French need it to pay their soldiers and buy colonial produce from neutrals while they fight England. AT HOME, BOTH GOVERNMENTS MAKE THEIR PAPER MONEY GO SOMEHOW. The Bank of England suspended specie payment five years ago, and French assignats also went clear out of business; now it is francs. But try to get metal for them—try it. Yet both the English and the French have to have hard money when it comes to making their settlements abroad. Only victory or peace will make their paper money valuable, and no one knows who will win. No, they have to have cash—gold, silver. And who has it? Why, that placid old milch cow, Spain.”

He nodded at Anthony wisely.

“But the money is not in Spain. Oh no—that is the joke. Bonaparte would have had it long ago if it had been there. The bullion—in immense supplies of it—is locked up in Mexico. For years now the veins of Potosi have been bleeding into the Mexican treasury, and the great pool of silver lies dammed up there. Spain has not been able to tap it, for the British fleet sails between. It was M. Ouvrard who was the first to get around the difficulty, and more or less by accident. Bonaparte had played a joke on him.

“Ouvrard had advanced great sums to the French treasury, and had through influence received the contracts to furnish both French and Spanish fleets with supplies. In payment for that he was given by Bonaparte six useless Spanish royal drafts on the Mexican treasury for the accumulated sum of four millions of piastres. Finally, Ouvrard, who was nearly ruined by this, sent his brother, of the firm of Ouvrard De Chailles & Co., of Philadelphia, to Mexico. He reported that he had seen there the marked chests set apart as a separate deposit for the liquidation of the six royal drafts in Ouvrard’s hands, and that besides that, seventy-one millions of coined silver dollars were lying idle in the Mexican fiscus waiting to be shipped to Spain. It was in the next stroke that Ouvrard showed himself to be a financial genius.

“He knew that Pitt with his endless demands on the Bank of England had put the governors at their wits’ ends to furnish coin even for foreign subsidies, and he also knew that just at that time the East India Company was under the necessity of obtaining great sums of silver for Eastern trade. He therefore approached Pitt, through the neutral firm of Hope & Co., Amsterdam—you remember I told you that Labouchere (an important member of Hope and Co.) was the son-in-law of Sir Francis Baring (of the big English banking company) and he was consequently able, through the PRESSURE OF THE BARINGS ON THE PRIME MINISTER, to agitate the matter of permitting at least some of the Mexican hoard to be released.

“Pitt was at first obdurate and blustered a good deal about trading with the enemy. But as hoarding continued and
the stringency increased, Pitt became more and more inclined to listen to the representations of Sir Francis Baring. At last the matter was arranged, and ALTHOUGH ENGLAND WAS AT WAR WITH SPAIN, four British frigates were despatched by SECRET ARRANGEMENT to Vera Cruz with orders on the Mexican treasury, supplied by Ouvrard through Hope & Co., at Amsterdam, for many millions of silver dollars. Just how much no one here knows. For these drafts on Mexico Ouvrard received drafts to a like amount on, British merchants for colonial produce and merchandise, which was imported by way of Holland and the Hopes into France (with whom England was at war).

“It was said that the six chests marked for him were also brought over as ‘tobacco.’ I am not sure of that, but I know that he sold the foreign merchandise all over Europe at enormous profit. The British, of course, received the silver dollars in England, and some of them were restamped and put into circulation by the Bank. The rest were poured into Europe and India. Those loosed in Europe soon gravitated, due to the exactions of Bonaparte, to France. Both the fiscal and commercial situations were relieved all round—and The War Could Go On.”

“How did Ouvrard get his Spanish drafts for such large amounts?” asked Anthony.

“Oh, I thought I had made that plain,” said Vincent. “Spain has by treaty been paying France an annual subsidy, and Ouvrard took Spanish drafts on the Mexican treasury, which had been sent to France, in payment for his loans to Bonaparte. Bonaparte was glad to palm them off on him as they seemed uncollectable.” Vincent laughed. “Now I will show you where we come in.”

“The relief already experienced by this welcome supply of Mexican silver has been so considerable and profitable that the combination of Ouvrard (Paris), Hope & Co. (Amsterdam) and the Baring Bros. (London) contemplates further action along similar lines. They have now underway a plan to get the bulk of the Mexican bullion to the United States and to re-ship it, or the goods which it purchases, from that neutral territory to England and Europe, chiefly, of course, through the Barings at London or the Hopes at Amsterdam. I may receive the southern consignments here at Leghorn, and if even a few cargoes reach me, at the present price of colonial produce my fortune will be made. Ouvrard, of course, will continue to furnish the capital in the form of his drafts to Mexico, and the rest of the affair would be carried on by either English or American ships sailing from one neutral port to another. Ships consigned to the Barings or to Hope & Co. or their correspondents, and insured by Lloyds, would run an excellent chance of being allowed to proceed even if searched by British cruisers. It is really a remarkable plan, don’t you see? For those in The Charmed Circle the blockade is to be broken and both England and France will profit by the silver. That, of course, is a dead loss to Spain, but Somebody Must Pay For War.”

Page 842. “That is why I do not like Bankers,” Napoleon exploded in Anthony’s face. “And in another 100 years if I do not stop them they will own Europe—the world. Financiers cannot act. They never do anything. They are passive, they spin webs, and every wind, blow peace, blow war, brings them flies. They are not the fit repositories for power.”

Page 866-867. There were now only two ways of counting: either by bayonets or by money. The ballot box by which the new order had hoped to be able to ascertain the voice of God, also by counting, was already discerned by some astute men to be a human oracle that could be either bought or coerced. . . . Merchants and bankers everywhere in Europe and America, as if by mutual agreement, now abandoned the old separatist formulas by which they had so long operated. In an age of constant warfare they began to collaborate, unconsciously for the most part and always “patriotically”—but nevertheless effectively and consistently to over-reach, undermine, and checkmate the arbitrary regulations of hostile governments in restraint of trade.

Page 874. Ouvrard speaking: “I am prepared at this time to guarantee that within the next two years I can furnish him (Barings of London) drafts to the extent of 35 millions of Mexican dollars if he can arrange his forwarding operations on a large enough scale. And what is it to the Barings if I make my own arrangements with our government officials here (in France, with France and Britain still at war) to admit goods on the side.”

Page 874. “There is also the British blockade,” said Vincent.

“That is their affair,” cried Ouvrard. “This is a matter of International Finance; Each Side Will Have To Fool Its Own Government, and All Sides Will Profit. It Is A Good Thing.”

If you want to find out how this Big Banking Business fooled its own governments, you will find all the detail on: Page 902—how the family of Mayer, brothers and father and the whole gang of them, started operations on an international scale under the name of “Rothschild.”
Page 905—how the Barings of London and their in-laws the Hopes of Amsterdam demanded complete control of these operations of Ouvrard, the French financier, to get hold of the Spanish bullion in Mexico.

Page 912. Ouvrard accepts the conditions as laid down by Sir Francis Baring, and a letter is sent from Ouvrard to Sir Francis Baring in confirmation of the negotiations, which is to be the only correspondence, and which he requests SHALL BE DESTROYED.

Page 922. The whole iniquitous arrangement is set forth in detail.

Page 927. “So far had the control of Europe already fallen into the hands of financiers that as yet neither the French nor the Spanish governments were informed of the many good things in store for them. Ouvrard simply made his arrangements to have the money available. After he had completed certain transactions with those in power in Paris and Madrid the loan was to be ‘offered.’

Page 928. “There was only one person before whom Ouvrard’s prestidigitations were performed under a completely understanding and always watchful eye; one who always demanded the rabbit, and who did not care whether it came out of a sleeve or a hat so long as it could be used for soup. At the very name of Napoleon Bonaparte the fat tail of the famous financier resembled that of a plucked goose.”

And there you have it, the whole foul business of plotting and cheating and over-reaching, whilst the poor deluded people fought and bled and starved that the bankers might pile up their ill-gotten gains.

To make absolutely certain that this fantastic tale of double-dealing and treachery had its basis in fact, I wrote to Hervey Allen to ask if he could give me particulars of the sources of his information, and here is his reply:

“I should like to answer your letter in full, but a tremendous correspondence precludes that. You are in the main correct in your idea that it was possible to transfer the Mexican bullion from America to Europe, even during the Napoleonic Blockade. The means of doing this, as I have outlined in ‘Anthony Adverse,’ are based upon actual historical documents and upon the correspondence and memoirs of members of various English and European merchants involved. You should remember, however, that the blockade was not lifted. The matter was arranged in general this way: Ouvrard (the French banker) was paid by Napoleon for material furnished to the French armies with drafts on the Mexican Treasury signed by the King of Spain. Ouvrard arranged through a Dutch merchant to have these drafts handled by an English merchant. The English merchants set up their employees as independent firms in America. These American firms cashed the drafts in Mexico and brought the bullion to the United States.

“Most of the bullion was thus invested in produce in the United States, which was then shipped to England in American or English ships, and sold in England at great profit. The sums realised were then sent to the firm of Dutch merchants, who in turn remitted to Ouvrard, the English merchants, of course, realising the profit on the transaction, which was a huge one due to the great price of colonial produce at the time when the blockade was in force.

“This scheme, as you will see, was not altogether ‘patriotic’ from the English standpoint, and gave rise to certain inquiries in the House of Commons. There were many ramifications to the scheme, and some of the bullion was actually shipped to England.

“I was careful in my novel to follow the story as it actually happened, with certain minor names and places changed to suit the story. The ‘Memoirs of Vincent Nolte,’ which have recently been republished by G. Howard Watt Co., of New York, will give you the main outline of the scheme.”

To trace the development of any great institution back to its beginnings is always interesting, but the further one studies the banking system and everything pertaining to it, the more difficult it is to escape the conclusion that all the horrors of Antichrist have at least become identified with this source of all human evil—the banking system.
Law and Gospel in a Fresh Context

By THE REV. STEWART MECHIE

PERHAPS the most fundamental hindrance to the acceptance of Social Credit principles is the widespread feeling that it is immoral to receive something for nothing. It is commonly believed and sometimes said that to give people a payment, like a National Dividend, for which they have not worked, would be unjust in itself and would lead to general demoralisation. It may be pointed out in reply that many of those who share this feeling are themselves the recipients of dividends for which they have not worked, and that they are not obviously demoralised thereby. Again, the citizen of today may fairly claim to be the heir of all the inventors of the past and therefore, on grounds of barest justice, to be due a dividend from the present-day fruits of the cultural inheritance of the ages, whether or not his services are required in contemporary production. It may be doubted, however, whether such replies, reasonable as they must be admitted to be, can do much to eradicate this half-inartculcate feeling, for it springs chiefly from a perverted moralism nourished by human pride and self-conceit. An examination of the same moralism at work in another sphere may always not be without interest and profit.

The moralist has always had a difficulty with the Christian Gospel. It seems to him dangerously facile to declare that the Divine welcome awaits all who, weary of past failure and fruitless effort, cast themselves in simple faith on the Redeemer.

"Just as I am, and waiting not
To rid my soul of one dark blot."

That is good religion, but it seems very risky morality. The issue emerged in the first generation of the Christian Church, as soon as the Jewish Christianity of the earliest days began to ask itself on what terms Gentiles could be allowed into the Church and could be received there in full fellowship with Christians of Jewish race. The Judaizing party in the Church demanded that Gentiles should come in by way of the Jewish Law. From one point of view that was not an unreasonable demand. The morality of many of the cities of the Roman Empire in the first century was shockingly low. To preach a Gospel of free grace and unmerited forgiveness to Gentiles brought up in such an environment seemed to the opponents of St. Paul to be a condoning of evil and a direct encouragement of laxity. Let the Gentile become a good Jew first. Let him keep the Law and give guarantees of moral soundness; then let him have the Gospel. Was it not dangerous to eliminate the Law and trust to the Spirit? Moreover, in those days, as in later centuries, there were at work antinomian tendencies. There were not wanting some who declared that their possession of faith or their participation in certain rites or sacraments exempted them from the demands of mere morality. Here was a good cudgel wherewith to belabour the Apostle of free grace. What else could he expect when he went about declaring that Christians were “not under the law but under grace”?

It has been suggested that St. Paul was untrue to the mind of his Master in this matter; but the suggestion will not bear deep examination. In the parable of the Pharisee and the Publican (Luke xviii. verses 9-14) there is no question of bare justice, of making the punishment fit the crime, but rather, as a great expositor declares, “Christ’s reflection on the two men is equivalent in drift to Paul’s doctrine of justification by grace through faith.” Similarly in the parable of the Labourers in the Vineyard (Matt. xx. verses 1-16) the bargaining spirit of the labourers who wish payment to be in proportion to work done is set against the Divine spirit of abundant and overflowing kindness which takes no account of merit. Again, in the parable of the Prodigal Son (Luke xv. verses 11-32) it is the elder brother who would like the father to adhere closely to the rewarding of merit. The father, on the contrary, meets the returning prodigal’s “I have sinned” with no limited forgiveness, no probation for a period, no demand for guarantees, but with a full and free forgiveness on the spot.

What is thus evident in the teaching of Jesus is even more clear in His conduct. The indignation of the religious leaders of the day who sneered “this man receiveth sinners and eateth with them” was not aroused simply by the fact that he took note of the outcasts of society. They expected a holy man of God to turn His attention to them, to denounce them and preach to them; and if some of them saw the error of their ways and became penitent, so much the better. But a holy teacher would, of course, keep them at a distance till they gave signs of amendment. The burden of their complaint against Jesus was that He sought out sinners, associated with them before they gave signs of amendment, accepted them as He did Zacchaeus (Luke xix. verses 1-10) without any period of probation or accumulation of merits to balance past misdeeds. This, in action, is the Gospel of free grace for which St. Paul stood. It is the only message worthy of being called a Gospel, for on the strict basis of merit no man can stand before a holy
God and no man can give adequate guarantees. Obviously it involves a moral risk, but, according to the New Testament, God takes that risk, and, as a recent writer puts it, “perhaps the very faith which God has in the future of a poor defeated sinner who has nothing to offer but a cry, the faith by which God accepts the risk for Jesus’ sake and justifies the ungodly, creates its own verification and brings that apparently impossible future into actual existence. Certainly this was what happened when Jesus brought all His love and trust to bear upon the publicans and sinners—his forgiveness not only cancelled the past, but regenerated them in the present and made them saints for the future” (J. S. Stewart, “A Man in Christ,” page 259).

Over against the Gospel, then, we set the religion of legalism and moralism which, in the long run, is a religion of salvation by human effort, and is commonly tainted by tendencies towards something negative and mercenary, the attempt by rigorous repressions and meritorious practices to put God in man’s debt and so to wring salvation from Him. A true Evangel, on the other hand, declares that God never can be in man’s debt and that salvation does not need to be wrung from Him. In His loving kindness He has taken the initiative: salvation is freely offered; all that man can do and need do is humbly and gratefully to accept. To admit that, however, is an offence to man’s pride. On the Gospel basis “boasting is excluded,” as St. Paul says. But man likes to boast, or, at any rate, he likes to feel that he has something to boast about. He longs to be able to feel that he is earning his salvation. To suggest that this is forever impossible is an affront to his self-conceit. Man’s attempt to earn salvation, instead of being content to receive it, is grounded in this pride which cannot bear to admit its entire dependence on Another.

