h the occasion, this interest does not include the interest of Mr. Maggs, his administrators, and workpeople, as consumers. When, however, the Council drops the milk question and has another go at the balances, Mr. Maggs and his associates will be re-admitted into the Ancient Order of Consumers. That is how the game goes on. And it is worth noting that the “evil of profiteering” is always attacked sequentially, section after section, never comprehensively and instantaneously. The reason is obvious; namely, that if in that case you would see all the food consumers in the country excommunicated by the Food Council.

Someone may seek to invalidate this criticism by pointing out that the “public interest” can be intelligently interpreted as connoting an equitable balancing of private interests, and that the Food Council is disciplining them generally not to eat out of their turn or more than their share. But this is only saying that the “public interest” represents equity. There is no problem with deciding what cost and what of the “turn” and the “share” — and who is to decide it. This is the line followed by Mr. Maggs, whose article is devoted to showing that the Food Council is incompetent to decide it. He seems to find little difficulty in doing so. It becomes plain, from what he says, that the Council has no principle or standard by which it can ascertain what is an equitable price for milk. All it does is to say that an equitable price is a penny lower than the existing price — but how much lower it does not say. It might be zero. Thus:

“How did the Food Council act in its negotiations with the milk trade? On our side, as the Parliamentary Secretary admits, there was the most complete disorder. We submitted our returns of costs and income. The Council proceeded to alter the figures, adding to the profits and deducting from the costs, without any indication of the principles on which it did so. They appear to have assumed that... profits... were earned on a cost figure represented by the standard price set by the joint committee of distributors and producers without, apparently, attempting to verify this. It is well known in the trade that in 1916 (the year to which most of the accounts related) conditions were, in

The issue under discussion is the price of milk. The Council, in the interests of consumers. But, for

The United Dairies, Ltd., versus the Food Council... Mr. Maggs on the price of milk. The Post Office's new Value-Parcel service for bankers only. The stealing of the P.O. mail planter of labour, Mr. J. A. Hobson's and Mr. D. H. Cole's new books. Sir Herbert Samuel's and Mr. Graham's hint to the Macmillan Committee to hurry up with its Report. John Bull explains why Lloyd George's and Mosley's employment-aid schemes were turned down—a City boycott threatened. The Church of St. Mary the Virgin—candles versus electricity for lighting.

H. V. P. By R. S. V. P.

NOTES OF THE WEEK.

The English Review for June contained an attack on the Consumers' Council Bill contributed by Mr. Bertrand Russell. It is a very timely and a very valuable contribution. It is a reference to a fact that has been overlooked by many people. Mr. Maggs, it is true, has said that the Council Bill is a very valuable piece of legislation. But this is only saying that the Council Bill is a valuable piece of legislation. There is no problem with deciding what cost and what of the “turn” and the “share” — and who is to decide it. This is the line followed by Mr. Maggs, whose article is devoted to showing that the Food Council is incompetent to decide it. He seems to find little difficulty in doing so. It becomes plain, from what he says, that the Council has no principle or standard by which it can ascertain what is an equitable price for milk. All it does is to say that an equitable price is a penny lower than the existing price — but how much lower it does not say. It might be zero. Thus:

“How did the Food Council act in its negotiations with the milk trade? On our side, as the Parliamentary Secretary admits, there was the most complete disorder. We submitted our returns of costs and income. The Council proceeded to alter the figures, adding to the profits and deducting from the costs, without any indication of the principles on which it did so. They appear to have assumed that... profits... were earned on a cost figure represented by the standard price set by the joint committee of distributors and producers without, apparently, attempting to verify this. It is well known in the trade that in 1916 (the year to which most of the accounts related) conditions were, in
many cases, obtained from the wholesalers and producers from those standard prices. Neither the actual cost nor the actual price be ascertained. Further, no attempt appears to have been made to ascertain the cost of producing and distributing a quart or any other unit of milk."

