THE CAUSES OF WAR

THE B.B.C. has now joined the fashion and begun a series of talks called "The Causes of War." And as might be expected the speakers are already explaining to their listening millions that wars are caused by patriotism, over-production, imperialism, lust for conquest, armament rings—in fact by anything except what really does cause them.

Think what has happened these last twenty years. In spite of memories of horror which are still fresh in the minds of millions, we seem to be perilously close to another war even worse than the last. Nobody wants war, yet everyone is being pushed towards it by unseen but irresistible forces. What is the explanation of this?

The explanation is that certain automatic results of our present economic system propel nations into war rather in the same way that the devils in mediaeval pictures propelled sinners into the flames.

By a flaw in the money system, which makes the total prices of a nation's goods greater than its total money income, each country produces more than it can purchase for its own use. This results in an unsaleable surplus, which, unless it is destroyed, must be sold to some other nation, otherwise the wheels of production will have to be slowed down or stopped altogether.

Export Trade the Cause of Contention

Export trade thus becomes a matter of life and death. Nations have to find foreign markets or perish. Pushed to the limit, they must even go to war to find markets.

This is the main cause of modern war and preparation for war, and the disturbing fact is that the further we advance into the "Age of Plenty" which is made possible by the power of modern machines, the more accentuated this factor becomes.

In the days when we manufactured most of our requirements by hand, the gap between production and consumption was not so obvious. But to-day, when an increasing amount of work is being done by machines which get no wages, the gap between prices and the total of wages, salaries and dividends is continually widening and the unsalable surplus grows.

That is why the demand for foreign markets gets daily more urgent. That is why it becomes a more vital matter to supply the natives of M'bongo-M'bongo with new boots from Northampton than to replace the worn out footwear of our own slum tenants in Glasgow or Hoxton. And that is why it becomes necessary to lend money to insolvent foreign states so that they may go through the motions of buying from us with our own money.

International Trade Must Decline

In spite of this, the fact remains that international trade is permanently on the decline. It is now so easy to produce goods of all kinds that few nations will consent to remain completely dependent on others.

Industrialisation is proceeding swiftly in many countries. This increases the unsaleable surpluses, and restricts the markets in which these unsaleable goods can be disposed of. It increases the bitterness of the competition between the nations for a place in the ever-narrowing markets.

To talk of disarming while this fundamental cause of international rivalry exists, is futile. The only way to ensure peace is to enable the people of each country to consume all they want of their own production.

This can only be done by increasing the incomes of the population, by means of the free gift of a money income in the form of a National Dividend, irrespective of all other incomes, and sufficient to make up the present gap between total incomes and total prices.

By this means foreign trade would cease to be a matter of life and death, and become a mere exchange of surpluses between nations.

Unless this change in the financial system is made, nations will continue to be unable to buy what they produce, and will be forced to carry on with increasing bitterness, their competitive struggle to dispose of their surpluses.

The cause of war will remain, and no amount of pacifist propaganda will stop it.
OF COURSE, AUSTRIA WAS "STABILISED"-

A woman was arrested in Vienna last week for habitually sleeping in newly-dug graves. In defence, she pleaded lack of other shelter; "the boards covering in the new graves keep them warm and dry," she said.

Such occurrences as this are an interesting commentary on the situation brought about by the enforced adoption of sound financial methods (See Social Credit, October 12, 1933). High Finance had increased, as High Finance will of financial orthodoxy, can publish a story so damming to the financial practices it upholds, is no matter for surprise: for we know the inability of the financially orthodox to disguise the consequences of their own actions. To them, such incidents are due to the "economic blizzard," a force officially stated to be beyond man's control.

One cannot help wondering, however, whether, the new graves in which the inmates fall for one of finan-

cial orthodoxy—the suicides. For ever since the League of Nation's Financial Commission "reformed" and "stabil-
ised" Austria's finances, the suicide rate there has been the highest of any European country. Major Douglas demonstrated this connection when, on financial orthodoxy and the suicide rate in this country before the Macmillan Com-

mittee, and as regards Austria, a debate in Parliament in February, 1933, enlightened us. For Mr. Hore-Belisha, then Parliamentary Secretary to the Treasury, pointed to the improvement in the Austrian financial position in 1932, in support of the proposal for a £1½ loan to Austria to be used to enable her to repay a loan made by the Bank of England. The Austrian "financial position" had improved in 1932, but according to The Times, suicides had increased eighty-eight per cent.

This is only natural. Sound Finance is based on per-

manence, and the permanence of sound orthodoxy is a consequent shortage of finan-
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So let us make a mess— The Deputy Mayor said it was not much use Ipswich spending £ro,ooo a year on street-cleaning if "thoughtless people" didn't litter the streets, either. He thought it was the duty of every Englishman to make as much mess as he can; for only thus can purchasing power be increased and the corner be turned. Come on, boys, chuck it about. 'Tis for England!

INVESTIGATION INTO IRISH BANKING-

The recent Annual Conference of the Irish Labour Party passed a resolution directing its administrative Council to institute an inquiry "with a view to ascertaining the extent to which the plight of the Unemployed is attri-

butable to the monetary policy recommended by the Bank-

ing Commission in 1926 and incorporated in the Currency Act, 1927". It further directed the Council to "consider the wisdom of recommending reform at present before the public" with a view to forming a Labour Party "monetary and banking policy suitable to the needs of the Irish people". In its Annual Report, the Party notes the "influence of the banking system on State policy and on the lives and well-being of the citizens." It quotes a former member of the British Labour Government as saying that "in 1931 a Labour Government suddenly sagged at its knees and fell head over heels, not because it had killed it, as High Finance will kill the next Labour Government, and the next again, unless it begins the creation and withdrawal of money credit comes to be generally regarded as a State Service."

As was made plain to the Minister of Finance nominated a Commission to examine and report on the Irish Free State system of currency, banking, credit, public borrowing and lending and the pledging of State credit on behalf of agriculture, and report "what changes, if any, are necessary.