Thus in the Judaizing opposition to the Gospel of free grace there was more than a fervent zeal for the interests of morality. There was this innate human pride which hates to admit its own failure and dependence, and also a large infusion of Jewish racial and religious pride. A free Gospel put the Gentile on the same footing as the Jew. Both could do nothing to earn their spiritual blessings, both must be content humbly and gratefully to accept them. It was hard for the Jew to find himself in no better a position than the despised lesser breeds without the Law. No wonder the Judaizing section of the Church found refuge from this humiliation in a zeal for the interests of morality and a demand that Gentiles should come to the Gospel by way of the Law. Sympathetically considered the Judaizers were not unreasonable; critically considered they stood for a legalistic moralism perverted by pride.

Are we wrong in supposing that the same temper of mind which once denied all men free access to God’s free grace and insisted on their first carrying the burden of Jewish legalism is now revealing itself in those who would deny men access to God’s bounty in Nature and in the cultural inheritance of the race unless they first acquire merit by engaging in gainful employment? In both cases there is little, if any, necessary connection between the pains to be endured and the blessing to be acquired thereby. The connection is largely needless and arbitrary. Moreover, in both cases there is a show of fervent zeal for morality and in both cases a large admixture of pride, partly the pride which rebels at every man being put in the same position as a hitherto privileged class, and partly the pride which cannot bear to realise that it is not self-sufficient—however absurd and impossible such self-sufficiency would be—but would like to stand on a basis of bargaining and work done even in the presence of the Creator of all. This is not religion, it is not even morality; it is a perverted moralism—perverted because not founded on Reality.

**Peace and Posterity**

**By Arthur Brenton**

SIR JOHN SIMON, speaking in the House of Commons last month on the subject of Defence expenditure, dropped a hint that the cost would not mean a rise in income tax. Announcing that he proposed to meet this cost, to the extent of £350,000,000, by borrowing, he made the observation that the burden on the present generation was quite heavy enough and that it was “only fair” to leave some for posterity to pay. Naturally the House heartily agreed with this sentiment.

Students of Social Credit will appreciate the significance of this appeal to justice in respect of apportioning liability, because it implicitly assumes that where or when there is a liability to pay there is ability to pay. Sir John Simon did not commit himself to the statement that taxpayers are unable to pay more than he proposes to make them pay; but to the statement that what they are going to pay is all that they ought to pay, and that what they do not pay posterity ought to pay.

Well, it is pleasant to know that the Chancellor of the Exchequer enjoys the option of refraining from charging taxpayers up to the limit of their capacity. For it is only on the assumption that the present generation of taxpayers are...
being let off paying all that they could pay that Sir John’s appeal to fairness is intelligible.

This raises the question: Who is the arbiter of fairness? And, more to the point, who (pace Mr. Gavin Simonds in the Waterlow Appeal) is the quantifier of the liabilities respectively to be allocated to this generation and to posterity? The answer is: Floating-Debt Financiers in general, with the Bank of England behind them. Essentially, the Governor of the Bank is the godfather of Posterity. It is he who assesses the liabilities to be shouldered by our newborn and unborn, and who lightens the load on our own shoulders. There is no need, however, for us to shed tears on behalf of these youngsters. The Godfather never dies; and when the time comes for our children to take over our liabilities, there will he be in their midst, doing the same deal as between them and their descendants as he is now doing as between us and ours. One thing we can rest assured of, and it is that never will he shear the sheep of any generation so close that they die of bronchitis. Not much comfort in that, some of us may think; but there is this deeper ground for comfort, which is that, maybe long before our children are grown up, the Godfather that we all depend on will have been regenerated by the baptism of the New Knowledge, and will be transfigured into the character of Father Christmas, who, as everybody knows, empties his sledge of toys on the great night, keeping none back as a precaution against a shortage on the next great night. It makes no difference who will be Governor of the Bank; for the influences set free by early Social Credit activities are going to invert the function of Governorship. Yes, the distribution of liabilities is going to be swallowed up in the distribution of assets.

This statement will sound to the multitude like empty rhetoric; but it is literally a description of what will happen. For the whole problem, concerning how much of our collective liability to pay taxes shall be discharged by us now or by our children later on, arises from the fact that orthodox banking technique operates to conceal our assets while revealing our liabilities. The total sum of our apparent liability to pay money is the total sum of abstractions from our personal incomes—extending over a long period in the past—through the price system. In plain language, we have been overcharged for the wealth that we have produced, and the overcharges have been accounted against us as Debt! So it is “only fair,” as Sir John Simon would say, that if we are to discharge the debt these overcharges must be refunded to us without adding to the debt. This, of course, is what will happen in principle when the Social Credit Dividend and Price Discount come into operation. And there will thus be no problem of deciding posterity’s “fair share” of our indebtedness; for we shall be able to discharge it all ourselves.

Someone will say: How can overcharges appear as debt? The answer is that when charges are higher than the community can pay a proportion of the offered product is unbought, and the cost of this portion is carried forward on the false assumption that somehow or other the community will catch up tomorrow the arrears of today. This, as the Social Credit analysis has shown, cannot happen; the abstraction from the community’s purchasing power in any given loan-cycle cannot be compensated in any subsequent loan cycle. That is one way of saying that posterity will be no better able to discharge such debts as we bequeath to them than we are ourselves. In fact it will be unable to discharge the debts incurred by itself.

Of course, debt is always being discharged in one sense of the word. The bona fide investing classes in the community are always obeying the biblical injunction: Lend, hoping not to receive again. They virtually gamble their savings on the prospect of earning an income; and, as they very well know from experience, the odds against their getting the expected income or getting their money back are of substantial dimensions. Were it not for their losses the community, as consumers, would go even shorter of the means of life than they do. They are, in fact, though not in intention, public benefactors; and this ought to be borne in mind when we are disposed (as left-wing economic pundits are) to regard them as parasites on the community. Even when the concerns invested in make big profits the proceeds are not wholly paid out in dividends, being partly withheld as reserves. Investors have no control over the fixing of prices, or over the allocation of the profit collected in those prices. The control rests with managements who, in exercising it, have to fulfill conditions necessary to preserve their borrowing powers. The chief condition is that they shall accumulate reserves, i.e., apply part of their profits to the purchase of securities whose value does not depend on the fortunes of their own businesses—ideally, “gilt-edged” securities, the best of which are those whose earning power (or value) is backed by the power of the State to levy taxes on the community.

This brings us back to Sir John Simon’s appeal to “fairness,” for a little reflection will show that his real problem is not to decide a question of “fairness” at all, but a question of economic expediency. For industry has to keep going (or try to) in competition with the fiscal authorities; and there is a point beyond which fiscal rapacity begins to undermine industrial security. Sir John’s decision to leave “posterity” to pay current debt is really a decision to allow industry its pickings out of the new credits to be put in circulation through the contemplated borrowing of the aforesaid £350,000,000. This transaction corresponds almost exactly with such transactions as, e.g., a British loan to a foreign state. In such transactions industry delivers things to the foreign state, and the British banking authorities pay industry for them, in fact virtually buy them, and then debit the foreign state with their value. No money passes out of...
the country. (“Money does not cross frontiers” is a well-known dictum of Mr. McKenna’s in “Post-War Banking Policy.”) The money passes into circulation and gives rise to a temporary boom in trade, enabling actually solvent enterprises to make extra profits and potentially insolvent enterprises to become actually solvent. Now if, instead of visualising the “foreign state” we substitute the word “posterity,” we are able to see the inner significance of Sir John’s appeal to “fairness” from the correct angle. The present generation exports, so to speak, defence—works to “posterity,” and appropriates the new credits. “Posterity” gets neither any money now, nor the right to money later on, as a result of this transaction. All it gets is an invoice for war material. As regards repayment, well, in the case of a foreign state it is agreed that this is only effectively made by returning other things of equal value to the lending country—that is to say, giving back the gift previously received; producing without consuming. And that is what, in theory, “posterity” would do, produce more and consume less, if repayment were to be exacted. But it will not be. There is a fixed lower limit to consumption in every generation, and it may be described as the freezing point of economic activity, or in the political frame of reference, the flashpoint of revolution

Turning to another aspect of the contemplated loan transaction, the problem of inflation has been receiving attention. This is not surprising, for defenders of orthodox finance, in their criticisms of Social Credit (or monetary reform proposals in general) have always insisted that inflation must be the automatic and inevitable consequence of credit expansion. Presumably some will hold that a little inflation does not matter. Others may hold that it does not matter how much we inflate so long as we “keep in step with other countries” (pace Mr. J. M. Keynes). Still others may change their attitude and endorse the statement made by the financial editor of the Daily Herald at the time of the September crisis last year, namely, that “during the last twenty years we have learned to control inflation.” Well, Social Credit pioneers were expounding the method twenty years ago, and will hope (without overmuch elation) that this is the method in the mind of the writer. If not, they will be glad to hear if he has discovered a better one.

But it is curious to notice how little knowledge some orthodox commentators have about the inflationary factor in prices. For instance, one of them recently, discussing the suggestion that every householder should take in an extra loaf of bread in view of a sudden outbreak of war, advanced the opinion that the extra demand would not cause prices to rise, and drew the conclusion that there would therefore be no inflation. But there would. Prices would have to fall in order to avoid inflation in these circumstances. Take bread, for example. If the normal demand is 100 loaves in a week at 3d. a loaf, and suddenly the demand becomes 200 loaves; the unit price of 3d. automatically becomes an overcharge. The amount of this overcharge would depend on what proportion of the 3d. covered overhead costs. Assuming this to be one-third, or one penny each loaf, yielding normally 8s. 4d., this yield would become 16s. 8d. when the demand doubled, whereas the overhead cost would not have increased at all. The just, non-inflationary, price of the loaf, when 200 were demanded, would be, not 3d., but 2½d. Every tradesman knows this; and it is a pity that our professional economists are not apprenticed to a man-behind-the-counter before they graduate.

The effects of inflation would not be so bad were it not that the proceeds eventually find their way for the most part into the ownership of a comparatively few people who devote them (over the heads of private consumers and private investors alike) to the acquisition of reserves of the kind already described. “The business of finance,” says Mr. Hartley Withers in his book bearing that title, “is to provide investments for the community’s savings.” Put crudely, this means—to hand out among the community promissory notes in exchange for money (which is then destroyed) leaving the now moneyless holders to get their money back out of the equally moneyless non-holders.

There is some talk going on about the prospects of funding the defence loan later on. Notice that it will be the present generation, not “posterity,” who are expected to “take up” this loan. They cannot afford to pay £350,000,000 in taxes just now, but shortly they will be able to invest that sum in new Government securities. Who “they” are has already been indicated—the heads of large financial institutions. In brief, the process of financing the Government during the Great War is going to be repeated. It is going to be possible because no attempt is going to be made to control inflation effectively. The proper way to fund the said loan begins with the recognition that all new credit belongs to the community. Fundamentally a bank loan to the Government is a community loan. This fact was implicitly recognised during the Great War when a certain number of privileged citizens who did not put up any money became owners of War Loan nevertheless. It is true that they borrowed the money, or were debited with liability to repay it; but all the same they acquired the War Loan, and with it the legal right to extract dividends on it from the rest of the community. They lent their names and nothing else. Now, since new credits are communal property, this privilege of acquiring new assets and liabilities ought in principle to have been extended to every adult citizen in the country. If that had been done the War Debt would have been nominally a debt due by the community as taxpayers to the community as investors. In other words, there would have been no War Debt at all, and no necessity for a Chancellor of the Exchequer to bother his poor brains with the problem of deciding how to render to this generation the things that belong to this generation, and to posterity the things that belong to posterity.
The English Poor

By Frewen Moor, M.C., M.D.*

*An address delivered at the annual meeting of the Norwich District Nursing Association.

THOSE of us whose duty it is to visit the homes of the sick poor must often feel despondent over the results of our efforts. We give the same advice so often, and it is taken so seldom when it conflicts with custom, that at times it seems hardly worthwhile taking so much trouble. I thought it might be worth reviewing some of the improvements which have taken place in England during my lifetime; I have been a doctor for twenty years, and my memory carries me back another fifteen or twenty years, so all the changes to be recorded have happened in the present century, most of them since the war.

The general appearance of the people has enormously improved, and one seldom sees them dirty or ill-kempt, nor the ragged children with running noses and sores on their faces that used to be seen in the poorer quarters of any large town. There are far fewer cripples, and one seldom sees children with bad squints. Vermin have become rare, whereas when I was in hospital it was a matter of routine to tie up every child’s head in a sassafras cap on admission, as nits were the rule and not the exception.

The disgusting hawking and spitting so common before the war has almost died out in this country: one has to travel abroad to be reminded of the bad old days. Fresh air is much commoner in working-class houses than it was a few years ago; I used to find the smells in the houses of my patients one of the principal hardships of the winter. The over-clothing of children is getting rare, and I was quite surprised the other day to see a small girl wearing two vests, two flannel petticoats, a dress, scarf and overcoat. She was pale and sickly, and one had the usual argument with mamma, who maintained that it was necessary to clothe Doreen warmly as she caught cold so easily; I, of course, affirming that the susceptibility was due to coddling. Experience teaches that the mother always has her own way in these cases, and yet, in the long run, the doctors’ and nurses’ advice is being taken.

All these improvements are attributable to the better financial position of the poor and to the teaching of nurses, health visitors and school doctors. Houses are much cleaner, thanks to the mass production of American cloth-covered furniture and linoleum: I think we must admit that hire-purchase has enabled this furniture to find its way into poor people’s homes, which it never would have entered otherwise, and it has inculcated the habit of looking after it when received. But I think it probable that the so-called “easy payments” do inflict real hardship in many cases, and I regard the system as economically absurd.

The progress of housing is the most remarkable of all, and likely to be most beneficial in its results. Within the last five or six years the slums have melted away like snow in the sun, large areas in Norwich being demolished. People sometimes say that the slums will be recreated on the new housing estates, but I do not think they will. Most of my patients appreciate their new houses, with washing and bathing facilities they never had before

I should like to think that this rehousing, which I consider one of the greatest achievements of the century, was due to the efforts of the enlightened and charitable public. But I am afraid that is not so: as Lord Wardington reminded the shareholders of Lloyds Bank on January 27, 1939, there was in 1932 “an enormous opening for the employment of cheap long-term capital in housing and construction.” The result is that Norwich has a debt of £2,600,000 for housing (1937) on which a vast sum of interest has to be paid.* If a fairy godmother were to pay off the debt on the housing estates, we could dispense with the Government grant; the rates could be relieved of 1s. 1½d. in the pound, and the rent of every council house could be halved.

*In 1937 the general expenditure in respect of housing was £39,000, loan charges £137,000, making a total of £176,000. This sum was recovered as follows: Government grant £56,000, rents of houses £81,000, making a total of £137,000; this left a deficit of £39,000, which was charged to the ratepayers, being equivalent to 1s. 1½d. in the pound.

In passing, let me expose the belief that the Government grant for housing, which comes out of taxes, is part of the contribution which the rich who pay income tax make towards the welfare of the poor who do not. This is one of the most popular fallacies of the day; for you will see from your income tax demand form that the income tax does no more than pay the interest on the National Debt. It does not pay for any services; that is done by indirect taxation,
which is paid by rich and poor alike.

I come now to the less satisfactory aspect of affairs, namely, the continuance of poverty, malnutrition and unemployment in an age of plenty. For several years I have kept a book of newspaper cuttings telling of apples rotting under the trees, cabbages ploughed into the ground, milk fed to the pigs, and so on. Worst still is the restriction of production which is encouraged and sometimes even enforced by the Government. A few months ago I was attending a family who had scabies: father, mother and three children were all infected, and it was necessary, after using sulphur for three days, for all of them to have a bath, clean clothes and clean sheets. Unfortunately, they had not enough sheets for all to have clean ones on the same day; one sheet had to be washed and dried before the next one could be done, giving ample opportunity for the scabies-free case to be re-infected. The husband was in good work, and they were not very poor in comparison with their neighbours.