As a result:

- "They estimated... that the trade would earn 2.6 per cent of the retail price of milk."
- "The actual producers and actually paid to the farmers..."

The Food Council declared, was too great, and they demanded a reduction in the price paid. The central point in the case was the non-golden character of the banks, which was despised by the middle-class. Golden sovereigns were the banks despised by the middle-class. The policy of reducing the price to a point where the banks would make a profit was an absolute necessity. The former policy had failed, and the banks had to be induced to support the price of milk. In a word, they suggested that for the month of August the milk distributors should be made to profit the sacrifices of six months of work.

"When the milk trade was interviewed by Mr. Graham he made a statement to the House of Commons meeting. Mr. Maguire's statement was not a fair representation of what took place."

- "What he said, in effect (at the interview) was that..."}

When the trade, in the face of this demand for re-duction, requested the Food Council to state what standard of cost was to be paid, the reply was not returned.

If it is true that the normal rate of distributors' profits on milk costs is 1s. 50d. per 100 quarts, its entire confiscation would save the consumer one-sixth of the retail price of milk. And much of the revenue would result in an investigation of the quality of all other retailers' profits. The Food Council—"or at any rate the influences behind it—will be aware of this; and that is the reason why, although it agitates for prices to compel traders to disclose their figures, it shows no frankness in revealing them to the public, or in explaining how it deals with them to the parties who disclose them.

- "The impression was that in the view of the Food Council the rate of profit on distributing milk was a matter of private affairs, and probably less than 1s. 50d. per 100 quarts."
- "Then, the Food Council might come to the conclusion that a decline in the rate of interest allowed on deposit accounts by the banks."
- "The equitable price..."
- "The right price at which the consumer should get delivery of milk is one at which the distributor will stop doing business."
- "The price you allow in the price you pay off, you allow in the price you allow..."

To do what the Food Council is asking will mean a serious change in the management of the trade. But if the Food Council will come to the conclusion that a decline in the rate of interest allowed on deposit accounts by the banks is the equitable price, then the trade will be changed. The price which the consumer should get delivery of milk is one at which the distributor will stop doing business.

- "If you allow in the price you pay off, you allow in the price you allow..."

Young Mr. Randolph Churchill missed a good chance in his recent "Challenge to the Bishops in the name of social progress!" He is the Evangelical Mission to the milk trade.

His omission to do so is a mystery, because he has made his plea for the pure profit of the country's property. In fact, he finds its parentage in the hope of a boy.

- "His life is sustained exclusively by milk."
- "It is maintained that the nature of the milk-distributors."
- "Randolph Churchill should have called..."
- "Refuse to deliver milk..."
- "The two million pounds in the case the..."
- "In 1921."

Residual unemployment. The creation through the above system of a permanent class of unemployed people is not an accident. In recent years, particularly in America, a further discussion of technological unemployment has been evident.

- "Stop-watching unemployment..."
- "The logical, sensible and final answer is..."

"How does he square this with his analysis of machine-displacement of labour? He has to say: "Keep the entire force on the payroll but work them less."

"For what would be the use of bringing back into that electric-light-bay factory on the payroll 500 men just assuming an 8-hour day, if everybody had to do his bit..."

A machine like the above bulb-making machine can take the place of a man in two ways:

- "First, it can save the labor of a man in making the bulb...
- "Second, it can save the labor of a man in making the bulb..."

Why not keep the entire force on the payroll but work them less?"
posals are to be expected from him. Mr. Hobson's thesis is epitomised by his publishers as follows:

"How can Rationalisation, which is really a labour-saving policy, be applied to a country that is already in a state of overproduction?" This is a question that is not to be handled lightly. To take Mr. Hobson's view that if there is overproduction the solution is to sell the product abroad, is to neglect the fact that there are many countries that are also suffering from the same problem. The solution to this problem lies in the development of rationalisation within the country itself. This requires a thorough understanding of the economic situation, which can only be achieved by a careful study of the facts.

