

# THE FIG TREE

A Douglas Social Credit Quarterly Review

Edited by C. H. Douglas

Contributions by

The Editor

A. C. Cummings

Edward Hewlett

Ronald Ogden

Paul Hampden

Henry Swabey

Ezra Pound

Tudor Jones

These Latter Hours

Frustrated Europe in the Aeroplane Age

The Emergence of a Dynamic

Democracy and Education

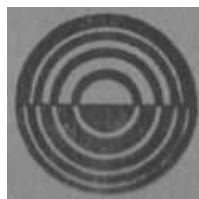
The Flaw in the Price System

English Church Money

The Language of Money

Our Cultural Disinheritance

and others  
The Ashridge Address



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Editor: C. H. Douglas

Associate Editor: Miles Hyatt

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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*

## “These Latter Hours”

By THE EDITOR

THE nascent science of Social Dynamics presents many urgent problems for solution to its students, and perhaps one of the less understood is that of the distinction between Social Momentum and Applied Force.

There is an idea in the minds of many people, I think, that the world and the rulers of it are susceptible to some description of deathbed repentance, and that, in consequence, the penalty of their past policy can be averted. It is very doubtful indeed whether such an idea has any sound foundation. The prevention of a great war, for instance, in order to be effective, requires the removal or shutting off of forces which lead to a great war, 15 or 20 years before the war will otherwise take place. It has always seemed to me that 1923 was the critical year in regard to the situation in the world today, and approximately the latest date at which the disasters which threaten us could have been avoided, although that is by no means to say that they cannot be mitigated. In 1923 it became obvious that bankers had learnt nothing and forgotten nothing, and, as Mr. Otto Kahn said at Ottawa, “They had been a little anxious, but now had the situation in hand.”

The traditional success of British Governments in dealing with various situations that may confront them (which from one point of view has provoked the criticism, so universal on the Continent, that we have no policy other than expediency) is due, I think, to our concentration upon problems of momentum, rather than upon problems of original forces. When such momentum is comparatively small—as is the case where communications are slow, agriculture and small industry are primitive, the dissemination of news and propaganda is comparatively restricted, and in general the conditions are those which existed up to the beginning of the present century—the brake is a more effective and simpler mechanism than are the engine controls. When it is necessary to affect the judgment of only a small number of comparatively well-educated people, constantly in touch with each other and familiar with the practice and technique of governmental action, a change of policy is easy and can be comparatively rapid. But such is not the case today. Political propaganda has reached dimensions previously unknown, by means of syndicated newspapers, broadcasting, motion pictures, and so forth, whilst the submission of large populations to a uniform economic system based upon finance, and producing parallel problems everywhere, has generated mass emotion on a scale which is reflected in the wars and revolutions contemporaneous with it.

If the situation is looked at in this light, it must evoke even some sympathy for the unfortunate statesmen who are supposedly responsible. If we regard them as free agents with the best intentions, which is in most cases much to assume, they are faced with the necessity for action along two distinct lines, both of them full of difficulty. In the first place there is the reduction of the momentum towards disaster which has assumed such formidable proportions; and the difficulties which surround effective action of this nature—even the dangers of a directly opposite result to that which is desired—are exemplified by the breakdown of efforts at disarmament. But with the magnitude of modern social forces, it is not much use applying the brake if the vehicle is still hell-bent to destruction on full throttle. The forces which make for destruction in the world today, which have produced the situation which is now so menacing, are more powerful than they were 25 years ago, and there seems to be little more prospect that their direction will be diverted.

Without pressing material analogies too far, it may be observed that the stored energy of matter in motion is proportional to  $mv^2$ . If we have a flywheel one ton in weight turning 100 revolutions per minute, it takes a great deal more to stop it if it is all in one piece, than if it is split up into 20 flywheels weighing 1 cwt. and of correspondingly less diameter. The analogy is crude, but it is suggestive of what I am convinced is the truth, that dictatorships representing the power of many millions of people must be disastrous if the dictators are in control of policy. It is quite possible to have all the power of a unified dictatorship and yet to have control over it in such a manner that its policy can be rapidly changed, if it is recognised that the dictatorship is merely functional, and not one of initiative. Freedom is a real thing. It is the most important thing which is at stake in the world today, and it is beyond all other things necessary that its nature should be understood. It is the power to choose or refuse one thing at a time. It is the power to choose whether you will play cricket or whether you will play golf, or whether you will play neither. Quite emphatically it is not the power on the part of the non-player to change the rules of cricket or golf; that is not freedom, it is oppression. As the freemen of Arbroath said to the Pope when he opposed the enthronement of Bruce: “It is not glory, it is not riches, neither is it honour, but it is liberty alone that we fight and contend for, which no

honest man will lose but with his life.”

The dictatorships of the world at the present time are slaveries, not because they dictate that their industries shall be carried on to certain programmes, but because they dictate that everyone shall take part in them under either economic or administrative pressure. And this is just as true of Fascism as it is of so-called Communism as practised in Russia today. The fact that such dictatorships may be for a time functionally efficient is quite irrelevant. The more efficient they are under conditions which remove the power of initiative from the individual, the more certain it is that they must come into conflict with each other and produce a world catastrophe.

How much time is required both to apply the brake and reverse the engine, and whether there is sufficient time, I do not know; but only individual initiative submitting itself to functional discipline for the purpose of reaching that objective can have any success.

C. H. DOUGLAS

# Frustrated Europe in the Aeroplane Age

By A. C. CUMMINGS

CROYDON airport 9 a.m.; the great Paris airliner about to start. I take my comfortably padded seat, with a dozen other unconcerned passengers, in the long, narrow saloon, and the shattering roar of the engines begins.

We climb steadily through the blue morning mists that shut out the horizon, until in a few moments, the jig-saw patterns of green meadows, brown ploughland and straggling hopfields disclose Kent beneath our wings—intimate, gentle and garden-like.

Then over the Channel, a dead calm, cool-green, misty floor devoid of a sign of life. The French coast and strange magical towers of shining vapour far to the south of our course.

Le Bourget and a wait of forty-five minutes, reading the French newspapers, while our baggage passes the customs. Once more aboard—this time a mighty, yellow-painted, Italian aeroplane—and away over the housetops of Paris and southwards at 175 miles an hour. Golden wheatfields, olive-dark forests and glistening ribbons of rivers glide by beneath us, dream-like and slow. Clouds come down and boil and fume outside our windows. Soon the foothills of the Alps rise dim upon our eastern horizon. Then the Rhone and broken country, with towns and factory chimneys betokening the wealth of France.

Marseilles where the dockworkers are on strike. Half an hour for lunch at a primitive little cafe beside the airport and once more into cloudland.

Over the Mediterranean now, with the pleasure-cities of the Riviera, rich and red-roofed and sea-fringed, on our left. Once more a cool, green floor far beneath us, flecked with tiny caps of foam. Corsica and its bare serrated peaks, still holding the late snows in their crannies; and Elba beyond—an emerald set in grey granite. At last the coast of Italy. A vast black storm-curtain pierced by lightning closes in on our right. We swerve ten miles from our course to avoid it. And so, with wing's afire from the westering sun and thunder inaudible beneath the engines' roar, the airport at Rome—my destination.

Seven hours flying time from London—swiftly and smoothly about halfway across Europe, more than eleven hundred miles between breakfast and dinner. Such is the achievement which the conquest of power and the control of substances has made the commonplace of travel today.

Breakfast in London; dinner in Rome. Europe reduced to the scale of England in the days when the railways were supreme. The air making all nations neighbours, whether they will or no.

Does any European statesman grasp the implications of that pregnant civilising fact? No one in Italy, certainly.

“We aim at economic autarchy,” one of Signor Mussolini's ministers blandly told me. “We have had our lesson from sanctions and never again shall we allow our economic life to remain at the mercy of foreign countries. We are determined to become as self-sufficient as our resources, exploited to the utmost, will permit. We must find work for everyone.”

So Italy joins Germany and those other lands where obscurantist dictators rule, unaware of the world of plenty and of economic freedom already open to them. She decides to spend £20,000,000 on railway electrification to avoid buying British coal, thus raising higher still her monumental pile of secret debts. She restricts her currency and so keeps the foreign tourist away from her shores. She raises taxation another notch, and tells her semi-starved peasants on their stony hillsides in the Abruzzi that they must wait until the new “empire” of Ethiopia is “economically developed” before they can hope for relief from their intolerable burdens. True, she has given two and a half million workers increases of wages varying from seven to eleven per cent. But the Italian press, which so resoundingly records this achievement of Fascist economy, curiously fails to mention the far greater percentage by which the cost of living has risen since the first of the legions departed for Ethiopia. Nor is anything said about the recent increase in unemployment.

Actually, Italy has now to resort to the foreign moneylender. Signor Mussolini is ready to mortgage the resources of Ethiopia, whatever they may be, in return for capital to develop them. For the moment London bankers ignore the bait. Italy has held up their balances and there is need for financial finesse in the impending discussions for a new Anglo-Italian trade.

However, in Rome a royal decree has authorised the Finance Minister to issue short-term treasury bonds in foreign currencies to be placed on the world's money markets. The hope is that even if foreign bankers hold aloof—which is by no means likely—the ten million Italian Fascists who live outside Italy will contribute their hard-earned lire “to satisfy the needs of the state and of the national economy.”

All this, be it noted, in subservience to the money power, although the State, which in the last resort is Mussolini himself, owns in part and controls altogether, the banking system. By special decree an “inspectorate” has been created “for the defence of savings and the exercise of credit.” This body, responsible directly to a ministerial committee, of which Mussolini is President, decides upon grants of long and short-term credits to all borrowers. Yet no idea has ever dawned upon it that it could, like the banks, create its own credits on the security of the nation's wealth and productive power.

It prefers the Chinese wheelbarrow to the modern aeroplane.

#### FRANCE'S NEW DEAL

In France that aristocratic Socialist, M. Leon Blum, has made a democratic “new deal” which, his supporters in Paris will tell you, heralds as great an economic revolution as any of the supposedly more efficient dictatorships can boast.

Not only has he put the armament industries under state control and forced the corrupt section of the French press to disclose who are its paymasters, but—triumph of democracy—he has “nationalised” the Bank of France, maker and un-maker of Cabinets. As the official report to the Chamber of Deputies put it, one of the chief misdemeanours of the bank hitherto has been the “encouragement of over-production” by loans too generously made to its shareholders, that is to say, to “Big Business.”

M. Blum quietly and expeditiously has got rid of Napoleon's legacy of the “two hundred families” and fifteen regents—the financial oligarchy of France. And he has replaced them with a council which, as the Finance Minister, M. Vincent Auriol, says, “converts the bank into a picture of the France which works.” To ensure labour's acquiescence a trade unionist figures in the new seats of the mighty.

The Popular Front which backs M. Blum is very pleased about it all.

“The Banque de France,” it says, “has now become the Banque de la France.”

Oddly enough this revolutionary reform does not seem to have made much difference to the ordinary hard-working Frenchman's economic lot. He finds that in recent months prices for everything he requires have mounted alarmingly. In the Paris cafes you pay ten per cent more for your meal, compared with a year ago. The small shopkeeper, unable to raise his profits, as the wageworkers by their stay-in strikes contrived to raise their wages, continues in revolt. And so with the “defence of the franc,” the refusal of the Socialists and Communists to devalue the currency, discontent simmers along, ready to boil over at any time. To alleviate it and at the same time to reduce unemployment, M. Blum follows President Roosevelt in planning vast public works expenditures. He seeks to provide “more purchasing-power.” So he proposes to spend on works of national importance £267,700,000 within the next three years. He will, he thinks, borrow himself into prosperity.

Meantime, prices rise and the consumer buys less.

“French prices today,” says M. Paul Reynaud, former Finance Minister, “are the highest in the world.” Nevertheless the farmers cannot make ends meet. So they are to be given a moratorium up to two years for all debts except wages.

“Something for everybody” is the Popular Front's motto. Billiards of francs for new social legislation, billiards for the restoration of wage-cuts, millions for the farmers and for traders and manufacturers to enable them to pay higher wages, millions for miners' pensions and public works and wheat growing and what not. Eleven billiards of francs in all, added in two months to the national budget.

M. Blum is well content, though he will need seventeen milliards of francs before the end of the year. His “baby bonds,” floated amid accusations of sabotage against the banks have brought him in only 4,000,000,000 francs.

There is not one promise in our ministerial declaration that has not been carried out,” he says complacently—utterly unaware how far his statesmanship falls short of the needs of the age of the aeroplane and leisure.

Finance, regarding him, smiles indulgently—the smile of the creditor who knows the power of debt.

### DR. Schacht's Pilgrimage

Dr. Hjalmar Schacht, Germany’s economic dictator, professing immaculate political innocence, has been touring Europe on a financial pilgrimage of sinister import to those British businessmen who pin their hopes to “the recovery of international markets.” He has been to Vienna, Athens, Belgrade, Sofia, Budapest, and Paris, and his business everywhere has been so innocently nonpolitical that it has left behind it a trail of anxiety in every European chancellery where an alliance with France dominates business as well as diplomacy.

Dr. Schacht, so he says, seeks trade. He is a “trade ambassador,” neither more nor less. But he seeks trade by the unique technique he himself devised—the technique of the debtor who has managed by financial legerdemain to get his creditors into his power.

His method has the simplicity of genius. As economic dictator he piles up big import surpluses for Germany. Then as currency dictator he blandly informs Germany’s creditors that they cannot be paid for their exports in international currency; Marks are “blocked” and not available in sufficient amounts. So the foreign creditor finds he must buy German goods, whether he wants to or not. Thus, the debtor cleverly dictates the trade policy of his creditors. Which is a new and wonderful illustration of the power of finance.

Dr. Schacht made good use of it during his pilgrimage. He was able to obtain railway and arms contracts, and to negotiate for the transfer to German control of one of the chief Belgrade banking companies.

Yet all the time—as the journalists were told in Paris he “confessed both ignorance of and aversion from politics.” His innocence was superb.

It did not altogether impose on M. Blum and his colleagues. They suspected that the “trade ambassadorship” cloaked a plan to break the Franco-Russian alliance and to create a new “anti-Bolshevik front” in Europe. The lure of trade, nevertheless, triumphed and the French Government sent its Minister of Commerce, M. Bastid, to Berlin to see what might be in the wind. He was received with soft words, but unfortunately Herr Hitler had a “Four-Year Plan” up his sleeve designed to produce domestically all the substitute raw materials that German chemists and inventors could discover or create. By this plan Germany hoped, among other things, to replace cotton and wool by homemade staple fibre, imported rubber by the synthetic variety and petrol by the product of the laboratory. The French industrialists wondered what would be left to them to supply.

Dr. Schacht returned to Berlin having achieved little in France apart from some weakening of French opposition to a “new alignment of currencies.” However, Herr Hitler should be satisfied for the moment with his financial emissary. Central and South-Eastern Europe have already been forced a stage nearer the Nazi financial and economic orbit and away from that of France and Britain. That is enough to go on with.

Berlin itself had a mild panic on the stock exchange last month. Under the stimulus of the Propaganda Department the newspapers opened an intense barrage of abuse against Soviet Russia. They accused Moscow of having sent orders to the Spanish Communists to “drench their fellow countrymen with petrol and burn them to cinders.” The bourse, misled by the hate campaign and by such phrases as “if war comes,” got it into its head that war was coming. And so stocks fell and investors lost, and Berlin waited for the Russian aeroplanes, which never arrived.

On the same day, however—such are the ways of Finance—Big Business in Germany was busy negotiating, with the detested Reds, the best price at which it could buy Soviet oil for the German air force. In war preparations, at least, dictatorships know that this is the age of the aeroplane.



Behind the blood and terror of Spain's civil war, what the popular press calls a "mystery man of finance," hides himself and his millions.

Few newspaper readers know much about Senor Juan March. Yet, as the richest and most powerful man in Spain, he it is who is keeping the rebellion alive, financing General Franco and seeking to drag Germany and Italy as Fascist powers into the conflict to ensure the safety of his vast possessions.

Senor March is the power behind Senor Gil Robles, the leader of the "Catholic Action" party, which at one time had three-quarters of a million supporters intent on making Spain safe for finance, landlords, the army and the church.

He began life as a street Arab, bare-footed and poor as the poorest peasant. Running about the hot alleyways of Valencia he picked up cigarette ends, made new cigarettes of the pieces and sold them to those as poor as himself.

Soon, in some mysterious way, he was able to set up in business. He started a small tobacco factory in his hometown, then another in Seville. To get his tobacco cheaply he visited Morocco and found there that, poverty-stricken as Spain was, Morocco was poorer still. Labour was dirt-cheap. So he began to manufacture cigarettes in Morocco and built up a big business. He was soon a competitor of the State itself. The Spanish Government, fearing for its tobacco monopoly, forbade him to send his products across the straits. Such an embargo, however, did not trouble Spanish smugglers. At night from Gibraltar and elsewhere fast and powerful motor boats and light craft were often observed making mysterious visits to lonely spots on the southern coast of the peninsula. Certain customs officials in these neighbourhoods soon displayed remarkable affluence. The Government put its secret service to work. But in spite of all its ingenuity Juan March's tobacco continued to reach the Spanish market.

From cigarette-making March spread his investments to electricity companies, to oil and a host of other undertakings. He grew richer and richer. To safeguard his wealth it became necessary to enter politics. So he got himself elected a member of the Spanish Cortes, representing the Balearic Islands, and built a magnificent home in Madrid.

Royalty smiled on him. He became the friend of King Alfonso, and was able to induce His Majesty to collaborate in certain Moroccan speculations, to the pecuniary advantages of both of them.

Under the dictatorship of General Primo di Rivera, Senor March flourished. He paid for protection and got it. His newspapers made things hot for his critics. He reached the summit of his ambition when financially and economically he was acknowledged to be the most powerful man in Spain.

Not until the revolution and the flight of the King did his power wane. He was denounced to the new Government, accused of murder and of gross financial swindling and kept in prison for eighteen months pending trial. His wealth, however, procured his freedom. He bribed his guards and escaped to Paris, where he remained until by the widespread political influence he still exercised, he induced the Spanish Parliament to grant him a free pardon and permission to return to his native country. The charges against him, it was publicly announced, had no foundation.

Until the present revolt started he lived in Spain, restlessly plotting the overthrow of the Socialists, the Communists and all the parties of the Left he so acutely detests. His millions, it is believed, have bought the aeroplanes for General Franco's forces that have destroyed so many Spanish villages.

In short, he is the financier who calls the tune to which Spain dances a dance of death.

#### ELSEWHERE IN EUROPE

Elsewhere in Europe it is the same story of restriction, revolt, frustration and the drift to war. Poland obtains a loan of £12,000,000 or £13,000,000 from France to reorganise her air force and other armaments. Germany reduces her unemployment to a million by enlarging her army and lengthening the term of service. France decides to do the same. So the vicious armament spiral widens. Holland and Switzerland cling to the gold fetish and try to galvanise their stricken industries into life. And at Geneva the League of Nations Mixed Committee on the Problem of Nutrition tells and re-tells the story how, in a continent where man has annihilated distance, he will not seek to annihilate starvation and poverty, though wealth and abundance for all are already within his reach.