It may not appear, on the surface, that this Commission will do more than shelve the whole financial issue by the old trick of pretending to hold an impartial public inquiry, as was done by the Macmillan Inquiry. The Com-

mission consists of five university professors, three bankers, two business men, two farmers, five civil servants, and a bishop.

Further, the remark in the Labour Party Resolution about the effect of monetary policy on poverty and the encouragement of this artificial hostility between two sections of society. And while reformers are concerned only with the irrelevant moral prejudices, producers and consumers will remain parted asunder by an unbridgeable gap. It is this assumption more than most which keeps nations in bondage to a financial dictatorship which owes its power solely to the scarcity of purchasing power.

We will accept all that can be said about the greed of producers. That is a sine qua non. For what purpose is there for reforming the banking system if the money monopoly can have its own way? The fault of this assumption is that it is a logical one. It is that... There is an assumption that throwing fat capitalists into the canal is an excellent way of solving our misery. But the fact remains that the attack on profits, though highly moral, has nothing to do with the causes of poverty. And if Labour reformers had not made it finally clear that they do not intend to investigate the financial system, we would suggest, for their own welfare in leisure hours, that the restriction of profits would make no difference whatever to the standard of living of any class.

Dairy farms continue to increase their potential output, and the doling out of a few thousand pints to schoolchildren (paid for by taxation) makes no appreciable difference to the growing gap between the available supply of milk and the money there is to buy it. Yet the nearest approach to a "solution" is to cut down retail profits.

Nothing could better please the money monopoly than the encouragement of this artificial hostility between two sections of society. And while reformers are concerned only with their irrelevant moral prejudices, producers and consumers will remain parted asunder by an unbridgeable gap.

A NICE WORD, "RECONSTRUCTION"-

The reconstruction of the capital of Dorman, Long & Co., Ltd., the great iron and steel works, though following the lines of normal commercial development, affords yet another clear example of how every other interest of society is sacrificed to banking interests. Briebrly, arrears of dividend are cancelled on the non-

cumulative second preference shares, and the preferred ordinary and the ordinary shares are reduced from £1 to 5s. and 2S. respectively. In other words, the claims of the banks, directly and as Debenture holders, are paramount, and the claims of those whose investments represent saving out of earnings, are amongst the also rans. All classes of genuine investors are sacrificed to the bankers' claims:

But the placing of the banks' claims first will be conven-
tional and cost them nothing, while the

The Debenture Holders' Committee states that all the payments to the banks are to be made "before any dividend is paid upon the 6½ per cent. non-cumulative preference shares." And so ends a fair and

This placing of the banks' claims first will be conven-
tional and cost them nothing, while the banks' claims are regarded as those whose financial assistance has been greatest. But the point to note about the banks' claims is that their contributions are created out of nothing and cost them nothing, while the

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contribution of other shareholders are real savings, resulting from someone's work or enterprise. And the general effect within the present money system will be to withdraw from circulation and cancel a still greater proportion of the money represented in the prices of the firm's products. The gap between the power and prices in the community will be increased.

C'EST DROLE, N'EST-CE PAS?

"A far-reaching crisis is expected from the wine-growers of Southern France, and the Government is being called upon to take action," reports the Financial Times. Does this mean that France is going dry? No, it means that it is wetter. It is true many French cafés display a notice: "Average age of a drinker of water, 50. Average age of a drinker of wine, 63." But this is a wine-merchant's adver., not a warning to teetotallers. (We never discovered who those two French wine-drinkers were.)

No; the calamaris is orthodox. Voila: "French Wine Glut Growers Severely Hit by Bumper Harvest."

So the French must drink less wine because there is more of it. The total production for 1934 is estimated at eighty million hectolitres, as against sixty-seven million for 1933. Owing to Nature's niggardly provision of a good harvest the French are poorer by a thirteen million increase.

So doubtless the Government will prepare a scheme for regulating the market effectively, thus ensure the growers for less caused by gain. By paying them not to sell, instead of paying people to buy, it will enable growers to tide over the bad time due to a good year.

We think that this thirteen million hectolitres going down the drain, we wonder whether there is any chance of the people who say there is no shortage of purchasing power falling in and getting drowned.

AND NOW PORK

Bacon imports have been successfully reduced. Consumers may be eating less or paying more, but consumers don't mind through the sapping trade. And the great thing is that bacon is being kept out.

What can be done about these imports? Compress them at one place and they hudge at another. And until the foreigners learn sufficient manners to stop selling and continue to buy, we wonder whether there is any chance of the nation is condemned to poverty for ever, or else that the same inequality of rich and poor, which he deplores, is fitting. The most conservative politicians have now broad hints that our consumable goods might as well be useful and steady work, for which we do not like to blame him. For we are not in a position to analyse the complex which prevents a man in his position from seeing that the unemployed never can be absorbed into steady work, save by the voluntary activities of paid leisure. We can but comment on the issues he so carefully avoids. He commits himself to unemployment as the basis of everyone's income, gratuitously assuming that in a labour-displacing age, this would be enough to buy the plenty, at prices that would not impair the circumference of intrinsically"

In his subsequent article in the Listener, under the spacious phrase "well-directed national planning" he covers a State Socialism of the most rigid kind, in which the nation is to be the undertakers for schemes, the object of which is to re-distribute "the pool of national income." Either this implies that the national income is static, in which case the nation is condemned to poverty for ever, or else that the same inequality of rich and poor, which he deplores, is to continue. He assumes the incomes of the industrialists are to be directed to the nation, and that it is the nation condemned to poverty for ever, or else that the same inequality of rich and poor, which he deplores, is to continue. He assumes the incomes of the industrialists are to be directed to the nation, and that it is the nation's full employment which at present prevents it being done.

