

# THE FIG TREE

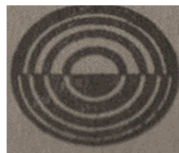
*A Douglas Social Credit Quarterly Review*

Edited by C. H. Douglas

Contributions by

The Editor	Sanctions for All
A. C. Cummings	Europe Beneath the Wings of Finance
L. D. Byrne	Alternative to Disaster
Father Coffey	God or Mammon
Llewelyn Powys	Lodmoor
Charles Jones	View at a Distance
The Earl of Tankerville	The Dynamic <i>versus</i> the Static
A. W. Coleman	The Function of Price
Captain Rushworth	Parliament

and others  
The Liverpool 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*

## Sanctions for All

By THE EDITOR

IF it is possible to extract anything good from the course of events in Spain, it can only be by recognising the nature of the conflict, and, in recognising it, to realise that it forms an epitome of the nature and causes of modern war. If General Franco wins, as seems probable, Spain will have a Fascist Dictatorship. If the Spanish Government, so-called, with the aid of men and ammunition from Russia, should reverse the fortunes of war, Spain will have a Communistic Dictatorship, so-called. In any case, it will be the individual Spaniard who will have fought, been tortured, and died, and it will be one of two international groups of financiers who will have acquired complete control of Spain. In the case of General Franco, the immediate power behind the throne is the Valentian Jew, Juan March, no doubt in collaboration with a Levantine financial group. The real power behind Moscow is probably, as it always has been, situated in New York—New York, not Washington. But Stalin is highly popular in the City of London, and with certain American-Dutch and English millionaires.

Just so long as either the hypnotism of money, or, alternatively, the control of finance, maintains its present position, finance will be the supreme power in time of peace, and will control the *preparations* for war. In time of war finance becomes secondary to military power, which at once assumes command of financial operations. Whether there exists, on this mundane plane of action, a group of financial brains of such Satanic ability that they are organising the world to repeat the historic conflict of the Kilkenny cats, so that militarism may destroy itself, leaving finance in supreme control, I do not know. It is probably not of very much practical importance, since, in the first place, that is obviously what *is* happening, no matter whence the urge to it may proceed. Furthermore, with modern weapons of destruction it does not appear to be likely that many of those engaged in this orgy of destruction would subsequently be interested in the outcome.

Equally, it seems humanly impossible to say whether there is time to make a remedy effective. But the nature of the remedy is crystal clear; it is to remove the power of manipulating policy through the lure of money, from the hands of international financiers who are completely callous as to the fate of their pawns, and to place this power in subdivided form in the hands of individuals, to such an extent that it does not form a lure capable of obtaining their adherence to a course of action in which they, in their own persons, are bound to be the sufferers, and cannot be the gainers.

Unfortunately, as I endeavoured to make clear in the last number of THE FIG TREE, these matters have immense momentum. It is this fact which justifies (and, in my opinion, completely justifies) the policy of rearmament, to which this country is committed. If we can be saved from the horrors which we have brought upon ourselves by our crass and supine acquiescence in the government of the internationally-controlled Bank of England during the years that have followed the last war, it will only be by keeping out of the next one. I do not, myself, see any method of keeping out of the next war, except by creating the maximum strength of which we are capable for military purposes, so that acts of aggression may obviously be accompanied by the most appalling consequences to the aggressor. I am perfectly conscious of all the arguments which can be adduced against such a course; some of them are quite sound and, in particular, that which insists that such a policy must be accompanied by the fostering of a tyranny which plays straight into the hands of dictators. It will, no doubt, not have escaped notice that Mr. Neville Chamberlain's touching concern for the health and physique of all of us coincides with his desire to get us all into the fighting forces. Nevertheless, the disarmament type of pacifist seems to me to be a little weak in the head, though, doubtless, thoroughly sound in the heart. If he had done what, I may perhaps be allowed to say, I have done, and with me probably most of the readers of this Review, if he had pointed out, almost before the last war was over, that another and a greater war was inevitable if international finance remained unchecked, I think that his pacifism would have been far more effective. Had he responded to the challenge which has been made repeatedly, that he should refuse to pay taxes to an armed government, he would, at any rate, have given evidence of sincerity.

It is not certain whether our doom is sealed or not. But one thing *is* certain. If we do not use the emergency which is now coming upon us to make our own terms for the personal sacrifices which are sure to be asked from us, although they are not necessary, we shall never have, and never deserve, another opportunity; and not merely the British Empire, which is of comparatively little importance, but the British culture, which is of supreme importance, will pass away like that of Ancient Rome.

C. H. DOUGLAS

# Europe Beneath the Wings of Finance

By A. C. CUMMINGS

BELLOWINGS of angry sirens above the deep roar and drive of the boulevard traffic; the distant thud, shaking the windows, of anti-aircraft bombardment directed at dimly-seen specks of coloured light moving like fast stars across the night-sky; then, over Central Paris, flaring in the ruddy glow of neon signs, glittering shop windows and the steely glare from tall lamp-standards, a blanket of darkness shutting down as if a giant extinguisher had been thrust forth from the heavens and in a moment had blotted out everything.

Paris in an air raid. Paris in a mock air raid, it is true, but as exciting as the real thing.

Parisians are certain that when the next war, which they dread and expect, breaks in terror across Europe, a great air-fleet will hurtle over their roof-tops, flinging—as on Madrid—incendiary bombs and poison-gas in a ghastly rain. So Paris, perforce, submits to intensified war preparations—to “black-outs” that stop the gay night-life of her streets, blanket her windows, darken her automobile headlights, quench the riotous visual clamour of her luminous hoardings and give her some of the thrills of war without the dangers.

The “all clear” signal brings ambulance and fire brigade, decontamination squads and gas-masked volunteers, to pick up the “casualties” and repair the damage.

Such was Paris as I saw it recently, cowering beneath the, as yet, unactual wings of war. I thought of the baleful wings of finance over Europe and found the comparison useful in my inquiries into France’s new deal.

In this new deal M. Leon Blum has made as great an effort to rehabilitate his country’s economic life as President Roosevelt upon a larger stage and with far greater resources. Eight months ago France was in a sad plight. Beneath the rule of the “two hundred families” of the autocratic Bank of France, whose regents had decreed deflation, Frenchmen had tightened their belts until they were near bursting. Salaries and wages—always small in France—had been ruthlessly cut. Profits and rents had been lowered. Industrial production had been diminished because would-be buyers were starved of purchasing-power. Incomes had been brought down thirty per cent, in five years. And so great was the discontent in factory and on farm that strikes competed with the creation of Fascist parties as releases for pent-up hate.

Though its votaries thus immolated themselves before the god of gold, the budget remained unbalanced, the nation got deeper into debt, and “Lavalisation” prepared a grave social upheaval.

M. Blum won to power just in time. He at once reversed the financial and economic engines and tried a modest inflation. Like all French politicians he feared to devalue the franc. Events, however, proved too much for him, even though he nationalised the Bank of France to destroy the political power of the financial oligarchy that controlled it. He took the plunge, depreciated the currency and adroitly eased the blow by his gentleman’s agreement with Great Britain and the United States to maintain the exchange values of franc, pound and dollar on the international money market.

This was merely the beginning. Because of economic unrest exemplified in stay-in strikes and disturbances in mines and factories, he had to raise wages and promise a forty-hour week. He had to keep prices down for the factory worker and raise them for the farmer. He had to lower tariffs, to prevent the industrialist increasing his profits and at the same time help him to meet his increased overhead costs. He had to give taxation relief and declare moratoria and provide crop insurances to help the agricultural community. And he had to arrange low rates of interest for producers.

All this he tried and much more. He took over the armaments industry and put it either under State ownership or under State control. He subsidised foreign trade and overhauled the taxation system. He gave pensions to workers and he provided a huge public works programme all the classical expedients of the Roosevelt school, and all creating debt in one form or another.

The upshot is a treasury debt of £358,000,000 and a budget—ordinary and extraordinary (i.e., armaments)—showing a deficit of anything between £155,000,000 and £165,000,000. A loan is, therefore, his only hope.

That is to say, because M. Blum has not a national credit office as well as a national debt office, the whole of his new deal risks a blackout beneath the wings of finance.

#### HITLER'S FOUR-YEAR PLAN

In Germany, while learned medical professors advise the people to eat less, Herr Hitler has launched his four-year plan designed chiefly to provide guns before food.

“The world will hold its breath when our new four-year project is fully operative,” boasts Herr Rheinhardt, the Nazi government's taxation expert. If so, it will be in amazement at the ease with which an entire nation can be humbugged and dragooned.

The four-year plan is first and last a military expedient. The men behind it, General Goering, Herr Korner, Herr Kohler and Herr Wagner, are all red-hot militarists, and two of them, Herr Kohler and Herr Wagner, are critics of Dr. Schacht's middle-way economics. They want Nazi economics so that the party ideology may be fastened on the German mind indelibly. They are so keen on making Germany independent of the rest of the world that they believe they can produce synthetic petrol and rubber cheaply and use wind-power in gigantic air-towers to generate electrical power in competition with the water-driven turbine.

Nothing in the economic state of Germany makes all this contriving necessary. Millions of German workers, highly trained and capable, can still with Germany's immense mechanical equipment produce wealth for all. Such raw materials as require to be bought abroad, the world is only too willing to supply at reasonable prices. A sane financial system would reduce the whole problem in simplicity. But the German financial system, clinging to a truly Nordic and exclusive gold standard and piling up debt daily, is not sane. It is crazy. So those who control it press forward their fantastic projects, preparing for war and organising economic self-sufficiency so that, when the war they provoke does come, they may not be starved into surrender by a blockade.

The price of this myopic search for security is the further degradation of the German people. No longer, for instance, can the skilled German workman work where he pleases or for whom he pleases. General Goering has taken this, almost the last of his remaining rights, away from him. If he wants higher wages he cannot seek them elsewhere. He is bound to his machine more strictly than the middle-ages cultivator to the service of his lord.

The employer, also, is restricted. He dare not advertise for skilled workers lest he lure them from their jobs, and he must employ a certain proportion of elderly men and youthful apprentices in his factory, whether he wants to or not. Iron and steel firms must not increase the number of their workers by more than ten in three months without special permission.

All this progress towards economic slavery derives from the national policy to rearm first, to increase the nation's domestic food supplies next, to build up a home raw materials industry next, and lastly to make some attempt to house the increasing population—a social reform on which Herr Hitler is urgent.

Control does not stop even at this point. A German in future cannot buy the clothes he wants. He must choose those indicated for him by his government—containing, perhaps, forty per cent of synthetic fibre and sixty per cent wool. He must eat the food his government tells him to eat substitute whale-meat for fish, for example—and do without butter that the guns may be fed. If his trousers bag at the knee or if his stomach resists soya bean fats, then he must not complain. Decrying German achievements in any field of national endeavour is now an offence punishable by imprisonment.

Meantime the national debt mounts and the average income falls. Germany's total indebtedness is more than £1,200,000,000. The average income per head is £42 15s. compared with £59 7s. in 1929, four years before Hitler's advent.

“So long as I am at the head of the Reich,” declares Herr Hitler in the cornfields of Central Germany, returning, among aeroplanes and tanks, thanks for the harvest yield, “I will defend the reason of the National-Socialist position against the individual unreasons. In doing that I do only what is for the good of millions and millions of men in Germany.”

#### MUSSOLINI'S FOUR-YEAR PLAN

Signor Mussolini in Italy has another four-year plan. But it is a plan to build up the Italian army and navy and air

force, because with a rocking economic system he naturally believes that peace depends on bayonets. He has already eight million of them, and by 1940 he hopes to make them invincible with modern mechanisation and, of course, poison gas and Thermit bombs. Once more he will cover the skies with the “wings of Mussolini.” But it will cost him something. So he, like his fellow-dictator to the north, intensifies his plans for economic self-sufficiency and compels landowners and house owners to subscribe, willy-nilly, to a loan of one-fifth the value of all their properties. There are about six million landowners in Italy, but they have little or no capital. Nevertheless, they have had to find the cash somehow and that in spite of the fact that rent increases are prohibited. It has brought in about £90,000,000, but this has not gone far to relieve the financial invalidism from which the country continues to suffer.

The budget continues unbalanced, to the dismay of the international bankers. Financial prophets forecast soaring prices, despite government control, an elaborate economic spy system and a tax on all dividends in excess of six per cent. Raw materials are still hard to get, and so the gloomy tale goes on, that against the might and ignorance of the banker and financier a dictator is powerless.

Italy, slowly, awakens to the knowledge that her rosy dream of an Eldorado in Ethiopia is melting into the drab daylight of common day. Signor Mussolini is told, and he believes it, that there is no money in Italy to develop the unexploited wealth of the newly conquered African empire. So he pins his hope on a foreign loan—from Britain if possible. The London bankers are avid. But the British Treasury remains coy. It notes that Italy has speeded up her race in armaments and it wonders whether the money would reach Ethiopia after all.

So, between whiles, Signor Mussolini allows himself to be interviewed and tells the world he is longing for an understanding with Britain; next day he stirs up the Italian press to talk of vampire countries bloated with the blood of their victims and to point to Britain as a doddering democracy festering in its own corruption. The Italian journals cultivate exceptional skill in invective.

Disappointed of his loan, so far, the Fascist autocrat has adhered to Hitler’s anti-Communism front, now extended to Asia to include that ancient “Aryan” and “Nordic” people, the Japanese.

#### ELSEWHERE

Russia announces her Third Five-Year Plan—to be fulfilled “almost without any imports.” Russia’s production is now a fraction under 225 per cent of what it was in 1929. In the rest of Europe the struggle for trade proceeds undiminished.

“As long as Holland remains a democratic country,” says its Premier, Dr. H. Colijn, “we cannot follow the example of the totalitarian states and try to isolate ourselves from the ebb and flow of the world economic tides by setting up national self-sufficiency as a desirable and attainable ideal. Our future depends upon foreign trade, and particularly on trade with our two best customers, Great Britain and Germany.” Dr. Colijn, therefore, would consider lowering Dutch tariffs—already among the lowest in the world—and making various other concessions to obtain the foreign trade he so greatly desires. He does not think for a moment of the expansion of the home market which, given the needful purchasing-power, would be enough to restore his country’s prosperity.

Holland, in point of economic fact, is little better off than Britain, where, as Sir Robert Kindersley, director of the Bank of England, told a Paris luncheon club recently, only four per cent of the population enjoy incomes over £8 a week.

In Central Europe Dr. Milan Hodja, Prime Minister of Czechoslovakia, works hard upon a plan for economic co-operation between the Danubian states, Italy and Germany. He might as well work hard upon a plan for the economic development of the moon. At Geneva debates have taken place on the removal of trade restrictions as the outcome of the collapse of the gold bloc. Similar futility, so far, has attended them.

Meanwhile, “prosperity” is returning slowly to many countries Spain, of course, excepted—through lavish expenditures on armaments. Seven nations are piling up bills to be met out of future taxation—five times greater than those of 1914.

Taking Britain, France, Germany, the United States, Italy, Japan and Russia, the disbursements for war preparations annually amount approximately to £2,290,000,000. This means £6,500,000 a day—the wages of the war-god—and the means whereby governments can take credit for recovery from that Great Slump, the causes of and cures for which they find so mysterious.

# Alternative to Disaster

## The Case for Social Credit

By L. D. Byrne

1

THE life force of a community—its source of power—that which makes it a functioning entity—is its credit. This credit is the belief, amounting to a certainty, inherent in society that in association its individual members are capable of achieving what would be impossible to them living in isolation. This inherent belief—this credit—is essentially an attribute of the entire social organisation, and the extent to which it exists and is utilised determines the wellbeing of a community. If a social grouping disintegrates, its credit is destroyed. If this credit is under the effective control of the community—that is to say, if it is utilised by its individual members collectively to get what they want from society—it is Social Credit. Social Credit may be correctly defined as the belief inherent in society that its individual members in association will get what they want.

A community organised on this basis—democracy in the true sense of the term—would be designedly administered in accordance with the wishes of its members. Upon no other basis, indeed, can society be successfully and permanently organised. The final test of a successfully organised social entity must be the contentment of its individual members, and this will depend upon the extent to which the social environment permits them to achieve the satisfaction of their wants. The health of the social body will deteriorate to the degree that its members are thwarted in their desires to benefit from their association.

A cursory consideration of features common to all countries should be sufficient to dispel any illusion that the present social order, which varies only in form in Russia, Italy, the U.S.A., and Britain, is organised to enable people to have their requirements satisfied. Wholesale sabotage of production in the face of widespread want, prostitution of industry to the shoddy and the meretricious when it could as easily provide the goods of quality which people would prefer, restriction of education, and oppressive legislation enacted against the wishes of the majority, are but examples of the operation of the policy governing the existing social order. Even in so-called democratic countries, the organisation of society is quite clearly on some basis other than administration in accordance with the wishes of its individual members. The result is that the present social order is breaking up rapidly. As environment becomes more and more unsatisfactory to an increasing number of people, so revolt against the existing state of affairs is developing in intensity and volume everywhere. With this disintegration of society the vitality of its inherent belief that its individual members in association are capable of supplying their wants must deteriorate. If the process continues it must end in the breaking up of the social order in chaos wherein a large section of the world's population will perish, and civilisation be extinguished for centuries.

The only alternative to disaster is a change from the existing order a social order which will provide an environment satisfactory to the people. There may yet be time for this; but it can never be accomplished without a recognition that the change must be to a social order organised on democratic principles. The basis of organisation, in short, must be the inherent belief of society that its individual members in association will get what they want. Thus Social Credit is the only alternative to the present social order, and because of this it is not possible to have a real understanding of the issues facing humanity without a knowledge of Major Douglas's great message to the world. Yet it would seem that it is failure to appreciate the realities of the situation which prevents otherwise intelligent people from investigating Social Credit with a desire to understand the subject. This extraordinary human characteristic, which renders it impossible for apparently reasonable human beings to approach a new idea without prejudice and hostility, was pilloried in the introduction to "Human History" by Sir Grafton Elliot Smith:

"The vast majority of mankind thus accepts without question the guidance of tradition, and by sheer inertia loses the ability to observe or interpret evidence in any sense other than the conventional one that has been instilled into them by custom.

"Every one who has ever called attention to facts, or inferences from them, that came into conflict with fashionable doctrines must have been made to realise how little influence the experience of the scientific developments of the last three centuries has had upon men's readiness to make even the simplest observation, or to admit the truth of the most obvious principles. Most men, even without being consciously dishonest or wilfully stupid, seem to be unable to examine heterodox views with understanding and impartiality.



“The inertia of tradition and the lack of courage to defy it when new evidence fails to conform to it seems to be potent to blind all, except the ablest and most fearless of men, to the most patent facts.”

2

It cannot be stressed too emphatically that Social Credit as a subject includes all the field of knowledge and research, both philosophical and structural, concerned with the organisation of an entirely new social order on the basis that its individual members may get what they want. It is necessary to emphasise this, for there is a widespread and incorrect idea that Social Credit is merely a monetary reform scheme, consisting in the main of a set of financial proposals designed to rectify a faulty system of finance, and that, when enough people know about it, in some curious way it will be possible by common consent to embody these proposals in a cut-and-dried plan which will then be superimposed on the existing state of affairs by Parliamentary legislation, very much like tariff reform, with results entirely satisfactory to everybody. This narrow conception is mischievous, for not only does it distort the nature of Social Credit, but it tends to direct attention away from the main issue facing the world. It has probably arisen from the fact that for years exponents of Major Douglas's ideas rightly laid all the stress on the economic issues involved, and their relation to the financial system, as the focus of the world's troubles. But because this emphasis was right two or three years ago, it does not necessarily follow that it is right now.

The urgent need at the present time is to achieve a change, before it is too late, from the existing social order to the new order. This involves a change of environment, which can be achieved only by action, for no such change ever has or ever will be accomplished otherwise. It will be apparent later that the problem facing mankind is not primarily economic; it is in the nature of a military problem. However, before proceeding to a consideration of this all-important issue, it is necessary to recognise the factors which bear upon it.

On the evidence of the world situation the organisation of the present decaying social order is fundamentally wrong; wrong, that is, in the pragmatic sense. Anyone who has had to do with organisation knows that it is a science. The principles and technique of the science of social organisation have been clearly expounded by Major Douglas, and, as a matter of fact, have never been comprehensively stated by any other person before him. They form that important aspect of Social Credit knowledge which is aptly termed social dynamics.

The basic consideration in forming any organisation is the objective. The social objective must necessarily be that desired by its individual members. This can be defined as personal security and personal freedom in the broad sense of the terms, or, in the eloquent phraseology of the American Constitution, the inalienable right of man to life, liberty and the pursuit of happiness. Judged by results the existing social order, whether in the U.S.A., Britain, or anywhere else, has no such objective. Whatever the present objective may be—and there is unquestionably a purpose in the policy which is being pursued everywhere, it is certainly not one to which people would subscribe if it were made clear to them. It is a matter of fact that the results of the existing social arrangements are growing insecurity and progressive loss of freedom for everybody except a very few.

The organisation of society for the achievement of the social objective is applicable to two of the three aspects of its life. These are the economic and the governmental. The third, the cultural life of the community, is not susceptible of organisation. It is the sphere in which the individual within the group requires the freest expression of his personality in the pursuit of his desires in religion, education, the arts, travel, and so forth. This aspect of society's life is essentially a natural development according to the individual desires of its members; and to the extent that the economic and governmental systems release people to pursue these desires, the cultural life of the community will be enriched. It is significant that culture is rapidly declining in the world today, instead of being at the height of human achievement, as it should be with all the resources that are available.

The science of social dynamics, therefore, applies only to the economic and governmental aspects of social life, which must necessarily be organised. Each of these has its specific function, and it is important that no confusion should exist in regard to these functions. The economic system has to do with providing the material requirements of the people. Its purpose can be defined as being to deliver goods and services to the community as, when and where they are required, with the greatest degree of efficiency. Bearing in mind the social objective, this means that the economic system should confer the maximum of security and freedom on all. This is its function and it should not exist for any other purpose.

The governmental or legislative system is concerned with the rights of individuals comprising the group, and their relationship to each other. It provides the rules under which society agrees to live, which embraces what is referred to as “the maintenance of law and order.” Therefore its function in the achievement of the social objective is to give

effect to the collective will of the members of society in all matters concerning their personal rights, their relations with each other, and, as a group, their relation with other social groups.