# Dining and Divinity

By J. S. KIRKBRIDE

Petrarca: *Surely you cannot draw this hideous picture from your own observation: has any graver man noted it?*

Boccaccio: *Who would believe your graver men upon such matters? . . . He was certainly born on an unlucky day for his friends, who never uttered any truths but unquestionable ones. Give me food that exercises my teeth and tongue, and ideas that exercise my imagination and discernment. (W. S. Landor. The Pentameron.)*

Sir Hugh Evans: *I will make an end of my dinner; there's pippins and cheese to come. (The Merry Wives of Windsor.) England expects every man to dine decently. (Revised version.)*

IT is as balm of Gilead to us lewd fellows of the baser sort, who, although we think nobly of the soul, have also a warm regard for the well-being of our poor brother, the body, to know that our hedonistic idiosyncrasies are shared not only by the great masters of our incomparable literature but also by the children of their genius whom they have endowed with like parts and passions.

We, who love our liquor and would have dinner raised to the status of a sacrament, at whose celebration every man officiated as priest in his own household, rejoice exceedingly that from the days of Dan Chaucer to those of Gilbert Keith Chesterton, of beloved and blessed memory, the immortals could toss a pot and clear a platter with any man. But he who would dine reverently and completely and attain true dietetic dignity, as well as enjoy perfect eupepsia, must be a whole-hearted Utraquist and ordain that he be served in both kinds—in bread and in wine. Water, he will insist, must be kept in its place: which is in the finger bowls, and all soft drinks banished to the nursery. Even there they should be used but sparingly. Let the juvenile palate be baptised in Bordeaux whilst tender and receptive, even if it be but tinted water served in a wine glass. Good habits cannot be acquired too early. To carry one's liquor urbanely and go to bed mellow are the hallmarks of an English gentleman; the world's high model of manners.

It is lack of training in the right use of God's good gifts, which Fr. Peck tells us are always dangerous, that explains the otherwise incomprehensible dullness of wit and lack of imagination so prevalent among notabilities in Church and State. As for the baser sort, when they arrive at years of indiscretion they tend to become either fuddlers or muddlers; and which is the more inimical to the public welfare, heaven only knows.

It is a melancholy reflection that amidst all the chatter and scribble about education, vocational training, and the rest of it, instruction in the art of living, which includes dining, is flagitiously neglected. The wise men of the East have marked this.

“The difference of attitude regarding the problem of food,” says Lin Yutang, in his delightful book, ‘My Country and My People,’ “is represented in Europe by the French and English. The French eat enthusiastically while the English eat apologetically.” A palpable hit. Lunch in London and dine in Paris and you will see how apt is the antithesis.

And what is the remedy for our national failing? Give ear to this cultured Chinese gentleman who perpend that

*“you cannot develop a national culinary art unless you are willing to discuss it and exchange opinions on it. The first condition of learning how to eat is to talk about it.”*

He might have said the same about drinking had not China been weak on wine, and unduly devoted to the consumption of tea; of which nevertheless there is much good to be said, for tea, “although an Oriental, is a gentleman it least”; which is probably why the evening meal of the people is known as “high tea.” But his place of honour is in the drawing-room, after dinner, to be dispensed graciously by Lady Mary and her daughters to Sir John and his friends, when, slightly flushed, but debonair and gallant, they join the ladies after the second bottle. At least it was so in the days when dinner was leisurely and ceremoniously consumed, or, rather, celebrated, and drawing-rooms were shrines of good manners where one would as soon have thought of lighting a cigarette as of addressing a married woman by her Christian name on a first introduction. Well, other days other manners; but there is something to be said for the old courtesies, after all. Mayhap when the day of splendour dawns with Social Credit it will be accompanied by a counter-reformation, a return to dining in the grand manner, in an atmosphere of good manners.

Now of all the many acts of official folly perpetrated by our Chancellors of the Exchequer surely the acme of stupidity was reached when the barriers against the importation of wine into a vineless land were raised to the point of prohibition. That such “midsummer madness,” to use the words applied by the present putative controller of the national purse to the continuation of sanctions, has the tacit support of our Right Reverend Father in God, is proof past peradventure that both religion and politics are in a bad way—and likely to get worse. As long as the spiritual and civil powers, represented by a water-logged Bench of Bishops and a bank-sodden House of Commons, combine to put asunder those whom God hath made to be joined together—to wit, the kindly fruits of the earth and the natural appetites of man—there can be neither health in us, nor peace in our time.

It will be generally admitted that the grape is supreme among the fruits of the earth, and wine, which is the sublimation of its life-blood, the most precious of God’s many good gifts to His children. It cheers man’s heart, helping him to bear the cares and troubles of this mortal life, sanctifies all his festivals, and, if the unco’ guid only knew it, has been the inspiration of much sound divinity from the days of Sir Hugh Evans, who made merry on sack at Windsor, to Dr. Folliott of Crotchet Castle fame, who knew all there was to know about wine and good living; not theoretically, but by the practice that makes perfect.

Did he not impart of his wisdom to Captain Fitzchrome, informing him during the progress of dinner that “a glass of wine after soup is, as the French say, the *verre de santé*. The current of opinion sets in favour of Hock: but I am for Madeira; I do not fancy Hock till I have laid a substratum of Madeira.”

If the soup was turtle soup the worthy Doctor was right; the Hock would follow with the fish. A little later Mr. Crotchet, jun., offered him Champagne, which was “most willingly” accepted, but with the proviso that he drank it while it sparkled and did not wait for his “compotator” opposite to be supplied. “I hold it a heresy to let it deaden in my hand,” said this orthodox divine, in whom no trace of Manichaeism was to be found.

When the lamb made its appearance, served with lemon and pepper, so infinitely superior to our barbarous mint sauce, as every gourmet knows, our hero, for hero he is, washed it down with Vin de Grave; which is additional proof, if it were needed, of his knowledge of the right association of meat and wine.

Finally this Doctor of Degustation flirted with one or two side dishes and took a glass of wine with each of the young ladies. Peacock does not tell us what the wine was, but you may wager it was either Claret or Burgundy; possibly the Hermitage of which the Doctor had just remarked that “the father who first chose the solitude of that vineyard knew well how to cultivate his spirit in retirement.”—An’ if that be not a truly Christian picture—write me down ass and heretic.

What a sermon Dr. Folliott could have preached on the miracle at Cana! Probably he did—on a Sunday after dining with his Bishop and being poisoned by corked Claret. After giving out his text,

“There were set there six waterpots of stone after the manner of the purifying of the Jews, containing two or three firkins apiece,”

would he not have begun a very sound piece of polemical divinity something like this:

“There are two very remarkable features about this first miracle which have never received the attention they merit; and these are the quality and the quantity of the wine drawn from the waterpots.

“That the wine was good and no unfermented wish-wash, as some of our evangelical water-bibbing exegetists would have it, we have the word of the governor of the feast as irrefutable testimony. As to quantity, a simple calculation on the basis of nine gallons to the firkin, and allowing an average of two and a half firkins to each stone waterpot, gives us a total of 135 gallons: equivalent to 810 large bottles of our time.”

That is pretty good going for a village wedding and, like all the miracles, has its object lesson for us and our misrulers in these piddling days.

In every well-ordered parish there should be a store of vintage wines for consumption at weddings, baptisms and other ceremonial occasions. Its distribution might well be entrusted to the Rural Dean, who would speedily become a useful and popular dignitary, instead of the mouldy piece of decrepit ecclesiastical furniture he is today. At the

baptism of such as are of riper years, this being a rare and generally notable event, the Bishop would be expected to provide bubbly.

As for the homely ceremony commonly called the Churching of Women, here surely is an appropriate occasion for the Incumbent and his wife to entertain the mothers and members of the Women's Institute with Port wine and cake (Sherry and biscuits being reserved for funerals). And at harvest time, are not the Churchwardens by virtue of their office in honour bound to order a Church Ale for the special delectation of Hodge and his Masters?

\* \* \*

Is it permitted to speculate on what became of the unconsumed wine when the wedding guests of Cana had departed to their own homes? It would be pleasant to learn that it was carefully stowed away in new bottles and brought out a year later to celebrate the feast of the circumcision.

## The Emergence of a Dynamic

By EDWARD HEWLETT

THE fifteen years from the publication of "Economic Democracy" to the Conference at Buxton in 1934 are now seen to have been the germinal period of the Social Credit Movement. During that time there were, apart from the dissemination of doctrine, two main themes of discussion. One was the problem of how Social Credit could be brought into effect; the question of what action could be taken towards that end. The other, the consideration of how its mechanism might be kept intact, secure against the possibility of being misused or twisted towards failure.

With an enduring patience, and with courage unsurpassed, the pioneers set out to teach democracy the new economics. It was not easy to convey both picture and proof, for the ramifications of the A plus B theorem, the considerations which show that "dividends" need not involve inflation, these are difficult to make clear to the general public. That point was hardly reached. The general experience was that the more intelligent of our friends would, under some small pressure, consent to hear about it. This would lead to interesting discussions; the novel point of view was found amusing, and facts began to penetrate, but few declared themselves convinced. If one in a hundred saw the light, read, studied and became expert, good work had been done.

Rather despairing of this method of approach one section of the Movement essayed another line, which was to convert the leaders, whom, it was held, the masses would soon follow. In this endeavour a number of politicians and industrialists were approached, and here again a few were convinced. But the general attitude was that as individuals they could do nothing. Invariably they asked for public support, a popular following—given that, perhaps they might consent to lead. In the meantime few would allow their names to be associated with ideas so unorthodox. Secrecy was enjoined.

A third section, those versed in politics, made various and sagacious protests against attempts to raise a popular demand for Social Credit, arguing that this would be playing into the hands of the enemy, who would welcome such a demand and make of it what they chose; foisting, as Social Credit, some ingenious scheme foredoomed to failure.

That was the position in the spring of 1934, when "those behind"—the newer members, full of enthusiasm—"cried 'forward,' while those in front"—the more wary experts—"cried 'back'." But the forwards had it. As a whole the Movement was pressing for a definite line of action to put theory into practice. This was the axial line of thought, discussion, search; but a source of power, which was both willing and adequate, could not be found.

The efforts of those fifteen years sprinkled the world with technicians. One in a hundred? It might be one in fifty—it makes little difference when considering the general effect. What of the ninety-nine? Still more, what of those formidable millions who had never heard of Social Credit? The effort was not wasted. It was indeed doubly successful, for the full effect of the constructive work accomplished in those years of persistent endeavour was not at first apparent. Speakers, booklets, pamphlets, letters in correspondence columns, these had steadily been producing a secondary effect, which was this: the basic facts on which Social Credit is founded got through to people's minds.

The foundation stones of the fabric became known to all.

That fundamental contact with reality, poverty in plenty, was quite unrealised in 1919. Work not an end in itself: money a token: the leisure state; these phrases have now become household words. Through pulpit, press and public house the knowledge that as poverty is no longer necessary therefore it can, beyond argument or question, be abolished; this simple fact was penetrating to the mind of the man in the street, to the mind of the elector. Surely an appropriate and comfortable lodging; for it is the elector who is waking up and wanting this done, who can get it done.

Parliament exists for one purpose only, to carry out the will of the people. The elector controls Parliament; and Parliament controls the decisive factor, the armed forces of the Crown. It is therefore the elector who holds the supreme power in our democracy. This is no secret. It is known to all. But until June 1934, Social Crediters in this matter were at one with the less-informed public. All alike instinctively “shied off” from this straight issue. It is discussed in Major Douglas’s books, but no one jumped to its conclusion; all were content to accept the current usage of democracy as being just there to be accepted, not subject to analysis and reconstruction. Yet that is where the solution of this problem must lie, for the desire of the electorate is for just those conditions and consequences which are indeed Social Credit in practice; for the realisation in solid fact of the belief inherent in Society, of its individual members, that they can, in association, get what they want.

The electorate is only half aware of this conclusive force, its own endowment, for the democratic principle has been perverted and twisted out of truth. The elector gets no opportunity of stating his wishes, and has little hope of seeing them put into effect. As the desire of the electorate is for results, which Social Credit is designed to supply, the task for Social Crediters is not obscure. It is to create a channel for the true and proper demand of the elector, and to imbue such principles as will ensure that this demand is met. If this demand for what people do in fact desire be sufficiently urgent and forceful, it must have its way. Nothing can resist it. The effect will be to force the correct technique on those who until forced will never introduce it. Two years ago the Movement was seeking a source of power to introduce Social Credit. It was ready to hand, but it took Douglas to see it.

The theory of the development and guidance of Democracy’s initiative, the theory of Social Dynamics, was propounded at the Buxton Conference in June 1934.

In a democracy the source of power lies in the elector. But Great Britain is a democracy. Then how is it that the elector never gets what he really wants? Surely he must mean to use his power to that end?

It is because this function as an elector is misunderstood. In practice at elections he is invariably regarded as an arbitrator. He is asked to decide which shall be pursued: *this scheme or that?* Most of us must have pondered this at one time or another. In this aspect “one man one vote” seems obviously absurd. How can it be agreed that, for instance, a typical factory girl or professor of Greek is as well able to sum up the pros and cons for “quotas,” “nationalisation,” or for that matter for Social Credit, as men of wide knowledge and experience on such matters. That is the feeling—and within that restricted frame of reference it is reasonable—which is being used to undermine democracy.

But, as any dictionary will indicate, democracy is the root of power, not judgment. It is power, which should be drawn from the elector’s will, not judgment from his intellect. That is the common ground where, in real fact, men do meet. It is in our aspirations, our objectives, our ruling policy that we find unity. The mind of each one of us is like a stream cumbered with the refuse of the uncomfortable times in which we live. But underneath, the stream is always flowing to the sea. All of us alike, whether housewife or student, businessman or labourer, want for ourselves the same results, the freedom to do this or that, security as an atmosphere for those activities, and the use of “plenty” as the solid base on which these may persist.

The root of power is there, in the public will, and it is the function of the elector to express that power in a demand for the objectives he desires—for, as Douglas puts it, the RESULTS.

Now Parliament (again I quote the dictionary) is “the representative institution through which democracy exercises its sovereignty.” Parliament is there to ensure that democracy gets what it demands.

But practice does not follow precept. We have all realised the futility of the indefatigable Member working up this and that subject in the hope of becoming a universal expert. It is quite hopeless and also entirely unnecessary. He is

there simply to take orders, and his job in Parliament is to see that those orders are carried into effect. But Parliament neglects this proper function, regarding itself as an expert designer of schemes, and we see ministries set up to think out this or that, departments to regulate and control—whom? To control the very people who are the real experts, the industrialists, the engineers, the businessmen, just those who really do know how things should be done. Whether unwitting or deliberate, this is perversion of democracy.

For Parliament should represent the people's demand, enforcing this with all the weight of that final authority, the people's power exercised through the armed forces of the Crown. It is for the real experts to find the means for fulfilling that demand. It might be argued that undue authority would so be vested in those experts. But their control is automatic, for the elector demands results. If he gets those results, where is the need for control? And if he does not: obviously the experts must be dismissed to give way to others more able. There is the first answer. But the fundamental reply lies in full grasp of the cumulative force, which lies in these dynamics. Imagine the nation determined on one end; demanding that, as poverty can be abolished, it shall be abolished; and that demand, made by the electors, transmitted by Parliament, and backed by the Navy, Army and Air Force! Resistance? Impossible!

This fundamental unity alone, translated into action, can provide force adequate to meet and overcome the events, which implacable, with step of stone, march on towards disaster; or—if that is not to be averted—can reset the fragments in the cement of personal liberty. Nothing less than revitalised democracy can do it; therefore must democracy be awakened to a sane purpose and determination, and therefore must action to this end supersede all else, and dominate our whole endeavour.

The Conference at Buxton, in confirming these principles, set the movement a problem; how to put them into effect, how to gather the will of the people into a united, driving force. It was to devise a plan and to organise our efforts towards this definite objective that we elected the Secretariat. That is to say, at Buxton we decided what to do, and at the elections we decided who should direct our efforts to this end. These decisions rest with the democracy of the Movement. Given these, centralisation is the way to carry out any undertaking, as was demonstrated in "Economic Democracy" in 1919.

The Electoral Campaign is the outcome of those decisions. Although still in its initial stages, the results from over 150 centres have already shown its possibilities. The single fact that after only eight months' work 35 candidates for Parliament undertook to obey the will of the people when clearly expressed is proof of its power to overcome resistance. And as an average of 65 per cent of the electors willingly sign the "demand and undertaking" which precipitates that will, it is clear that nothing more than persistent work is required to bring forth such a demand for dividends as no Member of Parliament will be able to resist. Further, this is an Electoral, not an Election Campaign. This instrument is designed to exert continuous pressure on each Member of Parliament, irrespective of elections. This weapon has that power, as has already been conceded by certain sitting Members. Imperative, organised demand awaits no election.

The Social Credit Movement has now arrived at this position:

Results have proved that adequate numbers will sign our "undertaking" if asked to do so.

Results have proved that the pressure so generated will force the Member of Parliament to insist that the results so demanded shall be provided.

Results have proved that, relative to the available manpower within the movement, this enterprise is not of alarming dimensions.

Therefore we know that by the Electoral Campaign we can bring into being an over-riding will giving a sane direction to democracy, demanding that poverty be ended, and that National Dividends be distributed to all. "Dividends, which must not increase taxes or prices, nor deprive owners of their property, nor decrease its relative value." Does any Social Crediter suppose that this can be done without Social Credit?

In these two years since Buxton our Movement has advanced from its first stage of academic discussion and tentative effort to a certain knowledge that the objective is within its grasp, granted but one thing, steady, persistent work in the Electoral Campaign. Such are the facts; and therein lies the opportunity of taking part in this conclusive drive, which will at last, achieve human liberty.

Twenty years ago as an engineer Douglas was impeded by finance. Before he had finished with finance he had produced an analysis which turned it inside out, which reduced that medley of money, morals and monkey tricks to bedrock commonsense facts, and turned these to sane use in the synthesis of Social Credit.

Again he was impeded; for those who could grasp this structure could not supply the power to build it. And those who had power would not use it to this end.

So Douglas turned his attention, not to the petty shifts of intrigue and influence but straight to the roots of power itself. Again he produced an analysis, which, like a surgeon's knife, cut through the innumerable strata of convention, common usage, psychological error and calculated chicanery. Again he exposed the roots, where power is welded to reality, and showed how social power, the Social Dynamic, may be generated and directed—irresistible.

Social Dynamics, the power that is ours by virtue of the increment of association, is the force, which makes its complement Social Credit, inevitable. Without it, Social Credit is a dream.

## Democracy and Education

By RONALD OGDEN, M.A.

### THE FAILURE OF DEMOCRACY

THE majority of Englishmen would probably indignantly reject any suggestion that the purpose of the social and political system under which they live was any other than Jeremy Bentham's "greatest happiness for the greatest number." It is, however, probable that only a small proportion of Englishmen have ever bothered to consider the matter, while it is still more probable that only a puny minority have attempted to put Bentham's words into practical effect.