The longer Social Credit propaganda continues, with its broad hints that our consumable goods might as well be useful and steady work, for which we do not like to blame him. For we are not in a position to analyse the complex which prevents a man in his position from seeing that the unemployed never can be absorbed into steady work, save by the voluntary activities of paid leisure. We can but comment on the issues he so carefully avoids. He commits himself to unemployment as the basis of everyone's income, gratuitously assuming that in a labour-displacing age, this would be enough to buy the plenty, at prices that would not impair the circumference of intrinsically"

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The Social Credit Movement

Supporters of the Social Credit Movement assert that under present conditions the purchasing power in the hands of the community is insufficient in two respects. First, it 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, it is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a loan, for the very act of crediting the commodity with the money value of the resulting new capital resources, has given rise to a deflationary system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity; and bringing it face to face with the alternatives of widespread unemployment of men and machines, 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, prevalently used, by which the money required to finance capital production, and created by the banks for that purpose, is charged into 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 the writings of Major C. H. Douglas.

THE foregoing statement distinguishes the Social Credit Movement from all other movements for social or monetary reform. No other school of reform makes the assertion set out in the first sentence, yet the evidence presented by perpetual poverty (i.e., lack of purchasing power, or money to spend), side by side with more goods and services (i.e., the product of industry) than can be sold, points to the truth of the assertion, which holds good during both booms and slumps.

To say that the statement is untrue in wartime is, first, to admit its truth in peace time, and, secondly, to imply that poverty cannot be abolished without international strife—which is absurd.

The second sentence above gives the key to the explanation of chronically insufficient buying power, by pointing out that, under the present system, money is created* by the banks, who lend it (although it has cost nothing to create) to industrialists on condition that it is repaid to them.

Money is worthless in itself (it is neither food, clothing, nor shelter), and its use is similar to that of a ticket, except that the purpose of tickets is generally to entitle the holder to acquire specific things, whereas money entitles its possessors to any kind of goods and service.

In form, money can be anything convenient, from figures on cheques to specially printed pieces of paper or metal. The particular form which money takes has no relation to its function when they lent it, for it did not exist before, and was created by the stroke of a pen.

When individuals or industries lend money, they are justified in demanding its repayment unconditionally, because they have created it, and wish to make a sacrifice if they were to part with it permanently. Now, in order that industrialists who obtain money from the banks can eventually repay it, they have to collect it from the purchasers of the goods they sell, for, since only banks can create money, that is their only source of income. When the money is repaid to the banks, it is automatically cancelled out of existence. Yet, in the course of its circulation through industry, this created money has built up costs which, even after the cancellation of the money, remain attached to the things the money has made practicable to produce.

The Social Credit case, therefore, points out that, since the banks create money on the basis of (1) a functioning industry, (2) a consuming public, and (3) stable government, which together may be defined as the "Social Credit" of the community, repayment of bank loans is impossible, unless the community is credited with the monetary value of the resources it has brought into being.

Even partial repayment under present accountancy methods must result in a surplus of goods which are unmarketable, not because they are not wanted, but because purchasing power is insufficient to buy them. This defective system of bank-loan accountancy has reduced all industrial communities to a condition of perpetual scarcity, despite the potential abundance made possible by modern science. It has further involved them in a load of fictitious debt to the banks which can never be paid off. The inevitable result, summarised at the end of the first paragraph of the statement above, is apparent to all. The cause of the present distress having been analysed, the obvious remedy is pointed out in the second paragraph of the Social Credit case. This is, to place in the hands of the community money which necessarily gives rise to demand from the struggle for foreign markets.

The method of doing this is fully described in the writings of Major C. H. Douglas, who first analysed the root cause of the trouble. Essentially, it will be by means of National Dividend, which means an income for every member of the community in addition to any money brought in by work or savings.

The necessary money will be created, and will not be raised by borrowing or taxation. Where there is real wealth, there is credit; where there is credit, money can be issued upon it. Inflationary results will be obviated by a retail-price subsidy regulated to enable the home market to absorb what it wants of the home production.

It is not necessary for people to understand the technical process by which they can secure money to assure them a comfortable life and the abolition of poverty. But it is necessary for them to realise that these things are possible. They have only then to see that their elected representatives in Parliament demand that the government shall do what they want.

* Banks lend by creating credit; they create the means of payment out of nothing. —Encyclopaedia Britannica.
SOCIAL CREDIT MOTIFS

IV. The Time Element as Will to Power

For in this way faith is paced in the character of ordinary men, and their harmony with time is emphasised. In many places in his writings, Major Douglas refers to the effect of men's achievements, upon their consciousness, and assumes that in men in general are as able to deal with the situation their collective genius has brought about, as they are unable to adjust themselves to the lie which is thrust upon them, or to perceive. And this is a principle which must be reflected in truth and not in lies; He is whole; and what he must be reflected in the organisation of the social order, and by the mechanism of money through which social values are interchanged.

The Strongest of Tyrants—Money

Both the distorted vision of the power-maniac, and the social disorder he creates, are maintained by this frail artifice of money—a ridiculous affair. But it is successful beyond other forms of tyranny, for it is impossible for ordinary men to believe that their purposes were actually being frustrated by paper and ink and entries in books; and that power beyond any tyrant's dream was bestowed upon them by the few. Much less could they really believe that the simple device of an error in timing the issue and recall of money, though swollen to vast proportions of universal debt in the world's endeavour to correct it, has been the superlative instrument of the Will to Power.

Not until Douglas had seen it for himself, and shown the world, did men begin to see that the power resident in money is that of Tyranny. But the unfolding of events has made it clear that such is indeed the case; and the enlargement of our human understanding has disclosed the search of the perverted will for power without responsibility, of which the private monopoly of money is the supreme instrument and symbol. If we correct the time element we destroy the power. And money, as the powerless servant of men, will become the swiftest instrument of our release. Demos.

NATIONALISM AND THE BANKS

The penultimate reliance of finance is upon international loans, the greater part of which, other than those of the borrowing country to be controlled in the interests of the foreign bondholders.

A new situation is now created by the inability, on an immense scale, of the individual picture to ensure the safety and smooth working of the financial system. The situation of all the great national borrowers previously drawing from centres of financial creation in Europe and the United States, is the same. They can no longer be relied upon to observe the political conditions attached to their borrowings, and even the interest on their loans is insecure, which is the true essence of financial power. The Bankers will lend no security. Bankers will lend to no security, not lend at all and they have exhausted their devices for "reviving" the trade of the world whilst leaving the financial system on the eve of a great and unprecedented crash.