Now listen to this: in 1936 a Bill was passed through Parliament compelling the breaking up of “redundant” cotton spindles, and in 1937, 1,900,000 out of the country’s total of 45,000,000 spindles were actually destroyed. I read the debate on the Bill, and not one Member of Parliament, Conservative, Labour or Liberal, asked the only question relevant in this case, namely, has every family in England got enough cotton goods? I am sure every nurse will agree when I say that there is a deplorable lack of sheets, pillowcases and towels in Norwich—to say nothing of other household appliances. This destruction of machinery is legalised sabotage.

A somewhat similar case occurred this January; I was attending a girl of sixteen for pleurisy—a condition which is often due to tuberculosis. The correct treatment would have been to insist on widely open windows; but there were only two flannelette blankets on her bed. Is there a shortage of wool in England, or of the labour or machinery for making blankets? Then why should the poor shiver? You cannot expect open windows when there are not enough coverings on the bed; and you should not treat pleurisy in a stuffy room.

I have already spoken in this city on malnutrition. Malnutrition does not present a clear-cut clinical syndrome like, say, consumption or heart disease. It is caused by lack of food, a lack not due to the rich eating more than their share, but to the fact that when their demands have been satisfied, the food which remains over cannot be sold except at a financial loss. That is what is meant by a “glut”; it is not that the food is unwanted, but that it cannot be bought by those who need it. This is illustrated by the following example:

On January 1, 1937, Mr. J. A. Boyce, of Robertsbridge, wrote to The Times: “I have several tons of apples which I should be glad to hand over to any philanthropist who would undertake to distribute them, either in the distressed areas, or amongst the distressed elsewhere.”

On January 9 he wrote: “May I take this opportunity of informing my numerous correspondents that the apples have been disposed of. It is impossible for me to answer all the telegrams and letters I received from the many kindly disposed people who wished to help.”

The apples were wanted all right, but the people who needed them were unable to pay for them.

Before leaving this subject I should like to remind you of McGonigle and Kirby’s researches at Stockton-on-Tees, and how they found that the death-rate on one of the new housing estates was actually higher than in the slums because the average rent in the former was double that in the slums, leaving insufficient money to be spent on food. I do not know whether the same thing is happening in Norwich today, but if it is it shows the need of that fairy godmother I spoke of.

People sometimes ask why the destruction of food goes on, and the answer is that the only way producers can cover the costs of production is by keeping goods in short supply. Under our financial system there is a “disastrous” fall of prices as soon as there are signs of our needs being satisfied. The same thing applies to services, and one sees it in the medical profession. In October 1938, the diplomas of all Jewish doctors in Germany were cancelled, and the question arose of allowing them to practise in England. But that would have been financially disastrous to English doctors (myself among them), so the proposition was strongly opposed by the British Medical Association, not because they were Jews, but because they were doctors. There is no doubt that the influx of doctors from Germany would be an advantage to this country; therapeutic practices tended to be local, and there are forms of treatment on the Continent which are little known here.

DeSTRUCTION of food and restriction of services are absolutely wrong. In these days of changing values it is fashionable to think of moral concepts as relative. I disagree. There is an absolute right and an absolute wrong. Destroying food when our own countrymen are hungry is absolutely wrong.
Why is it done? Why should it be financially necessary always to be short of goods, when man himself has evolved the debtor-creditor system? It is because of certain peculiarities in the human mind. Just as the body has its weak points, such as the wrists and ankles, which are especially liable to, fracture, so the mind has its weak spots, and one of them is a tendency to confuse real things with imaginary. Our forefathers used to burn effigies of the Pope, thinking to harm him thereby, and we still burn Guy Fawkes to the downfall of the Roman Catholic religion, although most of us have forgotten the reason. Where our human minds go wrong is that, sooner or later, we begin to value the effigy more highly than the real object it represents. We play tricks with the effigies until they get out of relation with the real things they are supposed to represent, and then notice what we do. We make ourselves believe that the real objects are at fault, and the mere shadows of them become to us the real things. It was to obviate this weakness that Moses devised the Second Commandment; once man has made to himself a graven image, he attributes to it properties which God does not possess, and the image becomes more real to him than God. That is why such frightful crimes have been perpetrated in the name of religion.

Another example of the confusion of real and imaginary things is the word “capital.” We read in the newspapers that there is a flight of capital from France, or a welcome return of capital which had been seeking refuge abroad. Now the capital of a country is its land, its factories, railways and harbours, but these cannot take refuge abroad. What does leave the country, then, the lack of which brings industry to a standstill? Gold? Yes, a certain amount of gold is laboriously trundled from the vaults of one central bank to those of another. But gold is not used as currency nowadays, so why should that stop the factories? Something has departed which is the life force of prosperity; that something is called capital, and is entirely imaginary. The word capital is used to signify both the actual factories and the imaginary force which allows them to operate. We use the same word for these absolutely different things.

We have a plentiful harvest, and the country becomes stocked with food. The effigy of food is money, an imaginary thing. By what Carlyle called “the checking and balancing of greedy knavery,” we play tricks with the money until it gets out of harmony with the real goods, and then we make that mistake which reveals the weak spot in our mentality: we say there is too much food—a glut. Because the money system has broken down, we speak of the harvest, for which we prayed in the Litany, as a “burdensome surplus.” And all the time people—our own countrymen, our fellow-ex-service men, who lived with us in the trenches and dugouts—would fain enjoy the kindly fruits of the earth, but are unable to do so.

I should like to say a word about unemployment, the festering sore of pluto-democracy. Why cannot we cure it? Because if the unemployed were set to work, there would soon be “over-production,” that nightmare of the financial mind. The fact that there cannot be overproduction when large masses of our countrymen are short of the conveniences and some of the necessities of life, does not seem to have struck most of us. Owing to the weak spot in our minds we fail to distinguish between the real thing—available labour and skill—and its effigy, that imaginary thing, money. By the process I have described we have reversed the real and the imaginary, confusing the shadow with the substance. Then we have made the shadow conform to certain conventions called interest by those who like it, and usury by those who don’t. The system has been made unworkable by the creation of imaginary debts, without a corresponding method of paying them off. And so we speak of the labour as unwanted, when things are crying out to be done, and we underfeed the unfortunate victims of all this, and their children, because we cannot see what else to do.

What can we as individuals do to remedy these evils? The first thing is to grapple with the cause in our own minds. Try to make a clear distinction between a real famine and a financial slump. Real famine never occurs in the Western world except as a result of war or sabotage. Sabotage is wrong; always absolutely wrong.

I should like to see a society of intelligent and discerning people who would protest to our Members of Parliament against every case of sabotage; regular protests from determined constituents is the sort of political action on which we ought to be able to agree. I would not have it a matter of party politics; the best of both parties should combine for this specific purpose.

I should like to have a central bureau established, at which every case of need, such as I have mentioned, could be reported. If we could ascertain the needs of the city in household equipment, why should we not find out to what extent Norwich could supply those needs by means of her own production? To do that, I should like to see a census of potential production made, here, in this city. Of course, Norwich can never be self-supporting, but if we could make a census of production, other towns might do the same, until gradually people began to demand a national census of production. If that were done, I see no reason why means should not be found for employing our own labour and machinery to feed and clothe our own people. That is the ideal to which we should all strive.
The Public and Private Issue of Currency and Credit

BY THE REV. G. R. ROBERTSON*

*Abstract of a paper read to the Church and Nation Committee of the Presbytery of Dundee of the Church of Scotland. The Committee forwarded it to the General Assembly of the Church of Scotland, which decided to take no action.

IT used to be axiomatic that only the Government could issue currency. The only correct currency was coin with the King’s head on it. It was like true weights and measures, a means and a symbol of justice, a means of exchange, and a store of value. If, for example, a man acquired a surplus of coin in his prime, he calculated that, if he stored them, he could turn them into goods and services when he grew old. Banks offered to store a man’s coin or treasure for him, gave him deposit receipts, or notes, which were just acknowledgments on the part of the bank that so much gold in their safes belonged to the depositor.

To this day the gold in the banks, even in the Bank of England, is said to belong to the public. And yet no member of the public would have any chance of getting any of it—what is his own! We read of tens of millions of gold leaving this country for America. That was where it belonged. The foreigner got his gold, but not the British depositor. The fact is there is not enough gold in the banks to pay the depositors. There is not enough gold in all the world to pay the amount which British bankers have promised to pay their depositors.

Various excuses, explanations, prevarications, obfuscations, are put forward why bankers are not, and should not be, held to their promises. All the rest of us are expected to be honest; but somehow the banking system is exempt from this necessity. I read bankers’ magazines and responsible papers like the Economist and the speeches of statesmen and lecturers and professors on this subject, and they seem to me for the most part simply to darken counsel. I have come very decidedly to the conclusion that there is a “lie in the soul” of this banking business, and that that lie is working havoc upon all human affairs. I have taken some trouble to get at the root principle of it, and I believe I have succeeded. Also I have tried to trace some of the big troubles of the world to this lie; and have established not a few clear and definite connections.

I do not pretend to be an expert in banking technique, though some of my friends are astonished at my acquaintance with it. In fact I do not want to know much more about it. If I waited till I knew all about it, I should be dead, and a duty to God and man left unperformed. There is no need for ministers to become expert bankers. They ought to recognise a lie when they see one, and it is their duty to expose a lie when they see one. In fact, since “some sins in themselves and by reason of their several aggravations are more heinous in the sight of God than others,” if it is demonstrated to them that this is the biggest lie under the sun, and has the worst aggravations, I say to them it is straining out the gnat and swallowing the camel to conceal the lesser peccadilloes of men and leave this alone. I make no scruple about quoting the Master in this connection: “Scribes, Pharisees, hypocrites, ye tithe mint, annise, and cummin, and have neglected the weightier matters of the law, justice, mercy, and social credit.”

I say to my brother ministers: The danger here is not a little knowledge, but much knowledge. Things have been complicated which should have been simple. The banker will try to argue that a promise is not a promise. You and I are, or ought to be, expert in what is right. Woe unto us if we are not; for that is what we profess to be. And I confess it worries me to have our committees and presbyteries commenting on boys playing football (or even playing cards) on Sunday, and omitting any reference to this gigantic evil.

Dean Inge wrote a series of “Outspoken Essays,” as he calls them, in which he said we ministers and others must not be afraid of King Demos: “We must not be afraid to remark on the tendency of this age to encourage the poor to batter on the rich.” Now I have always thought that the rich generally were well able to look after themselves as regards this world’s goods, and that God’s prophets—God’s Son also, as the last of the prophets—were always more needed to defend the poor. . . .

Growth of population and expansion of industry require additional currency. What I contend is that this additional currency ought to have been provided by the King and his Government, and by them alone. No private institution ought to have been allowed to tamper with it. It is an inalienable right of the people. It is the association and cooperation of the people which bring the new values into existence. Indeed British currency now is not based on gold, but on British industry; not upon banker’s credit, but upon social credit—the credit of the nation.

In fact, even if we granted the assumption of the banking system that it is the sovereign power of the realm, the
currency is defective because it is based on industry alone, and not upon the whole social life of the community. You and I, and every scholar, poet, everyone who is not a “producer” of material things, according to our banking system, have no part nor lot in this currency, except by sufferance; we provide no “collateral” for the debt (Cf. The Times City Editor). We are mere “consumers,” mere “patent food digesters,” to use Carlyle’s phrase. And so the whole balance is upset. From a banker’s point of view “the collateral disappears” when you consume. Gold, factories, even goods are collateral for the banker, but not human beings, or human life, or human values of any kind. A word of Montagu Norman’s before the Macmillan Committee is of profound significance:

“What effect on industry will the withdrawal of credit have?”

“The effects will be psychological rather than real”— i.e., psychological effects are not real—to a banker. Suicides, worries, illness, nervous breakdowns, are “psychological” rather than real.

To return to the creation of credit: this at present is “the private issue of new money and the charging of interest thereon.” This, one financial authority, Gaitskell, says in one place, is “morally rather than economically objectionable.” Now you and I believe that that is bound to be a contradiction of some sort, if not in terms. If a thing is morally wrong, it must have disastrous consequences in time or eternity. But, as G. A. Smith says somewhere in his exposition of the prophets, “National sins receive the Judgment of God on the page of history.” So we need not be surprised to find chaotic conditions in human life if there is a great wrong in the heart of our system.

The wrong—the crime—is the crime of the forger or coiner. The first goldsmith who issued a note for gold which he didn’t have was a criminal, and he knew it. He was gambling his reputation for a fortune. There are certain risks which we all have to take, and which are perfectly legitimate. Other risks no man has a right to take, and this is one of them. And yet this is the heart of our banking system. And there has been no essential change in our banking system in 250 years. The Bank of England began in 1694, and closed its doors in 1698. The practice has broken down so often in this country, and the Government of the day has so regularly and obediently condoned the sin, that it has become ingrained in our life, and is regarded as inevitable, like storm or earthquake. It has made all mankind “debtor” to the City of London, which regards it as a misfortune when men or nations offer to repay their debts.

The crime on the big scale is made possible by the respectability of the coiner. It was only possible because people believed in the integrity and honesty of the banker. (In all that I say, of course, I make no charge against any individual banker. He does not know what he is doing.) My banking friends tell me that they do not concern themselves with the first principles of the thing; they merely work the system. Indeed all the banking books I read give no reason why bankers can and do lend ten times the amount of cash in their tills or in the Bank of England, except, of course, that it is a very profitable transaction. The thing is founded on no statutory basis whatsoever. All the books I have read which refer to it, explain it in pretty much the same formula; it is the “traditional ratio,” or “experience has taught bankers.” My explanation of it is that it is a huge gamble—“a risk which bankers run,” Lord Melchett calls it—a risk which has been run through all the stormy history of banking. And yet this is the heart of the system! All the books and authorities agree on that. And, says Mottram, “The future historian will be amazed when he has to record that the British banking system went upon a rule which broke down every time it was seriously tested.” It is a risk; and people bank their money so as to run no risk! It is in my humble opinion, the defect of the system which has for so long tormented humanity. “Tormented” is Sir Basil Blackett’s word, with which I am well content, coming from a former Bank of England Director. My word for it is “corrupted” humanity. And I have to say it, I do say it, with shame I say it: The word “sterling” meant, and was meant to mean, “good, true, honest”; and my charge is that people’s faith in sterling has been exploited to the full and beyond it.

Witness what even the Macmillan Report calls “the discreditable practice of window-dressing.” Witness the recurring crises in the stormy history of British banking. Mr. Feaveryear describes eighteen crises in the last one hundred years! The banking system persuades the Government of the day to suspend the Bank Act, or merely threaten to suspend it, the crisis is got over, and the banks carry on as before. It is a system of robbing the social credit, and then calling for a bigger lump than usual to hide the fraud. The Macmillan Committee does not condemn the ten for one ratio. It is interesting and illuminating what it does condemn: the going beyond the ten for one ratio and pretending to be keeping to it by faking balance sheets. It is still more illuminating that they say: “We carefully considered whether we should recommend legislation, but resolved to leave it to the goodwill of the banks.” Indeed they could do no other within the limits of the gold standard; for, as I said, there is no statutory authority for this ratio. Even our lawyers apparently find it impossible to legalise so enormous a crime!

There have been various attempts to excuse or defend the practice. Until recently the “cloakroom” hypothesis was stoutly maintained by the whole banking fraternity. But, “seeing there are more tickets than hats, this theory is now
Social credit is based on the industry and integrity and law-abidingness of all the people. It does not and cannot belong to the banks except by usurpation, like the usurpation of any dictatorial government. Of course, if we recognise the directorate of the banks as being our real owners and rulers and Government, then I have nothing more to say—except that I for one do not acknowledge the dictatorship, nor their possession of me; I have been bought by something infinitely more precious.