3

The two forms of organisation applicable to society are the pyramidal, involving centralisation of control, and the democratic, under which the wishes of the majority prevail. The pyramidal type is so termed because it can be pictured as a grouping of people in the form of a pyramid at the apex of which is a supreme authority dominating the entire structure through lesser executives working under him. Democratic organisation can be pictured as a grouping of people in the form of a circle, in which administration at the centre is dominated by the majority at the circumference. This necessarily involves the ability of the majority to accept or reject administrators according to the satisfaction or otherwise they experience from their administration.

It follows that the democratic type of organisation is the one under which society should operate in both its economic and its governmental aspects, in order to ensure that its individual members may obtain satisfaction from their association. A social democracy should comprise economic democracy and governmental or—as it has to do with matters of policy in the legislative aspect of group life—political democracy.

The limitations, however, of the democratic form of organisation must be recognised. It cannot be applied to the building of a bridge or the administration of a railway, or the result will be confusion. Practically every aspect of social life in both the economic and governmental spheres requires specialised knowledge in matters of administration—that is, in regard to how a thing shall be done. The execution of any undertaking must depend upon personal responsibility assumed by those carrying out the task. It is beyond the ability of a mob to give any decision in regard to *how* a thing shall be done. It can, however, decide whether or not it *shall* be done. That is, it can give a clear expression of its desire for specific results, or it can reject them. This is the governing factor in social organisation.

By deciding collectively that they want a certain result the individual members of society define policy. To carry this policy into effect, in a manner which will ensure that they will get what they want, the pyramidal type of organisation must be called into operation. The group should place at the apex of a pyramidal organisation any of its members having the necessary qualifications or readiness to assume responsibility for achieving the desired result, and proceed to take instructions from him in the execution of the undertaking. To ensure that they get what they want, and not something else, they must have the power to remove the administrator from his position of authority should he fail to produce the result desired within a reasonable time. Thus two distinct and opposite types of organisation become complementary in their application to social organisation within a democracy, each performing its special function. For the will of the democracy to prevail, the democratic type of organisation must be applied to decide policy and select personnel for its execution; while execution of policy must be carried out under pyramidal organisation. Major Douglas has summed up this all-important aspect of social organisation in a sentence:

*In respect of any undertaking, centralisation is the way to do it, but is neither the correct method of deciding what to do nor the question of who is to do it.*

Pyramidal organisation can function satisfactorily in the service of society only if the executive at its apex derives authority from the willing consent of the majority, if the individuals grouped within the pyramid have freedom to remain in the group or leave it, and if the purpose for which the organisation exists accords with the wishes of the majority. Otherwise pyramidal organisation spells tyranny—the domination of the majority by an authority from whom they cannot escape, and for a purpose to which they may be opposed.

The foregoing considerations are fundamental to Social Credit and, indeed, to a realistic grasp of the present situation. With a knowledge of the principles involved and the facts as they exist today in the economic and governmental spheres of the social order, no difficulty should arise in recognising what is wrong in the world and how it can be set right.

4

That the productive resources of developed countries are capable of meeting practically any demands made upon them is the outstanding fact in the domain of economics. Civilisation has passed from scarcity to abundance with the advent of the knowledge whereby solar energy can be harnessed to the service of human requirements. Prior to this, production was restricted by the limited energy resources available. Human labour, the energy of the wind, running water and domesticated beasts were insufficient to overcome an environment of scarcity. With the development of

power production scientific knowledge made rapid strides, and organisation was improved.

While puritanical economists, with static minds anchored to considerations of a bygone age, pathetically appeal for a hearing of their treatises on the relativity of the plenty available to the world, the fact is that the natural limitations to production, as distinct from the artificial limitations, are the energy resources available, the supplies of raw materials, and human ingenuity to apply the one to the other to meet the requirements of people. There is no evidence that a limit has been reached or is likely to be reached in these essential factors of production. Plenty is available to mankind. Moreover, the word plenty cannot be used in a relative sense and retain its meaning.

Power production discards human energy as other forms of applied energy become available. It constitutes the final stage in mankind's struggle to gain freedom and security in the economic sphere. The power-driven machine is releasing man from the necessity to toil for his material requirements. As processes are improved and scientific knowledge advances, fewer and fewer men and women are required in production. The same applies to transport and the distributive organisation. Thus abundance is available with a modest and diminishing expenditure of human toil, and unconditional security with leisure, which means freedom, can be achieved in the economic sphere. All that is necessary to attain the social objective in this aspect of community life is the effective distribution of products as, when and where they are required by individual members of the group.

Two important considerations arise at this point: the right to equity of each member of the group to a share in the fruits of communal effort, and the corresponding responsibilities of that right. That abundance is available means that the real credit—the rate at which the group can produce goods and services—is sufficient to enable the community to satisfy the requirements of its members. This is governed by the knowledge and the resources at the disposal of the group as a whole, and constitutes a common cultural inheritance, which has been handed down by succeeding generations through the centuries. This cultural inheritance, the extent of which can be dimly envisaged by imagining its absence, is essentially a communal asset to which every member has an equal claim.

However, the group can benefit only to the extent that its individual members collectively exploit the cultural inheritance to get what each wants. (In passing, it should be noted that in the process of exploiting this heritage the community enriches it. The heritage cannot be impoverished without corresponding damage to the social well-being.) This exploitation involves both individual effort and initiative in pursuit of the objective of society, and the co-ordination of this in a manner, which will secure the maximum result from the association of its members. For example, the practicability of producing a motorcar within a given time depends upon a number of persons applying themselves to producing different parts of the product with the maximum of efficiency, and using the advantages of the cultural inheritance to this end. But unless their individual contributions to the product are co-ordinated—unless they work in association—they are impotent to achieve their objective.

A graded system of rewards is probably necessary to invoke personal effort and initiative in exploiting the common cultural heritage, but while expediency may place this as a first charge on production, there arises an increment in the association of individual members of the group, which, in equity, establishes a right for all to share it—something in the nature of a dividend to the shareholders of the communal heritage. In an environment of scarcity it is probable that the first charge of rewards for services to the group would absorb the entire production; but there is no justification for withholding the social dividend from the members of a community capable of producing plenty for all with a diminishing demand on available personal effort and initiative, which is the position at present. Moreover, the individual dividend should be at least sufficient to establish the social objective, by conferring security, with the maximum of freedom in the economic sphere, on all.

Though the principle of the dividend has been established within the existing economic arrangements, its application is restricted to a system of rewards to encourage capital development. Without necessarily disturbing the present arrangement in this respect the principle should be extended. But the question of this right in equity of every member of an industrial community to an unconditional share in production cannot be settled within the economic sphere. As it concerns the right of individuals and their relations with each other, it comes within the domain of the governmental system. The economic structure under consideration would have to provide the mechanism for its distribution only if the right to a social dividend had been established within the governmental system.

The major economic difficulty in the world today is that production is being restricted; and even the limited production which is permitted, cannot be distributed. Poverty amidst plenty and the fierce competition to sell goods are accepted as being in the natural order of things. It is astounding that their implications are not more widely

realised.

So long as production is being restricted and destroyed when members of the community are in want, the community is not being permitted to enjoy its cultural inheritance; it has not access to its ability to produce and use goods and services. In short, the community is cut off from drawing upon its credit. Only an external force imposing its will on the community can achieve this—and this constitutes tyranny. The mechanism by means of which the community is being prevented from gaining access to credit is precisely the mechanism intended to enable the economic system to fulfil its function of producing and distributing goods and services as required. It should, but does not, operate to produce results in accordance with the wishes of the individuals within the group. This mechanism is the monetary system.

Money is fundamentally a costing mechanism. Professor Walker has defined money as any medium which has reached such a degree of acceptability that no matter of what it is made nor why people want it, no one will refuse it in return for his product—if, of course, he is a willing seller. Thus money is a ticket system to enable members of a community to take what they want from the general pool of production. Whatever may have been the case at one time, under modern conditions of the division of labour and highly mechanised productive processes money is not primarily a medium of exchange, as is usually stated. It is primarily a medium for effecting the distribution of the fruits of economic activity. It cannot be used mainly as a means of exchanging human labour for production, when production is achieved to an increasing extent by processes eliminating the need for human labour.

Price determines the relationship of money to goods. Under modern conditions of production, cost determines price. All money distributed to the community constitutes a cost of the production in respect of which it is distributed. It is an essential of current accountancy methods that the vendor of production, whether producer or distributor, recovers all the costs incurred by him. Any reward he can obtain for his services by way of profit is additional to this.

Money has to be created. It is created by the banking institutions, issued to the productive and distributive organisations as loans, distributed by them to the community by way of wages, salaries and dividends, including profits, as purchasing power. It is recovered by the productive and distributive organisations through price—the community surrendering purchasing power in exchange for production—and returned to the banking institutions in liquidation of the loans outstanding. Now, in fact, money is created as a draft upon the community's credit. This confers upon money all the attributes it possesses. Unless it is the tangible representation in metal, paper or figures, of the inherent belief of the community that it can produce goods and services, it must lose its value as money.

The monetary system performs four important functions: it enables a record to be kept of the extent to which the community is employing its credit, in accordance with the accountancy methods adopted by it; it is a means of recording all production and all consumption which is taking place, so that the facts are available all the time; it enables the fruits of communal effort to be distributed to individuals; and it provides an effective voting system within the domain of the economic system, for by buying certain products and refraining from buying others, individual members of the group are able to express their will in regard to what shall be produced, and when and where this should be made available. Moreover, in performing these functions, the money mechanism is the means of mobilising the increment of association, and therefore should be the medium for distributing the resulting benefits to the individuals within the group, in the form of dividends on the common inheritance.

While a full understanding of the defects responsible for the outrageous results the monetary system at present produces can be gained only by a study of the subject in Major Douglas's works, there are certain outstanding and indisputable facts concerning it, which establish inescapable conclusions of fundamental importance.

6

The monetary system is the pivot of the economic structure. Individual members of the social grouping are able to obtain a share in the production only if they possess money. To the extent that they have money they have economic security, and to the extent that they can obtain this without conditions attaching to it they have freedom in the economic sphere. An individual without money is reduced to a state of complete impotence. These considerations are governed by the purchasing power of money. That is to say by its relation to goods through the price system.

\* \* \*

A community can draw upon its productive resources only to the extent that its credit is monetised. Any arbitrary restriction of the monetisation of the communal credit arbitrarily restricts the use of its resources which can be made by society.

Control of monetary policy is a sovereign power. It determines the extent to which the community as a whole, and its members individually, can get what they want in the economic sphere. The sovereignty of a democracy demands effective control of monetary policy. And because it affects the rights of individuals and their relations with each other more than any other factor of social life, it is the most important function of democratic government. Therefore monetary policy should be determined in the governmental sphere, according to the collective will of democracy, and executed in the economic sphere, where, because of the voting power of money, democracy can also control policy in all other matters of economic activity.

In this country control of monetary policy rests with the Bank of England. The banking institutions alone possess the right of monetising the community's credit, and in this respect they are under the effective control of the Bank of England. Thus an authority at the apex of a highly centralised and pyramidally organised private monopoly has the sovereign power of monetary control over the entire community. The Report of the Macmillan Committee is explicit about this matter:

The Bank of England is almost unique as a Central Bank in that it is a private institution practically independent of any form of legal control, save in regard to its powers of issuing bank notes and granting loans to the State.

The restrictions, so far as there are restrictions, under which the Bank works in its operations are restrictions which the Bank has imposed upon itself, and which, of course, it has power to alter. (From the evidence of Sir Ernest Musgrave Harvey, K.B.E., then Deputy Governor of the Bank of England.)

But the Bank also holds at command the power to increase or decrease the amount of purchasing media in the country . . .

By its control over the cash base the Bank of England is in a position to regulate the volume of bank deposits . . .

This private institution, by its control of the monetary mechanism, controls every aspect of social life. Moreover, the monetisation of the community's credit by the banking institutions is controlled by the note issue and the market operations of the Bank of England. The arbitrary restrictions thus imposed effectively cut off the community from access to its resources, and enable the Central Bank to restrict and control economic activity as it thinks fit.

This is tyranny. But when it is borne in mind that other countries are in the same position in relation to their central banks, and that this omnipotent power exercised over communities by these centralised financial monopolies is in turn centralised internationally, some conception can be gained of the power of the financial tyranny which has fastened upon all humanity.

\* \* \*

If the monetary system functioned correctly to provide an accurate mechanism for costing in the economic sphere, it would be self-liquidating. Monetary credits would be created concurrently with the equivalent price values attaching to new production, these monetary credits would be issued as purchasing power to the community at the rate at which the price values fell due for liquidation, and these price values would be liquidated as the production was consumed by the community, while the corresponding purchasing power would be retired. The growing mountains of debt, which threaten to bring our financial arrangements to a state of chaos, are sufficient evidence that the system is not self-liquidating. This is because it has an inherent fault, which operates to the great advantage of the financial tyranny.

It is an essential feature of the capitalist productive system—that is, the system in which progress in production is dependent on the development of capital goods—that a community constantly consumes less than its total production. Production, of course, includes both capital goods and final consumable products in their various stages of production. The costs of the former are accounted into the prices of the latter as they depreciate—that is, as they are consumed.

Taking the five-year period 1927-1931 inclusive, the economic position was progressive. Capital goods production was steadily pursued. In each of those years the total consumption of the community was less than the total production. The unconsumed production was carried forward, and so were the costs attaching to it. These costs had to be liquidated at a future date. If monetary credits were created concurrently with new production according to the price values attaching to it, being retired only as the production was consumed and the corresponding price values liquidated, the monetary credits available to the community should have reflected the accumulating price values attaching to production not consumed in each period but carried forward into the future. Actually the monetary credits of the community, as represented by bank deposits, remained substantially constant throughout the five years. Thus in each period of six months or a year, the community surrendered purchasing power equivalent to its

production, whereas it should have paid only for its consumption. Therefore, as costs attaching to its production carried forward for future consumption fall due for liquidation, the community cannot meet them, and a chronic shortage of purchasing power must result.

This fault in the cost accountancy system has been in operation for a long period, and its results are evident in the world today in the existence of poverty side by side with the wholesale destruction and restriction of production; in the inability of home markets to absorb the available goods, resulting in savage competition between producers and distributors at home, and in fierce economic war for export markets waged between nations (a form of war which in time must inevitably lead to armed hostilities); in the growing debt structure everywhere; and in most of the economic difficulties of our times. The resulting feature, which is of the most value to the financial monopoly, is the increase of debt.

Every sanction of the legal system exists to enforce the obligations of debtors to creditors. Even the Lord's Prayer has been altered, not altogether euphoniously, to eliminate the dangerous sentiment which, less than fifty years ago, was worded "Forgive us our debts, as we forgive our debtors." Through control of the monetary system the controllers of the financial monopoly have effective control over the debt structure—control over debtors—and thus control over entire communities. If, owing to a chronic shortage of purchasing power, people can gain access to production, which they are unable to purchase, only by incurring debt against future monetary credits to be issued to them, the end is easily foretold; it is a question of time only before the debt structure will overwhelm entire nations. That is a situation which is rapidly approaching.

Finally, the distribution of purchasing power solely through the media of wages, salaries and dividends ensures that members of the community can gain access to production only as a reward for work within a productive system which is progressively eliminating the need for human labour as processes are improved. The insanity of this, which should be plain, does not seem to have penetrated the minds of governments, who continue to concentrate on "curing unemployment." This not only binds members of communities more firmly to the yoke of financial tyranny, but denies them the right, arising out of the increment of association, of access to their share in the cultural inheritance, which alone can assure them security and freedom within the economic sphere.

7

The measures needed to rectify the mechanical and administrative defects revealed by the necessarily condensed and technical examination of the monetary system in the preceding pages do not present any great difficulty, if the principles of social organisation are borne in mind. The objective should be to confer the maximum security and freedom on individual members of the community. The change involved in the economic sphere must be from economic tyranny to economic democracy. This means a complete change in the *nature* of the social order. No such fundamental change can be successfully accomplished by a violent upheaval in the social life. The various mechanisms of production, distribution, and so forth, have been built up through the centuries and are bound up with the credit of a community. It is pragmatically desirable that such change should be made with as little dislocation as possible to the life of society along ordinary and evolutionary lines.

The measures necessary to achieve this within the domain of the economic life of the community can be summarised:

(1) The monstrous power of the financial tyranny resides in the sovereign right it has usurped to control monetary policy. The sovereignty of democracy can be established only when democracy has control of monetary policy. This is a function outside the economic sphere, and it can be established and carried out only in the domain of the governmental system. The policy defined by democracy in the domain of government will, however, require administration in the economic sphere. There must exist a body of technical experts who are responsible to democracy to carry out policy.

(2) A democratic community must have access to its resources. Therefore there must be no arbitrary restriction of the monetisation of credit. Control must be effectively vested in democracy. Monetisation of credit resources must be limited only by the monetary measure of the community's real credit and the extent to which it desires to draw upon this.

(3) The defect in the cost accountancy system whereby the community is forced to surrender monetary credits representing purchasing power to the extent of its total production can be rectified by:

(a) Instituting proper accounts in which the community is credited with the monetary price values of all

production and debited with all money credits issued to it, the account being written up in respect of all production and written down in respect of all consumption.

(b) The adjustment of prices of all consumable goods purchased by the community so as to enable the available purchasing power to meet the price values of the production on the market; this can be achieved by authorising retailers to sell their goods at a discounted price bearing the same proportion to the selling price as now computed, as total consumption bears to total production for the period immediately preceding. If necessary, to introduce a safeguard against exploitation of the community, it can be made conditional that an agreed ratio of profit on turnover is observed.

(c) The loss to retailers to be made good by transfers to them of monetary credits from the community's credit account, these transfers being concurrently debited to the community.

(4) In order that individual members of the community should obtain full advantage of the increment of association in terms of security and freedom in the economic sphere, the monetary credits distributed in price discounts should be limited, and the balance necessary to adjust the deficiency in purchasing power distributed to every member of the community as an equal dividend on the common cultural inheritance. As production becomes more dependent on improved processes and less dependent on human effort, the dividend should progressively replace the wage and salary system as the channel for distributing purchasing power.

The adoption of the foregoing measures within the economic sphere would abolish poverty, the community having access to its abundant resources; and because the deficiency of purchasing power would no longer exist, orderly co-operation would replace the present fierce competition for markets both at home and abroad, thus removing the chief cause of war and civil disorders. Moreover, the economic life of the community would be organised on democratic lines. Economic democracy would be established.

The monetary system would operate as an effective voting mechanism whereby the community controlled both policy and the personnel administering policy in economic matters. The wage system as the sole method of distributing purchasing power is the most powerful instrument for enslaving people that the human mind has devised. If the only means by which members of a community can acquire purchasing power, i.e., licences to live, is by a forced obligation to work under conditions over which they have no effective control, they are slaves. However, the wage system supplemented by a social, or national, dividend would confer freedom in the economic sphere. With basic security people would have a dominant voice in the conditions of work they accept. The result would be that the efficient and socially minded administrator in industry would supersede the inefficient and anti-social administrator where he exists. As purchasing power increased and the dividend assumed increasing importance, the efficacy of the money vote of individuals within the group would rapidly bring about the direction of productive policy in accordance with the collective will. It must be stressed that the money vote would, as now, be used to demand the results wanted, and that industry would continue to operate under pyramidal organisation in regard to methods. The economic structure which would be created, has been described by Major Douglas as "an elected aristocracy of producers serving and dominated by a democracy of consumers." And that would be economic democracy.

The application of the foregoing technical proposals to achieve economic democracy is not the problem facing the democratic peoples of the world. This would be a task for a body of experts with the proper knowledge and the authority of democracy to give effect to a clearly defined policy. The problem facing democracies is to overthrow the powerful financial tyranny which has assumed sovereignty over them, and to secure to themselves the sovereign right of control over monetary policy. This can be achieved only in the domain of government.

It is generally assumed that such countries as the U.S.A. and those grouped within the British Commonwealth of Nations are democratic because their constitutions and political mechanisms have been established to enable their communities to define policy. Nothing can be further from the truth, for in no one of these countries is administration in accordance with the will of the people; the evidence of this can be observed in the growing discontent everywhere with the state of affairs which exists.

The reason, of course, is that the sovereign right of democracy over its affairs has been usurped by the controllers of the financial monopoly. By their control of the highly centralised and pyramidally organised financial system, these people have complete control over every aspect of social life. The economic system is itself a vast pyramidal structure with finance at the apex. Control of policy and personnel emanates from the apex. Individual members of communities can gain access to production only on the terms permitted by the authority at the apex. In this matter the

seat of real government is at the apex of the economic pyramid, and the economic system is being used as a system of government, or, to put it more correctly, as a system of domination by means of economic rewards and punishments. Not a wheel can turn, not a ship can move, not a person can consume, except by the consent of the financial hierarchy. Such is their power.

Under such conditions obviously all so-called democratic government is a farce. Democracies have been divested of their sovereignty. A tyranny, and probably the most powerful tyranny in human history, has mankind in its grip. Moreover, owing to the nature of faults in the monetary system, which are so carefully preserved, centralisation of every aspect of social life is being accelerated and with this acceleration the power of the controlling financial hierarchy is being strengthened.

The technique of this tyranny is that of all tyrannies: divide and rule; engender fear; confuse. The greatest danger to the sovereignty of finance remains in democratic countries, where the constitutional right still exists for democracy to assume sovereignty by defining policy; that is, to specify the results it wants. Therefore, the greatest care has been taken to divide the communities into political camps and to ensure that electors are never consulted in regard to policy, but only in regard to various methods of carrying out the policy defined by the financial hierarchy. An environment of scarcity is essential to rule by a system of rewards and punishments under a pyramidal, i.e., a tyrannical, organisation of society. This also ensures a perpetual state of insecurity engendering fear that can be played upon. The success with which confusion has been caused is only too apparent.

The only technique likely to succeed against the methods by which the financial hierarchy retains its power is one which will have exactly the opposite results. To unite society against its common enemy; to establish confidence, i.e., restore democracy's will to sovereignty, to clarify the issue—these are the tasks. They are not likely to prove easy, for the powerful ramifications of finance have been built up over a long period, and in the process people have been conditioned to its domination. But unless this power is taken from the small group in whose hands it resides, it will destroy civilisation.

The objective of the financial hierarchy is plain from the evidence of what is happening. It is the destruction of all national sovereignties as they exist, and the establishment of a world state pyramidally organised and dominated by it from the apex; a super-tyranny, with the individual reduced to such a condition of serfdom in order that the authority should retain its power, that it would be more than flesh and blood would stand. Long before this objective was attained the smoke would be rising from the ashes of civilisation. Yet all the propaganda in support of internationalism in various forms, and the persistent advocacy of an international police force, superior to that of any single country and at the command of an international body—a measure which would effectively destroy the sovereignty of all nations over their own affairs—are directed to this end.