In their efforts to preserve the system they have gone far to preserve a security which no longer exists. But behind the façade, nemesis has arrived, and the financiers are driven to a desperate emergency by their creation of internal loans, guaranteed directly or indirectly by the Governments of the countries in which each Central Bank operates and whose Chancelleries it controls. These are the reasons, unforeseen by care for the people's welfare, or any generous attitude towards internal trade, which lie behind the recently declared concern of the banks in this country for home industries.
SOCIAL CREDIT offers to the world a state of leisure and plenty. To the intellectual it offers greater freedom for the individual and the freeing of artistic and scientific activities from commercial shackles. To the ordinary man it offers comfort and security unaccompanied by grinding toil.

Men Do Not Yet Desire Leisure and Plenty

Yet the Social Credit advocate finds again and again that his great dream is not yet permitted. Intellectual gymnastics were indulged in, and I would suggest that our problem is at least as old as the culture of Western Europe.

Our “Unnatural” Idealisation of Work

Western man is almost alone among the men of many cultures in regarding work for subsistence as a natural and laudable necessity. To the Greek, the Egyptian, the Chinese, and the Indian, a state of leisure was regarded as natural, and the ignoble activity of work for subsistence was performed by slaves or men of low caste. To us, however, work is almost a religion; we are persuaded to be miserable and unhappy if we do not perform it. This unnatural attitude requires some explanation and I would suggest that it is due to a servile and destructive spirit which seems to have played a predominant part in the development of our cultural history.

Man a Defaulting Cashier; God a Jealous Auditor

The poet William Blake, in one of his “Proverbs of Hell,” gives this destructive spirit a symbolical name. The Proverb reads, “The Cistern contains, the Fountain overflows.” The spirit of the Cistern to Blake, was something cold, unimaginative, shrewd, constrictive, careful, always playing for safety. It sought to save life by suppressing it, and thereby destroyed life. The true saviour of life was the Fountain, joyous, overflowing, careless, loving, forgiving, with all its abundant flow it proclaims that whoever will save his life shall lose it, and whoever will lose his life shall save it. Perhaps nowhere is the antithesis more clearly exhibited than in the Cistern outlook of Milton, who sought to “hold the mirror up to Nature,” and make a good life. And the student of our Western culture can discern the influence of these two opposing spirits from its earliest beginnings up to the present day.

Medieval Piety: Hatred of the Fullness of Life

During the Middle Ages the Cistern seems to have been largely in the ascendant. Piety seems to have been identified with a hatred of the fullness of life. The ideally righteous was the monk, who crept away into a corner and refused to live. In the intellectual sphere, no freedom of thought was permitted. Intellectual gymnastics were indulged in, but only on the stage afforded by the fixed dogma of the Church.

In one sphere, however, the Fountain would seem to have found some expression. Spengler suggests that the Romanesque architecture of early Gothic was the expression of a spirit desirous of knowledge of the Infinite, conscious of power, overflowing with vitality, uneasy, active, chafing against the limitations of matter. In the conception of the Gothic cathedral, the Fountain soars towards the skies, yearning for eternity and infinite distance.

The Renaissance: Intellectual Freedom and Science

Not only as regards the intellectual freedom of the man freed from this intellectual bondage, and for a brief space the Cistern suffered a defeat. The culture of Western Europe saw a joyous fulfilment of intellectual and spiritual liberty such as has never since been repeated. The Fountain overflowed in a torrent of prolific vitality. Unfortunately, however, this new intellectual freedom of the Renaissance divided into two streams. One remained typical of the Cistern, represented by an entirely new method of regarding reality. This was the Baconian or scientific mode of thought. For the first time in history a determined, sustained and systematic effort was made to wrest from Nature her secrets. The body of knowledge accumulated by science thus became more sacrosanct, more holy, was guarded from the pollution of unreality with a more singleminded zeal, than the mysteries of any religion. For this is probably the most important achievement which followed on the Renaissance.

EFFECTS OF THE PURITAN REFORMATION

Beauty and Creative Desires Condemned

Through the second stream which proceeded from the new intellectual freedom, the Cistern destroyed all the colour and beauty of the Renaissance. Its intellectual freedom demanded a religious reformation, and it is one of the calamities of history that the reformation which took place should have been almost wholly dominated by the Cistern, and such that Goethe could describe it as one of the greatest misfortunes which have befallen the modern world.

With all her faults, the Church previous to the Reformation gave a certain security and comfort to her children, and there was beauty, colour and life in the banner which she raised over them. The Reformation abolished all this. As Spengler remarks, the Reformation substituted for the comforting worship of the Saints, the panic-stricken fear of the Devil. Of the arts, only music alone remained, and “out of the Gothic wealth of colour, there remained black.”

Under the rule of the witch-finders and rigid moralists even science and freedom of thought were checked for a space; but, though man might not think for himself, he had to fend for himself, with no companion in his lonely soul save the conviction that life in this world and the next would become a struggle in which the Devil would take the hierarchy. A significant, never-to-be-forgotten fact is that the Puritan God in “Paradise Lost” employs methods in his struggle with Satan which would be barred from any self-respecting price-ring.

The Puritan Fear of the Flesh

The Puritan took command, and he hated colour and beauty and joy. William Prynce, the persecutor of Lady Lyndley, wrote in his pamphlet, “The Unloveliness of Lovelocks”:-

“Man’s perfect Beautie . . . consists . . . in the inward endowments, Ornaments, Trappings, Vertues and the Grace of the Minde and Soul, in which the Excellency, Essence and Happiness of men consist. This is the only Comeliness of Beautie, which makes us Amiable, Beautiful and Repledent in the sight of God, of Men and Angels. This is the only Culture and Beautie which the Lord respects . . . A Stomach, Curious, Inordinate and eager Affection of Beautie . . . must needs be sinfulful and Abominable; yea farre worse than Drunkennesse and excess of Wine . . . because it proceeds most commonly from an Adulterous, Unchaste and Lustfull Heart, or Meretricious and Whorish Affection.”