And yet their own constant assertion was (and is indeed) that they are private institutions. Yea, they said that, being such, they were safer than Governments, which were apt to be very naughty and spend people's money very foolishly—on wars and doles and things. That is the reason why, they said, it was necessary for banks (private institutions) to keep a tight hold on Governments and charge them interest, heavy interest, if necessary, for loans which are held to be repayable debt. Now, behold! Government makes war in August, 1914, asks the private banks for some of the people's treasure; and the banks reply at this critical juncture: "We have not got any." "What? What have you done with it?" "Spent it, lent it, and ten times more than there is coin of the realm." "How did you manage that?" "That's our secret."

But I wanted to know.

The secret is simply this: social credit. The banks had been claiming it and using it and risking it and wasting it all along and never telling anybody!

The return to the gold standard had the effect of more than doubling the burden of the war "debt." This was, however, too great a burden for the people to bear. From 1925 to 1931 industry had a "series of misfortunes," as even Mr. Montagu Norman admitted. Yet the banks continued to "dress their windows," and lend abroad, pay dividends, build palatial structures, and so on, with the result that they went bankrupt a second time. They went off the gold standard a second time.

They also managed to put a great share of the blame upon the spendthrift Labour Government, as it was called; and they brought it down. The Labour Government, even in so far as it was spendthrift, was only in a blundering sort of way trying to restore a little of the purchasing power to the masses, from whom it had been filched—transferred, to be polite.

When the French Government devalued the franc, Philip Snowden said she had "bilked her creditors." So we had to have a new Government to "save the pound sterling," i.e., in order that the banking system might still claim the social credit. Those obedient slaves, the British people, queued up to pay their taxes—most of which were unnecessary, if there was suum cuique. Had France financed the Great War as Napoleon had done the wars of a hundred years ago, there would have been no need to "bilk creditors"—there would not have been so many. And our pound could not be "saved" after all. In 1931 we went off the gold standard again, i.e., the banks did. They had paid their dividends faithfully, and juggled with nations' currencies all too well.

And now, was the game up? No, no. Again, of course, it was other people who were naughty. And among us there was no one with the wit to realise the real position; no one to apply our Lord's parable of the unmerciful servant.

So, on with the game: another junk of social credit—threepence for the nation, two and sixpence for the banks! (See the Economist, May, 1935.)

Don't you see how all the toil and labour of multitudes of honest and industrious men and women go for nothing? And all the progress of science and invention and labour saving only keeps us all working harder than ever, and nobody seems to enjoy the labour saved? The banks keep us tight, and poor folk go hungry, wheat is burnt, coffee
and fish are destroyed, lest people should all be too well off and grow lazy. Our modern Pharaohs say, “Ye are idle, ye are idle; get you unto your burdens.”

The remedy: No issue of currency or creation of credit by private institutions and charging interest thereon. Complete social control of social credit in the interests of the people, not in the interests of the banks.

### Whence Come Wars?

**By J. E. Tuke**

I EXPECT that most people will agree with me that the changes—scientific, social and economic—which have taken place in the last hundred and fifty years, are more far-reaching and important than any which took place in any period of a thousand years in the world’s previous history. We live in a new world, under entirely new conditions.

In the long ages of scarcity, mankind found it a whole-time job to secure food, clothing and shelter, and the problem of unemployment had not arisen; the ruthless law of the survival of the fittest was not conducive to the development of the higher traits of human character.

Competition between individuals, classes and nations to secure the means of life, led to a continual struggle for booty, or to secure territory from which additional supplies could be obtained.

In the past it may have been true that wars were waged to secure to the victors larger supplies of raw materials, but during the past hundred and fifty years man has harnessed the sciences of biology, physics and chemistry, and with the introduction first of steam and later of electricity, the power age came into being with a hundredfold or thousandfold increase in the capabilities of the human unit. Biology and the science of agriculture, chemistry in relation to fertility, the steamship, the locomotive, the motor-car or lorry, flight, and lastly radio, have conquered the dangers of distance and isolation, so that a world of plenty is available or potentially available, not only to the peoples of Europe and America, but also to the millions in Asia and Africa; indeed the problems of the twentieth century arise not from scarcity, but from super-abundance, commonly called glut.

During the nineteenth century the growing ability to produce in abundance, in a power and machine age, was utilised to supply the more primitive countries, and England became the workshop of the world. Women and children were exploited in the mines and factories and workshops to build up an ever-growing proportion of exports in relation to home consumption, and the City of London, the centre of the world’s finance, was making ever-increasing loans to foreign countries to enable them to buy our industrial production, especially in the heavy industries, machinery, coal, iron and steel.

To such an extent did these tendencies develop up to the time of the Great War, that our foreign investments, under this system, had grown to thousands of millions of pounds, and the paradoxical situation had arisen that it was taken for granted by all classes that as a nation we were better off when our exports exceeded our imports. The slogan of finance, government and business was that we must achieve a “favourable balance of trade”; in other words, that we were better off by sending abroad three hundred million pounds worth of machinery, in exchange for two hundred million pounds worth of cotton, wheat, chilled beef or mutton.

There were two outstanding interests which were able to maintain the popular acceptance of this paradox; first, the money monopoly, which could create credits at no cost, to loan to foreign countries to enable them to buy our exports; this monopoly stood to lose nothing if interest should not be paid, or even if the principal had to be written down; secondly, the government demanded that work must be considered as giving the only right to live. The proof of the success of the power age is the present unemployment, but the poverty this entails is only mitigated by the dole and the means test: this may prevent actual starvation, but, in my view is producing a C3 nation. It is suggested by Sir John Orr that thirteen millions of our people are under-nourished; a relatively high maternal death rate, suicides, an increase of mental deficiency and crime, bankruptcies and strikes are, it seems to me, the price we are paying for an economic and financial system which has, so far, failed to adjust itself to life in an age of plenty.

I come to the most serious price the world has to pay for this failure to adjust its economic and monetary system to the new conditions. I mean War. An economic war is at present being carried on in the world around us, and I agree with Mr. Duff Cooper that every man and woman ought to be frightened by the fact that it is only a matter of months
under present conditions before economic war may develop into a war of bombs, poison gas, the destruction of whole towns and cities, the ruin of a civilisation which has been laboriously built up during a thousand years. It is a race against time. We must change our economic system, or it will be too late, probably, and the world will go up in flames, and civilisation will perish.

In a recent issue of Christendom an article entitled “If War Comes: the Duty of the Church” had much of value on the question of the new world and the new world conditions under which we live:

They—that is, many Englishmen—realise, if they do not precisely understand the reasons for the fact, that war has ceased to be a mere product of malice and caprice and has become integral to the modern civilisation itself. It is, in fact, the climax to which all accepted social hypotheses tend. It is its avoidance, not its outbreak, which is artificial and even more desperately fabricated.

Again it is one of the evils of war, and the prospects of war, that it tends to stimulate a blind mass psychology on the one hand, and an exaggerated reliance on the sufficiency of individual judgment on the other. It is a curious fact that in all speaking and writing on the Christian attitude to war, to which we have been treated in the last few months, scarcely anything has been said about the duty of the Church. Nearly all the contestants have been occupied with what is commonly stigmatised as “saving their own souls,” whether by pledging their abstinence from the unclean thing, or by stipulating the conditions on which they could conscientiously agree to be a party to it.

For the Churchman there is another mission and another duty to consider besides and beyond his own. There is the duty and the burden and the opportunity of the Church Itself. Are Churchmen going to indulge their controversial instincts by emphasising this difference or not; if they are, then certain disastrous and quite unavoidable results are likely to follow. Such an emphasis will seriously obscure the far more significant consequence of Christian opinion to the belief that war is the revelation of the essential falsity and moral bankruptcy of secular civilisation. Recognition of this fact, which is rapidly growing in religious circles, is, of course, no justification for complacent self-righteousness on the part of Christians. Since the development of secularism has been largely due to the spiritual and sociological inadequacy of religion and in that development the Church has again and again been shamefully implicated.

The Church must recognise and make plain the fact that the roots of war are to be found not merely in the evil dispositions of men as individuals, but in the false ends which a godless civilisation will infallibly pursue.

There must be a prophetic discernment of the forces which have misused God’s opportunities and so produced the horrors which, as the man in the street truly declares, nobody wants; but in view of the peril of the coming months and years, such an apologetic should be in preparation now, and our differences over pacifism ought not to divert our minds from so vital a task.

Just as war is regarded by secular revolutionaries as providing situations capable of being exploited for the ends of social upheaval, so should the church be prepared to seek in such eventualities for opportunities for the sort of spiritual upheaval necessary to a new and true social initiative. As Field-Marshal Lord Haig once said, “It is the job of the Church to make my job impossible.” Three types of peace movement were recognised in a recent Catholic Conference on “Catholicism and Internationalism”:

There is that which is dangerously negative; which simply expresses the disgusted refusal of youth, finding itself in a social order clearly unfit to live in, to respond to the demand which seems so probable, that it should die for that order. It declares that in case of war “this house will not obey the call of King and Country.” It is the mind of a youth conscious simply of frustration. It is dangerous, because the reaction against it may as easily be canalised along the line of war as along any other. Secondly, there is the ordinary Left Wing Pacifism and Internationalism, the fault of which is that its philosophy is a hangover from the Liberalism and humanitarianism of the nineteenth century. It has a pathetic faith in the simple goodness of man when left to himself, and in the virtues of a representative Parliamentary Government through which he can freely express himself. Hence its faith in a League of Nations with a Representative Assembly, where mere goodwill can, by free discussion, resolve any international problems which may threaten to arise. Thirdly, there is Christian Pacifism, to a great extent simply the reflection on to the face of this philosophy of the glow of a Christian sentiment which sees in Christ chiefly the Great Teacher, and His teaching as chiefly that of the power of love—which it identifies with kindness—to conquer ill-will. These two movements are even less aware than the first of the newness of the world of the twentieth century, and the nature of the problems which it has to solve,
Father Demant took the conference back behind even these comparatively evident dangers to the whole perverted structure of the economic basis of twentieth century society. Our problem, he said, is to discover why there are wars—what makes a people embark on what it declares with truth that it does not want to do:

It is the problem of a divided will, of something behind our conscious and rational intentions, some fundamental conflict of interests between nations which must be brought into consciousness before it can be resolved. If it is not resolved it breaks out, not in pursuit of a deliberate aim, but as a way of escape from experienced frustrations. This conflict of interests arises out of that god of the nineteenth century economists, the large-scale division of labour. When that arrived at the division of labour between nations, so that nations were no longer self-sufficient, the scene was laid, not as was claimed for an internationalism which united, but an interdependence which divides. For so long as consumption is made dependent on employment, and employment upon exports, and the economics of large-scale production drive every enterprise to produce more and more of everything, national economic organisations are struggling against one another for export markets, and for a “favourable balance of trade,” which it is not possible for all of them to achieve. The thirst for full employment of capital and labour within each nation becomes a most dangerous thing even economically and politically, let alone its obvious cultural and ethical and social dangers. A stage on the way to the resolution of this dangerous situation is the dissociation of employment from export. Hence the fact that Economic Nationalism is at present a genuine hope for Internationalism; but ultimately to solve our problem, it is necessary also to dissociate livelihood from employment.

Father Demant was of opinion that the League of Nations, as a quack method of healing the diseases of the world-order with no attempt first to diagnose them, had better crash, and so draw attention to the consequences of neglect of truth and reality. The Church, at all events, could not back it because a primary duty of the Church is to bear witness to the truth, which a world involved in sin—in this case of interests—cannot by itself perceive.

It is quite true that a mass demand is growing up and clamouring for peace and social justice, but it is not the function of international institutions to secure these. Charity does, and should, begin at home, and men are calling in the various countries for that recognition of personality for the individual, for economic security, and their claim that in an age of plenty it is sacrilege to destroy those means of life which are so needed by millions of our fellow men and women.

I have a full appreciation of our friend, Ernest Holliday, when he wrote, “It is just because men are not living in accord with His spirit and teaching, that war is either possible or inevitable.” Surely, in Christ’s teaching by the Parable of the Vineyard, and His feeding of the multitudes, He foreshadowed the problems of the twentieth century—“Life’s real purpose and direction have to be recognised,” and Christ today would condemn the destruction and restriction of Life’s necessities.

The moneychangers in the temple were harmless and innocent as compared with the modern financial monopolists who are mainly responsible for the ever-present fear and confusion of nearly the whole world of men and women.

Lord Ponsonby has said, “Not an hour should be wasted in putting forward proposals for bringing to an end the whole system which, up to now, has been called ‘Collective Security.’ ” Let each national Government take steps to secure collective security among its own people by distributing that which at present they destroy and restrict, and the urge to export would cease, and the disarmament conferences, against which Lord Ponsonby has again and again inveighed in the House of Lords, would no longer be necessary; when nations have turned their swords into ploughshares they will ensure that God’s fruitful earth would freely nourish its men, women and children.

I agree with Percy Bartlett, in the report of the Fellowship of Reconciliation when he writes:

There is no hesitation in condemning the greater part of the economic and social arrangements under which we live. The principles and motivations of the present scheme of things are those of selfishness and ruthlessness. Much that goes on around us in the ordinary work and life of our time is certainly inconsistent with the Christian gospel.

Dare we then use such a phrase as “Christian Communism” as the shortest description of a system opposite in method, spirit and ideals to the present state of things that the New Testament would lead us to adopt?

Relations of complete trust, mutual service, and membership one of another, must be brought into being between
persons and groups and classes, before they can be realised between nations and races.

But in my opinion the report goes astray when it says, “No one will say there is not enough room, enough raw material, enough markets for all.” There is enough room, there is enough—at present too much—raw material, but why refer to markets? It is only our mad world, controlled by credit creators, who clamour for markets. God has brought us into this twentieth century, when the basis of human life equally with spiritual life, could and should be available, without money and without price.

Human nature is very good, because as we Quakers believe, it is impregnated by the Spirit of God and His Son, Jesus Christ; it is really wonderful how it has stood the strain of a vision of plenty destroyed, or restricted, or denied, by the power of money, in the hands of quite a small group of international war-makers.

Applied science has solved the problem of scarcity. For the first time since human beings appeared upon the earth, man is now at the threshold of the Age of Plenty and Leisure. Only money locks the door against him. Money costs practically nothing to make. The Social Credit proposals indicate the scientific principles on which it must be issued as income and withdrawn through prices, if industry is to prosper and the people are to enjoy economic satisfaction, security and liberty.

Poets and Farmers

By Nicholas Mere

Poets are the trumpets which sing to battle . . .
Poets are the unacknowledged legislators of the world.—Shelley.

The New Knowledge about money, fundamentally, that it is made by writing figures in a book, supplies the missing factor when now reading those poets who sang of stars but had their feet on earth and knew it. I remember being told that Beatrice Harraden had at one time in her life set up farming, following out the principles in Virgil’s Georgies. The famous authoress made a success of it; probably she was fortunately placed in the matter of reserves. Virgil was brought up in the country until he was 17 or 18 years of age; he had more than a nodding acquaintance with the earth. In writing his Georgies, he had referred to such authorities as Hesiod, Aristotle and Lucretius; and in his second book, after praising the good old days, we find the following: “Such a life did the Sabines of old follow, such a life did Remus and his brother live, by such a mode of life did Etruria in sooth grow powerful, and Rome became the fairest city on earth, and the Mistress of the World, and with one wall enclosed the circuit of her seven hills.” This, according to Virgil, was all brought about chiefly by farming.