The reasons for this are, I believe, not far to seek. For far the largest part of the history of mankind, society has not, even in theory, been assumed to be for the benefit of the individuals who compose it, but purely for the benefit of a minority who rule it. It is only in comparatively very recent times that the Greek idea of democracy has been even theoretically accepted by Western Europe. Historically speaking, it is probably true to say that England led the way, though it was not until the Reform Act of 1832 that the doctrine of privilege was even abolished in principle, and that the people became in any sense the masters of their fate.

In fact, I intend to prove the people have never been, and are at present very far from being, complete masters of their fate in the sense in which, if any of them took the trouble to reflect, they would like to believe they were. Nevertheless, it is probably true to say that in no time in the world's history have people in one country had such a gratuitous opportunity to become controllers of their own destinies as have the English today. It will be one of the greatest tragedies in the history of civilisation if the opportunity is to be missed.

When we come to reflect, however, on the comparatively recent assumption of power by the people, it is scarcely remarkable that mankind finds it difficult to throw off in a bare century habits and customs which it has acquired through countless ages of social organisation. Although in theory England is democratic, in practice it exhibits a strong tendency to remain feudal. Feudalism was based upon the idea of protection in return for duty. Like children who cannot stand upon their own feet but must return in times of crisis to their parents, the masses run back continually to the infantile memory of security under feudalism, whenever reality appears too difficult to deal with on their own responsibility.

One reason, then, for the failure of democracy is the persistence of what I might call the instinct for feudalism. As examples of this it is only necessary to point to any recent general election. Over and over again we find cases where high social position and wealth have won seats for individuals whose intelligence is demonstrably mediocre if not even below the average. During the last hundred years in times of crisis the electorate has invariably fallen back upon the party which represents, in name at least, the hereditary ruling classes. It was only in times of prosperity that the

dangerous experiment of Liberalism could be tried. The war made it necessary for the Conservatives to be called in to the Government's support. The aftermath is a continual record of Conservative Governments interspersed with ineffective and therefore not dangerous experiments in Labour.

This, then, is the aspect of the case when we consider the country as a whole. Let us now consider the individuals within the country.

#### THE FAILURE OF EDUCATION

Since the war, with the introduction of virtually universal suffrage, the majority of the electorate has come to be composed of members of the so-called working classes, that is to say, people whose incomes do not exceed the insurable figure of £250 a year. The majority of these people obtain their education at public expense in schools supported and subsidised by the State. The policy of the teaching in these schools is ultimately controlled by the Ministry of Education.

While nobody can deny that tremendous progress has taken place in educational ideas within the Ministry in recent years, it is still true to say that the basis of education is the attainment by pupils of certain intellectual standards depending on the degree of head knowledge absorbed within a certain period. The latitude for the development of individual interests at elementary schools is a minimum. The result is the phenomenon so frequently criticised by the opponents of State education, a half-educated population whose members exhibit often neither the commonsense and instinctive knowledge of life of their more ignorant ancestors nor the culture of the so-called educated classes. "A little knowledge is a dangerous thing," and the tendency, as D. H. Lawrence pointed out, has been to throw upon the world a mass of discontented human beings whose only channels of temporarily assuaging their discontent are such artificial stimulants as the cinema, speed, spending money, aimless political agitation, hooliganism and furtive sex experience. But far more dangerous is the fact that all these things are symptoms of a deficiency, which may in this country help to destroy that very privilege of democracy, by the use of which alone our true freedom can be won, as it has already destroyed that privilege in Italy and Germany. I mean the lack of ability of members of the electorate to face up to realities sufficiently to use their political power for their own liberation from the unnecessary and meaningless economic restrictions which society has imposed upon them.

It is this ability, surely the most valuable possession of any elector, which State education, as at present organised, not merely does nothing to foster, but actually does everything to destroy. This it does in the following ways:

In the first place, by making head knowledge the only standard of education, it develops individuals whose intellects are inevitably at variance with their emotions, which ultimately tend to become repressed and distorted in such a way as to destroy all emotional sincerity, and to cause pathological symptoms dangerous both to the individuals themselves and to the society in which they live.

Secondly, by teaching the rightness of a blind acceptance of authority, whether of the teacher, the employer, the government or the law, State education discourages that critical attitude to life without which an individual is in great danger of becoming a mere tool in the hands of any clever scoundrel who can exploit his lack of psychological balance for his own ends.

And, thirdly, it fails to recognise or apply the axiom, that the true aim of education should be solely that of producing complete free adult individuals, by the development of the emotions, the intellect and the will, through the mutual co-ordination of which alone can be achieved results of any value, either to the individual or society.

Democracy, like Christianity, has never been tried, for the simple reason that there have never yet been men and women with the ability or the courage to use it for their own and society's benefit.

In England today we have as much potential "dictatorship of the proletariat" as has ever been imagined by the wildest dreams of communism. The English electors are quite literally controllers of their destiny and masters of their fate, if they choose to be so. Two things alone stand between the people and political freedom. They are economic slavery and lack of education, both of which, exploited by those in whose interest it lies to preserve the present order of society, lead to a fear of change which inhibits all really constructive action. Being economically unfree, the individual is cowed by outside circumstances into believing that only by preserving the order under which his bare pittance has in the past come to him, will he continue to survive; being ignorant he is the dupe of those who play upon his ignorance and feeling of insecurity, to make him a supporter of the very system which is sucking away his



life.

The minority of unscrupulous men who before the Reform Bills avowedly used society for their own ends, still survives, but in another form. Instead of force they now use fear and ignorance through economic coercion and authoritarian education.

### THE BALANCED HUMAN BEING

To what sort of education, then, can we look to produce an electorate capable of carrying out its own will rather than the will of the minority? As we have seen, true education must aim at the development of the individual as a complete free adult human being, emotionally, intellectually and personally. Today the number of individuals, who can be said to be fully developed under all these headings, is small in the extreme. We have intellectual giants who lack emotional development and personality; we have emotional figures who lack intellect, and we have men of strong personality and will who seem to have neither heart nor head. In the past there have been men who combined all these gifts, and whose names have for this reason been stamped indelibly upon history. To my mind the lack of such men today is the direct result of making education synonymous with the conformation to an intellectual standard, rather than being as it used to be the all-round development of the individual human being.

Once you tell a child to conform to an intellectual standard, you immediately destroy the only stimulus to real development, which is spontaneity. Intellectual and moral development which is not the result of the child's own instinctive emotional impulse is so much dead litter to be thrown off as soon as the child gets out of the confines of its school. Hence the tremendous ignorance, even of academic subjects, which one finds is so universal a phenomenon not only amongst State educated but also amongst privately educated individuals. The accumulation of facts does not teach people to think or to act like reasonable human beings. It teaches them merely to become human wastepaper baskets, from which the contents should be emptied as soon as possible.

For all-round development a child requires freedom, intellectual, emotional and personal. The greatest educational factor, as Homer Lane, the expert in the re-education of delinquents, always asserted, is experience. To tell children not to do things is to incite them to do them. Therefore, said Homer Lane, we must provide an environment in which children can, while being protected from actual danger, yet learn the nature of reality for themselves. This dictum applies throughout education. The natural curiosity of the child will inevitably lead him to knowledge, provided adults are not so foolish as to tamper with it. The educator's business is not to impose, nor is it even to lead, it is to provide information when required, to understand needs, and to open up channels for the satisfaction of these needs.

It is the nature of the child to grow intellectually, emotionally and personally; the educator, like the gardener, watches that growth and provides the right environment and food for such growth; he does not attempt to hurry that growth. We must have faith in the child and in the spirit of life within the child. Growth and expansion are the principles of life itself—restriction and imposition are contrary to the whole essence of life.

### THE EDUCATION OF SOCIETY

Let us visualise for a moment a society composed of men and women who knew what they wanted and intended to get it, men and women that is to say fully conscious of their potentialities both as individuals and members of a corporate society. Obviously the first thing they would abolish would be poverty, a state of affairs due solely to the mismanagement of the distribution of the vast resources of the world by a selfish minority. The technique of this step is now sufficiently widely known and documented to make it unnecessary to discuss it here. Sufficient to say that it can and must be done if civilisation is to survive.

The fears evoked by an unscrupulous minority in a half-educated and economically enslaved majority (since no individual is free unless he is economically free) could no longer prevent men and women who were fully developed emotionally, personally and intellectually, from using the political power which our democracy confers upon them to free themselves and their fellow-sufferers from the unnecessary yoke of deprivation in the midst of superabundance. Their intellectual perception alone would show them the fallacy of the system, which the electorate had hitherto been hoodwinked into supporting through ignorance, blind obedience, acceptance of authority, cowardice and muddle-headedness. Their emotional freedom would drive them to take action; their unshakable will would ensure the accomplishment of their task. But it would be after the task was accomplished that the full test of their education would be shown.

Economic freedom without real education may be dangerous; nevertheless only those individuals can be expected to use freedom properly who have practised freedom; that is to say, individuals who have been freely allowed to develop emotional freedom, intellectual freedom and personal freedom of will. Western European education today fits people for an authoritarian society in which conduct is constantly dictated by others. It is not therefore remarkable that Western European States are one by one asking dictators to come and dictate to them, admitting in that request their own inability to govern themselves. People who are repressed cannot be trusted with freedom; take, for example, the behaviour of public schoolboys, on certain occasions when confronted with the comparative freedom of university life.

The first aim of an economically free society must therefore be freedom of education, in order that when that economic freedom is given them, people may do what they want, and not merely what they are told they want, which is a totally different thing. A full and free education requires a large amount of equipment, which we are told today, is too costly for the State to provide. One of the first provisions therefore which must be made by the country which is released from the octopoid clutch of financial slavery, is the adequate provision and equipment of schools, and not merely schools but educational communities, in which adults and children can take their places side by side in a progressive society—not as pupils and teachers but as co-operators towards the achievement of a creative and courageous way of life for men and women as members of a corporate society.

I am indebted to the following books for many of the ideas contained in this essay, which I enumerate in case anyone may be sufficiently interested to follow them up:

Freedom in the Modern World. John McMurray.

Emotion and Reason. John McMurray.

Talks to Parents and Teachers. Homer Lane.

Homer Lane and The Little Commonwealth. Bazeley.

Economic Democracy. Major Douglas.

The Law and Public Opinion. A. V. Dicey.

## The Flaw in the Price System

By PAUL HAMPDEN

An Address delivered at the Special Conference on "Power Age Economics," Institute of Public Affairs, University of Virginia, July 10, 1936.

THE economic analysis first offered by a British engineer-economist, Major Clifford Hugh Douglas, in the years just following the last world war, and the conclusions to which it points, are unique in the history of economic thought, because Major Douglas's method is unique, at least in the domain of latter day economic theory.

In the first place his point of departure was in the field of cost accountancy. Next, he was concerned to examine the relationship between commercial and industrial accountancy, on the one hand, and banking accountancy, or money creation, on the other. It was in this relationship that he found an explanation for a number of the major economic phenomena of our time, phenomena which have defied any other satisfactory theoretical explanation as successfully as they have resisted all attempts at practical solution.

I have said that Major Douglas's method was no less important than his findings. Never, as long as he was analysing the existing economic mechanism, did he set up any prior theoretical considerations, even as working hypotheses, by which to account for the observable and verifiable facts. His method was purely inductive all the way through, and only when he had completed and tested his analysis inductively did he allow himself any axiomatic bases, or premises, upon which to pursue a deductive course of reasoning. At that moment the entire previous structure, the inductive analysis as a whole, became the premise upon which he could go forward and base such deductive conclusions as then were logically apparent. In other words, in his economic research Major Douglas pursued the methods of empirical science.

Major Douglas himself is of that order of economic thinkers to whom, contemporaneously, the term “amateur economist” has been applied: that is to say, a strong original thinker without academic connections, whose views have been reinforced by wide personal experience in business, finance, or industry, and, in Douglas’s case, by an international reputation as an industrial engineer and mathematician. Thus he is in the direct line of descent, as a type, with such thinkers as John Locke, in the seventeenth century, Adam Smith and David Ricardo, in the eighteenth, and, coming down through the years, with Friedrich List and Karl Marx, Henry George and Silvio Gesell. It is not unworthy of note that it is such men as these—men who were statesmen, bankers, merchants, or philosophers, as well as students of economics—who have contributed the great theories to economic science, and left the impress of their minds upon later generations. Indeed, we may say that it is such “amateurs” as these who have furnished the raw material of subsequent economic theory.

Therefore I would like, in the space at my disposal, to retrace a little the course of Douglas’s own survey as determined from his writings, and examine the method which he used in arriving at his conclusions.

During the World War Major Douglas was in charge of cost accounting in the British aviation industry. While so engaged he was struck by the fact that over a unit period of time the wages, salaries, and other direct payroll items, together with such profits as might be withdrawn from the business for the personal use of the owners, were much less than the total costs entering into the sales price of the product, since the total costs included not only these items, but payments to other organisations. Such payments were for raw or semi-manufactured materials, interest on bank loans, rent and other services, and also allocations to reserves, as for depreciation, sinking funds on bonded indebtedness, and so forth. Although familiar to every industrial accountant—in fact familiar to almost everyone—it seemed to Major Douglas that there was something peculiar about this commonplace state of affairs, in the sense that it required an explanation which did not lie immediately upon the surface.

Of course, at that time—nor did it escape Major Douglas’s attention—the employees and owners of the aviation factories were not themselves buying the aeroplanes, nor was the general public. The aeroplanes were being bought by the Government with money specially created for that purpose by the banks. \* But if it were possible, normally, as apparently it was possible, to sell the ultimate products of industry to the people at a price which included all costs, then one or both of two things had to be true: Either (1) all the money distributed to individuals during each stage of a given productive process had to be saved up by them until the ultimate product was on the market (and even then the ultimate consumer would not be in possession of the money equivalent of the costs which had been entered to depreciation and other reserve accounts), or (2) the ultimate products would have to be bought with money that had been distributed in respect of new and unfinished production.

\*Cf. “First Interim Report of the Committee on Currency and Foreign Exchanges after the War” (The Cunliffe Report, 1918).

The first alternative was clearly not the case. The total savings of the entire population were never more than a small fraction of total income; a very small fraction, indeed, in the case of the vast majority.

Therefore the second circumstance was the case. Douglas expressed this as follows:

“In any manufacturing undertaking the payments may be divided into two groups - Group A: Payments made to individuals, wages, salaries, and dividends; Group B: Payments made to other organisations, raw materials, bank charges, and other external costs. The rate of distribution of purchasing power to individuals is represented by A, but since all payments go into prices, the rate of generation of prices cannot be less than A plus B. Since A will not purchase A plus B, a proportion of the product at least equivalent to B must be distributed by a form of purchasing power which is not comprised in the description grouped under A.”<sup>¶</sup> Douglas then goes on to say that this other purchasing power is provided only by the banks in the form of new credit, which, as we know, may be created to the account of either governments or individuals.

<sup>¶</sup>*The Monopoly of Credit*, p. 30.

**The inclusion in the above statement of the word “rate” is, of course, all-important.** If there are other factors causing total unrecovered costs to increase at a faster rate than purchasing power is distributed, the community must go more and more into debt to its banking system, to avail itself of sufficient current effective demand to clear its markets of end products, at prices which will liquidate costs, avoid bankruptcies, and maintain production. If it cannot do this it must attempt to export the surplus, *without taking goods or services in return*, which means, of course, that the foreigner must go into debt.

This cannot be in question if there are other factors causing total unrecovered costs to increase at a faster rate than the money to meet those costs is distributed. Douglas adduces that there are. It must be remembered that we are dealing with rates of flow, that is with the volume of unit costs generated in a given period of time as compared with the volume of money units distributed in the same time-period.

Without making too minute an investigation of every possible short-term variation in the internal relationships of our economic system, we may note two fundamental facts as they exist today which govern the situation.

The first fact is that, with rare exceptions, all the money itself with which we have to deal is bank credit that enters the economic system as a debt, which can be repaid only by accounting it to costs and recovering it in prices, or by recovering it in taxes. There is nothing unfamiliar about either of these conditions. When a businessman gets a credit from his bank, he is bound to repay it, and since he pays the money out in the course of producing some article or service, he quite naturally accounts the payments into his costs. Or, if the government goes to the banks for money, it gets it back through taxes, many of which, of course, may be levied at some point in the economic system where they can be passed along and charged into prices for the ultimate consumer to pay. In the last analysis both prices and taxes are essentially different aspects of the same thing—they are money-cancelling devices.

The second fact of fundamental importance has to do with cost accounting pure and simple. All production may be divided into two categories: (A) The production of fixed capital, or capital goods, such as plant and machinery, *the financial costs of which are to be allocated to, and subsequently recovered in prices for, consumers' goods*; (B) Consumers' goods which may be identified as articles or services to be bought by private individuals who will not attempt to get their money back through resale. \*

\*Second-hand sales between consumers lie outside the production-cost system and represent a delay in recovery through prices for as long as it takes to arrange the transaction—and the money merely changes hands.

Given these facts, are there any other factors which will cause costs, and hence eventual prices for consumers' goods, to be generated at a faster rate than money is created? There are, and we have not far to seek for them. A considerable proportion of capital goods produced is financed, not with bank loans or bank purchases of securities—that is, not with newly created money—but with the savings of the community, either the personal savings of individuals or the undivided profits of business enterprises. In other words, a unit of money, having been created by the banking system on loan, may circulate more than once through the industrial system, each time evoking a unit of production and a unit of cost, before it is repaid to the banking system. But in the repayment only one such unit of cost can be cancelled: to wit, when the money is finally exchanged for some article for ultimate consumption, and the producer repays his bank loan. All the other costs evoked but not yet cancelled will remain accounted to the remaining unsold articles—unsold, that is, as regards the ultimate consumer—while, if a new unit of money is created, still another cost will be incurred the moment it is placed in circulation.

One or two simple examples will serve to illustrate this point. The national income over any given period is already represented in the cost of goods on their way to market. If any portion of that income is “saved” and invested in further production, it forms the minimum price, which the new goods will bear when they come to market. True, the money thus “saved” and invested will be paid out again in the course of the new production, and in so far as this second series of payments is for wages, salaries, and dividends, the same money can be used to buy the original ultimate commodities, which the investor did not buy because of his saving. Whereupon, having completed its “double circuit” through the productive system, the money will be cancelled out of existence in repaying a bank loan, just as if it had never been invested in the meantime. (Moreover, not all of the sum invested will be paid out a second time as wages, salaries, or dividends. Some of it will be cancelled outright. This is because some portion of the money invested must go to pay for materials, and of that portion the greater part will be either cancelled out of existence as the producer of those materials repays his bank, or will be placed by him to reserves in anticipation of future costs—costs which will involve a similar series of payments to still other producers.)

But the money value of the entire investment must now be recovered in prices for future consumers' goods, for at the very least the replacement value of the new plant must be recovered in depreciation charges. Generally speaking, more than the original sum invested must be charged into future prices. Take the case of a man who buys a bond, issued, let us say, to finance the building of a factory. Not only is the bondholder guaranteed his principal back after a certain number of years, he is guaranteed a return on the investment in the meantime, and of course there are still the depreciation charges. All these items, plus the payments for wages, salaries, and raw materials made after the plant is built and in operation, will enter into the prices of goods produced in that factory. The wages, salaries, and raw

materials will be paid with bank loans, which will create money equal to that portion of the price of the product. But the repayment of principal, plus return on the investment, plus depreciation, will still remain.