The worst crime of the Puritan was his destructive fear of the creative desires of men. Anthony Ludovici, in his “Defence of Aristocracy,” stresses the importance of the fact that under Puritan rule, good old English Ale, brewed from pure barley malt, ceased to be the staple beverage of the English people. Instead, the ale was adulterated with herb and the people began to acquire the habit of tea and coffee. However important or unimportant this may be, the fact remains that the old ale made men cheerful and stimulated the passions, whilst hop beer, tea and coffee depressed the passions. The substitution may or may

*From a paper given on September 26, to the Sheffield Social Credit Luncheon Club.

The REV. T. DIXON, B.A.

An Analysis of the Psychological Resistance to Social Credit"
not have been intentional, but there can be no doubt regarding the Puritan fear of human desires. Any sort of credit which might tend to impede the due expression of human desires would be eagerly seized upon. Such a curb, and a very effective one, was provided by a new heresy which now took possession of men's minds.

**THE NEW HERESY—WORSHIP OF COMMERCE**

To Keep Men out of Mischief

This heresy was worship of commercial advantage—a true mammon-worship—which lives to-day and imposes an iron discipline calculated to keep men out of mischief. According to its values, the good were those who worked hard and whose pleasures were few; and, its exponents were to be rich and powerful, in order to have the means and the instruments to keep the working people in their place. 

It was a creed of the Cistern that only those who participate in industry may participate in its awards. Even the rentier, though apparently receiving unearned incomes, has not been allowed to stand in the way of commerce. Commerce was placed on a divine pedestal. Before its altar man has been summarily sacrificed. Its work has been accomplished by the ruthless tearing down of all that was unsuitable to its purposes. Every creature was either converted to usefulness or broken and cast aside. The British peasant stood in the path of the woollen merchant, and was left a landless masterless man, to be later converted into a proletarian wage slave. By a process of insidiously distorting Commerce on behalf of himself and the mass of his subjects, was murdered. Aristocracies were crushed: aboriginal inhabitants of whole continents were obliterated. Nothing that man can enjoy is beyond our reach. This heresy was worship of commercial advantage—

**The Result: Command of the Earth's Products**

The rule of the Cistern has been vulgar and degrading, but it has provided the most startling effects. The entire inhabitable earth is at our command. We can wrest from Nature her produce in any quantity and every variety. Nothing that man can enjoy is beyond our reach. This triumphant result is due, of course, not only to the grinding toil of the slaves of the Cistern, but also to the romantic efforts of the adventurers inspired by the Fountain. The scientist asked for little material reward, and the grudging spirit of the Cistern saw to it that he and his fellow adventurers were more than amply rewarded. Many have worked in poverty and died in want. Yet through the centuries they have continued their efforts. They have left us the Earth for our heritage and the fulness thereof. They have been masters of these machines, which do practically all that man-power can do, and more of it. West European man has flooded the world with his goods and gathered for his use the rare products of other lands. He has built the dazzling edifice of modern economic organisation.

**One Country Alone Can Produce More than the World Could Consume**

Yet this organisation would seem to have been specially designed to serve the purposes of the Cistern. The mechanism of production is, of course, admirable. We could easily produce a multiple of what we now produce with the expenditure of no more human effort. The total energy of our machinery cannot be imagined. The United States alone can develop mechanical energy to the extent of one billion horse-power, representing when running continuously the work of thirty billion men. This amount of energy alone is more than sufficient to feed and clothe the entire civilized world, and we have in addition the huge power of Britain, Germany, Japan and other countries. There need be no more scarcity in the world, and yet the world is in want. The factor is in technology. Because it has always been the first canon of Commerce that only those who participate in industry may participate in its awards. Even the rentier class, though apparently receiving unearned incomes, has not been allowed to stand in the way of commerce. The financier has encouraged this practice, for the employment of great Banks with their monopoly vested interests whose power would depart if the monetary system was not altered. One is the fact that goods produced in any country must always be priced at a figure greater than the total amount of money received by the people during their production. Consequently, the total quantity of goods produced in any country can never pass into the hands of the people of that country for their use. Because of this, the people of England were sold for a song and years之後, for the use of only a fraction of the goods they have produced; the remaining fraction has been sent abroad as foreign investments.

**ABUNDANCE WITHHELD BY THE FINANCIAL SYSTEM**

The Flaw in the Price System

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This is the cause of all to-day of international trade rivalry and the threat of war. It is the cause of unemployment linked with poverty, for if goods cannot be sold, they may not be produced; the man who no longer produces being given no more than a miserable dole, thus further reducing the buying power of the people. (And even this dole is deducted, by contributions and taxation, from the buying power of the nation). It is the cause of poverty amidst plenty and the chief weapon of the Cistern in its war on life.

**Why We Do Not WANT Leisure and Wealth**

It is evident, then, that there are at least two major obstacles to the application of Social Credit. One is the vested interests whose power would depart if the monetary system as a whole were altered; the other is the financial system as a whole. The financier has encouraged this practice, for the employment of great Banks with their monopoly vested interests whose power would depart if the monetary system was not altered. One is the fact that goods produced in any country must always be priced at a figure greater than the total amount of money received by the people during their production. Consequently, the total quantity of goods produced in any country can never pass into the hands of the people of that country for their use. Because of this, the people of England were sold for a song and years afterwards, for the use of only a fraction of the goods they have produced; the remaining fraction has been sent abroad as foreign investments. This is the cause of all to-day of international trade rivalry and the threat of war.

To quote the Papal Encyclical, "The Social Order"—:

"It is as if they owned the very air we breathe."

And indeed, theurchin soul which has been the modern world's god is long for the people easily to accept the principle of the free gift of money, by which Social Credit would work. The principle of free giving belongs to the Fountain; to the Cistern it is anaathma.

The price reduction and the distribution of the National Dividend would benefit alike the just and the unjust, the employed and the unemployed, the poor and the rich. That, as Major Douglas remarks, is why his principles are opposed by the Labour Party—he does not propose to create a state of work for all in which the rich would be punished. The Labour Party, offspiring of industrial Nonconformity, has been reared in a peculiarly Cistern-ridden atmosphere.