No tyranny in history has willingly surrendered its sovereignty. The financial tyranny is unlikely to prove an exception. With countries verging on chaos, the situation developing to a clash of arms on a scale which may destroy civilisation, and the cries of suffering humanity rending the air, the objective of world domination continues to be relentlessly pursued. In the last resort the only argument likely to have any effect on the financial hierarchy is the mobilisation of stark force against it. The sanctions available to a community to impose its will are its armed forces which exist to uphold its sovereignty. Only a united community exercising its sovereignty can mobilise such sanctions against finance.

The financial hierarchy has usurped democracy's sovereign power by gaining control of monetary policy, and thus control over the economic structure. The policy being pursued is to impose insecurity and regimentation on the vast majority of people. Control of monetary policy is the sovereign right of democracy. Without it, democracy is a sham. The policy democracy wants is one which will confer the maximum security and freedom on all. Though the reality of this can be conferred only in the economic sphere, the right of democracy to these results must be established in the governmental sphere. Democracy must establish its right to define policy as a functioning sovereignty. True political democracy must therefore precede, and will automatically lead to, the establishment of economic democracy—and thus to a democratic society.

Reference back to the principles of social organisation will show that the mechanism of organisation in the governmental sphere must be such as to enable democracy to say what shall be done—that is, to define policy without specifying methods—in all matters affecting the individual rights of its members and their relations with each other, and also to accept or reject the personnel administering its policy.

The mechanism exists in democratic countries, but is not used properly. The electors of democracies should assert



their sovereignty by using the political vote, like the money vote, to demand the results they want in the order in which they want them. They should thus use the political vote in all matters affecting their rights and relations with each other and with other countries. The first essential is that they should exercise this sovereign power they possess to dispossess the financial hierarchy of its domination over them. By assuming control over monetary policy and exercising it to gain access to its credit, democracy would establish its sovereignty in both the governmental and economic spheres. To do this electors would have to unite in using the power of their political vote to demand from their legislatures the results which would give them this sovereignty in the economic sphere namely, their right of access to the national productive resources and to a dividend on their cultural inheritance. At the moment when democracy in any country asserted its sovereignty in this manner, the power of financial tyranny would be destroyed. Such a community would automatically mobilise all the forces of the state to ensure that their will prevailed, and before such a concentration of power the authority of finance would be forced to surrender.

That such a triumph of democracy is being anticipated is evident from the concerted efforts being made everywhere to destroy democratic constitutions in favour of dictatorships. It is no accident that such doctrines as Fascism and so-called Communism and Socialism are making rapid headway in all countries. They all involve an intensified pyramidal social organisation and all weaken or destroy the authority of democratic constitutions.

9

No review of the matters under consideration can be complete without reference to that remarkable document, "The Protocols of the Learned Elders of Zion," which, unfortunately, has not received the serious attention it demands because of its association with irresponsible and mischievous anti-Jewish propaganda. \*

\* It must be emphasised that attacks upon the Jews as a body are wholly indefensible except in cases where Jews act as a body while utilizing advantages which proceed from their incorporation as individuals in other nations. So far as this review is concerned, only their financial relationships are in question. On the day that the Jewish international acceptance houses throw their weight into suitable financial reforms for the benefit of all individuals irrespective of race, we shall become their most enthusiastic supporters. — The Editors.

It has been asserted repeatedly that the Protocols are a forgery, and at least one law case has been fought out to establish this. Whether they are a forgery or not seems immaterial. The important fact is that the pattern of the world today conforms with extraordinary accuracy to the plans laid down in this document many years before the actual occurrence of the events, and alleged to be those of a self-appointed hierarchy which has been scheming the enslavement of mankind for many centuries. By tearing extracts from their context it is not possible to do justice to the audacity, and the literally diabolical cunning, of both the policy and the principles, which are laid down for the destruction of all national sovereignties. However, the following quotations from it should direct attention to its importance in connection with the grave issues which are at stake:

Political freedom is an idea but not a fact. (Protocol No. 1.)

In our day the power which has replaced that of the rulers who were liberal is the power of Gold. Time was when Faith ruled. (Protocol No. 1.)

The word "freedom" brings out the communities of men to fight against every force, against every kind of authority, even against God and the laws of nature. For this reason we, when we come into our kingdom, shall have to erase this word from the lexicon of life as implying a principle of brute force which turns mobs into bloodthirsty beasts. (Protocol No. 3.)

Our power in the present tottering condition of all forms of power will be more invincible than any other, because it will remain invisible until the moment when it has gained such strength that no cunning can any longer undermine it. (Protocol No. 1.)

The abstraction of freedom has enabled us to persuade the mob in all countries that their government is nothing but the steward of the people who are the owners of the country, and that the steward may be replaced like a worn-out glove. It is this possibility of replacing the representatives of the people which has placed them at our disposal, and, as it were, given us the power of appointment. (Protocol No. 1.)

Through the Press we have gained the power to influence while remaining ourselves in the shade; thanks to the Press we have got the *gold* in our hands, notwithstanding that we have had to gather it out of oceans of blood and tears. (Protocol No. 2.)

We shall soon begin to establish huge monopolies, reservoirs of colossal riches, upon which even large fortunes of the *goyim* will depend to such an extent that they will go to the bottom together with the credit of the States on the day after the political smash ...

You gentlemen here present who are economists, just strike an estimate of the significance of this combination. (Protocol No. 6.)

The intensification of armaments, the increase of police forces are—all essential for the completion of the aforementioned plans. What we have to get at is that there should be in all the States of the world, besides ourselves, only the masses of the proletariat, a few millionaires devoted to our interests, police and soldiers.

Throughout all Europe, and by means of relations with Europe, in other continents also, we must create ferments, discords and hostility. (Protocol No. 7.)

The people have raised a howl about the necessity of settling the question of Socialism by way of an international agreement. *Division into fractional parties has given them into our hands, for, in order to carry on a contested struggle one must have money, and the money is all in our hands.* (Protocol No. 9.)

Nowadays, if any States raise a protest against us it is only *pro forma* at our discretion and by our direction, *for their anti-Semitism is indispensable to us for the management of our lesser brethren.* I will not enter into further explanations, for this matter has formed the subject of repeated discussions amongst us. (Protocol No. 9.)

We shall create an intensified centralisation of government in order to grip in our hands all the forces of the community. We shall regulate mechanically all the actions of the political life of our subjects by new laws. These laws will withdraw one by one all the indulgences and liberties which have been permitted. (Protocol No. 5.)

Our power is in the chronic shortness of food and physical weakness of the worker, because by all that this implies he is made the slave of our will, and he will not find in his own authorities either strength or energy to set against our will. Hunger creates the right of capital to rule the worker more surely than it was given to the aristocracy by the legal authority of kings. (Protocol No. 3.)

There is overwhelming evidence that the financial hierarchy is just such a hierarchy as this publication alleges exists. There is no shadow of doubt that both the objective and the methods by which that objective is being pursued by the small but powerful group of financiers are identical with those laid down in the Protocols. When it is observed that the persons in control in the higher places in the financial pyramid bear such names as Rothschild, Meyer, Kahn, Niemeyer, Baruch, Montefiore, and so forth; and further that control of all publicity media and many of the key positions in law, politics and economics are in the hands of Jews, and to an increasing extent are falling into their hands, it is demanding too much of human credulity to ask it to believe that this document is in no way related to what is happening. Probably the reason why the Protocols have not received more serious attention is that the normal reaction to such a proposition, whatever the strength of the supporting evidence may be, is very similar to that of the man who, confronted with a giraffe for the first time, stared at it incredulously and exclaimed, "I don't believe it."

There is a great deal of nonsense talked and written about what is referred to as the Jewish question. However, there is a realistic aspect of the matter, for there is a sound biological basis to account for the fact that the persons comprising the financial hierarchy are predominantly Jews. Probably men of no other race could have acquired such a position. From another viewpoint the issue which is being fought out in the world is the organisation of society in accordance with the ideology of the Old Testament versus the ideology of the New Testament. The characteristics of the Jewish race have their roots in the former, and it is a biological fact that in-breeding in any race results in the intensification of its racial characteristics. Through the centuries this in-breeding, particularly on the male side, has been strictly observed by Jews. Though they are of various nationalities they have remained a race apart.

Now the only importance of this question is in relation to strategical considerations in the task of defeating the financial hierarchy. To suggest that because the perilous and intolerable position in which humanity finds itself can be traced to a group composed mainly of Jews, therefore all Jews are a menace, is just about as sensible as to assert that because a group of gangsters are Anglo-Saxons, therefore all Anglo-Saxons should be exterminated. Moreover, it must be borne in mind that while the principles of personal power, domination and violence, which characterise the background of the Old Testament, appear to have been dominant Jewish traits throughout history, the principles of society organised as a brotherhood on co-operative lines in which the sovereignty of the individual should be recognised—in fact the opposite social philosophy—were established in the world from the same race. In fact it is highly improbable that, if the issues were made clear to them, the vast majority of Jews would support what is going on at the present time. It is equally certain that a large number of non-Jews, at present in positions of authority, are consciously assisting in the impossible task of enslaving mankind, and in the process are bringing destruction upon civilisation.

As the situation develops, the anger of the people will be directed towards persons. This would appear to be inevitable. The only manner in which this is likely to be effective is that it should focus itself upon the individuals who are personally responsible for the policy that is being pursued and its administration. Men make policies and

men administer them, and it is an elementary principle of social life that the individual shall be responsible to the group for his actions in such matters. Therefore, apart from the anti-social nature of anti-Jewish propaganda, it is highly mischievous from a strategical aspect. It directs attention away from the individuals upon whom it should be focussed.

After weighing up all the facts, the inescapable conclusion is that there is one, and one only, method by which the world can avoid the fate towards which it is being rushed. That is for each democracy to establish its sovereignty, and thus, by itself exercising power, automatically deprive the evil thing that now preys upon all people of its power. This is possible in any country which still retains the constitutional rights of a democracy, for those rights can be asserted by the people to establish their sovereignty. In this they must adhere to the true principles of social organisation. This means that a democracy must use its constitutional rights in the domain of government to secure its democratic rights in the domain of the economic structure. It can do this only by imposing upon its legislature the collective will of its members as to the results it wants in the economic sphere in order to gain security and freedom, and by refusing to be concerned with methods. In other words, it must avoid bringing into the arena of the governmental sphere, where only policy is decided, questions concerning administration of that policy properly belonging to the economic sphere. The first democracy thus to establish its sovereignty will bring about the collapse of the tyranny of finance and lead the peoples of the world to freedom.

It would seem that the development of the world situation towards disaster has gained such a momentum that it is unlikely humanity can escape the consequence of its actions. It is certain, however, that there is still time to save the world from the overwhelming cataclysm which will inevitably result from the continuance of the present tyrannical order; but this will be done only if action is taken along the lines indicated, and taken quickly over a sufficiently wide field. Action alone will overthrow the power of the financial hierarchy and bring about the necessary change in the social arrangements.

The urgent need, then, is for those who have a clear understanding of the issues involved to give democracies the lead that is necessary. If civilisation perishes it will be because of the failure of democracies to produce this leadership. Whatever the outcome may be, the facts of the world situation and the issues at stake have been made abundantly clear by Major Douglas. Moreover, he has shown with a genius characteristic of all his work, not only what is wrong but how it can be put right in both the governmental and economic spheres of social life. Social Credit is the key to the future. Only the lack of courage and ability to face facts referred to by Sir Grafton Elliott Smith stand between humanity and those who, in sufficient numbers, can lead it away from chaos. A very short time will show whether the sense of leadership inherent in the Anglo-Saxon races will rise to the tremendous effort which is demanded to bring the world out of the darkness which envelops it into the dazzling light of a new civilisation, with unlimited opportunities for the pursuit of the Great Adventure man terms Life.

## God or Mammon

### A Catholic's Point of View

By THE REV. FATHER P. COFFEY, D.Ph.

IT is now generally admitted that the world war of 1914-1918 was, in its immediate causation, mainly economic—a war for markets. Also that it failed, and that post-war politics have, likewise, so far failed, to lessen the likelihood of a still more disastrous repetition of the calamity.

Our present Holy Father has repeatedly appealed to Christendom, especially to Christian men of influence in Church and in State, to the Bishops and the clergy, to do their utmost not only in proclaiming, but in applying to every department of human life and affairs, those Christian social principles which alone can heal and save our very sick social order.

It is the right application of those principles that is so difficult. It demands an accurate knowledge of prevailing policies in industry, trade, and commerce; and of how those policies are working out, affecting for well or ill the lives of the masses in every country. Though the ills of society, economic and political, are obvious and menacing, their real causation must be discovered by accurate diagnosis before they can be remedied; and such diagnosis is no easy matter.

Having devoted many years to careful study and observation of those phenomena, the present writer thinks that it might possibly serve a useful purpose if he were permitted to put forward very tentatively, *salvo meliori judicio*, and in very brief outline, a sort of map or survey of some of the lines of thought along which his investigations have led him; and some of the conclusions towards which they have pointed. His formulation of questions and theses and conclusions is necessarily condensed, and may possibly prove to be in part unacceptable or even unintelligible. But if they are suggestive or provoke serious thought and investigation—which is their purpose—he will gladly apologise for their brevity and baldness of statement.

## I.

1. What is the purpose of the industrial and economic organisation of society? Is it to provide employment—work—for all (for a moral as well as a material object)? Or is it to produce, and make available, material goods and services with the least possible amount of work (employment)?

2. The process of increasing the productive efficiency of human labour, and of gradually diminishing the amount of it required—and of supplementing it by labour-saving machinery, during the past 150 years—has now reached the stage at which society, so organised, can make available an ample sufficiency of the material necessities of life for all with a steadily diminishing amount of human labour (employment).

3. But this organisation has been working so defectively—has so deplorably failed to deliver for use any more than a mere fraction of the wealth which it is equipped to produce that (1) the public does not yet realise the enormous productive capacity of the industrial system, and (2) still thinks that a sufficiency of wealth can be produced only by the whole population labouring as long and as hard as people had to work ages ago, before modern labour-saving machinery was invented.

4. Hence confusion of thought about point 1 above. Hence misleading interpretation of the Divine command to labour, and of St. Paul's observation that work is the sole just title to the necessities of life, an interpretation condemned by Pius XI. in the *XL. Anno*. Hence misguided Catholics advocating the scrapping of machinery in order to give more employment. Hence blaming machinery as a curse instead of seeking to discover why machinery is being more and more held up idle, and what is preventing the distribution and enjoyment of its products.

5. Yet point 3 above must be qualified to this extent: people generally are just beginning to realise that the world, under the capitalist industrial and economic regime, has reached the age of potential plenty. They hear of millions of tons of wheat and coffee being destroyed; calves being slaughtered in millions; crops being deliberately reduced; wealth in a variety of forms being destroyed instead of being distributed for consumption; men willing to work being kept idle; machines and factories running short time in all countries; while at the same time millions of the world's population are in destitution, and their natural right to marriage, to "increase and multiply," frustrated, because the system is failing to distribute the ample and increasing wealth which it could produce if it were permitted. But while they rightly cry out for reform of the system, they are mostly ignorant and in error as to what is really wrong, and hence espouse futile and unlawful schemes of reform.

6. Such schemes are Communism and Socialism—unlawful, because they deny natural human rights; futile, because they wrongly diagnose, and therefore would fail to cure, the economic evils from which society is suffering. The Popes have condemned them, and that is enough for Catholics.

## II.

### DIAGNOSIS—MEANING AND FUNCTION OF MONEY— ACTUAL POLICY AND ITS CONSEQUENCES

7. To find the right remedy we must diagnose the disease aright. The obvious and natural purpose of all economic and industrial association is to provide material goods and services for use and consumption (1, 3). To serve this end there are two processes: (a) production (including transport) and (b) distribution of products among consumers by exchange (trade, commerce). The former is becoming ever more and more efficient. Therefore, the defect lies in the latter: it is distribution that has broken down. Now the medium of distribution is money. The monetary system is not discharging its natural function: it is not delivering the goods.

8. Money is essentially a system of exchange tickets, the value or validity of which is based upon men's belief (credit) in the wealth-producing capacity of the community using them. Its sole rightful function is to ensure that all the wealth which the community is capable of producing be continuously produced and distributed to consumers for

use. It is the duty of the State so to control the system of issuing money tickets for wealth-production and cancelling them through wealth-consumption that the system effectively discharge the above-mentioned function. But all modern Governments have neglected that duty by committing the whole money system to the unfettered control of groups of private citizens, who have ignored that essential purpose of the system and have made it subserve an opposite and anti-social purpose: which is nothing less than monopoly and consolidation of all economic and even political power and domination of society in their hands.

9. Pope Pius XI. in the *XL. Anno* has explicitly called attention to this international world-monopoly of finance, and indicated some of its disastrous consequences.

10. The controllers of this financing or banking system issue the community's money tickets (for wealth-production and distribution) to the community as a debt to themselves (at interest) and recall and cancel those tickets (through prices for a portion of the wealth produced) before the total wealth thus produced is exchanged for use by consumers: thus causing an ever-widening chasm between the community's purchasing power as consumers, and the total of accounted prices (which is the total money owing to the banking system) for the wealth which the community has produced. Hence forced export and competitive struggles of nations for foreign markets; hence piling up of international debts; hence economic conflicts leading to wars; hence the progressive mortgaging of the whole industrial plant and capital and wealth-sources of society to the world-monopoly of banking.

11. Another disastrous consequence, indicated by the Pope (9), is the effective enslavement of the State (i.e., of all modern Governments, of all political organisation and authority in the modern world) to a super-State plutocracy, in which supreme political power is usurped and wielded by the monopolistic controllers of the very life-blood of economics and industry, which is finance (see *XL. Anno*, 105-8, p. 39 of *Catholic Social Guild Year Book* for 1934).

12. Now, this is an utter perversion of right order: for the industrial and economic organisation of the community ought to be subordinate to the political organisation, and the authority of this latter ought to be (in the temporal domain) supreme. This authority derives rightly from God, and not from the superior might or craft of those who have usurped economic domination and are swayed by greed of power.

13. But, as a consequence of this growing financial impoverishment of the masses, and of the progressive mortgaging of the community's productive plant and capital and wealth-sources to the finance-controllers—which has now reached such a stage that, while nominal and legal capital ownership still vests mainly in individual and corporate wealth-producers, the real power of control that characterises capital-ownership actually and effectively rests in the controllers of financial credit—as a consequence of those two economic conditions of modern society, the State has had perforce to take over and administer many of the economic functions which belong properly (by right and duty) to subordinate economic organs within the State.

14. Pope Pius XI., in the *XL. Anno*, has indicated some of those co-operative organisations—guilds or corporations—of wealth-producers (including wage-workers, owner-employers, share-owners, etc.) the purpose of which would be to secure a better-planned and more efficient production and distribution of wealth. But they can accomplish this purpose only if the State first makes the money system subserve industry by legally directing this money system to keep the products of the community's industry (as producers) distributed for use to the community (as consumers).

### III.

#### LEGISLATION—CHANGE OF MONETARY POLICY

15. The Pope has declared that there are some few economic activities which are better discharged by the State itself : (*XL. Anno*, 114, *Catholic Social Guild Year Book*, p. 43) as being too important and too exposed to the risk of private monopoly to entrust to private enterprise. Among these the supreme control of the community's financial credit—and the safeguarding of its issue and cancellation (determining its volume and purchasing power) from subserving an anti-social policy instead of its natural purpose (8, 10)—seems to be a function which should belong exclusively to the State itself, which should never have been entrusted to the risk of private enterprise, and which has actually culminated in an irresponsible and super-national world-monopoly.

16. The State should, therefore, by legislative enactment (*a*) reassert the rightful policy of the money system, and (*b*) implement this policy by laws laying down the main lines on which the banking system should administer this policy by issue and recall of financial credit to the community, both as producers and as consumers.

17. The main lines of such a reform have been brought to light since the world war, and are now being advocated in many countries, notwithstanding the boycott they have hitherto generally encountered.

18. The adoption of this reform would (1) enable employers generally to give all workers the family wage (which they cannot do under the prevailing money system without incurring risk of bankruptcy); (2) would immediately implement the Christian objective of Distributism, i.e., more widespread extension and diffusion of capital ownership among the actually dispossessed wage-earning and pauperised masses.

19. It is neither possible nor necessary for the masses of the citizens to understand either the technical defects of the prevailing money system or the technique of the regulations which would reform it; but only to realise (a) that the fundamental evil of the prevailing economic organisation of society is financial poverty amid potential wealth abundance, and (b) that this financial defect in the organisation can be remedied. Their consequent duty will be to elect a government of statesmen pledged to apply the correct legislative remedy.

20. The duty of the political government, and of statesmen aspiring to share its responsibilities, will be to enact by legislation the main lines of a national financing policy, and to instruct the existing administrators of the banking system to implement this policy.

#### IV.

##### ILLS TO BE REMEDIED AND THEIR CAUSES

21. It is the duty of those commissioned to teach and to rule, whether in Church or in State, not only to formulate sound practical principles for the guidance of men in their social, political, and economic relations, but also to study the actual conditions prevailing in these relations, so as to be able rightly to apply the principles to the facts for the elimination of abuses and the amelioration of conditions.

22. Among the pertinent facts are, e.g., these: (a) that the banking system alone has and exercises *de facto* the power of creating and cancelling money; (b) that the value, validity, purchasing power of this money rests ultimately not on gold, but on the National Credit (cf. moratorium of 1914), i.e., the community's potential rate of real wealth production compared with consumption; (c) that, therefore, the community should not be forced to pay a perpetual money levy to private creators and issuers of money on its creation and issue; (d) that the community is forced to pay such a levy, and this in money which not the community, but only the bankers, can create; (e) that this payment of interest by the community to the banking system for money newly created (and costless) is on a wholly different footing from interest charged on already circulating money by individuals who have earned and saved this money and invested it in (or lent it to) industry; (f) that it was, perhaps, to the former practice Pope Leo XIII referred when he said (in the *Rerum Novarum*) "the mischief has been increased by rapacious usury, which, although more than once condemned by the Church, is nevertheless, under a different guise, but with the like injustice, still practised by covetous and grasping men"; (g) that, however this may be, it is manifestly unjust that the whole community be forced to pay a perpetual money levy (which it must, partly in prices, partly in direct and indirect taxation) for the use of its own money, to these groups of private citizens (i.e., the directors of the banking systems) who costlessly create and issue (and withdraw and cancel) this money; (h) that this injustice is aggravated by the further fact that the community, as real wealth producers, cannot create the additional money which they must repay periodically to the banking system in addition to the principal sum lent to them (e.g., they cannot create the additional £5 which they must pay to the banking system for the use of £100 for a year; only the bankers can create this £5 and lend it to the indebted community—also at interest. Hence the present-day impossibility of paying even interest charges on international debts, except by incurring further debts to the banking system).