We may put it down as axiomatic that any investment out of income increases the total of costs to be recovered in prices, without putting an equivalent amount of purchasing power in circulation. And of course any reinvestment of maturing principal simply “pyramids” the process.

A number of other examples of the “double circuit” of money will suggest themselves: for instance, the reinvestment by industry of undistributed profits—what we might call saving and investment within industry. Viewing industry as a whole, money profits, including interest, can be made, and depreciation and capital charges be met, only by taking from the consumer, in the prices he pays for end products, part of the money which is currently being distributed to him in the production of goods which have not yet reached his market. It makes no difference whether that money is then accounted to surplus or distributed to shareholders. If it is reinvested before it has cancelled the original cost, two costs will be created, of which only one will have been cancelled when the credit itself is finally destroyed in repaying some bank loan.

We may generalise the whole situation as follows: Three elements, exclusive of profits and interest, go to make up prices:

- (1) Debt claims arising from the creation of new money by the banks;
- (2) Debt claims arising from the investment of savings (old money);
- (3) The claim of fixed capital to reproduce itself.

But only one of these elements is countered by an equivalent distribution of new money, and that is the first one.

Here we may note that of all the critics who have attacked the Douglas analysis, and they have been many, not one has touched upon this point. They all confine themselves to discussing the so-called A plus B Theorem, which we noted earlier, in the effort to prove that of itself it denotes no insufficiency of purchasing power with respect to prices. For example, Mr. Gaitskell, who offers five suppositions as to what the B payments may consist of—as to what charges, past, present, and future, Douglas had in mind—and successfully disposes of four of them (which is not surprising, since in those cases his assumptions do not bear the slightest resemblance to the Theorem as stated), has to admit that in the fifth case, which had to do with depreciation charges, the B costs would denote an insufficiency of purchasing power if they were not re-expended as fast as collected. But even here he is only partly right, because as the money collected with respect to these charges is paid out again, part of it will quite inevitably be repaid to banks and be cancelled.

Now the statement of the A plus B Theorem is not a proof. Neither is it a working hypothesis upon which to erect a proof. There is a vital difference between a theory and a theorem. A theorem is a proposition to be proved, but the mere statement of the proposition itself contains nothing that can be used in the proof. The statement in this case is that the payments of any factory may be divided into two groups, A payments (going to individuals directly) and B payments (going to other organisations), and that in consequence the *rate* of generation of prices (in that factory) cannot be less than A plus B, while the *rate* of distribution of purchasing power cannot be greater than A. The proposition to be proved is that a portion of the product at least equivalent to B must be distributed by a form of purchasing power not comprised under A.

Now nobody contests the truth of this proposition, not even critics of Douglas who contest his other views. It is a self-evident fact. The significance of the proposition lies not in the immediate fact to which it points, but in the direction it gives to further investigation. Given the fact that a portion of current product must always be distributed by a form of purchasing power which was not released in the production of that product, the question is raised: Does the new form of purchasing power liquidate the prior costs without setting up new ones? And the answer is no. The new purchasing power appears *pari passu* with new costs, to be recovered in prices, or new debt, to be recovered in taxes, both of which—prices and taxes—as we have seen, amount to the same thing.

But the crux of the matter is the answer to the question, are costs as a whole generated at a faster rate than the purchasing power necessary to liquidate them? If the answer is yes, as we have seen it is, the so-called theorem takes on an entirely different meaning. It then becomes a generalised statement of conclusion based upon a prior analysis of

other facts. And this, indeed, is exactly what it is. In one of the two passages in which Douglas states the theorem in so many words, he introduces it by saying:

“Where any payments of money appear twice or more in series production, then the ultimate price of the product is increased by that amount multiplied by the number of times of its appearance, without any equivalent increase of purchasing power . . . With this fundamental proposition in mind we are in a position to take a more generalised view of the defect in the price system which is concerned with the double circuit of money in industry, and which has become known as the A plus B Theorem.”\* (My italics.)

\**The Monopoly of Credit*, p. 30.

On the other occasion he refers back to a detailed argument which occupied an entire chapter in a previous book.¶

¶*Credit-Power and Democracy*, p. 21. Reference is here made to Chapter V. of *Economic Democracy*.

Thus, going back to our three constituent elements in price, the A plus B Theorem means: If a portion of ultimate product (i.e., the embodiment of production that is past and gone), must always be distributed by purchasing power that is released in subsequent production, then that subsequent production will be that much shorter than it otherwise would be of an equivalent purchasing power, and, for the ultimate product of that subsequent production to be moved, a still greater volume of still further production must be forthcoming, and so on, ad infinitum.

Mr. A. W. Coleman, writing in the *New Age*, has summed it up very neatly: “The industrial system and the money system cannot both be self-liquidating. Every attempt to liquidate the money system throws the industrial system into a state of bankruptcy, while every attempt to preserve self-liquidation in industry increases debt and renders the money system non-self-liquidating.”

Now what is the alternative to the attempt to achieve (a) a continuous expansion of the aggregate price value of capital and intermediate production, or (b) continuous forcing of more goods into export markets than are taken in return, merely as a means of maintaining the aggregate price value of ultimate consumption at a CONSTANT? The only correct solution is one that will enable each nation to purchase, if not the whole of its own output in actual goods, the whole of the financial equivalent of that output, without having to expand new production and debt indefinitely. Or, to state it more precisely, the solution to be sought is one that will enable each nation to purchase the whole financial equivalent of its entire production, concurrently with that production if it so choose, in the form of consumers' goods, whether produced at home or abroad.

I am not going to discuss at any great length the technical requirements that Major Douglas has adduced to be necessary to achieve this result, but will simply mention the principles upon which the solution must be based. Purchasing power must be placed at the disposal of the ultimate consumer, in the form of money which has not passed through industry to be accounted as a cost to be recovered in prices, and which is not accounted to the State as a debt to be recovered in taxes. The amount of the issue need be limited only by the community's willingness to utilise its idle resources for the production of goods and services.

Douglas proposes that this new money be placed in circulation in two different ways simultaneously: (1) Partly in the form of a National Dividend payable periodically to all citizens in equal amounts, in direct proportion to the net increase within the period in the total capitalised wealth of the country; and (2) partly to finance a reduction in retail prices to the consumer, equal to the difference between the financial value of total current production and that of total current consumption, as long as the former is greater than the latter. The inevitable tendency, except during natural catastrophic scarcity unknown for generations, is for the value of production to be well in excess of that of consumption, since total production, whether financed by a net increase in bank credits or by the “double circuit” process which we have examined, includes both capital and consumers' goods in process, plus imports, while consumption is made up of ultimate purchases of consumers' goods and services at retail, plus capital depreciation and net waste, plus exports. (For example, according to the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce, total U.S. production in 1929 was valued at \$78.5 billion, while total retail sales in that year, as compiled by the same authority, were only \$50 billion. The corresponding figures for 1935 are \$52.5 billion and \$35 billion respectively.)

Finally, there are two elements to be controlled in this matter, money and prices, since purchasing power is but a function of the relation between the two. Nor should we blink the fact that it may be expedient, especially in the initial stages of any plan based on these principles, to exercise a measure of supervision over profits. But it is not

technically necessary, since money received as profit can only be spent or invested; and both are included in the specification number (2) in the preceding paragraph.

The foregoing principles, it is perhaps needless to say, would hold irrespective of the form which these issues of money might take. They might, for instance, take the form of book entries, transferable by cheque, or currency notes, or both. In this connection it may be useful to bear in mind that in practice, as our monetary system exists today, a currency note is to all intents and purposes a loose-leaf book entry credit—one which, when you went to the bank to cash a cheque, was handed over to you by the teller as he simultaneously scratched it off the bank's ledger, and which is now free to circulate outside the banking system's ledgers and the cheque-books of depositors, until it is returned by somebody to his bank, when it will again take its place as a book entry. In a word, the physical, tangible, currency note or coin is not really money so long as it is lying in a bank's vault. Its monetary quality is vested, for the duration of that period, in the deposit entry to which it has given rise.

In conclusion, let us note that there is a vast difference between the Social Credit objective—which is to give to the individual, per se, the ultimate control of the programme, as distinct from the processes, of production—and the objectives advocated, either explicitly or implicitly, by so many “liberal” economists of a more orthodox stripe. These gentlemen are forever debating measures for the “full utilisation of all the factors of production,” and wearying us with their recondite theories as to the exact point at which all possible trends, to and away from “full utilisation,” may start. Now it is by no means a technical impossibility, from the point of view, at least, of pure theory, to direct, by suitable monetary methods, the utilisation of all the factors of production to the very uttermost limits of the community's capacity, in men and machines, to do work, *without in the least giving to the individual any real measure of control over the objectives to which that work will be directed*; though it is to be foreseen that, carried to their logical conclusion, such efforts must ultimately result in the abandonment of orthodox principles of loan accountancy and price-making, in all fields, perhaps, save that of goods for the consumer. Practically all forms of national economic planning and public works, as we have come to know them—and hardly less so, those other forms of collectivist planning and execution carried on, in the name of private enterprise, by the larger banking and industrial combines of finance capitalism—are cases in point, however desirable they may be upon their own merits, and however much and for whatever reasons the individual may be moved to concur with them.

Thus, though the distinction between the Social Credit attitude and that of supporters, on both the Right and Left, of “Planned Plenty” may be a subtle one, it is nonetheless a vital one. Moreover, it is a distinction that calls for a mechanism. That mechanism must embody the principle that the rate of flow of purchasing power to consumers should be equal to the rate of generation of price values by industry. Money is the ultimate means of control over the direction in which, and extent to which, our economic resources will be applied, and therefore of the conditions under which the individual will live and work and have his being. Only if he is armed with that control can the full utilisation of those resources be attained with the private individual on top. In the words of a distinguished American poet and pioneer of Social Credit: “The safest place for reserve purchasing power is in the pockets of the people.”

## Money: An Historical Survey

Notes for Major Douglas's speech on July 26 at the Social Credit study course for Conservatives at the Bonar Law College, Ashridge

THERE are at least two reasons for the special pleasure I am afforded by the opportunity of addressing you.

Perhaps the lesser of these is that, to the extremely small extent that I can be said to have any party politics, I am a Conservative. In my opinion this is a conservative country, although it has been for many years, and is, governed by Whig policies. If I can do even a little to awaken you to a consciousness of what I mean by that, I shall be especially gratified.

And the second reason is that this institution is a memorial to probably the only Prime Minister we have had in this country for many years who gave any public evidence of competence or understanding of the problems with which Great Britain and the world are faced. It was a misfortune the extent of which it is difficult to estimate that he was prevented from longer service to us. We might be in a very different situation now if Mr. Bonar Law had been Prime Minister during the past 15 years.

You will gather from what I have just said that so far from coming to you as a propagandist of subversive doctrine (an idea which financiers are most anxious to convey) I am, in my own opinion at least, asking you to consider whether conservative opinion in this country has not yet been betrayed into the support of policies which are traditionally alien to it and to the vast majority of us, and which genuine conservative opinion would repudiate if it were conscious of its true implications.

A minute or so ago I said that the policy of this country was and is a Whig policy. Now I should like you to place this statement side by side with the accusation, which is universal on the Continent, in regard to both British and United States policy, that it is hypocritical. Because the keynote of Whig policy, which is predominantly a policy based upon orthodox finance, is hypocrisy—the justification, on some allegedly moral ground, of policies which are in fact not merely narrowly selfish, but pragmatically disastrous.

I should like to emphasise at once that Social Credit is not an artificially concocted plan either of my own or of any one else's. That is exactly what its opponents wish to argue about. While I am satisfied that the technical proposals which have been associated with it are reasonably sound (and I must add that that conviction is only strengthened by the complete failure of its opponents, either here or elsewhere, to establish their criticisms), the fundamental idea is simply the antithesis of Whiggism, namely, that the first essential of a stable, peaceful and successful society is to get at the truth and to present—not misrepresent—the truth to everyone concerned. "Credit is the substance of things hoped for, the evidence of things not seen," and no stable society can endure on false evidence.

You will at once wish to observe that I have so far not brought forward any evidence in support of my suggestion that we are carrying on our national business on a basis of false information. I agree; and I will endeavour, however inadequately, to make this essential point.

To take the general proposition first. You will agree that we live in a money economy—that no one can live nowadays without money. Well, if the distinguished economist who is my critic here—Mr. Hawtrey had no other claim to consideration (and he has many such) he would have rendered a signal public service by enshrining in the "Encyclopedia Britannica" the words "Banks create the means of payment out of nothing."

The whole of our civilisation rests upon the possession of the means of payment. It need not so rest, but it does in fact so rest. Taxation in money, fines as a punishment for legal offences, and other devices, quite apart from the use of money as a medium of exchange, are all devised with a view to make the power of the creation of money the fundamental power of civilisation. This power is fraudulent both in fact and ownership; but I would ask you to realise the absurdity of a complaint against the private ownership of, say, minerals, when there is an international private ownership of credit.

The history of money is one long unbroken history of fraud, and the acquisition of this power of money-creation by the banks is the final chapter. Without attempting to cover the historical aspect of the matter, one phase of it seems to me to be useful as indicating the basis of modern banking. Originally, just as a railway issues its own tickets, the wealth producers of the world, thousands of years ago, produced their own tickets. In those days the ownership of beasts of various kinds was the chief form of wealth, and of course the cattle had to be fed. Very often the rich man, the man who owned a lot of cattle, had not sufficient corn or fodder to feed the rest. The merchant of grain and fodder was generally an itinerant, and it was not always convenient for him to take away the cattle; so he took from the cattle owner a leather disc which represented one head of cattle. Sometimes it had on it a rude engraving of the cow's head, or something of that sort, and sometimes it hadn't. Indeed, most of you know as well as I do that the Latin word for cattle is *pecus*, and our modern word pecuniary derived from it is historical proof, if any were necessary, of the derivation of the first money.

Now, in that simple arrangement there is one point of immense importance to be noticed, and that is that the owner of the wealth, that is to say the owner of the cattle, actually, literally, in truth, *made*—not metaphorically but actually—*made* money representing his wealth, in the same sense that the railway makes tickets—not in the sense that the modern businessman "makes" money when he says he makes money. It is so long ago since he made any money that he has forgotten probably that he ever did say it, but when he did say it he was mistaken; he never made a cent in his life. If he had he would have been in jail for counterfeiting. All *he* did was to get money that somebody else had, but the original man about whom I am talking for the moment, the owner of cattle, actually *made* money. He made his leather discs as the owner of the wealth; they were token of wealth which existed, those discs, and the issuer of the token and the owner of the wealth were the same person.



Now—to carry our minds back a considerable distance through history—in the fifteenth and sixteenth centuries, when Europe was rent with various kinds of wars, and the chief owners of wealth were the feudal nobles, a great deal of their wealth was in the form of gold and silver plate. This was made by people who were called goldsmiths, and, because of the supposed great value of these metals, the goldsmiths had very good safes for those days to take deposits, and it got to be the habit of the feudal nobles not merely to have their gold plate made by the goldsmiths, but to deposit or leave it with the goldsmiths for safe keeping, and the goldsmiths gave a receipt for this gold plate, signed on parchment. It became a great convenience for the owner of one of these receipts, should he want to buy, say, a piece of land—instead of drawing out the gold plate or gold coins deposited with the goldsmiths—to hand over the receipt. Instead of actually drawing out the wealth, he handed over the *so-called* wealth, and these receipts on parchment signed by the goldsmith were the direct lineal ancestors of your modern bank notes.

At this point something happened which was not present in the original conception of money as issued by the owner of cattle. The right of issuing money was transferred from the creator or the owner of wealth to the custodian of wealth. Not the man who produced wealth, nor the man who owned it, but the man who took care of it issued the receipt which, as I say, was the lineal ancestor of your modern bank note.

That was one of the most epoch-making things, though probably unnoticed until the present time, that has taken plaid in the history of the world in the last two or three thousand years; because it was the goldsmith's signature upon this parchment receipt which made it pass from hand to hand—not the name of the owner of the wealth—so that this power of creating money which is so important, passed to a third party who was neither the owner nor the creator of wealth, but merely its custodian.

There is no doubt that at this point some dishonest goldsmith found that a large number of his clients left their values in his care almost indefinitely. They were safer with him than elsewhere, perhaps even in the castle of the owner, so that there was always a tremendous amount of wealth in the actual custody of the goldsmiths which apparently was never drawn out. Our dishonest goldsmith had the bright idea of issuing several receipts for one piece of wealth, on the assumption that those receipts would not all be presented at the same time. It was particularly easy where merely gold coins had been deposited, for if by any chance an owner of wealth did ask for his gold crowns, he would get them, because they need not be the same gold crowns that had been deposited. So it was found quite safe in a general way to issue more receipts for wealth than the wealth which had been deposited.

That, without doubt, was the first inflation, and of course it gave the goldsmith the value of all the receipts in excess of those which represented wealth actually deposited. That process, beginning undoubtedly in fraud, grew so common that it became the convention amongst bankers, who were the descendants of the goldsmiths, to do this thing; and they have always for the past several hundred years been in the habit of issuing more receipts for wealth than the actual wealth which was deposited with them. At the present time it is a well-known convention, not denied by bankers themselves, that for every dollar of legal tender which they have, they issue nine dollars of credit money which they actually create themselves; just as the goldsmith, not by exactly the same process, created those false receipts representing deposited wealth which was not there. Now, no scheme of that kind so obviously fraudulent, in its beginning's at any rate, could have proceeded so long as it did, and for that matter does at the present day, if it had not served a very useful purpose. In fact the additional receipts were passed as money, facilitated trade, kept goods moving and were in every way an advantage, even to the general population. They were of the greatest advantage, of course, to the banker, but they were also of great advantage to the public, as they provided it with money.

Still a third thing has happened to the money system. Until a very short time ago, practically up to the beginning of the European War, the convention was that either a banknote or a cheque on a deposit—which was simply an order to a goldsmith to pay so much to somebody else, which is exactly what was done in the old days—both of those things, the banknote or the cheque, were supposedly cashable at any time in tangible wealth at the bank—in golden sovereigns in fact.

The idea was that the bank was a custodian of a certain amount of tangible wealth, and that could be drawn out by means either of a banknote which was payable on demand, or by cheque, and the actual tangible wealth could be taken away. That was the convention.

There is an idea put forward by people, who ought to know better, at the present time, that banking is that sort of thing now. It is nothing like that, as I propose to show you. There used to be, of course, a lot of bank failures, even in Great Britain, and those banks failed because people suddenly decided, all at once, to draw out the things for which they had orders on the bank in the form of banknotes or cheques, and when they all tried to draw out at once, they

found that what they wanted was not there.