**Freedom and Leisure Held in Suspicion**

As long as the world is poisoned by the Cistern, leisure and freedom will be held in suspicion. And the supremacy of the Cistern is so long standing and so deeply entrenched in the very souls of the people, that the task of destroying it is probably the greatest that man has yet had to face. How far the world is from accepting the principle of the free gift of money, by which Social Credit would work. The principle of free giving belongs to the Fountain; to the Cistern it is anaathma.

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Yet They Want More Work!

Below are recounted a few examples of the extent to which attempts to remove prejudice from economic life and confront governments with the urgent duty of establishing a source of public purchasing power independent of wages and salaries.

In 1907, 121,000 workers in Great Britain produced 8,200,000 dozen pairs of footwear. In 1926, 108,000 workers in Great Britain produced 10,000,000 dozen pairs of footwear.

Dr. A. C. D. Rivett, Chief Executive Officer of the Council for Scientific and Industrial Research.

In 1933 the famous Bata boot factory in Zlín, in Czechoslovakia, reported the invention of a machine which needed only to be fed with leather and thread. Then, without any human agency, it proceeded to manufacture boots and shoes, which need only the insertion of laces to be ready for wear. (The machine is not being operated. This, however, is not because it is inefficient—far from it—but because it is too efficient, and would, if operated, throw too many people out of work.)

A lamp-making machine, also invented in 1933, would enable the German Osram Company to supply the whole requirements of the German markets in a few weeks if the new machine were allowed to operate continuously at full capacity.

The following figures, given by the President of the U.S.A. Chamber of Commerce as long ago as 1926, are typical of Industry as a whole:

- 1 man, with 1 bottle-making machine, replaced 54 men.
- 1 girl, with 6 rib-cutting machines, replaces 25 girls.
- 1 man, with 1 coal conveyer, replaces 20 men.
- 1 man, with 1 window-glass machine, replaces 30 men.
- 1 man, with 1 cigarette-wrapping machine, replaces 100 men.

The world depends upon its food supply. League of Nations figures quoted by the Macmillan Report show that while the world's population increased 10 per cent. between 1913 and 1928, its production of food during that period increased 16 per cent.

The discovery of how to make nitrates synthetically reduced Chile's export of natural nitrates from two million tons in 1923 to one and a third million tons in 1925. At present, therefore, the world is overstocked with a food-forcing chemical.

Professor Soddy estimated that four thousand men equipped with modern machinery could produce the whole of the U.S.A.'s wheat crop.

The harvesting combine machine reaps, shocks, loads, hauls, stacks, and threshes the same day. In the morning the grain is growing; in the evening it is ready for the elevators.

A single Californian hatchery, with an incubator capacity of 500,000 eggs at one time, hatches three million chickens a year by electricity. Again, four to six cows can be milked at one time with an electric milker, of which in 1926 there were some 100,000 in the U.S.A. alone.

Enormous as the present output of the machine is, it is little to what it could be if the machine was allowed to operate under congenial economic conditions. The late Mr. H. L. Gantt, one of the world's foremost efficiency engineers, gave as his considered opinion that the efficiency of the U.S.A. industrial machine was barely five per cent. of what it could be without any exploitation of plant whatever. This was in 1919, and while no one's estimate is more severe than Mr. Gantt's since that date, no qualified person has been found to state that the world's machine operated, on the whole, at more than fifty-five per cent. of its full capacity and efficiency.

The white collar industries and professions are not immune from the machine's blessings and curses, its labour-saving and its labour-outing.

1933 saw the installation in the City office of the "Big Five" banks, according to the Sunday Express, of a machine four feet high, like a mammoth typewriter with levers instead of keys. Operated by one girl and doing the work of sixty bank clerks, this machine deals with sixty thousand separate ledger entries in an hour; records the code numbers of the client and the cheque, the amount paid in or out, the total balance and interest due, and if the machine makes a mistake it shows a red card.

Yet the Government and the Labour Party both say that the State's first duty is to find more work!

International trade competition must inevitably increase in bitterness and lead straight to war on a world-scale. To-day, all varieties of crops, the abounding gifts of generous life, are being ploughed into the earth, and more and more land left untilled. Every department of industrial activity is being taxed. Worst of all, is the growing disincarnation of the human population to procrerate, and, as Eimar O'Duffy shows so admirably in his book, "Life and Money," the world is engaged, under the spur of poverty, in a species of chemical war on the unborn.

A Prejudice Too Deep-seated for Logic

If this analysis has value, one or two important questions are raised. It seems that the Cistern's domination has produced a widespread hatred of leisure and plentiful which is more than a habit of mind. It is secure, therefore, from the assault of logic, for it is seated in the very soul of Western man.

This consideration might have some influence on the nature of our propaganda. The question arises: are logic and technical teaching valuable enough to merit the prominence we give them? Ought we not rather to spend more time in trying to remove prejudice, and to be more patient with prejudice if we believe that it is due to influences which have such a long and potent history?

Most important of all, perhaps, ought we to continue to emphasise the material benefits of Social Credit, or to emphasise rather the responsibility it will bring; stressing the idea of leisure as a sacred vocation, rather than leisure as idleness? The appeal to self-interest can degenerate into the very spirit of the Cistern.

It may be that if we can distinguish what forces are spiritually with us and what forces are spiritually against us, and take care to employ only the former, then our propaganda will grow in strength and effectiveness.
ONE of the most fruitful sources of error in thinking is the use of false analogy. Take, for example, the phrase, "the body-politic" as it is frequently applied to the Community at large, and which implies that communities of people form units in which the various individuals play a part analogous to that played by the various organs and tissues in our bodies. That such a concept embodies an ideal to be striven for, few people will deny, but that it represents anything approaching reality in states as they actually exist is radically false.

The unit in the human body is the single cell, as the unit in the community is the individual human being, but in the body, the individual cells are composed of many cells. With the help of its fellows it played an overwhelming part in the evolution of the human body. This conclusion, however, overlooks several important facts.