23. It is a verifiable and verified fact that in every capitalist country the total money income of the community available to purchase for consumption the products of its own industry is a steadily diminishing fraction of the total price values which the banking system claims to recover from the community through the sale of their products.

24. This has arisen because any and every given section of the circuit flow of money (out from the banking system to producers as costs, and back to this system from consumers as prices) fails to distribute for use to consumers all the real wealth which it was instrumental in producing.

25. The consequences of this failure of money to discharge its essential function are disastrous and cumulative.

26. The reason of this failure (i.e., the reason why the circuit flow of money distributes only a fraction of the wealth which it produces) is, in turn, because this function of money is ignored by the policy and practice of the

banking system (8, *supra*); and Governments have all failed to secure that money discharge this vital function.

27. The distribution of real wealth produced for use and consumption (which is the essential purpose of the whole economic organisation of society) is thus subordinated by the banking system to the policy of withdrawing the money it issues, at the quickest possible rate (for re-issue as a new debt at interest), irrespective of whether it has distributed or not all the wealth it has been instrumental in producing.

28. Wealth-producers are thus perpetually forced to accept as the primary objective of all their efforts, not the production and distribution of all the wealth they are capable of producing and distributing, but the periodical recovery, for cancellation by the banking system, of larger sums of money than this system issued through them to the community.

29. This in turn involves (a) cut-throat competition to recover proportionately the greatest sum in prices in return for the least expenditure in costs and the least volume of goods sold; (b) a steady stream of bankruptcies (of the weaker and less ruthless producers) as an inevitable result of the mathematical impossibility of recovering from the banks more money than exists in the community; (c) the replacing of competition by monopolistic rings to raise prices; (d) the growing accumulation of an unsaleable surplus in each capitalist country; (e) the forced export of this surplus and consequent struggle for foreign markets, ending in international economic and military conflicts; (f) the development of the banking policy of financing capital equipment to provide consumers (through wages, etc.) with money to purchase some of the otherwise unsaleable surplus of consumers' goods; (g) the gradual breakdown of this device, owing partly to substitution of machinery for human and wage-paid employment, and partly through the capital equipment becoming excessive and lying idle (through lack of consumers' incomes which would purchase its ultimate products).

## V.

### FUTILE GOVERNMENTAL REMEDIES

30. The banking systems, the private controllers of the community's money, have shifted on to the shoulders of their respective governments the burden and responsibility of remedying this deadlock, this increasing famine of consumers' purchasing power, which is the inevitable result of the bankers' own policy and accounting system.

31. Governments have been trying to meet this crisis in many ways, mainly by (a) public works, and (b) dividends to the unemployed.

32. But, since they provide the money for these remedial schemes only (a) by taxation from the already existing and insufficient pool of consumers' incomes, and (b) by borrowing from the banks (new money which the banks claim to recover from the community plus interest), the futility of this government plan to meet the crisis is at once apparent. This futility becomes ever more manifest in the progressive inability of capitalist governments to balance their annual budgets (witness Roosevelt's policy and its consequences in U.S.A.).

## VI.

### THE REAL REMEDY

33. To meet the deadlock, it is clear that governments must (a) resume their rightful prerogative of supreme control of their people's monetary systems; (b) base the nation's money on the nation's wealth-producing capacity; (c) issue it not as an interest-bearing debt to private bankers, but as interest-free currency; (d) extend all forms of unemployment benefit, health insurance, old-age pensions, etc., by converting all into a National Dividend for all, to be issued as in (c).

34. Simultaneously retail prices should be regulated by a national discount estimated periodically by comparison of rate of wealth-production with rate of wealth-consumption. This would automatically preclude inflation.

## VII.

### WILL IT BE APPLIED IN TIME?

35. The reasons why not only governments and statesmen, but also economists, industrialists, and businessmen have been so slow to locate the main cause of the world's present-day economic chaos in an essential defect in the

world's monetary mechanism and policy are not far to seek: (a) the erroneous notion that money is a commodity of intrinsic value still prevails from the time when it was such, and this error is fostered by the suggestion that money is inseparable from gold; (b) the erroneous notion that banks do not create money, but only safeguard the deposits of their clients, likewise still prevails; (c) the growing rate at which machinery and natural energies (steam, electricity, etc.) are replacing man power and making (muscular) work superfluous, and thus calling for the national industrial dividend in supplement of and substitution for wages, is not yet realised.

36. God grant that statesmen may come to realise these facts, and having by an accurate diagnosis located the seat of a world-wide social and economic malady in a defective money system, they may have the wisdom and the courage to apply the right remedy before another and more terrible world-war wholly wrecks the tottering fabric of modern civilisation.

## Lodmoor

By LLEWELYN POWYS

FOR a whole year after the Great War I slept every night in the garden of a ruined cottage that used to stand on the crest of a hill a mile or two eastward from Weymouth. The hill is known as Jordan Hill and was the place where the Roman marine resort named Clavinium was once situated.

In a corner of the neglected garden was a well, which must have supplied the daughters of Dorset with many a bucketful of fresh water.

“This Emeleye with herte debonaire  
Hir body wessh with watir of a welle.”

And in another corner stood a thorn tree bent double by southwestern gales. Across the sloping stubble field where once flocks of November finches, with shining wings, swerved in unison, there runs now a wide modern road used all day long by commercial vans supplying the needs of the prosperous householders of a pleasant suburb. I understand that all trace of the derelict cottage garden has long since been obliterated, the site which my shelter once occupied amongst docks, nettles, and brambles, having been transformed into a civilised lawn, upon which on summer evenings genial burgomasters sip their wine, contemplating their Royal West Country watering-place curving southward like the silver bow of Apollo, and the sunset behind the primitive landscape of Lodmoor with its hint of a fading and infinite past.

On one occasion when I was walking back to Weymouth from the deserted garden I overtook two boys. It was on a late winter's afternoon and I was not able to see their faces, but overheard one of them saying to the other, evidently a newcomer to the district, “That is Lodmoor. *It is a fine place.*” The last words were spoken with so enthusiastic an emphasis that I recognised this schoolboy as already initiated into the secret fascination of this ancient fen, which has always exercised a strong influence upon Dorset people. For the proximity of the open marshland has generously contributed to the health and happiness of the townsfolk of Weymouth; supplying the commonality with a sporting preserve of their own and people who prize the quiet of nature with a ready escape from the seaside crowds.

Lodmoor possesses a singular character of its own. This may be partly explained by the fact that it has always divided its allegiance between sea and land, drawing equally from the two sources for the appeal of its desolation. Its wide wild acres have offered a habitat for unfamiliar flowers, and the banks of its ruddy dykes are continually frequented by rare birds.

Although blood-sports are at all times and in all places to be deplored, deriving their excitement as they do out of the unregenerate gratification of gross animal impulses unworthy of sensitive and mature beings, they are more easily forgiven when they are indulged in by hungry men who shoot for the pot. In the old days when the poor of Weymouth were allowed free access to these marshlands, jersey-wearing sportsmen were content to wait for hours in the bitterest winds on the chance of supplying a cottage kitchen down by the harbour with a plump widgeon.

How wonderful Lodmoor could be on a Christmas-week morning, when it was still dark and the contracting ice sent booming reverberations along the waterway, and each bulrush and thin pennanted reed was furred with a silver filigree, and the bay and the shelving beach and the white turnpike house, with its heaped piles of backyard



pinewood, were all lying white and calm through the last slow hour before the breaking of the dawn.

And yet perhaps it is in the springtime that Lodmoor is most beautiful. The little uncomplaining servant-girls who every early morning garnish so dutifully the doorsteps of the Brunswick Terrace lodging houses have hardly had time to notice the first squill showing blue in their mistress's railed-in front garden before the spring is already fully present on Lodmoor, with clumps of gaudy kingcups opening to the sun, with the first swallows skimming over the fast-drying ox-puddled flats, and the first cuckoo calling from the Horseshoe spinney of South Down Farm.

As I write there hangs over my bed a little watercolor of just such a scene as I describe, with White Nose and the renowned chalk cliffs clearly visible in the distance. The picture was painted by my sister a quarter of a century ago. We had noticed some wild cattle on the causeway known as "the Pipes," so for safety we had left her on an island with her paint-box while my brother and I went off to look for red-shanks' nests; and although in after years in Africa it was the same brother who always protected me, saddling my ponies and shooting my lions, in these days I was the stronger, and able to carry him on my back across the shallower lagoons.

Though I have not seen a red-shank's egg for many years, I well remember the look of its dull stone colour, smutched with reddish brown. A red-shank is as subtle as a "false lapwing" in its efforts to conceal the position of its nest, and every winter it must draw down upon its little grey cranium numberless curses from the men with guns, whose sporting prospects it has spoiled with the insistent cries of warning it emits from its long bill so charmingly tipped with scarlet.

Many rare creatures are to be seen on the wilder stretches of this Weymouth bird sanctuary. I remember one winter being told by old Tom Symonds, whose father had been a dairy man at Upwey, and who was as keen a naturalist as I have ever known, that he had been watching a whooper swan for more than a week on the Lodmoor water. Otters also have been disturbed by men crossing the marshlands early on summer mornings, this giant weasel appearing like a foreign beast, like a black velvet-coated beaver, as, scattering the dew from some patch of tall grass, it plunges into deep water.

My father in his old age used to find it difficult to summon words for the expression of his thoughts. On one occasion when he was walking across Lodmoor he suddenly stood still by the side of a waterway. He had happened to catch sight of an enormous eel, and with concentrated intelligent attention was watching the movements of the wriggling fish, as, with slow fins, it propelled itself over the reddle-stained mud at the bottom of the dyke.

I have always admired my sister's description of this scene, her description of this mute old man who, even at that late end of his life, had never lost interest in the existence of other animal creatures, his familiar companions during the long tally of hours that make up the life of an octogenarian.

## View at a Distance

By CHARLES JONES

Thud . . . thud . . . shuffle, thud . . . thud. . . shuffle ... A monotonous chorus of rhythmic but subdued noises droned on and on, as a dozen whirring machines printed, and mounted, and packed the standardised calendars for the year 1950. The printing machines, a group of self-feeding, self-lubricating masterpieces, seemed to possess a personality of their own, powerful and aggressive, as they worked with unflinching regularity in the blue, electric haze of the bare factory. Never a hiccup, never a sigh of fatigue from those metallic anatomies; only the maddening recurrent thumps and whispering shuffles of unrelaxing movement.

An engineer, making his daily visit of inspection, flashed on a flood of refracted light, which suffused the machine shop and illuminated without shadow the glittering and fantastic limbs of the tireless robots. He peered keenly into each jerking interior, noted every rod and cam with glances that shifted from one vital point to another with orderly thoroughness. His brow bore the slight, vertical furrows of a man accustomed to mental concentration.

He passed down an aisle flanked by machines, all delivering packed calendars of exquisite design on to belts which bore them through traps in the polished walls, out of sight. On his return he checked himself with a startled gesture, as he noticed suddenly the dejected and shabby figure of another man in the entrance to the machine shop.

“What you doing here?” he demanded, sharply.

The man came forward a step or two, and stuttered with eagerness.

“I w-want a job, sir. Been out t-two years. G-good man, sir. I----- ”

The engineer cut him short with a flick of the hand.

“How d’you get in, eh? Don’t you know machine premises are forbidden. D’you want to go to the Workers’ Jail for trespass?”

“God! Not that, sir!”

The fellow wailed, his lower jaw working convulsively, like a starved cat’s. He fell to his knees as if unable to stand, and in the blue light which threw no shadows his haggard, upturned face was like a mask on which terror chased a graven sorrow in momentary twitches.

The engineer stared at his miming face, fascinated. It was at that moment devoid of strength, sapped of blood, a pallid screen for flitting impulses without the control of active intelligence. A product of starvation.

For a full minute they posed in the blue glare, the one man a colossus of the machine, feet apart, virile and strong; the other a pariah turned supplicant, broken and wasted.

For a phrase pity broke in the engineer’s voice.

“What’s your craft?”

“I’m a . . . . compositor. I worked ’ere once, sir.

I . ”

“Bah! You’re scrap. No such things as composers nowadays. Composing machines, man, *machines*.”

The sharp, harsh note jerked the crouching figure on to unsteady feet.

“What’s your name?”

“Robsart. John Robsart, sir.”

“Robsart! Agitator in the ’44 rebellion of workers, if I remember. Well, if that’s your kidney, get out, John Robsart. Don’t let me find you round here again.”

Robsart trembled into rigidity, as if tautened by wires.

“Listen to me!” he shouted, “I’m not a dog. I’m a man . . . . ”

“Well, get out of here,” returned the other, advancing. “Be smart, and mind the automatic door or it’ll slice you in two ... if there are two slices. Get!”

Robsart turned slowly and dragged himself away, through the entrance where a sliding metal door clicked against his heels, down a moving, dustless staircase, flight upon flight, to a floodlit ground floor. He passed no one. He passed no doors, or none were visible. He stepped out into a dark street where another shadow joined him.

“Any luck, mate?”

Robsart sucked in breath through his teeth.

“Curse the whole damned race of ’em, no!” he said, and for a moment his eyes gathered baleful light like an animal’s, and gleamed.

“Hungry, Jack?”

“God, you ask me that!”

“Eat your protose tablet, Jack. Eat it, man, it’ll do you good.”

“No, I won’t. I won’t eat their cursed ration, if I die. I’ll see ’em to hell before I live on a tabloid a day. I’ll die first, Ted, I’ll die.”

They moved slowly down the dark street. The abject figure of John Robsart had stiffened somewhat. His gaunt features had hardened, and the tension of awakened will power lightened his shuffling step.

“Going home, Jack?” his companion asked.

“Home!” sneered the other.

“Where, then?”

“I’m going to the silos. They’re burning there tonight. It’ll be warm. Coming?”

“I dunno. It’s fairly warm in the community dwellin’s now they use radio power. Bed, I think. You can keep pretty warm in bed. Hey-up! What’s wrong, Jack?”

He thrust out an arm and steadied Robsart who had lurched against him weakly. For a moment Robsart accepted the saving support, then drew himself up with an effort, and continued to plod down the dark pavement alongside his mate.

“Sometimes I feel sort of convalescent, Ted. You know, like you do after a turn of something feverish. Light in the head, and sounds seem funny. Our footsteps, for instance, seem to belong to somewhere else . . . like an echo.”

“You’re starving, Jack. That’s all ’tis. Why don’t you eat your tabloid? It’s marvellous what them things do. Chew ’em for a minute or so an’ you feel as if you’ve had a meal. You make me mad. What’s the good of a lot o’ blasted scientists finding out ’ow to feed the unemployed on baked rat-poison, if you won’t open your beak and swallow?”

“I aint made that way, Ted. I’d choke. I want to work for my living. At least, God knows what I do want. It’s the uselessness of everything that gets me down, Ted. Scrap! that’s what we are. You feel as if you’ve got no right to live.”

He passed his hand across his eyes, as if to clear a dimmed vision.

“If I could only get away from this city, and *do* something I wouldn’t mind,” he continued. “I always wanted to do a bit of woodwork. But tools . . . and timber . . . they cost money. Take chairs. I’ve got dozens of ideas in my head for chairs, Ted. Lovely shapes . . . special long ones for watching televisors . . . all sorts. They’d sell, too, if people could buy ’em. But the machines are turning out the standard stuff by the thousand. Overproducing. They’ll have to burn ’em to get rid of ’em soon. The new factory at Hayes was shown on the public televisor yesterday. They can turn out half a million a week there if they want to, made out of artificial wood. But no one can buy ’em. Where’s the money coming from? You can’t *make* money.”

“Why the ’ell you can’t beats me,” said Ted. “Why don’t someone put up a factory to make money? Ten million unemployed ’ud soak that up all right. Buy things then.”

“Well, they couldn’t give it away, could they, fathead? It costs money to put up a factory. You’ve got to get your capital back for some reason or other, Ted. It’s no good having lots of goods and things if you can’t sell ’em and get your capital back. That’s economics. They used to give lectures on it and explain everything when the community dwellin’s was first put up. Which way you going, Ted?”

The men had come to a parting of the ways. One of the new roads they had reached was floodlit with a peculiar, suffusing brilliance, though there were none of the lamp standards with globes of sudden light characteristic of earlier periods, or indeed any obvious mechanism of illumination at all. A few vehicles slid along it noiselessly at incredible speeds on rubber pavements. There were no low-flight road aircraft at that time. The other road was dark, lined by immense buildings in the Geometric style, from which a low hum of mechanical activity was just audible.

“I’m for the dwellin’s,” said Ted, laconically.

He stared at the set, bony face of his companion, and was loth to turn away. Drawing a small packet from his pocket, he proffered it, shyly.

“Have just one protose, Jack. It’ll stay you. You can’t go on starving, man . . . you can’t . . . ”

His voice broke.

“Put ’em away, Ted,” said Robsart, softly, with a gentle gesture of repulsion. He sighed. “I’m made this way, lad, that I’ll not be stoked like an engine with patent fuel while bread burns, and mothers die, and children sicken for lack of it. I’ve an idea that someone has to die for the sake of reason in these things; not the death of poverty or the suicide of despair. There’s enough of that. But a grand martyrdom . . . somehow.”

They halted, and Robsart continued in a low, passionless voice.

“I’m a man, Ted. ‘Inheritor of the earth and of the culture of ages’—that was in the last book I set up, three years ago. A man inherits more than a ten-a-penny tablet a day. He must be set up in the fine things of a liberated life, and live in dignity, not cut down to a mean chemical ration. I see it all clearly. But my head reels. You go on to the dwellin’s, lad. I’m going south.”

He took the dark, tenantless roadway, on and on for several unbroken miles, till he emerged at a wide, open space where the air was keener and ripely sweet. When he halted he saw at a distance before him squares of fiery red which winked for the space of a moment or two at regular intervals. Six in a row gaped like dragon’s mouths in orderly rotation, and then shut down again.

He made his way towards them, and in a few minutes a line of six low, concrete humps like monstrous beehives was just discernible. Every three minutes or so a trap in the face of each of these furnaces opened, and a few seconds later a conveyor spluttering blue sparks, rushed up to it, and shot deftly a copious shower of fuel grains over the flaming bed of fire within. Then the trap descended again like a noiseless guillotine. In the ruby glare of the next opened trap the spent conveyor could be seen to slide back in a flash towards a huge building, very dim in the grey night, but faintly outlined against a sky shredded with slaty cloud-wrack. Only one star peeped through the ragged and grizzled slats of cloud.

As Robsart drew near, a cold wind slashed across the bare space, and he shivered, and shrank into his clothes. Hurrying on, he came close to the incinerators, and approached a bunch of men crowding a railing which barred access to the network of gleaming rails on which the conveyors ran. He stood near them. As the furnace traps opened, a gust of grateful warmth spurted out and hung in the air. In the glow of the red light the wan faces of the men along the rail lit up, and the smack of a dull pleasure was on them as the heat wafted about their bodies.

Presently a beam of white light lanced through the darkness as a low, swift limousine swung around the shadowy building and slid noiselessly to rest. For a second or two the intense glare of headlights wavered like a living track through the void of the dark, and in it the lean forms of the men along the rail were keenly silhouetted. They cut across it in quaint angularities like the figures of an artist’s comic strip. Then the lights were snuffed and a tall, distinguished figure descended from the faintly lit interior of the car, with the conceited posturings of one having authority and consciously exercising it. He made, quite unwittingly it may be, the brief pause customary with such people on occasions when the infrared televisior recorders are operating, and then walked with a slow swagger, secretary at heel, to the guardrail. A half-hearted cheer arose, and a nudging and whispering fidgeted through the knot of other watchers . . . “The Minister of Agriculture!”

It was indeed the Minister himself, come to inspect one of the many plants erected by his edict for regulating the price of wheat. During the preceding ten years (often referred to, by a quaint contradiction, as the Hungry Forties), owing to scientific and technical discovery, three crops of wheat from the same ground within the space of a year had gradually become commonplace agricultural practice. By bacterial inoculation of soil, effective pest control, and electric stimulus, tremendous yields had been obtained from the remaining land under tillage in England with a most disastrous effect on prices. Indeed the situation had reached a point when loan-capital raised to finance the new scientific cereal farms was unrepayable, as not only were prices stubbornly below cost, but a vast proportion of the yield remained unsold in those years of overwhelming depression. Despite the most searching investigation of foreign markets, no outlet could be found, for, owing to the fear of blockade, and the fiercely international spirit of science, all countries had adopted the new intensive cultivation. No means could be found by which the crying needs of the unemployed could be met, for the public funds were in debt to the verge of national collapse. It was only because a learned Committee of the British Medical Association discovered the almost costless synthetic protose tablet that

millions of unemployed were saved from starvation in the bitter winter of 1948.

No further relief of the situation was achieved in 1949 until Sir Phineas Cobbett, the Minister of Agriculture appointed by the Bank, decided to raise a loan, which was readily accorded to his Department for the installation of vast granaries wherein grain was garnered, whilst athanors on a gigantic scale were being designed and erected for the consumption of surpluses. So cunningly was this plant devised that it was operated at a distance under self generated power, without a single man in actual attendance. Such electric automata actually succeeded within a few months in implementing the policy of the Government, and a shortage was created which forced prices up rapidly. Continuous working was necessary, however, as it seemed impossible to quell a genius for discovery which constantly proliferated the agricultural output. The state of combat between creative science and destructive science waxed bitter. The general position, though not quite clear in its implications, was according to administrative plan, and the responsible Minister was here to make an inspection of this stepchild of his brain. It was one of many operating through the length of England.

John Robsart, fascinated by the rhythm of the gaping, fiery jaws which opened and closed, opened and closed, up the long rank, took no notice of the stir in the meagre crowd about him. He did not cheer. In his mind, quietened by the radiated heat, he began to calculate the intervals at which the machinery worked. He counted one, two, three . . . yes, the great clap was raised while he counted twelve, slowly. At eight the conveyor roared up and disgorged its load with a convulsive thrust which spread the lovely grain in a thick shower over the fire bed. Three or four times he counted over that interval, one . . . eight . . . twelve.