It never was there; it never has been there for at least a hundred years. The bank has never consisted, in the last hundred years, of merely handing out at one end of the counter what was put in at the other. No bank ever paid a dividend in the last hundred years on the process of merely lending that which it took in. There is no possible doubt at all about this thing. I sometimes wonder why it is that certain protagonists—certain defenders—of the present banking system go on arguing about this matter. There is no possible doubt about it.

And since the war the convention that you could get golden sovereigns in return for your cheque or banknote has not even had a plausible foundation. All you can get for a banknote is another banknote. There is no longer any obligation to hand over anything more tangible than some printed paper.

In brief, the creation of money, once performed by the producer of wealth, then by the custodian of wealth, who fraudulently issued more paper than the wealth he guarded, has passed to a set of people who neither produce, nor own, nor guard the wealth, but are merely bookkeepers.

The great thing to notice about this situation is that the creation of wealth—the real creation of goods and services which go to make a standard of living, the thing which makes the difference between starvation and comfort, and makes all those things that we call civilisation—the actual making of these things is carried on by one organisation, but the making of money, by which alone these things can be transferred from the producers of wealth to those who wish to consume it, is carried on by an entirely separate organisation, having no real connection with the production of wealth at all, not even as its custodian.

It is exactly the same position as if you had a railway in which one set of people were providing trains, rolling stock, permanent way, signals and railway stations— everything in fact, including both men and material, necessary to operate the railway—and you had a totally separate organisation, not fundamentally connected with the railway system at all, which had got control of the ticket office and was making its own terms in regard to the tickets, and was saying, “We don’t care how many seats in the train there may be; we don’t care how many people want to travel on the train. We will alter the number of tickets, restrict them, or do anything that we like with the tickets just to suit our conception of the best policy from our point of view, and if your population wants to travel on those trains, even if there is sufficient accommodation on those trains, well, that is just their bad luck. They may or they may not, according to our policy.” That is not an exaggeration and it is not intended to be even a condemnation of any organisation in particular. It is just a plain statement of fact of the conditions which obtain at the present time. I am certainly not here as a moralist; but as an engineer I have an appreciation of the importance of foundations. I find it incredible that a stable society can persist founded on the most colossal lucrative fraud that has ever been perpetrated on society.

It is one of the tragedies of this fraud upon society that the control of credit and the control of information in all its forms—education, publicity, etc.—are concentric and interdependent, and it is obvious that the primary use which is made by the financial hierarchy of this control of information is to mould public opinion into channels which will buttress the usurped authority and hypnotise whole communities into asking for what they do not want. A commonplace instance of this is that of referring to the “unemployment problem” when the achievement of leisure is meant. I have even heard it stated that the proper object of labour-saving machinery is to increase work; but it is not necessary to emphasise that the idea in the mind of the inventor of a labour-saving device is to save labour and therefore to achieve leisure.

The mechanism by which finance moulds economic thought is well exemplified in the London School of Economics. Its chairs were endowed by Sir Ernest Cassel, on whose behalf we fought the Egyptian War of 1882 with its present repercussions. So successful is this hypnotic process that, so far as I can judge, a thorough academic training in economics—so-called—is almost a fatal handicap to a commonsense apprehension of the subject. Only a brilliant economist like Mr. Hawtrey, with all the orthodox training, familiar with the thought of other brilliant economists, and steeped in the tradition of the Treasury—which is the Tweedledee to the Bank of England’s Tweedledum—would suggest, for instance, that a country like Great Britain, with a National Debt of £8,000 million, which is increasing daily, has on the average paid for, and is paying for, what it produced.

If I manage to live by increasing the mortgage on my house, it seems to me a misuse of language to say that I am paying my way. Might I add that despite his heavy handicaps, I perceive signs that Mr. Hawtrey will join other economists who are becoming and have become realists! He was good enough to send me an advance copy of his

remarks, which I have read with interest. I do not propose to deal with them in detail here because I do not consider this occasion as a debate, but as an invitation to state my views. If he should desire it, however, I will see that his objections, which are not new, are again answered categorically.

The core of the technical accusation made by us against the present financial system is that prices contain items not represented by money anywhere, and that these unmonetised items are represented by debt, which is increasing, and which cannot be liquidated. Mr. Hawtrey has not in my opinion dealt with this core of our charge, and, as it is a patent fact, he cannot possibly deal with it. It is from this fact that the major evils of civilisation arise, including war.

The Social Credit technique is simply a method of dealing with the defects disclosed by the analysis. I believe it to be logical, sound and practical, but I am willing to discard it tomorrow in favour of anything which is based on an admission of the analysis and which achieves effective distribution and, at the same time, release from regimentation.

For those who wish to pursue the matter into technical detail there is now a large bibliography available, and in my opinion the matter is better pursued in this way. The principles involved are simply (a) that provision shall be made for the purchase of all consumable goods at the rate at which they are produced; (b) that the debts created by the inevitable creation of capital assets (which Mr. Hawtrey calls fixed assets) shall be distributed and not annexed by a predatory banking system, thus providing the population with the economic security they have earned, and abolishing “the struggle for markets.”

If we hypocritically claim that the employment system is a moral system and that man must be *kept* at work, rather than *choose* work, we are sealing the doom of this civilisation.

## English Church Money

By HENRY S. SWABEY

C. JULIUS CAESAR is the first to make mention of currency in Britain, but it is not known when “pecunia,” money of any kind, was first used in this country. Likewise, numismatists have assigned a coin to Egbert, the seventh Archbishop of York (732-766), but cannot say when bishops first issued circulating medium.

Egbert was the brother of Eadbert, King of Northumberland; and the Church was a constraining moral influence. Also there was no scarcity of metal, much less being needed, and it was believed that money facilitated exchange. Doubtless much business was still transacted by barter, but money was realised to be not so clumsy. Goods were what the Northumbrians wanted; there was no danger of money being hoarded. So the king saw fit to allow his brother to issue circulating medium for the benefit of his subjects, an act of double significance. In the first place it was a recognition of the Church’s authority in matters of business, and in the second an acknowledgment by the Church that business should be transacted as easily as possible—a step towards the Age of Leisure. I think this argument holds good, whether Egbert was the first Archbishop to issue money or not, and whether in asking to be allowed to do so he quoted the words of Jesus Christ, “I am come that ye may have life more abundantly,” or took them as read. If Henry VIII.’s primate had been a strong brother, the divorce of the Christian Catholic Church and things of the State (politics) would not have been so complete.

“York Archiepiscopal mint’s earliest products are stycas of Archbishop Ecgberht, bearing his name and that of his brother, Eadberht.”<sup>1</sup> Egbert’s successors probably issued currency when it was needed, and Wigmund struck a gold coin bearing his bust with “Vigmund Arep.,” and, reverse, a cross with “Munus Divinum.”

In Canterbury, “The earliest coins are those of Ianbert (766-793), and bear Ianbert Arep., and rev. Offa Rex.”<sup>1</sup> And when Mercia lost control of Kent, “Wulfred (805- 832) marked the coins with the Archiepiscopal effigy.”

<sup>1</sup>G. G. Rawlings: “Coins and How to Know Them,” pp. 253-4.

There were probably Church mints at other centres during the ninth century, possibly at Durham, Hereford, Rochester, Norwich, Stamford.

But Athelstan, who succeeded to the kingdom in 925, which included England as far as the Humber, held, in 928, a Great Synod, at which Archbishop Wulfhelme was present. Law 14 concerned Moneyers. There was to be one money over all the king’s dominion. The Archbishop of Canterbury was to be allowed two moneyers, the Abbot of St.

Augustine's one, and the Bishop of Rochester one. (Athelstan did not annex Northumbria till 937.) This meant that the king alone was to have his image on English coins, the archbishops losing their privilege. Yet this was not all loss to the Church. The Church still helped to run the State, but without show, an acknowledgment of a closer relationship between layman and priest.

But what of the capitalist archbishops' sweated profits? I have purposely not mentioned profits yet; Christianity was fresh, and, in the light of the Middle Ages, the new faith's early leaders thought that example was a stronger influence than threats. They were not capitalists, and, judging by their fruits, not devoted to mammon. After 928, dies were issued to subordinate mints from the Tower of London mint. "The Ecclesiastics kept the profits and payed rent."<sup>2</sup> On 1lb. troy of silver minted the profit was 12d., and there were 450d. in 1lb. sterling. Of the 12d. profit, the ecclesiastic kept 1d. and the mint master 11d.

<sup>2</sup>"Caesar Caine: "Archiepiscopal Coins of York."

Between Athelstan's Synod and the Conquest there was little activity in the Canterbury, York, Rochester and hypothetical Durham mints. But in 963 Eadgar allowed the monastery of Medhamstead one moneyer, the Bishop of Hereford and the Abbot of St. Edmundsbury were allowed to coin by Edward the Confessor, and it appears from the Domesday Book that the Bishop of Norwich also issued currency. That is, Growth.

William saw no reason to isolate the Church from the contagion of dirty money. But he decreed that there should be one standard of silver money—11oz. 2dwt. of fine silver: 18dwt. of alloy. I have already noted the profit on minting 1b. troy, this being roughly the standard before.

"After the Conquest, the chief ecclesiastical mints were at Canterbury, York and Durham. Ecclesiastical money was like Regal in every respect, but distinguished by mint marks."<sup>1</sup> The mint of St. Edmundsbury was the most active immediately after the Conquest, and as late as 1321 a new die was delivered "to strike money as often as it might be necessary."<sup>3</sup> Stephen's reign admitted chaos into minting, and "Henry of Anjou did all he could to put a stop to usurpations of nobles and prelates."<sup>4</sup> But it was not the principle of Church mints that Henry minded, but its abuses; provided that they had not usurped the privilege and that they issued coins of standard alloy, he encouraged Church mints.

<sup>3</sup>R. Ruding: "Annals of the Coinage of Britain and Its Dependencies."

<sup>4</sup>Anonymous article in Durham Close library.

Richard I.'s reign was a period of expansion for Church mints, and John continued Richard's policy. Currency was scarce in Chichester, so he commanded that there should be used there two dies for the king and one for the bishop, and "ordered by writ that the bishop's coins should be current in the city until money could be struck in the king's mint."<sup>3</sup>

The history of Church mints is not eventful during the next two and a half centuries. We do not hear much of the lesser mints in England—there were none in Wales, Scotland or Ireland, one at Bordeaux (1300-1400)—but those at Canterbury, York and Durham worked side by side with the Royal mints and "contributed not a little to answer the public occasions" (Leake).<sup>5</sup>

<sup>5</sup>Mark Noble: "Two Dissertations on the Mint and Coins of the Episcopal-Palatines of Durham."

In 1280 the Lord King summoned William de Wickwaine and asked him "quo warranto" he had two dies at York. The answer was that his predecessors had been in seisin of having dies from time immemorial.

In Edward III.'s reign the ecclesiastical mints at Durham and York issued halfpennies in addition to the usual pennies, in 1400 farthings were added at York, and in 1500 half groats (2d.). "The majority of Henry VII.'s coins struck at York were archiepiscopal";<sup>6</sup> and in Henry VIII.'s reign Wolsey struck a groat (4d.) and decorated it with a cardinal's hat. This angered the king, but authorities are uncertain whether the groat or the hat were the cause of the offence. And "among the enormities attributed to this monarch, not the least was the debasement of the currency."<sup>6</sup> Henry was squirming in dark corners inside the old financial prison instead of breaking its bars and boldly demanding a new system.

<sup>6</sup>"Robert Davies: "Historical Notices of the Royal and Archiepiscopal Mints and Coinages at York."

Also used: S. Pegge: "Essay on the Origins of the Metropolitan and Other Subordinate Mints."

But during the first 25 years of his reign he did not tamper with the Church mints, and a letter is preserved from William Franklyn to Cardinal Wolsey: “At last being in London, I spoke to a friend to provide me silver for coining at Durham, and on Good Friday received a lire from him whereby I perceive that I shall have of him every year 1200l. of silver which will be very profitable to your grace and to all the countrie . . . ” However, the king’s finances were in a mess, so such consideration as profiting the country had to be sacrificed, of course, to placating or profiting the financial system. The Bishop of Durham (Tunstall) was despoiled of his mint in 1536, and about the same time the archbishops—Cranmer at Canterbury and Lee at York—lost the privilege they had held “from time immemorial.”

The English ecclesiastics’ money had been almost identical with regal money; it had not aspired to the glory of papal bracteates; <sup>7</sup> but crude as it was, it had served a purpose and stood as a symbol. The purpose of ecclesiastical money had been to facilitate transfer, enabling the people to lead fuller and less grinding lives. As long as there was plenty of metal, and money was thought of as a means and not an end, the Church mints did their work. This money was a symbol of the Church’s benevolent interest in even the business dealings of men. The loss of the Church mints meant the loss of the help of the Church, and even a loss of attention.

<sup>7</sup> Leaves of metal stamped and used as currency so thin that it was dangerous to hoard them.

I admit that the English arches had lost their point: King Henry was not altogether to blame. He was no more and no less to blame than any other responsible person who stoops to try out any exploitation in slavish cowardice, rather than face and change an evil financial system.

## The Law of Nature and the Laws of Man

By The Rev. T. Dixon, B.A.

*“There is one law which is right reason, agreeable to nature, diffused among all men, constant, eternal, which calls us to duty by its injunctions, and by its prohibitions deters us from wrong; which upon the good lays neither injunctions nor prohibitions in vain; while for the bad neither its injunctions nor its prohibitions avail at all. This law admits neither of alteration nor subtraction nor abrogation. The vote of neither senate nor people can discharge us from our obligation to it. We are not to look for some other person to expound or interpret it, nor will there be one law for Rome and another for Athens; nor one at this state, and another later on; but one law shall embrace all races over all time, eternal and immortal; and there shall be hereby one common Master and Commander of all—God, Who originated this law and proposed it and arbitrates concerning it. And if anyone obeys it not, he shall play false to himself and shall do despite to the nature of man, and by this very fact shall pay the greatest penalties, even if he shall escape all else that is reckoned punishment.” (Cicero: “De Republican Quoted by Gore in “The Philosophy of a Good Life.”)*

THE late G. K. Chesterton once said something to the effect that if a man leaps over the edge of a cliff he does not break the law of gravity : he illustrates it. That observation is applicable to all physical laws. All events which take place on the physical plane are so many illustrations of the laws of the physical universe—laws which are irrefragable, unassailable and beyond the control or abrogation of man. These laws cannot be disobeyed: the sanctions which enforce them are irresistible. They are enthroned on the seat from which the universe is governed.

In the passage which I have quoted, Cicero claimed an equal place on that seat for an all-pervading moral law which governs all human conduct. Sophists, both before and after Cicero, have questioned his assumption of the existence of such a universal moral law. Platonists, Stoics and Christians likewise, both before and after Cicero, have affirmed it. This article does not seek to argue the point. It is addressed exclusively to those who, like the writer, share the Ciceronian view.

But let us elaborate and discuss that view. The Ciceronian moral law is inherent in the nature of the universe. It cannot, therefore, be dissociated from physical laws. In the Ciceronian conception of it, the moral law, just as much as the laws of the physical universe, is part of the law of nature. The law of nature includes both. In a word, the laws of the physical order and the laws of the moral order are separate manifestations of the natural law, which was “originated” and “proposed” by God, Who “arbitrates concerning it.”

In its physical manifestation, the irrefragability of the natural law is apparent to the crudest perception. If I leap over the edge of a cliff I am killed or maimed. If I place my head in a fire I am burnt. If I remain under water for a sufficient length of time I am drowned. In no case have I broken the law of nature. I have ignored it: I have attempted to act in despite of it; and I have inevitably been checked.

The application of the moral sanctions of the natural law is more subtle, but no less real. If I attempt to act in despite of the natural law in its physical manifestations, I suffer material injury. If I attempt to act in despite of the natural law in its moral manifestations, I suffer spiritual injury which is no less real. There is a personal spiritual integrity as well as a personal physical integrity, and the one can be killed or maimed as well as the other. The man who acts in opposition to his own ethical values (which, as an aside to the Sophists, constitute the language in which the universal moral law is promulgated to him) has attempted to act in despite of the natural law in its moral manifestation. The appropriate check is applied in the form of an injury to his own spiritual integrity. He has played false to himself, "and by this very fact shall pay the greatest penalties."

The natural law, in both its moral and physical manifestations, is automatic in its action. Its action can be neither arrested nor mitigated. In this sense it sets certain well-defined limits upon the freedom of human action. It might be regarded as placing around man impregnable prison walls, beyond which he cannot go. Yet the metaphor of the prison creates a false picture, since a prison is inimical to its occupants. It is truer and more satisfying to regard the natural law as a rhythm beating through the whole universe. Only when his movements synchronise with that beat can a man move freely.

Nay, even that metaphor implies too rigid a constraint. Let us say that it is sufficient, though imperatively necessary, that a man's movements shall harmonise with the universal rhythm of the natural law. Let there be imagined the abundant freedom of all conceivable harmonious variations.

The outstanding characteristics, then, of the natural law are that it is automatic in its action, and that it allows of an abundant, though limited freedom. Human laws bear neither of these outstanding characteristics.

If a mother tells a child that if he puts his finger in the fire he will be burnt, she is stating a natural law. If, however, she tells him that if he goes near the fire she will punish him, she is stating a law of an entirely different character. She is stating a human law. Let us see in what respects these two species of law differ from each other.

It is observable that the natural law allows the child the widest possible freedom. It allows him to approach the fire: he can even play with it. He can poke it and use it for a large number of purposes. It is not until he actually touches it that he is burnt.

The human law, however, takes a great deal of freedom away from the child. Far from being able to poke the fire or play with it, he is not allowed even to approach it. A certain amount of freedom of action is taken away from him.

Human laws, then, are more constraining than the natural law. They build a prison which is narrower in extent than our former prison. A number of the harmonious variations with which human action can accompany the rhythm of the natural law are disallowed.

Human laws exhibit a further difference from the natural law, in that they are not automatic in their action. Although the mother has told the child that if he approaches the fire he will be punished, the law will not necessarily take effect. The mother may see the child near the fire, or even playing with the fire, but she will not necessarily carry out her threat to punish him. The chances are, indeed, that if the boy burns himself at the fire, he will be rewarded with kisses and more substantial benefits. Instead of being automatic in their action, human laws are arbitrary, and may even be capricious.

A further difference between the natural law and human laws may be mentioned. It lies in the fact that human laws are often framed with reference to two variable factors—the character of the subject and the character of the legislator. It is otherwise with the natural law.

No matter what character a child may bear, the fact will always remain that if he touches the fire he will be burnt. He may be a virtuous boy or a vicious boy; a quick boy or a slow boy; an adventurous boy or a careful boy: but if he touches the fire he will be burnt. The natural law allows him no more, and no less freedom, no matter what manner of boy he is.

It is very different in the case of human laws. A good boy will generally be permitted to approach much nearer to the fire than a bad boy. The bad boy has to be guarded against himself, and will be allowed much less freedom of action than the good boy. Human laws will allow him more or less freedom according to the character he bears.

But human laws are made not only for men; they are made by men. They are made not only for the boy; they are made by the mother. They will depend, therefore, not only on the character of the subject, but also on the character of the legislator. If the mother is timorous and nervous, the boy will be allowed much less freedom than if the mother is confident and sensible. The extent of the freedom allowed under human laws varies both with the character of the subject and with the character of the legislator.