The Limits of "Natural Selection"

How then, has the human body reached its present marvelous state of efficiency? From the time of Darwin many biologists would say that it is the result of millions of small variations brought about by the action of Natural Selection, the struggle for existence and the survival of the fittest. So variations brought about by the action of Natural Selection, stimulate variation within certain rigidly determined limits. But a point is reached where the inhibiting effects of crude natural selection, it is safe to say, evolution has reached a point where the struggle for existence and the survival of the fittest, has remained firm—an indication of the confidence felt in the economic condition of the country.

Despite the fall in sterling, gilt-edged stocks have remained firm—an indication of the confidence felt in the economic condition of the country.

This is one of the soothing ways in which the financial experts of the daily papers announce that, because the shortage of purchasing power renders so much of our industrial production unsaleable, there is a lack of confidence in other forms of investment.

BIRMINGHAM DOUGLAS SOCIAL CREDIT GROUP

IN THE TOWN HALL, BIRMINGHAM

On Friday, December 7th, at 8 p.m. 

Chairman: THE DEAN OF CANTERBURY
(The Very Rev. Hewlett Johnson, B.Sc., D.D.)

A PUBLIC MEETING
will be addressed by

MAJOR C. H. DOUGLAS
M. M., E., M.I.M.E.

Tickets from Lewis's and E. Grey, Bull St., Dale Fryer & Co., New St.; Schooners Corporation St., Priestley & Sons Colmore Row; J. H. Riley, Paradise St., or the Hen.

Upper Gallery Free. Guaranteed Seats, 6d. and 1/-

DECEMBER AS A BIOLOGICAL PRINCIPLE
The Comparison between the Human Body and the "Body-Politic"

Some variations, indeed, seem not to have been so. There are many organs and tissues in the human body which are of no conceivable use,—like the appendix, which seems to exist solely to put fees into the pocket of the surgeon who removes it. But nature knows nothing of our "rationalizing" tricks and does not deliberately destroy apparently useless organs. We tend to think of her as the great Regulator. We forget that she is also the great Conservative.

Some day or other she may have use for these organs which the "rationalized" builders would have rejected. That has happened before now. There was once a creature which ceased using its old intestinal system, and evolved a new one. But the old one was not destroyed. It was left to its own devices, and to behold! It became the brain and central nervous system of which Man is so justly proud.

So it would be in the larger bodies into which human communities might grow if we would cease our interfering tricks, and give Democracy a chance. Here is a lazy little fellow who will not work, but prefers to stay at home to watch his mother's kettle boil. Leave him to dream and he will transform the face of the world you live in. Here is another who loathes making pills but wants to write poetry. Well, why not? There are ten thousand pill-makers as good as he, besides the machines which are much better. But there is only one man who can write the Ode to the Nightingale.

Of course, every idler is neither a James Watt nor a John Keats, but the point to grasp is that no one knows beforehand which of the idlers will turn out geniuses. All we can do is to make it possible for the idlers to live. And since machines are now doing more and more of the work so that it is impossible to find work for the idlers anyway, it would seem to be desirable to frame an economy on the lines of the blood circulation which, in the economic system of the body, in which every organ automatically gets its sufficiency of blood, while those which are immediately active get a little more. Then, at last, we might with justice speak of the Body-Politic.
THE previous article concluded by stating that the A + B Theorem of Major Douglas, in relation to the explanations already given on these pages, is shown to be a statement of fundamental truth.

The exact terms of the proposition are as follows, with numbers inserted corresponding to the numbered notes appended below:

1. That Wages, Salaries and Dividends (2) distributed (3) during a given period (4) do not, and cannot, buy the production of that period; (5) that production (6) can only be bought, i.e., distributed, (7) under present conditions (8) by a draft, and an increasing draft, on the purchases of which the distribution in respect of (9) future production, (10) and this latter is mainly and increasingly derived from financial credit created by the Banks.

11. A factory or other productive organisation has, besides its economic function as a producer of goods, a purely financial aspect. It may be regarded on the one hand as a device for the distribution of purchasing-power to individuals through the media of wages, salaries, and dividends, and on the other hand, as a manufacture of prices.—financial values. (12) From this standpoint its payments may be divided into four groups, viz.: Group A. All payments made to individuals. Wages, Salaries, and Dividends. Group B. All payments made to other organisations. Raw Materials, Bank Charges, and other external costs.

13. Now the rate of flow of Purchasing Power to individuals is represented by A, but since all payments go into prices, the rate of flow of prices cannot be less than A + B. if part of the product at least equal to B must be distributed by a draft, and an increasing draft, on the purchasing-power not comprised in the description grouped under A.

Principal Points For Study

Readers of Social Credit are now competent to analyse this proposition for themselves, and at this point should proceed to do so on their own terms, as an exercise of extreme value and interest. The summary of principal points hereunder may then be used for convenience, and expanded in detail or added to as the reader's analysis proceeds. The numbers refer to those inserted in the text of the proposition.

1. These terms include all the Effective Demand recognised by the present system of finance-economics.

2. The circulation of money (effective demand) is: (A) creation by loan-capital; (B) issue from productive industry as (1) above, as part of cost; (C) recovery by price, cancelling costs, and (D) destruction by repayment of loan or redemption of capital. Therefore money, prices, and goods flow forwards through the same channel of industry.

3. A production cycle from raw material to consumption is one accounting unit, but loans and financial transactions are of arbitrary period. At any one time production of all types of goods and at all stages of process is proceeding concurrently, while ultimate or consumable goods are being destroyed by consumption. Therefore the proper (and only) analytic method is to take a specific period in time, and summarise the financial values created by production, and the financial values destroyed by consumption.

4. The only market for goods is the effective demand, called money in the hands of individuals, which must first be issued as part of cost. See (12) below.

5. Production consists of Capital goods, the permanent and semi-permanent assets of the social community and of industry; intermediate goods such as the raw materials produced by extractive industries for conversion into consumable goods, and tools or perishable plant for making such goods; (C) distributable goods not redeemed by individuals for consumption. Since capital and intermediate goods last indefinitely longer than consumable goods, in each “period” there is a surplus of production carried forward.