The heat drifting outward made the bleak night comfortable. He stared around languidly, and followed the general gaze to where the Minister of Agriculture stood gesticulating proudly in conversation with his minion. The looming granary lay piled up beyond, and the spluttering conveyors rushed on their endless journeys to and fro, across the dissolving and glinting tracks between. In his mind it made a picture strangely clear and photographic, as if his senses were enhanced. At the same time a dull anger flowed through him like a gathering tide.

Without thinking at all, he climbed slowly over the rail, unnoticed. The clap opposite him descended like an eyelid, and he began to count. The conveyor tore away on its backward journey. He knew when to expect it again. The clap would open at forty-eight and remain until sixty. He minced over the light rails gingerly, skipping over points, and treading agilely between the gleams of the metals.

Suddenly a shout went up behind him; then a scream of cries, warnings and execrations mixed in a hoarse jumble. With the muddled roar of voices and moving conveyors ringing in his ears, the steady numerical rhythm still beat out its pulse in his clear brain. The tale of seconds continued like a ticking clock as he swung around, facing the ruddy, terrified masks craned over the rail.

An afflatus surged in his breast. It filled him till he felt like a giant.

He flung up his arms in a grand, rhetorical gesture, and cried aloud in a voice that boomed with immense, unnatural power in his breast; such a voice as seemed strange, and wild, and remote to himself. What he said arose from no conscious thought, for his mind was engaged in counting, counting. It was out-breathed from some other power within him, in a stentorian gust.

“I am a man, the heir of Man!” rang out the voice.

Forty-one . . . Forty-two . . .

“Bread is for Man! Man is the master, not fire. Bread is for Man!”

Forty-six . . . forty-seven . . . John turned on his heel in a flash, and crouched like a tense animal. The great shutter rose, and the air quivered with generous heat. Oh! blessed heat! Warm like the rich blood of health! Red as the stream in the veins of conquering man!

Fifty-three . . . fifty-four . . . fifty-five . . . the roar of the approaching conveyor mingled with cries of pity and alarm from paralysed watchers gripping the safety rail. The televisors were busy making a scoop.

With a great cry John Robsart leapt forward and flung himself headlong into the embrace of that ardent fire, flesh and the bread of life in a single sacrifice of mingled follies. In the space of a split second writhing limbs withered away in the consuming heat. And then, mercifully, mercifully, the conveyor, like an adroit sexton, rushed to its

journey's end and flung its golden burden like a shimmering veil over that dreadful grave.

\* \* \*

Free protose rations had put an end to that slow starvation which unhinged so many minds among the unemployed and underpaid during the Hungry Forties, and although verdicts of "Misadventure" were officially preferred to harsher sounding terms, in the case of John Robsart "Suicide whilst of unsound mind" was returned.

The news did not figure in the public broadcasts though it was seen at the time on the televisors. The Minister of Agriculture, quite unofficially, set enquiries afoot that he might send his personal consolations to the widow and children. There were, however, neither widow nor children to be found, as they had perished during the labour disturbances in the Hungry Forties in which Robsart himself had been involved.

Peace as well as strife produces its laughing lions of valour, as the rich history of the young Prosperity Era testifies, but, glancing backwards to the Hungry Forties and the last sad days of false finance, one finds that the heroism of those days was all too frequently the heroism of madmen. Whether the self-martyrdom of John Robsart was of this kind it is hard to say, but it led to a revolt from that squalid heroism so long displayed by the people of the world in blindly accepting from the exploiters of their credit a policy of wicked and obstructive self-abnegation.

Robsart's act was the apotheosis of useless self-sacrifice, in the practice of which generations of people had been trained by education, by religion which missed the mark, by the terrible and coercive powers of propaganda and inspired publicity, and by leaders whose place of leadership depended upon unquestioning conformity to a money tradition. In these enlightened days of Prosperity it is difficult to appreciate the horrors involved in enslavement to an obstinate conservatism in the simple science of financial credit, and more difficult to understand how the black priesthood of Economists maintained its mysteries and powers so long.

It was not the manner of Robsart's death but the pitiful and foolish act of it which first stirred so many to action. From it there flowed that gigantic movement of indignation known as The Bread for Man Movement which led to the demand for National Dividends, the most inspired act in which a people has ever been associated.

There is little doubt that it was through the self-immolation of John Robsart that a people found its voice, and slew the dragon of False Finance in the eleventh hour of its triumphal march to mastery.

May he rest in peace.

## Andromeda

By JEAN CAMPBELL WILLETT, L.L.A., F.R.G.S.

THE priesthood which served the ancient gods may have claimed divine revelation, but in actuality it made its own laws, laid down rules and regulations which bound everyone but its own members, and enslaved and terrorised the people under a system against which they were powerless to revolt, since they were trained in a belief that the system benefited them and was immutable, and also because they were kept ignorant. The ignorance of the people left the priesthood safe to wield its power; and knowledge and understanding, when they threatened to come to the surface and challenge the dictates of the gods and their priests, were kept in abeyance by staged miracles and terrors.

Possibly some of the priests believed in the gods they served; though the inner workings of the temples and methods of "revelation" must have disillusioned any but the simplest.

It was under such a system that the guiltless Andromeda was arbitrarily condemned to the prolonged torture of being chained to a rock, ruthlessly exposed to the wildness of the sea, and left to await a hideous death in being torn limb from limb by the monster of the deep—"a monster—bred of the slime—shapeless, a terror to see—daily returning to feed with the dawn, and devouring the fairest, cattle and children and maids." That the story ended happily was in no way due to the priests or the populace; only the timely intervention of Perseus saved the fair Andromeda.

Myths have a way of embodying experiences common to successive ages, and the experience of Andromeda is that of the woman of today. No priesthood has ever been more blind to the needs of the people, more intent on enriching

its few members and keeping the vast majority in subservience, than has the money oligarchy of this age. It, too, demands human sacrifice; men and women must bow to its dictates, and when the lot is cast there is no appeal. Today the same senseless sacrifice of lives and property is made in good faith to false gods, while the ignorance in which the people are kept successfully prevents the destructive and constructive criticism, which comes through knowledge and understanding. But when criticism threatens to undermine the power of this modern priesthood, the magic of financial crises and “slumps” is put into operation and the populace once more is taught the danger of questioning the will of the gods.

While the woman of today is as guiltless as Andromeda of any sin against these gods, she has not the same excuse of ignorance. Even if, until now, she has not realised the cause of present distress, she can at least see that it exists. If she thinks at all, it is evident to her that she is not, in any vital sense, free; she and her country are bound in the chains of an out-of-date financial system, and the voracious monster of Debt demands, but can never be satisfied by, any amount of human sacrifice. Only the Perseus of knowledge and enlightenment, the championship of right against subversive influences, and the persistent struggle against injustice and the arbitrary dictatorship of the money power, will finally break those chains and transmute the nominal emancipation of today into a genuine freedom.

Rabindranath Tagore goes directly to the root of present troubles when he writes that “The creative ideals of life necessary for giving expression to the fullness of humanity were developed centuries ago. And when today these suffer from some misfit as a result of constant expansion of knowledge and a variety of new experiences, we fail to adjust them into a comprehensive completeness.”

Probably no period has witnessed so sudden an increase “of knowledge and variety of new experiences” as the last hundred years; certainly no century in the world’s history has been marked by more rapid scientific advance. But most outstanding of all new experiences is the dawn of the age of plenty and the gift of leisure.

Nothing is more evident than that there has been a failure to adjust these experiences into a comprehensive completeness. On the contrary they are treated as diseases and called “problems” of “overproduction” and “unemployment.” While environment has been revolutionised, the economic situation remains unadjusted, and, instead of being able to profit by these new experiences, men and women are forced into the soulless life of crowded factories and tenements; into conditions, which restrict and limit bodily and mental growth.

Many women, who otherwise might escape these conditions, are driven from their homes by the inadequate income of their husbands, and, whether they prefer the work to the home or not, are under the necessity of giving their energies to money-earning labour.

In parenthesis, it is significant to note that the system under which woman in this way suffers, is at the same time forcing upon her an economic independence and making her assume a position and power through which she can make her own demands: a power which, if seriously and thoughtfully exercised, could go a long way towards bringing about the needed reforms in that very system.

But at present most women, whether at home or not, are in need of an economic security, which would safeguard both physical and mental health. Not that women alone are in need of this, but scarcity conditions affect future generations more seriously through the malnutrition of mothers. The mental health of women is more liable to suffer because, in our western civilisation, they lead more solitary lives than men. While men herd in offices and clubs, women are isolated in their homes, often alone for hours together; even after working hours men are more inclined to club. Companionship can do much towards counteracting hardships, while isolation throws men and women alike ruthlessly upon their own resources; and when those resources are inadequate—starved through lack of time and material for mental nourishment—it is little to be wondered at that nerves and neuroses are making real problems for the medical world today. Neurotic isms and pseudo sciences spring up like mushrooms and make particular appeal to women, either as an escape from harassing reality or as a narcotic in the face of suffering in which they, personally, may not be involved, but in any case feel is too great for them to alleviate.

These mental channels of escape represent the misuse of such leisure as is available. Only an endowed leisure, free from anxiety and insecurity, will provide woman with the time and necessities for the full development of her natural gifts. Woman needs leisure to make herself, to satisfy all sides of her nature. But before any use of leisure is possible, physical well-being must be assured. On the mental side variety is an excellent stimulant, and a necessity in any life, which is to be lived to the full. The mechanical monotony and soul-destroying sameness of the days of a working man—and of those of “higher” classes of work—have kept intelligence atrophied at a low level, by denying people time and energy to find themselves. Hence such time as is free is given to cheap or mass amusements where, again,

the minds of those participating are not exercised, and in which only a passive interest is required.

It would not, however, be just to assume that such employment of spare time is natural; the hard fact is that the development of individual talent needs money. Music cannot be learned, and instruments provided, without money to spare; books must be purchased to be possessed; material for art and crafts, apparatus for research, land and growing things—all must be bought before experiment and exploration of the natural resources of humanity can start. Genius may surmount all difficulties, but genius is rare, and it is for the vast majority of average men and women that a just opportunity is necessary. The opportunity most worth having is that of proving individual worth, for the sake of the individual and, as part of the whole, society. At present woman thinks and acts more for the individual and man more for the group. It is a merging of the two viewpoints, which produces the most balanced outlook. Talk of rivalry between the sexes, of women taking men's work, of equality, represents a failure to realise that the trouble is economic, not personal. Work is necessary for money's sake, and only when the fierce competition for work is alleviated by economic independence will men and women find their right spheres. That is not to say that women would all retire to the home, but that civilisation would, for the first time, be able to avail itself of the united talents of men and women, working not as rivals but as complements.

The ancient legend concluded with the union of Perseus and Andromeda—not without opposition, though, from Phineas, who had done nothing for the bound Andromeda, but thought he could claim her free. Prompt and decided action averted that danger; so they married and lived happily ever after.

## Those Who Will Not See

By G. W. BAIN

*“Mit der Dummheit kämpfen Götter selbst vergebens”* (Schiller).

IT is not so long ago that one Copernicus propounded a somewhat startling theory to an incredulous public. Today we view with a smile of tolerant superiority the simple Simons who obstinately maintained that it was the sun which went round the earth (a theory which, incidentally, never did anyone any harm); we gravely deplore the thick-headedness of those who could threaten Galileo with the rack for disbelieving in the geo-centric system. We cannot yet hear the gust of Homeric laughter which will burst the sides of future generations, viewing from a happier standpoint an Old Lady of Threadneedle Street indulging in a refinement of torture at which Torquemada himself might have drawn the line, and at the expense not indeed of those who dispute her ridiculous *credo quia impossibile*, but with perfect impartiality, of those who do and those who do not.

A nation, we are told, gets the government it deserves; and realising how persistently the majority of mankind continues to believe in the existence of a state of things *because their eyes tell them that the precise contrary is the fact*, we can hardly complain that we are ruled by our Baldwins and Neville Chamberlains, busily occupied in a solemn attempt to square the circle. Precisely the same logical blind spot which made Jevons attribute the alternation of booms and slumps to sun-spots\* permits so-called educated people today to peruse Sir John Orr's staggering report of the malnutrition of over 30 per cent of the British people with a leisurely, not to say ghastly, indifference, and a comfortable assurance there is nothing to be done about it. It is not unkindness; but when it comes to finance, mankind appears to suffer, by a natural dispensation, from an incurable form of mental myopia.

\*This form of lunacy can still be found, especially in America.— Ed.

There are, it is true, voices crying in the wilderness, hopefully uttering tremendous truisms in words of one syllable. Sir Stephen Demetriadi, speaking at the London Chamber of Commerce, said:

As men ceased to earn wages, they became unable to consume, so that machines, which had displaced them, would also presently cease to work, because goods were not for long produced if people had not the money to buy them.

But, for the most part, the public attempts the unintelligible economic jargon of a page of Sir Josiah Stamp, throws the sponge sky-high and leaves the whole thing to the “experts”—which is precisely what it is meant to do. And so we tolerate abuses, and swallow at one-gulp fatuities, which are almost inconceivable outside a madhouse. Dr. Jones, Professor of Economics at Leeds University, can with perfect solemnity make the statement that “I do not possess a



motorcar because I cannot afford to run one. If this were a world of plenty I should possess one,” and derive from it the rather startling conclusion that “the assertion that the world is full to overflowing with milk and honey” is “unutterable nonsense.” Mr. St. John Ervine, who is possibly more at home in dramatic criticism than in economic science, does not hesitate to give tongue:

“Our one-eyed economists work themselves into a dither of emotion about the ‘mountains’ of coffee that are burnt in Brazil. Do they envisage a world in which people will be forced to drink coffee, whether they want to or not, merely because there is a glut of it? If they do, what is to become of the tea-planters? Has anybody in fact been distressed through the burning of Brazil’s excessive coffee?”

If Mr. St. John Ervine really requires an answer to this ingenuous question, he may have it in words devoid of all economic complexity: “Yes. Those who cannot buy the food they want and the drink they would like to have.”

No sooner have we scaled the height of one of these imbecilities, which surely we think must be the last, than we are confronted with another just beyond. Let alone the pathetic clinging to the gold standard fetish, we still see, even amongst countries that have abandoned the standard, a frantic crusade for the acquisition of gold, the digging of it up in Africa so that it may be buried again in the vaults of the Banque de France or the Bank of England.

The most frightful of all imbecilities is the deliberate, cold-blooded destruction of food when a third of the nation is underfed. . . . Two million herrings thrown back into the sea . . . “When arrested, she (Mrs. Varley, sentenced to death for the murder of David, one of her five- months-old twin sons) told the police that she had no money to buy food for the babies. In her room were found a piece of bread and a farthing”; in 1934 there were destroyed 1,000,000 freight cars of grain; 267,000 carloads of coffee; 560,000 cwt. of sugar; 50,000 cwt. of rice; 50,000 cwt. of meat ... in 1934, 2,400,000 people starved to death and 1,200,000 committed suicide. \* Merely two examples of what can be duplicated in any year.

\*Quoted from the *Prague Presse* in the *News Digest*.

We realise that the currency is the King’s; but we hand over 97 per cent of it to private bankers to distribute, not as it is required, but on the amazing principle that it shall first, foremost and pre-eminently be a source of income to the banking community. In Henry VII.’s reign, a coiner was fortunate if he escaped with amputation of his right hand; in Edward VIII.’s reign we are a little less barbaric; merely a long term of imprisonment awaits a person who puts money into circulation which has not the cachet of Mr. K. O. Peppiatt; the fact that he does a service to the community by so doing is not taken into account in the sentence he receives; for it is only on the stupendous scale practised by the Bank of England that uttering money can obtain for its sponsors directorships of banks, knighthoods and places of honour at the feast; it is only when it is practised on a fantastic scale that a benevolent but slightly muddle-headed Government grants immunity to the criminals. A forger is, essentially, a man who issues money in the shape of a promise to pay when he has not the wherewithal to redeem his promise; and if any simple-minded optimist is under the impression that the Bank of England is in the fortunate position of having it, he may get an interesting, if unpleasant, awakening by asking for the redemption of the promise (religiously and somewhat humorously printed on every note) “to pay the Bearer on Demand the sum of ONE POUND.”

At Versailles, at the end of the War, the assembled collection of world economic experts solemnly demanded from Germany an indemnity payment of more gold than was in existence in the world. America in all seriousness demanded reparations in a commodity of which she and France had made a corner—gold. Payment in the only form, which any world but a mad one would consider a sensible one—goods—was indignantly refused on the grounds that it would ruin the country receiving it (as, under the present financial system, it infallibly would). And the peak of the Mad-Hatter finance was reached when Germany, incapable of repaying her debts in gold, and forbidden to pay them in goods, was lent the money to repay it by the creditor!

One would think that if there were one fact staring the nations in the face, it was that the present machine age had thrown, and will go on throwing, men out of employment; that any attempt to stem a current which anyone except the March Hare would consider a godsend, must lead to the horrors of the “civilised warfare” recently waged by a megalomaniac (who, in fact, could not help himself) in Abyssinia. The official figures of unemployment in this country, prepared by Government experts for the next five years, are as follow:

1936	1,970,000
1937	2,180,000
1938	2,330,000
1939	2,540,000
1940	2,830,000

Even the London School of Economics might by now have realised that it is as useless as it is painful to continue kicking against the pile-drivers. But so far as this from being the case that Sir John Jarvis is crowned with a somewhat nebulous halo for purchasing the Mauretania in order to create work by breaking it up. Consider carefully the grotesque implications of such an act; man cannot eat until he has *destroyed* a valuable commodity, which any one of us would be only too ready to use. Nor, indeed, is this the last word: when the rest of the world stood appalled at the recent disastrous floods in America, *The Times* found in them “a silver lining”—they would give work to the unemployed for a considerable time to come. There remains only the crowning blasphemy, that one should pray for San Francisco earthquakes and Missouri floods so that man, in order that he may live, should be employed in replacing what has been there before . . . . and when he has done so, to importune the Almighty to repeat the process; or, *faute de mieux*, to apply the system which is now so happily used in the destruction of crops, to the more general practice of sabotage of capital property; compared to which the suggestion that half the unemployed should be engaged to dig a hole and the other half to fill it up again is a completely sensible solution, and one which should satisfy even the crazy mentality of men who worked when they were young and are determined (by Gad, Sir!) that everyone shall do the same.

Mr. Walter Elliot, after considerable efforts, succeeds in raising the price of milk, and is rather surprised that people purchase less; the richer the country, the more it is in debt; interest, to an extent so fabulous that “voluntary” conversion loans have to be enforced to avoid revolution, is paid on sums which were created out of an entry in a book; bankruptcies and suicides are of everyday occurrence, and commerce is following the Gadarene swine down the steep place . . . but the financial position of the banks is impregnable . . .

Impossible paradoxes? By no means. You have only to give a piece of economic illogicality the high-falutin title of “The Mercantile System” for everyone to fall down and worship a graven image which drones out *ad nauseam* a gramophonic fatuity to the effect that a “favourable” balance of trade is a state of affairs in which you give away more than you get; and the attempt to attain it, incidentally, is a mathematical absurdity which a third-form boy would not waste his time in disproving.

With portentous gravity, Mr. Neville Chamberlain yearly balances (or fails to balance) his buffoon’s budget; and he has only to apply the “honesty” or the “confidence” trick for the nation to indulge in a masochistic orgy of belt-tightening and bullet-biting worthy of Simeon Stylites himself; a state of things which, however painful it may be to the people themselves, is borne by them with a fortitude and a sense of sanctimonious virtue which would be farcical if it were not so tragic.

There is not an economist worthy the name today who does not agree that a distribution of consumer-money would get rid of the depression in a week; would enable us to “turn the corner” for which Mr. Chamberlain is so busily searching in a blind alley. Yet, if anyone suggests that things are really what they seem, out upon him for a crank! Man once ate an apple: therefore his descendants are born for all eternity to sorrow as the sparks fly upwards from the holocausts of slaughtered cattle. A simple train of thought, lit by a spark of intelligence, would blow the whole crazy edifice sky-high.

## The Tragedy of Human Effort

By MAJOR C. H. DOUGLAS

*Notes for the speech delivered at the Central Hall, Liverpool, on Friday, October 30*

I SUPPOSE that there can be few amongst those of us who think about the world in which we live, and, perhaps, fewer amongst the more obvious victims of it, who would not agree that its condition is serious and shows every sign of becoming worse. Many must have asked themselves why the ability of scientists, organisers or educationists, brilliant and laudable in essence, seems to lead us only from one catastrophe to another, until it would appear that knowledge, invention, and progress, so far from being our salvation, have doomed the world to almost inevitable destruction.

How it is that in 1495 the labourer was able to maintain himself in a standard of living considerably higher, relatively to his generation, than that of the present time, with only 50 days labour a year, whereas now millions are

working in an age of marvellous machinery the whole year round, in an effort to maintain themselves and their families just above the line of destitution? Why is it that 150 years ago the percentage of the population which could be economically classed as of the middle and upper classes was two or three times that which it is at the present time? Why is it that while production per man-hour has risen 40 or 50 times at least in the past hundred years, the wages of the fully employed have risen only about four times, and the average wage of the employable is considerably less than four times that of a hundred years ago, measured in real commodities? How is it that the nations are given over to the dictatorship of men of gangster mentality, whose proper place is in a Borstal institution?

I have very little doubt that there are numbers of people in this room who could at once give a correct general answer to the preceding questions, and that it would take the form of an indictment of the financial system; and I should, of course, agree with this answer up to a certain point. They might add that no inventor is left in control of his invention, and that the financial octopus seizes everything with its slimy tentacles and turns it to its own use. But I do not think it is the kind of answer, however sound it may otherwise be, of which one can make a great deal of use in that form.

You would find, if you were to go outside the ranks of those who agree to it, a number of additional answers, not in themselves any more valuable from the practical point of view, but which deserve some consideration if only by reason of the frequency with which they are advanced. There is, of course, the well-known and somewhat discredited suggestion that the inherent wickedness of human nature is at fault, and a change of heart is required, a suggestion, which, taken by itself and without qualification, seems to me, in view of its impracticability, to be the most pessimistic utterance which it is possible to make upon the situation. And there is the common tendency to rail at politicians and statesmen.