Human laws, then, in contrast to the natural law, bear a very unsavoury character. To some extent they must set an artificial limit to our freedom of action; they are capricious in their action; and the extent of the freedom which they allow is as variable as human character.

This is not to say that they are unnecessary. They are a necessary protection against the activities of the unwise and immoral individual, both in the interests of himself and in the interests of society. Yet, so long as this necessary protection is obtained, it is obviously desirable that human laws should be as few, as simple and as unconstraining as possible.

The number and the character of the laws of all civilised States provide much scope for improvement in this respect; but the laws which are most clearly open to objection are the unwritten laws which govern the conduct of the world of commerce and finance. These laws are objectionable, not only because they are too many, too complex and too constraining; but also because they are apparently framed in direct opposition to the natural law.

After years of propaganda by monetary reformers, it is now a commonplace to say that the laws of finance place a destructive and unwarrantable constraint on human action. Deprived of the leisure and wealth which is physically available, men are forced into an economic strait-waistcoat, instead of being allowed to roam through the wide domains laid open to them by their increasing understanding of the physical manifestations of the natural law. But that is not all, for the laws of finance are open to a much more serious objection. They encourage men to attempt to break the natural law in both its physical and moral manifestations.

The engineer and the builder, for example, through their knowledge of physical laws, know what are the best and safest materials to be used in their work. These are readily available, yet they are seldom used. Owing to the exigencies of financial cost, the builder and the engineer are encouraged to ignore what they have learnt of physical laws; and, by the use of poor material and unsafe methods of working, quality and safety are sacrificed to cheapness. Consequently the world is full of dangerous rubbish—so many illustrations of the way in which the natural law imposes its sanctions.

In the more strictly moral field, one has only to point at a statement which must be familiar to all: “One cannot be over-scrupulous in business.” It is never maintained, of course, that blatant dishonesty can ever pay in business—the old proverb, “Honesty is the best policy,” must have been invented by a disciple of Mammon—but success in business entails those little shifts and evasions which are just sufficient to maim or destroy a man’s personal moral integrity. Hence the perverted and chaotic state of moral values, and the poverty of creative spiritual effort of the contemporary world. The natural law imposes its sanctions.

The movements of modern men, on both the physical and moral planes, are governed by the artificial, discordant and irregular tom-tom beats of financial necessity. They are movements which must lead to insanity and destruction.

Men must be made free to move in harmony with the rhythm of the natural law. They must be made free to follow the leadership of the wise physicists and saints, who are what they are because the rhythm of the natural law has beat its measure on their pulses.

## The Language of Money

Extracts from an Unpublished Manuscript by Ezra Pound

THE real nature of MONEY has been known for centuries. It is a measured claim. The ethics of EMPLOYING such claims can only be defined AFTER you know the NATURE OF MONEY. I don’t know how to state this more

simply. Unless you know what a chemical is, you cannot tell how to employ it in conserving or retaining health.

Ad nauseam, writers have repeated “all sorts of things have served as means of exchange,” cowrie shells, coconuts, wampum.

Metal money at the start was but BARTER. It was barter of a key commodity, or a privileged or ruling commodity, that could be conveniently weighed, and passed around in already measured units.

Claims, measured claims, have been issued against animals, against various commodities, lumber, etc., against metal, against work.

The great founders of religious and moral systems were early confronted with the problem: should people be made to PAY for the use of such claims?

If this question be answered in the affirmative, the second question, and one now scalding in its instancy, is: WHOM?

#### ORTHOLOGY

Whereas fifty correspondents, half of them recognised economists, were ready to confirm my demand for clear and exact economic terminology, very little real work has been done.

I differentiated a plow from a mortgage, property from capital, but I did it in a clumsy way. No one reproved me. Capital is a claim on others. But money is likewise such a claim.

The money claim is extinguished, or goes out of the possession of him who holds the money, when he receives goods or services for it.

Capital, on the other hand, remains in the hands of the holder, who receives for it an unending flow of money (or some form of coupon valid as a claim on money) as claim ultimately on goods or on services.

Money is a measured CLAIM, against goods or services. It is a transferable claim. Transferable without other formality than that of handing it over.

There is a minimum list of words that must be clearly understood and firmly defined if we are to have economic science.

PROPERTY differs from money and from capital in that it imposes no responsibility on anyone save its possessor. If you don't accept my word you must at any rate recognise a difference, and agree on a name for it. A house or a chair slowly wears out, but no onus falls on anyone save its owner in respect of its perishability. The term property is currently applied to fairly durable things, lands, houses, chattels, though even food may be included under the term— i.e., while it lasts.

One might, at least for the duration of this essay, use “property” to mean anything a man owns EXCEPT his claims upon others, anything that exists in itself and is owned.

The gold in a gold coin could be considered as property, whereas the STAMP on the coin exists as claim, claim on others, a claim transferable and certifying measure. As long as or whenever a law exists forbidding the melting down of coin by private individuals, even the metal in the coin is, possibly, NOT the property of its holder, or at any rate his property right in it is conditioned.

The difficulty in propagating economic knowledge is that it takes three hours clearly to state the framework. No auditor can keep his mind on it for more than about 20 minutes.

Nevertheless it is NOT an endless science like biology. The boredom of economic books is that we all have to keep on saying the same thing over and over, even those of us who are trying to present the simplest possible bases of knowledge.

I am torn between friends demanding an introduction or summary of the subject, and a few friends who say I must



not write a textbook.

## VOCABULARY

Despite the injunction that I must not write a textbook, it is impossible to proceed further without setting down the minimum of terms necessary for any clear treatment of economics.

First MONEY ITSELF: a pledge? A measure? A substance?

A LIMITED pledge, from the issuer, meaning that he will deliver, and if valid that he CAN deliver . . .

To build a language of science, we must next consider the relation of the pledge to the things that assure it. The relation of LIMITS to natural objects (and a proportion between the desirability of these latter and EFFORT). The ethics inherent in this, and the moral effects of monetary custom.

\* \* \*

The elements of economics are no more complex than those of chemistry or biology.

Without clear terminology there can be no science of money or banking.

The scientist is NOT content with an amateur hope that you won't misunderstand him anywhere in particular, or that a half-done job will at any rate stumble on the bacillus of cancer.

The student of terminology will observe that terminology was clear when Hugh Chamberlen wrote of LANDS and HANDS (A.D. 1696). Such words do not befuddle the reader. It will be observed that terminology was at its WORST during the age of usury, the XIXth century. In the XIXth century usury was unbanned. All moral taint had been removed from it. That is one of the denominations of an age remarkable for the general rot of all sense of form, the lowest possible degree of PERCEPTION of outline. (The general reader if he believes that nothing is without efficient cause, can here take a half-hour off and consider the characteristics of literature and the plastic arts during that horrible epoch. He might even consider the good and evil of PERCEPTION of concrete objects, of "facts." Note that a complete ass like Spengler has almost none, whereas Frobenius' thought moves from specific phenomena, a metal chariot dug out of a burial mound, something that HAS TO BE ACCOUNTED FOR. The curse of our time is that the generation preceding us did NOT think in this way save in the specifically material sciences.)

NOTE that you can have thought which isn't DEAD and which will still fail to produce valid definitions. Consider the XIXth century fumbles, in relation to, say, Albertus Magnus' attempts to DEFINE his ideas.

Money is a tool (XIXth century). You do not hand over a tool. When the carpenter puts up a shelf or reroofs your house, he does not leave you his hammer.

\* \* \*

Money the measure. Money the thing everyone took in exchange. Money the precious substance of barter, differing from other substance of barter in that it cohered and was measured, instead of being poured into a jug or basket.

### IN YOUR VOCABULARY YOU MUST SEPARATE

measure	coin	usura
exchange	money	partaggio
material	purchasing power	
domestic	property	
foreign	capital	
	resources (including services, i.e., the abundance of nature PLUS work.)	

cowries

tally

(It might be well to investigate the concept of "capital" conceived as a species of vaginal fountain head, as contrasted with "capital" in the nature of a lien.)

use

consumption  
exchange  
plant factory credit  
ready money

FAILURE to dissociate these words at the START means endless confusion. It must not be assumed that these words are the equivalents of similar words in foreign languages or in the usage of foreign economists. It may be that *moneta* in Italian means ONLY coin.

COIN in English is WITHOUT AMBIGUITY. When one means stamped discs of metal (precious or otherwise) one should say COIN.

Shiftiness in the use of terminology indicates either incompetence or dishonesty.

“I can prove that this cat is a rabbit,” says *The Time’s* lame economist, taking a rabbit out of his overcoat pocket.

There are tricks used AFTER a vocabulary has been chosen, tricks listed in introductions to hack logic manuals. But there are also tricks DOWN UNDER, tricks before the vocabulary is chosen. A wafty and wobbly terminology is a CONTINUAL series of “indefinite middles,” shells under which a pea and a bean are concealed, for the trickster’s convenience.

\* \* \*

If a man starts with “God looking upon the heart,” etc.; if his will be right; be righteous; he will not get into a tangle.

If he starts with the intention of avoiding anything that is not utter sincerity there will be very few clouds in his mind. But if he begins by trying to do his partner, he will be able to spin most subtle and enveloping cobwebs.

We share the cost of the ship: we share in the cost of the cargo; and we take returns in proportion—this is good sport and good fellowship: *partaggio*.

But; we share in the expenses; I take a profit if there be one; but if the ship sinks I take your house.

That is a different arrangement : *usura*.

You can spin the cobwebs never so fine. The passion for security; the FEAR of the future; the mistrust of providence, are all human characteristics; they are all known frailties of humanity. *Cosa di male?*

*Che l’intenzione per ragione vale*, wrote Cavalcanti. You can carry this up to religion; you can carry it to the summits of poetry. We are not in a “cold thing like economics”; we are in the roots of human existence; in the heights of the spirit.

What did the man WILL when he did this? The Monte dei Paschi arose in the WILL to remake Siena; to re-establish the good life in Siena.

The Banca San Giorgio rose in the determination to GET money OUT of the people of Genova.

There may be a whole PRAXIS of diagnosis; there may be borderline cases; there may be operations of every tint of grey; greyish; pinkish, or bluish grey; but the deep economist will keep his head clear.

Two kinds of mosquitoes. Strongest microscope shows no difference, BUT they lay different kinds of eggs.

And ONE carries malaria.

# Our Cultural Disinheritance

By TUDOR JONES, D.Sc., F.R.S.E.

## I.

ALL mammals and many other creatures undergo some course of training as soon as possible after they are born. This training is conducted by members of the previous generation, usually one or both of the parents of the individual concerned, and serves to eliminate possible modes of behaviour which might lead to consequences unfavourable to the individual, the family or the species.

Thus the habitual, as distinct from the inherited behaviour of young animals, is produced, leaving more extended experience to effect some modification.

Deprived of this training, the individual commonly suffers some disadvantage. It is not easy to say how much, because the common cause of such deprivation is separation from the mother, by death or otherwise, at a critical time in the life of the individual. Large or small in its total effect, something is handed on by each generation to the next. It is something added to the natural inheritance, and might be called the nurtural inheritance.

In man this nurtural inheritance is mixed up with a cultural inheritance, which is quite a different thing. Broadly speaking, the influence of each generation upon the next in respect of nurture is, in animals other than man, the same. Alterations in the mode of life of the species through adaptations to changes in the environment are on the whole more likely to subtract from it than add to it, and this nurture, as it may be observed among domesticated animals, is a poor, uncertain and fitful inheritance compared with its counterpart among wild animals. In man a great increase in communicable modes of action occurred before the dawn of civilisation; but during the development of civilisation, this increase has become so vast that the body of effective knowledge accumulated at the time of the birth of each individual is now greater than can be communicated to him during his lifetime. During his lifetime a further large increase will occur in this store of effective knowledge, and the rate of such increase accelerates.

## II.

The magnitude of the cultural inheritance is dimly apprehended by individuals. At best each is directly aware of only a fragment of it. This fact can readily be demonstrated by directing one's own attention to any small collection of objects in sight at any time, and asking oneself to explain how they got there, in sufficient detail as to suggest that one could secure their reappearance, by the same means *ab initio*, if they should be destroyed. Simple as it is, and few as the objects may be, provided they are products of civilised life and not merely natural objects, this experiment leads to the startling conclusion that no one has enough knowledge to satisfy the conditions. Indeed, the knowledge possessed collectively by all the individuals living in our time is not nearly enough to achieve the end required, since the historical development of human abilities is known only fragmentarily.

This is a *fact* as well known to Diffusionists as to Tylerians. No school in anthropology is so foolish and mistaken as to pretend to possess more than the crudest of maps, faded, torn, full of erasures, corrections, blots, holes, inevitable mistakes and falsifications. To take one of these "maps" rather than another, is not to take sides or to open some new door to endless discussion which is the chief source of ineffectuality in our time. In regard to the point I wish to illustrate, one is as good as another: the whole point is not the uncertain and bitterly contested lines of the "map," but the holes in it. What Sir Grafton Elliot Smith and his collaborators never cease from stressing— that man had inhabited the earth for ten thousand centuries before the firing of the "pistol shot" which was the signal for the sudden expansion which we know as civilisation—is not seriously contested; the details of the weapon, the velocity of propagation of the explosion, and so on: these are the matters of dispute. It does not matter for my argument whether in history each fresh impulse forward is unique, or whether the spirit, "blowing where it listeth" pants like a driven hart. The point is that most of the "puffs" are unrecorded. If we know that the artificial germination of barley secured an abundance "when and where it was required" in the Nile Valley, we know nothing of the conditions in which the discovery was made that stored grain sprouts. Neither do we know by what processes, material and

psychological, the ancient Egyptians overcame what anyone with imagination must regard as a natural repugnance to draining the udders of cows to augment the infant food supply. We know only of the deification of the cow, and surmise that, having thus made his peace with her, man, now civilised, entered upon a period of development and expansion of which we know some of the results and scarcely any of the means. The results themselves are beyond the grasp of any living individual.

We do not know, in a fashion which would ensure repetition by us, without the assistance of example, of the brooding thought or the flashes of insight which led to any one of the great discoveries, nor to any one of the numberless trifles which are links in the chain that we call the development of process. G. F. Powell has shown that most of us, however humble, have unwittingly contributed more than one, and we are ignorant of the event, let alone the means. We do not know what passed in the mind of Napier that led to logarithms. We do not know how the stratagem was conceived that, after many years, led to the supremacy of Newton's teaching over Descartes. We know neither of the lives stripped of everything but resolution that were somehow fruitful, nor of them that illuminated nothing but themselves. All we know is a resultant environment of man, incredibly potent to secure human satisfaction, and incredibly active to prevent it. The potential and the resistance have grown throughout history. More and more gigantic opposites confront each other in the equation.

### III.

The processes, whereby the additions are made, are understood only in principle, and principles, as Douglas has said, have no separate existence. Thus, if we accept the description of Elliot Smith, the restraining makeweight constantly opposed to the cumulative power of man to effect changes in his environment, is derived in the main from the discarded rubbish of his own experiments: discarded science (error) becomes magic, a prodigious husk imprisoning the living seed of effective knowledge. Every event in nature consciously induced by man embodies the opposite principle. To count them would be as counting the stars of past universes.

Let us suppose that the objects before us in the experiment suggested in an earlier paragraph are merely a green baize cloth, a deal table and a cup of water. The observer may soon convince himself that even if he should be well-equipped to organise and direct the manufacture of dyes or the transport of glue, the actual production and distribution in 1936 of a green baize cloth, a deal table and a cup of water, involve processes, and many of them, of which he is ignorant and the existence of which he did not suspect. Some of these processes are industrial, recent and secret; others are intellectual, ancient and of long and obscure historical development. It is in most cases, if not in all, impossible to separate productive actions carried out in our time from past productive actions of which they are the sequelae, and any common object of modern life is seen, as soon as we enquire into its history, and into the history of the objects upon which it depends for its existence, to be as much the heir to the ages as it is a ponderable mass of matter with its own structure, form and function.

To require that the modern heritor of such objects should know much more about them than that they are there, available for the realisation of specific purposes: to be made, bought, sold and used, *is to require that he would be capable of repeating in his own experience the whole history of human development in society*. It does not matter how small is the fragment chosen for consideration, however seemingly trivial, its significance grows as we consider its ever-branching roots, until it seems to be itself the product of all civilised effort. It is.

No one is capable of repeating in his own experience the creative events which have contributed to any item of modern culture. Broadly speaking, all the items existent in any generation are inherited collectively by the individuals of the following generation. The inheritance is cumulative and vast.

### IV.

The popular attitude to this process of human enrichment is indicated by the almost universal prejudice in favour of the belief that it implies an increase in the intelligence of some of the individuals, if not all, who inherit it. There is not a shred of evidence to support the claim that modern man is a whit cleverer than his prehistoric ancestors. The belief that he is so is by no means confined to untutored persons. Browning betrayed it when, poetically, he implied that God was still busily manufacturing fresh giants, and asked Him to make no more of them. The moralist deploring man's tardy attainment of wisdom, and the classicist the modern's lack of taste, both unconsciously assert their superior intelligence. Mention man on the threshold of civilisation, and the image conjured up by most people is that of some rude uncultivated savage, scarcely able to hold his head erect, breathless and inarticulate, scratching figures on the walls of caves. Members of the "aboriginal" races are still to be found to give an air of verisimilitude to this

picture; but it is sheer ignorance to confound the less intelligent specimens of the so-called primitive races with the men and women whose immediate descendants were concerned with the establishment of the elements of civilisation. The pre-dynastic remains unearthed in Egypt provide conclusive evidence that there has been no such marked modification in the human brain-case during the growth of civilisation as to warrant the assumption that this growth has been accompanied by any increase in the natural powers of man.

The colossal power of modern man is an increment of association derived from his unconscious co-operation with the legions of the dead. It is not a measure of his own intellectual stature.

## V.

W. H. R. Rivers, whose posthumous “Psychology and Ethnology” appeared in 1926, drew attention in that work to another important series of social phenomena, namely, the frequency with which cultural elements have disappeared—completely in the event, yet incompletely in that the generated investment of magic might acquire fresh vigour in consequence of its severance from its material origin. (These overheads!) Only one aspect of this observation has been developed—its bearing upon the diffusion of culture, to which Rivers regarded it as being not only a kind of exception proving the rule, but explanatory of many of the obscurities of social psychology. I am sure that only his untimely death prevented the fruition of his observations, which were rich and penetrating, in a demonstration disconcerting to those who look upon our society as a product of a *natural* evolution. Since, in an objective sense, not necessarily involving recognition by the individuals concerned, the most vital interest of men in society lies in the nature and control of the dynamic forces working in society, this fact of cultural disinheritance, which Rivers was beginning to illustrate, is a major concern for us. Major Douglas has made clear the technical methods elaborated to secure it, pointing out at the same time their artificiality and the arrogance and tyranny inseparable from the use of them.

The more we know about them the better.