Without reading any further, the student of Social Credit is able to tell that an important factor in the problem is the lack of central control. And the following extracts from the text afford confirmation of this:

(A) "A policy of better distribution of the product of the country is required, as there is an unbalanced distribution of income in other countries."

(B) "We must consider the economic system of the world, and not the national systems of the various countries."

(C) "Rationalisation, conducted on a scale of greatest national benefit, is found to promote a distribution of purchasing-power among the classes of the community who are not capable of exceeding the standard of life which has been attained by the middle classes of the past."

While we may respond Amen to the sound of uplifting peroration, its content is a matter of brawling.

Look at extract (A). A "policy of better distribution of the product of the country" is required. But it is not at all clear what this requires. It is not clear how it is to be achieved. The details of how it is to be done are not given. The student is left to guess what is meant by "better distribution of income".

Extract (B) states that we must consider the economic system of the world, and not the national systems of the various countries. This is a sensible statement, but it is not clear how it is to be applied. The student is left to guess what is meant by "the economic system of the world".

Extract (C) states that rationalisation, conducted on a scale of greatest national benefit, is found to promote a distribution of purchasing-power among the classes of the community who are not capable of exceeding the standard of life which has been attained by the middle classes of the past. This is a sensible statement, but it is not clear how it is to be achieved. The details of how it is to be done are not given. The student is left to guess what is meant by "distribution of purchasing-power".

Between spending or saving there is the error, and, it is likely that the minds of the people are to be directed to the credit policy. International social control must be accepted by all countries, and to that extent the government is the policy of the world. If Mr. Hobson's government is looking forward to something that has happened since 1920, Proft-credit and wage-credit have had ten years to run; nearly every industry of importance is now under the control of bankers' agencies; boards of directors are being dismissed right and left, and are being replaced by experts and managers; any enterprises still remaining in private hands are insolvent enterprises, which means that their policy is the control of the banks. In the words of Mr. Hobson's "international economic policy is the policy of the banks, the policy of the bank of England's policy, the Bank of England's policy, the Bank of France's policy."

Hobson's "international social control in existence. There is still scope for the control to be extended."

Mr. Hobson will find it impossible to devise any system of credit which will work at all except where there are independent banks. The ineffable Mr. Woll, of whose vision, Mr. Hobson is a faithful interpreter, can only indicate the way in which this can be done.

Mr. Hobson does not make the point clear whether the shortage of purchasing-power is caused by the actual taking place of the shortage, or whether the shortage is caused by the actual reduction in purchasing-power, or whether both. According to the former hypothesis, the problem is one of increasing the purchasing-power of the community. According to the latter hypothesis, the problem is one of increasing the purchasing-power of the individual.

There is no evidence of any increase in wealth in the community at any time. The increase in wealth in the community at any one time is not necessarily due to an increase in purchasing-power, but the increase in purchasing-power is not necessarily due to an increase in wealth.

The increase in purchasing-power can be caused by the increase in wealth, but the increase in purchasing-power can also be caused by other factors, such as a decrease in the cost of producing goods.

The student must decide for himself whether the increase in purchasing-power is due to an increase in wealth, or to other factors. The student must decide for himself whether the increase in purchasing-power is due to an increase in wealth, or to other factors.

Extract (C) could have been written from the pens of the "social credit" movement.
Current Political Economy.

The Modern Scot.

Shortly we shall say of the Scots what Harcourt said of the Socialists. One of the first questions brought up in connection with the Socialist movement was, instead of helping the present writer, taking into consideration folk-character, manners, customs, and temperament, of the lowland Scots and the North English, decided that they were not the northern Scot, the former Scot, and no doubt the similarity of the Lincolnshire and Yorkshire dialects will provide Lincolnshire with an argument for coming in.