In a recent article from the pen of Dr. Tudor Jones, amongst much which is worthy of the attention of us all, there is a statement, no doubt specially valuable as coming from a biologist, to the effect that there is no evidence whatever to suggest that the human being of the present day is in any essential cleverer or more able than the human being of six or seven hundred years ago. I am particularly interested in this, because I have recently had access to some charters and other similar documents affecting the affairs of Scotland from the thirteenth to sixteenth centuries, which seem to me to possess an understanding of the realities of statesmanship at least as great as is evidenced at the present time. I am confident that the principles, which ought to govern the management of the affairs of this world, have been available for many centuries, and have been obscured to such an extent that the community's intelligence upon such matters is probably less now than it was a thousand years ago. For this reason, I trust you will bear with me if I endeavour to put to you my own understanding, in modern language, of these ideas.

## PRINCIPLES OF ASSOCIATION

The first proposition which requires to be brought out into the cold light of the day, and to be kept there remorselessly, at the present time in particular, is that nations are, at bottom, merely associations for the good of those composing them. Please note that I say "at bottom." Association is at once the direct cause of our progress and of our threatened destruction. The general principles, which govern association for the common good, are as capable of exact statement as the principles of bridge building, and departure from them is just as disastrous.

The modern theory, if it can be called modern, of the totalitarian state, for instance, to the effect that the state is everything and the individual nothing, is a departure from those principles, and is a revamping of the theory of the later Roman Empire, which theory, together with the financial methods by which it was maintained, led to Rome's downfall, not by the conquest of stronger Empires, but by its own internal dissensions. It is a theory involving complete inversion of fact, and is, incidentally, fundamentally anti-Christian, in that it exalts the mechanism of government into an end rather than a means, and leads to the assumption that individuals exist for the purpose of allowing officials to exercise power over them. It is in the perversion and exaltation of means into ends in themselves, that we shall find the root of our tragedy. Once it is conceded that sovereignty resides anywhere but in the collection of individuals we call the public, the way of dictatorship is certain.

If you agree with me in my views of this matter I shall not have much difficulty in carrying you with me to an agreement that the totalitarian state is more or less universal at the present time, although its form varies. Of its more crude and undisguised aspects, Italy, Russia, and Germany are examples, which occur at once to the mind. But it must be obvious that we are, in Great Britain, merely servants of an insolent and selfish oligarchy, which uses us and the scientific progress we inherit for purposes far from those which would be chosen by us as individuals. Such a state of affairs as we work under could be justified only if we had indisputable evidence that the organisation was controlled by the wisest and most beneficent of the race. I doubt if we are prepared to admit that.

Reverting to the question of culpability for the perversion of human effort, which is so plainly evident, there is a strong tendency to suppose that a statement that the financial system is at fault, especially if accompanied by suggestions for its reformation, may be regarded as covering the ground of the problem. So far from this being so, the second proposition that I wish to emphasise to you, with no suggestion of its novelty, but a strong insistence upon the difficulty of obtaining recognition for it, is that action on or through an organisation, involves three ideas—the idea of policy, the idea of administration, and the idea of sanctions, that is to say, power.

Because administration is the most obvious of these ideas, Socialism, so-called, has tended to concentrate upon the glorification of administration, which, to my mind—because of the increasing pressure of Socialist ideology upon Government action—is a complete explanation of the ever more disastrous results in increased bureaucracy and other undesirable features from which we all suffer.

#### POLICY, ADMINISTRATION AND SANCTIONS

Now, while no action involving co-operative effort can take place without the presence of these three factors of policy, administration, and sanctions, and therefore they are all essential, and, in a sense, equally important, the first of them in point of time must be policy.

In regard to the objective of policy, as applied to human affairs, I can say nothing to you which has not been better said by the great teachers of humanity, One of whom said, “I came that you might have *life* and have it more abundantly.” So far as I am aware, no great teacher of humanity has ever announced that he came that we might have better trade or more employment, and I am wholly and irrevocably convinced that while we exalt a purely materialistic *means* into an end, we are doomed to destruction. In other words, the aim of the *human individual* is ultimately a totalitarian aim, a statement which, if it is correct—that is to say, if it is true that our best interests are served by our ultimately taking a general and effective interest in everything—is, in itself, the negation of the idea of the totalitarian *state*. There is an old and very true saying "*Demon est deus inversus*"—"the devil is God upside down"—and many phenomena in the world confirm it.

In regard to administration, I do not propose to say very much beyond the fact that it is and must be essentially hierarchical and therefore it is a technical matter in which the expert must be supreme and ultimately autocratic. There is more accurate and technical knowledge of administration in any of the great branches of scientific industry than there is in all the socialistic literature or bureaucracies in the world.

The foundation of successful administration, in my opinion, is that it shall be subject to the principle of free association, which will, in itself, produce in time the best possible form of technical administration. If the conditions of work in any undertaking, and the exercise of authority are ordinarily efficient, and there is in the world any reasonable amount of opportunity of free association, such an undertaking will automatically disembarass itself of the malcontent, while being obliged to compete for those whose help is necessary to it.

On the other hand, if there is no free association, the natural inertia of the human being and the improper manipulation of methods and aims will make an undertaking inefficient, since there is no incentive to reform. The idea that administration can be democratic, however, is not one, which will bear the test of five minutes' experience. It may be consultative, but in the last resort some single person must decide.

But, at the present time, there is no question that it is in the domain of sanctions that the human race is involved in its great difficulties.

Although the idea may be repulsive to many who have not faced the realities of life, physical force is the ultimate sanction of the physical world. Moral, intellectual, and emotional considerations unquestionably go to the determination of the use and direction of physical force, but, in the last resort, the last squadron of bombing aeroplanes will have its way when all the navies, armies, and aerial fleets of the world are destroyed, and in the last event the problem of sanctions is to obtain control of that last squadron.

So far as the present situation is concerned, the regular forces of the realm are the last sanctions of law and order within the realm, and law and order can be identified with the operation of the financial system as it exists at the present time. There is no serious financial reform that can be inaugurated within the framework of the present legal system, except by those in *control* of the existing financial system. There is no intention whatever on the part of those in control of the existing financial system to change that system to their disadvantage, and there is no effective change to the financial system which can be made without depriving its present controllers of their absolute power. I believe the foregoing statements to be axiomatic, and any form of strategy or argument which traverses any of them

would certainly seem to me to be lacking in realism.

The problem, then, is to obtain a change in the financial system of such a nature that it is bound to be against the will of those controlling the financial system at present; and such a change can be induced only by the possession of the ultimate sanctions of the realm, that is to say, control of the navy, the army, and the air force, now controlled by these same controllers of finance. The problem, in fact, is a problem of the victory of political democracy, that is to say *democracy of policy*.

#### MEANS OR ENDS?

To understand what I believe to be the only effective strategy to be pursued, we have, first of all, to recognise that though we do, beyond question, possess the rough machinery of political democracy, we do not use it. It is not democracy of any conceivable kind to hold an election at regular or irregular intervals for the purpose of deciding by ballot whether you will be shot or boiled in oil. It is not democracy of any conceivable kind to hold an election upon any subject requiring *technical* information and education.

Nothing could be more fantastic, for instance, than to hold an election on, say, whether aeroplanes or airships would be better for the purpose of defence, or for any other purpose. Yet the information which is required to give an intelligent opinion on the use of tariffs or monetary policy is at least of as high an order, and is, in fact, in the possession of far fewer people, than the thorough knowledge of aerodynamics necessary for an election on aeroplanes versus airships. So that the first requisite of a political democracy is that its operation shall be confined to objectives, not to methods.

For instance, it is a perfectly legitimate subject for the exercise of political democracy to decide by democratic methods a policy of war or no war, but it is not a subject for democracy to say *how* war should be avoided, or the *means* by which it should be waged. It is, however, a fit subject for democracy to remove responsible persons who fail to carry out its policy, and the responsibility for that action is on the democracy concerned. It will be seen, therefore, that the question of practicability is an essential part of a genuine democracy; that is to say, democracy should not demand something which cannot be done, and should be prepared to accept the consequences of what is done, and to assess responsibility for those consequences. Undesired consequences may result from bad technical advice and management, or they may on the other hand be inherent in the policy pursued.

In other words, a genuine political democracy must essentially be a device based upon trial and error. A political democracy which will never try something which has not been tried before is useless, because things which have been tried before can be reduced to the routine of administration, and administration is not susceptible to the democratic principle, in which it is wholly out of place.

#### PRESENT OBJECTIVES

The problem before the world and, in particular, the problem before this country, therefore, is plain, though difficult. First, we have to know how to bring into our consciousness what sort of a world we want, and to realise that we alone can get it, not in detail, but in objective; and I might say at once that there is not one person in this room who is secure in the world that he now has.

In my opinion, we want, first of all, security in what we have, freedom of action, thought, and speech, and a more abundant life for all. Every one of these is possible, and every one of them in the present state of progress of the world can be reduced to the possession of more purchasing power, so that it is not too much to say, even though it may sound banal, that the first objective of a democracy should be a national dividend.

A second aspect of the problem has been clarified by the courageous utterance of the Lord Chief Justice, Lord Hewart, in his objections to the encroachments of bureaucracy. If I may restate them—the business of bureaucracy is to get us what we want, not to annoy and hinder us by taking from us by taxation and irritating restrictions those facilities, which we otherwise should have.

Thirdly, and most important, we have to obtain control of the forces of the Crown by genuine political democracy.

I do not wish to go over again a subject which I have dealt with at some length elsewhere, but I might, perhaps, reiterate the absurdity of the present conception of Parliament as a place in which highly technical laws are dealt with by elected representatives who did not in any case draft them, and who cannot possibly be expected to understand them. You may be interested to know that no Bill can proceed from any department of the Government direct. Every

Government Bill has to be drafted by the legal department of the Treasury, which we all know to be in effect a branch of the Bank of England, thus making it certain that no Bill can come before Parliament which interferes in any way with the supreme authority of the Treasury and that private international institution, the Bank of England.

In place of this we have to substitute a situation in which the Member of Parliament represents not the technical knowledge or lack of it of his constituents, but their *power over policy* and their right to the use of the sanctions by which policy can be enforced. The proper function of Parliament, I may perhaps be allowed to repeat, is to force all activities of a public nature to be carried on so that the individuals who comprise the public may derive the maximum benefit from them.

Once the idea is grasped, the criminal absurdity of the party system becomes evident. The people of this country are shareholders in it first, and employees of it only secondarily, if they are employees. Can anyone conceive of a body of shareholders consenting to the party system in their business? And this idea is just as applicable to undertakings carried on by the state as in the case of so-called private business. As shareholders we have an absolute right, and a right which by proper organisation we can enforce, to say what we desire and to see that our wishes as to policy are carried out, if those wishes are reasonable, that is to say, if they are practicable.

Let me go further. We have an absolute responsibility to express our wishes; and the catastrophes, crises, and miseries with which the population is faced and is experiencing, and the stultification of all the magnificent work which is done in the various departments of industry and national activity, are directly due to the fact that we do not express a common policy as to the use and distribution of the fruits of progress, and do not recognise our responsibility to see that it is carried out through our *political* (not *administrative*) delegates.

We, in the Social Credit movement, devoted many years, and very properly devoted those years, to making quite certain that the policy of the fuller life was a practical policy. For this reason we put forward various technical theories, in part somewhat elusive and difficult to understand, and requiring, in any case, for their proper criticism, an exact and competent knowledge of the mechanism of finance and industry as they exist in the world today. No one can complain that we have not had criticism enough, and, in some cases, criticism of a very high order, mixed, of course, with a good deal of what I can only describe as bilge. I am wholly satisfied that there is nothing impracticable in the demand which I suggest should be put forward, and a quite sufficient number of instructed persons agree with me.

But we recognise that, its practicability having been proved, the problem is a problem of power, and we recognise equally that political power must rest upon aims and desires and not upon technical information. So far as I am concerned, therefore, I am satisfied that further argument upon technical matters will achieve little or nothing, and certainly not in the time which is available, and that the only hope of civilisation lies in forcing a new policy upon those who have control of the national activities, of whom the bankers and financiers are by far the most important.

We do not want Parliament to pass laws resembling treatises on economics. What we do want is for Parliament to pass a minimum of laws designed to penalise the heads of any great industry, and banking and finance in particular, if they do not produce the results desired.

#### LICENCING FINANCE

I will be specific. I think that the chairmen, superior officials, and branch managers of all banks, insurance companies, and other financial institutions should, as is the case with smaller pawnbrokers, be licenced. The fee for such a licence should be moderate (say £100) if the individual retained his post indefinitely. For every change in the personnel within a period of, say, five years, not due to death or disability, a very substantial increase in the licence should be imposed. The general policy to be pursued by finance should then be imposed by Parliament, and no interference with the *details* of banking, insurance or other finance be permitted.

If the *policy* imposed by Parliament is not achieved within a reasonable time, a sufficient number of chairmen and other officials of financial institutions should have their licences withdrawn, and the very greatly enhanced fees (I should suggest 1,000 times the original licence) exacted for the new licences should be applied to the reduction of general taxation.

I have no doubt whatever that some such policy as this would brighten the brains of bankers who are unable to see any way out of our present difficulties, and I commend this policy to the Governments of New Zealand and Alberta, in place of the assumption of responsibility for teaching details, to which they appear to have committed themselves.

You will have gathered, I hope, that in my opinion the tragedy of human effort implied in the questions with which I commenced this address, arises more than from any other single cause from a failure to distinguish between means and ends, amounting in many cases to the elevation of what are only means to ends in themselves.

We have got ourselves into a state of mind in which pepper is not something to put on an egg, it is something for bank chairmen to make a “corner” in. It is a failure of vision which, more than anything else, is due to the hypnotism that money has exercised upon the human mind, but the rule of the expert is far from blameless. An expert is essentially a servant of policy, and we all know what comes of “a servant when he ruleth.” The cure for it is to begin by demanding that whatever virtues are inherent in money shall be shared; and, in order to make this claim, it must be established that the claimant has the right and the power to enforce it.

#### THE WEAPON TO HAND

We of the official Social Credit Movement are concentrating upon this problem of devising a mechanism, to enable the individuals who comprise the public to impose their policy on the organisations which have no sound reason for existence other than the will of the people. We have organised a device known as the Electoral Campaign, to obtain a demand, backed by a sufficient number of votes, that every Member of Parliament shall regard himself as the spokesman of the policy of his constituents; rather than as an expert elected for the purpose of managing the business of the country.

The Electoral Campaign is a *means* and not an end. The end is, in general, the putting of the expert in his proper place, and, in particular and only as a beginning, the distribution of a National Dividend. Any other means, which will produce the same result in a shorter time, will be utilised. So far, no such means have been suggested.

There is, in Liverpool, an organisation that deals with this matter, as in fact there are organisations all over the world, and all of them are acting on these lines and are affiliated to the Social Credit Secretariat. Personally, I have no doubt whatever that if the policy, which I have outlined, were pursued by every voter through the mechanism which is provided, with one-tenth the energy which is put by the average individual into his favourite game, the whole outlook of the world would be changed within twelve months’ time.

I am equally convinced that if control of *policy* is left in the hands of bankers and industrialists with their present mentality, while at the same time parties, organisations, and individuals wrangle about *means*, a world catastrophe is a mathematical certainty within a few years.

Neither I nor any other individual can help you if you will not help yourselves, and neither I nor any other individual who has endeavoured to arouse you to a sense of responsibility can take that responsibility from you.

You are responsible for the poverty, grinding taxation, insecurity and threat of war. Yours is the responsibility, yours can be the power.

Will you, individually and collectively, assume the responsibility and the power? If not, there is no legitimate ground for hope.

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## The Dynamic *versus* the Static

By THE EARL OF TANKERVILLE

SINCE the Editor, in his opening article of The Fig Tree’s first number, has declared that the object of this review is realism, one’s mind is led to a consideration of the meaning—or rather, of one’s *own* meaning—of that word and of what it implies. To me, realism means *action* based upon, and arising out of, the individual’s appreciation of actuality—actuality, as here used, meaning one’s consciousness of oneself and one’s environment *when* that consciousness is freed from the coloured spectacles of prejudice and idealism. Therefore, to live realistically implies a constant effort to meet the present as a continuously fresh experience, as an experience, which can never fully and adequately be lived by reference to precedent nor by conformity to any idealistic set of rules. Both prejudice and Utopianism are equally slavery, for both are unrealistic; both are artificialities, created by the individual as a defence of his selfhood against the “flow” of life, to the pattern of which he seeks to make others, or himself, conform.

Man seems, in this respect, to have a twofold nature. Part of him has what I will call here a static tendency and part a dynamic tendency. On the one hand, he wants certainty *within* the limited sphere of his mind; he wants mental comfort, and his mind cunningly avoids anything which threatens to disturb his static sense of values; he wants nothing old to end and nothing new to begin. He wants a fixed measuring stick to which he can relate everything that comes his way; present-day popular conceptions of the nature of money are an excellent example of this. This part of his nature, being static in tendency, invites exploitation. On the other hand, there is his more fundamental aspect, which exerts a continuous urge towards freedom from limitations. It is, in fact, desire—but not limited desire. This part of his nature, being dynamic, is the destroyer of his exploitability. Between these two parts of man's nature there is conflict. He wants freedom, but at the same time he does not want to let go his mental safeties. The result of this attempted, but ultimately impossible, compromise is confusion and suffering.

Now, because the national, or equally the world, problem is simply the individual problem, we see the same struggle going on within each nation and between the nations; the same urge towards freedom, but expressed only in such ways as do not involve altering the manmade rules of existing systems; the same increasingly futile attempt at compromise between habitual, and therefore static, systems of thought—social, economic, and political—and the dynamic change of actuality; the same resultant confusion and suffering. Because it is the individual problem, it cannot be solved by any agency external to the individual, any more than can the static part of a man's nature be sublimated by anyone outside himself. But, since actuality is dynamic, any system, financial or otherwise, which does not change at a similar rate, will have to be applied with ever-increasing rigidity if it is to be maintained. Therefore dictatorships—whether open by Fascists or Communists, or veiled by financiers (as in this country)—must *increasingly* restrict individual freedom, ending either in social and political convulsions, or reducing the status of the individual to the level of the ant.

If the foregoing is conceded, it will be seen that, to create a community in which systems shall alter at such a rate as will conform to actuality, the very antithesis of dictatorship must be applied. That antithesis is individual responsibility. The individual must himself be the dictator, instead of delegating his responsibility to some external person or government. *But*, he must dictate only upon such matters as he is fully qualified to dictate about, *and* he must dictate *realistically*. As one voter in a democracy amongst millions of others, he is fully qualified to say only what *results* he wants and in what order he wants them; he is *not* qualified, nor is it necessary for him, to say by what technical methods those results are to be arrived at. To dictate realistically, moreover, he must be able to distinguish between what are results and what are, in fact, only methods. It is these requirements which seem to present the most difficult aspect of the problem, because they involve a challenge to the static part of man's nature.

To make a direct demand for a result, without restriction as to technical methods, means that one is willing, if necessary, to destroy one's prejudices, one's axioms of life, one's notions of right and wrong, reward and punishment, etc. For example: To demand one's share of what is now being destroyed or restricted, plus freedom of choice as to the form that share shall take, means not only fundamental changes in one's mental axioms concerning money, but also that one is willing for the OTHER man to receive pay without working for it, to be idle, to drink himself to death, or to do anything else one thinks is bad for him—to be free, in fact, to live the kind of life he chooses, provided, of course, that he does not interfere with the liberty of other members of the community. Consequently, there is a subconscious mental resistance to demanding results, which is also reflected in apparent inability to distinguish between results and methods, policy and administration. For instance, in order not to have to disturb his "no work, no pay" prejudice, a man may be "unable" to distinguish between his desire for work and his desire for the fruits of work.

And yet, since the life-urge in man is dynamic and not static, there can be no standing still, no resting *in statu quo*. Consequently there are in principle but two alternatives, both of which must be augmentative in effect: either realistic democracy—involving continuous dictation of policy by the voter, with centralisation of administration but *not* of policy, and tending more and more towards the release of individual ability and initiative—or increasing forms of dictatorship or bureaucracy, tending of necessity more and more towards the complete subjugation of individual liberty to systems resulting from centrally-determined policy. The former involves a continuous challenge to, and ultimately the destruction of, one's static self. The latter requires no initiative, mental courage, or acceptance of individual responsibility; it is the direction in which our civilisation is drifting now.

Some readers will perhaps think: "Yes, but will the ordinary man be able to see this? He seems so stupid; how can I break down his walls of prejudice?" One cannot break down his prejudice—only he can do that, for this is essentially an individual problem—but one can give him credit for at least as much intelligence as oneself. Any other attitude is presumptuous and conceited. If he has not the intelligence to appreciate the nature of the present urgent choice, that is no excuse for oneself to postpone action; and perhaps he has been unable to understand because one is not quite clear



enough about it in one's own mind.

Freedom implies *continuous individual responsibility*—the release of the dynamic part of one's nature by the breaking down of one's own static hindrances. Only in that way can action be truly realistic, and this, or any other, country be saved from increasing exploitation, and from slavery to systems and vested interests.

## Off at a Tandem

By Dr. A. FROTTI, D.Sc. (Econ.)

IT is maintained by a number of distinguished economists that the alternate boom and slump in industry which we call the Trade Cycle \* is more to be regarded as the periodical accumulation of innumerable lesser fluctuations or small cycles, little wheels, as it were, within big wheels, than as an indivisible and concrete whole without any spokes. These thinkers assert that in this connection the part is greater than the whole, in that it is the part which brings about the whole and without which the whole would not exist, and that these small cycles have to do not with the sun but with the moon.

\* The reader must be careful to distinguish between this and the Cycle Trade.

The name of Dr. Bughouse springs at once to the mind. Dr. Bughouse observed these little cycles at his home in Attamope, Neb. He calls them "trottinettes," and has long held the theory that their track-centre follows the course of the labour market. The moon, he considers, heightens or depresses the productive activity of the labour market to an extraordinary degree, as measured in terms of the pound sterling; \* though in inverse rotation to its effects upon the tides. High tides are assumed to be common phenomena of the full moon: unusually low ones occur when the moon is old or invisible. ‡ In the case of the labour market, however, the opposite is true, and a full moon may be disastrous to productive efficiency among labour factors. "They get off around the slagheaps," Dr. Bughouse remarks, "along with the female help; and what with losing sleep the night before and worrying over it all next day, their result-value is approximately measurable at the coefficient of zero over the square root of unity." A long series of full moons one after another, were that possible (and, as Dr. Bughouse points out, we must remember that Joshua did something like this to the sun) would probably be more restrictive of world trade than another World Economic Conference.