Most of us understand that metaphors and similes, figures of speech, are unsafe things to use, however decorative; and many of us know that most of the terms of modern science are metaphors. The scientific metaphors are prevented from being the most dangerous metaphors only because fundamentally science has more to do with events than with the representation of events symbolically. Nevertheless when the danger of scientific metaphors does become apparent, it usually appears to us with a force transcending the force of the dangers inherent in mere verbal errors.

A common metaphor used in dealing with all matters of growth and development is the tree metaphor. No danger could possibly exceed the danger lurking in the misuse of this concept. The least dangerous use is that to which the tree is put by genealogists. The genealogists’ tree, be it noted, has its roots waving in a pruned, disconnected, untidy, but nevertheless quite honestly unnatural fashion, in the air. How is it that the trees of racial descent and of cultural anthropology ever became upturned again and stuck like little rose trees in flowerpots? They pretend to be such trees of descent as the genealogists’ trees; but have already shed a most important element of their truth: they grow up the page of time to the beginning, instead of down the page of time to us. And this is part of a colossal deception. Gratifying to our protean vanities as it may be to picture ourselves couched in lofty foliage, the standpoint of an insect clinging to the uttermost leaf is not a favourable standpoint for the study of the nature and growth of trees. The evidence available concerns at most a multiplicity of leaves, not a common trunk; and while twigs, branches and a trunk might be traversed in time, the natural destination of the most pertinacious insect pursuing his way from one to the other is the ground from which the tree grows, not the concept “tree.” The individual insect’s account of such a descent might properly be: “I passed from the bright illumination of the upper surface of a leaf to the lower surface, thence to a stalk, green in colour, thence to the darker and rougher bark of a thicker stalk, to accompany which a similar stalk ran after a time, and so, after many additions to the thickness of my support, in like manner, I passed to an expanse of grass.”

The “leaf” which the present writer may be said to rest upon at the present moment, is a white octagonal button with a concave upper surface marked by the signs 5T (the typewriter key for the letter ‘t’ completing the word moment). This key was an element in the cultural inheritance of his “present moment”; but he could not pass from this “leaf” to anything that is truly the cultural twig from which the key grew. Without pressing the physical incongruity (which is irrelevant), this item of the cultural inheritance, pictured only in its more massive features as an end-point in time of typewriter-metals-chemistry-of-gums-(the imitation ivory keys)-levers-springs-ink-printing-writing, leads not to a stalk of the cultural “tree” but into the whole of the cultural nexus of a past time. The biological concepts of descent and branching growth are totally inapplicable to the processes underlying the expansion of

human culture. The descent of the cultural inheritance is continuous but non-linear. Our knowledge of it is discontinuous.

Now while the biological concepts are inadequate, we should not leave them before suggesting another major error in the metaphor. Trees grow in an atmosphere more or less uniformly and abundantly illuminated from above, and this feature is unconsciously in the minds of those who use the tree metaphor. How different the cultural “tree,” for it is “horizontally” illuminated by a “beam of light” by no means abundant, very much like that which would issue from a narrow slit between knife-edges in front of a lantern held in the hand of a policeman seated in Bergson’s “ever becoming, ever present now”; and unfortunately the policeman can move about in that time plane: can determine the development or non-development of each leaf, and control each potential distribution of the increment of association of the cultural elements! Each deflection of his “beam” from a cultural “leaf” implies the abortion of a “tree” of human culture as vast and elaborate as our own. Thus human potentiality since civilisation began has been all the time its actual attainment at any given time, magnified by a complex function of all its abortions before that time. Our cultural disinheritance can be pictured as an Amazonian forest in which our cultural inheritance is a tiny atavistic weed.

Someone has said that all failure is a failure of imagination. If our generation could but see its disinheritance! The social environment constituted by past and present systems of control is in every respect as “selective,” in an evolutionary sense, as the natural environment. It is incomparably more restricted, as may be inferred from comparing the impressive variety and perfection of forms in nature, with the narrow fertility of human life when, as now and throughout civilisation, all excellencies and aptitudes which do not “minister to the sacred flame” of control, are denied development.

If we are ever freed from this tyranny we shall look back upon its crimes against nature, as measured in the real terms of deprivation (of disinheritance), as upon a phase of human history incomprehensible in respect of the motives which inspired it, and the failure of human will which made its evil conquests possible.

## War: Psychology and Purchasing Power

By M. GORDON-CUMMING

THE average man with a job to do has not the time, even if he has had the education, to think out the problems of his world; consequently it is quite beyond him to see why the world appears to be drifting inevitably towards war.

The average man has no real quarrel with the Italian or the German, and still less with the Japanese. Certainly he is horrified at accounts of atrocities carried out upon political rivals and Jews in Continental countries; but terrible as such things are, he feels somehow that subjecting us all to even worse tortures is not likely to be of much permanent benefit. He may also have heard something of the work of reformers in this country who point out that immense political efforts are being made by our so-called representatives to conceal the fact that a very large section of our community are starving to death: the starvation being none the less real from the fact of its being spread over a period of years. Which is the worst atrocity—a thousand Jews beaten to death or thirteen millions undernourished in an age of plenty?

It has become a platitude to say that we are in the grip of a machine, but it is true. The average man is in a machine, seated comfortably or uncomfortably, and the machine is rushing towards war. Many reformers, sensing this, think that there is something inherently wrong in human nature and turn to ethics and religion in the hope of curing the trouble; but, with due respect to these ideas, the trouble must be judged both easier and more difficult to understand. It is fundamentally more mechanical than psychological. We are, as it were, seated comfortably or uncomfortably in a runaway char-a-banc: it is rushing madly down a steep place to destruction, and we can change our hearts, if I may say so, till we are “blue in the face” but nevertheless there is going to be an appalling smash at the bottom unless someone discovers how to mend the brakes and stop the engine.

The average man is engaged in some business. Possibly, with the modesty of the English, he describes it as a littler business. He may be a shareholder, manager, foreman or humble worker, but it is as certain as Christmas that sooner or later (unless he is engaged in banking or insurance the little business is going to fall on bad times. The average man’s wages, salary or dividends will be reduced, and he will begin to sit up and take notice. He will threaten to

strike, or heckle his chairman at the shareholders' meeting, and the answer will almost invariably be that his troubles are due to foreign (shall we say Ruritanian?) competition. "Our chairman is making representations to the Government with a view to the imposition of a substantial tariff. Meanwhile we must 'tighten our belts' . . . 'share the sacrifices' . . . 'explore the avenues for unturned stones' . . . etc. . . ." The speech proceeds along orthodox lines.

When the excuse put forward for bad business is not Ruritanian competition, it will be "iniquitous import duties which Ruritania has raised against our goods."—"Every effort will be made to induce the Government to undertake strong counter-measures," and so on. It would be superfluous to stress the fact that similar speeches are being made in Ruritania.

Man in general, and consequently the average man believes himself to be a reasoning animal. Modern psychological research tends to show that this idea is grossly exaggerated. Man uses his by no means negligible reasoning powers, not to control his own destiny, but to excuse, or, in technical language, to rationalise, his instincts and the urges of his subconscious. Smith, for example, hates Jones because Jones is more successful, either in business or with the opposite sex. Instead of trying to reason himself out of this dislike, Smith merely searches for excuses to justify it, citing Jones's personal appearance, for example, or the seat of learning at which he received his education.

With Ruritanian competition meeting him at every turn man cannot help himself. His livelihood is being interfered with and he cannot help associating this interference with Ruritania. A subconscious fear, and consequently hatred, of Ruritania is being built up. The feeling is not a matter of elder statesmen and their errors: it is nationwide, and infinitely more dangerous from being subconscious. The propaganda departments on both sides are already fostering ill feeling. A spark will set the tinder alight. And when the bands begin to play the nation will be behind the Government to a man.

A "change of heart," either here or in Ruritania, is psychologically almost impossible. Have you ever heard of the eighteenth century boys' trick depicted by Hogarth, wherein a string is tied to the tails of two cats and the loop hung over a peg? Each cat will believe the other to be responsible for the situation and they will tear each other to pieces. Two men in the same position might exercise self-control for two minutes before doing the same as the cats. And so might two nations (cartoonists, please note!). The nations are virtually tied up in this way. In a few seconds, or a few years, self-control will snap and they will be at each other's throats. It is a waste of time to set about changing hearts. The string must be found and cut.

It is not very difficult in this case to see where the string is. Ruritania cannot sell her goods; nor can Britain; nor any other nation. Professors of economics produce theories to show that the manufacture of a product distributes enough money to buy it. Practical engineers produce theories to show the contrary. But why wrestle with theories? If Britain can buy her own products and those exchanged from abroad: if Ruritania can buy her own products and those exchanged from abroad; why on earth do they not do so, instead of forcing their surplus goods into each other's countries and preparing to fight over the markets of some luckless neutral?

The root cause of the trouble is in the financial system. It does not distribute sufficient incomes to buy the products of industry. Unless the flaw is corrected within the next few years, civilisation, such as it has become, will perish.

## VERSE

### Swallows in Flight

WATCHING a host of swallows skim with fleetness  
Over a barley-field as light was fading,  
While earth was revelling in summer sweetness,  
And skies were sunset-pools of delicate shading,  
I marvelled at my solitude's completeness,  
That swallows were so rapturously upbraiding.

With what consummate ease they dived and darted,

Now skimming low, now eloquently soaring,  
As if their joy were more than summer-hearted,  
They twittered in their quest of sky-exploring;  
Their raptures were so breathlessly imparted,  
My thoughts dissolved in mood of hushed adoring.

Earth, wind, and sea, it seemed, were madly striving  
To hold the swallows in their clean embraces,  
While sunset-skies were colourfully conniving  
To draw them into strange, untravelled spaces.  
Oh, with what joy I saw their long wings driving  
Against the wind, with wild, untutored graces!

Their flying was a singing bell of wonder  
That chimed in skies where twilight was advancing;  
Their swiftness, as they tore the clouds asunder,  
Set all the skies a-whirl with foamy dancing . . .  
The swallows were abroad, and out to plunder  
The colours of the sky, with swift-winged prancing.

Oh! that our thoughts were nimble as a swallow,  
That we might skim, in joy's untrammelled whiteness,  
The heights of hope, and brooding's darkest hollow,  
And lose not heart's cool heritage of lightness;  
Oh! that the heart without a pang could follow  
Her wayward dreams into their realms of brightness.

HERBERT BLUEN

## The Climbers

WE are frustrated, we who strain  
The peaks of purpose to attain,  
One peak attained, a loftier still  
Appears, and challenges our skill.

There is no rest for us who seek  
To win an ever loftier peak;  
The years, ironical and stern,  
Deride us, while we climb and yearn.

HERBERT BLUEN

## Sophisticate

COME, let us mock and be gay; we will amuse:  
Tumultuous tender little things shall blaze  
Into a shining meretricious phrase,  
Bladed for use, whichever side you choose.  
We will be subtle; between our words we'll seek  
Uncharted subtleties that plunge behind  
The prideful tortuosities of mind,  
Emerging breathlessly and peerlessly oblique.

Set the tall words opaquely one to one;



Yet little sights and sounds still sidle by,  
Perturb our timid, gentle hearts with fear  
That this wordringed immunity is done.  
The world's so close it shakes our thoughts awry  
To its own mould, indifferent and austere.

ELIZABETH EDWARDS

## Very Sound Song

MAN was made for labour,  
Man was made for work,  
You must keep him at it  
Or he's sure to shirk;  
Me yells for bread and butter,  
He bawls for house and clothes,  
But what he's really wanting is  
A grindstone for his nose.  
No cash to squander  
And no time for sin,  
That's the way to keep him straight  
And do the Devil in.  
The Devil he's a sly bird,  
He sends the rain and sun  
To make the crops grow thick and fast,  
And stop work being done.  
The Devil made the coal and  
The Devil made the oil,  
And all that damned machinery  
To rob us of our toil.  
The Devil made those scientists  
To give us Plenty; but—  
God made the Government  
To fight against the Glut.  
God sends the hailstorms and  
God sends the drought,  
To make us all work harder  
And keep the Devil out.  
God sends the pestilence and  
God sends the blight,  
And God sends the Bankers  
To keep our money tight.  
We're nearly round the corner,  
Prosperity's in sight,  
So do your bit to help us win  
The economic fight.  
And if we do our duty  
And answer to the call,  
P'raps God'll send another War,  
And there'll be work for all.

GEOFFREY DOBBS

## Mental Strain and Income

“The Subnormal Mind,” by Cyril Burt (Oxford University Press, 10s. 6d.).

THE correlation of poverty with mental health has not been worked out so completely as that with physical health. Someone has yet to calculate the minimum income on which one can keep sane; but no doubt this omission will be rectified in the near future.

About 20 per cent of school children in the country and 10 per cent in London are dull or backward. The difference is partly due to the migration of the more intelligent country folk to the towns in search of a better living, so that the proportion of dull children is increased by inbreeding among the remainder. In the richer districts of London, such as Hampstead or Lewisham, the percentage is less than one, whereas in the poor districts it is greater than 20. If the homes of these children are plotted on a map and compared with another showing the poverty of different districts, the correspondence is remarkable. About 30 per cent of the dull and backward children fall beneath the poverty line, compared with 7 per cent of London school children as a whole. The effect of poverty on the mental health of the children is due as much to inadequate sleep as to inadequate feeding, among single causes. In one school where the children were backward in arithmetic, they were separated into two divisions, one of which was given extra coaching, while the other was put to sleep in deck chairs for the same time. Both sets showed improvement, but those who rested showed the most. Other conditions of poverty, such as overcrowding, damp, insanitary houses and employment after school hours, tend to fatigue the children. In households where parents have neither means nor leisure, the emotional and intellectual atmosphere is limited.

A similar correspondence is shown between delinquency in children and poverty, although in this case the connection is probably less direct. More than half the author's cases of delinquency were from homes described as poor, but more than 30 per cent of London children come from such homes. About 16 per cent of the delinquent children were from families below the poverty line, as compared with 7 per cent of the total children. Children are driven to theft through the deprivation of little luxuries such as sweets or toys or evenings at the cinema.

So much for the children who have been brought up in poverty; for the adults who bear the responsibility of this state of affairs the strain must be as great. In this case fewer figures are obtainable, but according to surveys made in 1906 and 1926, mental deficiency as a whole had increased by 33 per cent in 20 years. In this estimate full allowances were made for the inaccuracy of the earlier methods of investigation. In an inquiry undertaken under the auspices of the Medical Research Council, 60 per cent of the persons investigated showed neurotic symptoms of some sort, 11 per cent symptoms sufficiently definite to warrant further investigation, and 6 per cent required further treatment. It has been said that “neuroses constitute perhaps the most widespread form of disease.” The surest way of eliminating such mental ailments is to remove the strain of living, the worry of being unable to buy food while food is being destroyed, or clothes while cotton and other productions are being restricted, the disappointment of being unable to enjoy living in the immense and rather exciting world.

ELIZABETH EDWARDS

## The Land. What shall we do with it?

“The Land, Now and Tomorrow,” by R. G. Stapledon (Faber and Faber, 15s.).

THE land must always be our foundation. The most sophisticated town-dweller, if he will not acknowledge the dignity of a ploughed slope against the clouds, will yet do justice to the crops from it later in the year. However, the increasing number of townspeople who invade the countryside on foot, bicycle or in car shows that cities are not yet completely independent of the land, although rapidly overrunning it. The rate of gain of urban area in England and Wales (which is a measure of the rate of loss to the farmer) increased from 148,883 acres in 1911-1921 to 340,243 acres in 1921-1931. At the present rate of expansion there will be no open country in England and Wales in 900 years, and the last farm will close down for lack of land in 700 years. Professor Stapledon is anxious that this shall be done in as seemly a manner as possible. He points out that ultimately the landscape of this fantastically complete

country will depend on the hours of employment of the population. The short working day would encourage the development of extensive garden cities, incorporating evening recreations. The short working week would tend to produce intensely urban districts interspersed with wide national parks with facilities for amusement and recreation over the long weekends. Of the two alternatives he prefers the latter, and exemplifies it with details of a national park between Aberystwyth and Cemmaes Road.

Use of the land is also decreasing. The amount of arable land in England and Wales has decreased from over 14½ million acres (including 3½ million acres of wheat) in 1866-1873 to 9½ million acres (including 1¼ million acres of wheat) in 1931, that is by 36 per cent., while the area of permanent grass has risen in the same time by 39 per cent. Thus crops have diminished, and even the permanent grass is not used as efficiently as is possible. At least twice the amount of milk and meat per acre of pasture could be produced cheaply and easily by improving the grass with leafy and enduring strains appropriate to the locality, and with herbs containing the minerals required by sheep. Measures are described for the preservation of pastures from the encroaching rushes, bracken or heather (according to elevation), for the reclamation of large areas of land, at present permanently under such vegetation, and for the transformation of moorland into grazing land, bad grazing to good, and grassland to arable land.

Such enterprise is chiefly restricted by lack of financial capital. Owner-occupiers with little such capital behind them to initiate long-range improvements farmed 36 per cent of the total area of cultivated land in 1927, as compared with 10.7 per cent in 1913. Such work pays for itself only after 15-20 years, and most farmers have to work for an immediate profit. Outlying lands are also frequently neglected because shepherds are unwilling to live in isolation. It is therefore essential, if the land is to be made a living venture, to bring all possible amenities to the lonely villages and hamlets, so that they may not be penalised by isolation.

Professor Stapledon's solutions to these problems depend largely on planning and a high measure of state control (in spite of an invigorating protest against standardisation). With a national dividend, however, would come security to undertake improvements that do not give immediate profit, but rather benefit the land for its own sake. At the same time the choice of occupation would tend to produce a distribution of country and town dependent on the inclination of the people instead of on financial necessity.

ELIZABETH EDWARDS



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# The Bankers' Mirror

“Money and Banking, 1935-36.” Commercial Banks, Vol. II. League of Nations, Geneva, 1936.

THIS review by the “Economic Intelligence Service” at Geneva gives a brief survey of Commercial Banking in each of 49 countries. It contains, apart from the dry facts, some interesting statements; for example:

In Bulgaria, “The decline in deposits in the course of 1934 was met principally by a reduction in loans and advances, whereas the fall during the first half of 1935 was accompanied by a decrease in cash assets.” Banking is not mentioned in “Alice Through the Looking Glass,” though this extract might well be embodied in any new edition of that work.

The report is rather interesting on banking in the U.S.S.R., where orthodoxy appears to rule. Reconstruction of the price system was carried out in 1934-35. “It is officially stated that a very substantial expansion of the State Bank’s credit and debit accounts also took place during 1935. This was due to the fact that all stocks and materials in progress had to be revalued in proportion to the new wage rates and retail prices. In order, on the one hand, to offset the book-keeping profits arising from this operation to the State enterprises on their existing stocks, and, on the other, to supply them with increased funds to finance new stocks at higher costs and prices, this revaluation of goods entailed a corresponding writing up of debts to, and current accounts at, the State Bank.”