The “good old days” in his time, were times that had been; where shall we find anything new in history on the face of this well-worn planet? That was some 50 years B.C. In our time, many recall better days for farming; we seem to be on the downward slope away from some golden age that was previous to the days of Virgil. If we cannot yet check the downward progress, means are known but not yet applied. Money the servant and not the master, money made by writing figures in a book for the good of the nation and not for a select few, may make some of us remember that farming was worse in the past than the present. We can make a beginning now.

“You will likewise suffer your tilled lands to lie fallow every other year, and the exhausted fields to consolidate by rest; or, changing the season, you will sow yellow corn on that ground from which you have previously gathered the luxuriant pulse with rattling pods, or the seeds of the tiny vetch, and the brittle stalks and rustling forest of the bitter lupine.” Rest then for the field. Our farmer will say, “Yes! rest for the field; that’s what it ought to have.” And he will know all the time that the feverish demands of finance will not allow him to farm properly. Before leaving Virgil, it will be interesting to note that poets, besides being able to sing about agriculture, also had a good knowledge of it. A search through Dante will not reward us with much that is kindly written of the earth. He does, however, pay his tribute to Virgil through the mouth of Beatrice as “Courteous Mantuan Spirit, whose fame still lasts in the world, and will last as long as Time.” With his head and life full of theological and political tangles, there is never an affirmation from Dante that the sickle shall outlive the sword, or a hint of how it could. The illustrious masters of other world thought always seemed to require their followers to run before they could walk.
With seven-leagued boots we come from Dante’s time to England in the year 1766 when Robert Bloomfield was born. Robert, in early life, worked as a Ladies’ Shoemaker in Lombard Street. In 1800 “The Farmer’s Boy” was published and it met with success. If you love the earth you have always time and sympathy to examine seriously what the poet can write about it, and although Bloomfield, in the jargon of the lecture room, is on the lower slopes of Parnassus, he can be read now with pure pleasure. With pure pleasure, that is, by some of us who know what beauty England has been robbed of by scoundrels in the name of progress. Progress was simply a name as an excuse for pushing the farmer to sell his land for “development.” With the great interests also pushing for the importations of foreign meat, foreign butter, foreign cheese, who can sit in judgment on the farmer for saying goodbye to an impossible task? The select few, making money by writing figures in books for their own circle, would weep no tears for the end of farmers and their craft.

Robert Bloomfield would be forty-seven years of age in 1813, when the then Chancellor of the Exchequer, Nicholas Vansittart, abolished the sinking fund; it wiped out debt too quickly, for those who, following a plough, would have been crumpled up at the end of the first furrow. By their manipulation of money there was no prospect of cessation of sweat from the farmer whose job was just simply one of working to keep others alive. In “Summer” I find the following lines—the same old story, the better days were some part of a past, as with Virgil;

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Such were the days,—of days long past I sing.
When Pride gave place to mirth without a sting;
Ere tyrant customs strength sufficient bore
To violate the feelings of the poor;
To leave them distanced in the maddening race,
Where’er refinement shows its hated face;
Nor causeless hated;—’tis the peasant’s curse,
That hourly makes his wretched station worse;
Destroys fife’s intercourse; the social plan
That rank to rank cements, as man to man:
Wealth flows around him, Fashion lordly reigns;
Yet poverty is his, and mental pains.
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Methinks I hear the mourner thus import
The stifled murmurs of his wounded heart:
“Whence comes this change, ungracious, irksome, cold?
Whence the new grandeur that mine eyes behold?
The widening distance which I daily see,
Has Wealth done this?—then Wealth’s a foe to me;
Foe to our rights; that leaves a powerful few
The paths of emulation to pursue: —
For emulation stoops to us no more:
The hope of humble industry is o’er;
The blameless hope, the cheering sweet presage
Of future comforts for declining age.
Can my sons share from this paternal hand
The profits with the labours of the land?
No; though indulgent Heaven its blessing deigns,
Where’s the small farm to suit my scanty means?”

Although something had happened, and it was recorded by the poet, money manipulation was the unknown factor. The singer, like a wild animal in a cage, could rage about effects; the causes were unknown. And by 1844 the Bank Charter Act had hoisted in the saddle all the forces of a thousand stiff-necked Pharaohs who have bred and multiplied up to the present date with not a vestige of an idea of how to escape from the mark of the beast 666. It is recorded that Bloomfield died in 1823, his later life made unhappy by poverty and blindness; we know now that it is entirely unnecessary to die of poverty, but no thanks are due to press or parliament for this knowledge which cannot be taken away from us. My gratitude at this point to Major Douglas, whose faults alone would make another good man.

Oliver Goldsmith (1728-1774), in his “Deserted Village,” records the maladjustment of wealth and the unhappy position of the farmer and the land:
Ill fares the land, to hast'ning ills a prey,
Where wealth accumulates, and men decay;
Princes and lords may flourish, or may fade;
A breath can make them, as a breath has made;
But a bold peasantry, their country’s pride,
When once destroy’d, can never be supplied.

A time there was, ere England’s griefs began,
When every rood of ground maintain’d its man;
For him light labour spread her wholesome store,
Just gave what life requir’d, but gave no more:
His best companions, innocence and health;
And his best riches, ignorance of wealth.

In the fifteenth century the labourer did not have to work so hard; as with other poets, the golden age was past, “a time there was” was the same cry of other poets. The good time—the prosperous time, was never now, or as they say in Devonshire, “this instant moment.”

I shall be allowed to include with the poets Richard Jefferies (1848-1887). In his last work, “Field and Hedgerow,” under the title of “Walks in the Wheat-Fields,” the sensitive writer had seen with his own eyes what his pen recorded. We need not go abroad for realistic writing; nor need we trouble a Zola to tell us what blind fury was needed for the reaping of wheat. At least it was true of the farmer, and the labourer, that the gods sold them all they gave them. He is describing reapers in a cornfield:

The breast-bone was burned black, and their arms, tough as ash, seemed cased in leather. They grew visibly thinner in the harvest-field, and shrunk together—all flesh disappearing, and nothing but sinew and muscle remaining. Never was such work. The wages were low in those days, and it is not long ago, either—I mean the all-year-round wages; the reaping was piece-work at so much per acre—like solid gold to men and women who had lived on dry bones, as it were, through the winter. So they worked and slaved, and tore at the wheat as if they were seized with a frenzy; the heat, the aches, the illness, the sunstroke, always impending in the air—the stomach hungry again before the meal was over, it was nothing. No song, no laugh, no stay—on from morn till night, possessed with a maddened desire to labour, for the more they could cut the larger the sum they would receive; and what is man’s heart and brain to money? So hard, you see, is the pressure of human life that these miseries would have prayed on their knees for permission to tear their arms from the socket, and to scorch and shrivel themselves to charred human brands in the furnace of the sun.

Does it not seem bitter that it should be so? Here was the wheat, the beauty of which I strive in vain to tell you, in the midst of the flowery summer, scourging them with the knot of necessity; that which should give life pulling the life out of them, rendering their existence below that of the cattle, so far as the pleasure of living goes. Without doubt many a low mound in the churchyard—once visible, now level—was the sooner raised over the nameless dead because of that terrible strain in the few weeks of the gold fever. This is human life, real human life—no rest, no calm enjoyment of the scene, no generous gift of food and wine lavishly offered by the gods—the hard fist of necessity for ever battering man to a shapeless and hopeless fall.

One more example, and I come to the present day. “Persephone in Hades,” by Ruth Pitter, is a work sustained on a high level. The diction is clear and vivid—so memorable in places that that alone justifies praise. We move, these days, in a highly artificial atmosphere—at least, they do who allow their environment to cow them, and at any moment to say that grass was out of fashion would find immediate acceptance. One keen observer, a newspaper reporter, noticed that in the recent demonstration the farmers had ears of wheat in their hats; what did this newspaper nitwit expect them to have there? A snappy article on divorce, or a murder report? Actually it was wheat—it was something real, as distinct from the blather of a newspaper writer. Sings Miss Pitter, then, in an uncommon way of a common thing;

Smile on the grass; humble and generous,
She feeds us all, that do but trample her,
Delights with verdure, and wants not for fair
Blossoms, though dim and quaint, adorned with hues
Not sad but sober; and her matron hair
Tires with faint amaranth and tarnished gold.
From this gifted woman’s work, I think she would be able to see the implications in the simple statement that money is made by writing figures in a book, and sing again in the same key to cheer us on our way to simple justice on the money question.

In the above survey we can be in no doubt about the fact that rural singers could feel the hand of the oppressor, but could not identify it. It worked in the dark; today it is dragged into the light and can be seen for the mean and despicable thing that it is—by name “sound finance”—a thing only fit for laughter from decent men, but not to be easily disposed of. It is unthinkable that the farmer, weather-wise, who knows of germination, who can tell, by the “feel” when oats are ready for cutting, who can tell what is the matter with a sick animal—it is unthinkable that this same farmer requires a surgical operation to enable him to comprehend the significance of the fact that money is made by writing figures in a book. When he does there will be leisure and health, and abundance of inspiration for the modern poet who has yet to fathom the depths of Social Credit.

Parliament as an Instrument of Frustration

By GORDON FEATHER

AMONG the 615 Parliamentary divisions into which the United Kingdom is divided is the division of Barchester. Subject to an unopposed return, once every five years the voters of Barchester have freedom to choose the man who will represent them in Parliament for the next five years.

This statement is not quite true. In the first place, they are not free to choose the person they want. The financial costs of fighting an election independently of a recognised Party are prohibitive. The electors are free to choose only as between two or more candidates put up by organisations over which they have absolutely no control. This, of course, does not matter. It would not matter if he chose himself. What does matter is that he should in fact be the representative of the people on whose behalf he appears at Westminster. But this, unfortunately, is not true either.

He is elected on a mandate consisting of a technical programme, which nobody understands, concocted by the same outside organisation which sponsored his election and paid the bulk of his expenses; which is designed firstly to achieve certain results desired by those persons who contribute most lavishly to the Party war chest, and secondly, to evoke as many sectional antagonisms within the community as possible. He is the representative not of his electors, but of his Party, and therefore need have no intention of carrying any promises to fulfilment. Certainly he will not have the power.

I will assume, however, that our Member for Barchester has hoodwinked the Central Office, and means business; he intends to get things done; to produce results. To this end there are several avenues open: he can speak in debates; he can move amendments in Committee; he can promote a Private Member’s Bill. He can oppose Government Bills.*


Thus Parliament meets, and he meets Parliament. The first action taken is to give a formal first reading to an obsolete Bill “for the better preventing of Clandestine Outlawries.” The purpose of the Bill is to affirm the ancient privilege of Commons to transact whatever business it chooses without reference to the wishes of the Crown or its Ministers. It is obsolete for two reasons. First, because Clandestine Outlawries is a form of amusement no longer indulged; and secondly, because, by virtue of Standing Orders, five-sixths of the time of the House is Government time, and the Government can always force suspension of Standing Orders in its own favour, in order to trespass on the other one-sixth.

Paradoxically, the next business consists of the reading of the Speech from the Throne, which is prepared by the Cabinet and announces, in outline, the Government’s plans for the session. Our Member for Barchester has had no voice in agreeing the contents of this programme, and to his horror notices a grave omission. Knowing that this speech gives rise to debate, he tables an amendment regretting that measures for the abolition of poverty and the distribution of plenty have been omitted from the programme.

The debate commences, continues, ends, with our hero’s excellent intention frustrated. For the amendment is an unpopular one, unwelcome to the Government, and the order in which amendments are taken is at the discretion of the Chair, and there is a time limit to the debate. The division is called, and the Cabinet’s plans are approved on a
vote which closely coincides with the Party strength of the House.

To digress, the correct function of a Cabinet is to carry out the demands of the representatives of the people. For a Cabinet to take decisions as to policy, let alone enforce them over the heads of the representatives of the people is completely indefensible. Yet that this is done is proved by the number of measures passed in pursuance of objects which the people do not want, and the number of measures in pursuance of objects which the people do want which are never passed at all.

Arising out of the Speech from the Throne, or independently, or in defiance, of the Speech from the Throne, Ministers present Bills for the consideration of the House. First reading is confined to the title clause. It is then printed, read a second time, and debated on its general merits alone. It is then referred to Standing Committee or Committee of the whole House. At this stage, Members may move relevant amendments, and may speak any number of times in support of or in opposition to amendments provided they can catch the Speaker’s or Chairman’s eye, and, of course, the probability is that our Member cannot. That is the theory. In practice, debates are severely curtailed through the operation of three devices—devices originated towards the end of last century for the purpose of abolishing for all time those delaying tactics exploited by certain Irish Members with such devastating effect.

First, any Member may, either in the House or in Committee, move that “the question be now put.” The Chairman may refuse to put the motion, on the ground that it is an infringement of the rights of minorities; but, if it is put and carried, the debate ends and a division is called. That stunt is known as the Closure.

Secondly, there is always the Kangaroo. This is the name given to the discretion, which the Chairman exercises, of choosing some amendments and jumping over others.

Finally, there is the more abrupt Guillotine. By resolution of the House (which means in practice the determination of the Government) various periods of time are allotted to each stage of a Bill. At the end of each period so fixed, the portion of the Bill in question is carried without further discussion.

Even here the fraud is not complete. There are two further points to watch. On the one hand the number of votes cast in a division is usually out of all proportion to the number of Members attending the debate; on the other hand, it is by no means unusual for a Member to speak against a motion, and then to vote in favour of it. The reason is that each day Members are supplied by their Party Whip with a list of divisions to be called and instructions as to which way votes are to be cast. It is not unusual for more votes to be cast by absentees from debate than by those actually present. To the mathematician, also, it is the exception that proves the rule of probabilities that so many men of such divergent interests and character can so regularly think alike on so many matters purporting to be the subject of dispute!

If our Member of Parliament, as a Private Member, votes against the orders of his Whip, the whip is withdrawn, which means that at the next election he may be opposed by an “official” candidate. If the Government fears a large-scale revolt, it will threaten to treat the vote as one of “confidence,” and, in the event of defeat, will resign and provoke a General Election, with all that that entails in hard work and expense. These threats are most effective.

This leaves the question of Private Members’ Bills. Finance, however, has taken excellent care of the Private Member. Legislation involving the expenditure of money can be initiated only by a Minister of the Crown.*

*One method of initiation is indicated in the following quotation from the News Chronicle of November 3, 1938: “Under the ten-minutes rule Mr. Campbell Stephen (I.L.P., Camlachie) sought leave in the House of Commons yesterday to introduce a Bill to amend the Pensions Acts so as to increase widows’ and old-age pensions from 10s. to 20s. a week and remove the stamp qualification now necessary. He said his object was to make it plain to the Government that there was a widespread desire for the improvement of the pensions system. Leave was given, and the Bill was introduced and read a first time.” (My italics.)

Private Members of Parliament have the opportunity, if successful in a ballot, of introducing Public Bills on Fridays and on certain other days, unless the times are annexed by the Government. There are also certain other opportunities, but a Private Member’s Bill has no opportunity of becoming law unless the Government will allot sufficient time to it later in the session, or adopt the measure as its own after the second reading.

As if all this were not enough, it must always be remembered that Acts of Parliament constitute merely a proportion of the legislation of the country. There is also that stupendous bulk called Statutory Rules and Orders, which, prepared by Departments of State and other bodies, become law without any Parliamentary discussion whatsoever, even though in some cases they may override the provisions of the Act to which they apply.
In the year 1920 there were enacted 82 Acts of Parliament and 2,473 Statutory Rules and Orders!