\*Dr. Bughouse has a low opinion of the dollar.

‡Unless indeed we are to accept the findings of that eminent Viennese economist, Professor Phrausi, who, after twice reading Jeans' "Mysterious Universe," postulated the daring axiom *that the tide caused the full moon*.

It will be observed that Dr. Bughouse follows the methods traditionally accepted as sound in a scientific work of this nature; that is to say, he is first concerned to evolve an idea. From this idea he proceeds to deduce facts, and these facts, embellished and furbished up, are then utilised for the formulation of a theory. The axiom, which results from this process, is allowed to speak for itself. The writer offers this little exposition of the scientific method because he shares the view, so ably demonstrated by Sir Jossier Stump and others, that if it were more generally followed much muddle-headed economic thinking might be avoided on the part of so-called scientists in other walks of learning, especially in those deplorable annual gatherings of the British Association, where if the Trade Cycle is even mentioned people *will* go off at a tandem.

The labour market, then, is peculiarly susceptible to lunar fluctuation. Dr. Bughouse would stop all this if he could. He would have governmental legislation either to shut of the moonlight altogether, a consummation which not even our factory chimneys before the days of smoke-abatement were able to achieve, or he would set a commission to work in Geneva to discover a formula analogous to that utilised by Joshua, but in, as it were, the reverse and the obverse. He also advocates as a strictly transitional and temporary expedient, since he would not for any money subscribe to measures liable permanently to curtail the freedom of the individual, that a Ministry should be established to, in his own words, "plan controlled sweet-hearting." Such a body, while retaining in all essentials its transitional and ephemeral nature, could take powers to extend its scope and prolong its own existence, if necessary, until such time as the general public were educated to the development of a more satisfactory social conscience. "There'll be no need for government departments," he writes, "once every living creature's had a change of heart in favour of the Social Justice racket."

Professor Waffle (London) has suggested to me that most of Dr. Bughouse's objectives would be attained by the simple expedient of charging for moonlight. Such a tax need not be prohibitive, provided it were sufficiently high to

stimulate the labour market into putting forth increased activity in order to deserve the advantages accruing from meeting it.\* The same objection, however, occurred to us both at the same time—so far as we were able to gather by consulting our stop-watches— that in such case people might prefer to do without moonlight altogether. The writer even ventured a supposition that the labour market might perhaps forego the hitherto common practice of courtship between the sexes, on the ground that it had become too expensive; just as individual enterprise has in general abandoned the private production of progeny, except by unilateral agreement under the direction of the Inland Revenue.

\*It is only fair to state here that Professor Waffle considers it the main duty of an economist to make men moral. He points out that the word *oikovopîia* means the practice of housewifery, and it is the housewife who has to see that people behave themselves.

So cogent did these speculations seem, and the results of any precipitate action likely to have so far-reaching an influence upon the course of human history that it was decided to place the matter without delay before that great national authority, Professor Keynote. This was done. It was not, however, before the lapse of several moons that we received, upon a postcard, the following weighty reflection:

The productive activity of the work unit in such event may be said, when all other divergent factors have been interdigested and redisseminated, to be capable of being arrived at by discovering the point of intersection of the aggregate physical capacity to perpetuate expenditure of energy-units, along with that of the aggregate seasonal propensity to osculate.

There the matter rests. Professor Waffle and myself are content to let it rest there. Perhaps, however, some reader of these pages may be moved to utilise this dictum as a starting-point from which to grasp the nettle while the iron is ripe.

\* \* \*

DR. BUGHOUSE’S CHART  
 (“The Lunatic Theory”)

Rate of Productive Efficiency of Work Units per £ sterling

<i>Moon Phases</i>	<i>Winter Solstice</i>	<i>Summer Solstice</i>
New ... ..	100	96.341
First Quarter ... ..	82.985	68.875
Full .....	74-625	49.329
Second Quarter ... ..	82.985	68.875
New ... ..	100	96.341
Harvest ... ..		26.025
Honey ... ..	0	0.0

# The Function of Price

By A. W. COLEMAN

IN the Chase Economic Bulletin for April last, Mr. B. M. Anderson provides an interesting discussion on Governmental Economic Planning in relation to prices. Therein he distinguishes between fair or just price, which is based upon conceptions of law and morals, and functional price, which is the free market price—briefly, all that the goods will fetch.

The function of prices in free, competitive markets, he points out, is to keep industrialists accurately informed as to changes in supply and demand, in production and consumption. Price changes will then bring about the necessary shift of labour and capital from one industry to another, so as to keep goods moving through the markets as freely and rapidly as possible, and maintain employment of all resources at a maximum. This price system, promptly correcting over-supply at one point or undersupply at another, is sensitive, automatic, and efficient.

Such functional prices bear no necessary relation to costs of production. Costs, including labour costs, must adapt themselves to prices. Where costs cannot be cut to meet falling prices, losses must be sustained until the swing of the pendulum brings higher prices and compensating profits. The Bulletin writer admits the hardships involved in the process. He says: "Past costs of production mean nothing if present market demand will not pay them. Goods produced a month ago at ten dollars, coming into competition with goods produced a week ago at nine dollars, must meet the competition or remain unsold. And the wise policy usually is to take losses promptly and readjust." "Readjust" is expressive; but it savours overmuch of the banker, seated above the fray, and surveying with equanimity the turmoil of lesser mortals struggling with the bitter problems of this readjustment. Mr. Anderson's view, however, appears to be that in a free market the swings of the pendulum will generally be small, and gains will outweigh losses in the long run, except in the case of inefficient businesses, which were better eliminated.

In order that prices shall function efficiently in this way, it is essential that markets shall be free, and Mr. Anderson contends that Governmental interference in matters of trade should be confined to the measures necessary to keep markets free and competitive. The function of the Government should be the prevention of corners, combines, monopolies, raids on commodity markets and other practices for artificially manipulating prices.

Since the Great War, and more particularly since the crisis of 1930, the interference of Government in matters of trade has increased seriously. It has taken the form of price and rate fixing in several industries on the basis of the just price as this was conceived in mediaeval times. This price provides a fair wage for both labour and capital, and covers production costs. These fair or just prices have been applied principally to railroads and public utilities, and their application over these wide and important fields has been and is, in Mr. Anderson's opinion, the main cause of the chaotic state in which the remainder of industry has found itself. If this opinion be correct, an interesting conclusion would seem to follow.

Two points must be noted. First, that under any conditions even functional prices must, over any considerable period, cover production costs. Secondly, that railroads and public utilities are industries for which the demand is relatively stable, and which are very little affected by the fashions and changes in the preferences of the public, which assail so many other industries. Yet if, when prices in these stable industries are based on production costs, other industries are unable on the whole to obtain prices, which cover production costs, it seems reasonable to conclude that, over industry as a whole, it is not possible to obtain prices, which cover production costs.

This confirms a conclusion from the New Economic Analysis, namely, that industry does not normally distribute sufficient income to consumers to buy its final products at prices, which include all production costs; though it may possibly do so under abnormal conditions. These latter are periods of either excessive capital production or excessive export without equivalent import. The technical reasons for this need not be considered here. Suffice it to say that they are bound up with the accounting of machine costs. In any closed credit area, prices contain items of machine costs from past cycles of production which are not offset by contemporary issues of similar machine costs as incomes to consumers, unless capital production is expanding at a most abnormal rate; and these items form an increasing percentage of total costs, as the ratio of machine costs to labour costs increases. The general experience of industrialised communities, that the greater the mechanisation of process in production the greater is the difficulty of distributing the product, confirms the technical analysis.

Before it is possible to express an opinion as to the proper relationship of prices to production costs, it is necessary to be clear as to what these costs are. What are they in physical reality? And does their presentation in financial terms correctly mirror that reality, or does it distort it? Businessmen have grown up to regard it as axiomatic that cost is a sum of money obtained by adding together all the expenses incurred by cost-accountants throughout the long chain of operations culminating in a finished product; and that outlook is only too often prejudicial to any examination of cost from the wider point of view of physics.

Physically, cost is loss. During any given period, a community will produce a certain volume of goods and services of every description, and consume a certain volume. The loss sustained is the volume of product consumed. There is no other loss, provided that all expenditure of human energy has been made good by that consumption, and that the community is as physically and mentally fit at the conclusion of the operations as it was at the commencement. So this loss—the total consumption—is the real cost of the total volume of production. The latter will, of course, include all capital production as well as ultimate, consumable products, together with all imports; and the total consumption will include all wear and depreciation of capital assets as well as the consumption of ultimate products, together with all exports.

If we call the total volume of physical production  $P$ , and the total volume of physical consumption  $C$ , we can say that, over any considerable period, the real, physical cost of  $P$  is  $C$ ; while the net gain,  $P-C$ , is the communal profit on the whole operation. The qualification regarding the period is important. It would be misleading to say that  $C$  was the cost of  $P$  for a single week in August, including the Bank Holiday. Reasonably correct figures would be obtained by taking a period of one year, and still more so, especially from the agriculturists' standpoint, if the period were increased to four.

Now, as  $C$  is the real cost of  $P$ , and  $P$  must be multiplied by  $C/P$  in order to obtain  $C$ , this is equivalent to saying that:

The total volume of physical production must be multiplied by  $C/P$  in order to obtain its real physical cost—the true cost.

It is to be noted that  $C/P$  is simply the ratio of two physical quantities to one another, and is a pure number. These physical quantities can be measured in any suitable units, provided the same unit is used throughout. The ratio has no necessary connection with money, although the quantities might conveniently be measured in monetary units. They might also be measured in energy units. If the total physical production be measured in any given unit, then multiplying the total by  $C/P$  will give the true cost in that particular unit. Consequently, if we measure total production in monetary units, as is normally done, and multiply this figure by  $C/P$ , we shall get the true money cost. If, however, this is true of total production, it is true of any portion of it. So we may say that the "true" price to the community, i.e., to the consumer, of any final product is  $C/P$  times its normally accounted money cost.

It may be of interest to compare the old and orthodox equation,

$$\text{Price} = \text{Production Cost (plus profit)} \dots\dots\dots (A)$$

with the new and so far unorthodox equation,

$$\text{Price} = C/P \times \text{Production Cost (plus profit)} \dots\dots (B)$$

(B) gives true price, but that does not necessarily mean that (A) is untrue. Just as, in astronomy, Einstein's laws and equations are wider and more generalised than those of Newton, which they embrace as a particular case, so, in economics, the new equation is a wider and more generalised one which embraces the older as a particular case—the case where  $C/P$  is unity. But in modern communities, total production is normally in excess of total consumption, and  $C/P$  is a proper fraction. Very rarely is the ratio unity, and only during periods of widespread physical disaster would it be an improper fraction. In other words, true price is a fraction of production cost as financially accounted.

This conclusion illuminates the difficulty posed by Mr. Anderson. Ideally, all desire to see fair and just wage rates for labour and capital, however great the difficulty of deciding what is just in each case. There would also be general agreement that prices should function so as to maximise trade. New Economists, in particular, would be more explicit in this matter, and say that prices should be such that a community would be able continuously to indent to the full upon the maximum productive capacity of its industrial organisation. But if both these aims—fair and just wage rates, etc., and functional prices in the fullest sense—are to be attained, there can be little doubt, from Mr. Anderson's review of American experience, that the general level of ultimate prices to consumers would fall below production costs—probably considerably below.

It is of primary importance to note that this conclusion is drawn from the United States of America, which are physically self-supporting to within two or three per cent, and embrace one common currency and credit area, with free trade throughout. Had it been drawn from the Disunited States of Europe, bedevilled by numerous different currencies, trade barriers and international debts, a general failure to cover production costs might plausibly be attributed to precisely these factors.

It is ultimate prices to consumers for final products that form the key to the problem. If these are to function so as to maximise consumption, and consequently production, while other prices—those of intermediate and capital products—are allowed to cover production costs subject to fair and just rates for wages and profits, then these ultimate prices will have to be “true” prices, in accordance with the Douglas formula (B).

Mr. Anderson says that “It is part of the mediaeval concept of just price . . . that price should not be less than cost of production. Cost of production is something sacrosanct and prices should recoup costs. Cost of production, however, . . . from the standpoint of the functional conception of price is in no way sacred.” With the last sentence, the New Economist would concur. A “true” functional price, which would be a definite and proper fraction of production cost, would de-sanctify the latter most effectively. But such de-sanctification, while we maintain existing methods of computing costs, must entail continuous financial loss for all retailers, and the consequent necessity for reimbursing them by continuous subsidies.

Subsidies extracted from consumers by current taxation will obviously defeat their purpose. Subsidies provided from Ways and Means advances, and subsequently transferred to National Debt, also provide no permanent solution. Subsidies for this purpose will have to be issued free of debt and independent of consumers’ incomes.

Is there any source from which such subsidies can be drawn? Major Douglas insists that there is; it is the same source, which enables a bank to lend more money than it receives—the National Credit.

#### Psalm 1936

THE politician is my shepherd; I am in want.  
He maketh me to lie down in relief camps.  
He leadeth me beside the still factories.  
He disturbeth my soul.  
He leadeth me in the path of destruction for his party’s sake.  
His policies frighten me.  
He prepareth a reduction in my salary in the presence of mine enemies.  
He anointeth my small income with taxes; my expense runneth over.  
Surely unemployment and poverty shall follow me all the days of my life; and I shall dwell in a mortgaged house forever.

—From the “Comox Argus,” Vancouver, B.C.

## Parliament

My CAPTAIN H. M. RUSHWORTH, M.P. (*New Zealand*)

ONE interesting characteristic of our present-day national life is the tendency of the uninitiated to gird against and to blame parliament, the parliamentary system or parliamentary procedure, for many if not most of the economic ills from which the body politic is suffering, and one occasionally hears the suggestion that the system has become an anachronism.

It appears, however, that in the course of time any Government, no matter how good or progressive it may be at first, will become unprogressive, stagnant and even corrupt. All history from the earliest times shows that this is so, and that, if a nation is to live in a constantly changing environment, changes in the direction and objectives of governments must be made.

It is well to remember also the experiment that was made in the golden age of Hellenic culture when the peoples of Athens, Sparta, Mitylene, Argos, and the principal cities of Asia Minor set out to find the perfect form of government. They concluded that a beneficent autocracy would be the best possible form. Having taken every

possible precaution, they selected the men best equipped mentally, morally and physically; endowed them severally with complete power in the several states; and conferred upon them the dignity of a special title—Tyrant. The experiment was, at first, most successful and satisfactory to all; but gradually those autocrats, who had been selected with such great care, commenced to abuse their power. By almost imperceptible degrees the abuse of power developed, until eventually the peoples concerned were compelled to revolt, to recover, through the avenue of bloody revolution, the power of self-government which they had handed over in the hopes of attaining even greater triumphs than had been accomplished by self-government.

Any form of government that is instituted, or that is maintained, by force and not by the people's will, can be changed—when the necessity arises—only by a greater and rival force. The conception of effecting a change of government in a peaceful and constitutional manner is inherent in the parliamentary system with its periodic General Elections. This system is the product of 1,000 years' experience and development in the art of government according to British ideas and ideals.

In recent years the real meaning of the term “parliamentary system” seems to have been obscured. It is government by the three Estates of the Realm—King, Lords and Commons (or their counterparts in the Dominions)—and legislation is possible only when all three are in agreement. This was modified by the struggle in the reign of King Charles I., which transferred to the Commons the exclusive control of money and of taxation.

It has been assumed too readily that the efficient working of the parliamentary system is dependent on a strong, stable party in power in the Commons. Several countries that have adopted the parliamentary system, on the model of the “Mother of Parliaments,” but adapted to the local requirements, appear to have made this assumption and, after trial, have abandoned the system—probably forever. Russia, Italy, Roumania, and Germany are instances in point. Such an assumption is quite unwarranted, however, and if persisted in, is almost certain to bring about the abandonment of the system even in the country where it originated.

The strength and genius of the parliamentary system is to be found in an *effective* criticism of the governing power: of any or all of its proposals and of its administration.

Such criticism should be effective, but it must not be such as to destroy the power of government or to place such power in the hands of a minority. Parliamentary procedure has developed through the centuries with the obvious intention of establishing and maintaining that idea. In this connection the reader is referred to May's “Parliamentary Procedure” (9th Edition), which is regarded as the standard work on the subject. But the party system in the Commons is an excrescence of comparatively recent growth, and cuts clean across the main idea set out above. It is not too much to say that the division of the Lower House into permanent groups or parties has entirely suspended the operation of the parliamentary system of government.

At any and every General Election enormous pressure is brought to bear on all Parliamentary candidates compelling them—with few exceptions—to pledge themselves to support this or the other party in a *no-confidence motion*. When such a pledge is given, no other subsidiary promise, undertaking or pledge is of the slightest value.

The party that is able to obtain the predominant position in the Lower House declares *confidence* on practically all matters of national import (and many others) that come before the House. The writer has seen—in the few years that he has been in Parliament—even the election of a new Chairman of Committees declared by the Government to be a matter of confidence. In all such cases the party whips are seen in action and, no matter what the merits of a case may be, or how individual party members may have pledged themselves on the subject in question, the over-riding pledge is invoked. It is highly diverting to observe the antics of a Government with a large majority introducing a highly contentious or unpopular measure. Government supporters whose seats are regarded as shaky are given dispensation and allowed to vote against such measures; but such times are anxious moments for the Government whips, and they can be observed carefully counting heads again and again to see that a majority is retained. The division on the clause of the New Zealand Bill reducing the Old Age Pension was an illuminating illustration of this practice.

The party in power requires merely a docile rank and file who will cause the minimum of trouble when voting takes place, and the party in Opposition knows that at all times, no matter what the merits of the case may be, or how strong the arguments to be advanced, the result is a foregone conclusion. Some time ago an old hand said to the writer: “I have been in this House for just over 30 years. I have listened to debates on every subject under the sun. Many and many a time my opinions have been changed by the arguments to which I have listened, but my vote never.”

The Confidence Trick ought to be hounded out of the political arena.

Groups or parties are inevitable in any progressive national assembly, but these should be kaleidoscopic, not fixed or permanent. Frequent regroupings should be possible in order that all matters should be dealt with on their merits in accordance with national requirements as understood by the intellect and conscience of the individual representative. It should be possible for a proposal by the Executive to be rejected or amended without causing a Governmental defeat, if the merits of the proposal require such treatment, and it should be possible for a proposal to emanate from Members other than the Executive, and for such to be also decided upon its merits. This cannot be done at present. The initiative is entirely in the hands of the Executive.

Under the present party system, all the power of government is apparently resident in the Executive. But even the members of the Executive seem to have little, if any, influence on the framing of policy affecting the major affairs of national, imperial or international importance. Practically all such members are the appointees of the party leader and hold office during his pleasure. The party leader is usually the product of influence behind the scenes, and is permitted to hold the appearance of power for just so long as he can deliver the goods to the “interests” that he serves.

In a proper working of the parliamentary system it should be possible for every elected Member to declare himself, as did Edmund Burke in November, 1794, when returning thanks for his election to the British House of Commons\*:

It ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence and the most unreserved communication with his constituents. Their wishes ought to have great weight with him, their opinion high respect, their business unremitting attention. It is his duty to sacrifice his repose, his pleasures, his satisfactions, to theirs. And, above all, ever, in all places to prefer their interests to his own.

Your representative owes you not only his industry but his judgment, and he betrays instead of serving you if he sacrifices it to your opinion. If government were a matter of will upon any side, yours without any question ought to be superior, but government and legislation are matters of reason and judgment and not of inclination. And what sort of reason is that in which the determination precedes discussion; in which the one set of men deliberate and the other decide, and where those who form the conclusions are perhaps hundreds of miles distant from those who hear the argument? Authoritative instructions, mandates issued which the Member is bound blindly and implicitly to obey, to vote and to argue for, though contrary to the clearest conviction of his judgment and conscience; these things are utterly unknown to the laws of this land and arise from a fundamental mistake of the whole order and tenor of our constitution.

\*Since writing this I have read Major Douglas’s illuminating speech on the Nature of Democracy at Buxton—it certainly throws a remarkable light on the utterance of Edmund Burke. The cynic might suggest that Burke was at pains to define the functions of a “Representative” in exactly the terms which would suit him best.

More probably he was quite sincere in believing that it was inevitable or “worldly wise” perhaps, that clearly stated principles should be compromised with their opposite. Had he learned the difference between policy and technique he would surely have changed his mind.

The Standing Orders of the House are merely the local adaptation of parliamentary procedure. They can be, and are, varied from time to time to suit particular emergencies and they can, to a limited extent, be used to abolish obsolete procedure or create precedents evolving that procedure still further to meet the ascertained requirements of the parliamentary system.

There is no denying the fact that parliamentary procedure is galling and irksome to the impatient spirits (of which the writer is one) who desire to be up and doing. The machine seems to be cumbersome and unwieldy. The wonders is sometimes that it works at all. But procedure is part of the system. Indeed, it is the very spirit of the system. Behind every item of procedure there is a good and sufficient cause to be found in the experiences of the past, and it is only when repetition of such experiences has become quite impossible that those items of procedure fall into desuetude and are finally abandoned.

Procedure may be used or abused. The permanent party idea makes the abuse inevitable.

Another article could be written in elaboration of the idea that the parliamentary system—like any other system is merely a piece of machinery designed to produce certain required results. Behind the mechanical operation of the machine there is the all-important question of the spirit animating those who are operating the system. Responsibility, individualism, and leadership are also involved. Indeed, a very wide field opens up for those who wish to exercise their minds on these subjects.

## At the Queen's Hall

(THE FIFTH SYMPHONY)

SUCH dignity  
Such dignity,  
Such pain.  
I did not know  
Unto such dignity,  
Such majesty,  
Man could attain.  
My heart is torn  
And frittered by a hundred bows,  
The wind blows through me,  
I am lifted up and borne  
Unto such dignity,  
Such dignity,  
Such pain;  
I am cast down,  
The Master drains me,  
I am swept bare and clean.  
Unto what dignity,  
What majesty,  
What dignity,  
Shall Man attain?

It dies;  
It comes to its appointed end.  
We must troop out  
Into the leaden street again;  
Alas! to what indignity,  
What misery,  
What pain!  
To what indignity,  
What misery,  
Can Man attain,  
For bread, for very breath,  
Scraping a tuneless fiddle in the rain!