The foregoing is important because it justifies the use of Mr. Plessy's "Good Companions," which work in fields other than literature, as evidence of the Scotch gent and the Irish, that which has now evolved to the extent of having an organ. There is no doubt, however, in our esteem, that the Scots are far more likely to be seen in the street than the English, and that in every sphere, political, economic, philosophical, literary, and artistic, they are the greater of the two. They meet with by comparison with the Scotch lethargy in a face of problems as serious as any that ever beset a race. This is a good reason for wanting to see them. It is one thing only to stand by an uncommitted people and to stand romantically, by a foot-way, who refuses to recognise his danger. Scotland is uncomfortable, because the Scotch is painfully aware that one's outlander the Irish mistake of adorning the national character, the Scotch's one's grandmother while neglecting their own. Scotland, and of basking in it, is Scotland; and so forth—the Scots do not commit this mistake in practice to any extent, and the Scotch do. The national character is forward-looking as regards the Scotch is backward-looking, is the share of their nation's resources and power, forward-looking as regards the Scotch is backward-looking. That the Scotch and Nationalist Party has decided on a full scale campaign of Social Credit, the up-to-date, not the highest importance of the Social Credit was the abandonment of the goal of the Nationalist Party. The separation simply a division of Socialist Credit in one of the individual advantages of the individual advantage. The Nationalists are forward-looking as regards the Scotch is backward-looking. After all, individual Scotland is not a local option for every Scotsman. There are many who feel the Scotch is uncomfortable, because the Scotch is painfully aware that one's outlander the Irish mistake of adorning the national character, the Scotch's one's grandmother while neglecting their own. Scotland, and of basking in it, is Scotland; and so forth—the Scots do not commit this mistake in practice to any extent, and the Scotch do. The national character is forward-looking as regards the Scotch is backward-looking, is the share of their nation's resources and power, forward-looking as regards the Scotch is backward-looking. That the Scotch and Nationalist Party has decided on a full scale campaign of Social Credit, the up-to-date, not the highest importance of the Social Credit was the abandonment of the goal of the Nationalist Party. The separation simply a division of Socialist Credit in one of the individual advantages of the individual advantage. The Nationalists are forward-looking as regards the Scotch is backward-looking.
The essence of art is spiritual responsibility. All art henceforth will be coloured by the nineteenth century awakening to the responsibility of all that hitherto contented itself with the consciousness of the lands they represent. To the man of the nineteenth century, art is not a passion but a passion not enough awakened. Political events will reflect this development. The Scottish artistic movements that, if they develop, will depend on the spirit of the land and its life. Whether they can become increasing in strength, their limits of barer or finer, is not yet an art the artist can be. As has been said, the age of men is not a time for leisure. The age of men is not a time for leisure. The age of men is not a time for leisure.
The Stars and Stripes and the Three Balls

The sixth volume of this ably edited, well-written fully indexed history of the British Empire is now published. The main subject, Canada, is of particular interest at present because this Dominion is especially subject to the influence of dollar-diplomacy emanating from New York. Of the twenty-three separate volumes of this work, each of which is written by an expert, two chapters are devoted to the financial development of British North America. The first of these was printed in 'JULY,' and the second is due in August. The latter deals with the financial position of Canada as it will be in the year 1914 when this volume is complete. The figures are labelled "Summary of Canadian Banking in dollars (of a country)."

LETTERS TO THE EDITOR

The American Situation

Sir,—I refer to the letter from Mr. H. S. Goodwin in your issue of July 31, which covers the question of that country's financial status. I am enclosing a copy of a letter which I have just received from a friend of mine in Canada. The letter reads as follows:

"The Age of Plenty"

Sir,—I refer to the article on the new book by Mr. H. S. Goodwin, in your issue of July 31. I have just finished reading it, and I am in complete agreement with the reviewer's views. The book is a valuable addition to our knowledge of the economic history of mankind. I am enclosing a copy of a letter which I have just received from a friend of mine in Canada. The letter reads as follows:

"The Age of Plenty"