Such is the nature of the problem which Parliament presents to democracy, the problem which democracy must solve if it is not to be engulfed by the encroaching tide of dictatorship.

I have purposely used the words “which democracy must solve,” for it seems unquestionable that the only effective weapon of attack lies in the realisation of true militant democracy—the realisation and exploitation of a sense of personal responsibility. It is also unquestionable that the greatest measure of responsibility rests upon the shoulders of Social Crediters who have learned in the school of hard facts that things are not always what they seem; they know that the real power which rules the country is the power of finance; that the centre of gravity exists not in Westminster but in the City, not in Downing Street but in Theadneedles Street. It is their responsibility to face these facts and to generate throughout the country a power which is greater than the power of financiers—a power which is no less than the irresistible power of the people. And this will not be done merely by playing a game, the rules of which have been laid down by, and are enforced by, the financiers who are our relentless enemies.

It is the duty of Social Crediters to arouse in the minds of the people a sense of their personal responsibility and of their collective power. It is an absolute impossibility for any man to represent a constituency when his electors consistently fail to indicate the results which they want, and to guarantee him unflinching support when actions taken to achieve those results are unpopular with our financial masters. And there is no doubt in my mind that a start can be and should be made with a universal demand for the abolition of poverty.

The personal responsibility of the Member of Parliament is obvious, and has already been referred to above. It is no more and no less than to be a representative of the people on whose behalf he appears at Westminster. His discretion is, and can only remain, absolute in the absence of instructions from his constituents; but I deny most strenuously that he has any discretionary powers capable of overriding the clearly expressed instructions of his electorate. It is his responsibility, therefore, to insist upon the results which he knows are wanted, and to insist upon the appointment of experts charged to produce those results.

It is possible that the power and influence of a Member of Parliament acting on his own discretion can be considerable; it is incontestable that there is no power in a democratic country capable of withstanding the united demand of the people for clear and specified results. And I think that many existing Members of Parliament, backed by that force, would seize the opportunity to flout the Party Whip in the interests of their voters if thereby their seats were not in jeopardy.

Here, then, lies our instrument for releasing the safety valve—but time is short.

Christianity and Social Deadlock

By THE REV. V. A. DEMANT

Ye shall know the truth and the truth shall make you free.—John viii. 32.

LET us consider what light the Christian faith throws upon the social deadlock of the modern world. In the first place we notice how the mind of the modern world has actually reversed this statement of Our Lord’s, and says, “Ye shall become free and in freedom you will discover truth.”

We speak of the deadlock of civilisation not because there are widespread evils, oppressions, and scandals in it. Social evils do not produce deadlock when they are clearly attributable to the wrong actions and wills of men. But deadlock ensues when it is impossible for the generality of men to assign responsibility, and when therefore the mind and will of man is baffled by the complexity of the situation, when the spiritual and intellectual resources of understanding and power are unequal to the task of transforming it.

That this is the case today is obvious. Every wriggle that attempts a way out actually seems to entangle us more deeply. The will is paralysed because men do not know the truth about the situation. Men behave as if they were caught in a trap; our statesmen, business leaders, and even our ecclesiastics, talk a language which implies that circumstances are too much for them, that the “trend of events” is something which men cannot direct and to which they have merely to adapt themselves. The spokesmen of the nations, in politics, economics, and morals, speak of
“world causes,” whatever that may mean. Each nation behaves as though it can do nothing, but must wait for the rest of the world to take the initiative. That is deadlock. Again, men with a terrible sense of oppression by circumstances and of impotence try to run away from the spiritual pain into all kinds of follies and irresponsibilities. The so-called moral debacle of the modern world is not due to mere naughtiness. It is a perverted struggle to escape from a situation which deprives man of any sense of being alive for something that matters.

We cannot but connect this situation of deadlock and frustration with the lack of certainty about the meaning of life as a whole which is characteristic of the modern world. As a clever agnostic of the day has put it: “Having nothing particularly to believe in, we find nothing particular to do.” Or, in the more mellowed word of the Prophet Isaiah: “Desire fails, and the grasshopper has become a burden.”

The emancipation of the modern world from theology had results far beyond the sphere of religion. The intellectual life of men came to be carried on in a number of “sciences” proud of their independence of one philosophic mother. Actually the divorce of secular knowledge from Catholicism meant, not a non-religious philosophy, but a number of interests without any co-ordinating conception. “The Sciences” grew up, leaning a little on each other, but with nothing to order them into functions of one Science of Life. Catholicism, in its hey-day, was such a Science of Life, and all the intellectual and practical disciplines which it fostered were regarded as liable to run off into false self-sufficiency unless kept continually in their true functional place by the philosophia perennis. An organised activity, such as statecraft or economics, which gave the slip to religious guardianship over the realm of ends, and tried to find an end in itself, was regarded as sinful, just as a group of cells in the body which form themselves into a self-sufficient organism becomes a cancerous growth stealing life from the whole. And the true functioning of the parts demanded eternal vigilance by reason and regulation in the light of revealed and natural truth.

The real significance of the change which ushered in the modern world was not from faith to reason, but from Faith and Reason to a number of departmental reasons each dealing with a separate sphere of reality. And when a philosophy was necessary to justify this intellectual attitude, it appeared as a theory that the several departments of life were inherently, of themselves, working together. That philosophy was liberalism, and it underlies most modern social thinking, even of those who would not accept that label in its political sense. It is the heresy that each activity of life, pursuing its own end, naturally fulfils a function as a means in the total destiny of things. It refuses to believe in possible contradictions in the ends pursued by the various organised activities of men. When things go wrong it is methods that are criticised, short-sightedness or self-seeking, among the human agents. Liberalism concentrates attention upon means, in the belief that ends are looked after by some predisposing law of “progress.”

This liberal faith which influenced the world on a large scale has now disappeared. It was the belief in progress and social evolution which marked the delusive hopefulness of the eighteenth and nineteenth centuries. This faith is now being undermined by facts, and man has received a smack in the face which has resulted in a pessimism all the greater because of the exalted notion which the liberal philosophy of progress gave it. This pessimism is largely disguised by a light-hearted cynicism which is invading the sections of society who should be able to take an intelligent attitude towards what is going on. In brief, we are witnessing the disillusion which comes from the belief that in seeking freedom first men will find the truth.

But we cannot leave it there and merely say that this is the inevitable consequence of men having lost their religious bearing. We cannot continue to offer religion as a street island on which the moral and spiritual pedestrians can take refuge from the traffic, for unless the traffic itself can be directed—or at any rate its dangers illuminated—by a religious faith it will be more and more difficult to proclaim with conviction the fundamental doctrine of the providence of God, not to speak of the more specific doctrines of the Incarnation, the Holy Ghost, and the Sacraments.

We cannot convert men to the Faith unless we can show that the Faith sheds light upon the problems that are “eating them” before they are converted. There is today, gnawing at men’s hearts, the question whether there is any meaning in human history at all. Is this civilisation of ours but one of a series of senseless cycles, or has it some meaning in the providence of God which can be recovered by discernment and fidelity? That, I believe, is the form in which the religious question will have to be answered by Christianity today, or men will be increasingly attracted by the atheistic answers that are given to it.

In the second place, it follows from the whole doctrine of the Church and the Priesthood that the public life of men is something to be redeemed, that is, brought back to its true nature. As Our Lord is the Priest of all men, as in the Holy Sacrament He shows also His Priesthood of the natural world, as man is in a sense the priest of the sub-human world, as the ministers of the Church are the priesthood of the Church Militant—so the Church herself, the Body of

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Christ, is the Priest of human society. In Her we have a type of true social living. We do not say, “Because the Holy Sacrament is the Body of Christ, therefore the bread and wine of the Sacrament are the only parts of the material creation which we are concerned to bring under the sovereignty of Christ.” We say, “Because our Lord uses them as His Body, therefore we know that the material world is a subject of His redemption.” We do not say that “because man is the only creature on earth who is capable of worship, therefore we may treat the rest of the creation irresponsibly and disrespectfully.” We say rather that “the dumb worship of the whole earth is made for God.”

In the same way, the Church is the type and standard by which we may judge all other human society, and the fact that we are redeemed as members of the Church is the pledge that human society itself is not merely a means for individual perfection, but something to reflect directly the glory of God. A brilliant American professor has written a most illuminating book called “Moral Man and Immoral Society.” His view is that only individual man can be moral; societies and groups cannot, they can only resort to violence and expediency. This is a striking and terrible result of the religious individualism of Protestantism, and it is an interesting consequence of considering the idea of social life itself in the American fashion as merely human beings “getting together.” For the Christian, human society is a relation, not of men to men for the sake of “getting together,” but a relation of man to God in which they come together to fulfil their common purposes in Him. That is to say, true social living springs only from a conception of the meaning and purpose of life.

What is the type of a Christian social order which we see typified in the Church and by departure from which we can deduce why and where secular conflicts and deadlock arise? It is necessary to distinguish between what would be called a Christian society and a society of perfect Christians. We can call a society Christian even though everyone is not converted, where there is a Christian conception of the purpose of life behind the recognized views of law and custom. Where there is an obvious sense that all actual rules, and modes of conduct, can be assessed in the light of a Christian order, we can speak of a Christian society, even though many or the majority do not act upon it. Today, as Mr. Chesterton reminded us, we have not only lost our way, but we have thrown away our map as well. A society can be considered Christian is so far as it acknowledges a Christian map of life, even though many stray. But we have today several candid efforts at renouncing belief in a conception of life at all as a ground of appeal for particular laws and ways of living. In Russia, and in Germany, it has recently been stated that there is nothing to which appeal can be made from the particular legislation which the State enforces for its own self-preservation. This renouncing of belief in a philosophy of life throughout the whole modern world has resulted in a great many departmental activities being accepted as though they were ends in themselves, or would fit in with a final purpose of life by some automatic law of “progress.”

The Empire, for example, belief in which at one time carried the inspiration of a Messianic idea, has now largely become the instrument of purely economic purposes; and when we ask what labour is for, what trade is for, and money, and the fruits of the earth which man can produce, we see all these activities discussed as though the purposes which men have been pursuing in these things, are automatically directed by a purpose of life as a whole. The deadlock of society is due precisely to the freedom of these activities from guidance by an idea of what life is for. The result is they get in each other’s way, and all the world can think of is to plan and confer, to try to smooth out its dilemmas by extending them over a wider area.

Unless man can recover a meaning for human life as such, the deadlock will continue to our destruction. The Church must cease merely blessing the best intentions of the world, and must direct her illumination upon every activity of men, and judge it in relation to its end and purpose. That is a task which is demanded of her by an age which, because it has ceased to think theologically, has become unable to think fundamentally about any human activity, an age whose only principle is expediency, “recovery, or getting back to normal.”

We learn something of the way all human activities are related to the purpose of life in the Catholic liturgy. In the mass we have a microcosm of the world taken by Christ and given the purpose of glorifying God, not merely in the hearts of men, but in God. Our Lord assumes a material body by the act of the priest. There are the believers as the members of a family; there are the things used; there is the money, too, by which the things are provided. All the elements of human society are drawn in to one purpose. That is why Charles Marson called the mass “the drama of the perfect State.” The very nature of the worshipping Church as a public activity is a sign that public life is part of a world to be redeemed. Unless Christianity can proclaim something of the true order of public life to which redemption restores it, it will be shirking a task which it is peculiarly fitted to undertake. Other religions can only offer improvement; what is needed is redemption.

I am told that in the early days of the cinema there was widely exhibited a film depicting blood and terror and sudden death; and afterwards a picture was given to recover the goodwill of the Church, which showed a magnificent
building which men built as a Palace of Peace, and in this building there walked about a number of statesmen and diplomats, discussing world affairs. Into this company there appeared the figure of Our Lord with a book in his hand, which was presumably the Bible, and He went among them humbly imploring them to take some notice of the precepts that were written in that book. This illustrates the thin hope that the world can be saved by improvement, or, in more modern language, by “applying Christian ethics to social problems.” But it is impossible to apply Christian ethics to a number of developments which have grown up, however rightly intentioned, without any guidance from a Christian purpose in life. The true Christian picture of this situation would have been the statesmen and diplomats worshipping Our Lord, and thinking out what that involves, before they began to build the Palace of Peace. The Church must, as part of her responsibility for proclaiming the supernatural destiny of man, have a mind upon public affairs with different sanctions from those of the world. If the Church shirks this responsibility she will be like the economic world at the present time, having the goods but not delivering them. If we evade that task we shall not be faithful to our Lord’s method, nor respond to the power He offers us of redemption, which means freedom from our enemies by devotion to truth.

The Christian economists of the Middle Ages did make some attempt to think about the primary functions of economic processes, for they were concerned with economics only in so far as it ministered to a purpose in life as a whole. The vast difference between their time and ours does not justify our evasion of that task because of modern complexity. On the contrary, we might learn, all the more because of complexity, that it is futile merely to follow our modern experts in discussing means before we have discussed meaning. From the crude attempts of the ages of faith we could rediscover that prosperity depends upon recognition of the human and logical priority of use and consumption over production and employment; of distribution at home over commerce and exchange; of money as a means of distribution over money as the medium of monetary trade and lending. In brief, being radical and not empirical thinkers, they would recognise that today the cure for under-consumption was more consumption, and that what more production was needed must come by way of making up that gap first. And they would conclude that a money system which could not effect this was pursuing a fictitious goal of self-sufficiency.

In his “Essays in Persuasion,” Mr. J. M. Keynes has an illuminating passage which shows the roots of contemporary self-deception:

I see us set free, therefore, to return to some of the most sure and certain principles of religion and traditional virtue—that avarice is a vice and the exaction of usury a misdemeanour, and the love of money is detestable, that those walk most truly the paths of virtue and sane wisdom who take least thought of the morrow. We shall once more value ends above means, and prefer the good to the useful. We shall honour those who can teach us how to pluck the hour and the day virtuously and well, the delightful people who are capable of taking direct enjoyment in things, the lilies of the field who toil not, neither do they spin.

But beware! The time for all this is not yet. For at least another hundred years we must pretend to ourselves and to everyone that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still. For only they can lead us out of the tunnel of economic necessity into daylight.

There is the fallacy in a nutshell. Instead of making directly for what is clearly in the destiny of our day, we must stick to the assumptions which declare that it is only for the morrow which is always the day after. And to avoid the questioning of these assumptions we must believe that good will come out of evil! For a Christian the first step must be as good as the last, and our economic dilemma suggests that this is true in the intellectual and practical sphere as well as in the moral and spiritual.

The gospel is a gospel of deliverance. It is not good advice. Men today are not free; they are imprisoned in the squirrel cages of their own purposeless activity. What is the truth that will set them free? It is the truth that all human activities can be restored to their true nature, that is, their nature as conceived in the mind of Him from Whom they take their origin.
Chinese Economic Wisdom

By Jean Campbell Willett

IN the Chinese race the trait of aggressiveness is practically non-existent. This is apparent in its dealings with both nature and mankind; towards the former the Chinese adopt an attitude of appreciative understanding, trying to identify themselves with her in all her varying moods and to act, as it were, as channels through which nature can express herself. It is the attitude of the artist, interpreting, rather than of the scientist, conquering and utilising. This is why the China of olden times seemed, to Western standards, backward in developing—or, better, exploiting—her country. It is more important to the Chinese mind to learn to live in harmony with nature than to exploit her and add luxuries, of dubious value, or to detract from the simplicity of life by the multiplication of unnecessary possessions, both national and personal.