GEOFFREY DOBBS



## Moonshine

THE moon comes up and the moon goes down  
On the crooked little roofs of this dirty little town,  
And it blesses them all and it makes them sweet—  
The huddled little houses in this dull grey street.  
It casts its blessing on all the little folk,  
Lying in their little rooms like dolls in a box,  
All shut in with latches and locks,  
Snoring each his little snore  
Behind his proper bedroom door,  
Prone beneath the moon's soft stroke.  
Young boys, old boys,  
Sound boys, sickly boys,  
Jelly-bellied aldermen lying on their backs,  
Young girls, old girls,  
Lovely girls, ugly girls,  
Smelly scented women like fat flopped sacks—  
Over the window-sill,  
Calmly the moon's cold eye  
Sees them all quiet and still  
(Here a grunt, there a sigh),  
Charms them till morning time,  
Till the cruel sun is high.  
Then we see what's the matter,  
Filth and slime,  
Grease and grime,  
Aged folk with clothes a-tatter,  
Dirty wretched children crying,  
Greed and hate and fear and lying;  
Then we hear an ugly din—  
Rattle and clatter,  
Gossip and chatter,  
In this town that we live in:  
When the cruel sun is high,  
Then we see what's the matter,  
And the spell grows thin,  
And snaps—as the moon fades from the sky.

GEOFFREY DOBBS

## Chaff

AS rain dissolves the loveliest April weather,  
So Earth with grief by human chaff is filled,  
Rich autocrats who herd poor men together,  
Grinding their bodies till their hearts are milled;  
Tyrannic saviours, peacock-politicians,  
Preening themselves in Whitehall—false magicians.

Or, as a hungry shark with teeth gigantic  
Crunches small fish between its villainous jaws,  
So modern gods have crushed the soul romantic,  
Mocking caged hearts with mechanised guffaws.  
Men in their aimless quest of speed and pleasure  
Can see no longer nature's infinite treasure.

Now, when will all these hypocrites be scattered,  
Whose false ideals have stolen hearts away,  
And men arise with spirits cleansed though shattered,  
To shout a welcome to some shining day,  
And burst the bars of their commercial cages,  
To find in beauty life's triumphant wages?

HERBERT BLUEN

## Chinese Proverb

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

—*Ch'ao Ts'o* (Second Century, B.C.)

## The Church Dormant

“Christian Polity.” By V. A. Demant (Faber and Faber, 7s. 6d.).

IF I read Father Demant aright, I gather that the main purpose of this book is not so much to turn the hearts of the disobedient to the wisdom of the just, as to impress on all who profess and call themselves Christians, and believe that their faith has definite social implications, that their best efforts are being frustrated by a perversion of that mechanism of administration called money, which was rampant in Jerusalem *circa* A.D. 33, and has lost none of its baleful power in the City of London A.D. 1936.

How is it that this baleful power remains unchallenged by the Church? Verily one of the most disturbing phenomena of this distracted age is the incomprehensible refusal—it may be congenital inability—of the Anglican Episcopate to face the fact that the tap-root of the social and economic evils they deplore is that persistent perversion of means to ends which city pundits and bankrupt politicians glorify with the name of “sound finance.” It is in his lucid exposition of this that Father Demant renders a service of inestimable value:

“Among all organised activities,” he says, “that one which the religious consciousness, from the Laws of Manu onwards, has detected to be the most liable to anti-human irresponsibility is the administration of money . . . Money is a symbol, an idea, a non-changing and non-wasting instrument. The owner of money wields an instrument of more unlimited purpose than the owner of anything or the holder of any political power. It is the most instrumental of instruments. We should expect therefore a secularised civilisation to be dominated by the power of money, for secularism means essentially the erection of means into ends.

That sums up the whole matter; and yet, let any reader of these lines attempt to get an admission of the cogency of this indictment from an Anglican bishop and see what happens!

If we are to look forward with anything approaching confidence to the consummation of a Christian Polity worthy of the name, the Bishops must come to grips with the power that forbids it. A Christian sociology, which leaves the origin and control of money outside its sphere of action, is impotent. It may be full of good intentions and proud aspirations but when it comes to their practical application the road is blocked. There is no effective “mechanism of administration.”

J. S. KIRKBRIDE

## The Importance of an Objective

“A New System of Economy.” By Norman Howell (Diss Publishing Co., 6s.).

“A NEW System of Economy” fails largely because the author will not stick to his objective. On pages 31 and 112 he states clearly that the *raison d’etre* of an economic system is to provide goods and not employment, but in other parts of his book he is obsessed with the necessity for sharing work and “earning a living”. Another defect is that Mr. Howell is an abstractionist. In his introduction he states that the two essentials for a nation are military security and economic security (in that order). On this hypothesis he erects a plan for an international defence force and a central European bank to ration imports and exports. He fails to see that the first problem to be tackled is *individual* security, and that this could be ensured without international agreement.

Although he shows no understanding of the present system of issuing and recalling loan credit, and the consequent growth of debt to the banks, Mr. Howell does recognise that we live in an age of plenty, and appears to be sincerely anxious to abolish poverty without penalising anybody in the process. His plan for solving the problem of internal distribution has the further merit of reforming the present financial system out of existence! Whether it is practical is another matter. Shortly, he proposes to pay workers in commodities, instead of in money, and suggests that industry should reward its employees by means of drafts on the amount of goods they produce. These drafts would represent units of work, varying degrees of skill and ability being differently rated, and would become a new form of money. These proposals ignore the fact that human labour is a diminishing factor in production, and take no account of machines or inherited culture as bases for distributing dividends.

K. M.

# American Finance and the War

Munitions Industry. Report on Existing Legislation by the Special Committee of the United States Senate (U.S. Government Printing Office, Washington, 1936).

WE are all familiar with the fulminations in the Socialist and Pacifist press against the “arms racket.” Without holding a brief for the vested interests of the armament firms, one is curious to note how seldom their representatives are accompanied in the pillory by the traders in money, without whose assistance their industry would be impossible. As long as there exists a financial system, which actively encourages a “favourable balance of trade,” governments and private traders will seize every opportunity to export more than they import, irrespective of whether the exports are tin pails or machine guns.

Anyone anxious to distinguish between cause and effect in this matter is recommended to read this report. The story therein unfolded can be briefly told. When the European War started in 1914 the Allies, and particularly Great Britain, found themselves short of war material. The United States, as the largest industrialised neutral, was the obvious source for supplying these deficiencies. On August 15, 1914, the U.S. Government issued a declaration of neutrality coupled with an announcement of the right of American citizens to trade with the belligerents. On the same date the State Department made public its opinion that loans to either side were “inconsistent with the true spirit of neutrality.”

By October of the same year the Allies had established command of the sea, and the *de jure* American right to trade with both sides became, as regards munitions, a *de facto* choice of supplying the Allies or nobody. Meanwhile the need of the latter for arms, ammunition and war stores was increasing, a fact which did not escape the notice of the American financiers. On October 24, with the approval of President Wilson, a distinction was drawn between “loans” and “credits” (in effect they were the same), and was conveyed secretly to representatives of Messrs. Morgans and the National City Bank. This decision was made public only five months later, having in the interval (on January 20, 1915) been officially denied. The decision, of course, enabled certain of the big international bankers to finance the supply of munitions to the Allies. In January 1915, Morgans became purchasing agents for Great Britain, and in May 1915, for France. Russia was adopted, with rare business acumen, only on the guarantee of Great Britain.

Between January and August 1915, there was an enormous growth of exports to the Allies. New factories and increased employment were accompanied by high wages and large profits in America. Meanwhile the banks responsible for financing this industrial activity became nervous for the security of their advances. By September 1 an exchange crisis had developed. At this moment Morgans, who had been chiefly responsible for keeping the pound steady in terms of dollars, suddenly withdraw their support. The pound sterling sank to 4.51 dollars, and American businessmen saw their new export trade threatened. At once a storm of protest broke on the American President. On September 8 he withdrew the official opposition to “loans” to the Allies, and shortly afterwards a 500-million-dollar Anglo-French loan was floated. In other words, the American public were now to bear part of the risk hitherto carried exclusively by the banks.

For the next twelve months the war boom spread deeper and wider. Various Allied loans were floated by Morgans and other bankers, but as the fortunes of the war fluctuated the genuine public (as opposed to the banks) became increasingly coy with their subscriptions. An added factor was a rising irritation in the United States with Great Britain for searching American ships for contraband, censoring mails and “black-listing” certain American firms for trading with the enemy, coupled with improved relations with Germany, who had consented to modify her submarine campaign.

So strong had this feeling grown by the end of 1916 that President Wilson seriously contemplated an embargo on loans and exports to the Allies. But Morgans and their friends saw matters more realistically. They perceived that affairs had reached the point where the only choice was between American bankruptcy, due to a sudden cessation of war trade, or participation in the war on the side of the Allies, and they backed their fancy to the extent of financing British purchases from their own resources from December, 1916, onwards. From their point of view they were right. The pressure on Germany became too severe. From her point of view the choice lay between admitting the right of the United States to function as an auxiliary arsenal for her enemies or endeavouring to stop these supplies by an unrestricted submarine campaign. She chose the latter, and in April 1917, America declared war. Henceforth everything was lovely in the financial garden. The whole strength of American credit was now behind the Allies. Whether or not the world was to be made safe for democracy, at least security was ensured for the loans of International Finance ...

K. M .

# Quem Deus Vult Perdere

“Lords and Masters.” By A. G. Macdonell (Macmillan, 7s. 6d.).

MR. MACDONELL is the Juvenal of our latter hours. Happy indeed the lot of that far-distant archaeologist who, turning over the tainted wreckage of the British Museum, unearths a copy of “Lords and Masters.”

It is not clear whether the author starts from any basic conviction other than that the world is mad. Nor does it matter. He writes as a painter, not as a mathematician. Yet it is true to say that Major Douglas and he are in some sense complementary. Douglas has shown that two and two are being added together to make nine. Mr. Macdonell, with brilliant ruthlessness, paints the stark dementia of that nine. The expression “screamingly funny” is often used in describing humorous works of a lighter sort. In the case of this book it is coldly, dreadfully true.

James Hanson, self-made millionaire steel-king, engineers one war between Cimbria and Suevonia, which contributes towards the outbreak of the First World War. In 1936 Hanson tries to stop the Second World War, at the cost of a few hundred lives in a ‘gloxite’ mine which he blows up; but the War takes place all the same, for purely red-tape reasons.

Yet why bother about the plot? The book is like a film star’s jewel-case.

“I’ve bought you Westbourne,” he said.....“It’ll cost you two thousand a year . . . Pity you didn’t plump for Labour. I could have got you Stopley-le-Spring in Durham for a thousand.”

“But, father, . . . ” protested Robert, . . . “I’m a Conservative out of principle”

“Oh, yes, I know all about that ... So am I. So are we all. Now run away and play.”

“Fascism—Bolshevism. It’s all the same.”

Unable to believe her ears, Eleanor turned and said in a tone of magnificent ice, “What did you say, father?”

“You heard,” replied James Hanson . . .

“Every schoolboy knows how Suevonia committed an unparalleled act of aggression upon the peace-loving Cimbrians; how a horde of Suevonians massacred a poor, harmless body of Cimbrian soldiers in cold blood, in time of peace, simply because they were enjoying a little rustic sport at a Suevonian village, burning a house here and there out of sheer animal high-spirits, and raping a few giggling Suevonian girls, and looting, just for fun, a shop or two . . . ”

“Miss Hondegger has been at it all her life probably,” said Lady Anne. “She doesn’t see anything queer in six people sleeping in one room. We’re different. We don’t wear pince-nez and we don’t have our hair tied up in a clump behind, and we don’t like porridge. That’s all it is. It isn’t anybody’s fault.”

Mr. Macdonell will, I hope, forgive these extensive quotations. Nothing else can do remote justice to a book which every reader of THE FIG TREE should possess.

M.H.

# Ius Suum Cuique Tribuens

“The Law.” By Sir Henry Slessor (The EnglishHeritage Series: Longmans, Green, 3s. 6d.).

THIS book treats, in as short a compass as is compatible with the vast subject, of the biogenesis and evolution of English Law and Law Courts. The earliest code of law the learned author ascribes to one, King Hammurabi of Babylon in the remote past of 2000 B.C., but draws the conclusion that in still more remote pasts there were yet earlier codes, drawn up by man or priest, the latter deeming himself the interpreter of the Divine Lawgiver.

Coming to less remote times, but still far from modern, he considers that if a Chief Justice of the early 14th century were to revisit the Law Courts of today, “apart from the change of language,” he “would find . . . little altered,” because of the unbroken continuity of the Law, and its conservative spirit—its tendency to inertia, one might even venture to say. To many it may come as a surprise that Trial by Combat lingered upon the Statute Book until the case of *Ashford v. Thornton* in 1818, mentioned more than once, if I mistake not, by Oliver Wendell Holmes in his “Breakfast Table” series.

“One of the most obvious qualities of Law is its certainty” is laid down as one of the features of any legal system worthy of the name. The famous protracted cause of *Jarndyce v. Jarndyce*, which Dickens described, came to an end only when the whole estate was found to be “absorbed in costs.” But there are other voices in these modern days which still decry this same weighting of the scales of Justice with moneybags. Lord Maugham is stated recently to have expressed the opinion that “money counts too much.” If it does, the poor litigant may never have the advantage of that “certainty.”

The various divisions of the Law are carefully analysed. It is the part of the Legislature to make the Laws: that of the Judiciary to interpret them, and of the Executive to enforce them. In the construing of any particular statute the powers of the Judges are limited, for, as Mr. Justice Willes said, “the sense and meaning of an Act of Parliament must be collected from what it says when passed into law, and not from the changes it underwent in the House where it took its rise.” Yet of recent years the Legislature has gone so far as to provide that Departmental orders may be made which “modify the provisions of an Act itself so far as it may appear necessary or expedient for carrying it into effect.”

This is the form of bureaucratic dictatorship which the Lord Chief Justice has attacked so persistently, more particularly in his book “The New Despotism,” By such means as these, since the Great War, the hard won liberties of the subject have been seriously curtailed, so that today it is no uncommon thing for a citizen to be subject to penalties imposed by a Governmental Department from which there is no appeal to the Law Courts.

The Law is the power behind the throne, for even the King himself owes his authority to it. Such is the Law’s supremacy. But into the power, which lies behind the Law, because it lies behind the Legislature, the learned author does not go. It is beyond the scope of the work. That power has fallen into all but desuetude: the power of the people to insist that their representatives in Parliament should voice their demands.

One thing is to be regretted. With a book into which so much has been packed, especially in view of repeated references in the later chapters to subjects already dealt with, but difficult to trace in absence of page notation, an index is essential, and we have it not.

J.Y.W.

## Wave-Lengths and Milk

“Scientific Progress.” By Sir James Jeans, F.R.S., and others (Allen and Unwin, 7s. 6d.).

TO read Sir James Jeans on “Man and the Universe”—the first of the six Halley Stewart Lectures for 1935, available in this one volume—is to realise that our super-scientists now find themselves in as great a quandary as the diehard money magnates. Not so long ago the universe was commonly held to be merely matter in motion. But what with the new quantum emanations here, and a vibratory wave-length there—both facets of the same phenomena—solid substance seems to be fading from the cosmic picture like the Cheshire cat, till only the motion remains.

Realists know that something going on in nothing is not confined to cosmic speculation. Bankers’ credits, released from rows of ciphers, are curiously akin to these non-material undulations. But even the Cheshire cat’s residual smile would vanish at a reading of Professor Mellanby’s contribution, “Progress in Medical Science,” where he anticipates an economic antiquarian in a less asinine age:

. . . What will he think of the present situation in this country when he sees a land flooded with that type of food which is probably more essential than any other single factor for the promotion of good health, but under such conditions that many people cannot get it? I refer especially to the position of milk in this country at the present time. When he sees, for instance, that it is possible for a manufacturer of umbrella handles and buttons to obtain large supplies of milk at the price of 5d. a gallon at a time when it is impossible to obtain the same milk for infant feeding at less than 2s. 4d. a gallon, he will no doubt wonder whether the country had any sanity about it at all.

“Scientific Progress” is an impressive tribute to man’s stewardship of his God-given cultural patrimony. But it implies also a pungent indictment of electoral apathy under the soul-crushing imposition of the money lords.

J.M.D

# Stamp on Taxation

“The Fundamental Principles of Taxation.” By Sir Josiah Stamp (Macmillan, 10s. 6d.).

THESE six lectures were delivered to public audiences at the end of 1919 under the Newmarch foundation of University College, London. They are not intended to be a textbook on taxation, but to supplement works on that subject already existing. The lectures are orthodox and are based on Adam Smith’s four maxims, Equality or Ability, Certainty, Convenience, and Economy. But these “are now inadequate to the practical task of bringing under judgment the many difficult issues that confront us.”

The author treats of income tax, death duties, indirect taxes, tariffs, and subsidies; leading the reader through a morass of technical argument, fine distinctions, and almost academic moral considerations—inseparable from the following of a wrong road—as to how, when, and from whom tax money may be sucked.

The author admits that the State cannot impose “just” taxation without some difficulty: “It may be taken as axiomatic that the more closely a tax conforms to just principles the more open it will be to evasion, and the problem for the State is always how closely to conform to principle without giving up its safeguards.”

The State may also discriminate for the supposed benefit of morals: “Indulgence in alcoholic liquor is with many an evil, and the State may well discourage or punish its use by special taxation.” The author points out that, although taxes on alcoholic liquors are imposed on the general principle of “ability” to pay, “I regard the dynamic or ulterior objects as useful and excellent adjuncts to good pre-existent justifications for this type of taxation.” The author does not state that an acceptance of this principle opens the door, in practice, to secondary rule by the moralist and the fanatic through taxation; primary rule being exercised, of course, by the credit monopoly to which all tax money is owing.

On the subject of public opposition to taxation the author gives a useful hint. “If a country is dead set against an impost on political grounds, a scheme that is otherwise workable may be made well nigh impossible . . . So much depends upon the goodwill of the taxpayer . . . The police system played no small part in the success of the Prussian [income] taxation,” the Germans being subject to “a fire of highly personal questions in which the taxpayer had to account for every action and expose his motives to the full official scrutiny.” After this the browbeaten German was “able to enjoy all the advantages of a highly flexible, smoothly graduated tax”!

The curiously inverted way in which the orthodox economist views things is well illustrated by the author’s quotation of Professor Hobhouse: “The true function of taxation is to secure to society the element of wealth that is of social origin.” It is almost incredible that this “element,” the unearned increment of association, should be regarded not as the basis of a dividend but as a fit subject for money taxation.

The author does not even take into account the fact that money taxation is, in effect, a transfer of a claim on goods and services from the taxed to the beneficiaries of money taxation. Nor has he realised that in an age of acknowledged “over-production,” of restriction of further production, and even of sabotage of goods already produced, there can be no need for such a transfer of beneficial ownership by means of the cash nexus; and that money taxation is not only unnecessary but is a chronic bar to the full use of existing powers of production, and to the distribution of that production.

The book might more properly be called “Principles of the Application of Taxation,” for the author never calls money taxation in question, having apparently either made up his mind that such taxation is a law of nature or never questioned its necessity. The book, first published in 1921, was then already out of date. The new edition of 1936 appears to be unnecessary.

ARTHUR WELFORD

# Chains

“Far Forest.” By Francis Brett Young (Heinemann, 8s. 6d.).

MR. Brett Young is a writer of great power and experience. In his latest novel the scene is laid near the northern border of Shropshire, and just over the boundary of Staffordshire. Much of the story is grim, and describes with extraordinary feeling the hard struggle of humanity against economic circumstance. For example, there are the chain-makers of Mawne Heath in Staffordshire, where “a strong woman, skilled at the job and working twelve hours a day for six days in the week, could ‘work in’ as many as ninety nine-foot rods, produce two hundredweight of chain, and earn five and eightpence. The weaklings, naturally, earned less.” And where “The law of the land—Factory Acts included— rarely runs . . . . It is a law unto itself. Half a century ago the Heathens (as they were called) stoned strangers at sight. Even now they may fling them black looks that are hard as stones.”

This is the birthplace of Jenny, the heroine of the story, and from here she is rescued by her grim old aunt Thirza, a Seventh-Day Adventist, who takes her away to live with her grandfather at Nineveh on the edge of Werewood in the Severn Valley. She grows up, is sent into service under a hard taskmistress at Gannow Green, and is there wooed by an irresistible lover who is soon afterwards killed in the Boer War. When it becomes apparent that she is about to have a baby, she is turned adrift. Her aunt bars the house against her and she is forced to return to Mawne Heath, where she is put to work in the chain shops soon after her baby is born. She runs away with a gamekeeper, who is subsequently hanged for the murder of his first wife. Thereupon she is given notice to quit her cottage and warned that her children will be taken away from her and “put on the parish.” Faced with this final catastrophe she sets out at dawn with the two children in the perambulator, and by the merest chance runs into the one man who can save her from her predicament. So all ends happily.

Mr. Brett Young succeeds in creating a very strong atmosphere. The reader is transported to the scenes which the book describes and feels that he is meeting real people of flesh and blood. G.W.L.D.

# But Are They Cads?

“Foreigners Aren’t Fools.” By Christopher Hollis (Longmans, 5s.).

THE Englishman usually prides himself on his realistic attitude in facing facts. This book is full of facts, and foremost among them the unrealistic policy and failure to face facts that has characterised our more recent adventures in the realm of foreign affairs. In house after house in England at this moment, as Mr. Hollis says, “there are old men sitting together and explaining to one another that the troubles of the world are due to the fact that foreigners . . . have not got quite our sense of honour.” For those to whom this can apply it is very salutary to see in cold print that “the British have many attractive qualities, but fidelity to their international engagements is not one of them.”

This book is the result of a year’s travelling abroad on the part of the author, and consists of a series of conversations with people representing different nationalities, in which views other than our own are put forward. In the final chapter Mr. Hollis gives us his own opinions. He appears to desire the end of the present monopoly of credit, and one of his quarrels with the Communists is that they have done nothing to break down usury. But he does not agree with those “bright young people,” as he calls them, to whom the economic solution is everything. He believes that some spiritual revival centred in European culture is necessary, and his ideal state seems to be Fascist, with, perhaps, Eric Gill as the dictator.

At least there is something for everyone in this book. Those who believe in the importance of colonies would do well to listen to “the man who knew statistics,” while those who still put their trust in the League of Nations should attend carefully to the Frenchman and the Italian.

For myself, this is the book I shall send to that maiden aunt who believes in the divinely ordained superiority of the English. R.H.B.



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