Sir,—I refer to the article on the new book by Mr. H. S. Goodwin, in your issue of July 31. I have just finished reading it, and I am in complete agreement with the reviewer's views. The book is a valuable addition to our knowledge of the economic history of mankind. I am enclosing a copy of a letter which I have just received from a friend of mine in Canada. The letter reads as follows:
THE "NEW AGE" CIGARETTE

Premier grade Virginian tobacco filled by hand in cases made of the thinnest and best paper, according to the specification described in an article in this journal on January 23. Large size (1½ to the ounce). Non-ammoniating.
Prices: 100's 7/6 (postage 3d.); 20's 1/6 (postage 2d.). Price for export (in English days) is 24, at a nominal quarterly rate of 1s.
FIELDCOVITCH & Co., 72, Chancery Lane, W.C.2
(Across the corner of Holborn and Chancery Lane).

A consecutive introductory reading course in Social Credit is provided by the following sets of pamphlets:—

SET A.
Comprising:—
Social Credit in Summary (1d.).
The Key to World Politics (1d.).
Through Consumption to Prosperity (2d.).
Great Britain's Debt to America.
Post free, 6d. the set.

SET B.
Comprising:—
Set "A" above.
The Veil of Finance (6d.).
Post free, 2s. the set.

CREDIT RESEARCH LIBRARY, 76, High Holborn, W.C.1

The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accounting, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, at present, or of international complications arising from the struggle for foreign markets.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's book.

SUBSCRIPTION RATES.
The Subscription Rates for "The New Age", to any address in Great Britain or Abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

CREDIT RESEARCH LIBRARY

Books and Pamphlets on Social Credit.

BRENTON, ARTHUR.
Social Credit in Summary. (1d.)
The Key to World Politics. (1d.)
Through Consumption to Prosperity. (2d.)
The Veil of Finance. (6d.)

COULBOURNE, M.
Unemployment or War. 2/6. (Procured from New York to order.)

DOUGLAS, C. H.
Economic Democracy. (6d.)
Credit Power and Democracy. (7s. 6d.)
The Control and Distribution of Production. (1s. 6d.)
Social Credit. (2s.)
These Present Discontents: The Labour Party and Social Credit. (2s.)
The Engineering of Distribution. (2s. 6d.)
Canada's Bankers and Canada's Credit (Reprint of Major Douglas's Evidence at the Government Enquiry in Ottawa). (2s. 6d.)
The World After Washington. (1s. 6d.)

DUNN, E. M.
The New Economics. (4d.)
Social Credit Chart. (2d.)

H. M. M.
An Outline of Social Credit. (6d.)

HATTERSLEY, C. MARSHALL.
This Age of Plenty. (2s. 6d. and 6s.)
Men, Money and Machines. (6d.)

POWELL, A. E.
The Deadlock in Finance. (5s.)
The Flow Theory of Economics. (5s.)

SHORT, R. DUDLEY.
It's Like This. (6d.)

TUCK, J. E.
Outside El Dorado. (4d.)

Critical and Constructive Works on Finance, Economics, and Politics.

CONNOR SMITH.
Where Does Money Come From? (1s.)

DARLING, J. F.
Economic Unity of the Empire: Gold and Credit. (1s.)

FOSTER, W. T., and CATCHINGS, W.
Profits. (1s. 6d.)

HEWART (LORD).
The New Despotism. (2s. 6d.)

HORRABIN, J. F.
The Five Atlas. (1s.)
An Outline of Economic Geography. (2s. 6d.)

MARTIN, P. W.
The Pace in the Price System. (4s. 6d.)
The Limited Market. (3s. 6d.)

McKENNA, REV. REGINALD.
Post-War Banking Policy. (2s. 6d.)

Instructional Works on Finance and Economics:

BARBER, W. A.
Cash and Credit. (3s.)

CUSENS, HILDERIDGE (Editor).
Pros and Cons: A Guide to the Controversies of the Day. (3s.)

Address: 70, High Holborn, London, W.C.1