In contact with its fellow men the Chinese temperament shows the same unaggressive attitude, mixed with a genial tolerance; a tolerance which may border on the philosophy of *laissez-faire*, but which acts as a safeguard against the turbulence, the waste of energy and material and the misery induced by the letting-loose of the aggressive temperament. Here it is apposite to say that the “brigand” of China is no evidence of a warlike character, but is usually the broken smallholder who, all the world over, must turn to crime and plunder to live. For the rest, the vast population of China is 85 per cent, agricultural, and the whole nation is devoted to the worship of scholarship and culture.

It is interesting to see how this nation, with the greatest cultural history in the world, yet comparatively uninterested in scientific development, has expressed itself upon its economic problems.

It is recorded that K’ung Fu-tzu, or Confucius, as he is more commonly known, while passing through the State of Wei, commented on the rapid growth of the population, whereupon a disciple asked:

“Now that the people are so numerous, what shall be done for them?”

“Enrich them,” Confucius answered.

“What then?”

“Educate them.”

In the same discussion Confucius stated that the welfare of the people is the supreme duty of the state and their material prosperity is first in order of importance. Sufficient food, sufficient military force and the confidence of the people constitute those things which should be the first care of a good government. When asked which of these things should be given up if all could not be maintained, he replied, “The military.”

Confucius recognised that economic security should be the basis of life of the individual and of society; without material well-being mankind could not liberate its energies for the pursuit of the ideals of culture and nobility.

Ch’ao Ts’o expressed the same belief when he wrote: “Crime begins in poverty; poverty in insufficiency of food. He who is cold examines not the quality of cloth, he who is hungry tarries not for choice meats. When cold and hunger come upon mankind, honesty and shame depart. As man is constituted he must eat twice daily, or hunger, he must wear clothes, or be cold. And if the stomach cannot get food and the body clothes, the love of the fondest mother cannot keep her children at her side. How then should a sovereign keep his subjects gathered around him? The wiser ruler knows this—and provides for the people.”

Although this passage was written some two thousand years ago, it might have been put forward as a warning to the rulers of today, so applicable are its terms to the conditions of our times.

We read much of the “tribute” of ancient times, in China’s Golden Age. In his book on China, E. H. Parker says that: “The so-called ‘tribute’ seems to have meant ‘trade,’ for each province was supposed to bring to the metropolis the superfluity of that which it produced easiest and best, receiving bounties or presents in return. Swords, gold and silver, piece-goods, tortoise-shells and, later, copper coins, were used as currency; the chief preoccupation of the government apparently being to keep the people supplied with a sufficiency of this primitive money. The swords
"... the shape of knife coins."

Later, writing of after 221 B.C., he says: “The currency is stated to have consisted of pounds of unminted gold and half-ounces of some copper kind of coinage.” The famous Emperor Wu, of the early Han Dynasty, established an officer, at the capital, whose duty it was to “prevent traders and shopkeepers from making huge profits; to take charge of all transport and delivery; to place artisans under official control and to keep all prices of commodities steady.”

These measures for controlling prices and rates of interest occur in most of the political systems of China’s famous philosophers and rulers.

For example, Wang An-shih, a statesman who lived in the Northern Sung period, includes in his economic measures the control of wealthy “combines” and moneylenders, preventing the buying-up of the small man’s stock at low prices, or the charging of high rates of interest. The government control was, in these cases, for the purpose of safeguarding the economic interests of the people and preventing economic distress. It was also part of Wang An-shih’s policy to secure for the government the profits made by financiers and monopolists and so to prevent the insidious influence which these anti-social persons were beginning to exert in affairs of state.

Again the parallel between this condition and that of our own time is clearly drawn, for it was recorded of these financiers and usurers that “even the ruler of the state had to show them considerable deference.”

Although Wang An-shih has been called the Father of Socialism in China, the title does not convey the full scope of his policy. He was, primarily, combating the conservatism of his day, represented by Ssu Ma Kuang, who advocated a policy of strict economy in public expenditure and increased taxation. In a political debate Ssu Ma Kuang said:

“Skill in finance consists merely in the ability to scoop up the shekels by increasing the poll-tax.”

“Not so,” replied Wang An-shih, “a skilled financier secures a sufficiency of revenue without increasing the taxes at all.”

Writing of Wang An-shih’s regime and programme, Williamson says: “In his methods he was surprisingly up to date from a modern collectivist point of view. Heavy taxation of the rich, total exemption of the poor, old-age pensions, unemployment dole, state loans to farmers, a comprehensive land tax, restriction of copper export, tampering with the currency and the establishment of state banks, which also carried on the functions of pawnshops and markets, are some of the enactments of Wang An-shih.... At the base of his teaching lay the idea of the self-sufficiency of the state. Its principal concern was national enrichment by means of financial manipulation, leading to a wider distribution of public revenue.”

The Emperor Shen Tsung, who set up a new Bureau of Finance, at Wang An-shih’s instigation, conveyed a warning to the wealthy financiers, profiteers and usurers, who lived luxuriously on their ill-gotten gains, when he said: “I realise that the true way to improve the financial condition of the country is to increase its resources. But, at the same time, we must ensure that everyone has a sufficiency of the means of life. Therefore I thoroughly disapprove of proposals which involve burdensome taxation.”

This insistence that “everyone should have a sufficiency of the means of life” occurs in the programme of every Chinese philosopher and political economist of any repute. Even the work-worshipping Mo Ti, who advocated the strictest economy, maintains that political measures must be judged by their ability to “enrich the poor, increase the few, remove danger and regulate disorder.”

Living some five hundred years B.C., Mo Ti, the promulgator of the doctrine of Universal Altruism, stands almost alone amongst the people of his country in his extreme desire for enforced economy and frugality; a tendency happily checked and counteracted in its initial stages by the characteristic tolerance and common sense of the Chinese race.

Mo Ti urges: “Stop when the needs of the people are satisfied; what causes extra expense but adds no benefit to the people, the sage-king would not undertake.” He would have economic measures regulated by the balance between expenditure of energy and production of commodity. But Mo Ti’s definition of “the needs of the people” would fail to satisfy the majority: he reduces everything to a minimum. “Stop when hunger is satisfied, ... be content with clothes which are light and warm in the winter, ... light and cool in the summer, and with houses which simply keep off the wind and the cold.” His philosophy is also one of all work and no play.

Hsun-tsu, criticising Mo Ti’s doctrines, says: “The teachings of Mo Ti clearly manifest an anxiety for the
sufficiency of the world . . . . as a matter of fact insufficiency is not the cause of universal unrest, but the unnecessary worry of Mo Ti himself. Mo Ti’s ‘Economy of Expenditure’ is responsible for the poverty of the Empire . . . To a state as well as to an Empire Mo Ti prescribes coarse clothing and poor food and brings anxiety undiluted by amusement. This is stringency. Stringency fails to satisfy people’s desires.”

Another critic, Chuang-tsu, says: “The ideas of Mo Ti were good, but their practice wrong. They would have made the Mohists of future ages feel it necessary to toil themselves till there was not a hair on their legs, and still be urging one another on; thus producing a condition superior, indeed, to disorder, but inferior to the result of good government.”

There are two sayings of notably sound sense in Mo Ti’s “The Seven Causes of Anxiety.” He writes that “the real woe of the people lies in heavy taxes,” and, later: “All rulers desire their provinces to be wealthy, their people to be numerous and their jurisdiction to secure order. But what they obtain is not wealth, but poverty, not multitude, but scarcity, not order, but chaos. Why is this? Supposing it is desired to multiply good archers and good drivers in the country, it will be only natural to enrich them, honour and respect them, then good archers and drivers can be expected to abound.”

Using a forceful simile, T’ai Tsung, of the Tang Dynasty, issued a warning to the rulers of his time, a warning which has lost nothing of its point and applicability during the ages and which is in every way pertinent to the suicidal methods of the financial hierarchy of today. He says: “The welfare of an Empire is dependent on the people and a ruler who robs the people, to enrich himself, is like a man who cuts off his own flesh to supply his stomach.”

It was T’ai Tsung who “endowed” motherhood, instituted Old Age Pensions, provided government schools and colleges, opened public gardens, museums and libraries for peasant and scholar alike. He established an age of peace and prosperity in which all shared.

Here, again, we see the needs of “the people” recognised as of primary importance. The wellbeing of the masses is not overlooked in vague theorising on forms of ideal government. Wang An-shih ably expressed the case for the people in general when he wrote, in an essay: “It may be urged that a man of superior character will maintain his integrity and good name, even though he should be in very poor circumstances financially. It is also commonly said that a man of inferior moral character will remain mean even though he should become rich. But the mediocre man does not come within these general rules. In this case poverty induces moral degradation and wealth helps him to maintain his good name. If we consider, for a moment, the whole of the educated class of the country, not more than one per cent, may be classed as either superior or inferior men.”

The balanced, tolerant and humane political economy expounded by the great majority of Chinese philosophers and statesmen is, perhaps, summed up in an old Chinese proverb, advocating an elasticity of rules—as opposed to our “inexorable laws of sound finance”—and counselling adaptability to the needs of the people and the age:

“Use both such goods and money as suit your market.”

The Economics of Rearmament

By Hilderic Cousens

REARMAMENT, as at present pursued in this United Kingdom, is an object lesson of the dismal confusion between the economics of reality and the dogmatism of traditional finance, which is so beloved by our politicians, publicists, and the City at large. Not for nothing was there a Stock Exchange upswing on Sir John Simon’s announcement that in the Budget of 1939 loans rather than taxation increases were to be expected. For loans are a popular device for illustrating how mighty are the nation’s financial resources. At what cost? Financially, some book-keeping for the nonce, extensive buying and selling and shuffling round of the consequent “securities” for years to come, the excitement of conversion schemes at intervals in the remoter future, and a constant occasion for maintaining taxation at a high level indefinitely.

There is a halo of philanthropy about them, too. Not only does there attach a hazy notion of sacrifice to the lenders, but they render some considerable assistance to City interests. Some prophets are inclined to believe that the Stock Exchange, for instance, is a moribund institution. The steady growth of insurance corporations and the whole litter of
“unit” investment trusts tend to take away from brokers and jobbers all that class of amateur buyers of stocks and shares who have provided them with considerable work, substituting for it a smaller, solid phalanx of professional investors whose buying is likely to be more cautious, more concentrated, and more economical. And so any increase in the material of Stock Exchange activity is a benefit to its members, just as Treasury Bill financing by tender is a lifebuoy thrown to the London discount market, otherwise perversely anaemic through the decline in bills arising from international trade and the development of telegraphic transfer of bank credit.

Heavy taxation, by way of contrast, amounts to financial deflation. Its increase might so press upon individuals in the direct-tax-paying classes that they might start questioning the real and theoretic bases of the process. But such a danger is staved off by loans, which, as we have them, are substantially inflationary, cheering up business, especially financial business, if issued in careful moderation.

The orthodox theory of taxation and loans is that a country such as ours has a national income of goods and services which is incapable of great expansion over any period of some years; our resources are narrowly limited internally, and externally comprise those securities held abroad by English citizens which they can be made to sell to the inhabitants of the countries where the securities originate. This goods-and-services income is reflected by the sum of the money incomes of the citizens. Their expenditure of these money incomes determines the nature and direction of the limited effort which produces the limited real income. A Government, therefore, wishing to use part of that effort for its own purposes, must deflect it by taking over part of the money income through taxes, and the heavier the taxation the greater the proportion of national effort at the Government’s disposal. Too heavy taxation, however, will depress the spirits and so the enterprise and effort of the tax paying classes, with a consequent reduction in the real income; another consequence will be political discontent. Taxation above a certain level being thus disadvantageous, an alternative means of deflecting effort must be used. Government finance by inflation, or paying wages and salaries and bills by printing paper money, will do this, but will raise prices, particularly of cost-of-living goods, as it will add to the volume of money competing to buy the limited output. So the volume must not be increased. But by asking for loans at interest people can be persuaded to divert some of the money they save, i.e., do not spend on consumable goods, from financing the production of equipment goods of a kind not needed by the Government, to lending it to the Government for use as it wishes. An attractive loan, furthermore, will actually increase the volume of savings, and the net result is that the Government gets control over as large a fraction of the real national income as it needs.

This theory of “sound finance” is so vulnerable to criticism as to be something nearly approaching to nonsense. There was a lot to be said against it even in the eighteenth century; it is possible to describe a community in which it would be sound; but such a community is so unlike ours that the difficulty is to know where to start criticism or where to leave it off.

To begin with, let us accept the naive assumption that these loans are made from savings, as in truth they will be to a small extent. “Savers” can be divided roughly into three grades: the rich and well-to-do, the upper-middle classes, and the lower-salaried and “working” classes. Now the bulk of the goods which the Government want are materials for guns, ammunition, etc., for uniforms, for buildings, etc. The rich do not use such materials except to a limited extent. And, whatever they lend or pay in taxation, they will buy the food, the clothes, the motorcars, the vacuum cleaners and so on out of their remaining spendable funds. In the absence of rationing, the only way they will suffer in the department of necessities and comforts will be a decline in the number of their personal servants if Government operations develop so much as to conscript the servants or entice them away by highly-paid munition work—a proceeding of which there is no sign. The saving of the rich will be on luxuries. To meet this the trades catering for luxuries will either shut down or reduce their prices. The rich will get what they want for a smaller expenditure. Nor will they suffer if they lend to the Government the money which they would otherwise have invested in new companies. They will pick one investment rather than another, knowing that the State loan is likely to be at a rate of interest comparable to the average return on their customary investments. Also the State loans will be spent partly in buying from firms in which they are already interested, with a consequent rise in profits. What they lend with one hand will increase what they receive in the other.

If the middle classes save more than their normal amounts, they will not economise on necessities either. They will reduce their purchases of semi-luxuries and comforts. The reaction of the trades catering for these wants will be to increase their prices a little to compensate themselves for a drop in normal turnover and balance matters by “stupendous sales” at intervals. So the middle classes won’t on the whole do much sacrificing.

But with the poor the situation is very different. If they save, they can save only on necessities and lesser comforts. Their standard of living is notoriously below what is necessary for a proper level of health and spirits as things are, and any saving merely means further depression, further social and industrial inefficiency, and in consequence a
decline in output and also in that part of the country’s real resources which resides in its working-class population.

In fact this sort of thing is already in progress. As regards the first two grades: retail trade figures for the second half of last year indicate a decline in West End and Central London trade—the well-to-do are “saving”—but no decline in the country as a whole—the middle class are much as usual. As for the poor, they already cut their expenditure on necessities by buying National Savings Certificates and by paying insurance premiums, especially for the wasteful “industrial insurance” policies, thus hastening to their graves through a desire to be able to pay for an impressive funeral.

But the poor get hit both ways. The Government pays out large sums in wages and lower salaries, directly and indirectly, to classes whose expenditure, beyond that earmarked for rent, goes on food and clothes. Increases in this amount tend to be accompanied by increases in wage-rates, in steadier wage receipts, and possibly by reductions in the unemployed. Then the suppliers of food and necessities are liable to have to increase their wage-payments to correspond, and therefore to be tempted to stiffen their prices in view of a greater demand coupled with greater costs. Hence all the poor and salaried classes whose incomes are not increased, or increased after a time lag, are likely to find that their incomes buy less than they did. Even those who do get more may very likely get little benefit or not comparable benefit owing to the effect of customary retail trade margins. If a margin between the cost of certain goods to a shop and their selling price is 20 per cent, those costing £1 will be sold for 22s.; if the cost rises by 1s. 8d., the price will rise by 1s. 10d. The saving condition as far as food goes is that prices are kept down by the persistent glut compared with effective demand, but other things under stricter productive control—Nature is too independent—are likely to be put up.