We learn that in China coined money has circulated for almost 3,000 years. Paper money “. . . originally issued shortly after A.D. 800 as certificates of specie deposits, came into use as a credit instrument combining the functions of bills of exchange and fiduciary notes. Even earlier, according to some authorities, about A.D. 600, the Shansi merchants had begun to develop banking institutions.” “In the course of time, these merchant-bankers had evolved most of the apparatus of modern banking, including the use of the principal credit instruments—banknotes, bills of exchange, promissory notes and cheques—a widespread system of remittances, official and market rates of discount, Government deposits and loans, bankers’ banks and money market centres.”

The currency reforms introduced on November 4 1935, separate the central banking function from Government and private financing. Modern banking does not appear to be able to do much more than this to “improve” the Chinese system into the one we know so well; so it may be said that our twentieth century power age is being run on a very slightly modified seventh century money system. The League of Nations might do better than that.

ARTHUR WELFORD

## Why is a Deposit?

“Money and Banking, 1935-36.” Monetary Review, Vol. I. League of Nations, Geneva, 1936.

IN this review “attention is concentrated on the economic effects of money changes” in an attempt . . .to provide some interpretation as well as a description of recent monetary history.”

Velocity of circulation appears to be its chief concern; “. . . the average velocity of circulation of bank deposits fell more during the depression phase of the cycle than did bank deposits themselves.” Which reminds one of the question “Why is a deposit when it circulates?” the answer being “If it’s a loan.” But then, of course, the League of Nations may not have realised that what a bank calls a deposit is really a bank loan, or money created by a bank to pay for purchases on its own account.

“. . . the deflation was characterised less by a contraction of the supply of money than by a fall in the efficiency with which the existing money supply was used.” Possibly this may be accounted for by reason of that stupid habit people have of borrowing money and then leaving it lying about doing no good.

ARTHUR WELFORD

## Chastisement With Scorpions

“Recruiting and Native Welfare in Nyasaland (I.L.O., Geneva, 1936). Summary of the Report of the Committee appointed in 1935 by the Governor of Nyasaland to enquire into Emigrant Labour.

THE committee found “ . . . that this uncontrolled and growing emigration brought misery and poverty to hundreds and thousands of families, and that the waste of life, happiness, health and wealth was colossal. ... if the immediate causes of emigration are not counteracted, in the northern half of our native Protectorate the moral, social and physical life of our native population will be so affected that any attempts by Missions, Government or other agencies to maintain, let alone to improve upon, the present low standard of health and happiness will be abortive . . . . Resident chiefly in other lands, the Nyasaland-born natives will have acquired a complete mistrust in and loathing for administration by the white people.”

The committee quotes Dr. Schapera’s report on the same subject in Bechuanaland, where conditions were similar to those now obtaining in Nyasaland, including the sale of labour outside the Protectorate, disorganisation of tribal life, disregard for the authority of the Chief, breakdown of family organisation, “ferment of unrest,” “the health of the people adversely affected,” widespread venereal and pulmonary diseases, and the foundations of native society on the point of collapse.

The inquiry of the Belgian Government into the conditions of the 10,000,000 natives of the Congo, “the most authoritative labour inquiry of the kind yet made,” reveals that the removal of young able-bodied men from African villages in excess of 5 per cent, upsets the whole economic, political, and social balance of the community. The exodus from Nyasaland amounts to 50 per cent, rising in some districts to 60 per cent.

The immediate cause of this emigration, which brings catastrophic misery and poverty, and waste of life, happiness, health and wealth, is stated by the committee to be threefold: incidence of taxation, “bride price,” love of travel and adventure. Mr. Ormsby-Gore amused the House of Commons with a humorous description of the wandering nature of the Nyasa boy, but Sir John Harris states that “beyond all question the most potent and compelling force behind the exodus is taxation,” which, in every Protectorate—according to Sir Alan Pim in Swaziland, Bechuanaland, and Basutoland, Dr. Schapera in Bechuanaland, and the Nyasaland Committee—it is almost impossible for the natives to pay. The committee calls the incidence of taxation the “omnipresent and overwhelmingly important cause of the exodus.”

The figures of taxation are pathetic; in Basutoland, for example, the tax is £1 8s. 0d. a year, but the taxpayer often earns less than £1. In Nyasaland every male must pay six shillings a year; every adult, unmarried female occupying a hut must pay a similar tax. If the husband is away the wife must pay. In certain circumstances the tax is increased 50 per cent.

A rough budget for a group of five districts shows: —

	£	£
Receipts of native tobacco growers @ 1d. per lb.	250	
Receipts of native cotton and rice growers ...	750	
Wages (internal) earned during the year ...	13,000	
Paid in taxation .....		18,379
Balance, amount to be found for taxation outside the districts	<u>4,379</u>	
	£18,379	18,379

Taxation absorbed the whole of the wages and the entire amount paid for the crops for a whole year, leaving not a penny piece for the natives to live on, and compelling them to emigrate to find £4,379 outside their tribal area in the mines and industries of Tanganyika, Rhodesia, Portuguese East Africa, and the Rand, and to grow “cash crops” at home to the detriment of a properly balanced food supply.

The committee states that the women suffer most; upon them falls the burden of the home, children, and garden. The wife sees the unrelieved suffering and sickness of her children and the disintegration of her home through the

long absence of her husband. For tens of thousands of women, motherhood is impossible except through illicit connections.

Owing to the pressure of taxation, and the consequent breakdown of tribal organisation, the exchange of “lobolo” or cattle dowry between the relatives of the bride and bridegroom is now represented by the modern conception of “bride price” in cash. The younger men cannot marry unless they go outside the district to earn this “bride price,” for although they can breed cattle in their own district, they cannot by any possible means breed money. Nearly half the emigrants are prospective bridegrooms. When the experts on slavery met in Geneva in April last they had before them the testimony of a Nigerian official, who said: “It is but a step from bride price to slave price.”

What is the object of this 100 (plus) per cent taxation? Is there some compelling necessity, which calls for the sacrifice of these British subjects and their real wealth for the good of the rest of the Empire? Surely not. The resources of the Empire in real things have hardly been scratched as yet. Is it to pay, in some way, for the excess of imports into Nyasaland over exports, for the adverse balance of benefits received by the Protectorate, for the “ferment of unrest” and the venereal and pulmonary diseases, over and above the paltry price the natives receive for their tobacco, rice and cotton? Or is it to make the native work for the supposed good of his soul?

Or is it for the repayment of government “debt” to the banking system?

ARTHUR WELFORD

## O Men of God

“O Men of God,” by Canon Bernard Iddings Bell (Longmans Green, 2s. 6d.).

THE Church has faced her gravest periods of danger in the past whenever she has forgotten that free will is inherent in Christian doctrine: whenever arbitrary forms or systems of administration have been allowed to encroach upon the essential human interests of free individuals. In the present time there seems to be dire peril of these errors swamping her altogether and taking away the very heart and meaning of the Faith.

Canon Iddings Bell would have us know that, for the future, production must be restricted to suit the market; wages, profits and hours must be regulated “either by means of taxing devices or by restriction,” and nobody shall be permitted economic liberty as an individual if that liberty interferes with the welfare “of the group.” The Christian virtues required henceforth, we learn, are “an ability to see welfare in terms of the group rather than in terms of the individual” (curious alternative!) and “a glad understanding that only by labour performed can anyone morally share in general prosperity.”

Parents must be trained into the correct ethical thinking for passing these “virtues” on to the young. “Economic wisdom,” as he remarks, “is not imparted merely in technical courses . . . it is spread abroad . . . in every casual conversation.”

To this complete rejection of the fundamental Christian emphasis on the central importance of the individual and of individual personality the Bishop of London lends an approving foreword, and the book is chosen by the Church of England as the Lenten Book for 1936. Yet in effect these two dignitaries are saying, “If ye would be virtuous Christians, prepare ye to serve and put before all human and divine interests the group-system so capably administered by Mammon.” It would be interesting to know from whose casual conversation they received this economic wisdom.”

M. H.

## Potential Product Capacity

“Report of the National Survey of Potential Product Capacity,” sponsored by New York City Housing Authority and New York City Emergency Relief Bureau. Publisher and Price not stated.

THE ordinary businessman of the U.S.A., we have been led to understand, has a great liking for statistics of all kinds, and if we are to believe what we hear, the business offices in America are not considered properly furnished unless they have on the walls all kinds of statistical tables and graphs showing this, that, and the other. To such a type of mind this book will be a joy and delight. It contains over 350 pages, of which appendices amounting to 100 pages give statistics and references involving a really extraordinary amount of detailed work.

The results of all the detailed investigation carried out by the committee are collated and presented in what is called a "flow sheet," which, in the form of diagrams, presents in a dramatic way a comparison between the actual accomplished production of the year 1929 as contrasted with, on the one hand, possible production and, on the other hand, what is called a budget of need. This budget of need is stated to be based "on the habits or practices of the American people; on what the people actually consume when they have the means. As far as possible we have avoided presuming to say what people ought to consume."

Some idea of the basis of the budget can be gathered from the fact that the committee adopted the "liberal diet" made up by one of the Government departments. So far as clothing was concerned, the budget was based on actual expenditures of professional classes having an income of 5,000-6,000 dollars per family, and the housing section of the budget was based on a family of four desiring a six-room modern house fully equipped with labour-saving devices. As against actual consumable production in 1929, amounting to 96½ thousand million dollars in money terms, the total of the desired production based on the budget of need works out at 135½ thousand million dollars.

From an examination of the flow sheet it is apparent at once that possible production is, in almost all cases, double that of actual production. Only in less than one per cent of the total does possible production fail to equal budget requirements. On the other hand, budget requirements are on the average, approximately 35 per cent more than accomplished production.

The report quite clearly recognises that the present financial system is responsible for this peculiar position, and the urge towards war under existing conditions is admitted. Perhaps the two following extracts might be given: —

Obviously the United States could turn its surplus energy to equipping a slice of Africa with factories, refineries, sky-scrapers, sewers, etc., but what it would take in return for this diversion of energy is obscure. War is probably the only adequate outlet for our unused product capacity under the open market system. A nation equipped to produce goods and services along modern technological lines can create an artificial scarcity by restricting production and thereby maintaining prices, profits, and poverty. This policy requires Governmental co-operation, sometimes of a forceful nature. When military force is enlisted to preserve the status quo, the resulting economic-political set-up is sometimes known as fascism.

The survey does not take into account the flaw in the monetary system, except to infer that there is something wrong in this department. In its own field it deals with its subject matter in a most exhaustive and exact way and, if anything, errs on the side of being conservative. For instance, in its estimate of possible production, it assumes plant, labour, etc., as it was in 1929, and makes no allowance for further technological improvement.

One is left wondering at the painstaking and exacting nature of the work. One is also left with the reflection that it must have involved the expenditure of a great deal of money, and one wishes the public authorities in this country would show more willingness to spend their money in obtaining such exact figures and facts as are given in this book. Probably if such an investigation had been carried out in Britain, they who did so would be left to bear the cost themselves.

The book is always interesting and very instructive.

A.H.M.

## Planning for Death

"Euthanasia and Other Aspects of Life and Death." By Dr. Harry Roberts (Constable, 7s. 6d.).

SOCIOLOGISTS, in talking of life, very often succeed in making it sound like death, but though a number of Dr. Roberts's essays and articles come under the general heading of sociology, his medical knowledge and wide sympathies prevent this from happening in his case. An example of his robust commonsense is his treatment of some sweeping proposals for the sterilisation of the ineffective: "We all recognise the undesirability of poverty. So, the argument would seem to run, since poverty is a characteristic of poor people, what simpler method for its abolition could there be than the sterilisation of those who carry this taint?"

His opinions on crime and punishment, love and sex, mind and reason, are all intelligent independent estimates, though the conclusions arrived at are within the reach of all well-informed people. But the most interesting essay in the book is the last, "The Curse of Adam," in which he points out that "unemployment is not the root evil of our

industrialised society, it is one of its fruits.” In this he makes the necessary distinction between desirable work, that is, intelligent activity in an attempt to reach some goal which the worker thinks worth reaching, and undesirable work, which Morris called “mechanical toil,” and concludes that “the only industrial revolution worth talking about is that which makes man’s daily work more pleasurable—that is, more satisfying to his emotions, ambitions and inherent impulses.”

ANITA BENNETT

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# Planning for Work

“The Correct Economy for the Machine Age.” By A. G. McGregor (Pitman, 6s.).

THIS book is a curious mixture of good sense and muddled thinking. The author, who has a foreword by Mr. J. A. Hobson, is a businessman who believes that the capitalist system can be modified to suit the machine age. He shows discernment in recognising that the outstanding problem of the day is one of consumption; that modern industry is capable of providing a high standard of living and economic security for the individual; that readjustments of our financial system are essential; and that reforms can begin at home without waiting for economic agreement from the ends of the earth.

Mr. McGregor’s major error lies in a failure to grasp the purpose of a modern economic system. On the one hand he emphasises the necessity of equating consumption with production; on the other he is equally insistent on the “continuous comfortable employment of all available labour,” a phrase which is repeated ad nauseam throughout the book.

This initial confusion as regards objectives leads to a detailed plan which would achieve neither aim. Briefly, Mr. McGregor proposes Government action to raise all wages by a given amount, and when prices have risen, to stabilise them at a certain level. This action, Mr. McGregor claims, would increase purchasing power, and enable the products of modern industry to be fully distributed. If at present I receive £3 a week as an industrial wage, and in future am to receive £6, whilst prices rise accordingly, I fail to see how my power to consume will be improved.

A considerable portion of the book is devoted to a scheme for regulating foreign exchanges, so as to keep a rough balance between imports and exports, and the author quite rightly condemns “foreign investment” as a major cause of war.

Two pages are devoted to a criticism of Major Douglas, which it is charitable to assume arises from hearsay rather than from the reading of even one of the poorer pamphlets on Social Credit. K.M.

# How Like an Angell!

“Your Money. Plain Facts in Plain Words,” by Sir Norman Angell.  
Republished from The Financial Post, Toronto, Canada.

ISN’T it not indeed a good thing, Highness Editorial, that Destroying Angells rush in where fools are also trading fearfully, as the Poet Shellout has inscribed? Here is reely most devilstating upsettings of your “schemes,” which are, he confesses, perhaps “the most notable” of a lot of such like.

“It is obvious,” says our Angell, “that a detailed examination ... is beyond the scope of brief newspaper articles attempting to give general elementary ideas of the nature of money.” Elementary is the word, dear buoy. Nevertheless, as he states, Social Credit “has an abundant literature all to itself very readily accessible.” And he mentions such staunch pally-chums of yours as Gaitskell, Cole, the Macmillan Committee, Durbin, Robertson, Hawtrey, Pigou, the British Labour Party Committee and Fred Henderson. None others, sire—but, lo! what an excessively imposed list! Is it not your Stoutfellow versifier who intones “Drink to me only with thine ayes, and I’ll not ask for the horse’s mouth”?

I’m surprised you offered to sell your schemings to Norman Angell for 100 francs, sir. It wasn’t right. Not nearly enough, I consider. “I was approached (in Monty Carlo) by a somewhat seedy individual,” says Norman, “who touched my arm and beckoned me aside. He explained that he had a ‘system’ ... His system was explained and justified in a document of many pages and complicated figures, and I knew that once I entered into a detailed discussion of it I should be hopelessly lost in a maze of theories touching the laws of averages and chance.\* But it was hardly necessary, since one fact in connection with it seemed to settle its value: the system was for sale for a hundred francs.”

\*My italics. Wasn't it silly of me, but for a moment I thought he was talking of "The General Theory of Employment, Interest and Money," by J. M. Keynes!

So Norman shook you off and went back into the Casino off his own hook, I suppose. And here, if I may be allowed spots of advisings to you and to him, sir, I would point out that alternate *rouge et noir* is as safe as any, so they tell me at London School of Economics.

"He (you, sirrah) does not mince words," remarks our old bloke-cove mournfully, "and writes of 'professional economists necessarily in the direct or indirect employ of banks and insurance companies.' "

Sire, reely you are making the Angells weep, I think, especially when J. M. Keynes himself (of the Pearl) "admits fully the extreme difficulty of the problem."

I am excessively rejoiced to record my own entire yes-yes with strident efforts of this priceless bean chappy to bring about Full Employment for all Peace Organisations in this Nobel way. Frotti, too, may be exposed among the Angells, I hope.

FROTTI

## An American Lets Fly

"Why Keep 'Them Alive?'" by Paul de Kruif (Jonathan Cape, 10s. 6d.).

IN this suffering, somnambulistic world, where the majority of us slumber uneasily like passengers in a storm-tossed ship, there is a sharp need for writers who can give us a few healthy shocks. Mr. Paul de Kruif's book is not exactly astringent. Most of it is rather emotional, and deals journalistically with greathearted doctors, dying children, the da-da-da-ings of the Dionne "quins," and other sentimental subjects dear to the hearts of American readers. Nevertheless, in the midst of these emotional seas—after all, they are genuinely moving—one suddenly comes across some good sharp solid rocks.

"I now found that when you begin to get bothered about the passing away of children who don't have to die, you can always be stopped on the grounds of science."

"It is amazing how many excuses are found to keep you from fighting for children not to go on dying."

"I'm getting a new lesson in that lunatic science called economics, this June. In our land of plenty there has never been enough of that master-food, milk, for the strength and the health of all of our children. And now, this rainless spring, when . . . AAA wizards are getting ready to prove that the way for babies to have enough milk is to destroy part of what never was plenty, at this moment mother nature is stepping in to help them."

Mr. de Kruif, who has a good deal of specialised medical knowledge, has written hundreds of articles, and a couple of books, both widely and enthusiastically reviewed. He wrote them with sincerity and feeling, but a time came when he realised the futility of advertising the marvels of medical science without first attacking the economic system which so effectually thwarted it. Medical science was ready to deliver the goods. There was no longer any difficulty about saving the millions from pain, sickness and death. But it was not allowed to do so.

Whenever it came to the point, the question arose: where is the money to come from? In America the absurdities of this bog-spavined system of economics are more palpable than in Great Britain, where our governing classes have cultivated the suave arts of hypocrisy and banking to a finer fruition, and Mr. de Kruif gets in some pretty lurid "shots" with his movie camera.

He shows us the Child Health Recovery Conference, where most delegates were agreed that malnutrition was widespread. Yet this Congress dissolved into bickerings between the doctors, who properly resented being told what to do by non-medical Government officials, and the bureaucrats, aghast at the infantile social viewpoint of the doctors. It became a wrangle as to whether more children were undernourished now than formerly.

Meanwhile—"Nutritionists began diligently teaching indigent mothers to make scarcity stews for their children. They taught them how, on next to nothing at all, to buy food enough for a week for their families, how to divide it up

into seven miserable portions, which they could subdivide up into three daily parts, somewhat palatable, as nutritious as possible, but always niggardly. For the famine of buying-power, these devoted people tried to substitute—education!”

At the same time, “the AAA prepared to put a real crimp in the store of master food.” Dairy products were the only basic commodity which had not been covered “in an adjustment programme already under way.”

He concludes that children are dying by the ten thousand, that the cause of their dying is poverty, and that poverty is no longer necessary.

G.W.L.D.

*Read*

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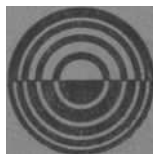
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