But these loans are not mainly “savings.” They are bank credit, open or concealed. A loan is offered to the public. The public duly subscribes. What is this public? A small part of it consists of people who have idle credit balances in their pockets or in the joint-stock banks; another part consists of people who propose to draw out money from the Post Office Savings Bank or other depository, either to obtain a higher interest or because they patriotically respond to the Government’s call; another and larger part consists of those who propose to pawn the securities they own at the banks, who will lend them the cheque-writing power to take up loan at 5 per cent, in return for a bank loan of 5 per cent, or less. On receipt of the Government loan they retrieve their securities, replacing them with the new loan stock on which the banks, seeing that they are good and “liquid,” will lend at 4 per cent, or so; the subscribers make off with the balance of one per cent, having parted with nothing and got a little extra income for their pains. Another lot of subscribers are the insurance companies and investment trusts, in the joyful hope that they will firstly get a fair rate of interest on the funds they invest and secondly a higher rate of return from the prospective profits of firms they partly own or wholly control to whom the Government will give orders to be paid for with the loan. And to carry on the good work they will borrow from the banks at one rate, to lend to the Government at a higher. The banks themselves will also apply for the loan, and lastly there will be the “stags” whose hope is that by the time they have to pay the later instalments on their new property they will have been able to pass it on at a profit through the market for it on the Stock Exchange.

The result will be an astounding success. The issue will be oversubscribed, the allotments will be made, dealings in the stock will commence and those who bought it with credit will gradually get rid of it to genuine “savers,” whose savings will as likely as not be skimmed off the currents of wage and salary payments set up by the Government’s spending.

For the sad fact is that so far from the Government of this country paying its bills with cash drawn from the population, the population increasingly pays its bills with cash drawn from the Government. It is not a case of the Government saying that these people have a lot of money; we will take some of that money and devote it to our purposes, our expenditure this year being paid for from their last year’s unspent income. The case is that the Government borrows by Treasury Bills and the like on credit, and issues a steady stream of purchasing power to its employees, its contractors, its holders of Government debt and so on; by taxes and duties it takes in a fluctuating revenue in cash with which it pays off unsteadily the credit it has borrowed; but the credit borrowed but not repaid tends to pile up as the year goes by, until in the last quarter a sweep of income tax brings in revenue faster than credit is borrowed and the arrears are paid off. The Budget is thus balanced and the process is resumed. The Government is essentially the source of its own revenue, and the whole machinery of the Floating Debt is a typical present to financial interests—the discounts and interest paid being outdoor relief to the City for superfluous services rendered. If the Government tried to act on the principle that it could spend only what it had received, like a thrifty housewife, the instantaneous result would be an unparalleled collapse of trade. Government does not merely “prime the pump”; it furnishes a great deal of the outflow.
Long-term or funded loan borrowing by the Government is not so easily disposed of as short-term borrowing (Treasury Bills, Ways and Means Advances). Short-term borrowing could be replaced immediately by direct issues of Treasury Notes or cheques on the Treasury, with a consequent elimination of all the interest charges now attached to it. Taxation would remain as now and the Budget would be balanced and all the rest of it. But, as I said earlier, the political reason for long-term borrowing is that people are already being taxed as much as they will stand, and the process must be disguised and spread out.

Now the orthodox theory of loans from savings which I have already attacked as not in accordance with fact relies on two axioms: the first, that the national resources of labour, materials, and plant, are indefinitely fluid, and the second, that they are already being employed so efficiently that the current real income is to all intents and purposes the maximum income. Both these axioms are wrong.

The necessity of the first to this theory is fairly clear: you borrow money which would have been devoted to employing labour and equipment labelled A, B, C, and devote it instead to labour and equipment labelled X, Y, Z: A, B, C must turn into X, Y, Z, otherwise they will be wasted. In fact, A, B, C are only partially convertible into X, Y, Z: you cannot turn a coal miner into a scientific instrument-maker, or a mortising machine into an automatic riveter. Therefore you can wholly use your loan only by increasing your labour and equipment, i.e., you are not merely deflecting your maximum income, you are increasing it; unless you are at the same time throwing part of A, B, C out of work—an asinine procedure. Incidentally the notion that resources (labour, skill, organisation, and plant) are indefinitely transferable is one of the delusions which formed one basis of most esteemed economic doctrines not so long ago.

The second axiom is manifest nonsense in this country. It is difficult to think of any but a few small departments of industry where output could not be immediately increased by absorption and re-direction of the unemployed, the under-employed, and the mis-employed, and the parallel exploitation of plant which is unemployed or under-employed. A further large increase could be gained by a reduction in the waste of material which goes on—superfluous models, useless or even harmful products, spoil goods from low-pressure retail distribution, scrapping of alleged surplus plant and so on. An even larger increase would come from any release of the public’s creative energy—of performance and invention, which is now continuously held down by our unsatisfactory system of incentives, the chief of which is the incentive to ca’canny, the belief that if you apply your best endeavours to your job you will either glut the market or do somebody else out of his job!

Now if the Government issues money equivalent to the long-term loans in amount by interest-free notes or powers to draw cheques on the Treasury without a parallel system of deflating by added taxes, it has to face the problem of possible rises in the cost of living, and a vicious spiral of “inflation.” Against this there are several prophylactics and remedies. It can imitate the Third Reich, by instituting far-reaching administrative interference with costing, pricing, wages, so as to settle wages and prices and profits at some predetermined level. The shortcoming of this is that, apart from annoying our present Government’s friends who are not too enthusiastic about even such controls as the departments have already put on, the general idea is unpopular and in fact would produce a good deal of “sitting on the splice” in the population; even in docile Germany it has produced some. As a lesser measure of the same kind it might strike agreements with some of the larger organisations in each trade, especially in the consumable goods trade, by which they would keep their prices down as much as possible, and then trust to the consuming public’s nose for “good value,” coupled with judicious publicity by the Government, to restrain other organisations from price-raising through the competitive powers of the compliant ones. Lastly it might apply some Social Credit ideas on real cost and true pricing.

These ideas partially applied to armaments will not be so far-reaching as they would be applied to the country’s economic activities as a whole. We will consider the Government (or Treasury) as trading with the United Kingdom (the taxpayers). The Government sells the service of Security; its costs are Treasury notes; its accounts are balanced by (1) assets acquired and (2) sales (taxes received).

I here ignore variations in interest-free financing, such as writing cheques on the Bank of England, which make little difference except in convenience, because the convention of the commercial banks is to regard “cash in hand” (notes held) and “cash at the Bank” (entries to their credit) as equally valuable. As note-issue will greatly increase legal tender cash reserves, it is essential that the customary banking ratio between cash and deposit liabilities be modified. If it is not, the increase in cash may lead to the pyramiding of bank credit, enhanced speculation, higher profits, prices, wages, etc., as occurred in the great war finance.

The Government with its notes buys existing goods, such as land, coal, cardboard; orders goods to be provided,
such as uniforms, food, guns, aeroplanes; pays for services (troops, technicians, etc.). The services are necessary but leave no visible assets; the goods have very varying durability, some like ammunition expended practically vanishing, others like guns lasting for many years. What survives can be priced according to depreciated or, if prices rise, replacement value. If the Government finances the plant extensions necessary to the manufacture and storage of munitions, extra food, and so on, as it should, leaving their working to suitable organisations properly rewarded, these are also assets. So that the Government can present the country with the following statement when it makes up its accounts:

Credit (what it has parted with)—

- Notes given for salaries, pay, wages, commissions, etc.
- , , goods bought.
- , , plant, etc., installed and developed.

Debit (value of what it has and notes to be received)—

- Value of goods in hand.
- , , plant acquired.
- , , land bought.
- Sundry sales (scrap, etc.).
- Taxes received.
- Taxes due.

It ought to count in the goods and plant it already has, for which taxes to full original value have been paid in the past. The goodwill, that is any price it might like to put on the added security provided, is obviously an item to be varied according to a general economic policy, determined by a consideration of the price level, the state of trade, etc. Its effect would be to modify the taxes due. It would represent the advantages of reduced present taxation which are supposed to reside in the policy of borrowing. In this scheme the taxes to be paid in the future, which are now occasioned by interest and repayment of loans, would be occasioned by further depreciation of goods and plant, and, if a Government wished to deflate, by writing down goodwill.

The net result of this financing and accounting process would be the provision of armaments at much less psychological and cash cost to the public. Its reaction on the rest of the economic activities of the country would be beneficial, and it would force a general reconditioning of Government finance as a whole and a sane reform of our conventions about Credit-Cost-Income-Price.
Mass-Production Man

MASS-PRODUCTION Man, mass-production Man,
A cog in the machinery, a unit in the Plan—
He goes to work to earn the cash
To buy the food to get the strength
To go to work to earn the cash—
Provided that he can!

Mass-production Man, mass-production Man,
An insect in the colony, his life is but a span;
When the clock awakes him he scrambles out of bed,
Crawls into his uniform and gulps his daily bread,
Sucks his Press and grabs his bag and runs to catch his train,
Performs the motions paid for and returns back home again.

He goes to work to earn the cash
To buy the food to get the strength
To go to work to earn his keep
To keep his life in vain.

Mass-production Man, mass-production Man,
The bridge and cross-word expert, the sport and picture fan,
He shuffles to a saxophone, he goggles at the screen,
He regulates his loving to prevent the might-have-been:
More mass-production children for our mass-production schools
To cram through all the “standards” turn out mass-production fools.
Put up upon the Market to be sold for what they’re worth,
And set spinning in a circle that encompasses the earth:

To go to work to earn the cash
To buy the food to get the strength
To go to work, to go to work,
The purpose of their birth.

Mass-production Man, mass-production Man,
Your fathers fought for Liberty since the Race began,
They fought and conquered Scarcity, they toiled with hand and brain
Lest we who follow after should have their work again;
They bled and died to win for you a freedom that you shirk;
You scramble for your Slavery, you fight to go to work—

To go to work to earn the cash
To buy the food to get the strength
To go to work to get the strength
Again to go to work.

The earth goes round and round, the earth goes round and round,
And we go round upon it, and then go under ground;
Across the emptiness of space the sunlight pours and brings
To us the over lordship of all material things,
The heritage our fathers won, for which we give no thanks;
They fought against Reality, but we have left their ranks

To go to work to earn the cash
To buy the food to get the strength
To fight for little paper notes
And figures in the Banks!

GEORGE DOBBS
RE VIEWS

The Individual and the Group

Translated by Sir Andrew McFadyean (Frederick Muller, Ltd., 7s. 6d.).

HERE is a book remarkable alike for its essential understanding of the relationship between the individual and the group and for its failure to perceive the causes of the subordination of the individual to the group in every modern state. It would be difficult to improve on the opening words of Chapter I:

Man is the creature of God. The state is the creature of man. It follows that the state exists for the sake of man and not man for the sake of the state . . . The value of the state is exactly the value of its services of human beings . . .

Equally clear is the author’s analysis of the modern idolatry of state worship which asserts that the state is more than the man.

From this starting-point, Count Coudenhove-Kalergi traces the history of the struggle between his concepts of right and might from the time of Athens and Sparta to the present day; discusses Bolshevism, National Socialism and Fascism as facets of might; and concludes with the conviction that all three will perish, and freedom, right and democracy triumph. But the author writes ambiguously about right and might, seeming to be confused as to whether they are opposed or complementary.

In dividing the world into “Right states” and “Might states,” he says that the British Empire, the North American Union, and the Swiss Federation all rest on the “firm foundation of federalism, self-administration and the freedom of the individual within the organisation of the state.” In such passages the author’s failure to recognise causes of restriction of liberty or to suggest any better methods for release from tyranny than the lowering of tariff barriers and the increase of production, is a disappointment to those who know that “Right states,” at least equally with “Might states,” are effective dictatorships. In the former the dictator is concealed and wields his power through money; in the latter the dictator is exposed and wields his power through bureaucracy. In both the individual is enslaved; in the former the limit of his freedom is measured chiefly by the length of his purse; in the latter, by the vigilance of police; in both the result is much the same though the methods may differ.

The author mentions the “rehabilitation of democracy.” That is the imperative necessity today in both so-called “Right states” and “Might states.”

Lunatics at Large

“Insanity Fair.” By Douglas Reed (Jonathan Cape, 10s. 6d.).

THIS book, written a year ago, does not lose interest as time goes on. It is a vivid picture of a lunatic world, by an acute observer who sees the insanity without perceiving its universal cause. He shows that the so-called democratic states behave no more rationally than the dictatorships; almost any action of either might, like that of a lunatic at large, conceivably precipitate disaster.

Such a state of affairs is the inevitable result of irresponsibility. For the success of organised life it is essential that certain principles or laws of association be observed. When people form an association they should be aware and approve of the purpose they believe to be possible of achievement thereby; to direct the power inherent in their association they must appoint an administration; and to retain control over that administration they must always be in a position to call it to account, and to replace it should progress towards the realisation of the specified aim be unsatisfactory.

The fulfilment of these three principles produces a well-directed, sane organisation of the power resident in an integration of individuals. The aim is clear; progress towards it is directed efficiently; control remains with the individuals in association.
It is the failure of peoples to formulate their purpose, and to appoint and control their governments for that purpose, which has let loose in the world the irresponsible powers whose lunatic behaviour is so graphically described in this book, but the fundamental cause of which escapes its author. He deals mainly with Germany and Austria, where he lived for several years as an English newspaper correspondent; and having seen for himself the rise of the Nazi régime, he formed an acute dislike of it, its leaders and what he observed of their methods. From Vienna at the time of the Anschluss he wrote:

For my part, I watched the end of Austria with as much detachment as was possible for a man who had given so much of his heart to this country. I had admired Germany. I loved Austria. But it was not my country, and I always felt that, the fatal mistake of the destruction of the Socialists having been made in 1934, the outcome was inevitable, and could well understand that many Austrians must long for this solution. I also knew that Hitler would do a great deal that sorely needed doing—not so much in Austria outside Vienna, which was a well-found country that did not need to be delivered, but in Vienna, where conditions existed that were lamentable.

The poverty and sweated labour that I saw in Vienna in the years that I spent there were doubly depressing because of the background of a noble city, in its position and amenities and surroundings for me the finest in Europe, in decay; because of the lethargy and hopelessness that filled the people after a century of decline; because of the incongruous picture of Jewish prosperity that, in the centre of the city, was superimposed on this grey canvas of want and inertia.

... I longed to have a magic wand that would at a touch bring the people of Vienna, the common people, prosperity and happiness, so that they would be able to laugh and dance and sing because of and not in spite of their daily lives.

Perhaps Hitler will do this. Do not think, you who read this book, that I am an enemy of National Socialism because of what it has done in Germany and will do in Austria.... I am an enemy of National Socialism—and I want to make this clear—only because I know that its ultimate meaning and aim is hatred of England and the destruction of British world power, and although I think England is a wretchedly-run country in many ways, I am an Englishman and want to see these things put right by Englishmen.

“Hatred of England”—yet in all this book the author gives no evidence that the German people have any hatred of the English people. He is convinced that their leaders hate England, but it is legitimate to suggest that it is not the English as such they hate and fear and would destroy, but the international money interest which, by their neglect of the principles of association, the English people have permitted to usurp their great power for ends of which, if they recognised them, they would surely not countenance.

The English people still possess sufficient political freedom to make possible resumption by them of power over their national administration, so that it shall not only fulfil its proper purpose of serving the people, but also cease even to appear as a menace abroad. Peace lies in that direction.

W.A.W.
Read

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