6. The economic function of “distribution” is absolutely dependent upon the distribution of effective demand, or money; ninety-five per cent. of money available as purchasing power is issued as wages and salaries and five per cent. as interest on invested capital, and all effective demand is issued as part of cost.

7. Present conditions are the complete subordination of the economic system to the “quantity law” of money, and the financial profit and loss system operated thereunder.

The Bankers' Only Law: Boom and Slump

This “law” is based on the quantity of gold held by the central bank, the varying amount of which “regulates” the quantity of financial values of bank deposits created or destroyed at the absolute discretion of the money monopoly. The only regulating medium available to bankers is the alternation of inflation and deflation, which means the fictitious boom and fictitious slump of the economic system.

8. The word “draft” is specifically accurate, since the price of future production (see No. 9 below) must be carried forward and recovered from effective demand in the more or less distant future, while the wages, salaries, and dividends now issued are “drawn upon” by consumers for their immediate necessities; (financially to liquidate past costs).

9. Future production is that production during the specific period of the proposition, which is carried forwards, to be “consumed” at some subsequent date. In practice, the price or financial value must be carried forward for redemption from future effective demand, over a variable term of years.

10. Financial credit is any token or ticket or paper such as banknotes or cheques that may be used to “represent” money as universal effective demand. In this country ninety-nine per cent. of all transactions are now carried forward by the cheque system without the use of legal tender. The “quantity law” of money refers to the commodity, gold, of which about £160,000,000 is held by the Bank of England. Total bank deposits and notes, however, are about two thousand millions. The difference, exceeding ninety per cent. of the gross available demand, has been created by the absolute and irresponsible authority of banking policy, by means of bank loans issued on the security of the borrower’s capital assets; since these loans, when repaid, become a deposit or debt due by the banks. Therefore effective demand is now mainly bank-creation of book figures.

11. Practical economic life deals with financial values. All economic activity is conducted on the basis of financial profit and loss. The production of real wealth must be subordinated to the imperative necessity of recovering all costs in price in addition for “profit.” Money, prices, and goods flow through the same channel of productive industry, which has been diverted from its technical economic function to serve a financial end. All purchasing-power is issued in this manner as wages, salaries, and dividends.

12. The segregation into two groups, A and B, is in strict accordance with universal accounting practice. It is an exact statement of the costing statement of one article, the production accounts of a single factory, and the summarised accounts of a complete industry. Therefore, “during a given period” it must also be strictly true as representing an account covering the whole economic activity of the nation.

General Proof

13. Since all costs must be charged into future prices and recovered from effective demand—available in the future, the amount of effective demand, or money, in existence at any moment should be equal to the financial cost of all assets of whatever kind in existence at that moment, the cost of which must be recovered in the price of consumable goods paid for by individuals in the future. The aggregate of money in existence in Great Britain is now about two thousand millions sterling. There is a credit balance of foreign investments of about three thousand millions. But the specific debts now existing and chargeable into future prices total over nineteen thousand millions. Therefore there is an immediate proved deficiency of purchasing-power representing seventy-five per cent. of the financial values chargeable into future prices, which is an accumulated effect of the defective accounting stated in the proposition.

(Continued on page 147.)
The Case for the National Dividend

National Efficiency

The commonest objection to a National Dividend is that it would encourage laziness on a large scale. I do not think that this objection is always genuine. Many of the objectors use it more or less consciously as a mask for their fundamental reasons which are not so respectable, which do not give a flattering picture of the objectors themselves, and are open on grounds of morals to the same criticisms as the vice of laziness. But of these more anon.

In so far as the charge of encouraging laziness is to be treated on its own merits, it relies on one or more of the following convictions: (1) That we live in a community where there is a considerable danger that individual and social life will degenerate unless nearly everybody works really hard. (2) That the efforts now put forward are in the main satisfactory, desirable, and fruitful, in the task of saving us from the ever-present menace of decay. (3) That most people will not do their necessary share unless pressed by threats of personal want. (4) That most people will be morally ruined unless they have to work hard for what they get.

Now every one of these statements is wrong. The first is sufficiently under suspicion because we no longer live in an age of inevitable scarcity. It is proving more and more difficult to provide all the available workers with jobs, even without regard to the social value of the jobs. Even when industry was comparatively undeveloped, there was a considerable number of people who never did any useful work or even anything that could be called work at all. There was also a considerable number who were engaged on jobs which meant nothing in the struggle for a livelihood wrested from Nature, though their non-economic value was often very high. These included the clergy, artists, entertainers, and some others. But such is the present technical power and achievement that at last even the economists talk of Poverty in Plenty.

Much Work Merely Wasteful

A cursory survey of the working population and their employments shows that the amount of positive waste and negative inefficiency is stupendous. A large proportion of the printing, advertising and distributive trades are occupied with jobs which involve nothing but a waste of power and material without adding to the standards of comfort one jot. The incomes received by those so employed are no more "deserved" than those of the idlest rich. They represent nothing but a superfluous cost.

In manufacturing, an extraordinary multiplication of substantially identical products is achieved with great friction and wastage. This is it which has led Collectivists
denounce for many years the "cost of competition" and propose to remedy it by planning and super-management of various kinds. They have not observed that a good part of this widespread and dehumanizing waste is due to that very struggle for work as a means of income which, curiously enough, Collectivists are wont to insist on with their clamour that "All must work.

It is a fact, however, that we must learn to see how in every sort of occupation much effort and ingenuity is expended, not on doing the job in hand, but in trying to keep the job going. Hence in the majority of professions and employments there is an increasing tendency to elaborate scales of charges, schemes of promotion, rates of pay, conditions of work, which are designed, not from the point of view of getting done what is to be done, but to keep in the profession, and therefore in receipt of incomes, a large number of people who are not up to the average standard of efficiency for that profession. In addition, we find that more and more professions are doing their best to reduce the number of new entrants, by such doings as stiffer entrance examinations and qualifications, legal registration, restrictions on the range of jobs a member can do, and extension of the period for training, so that fewer candidates can afford it.

A False Virtue

Our wasteful age of plenty contrives to support the delusion that income-seeking is the most meritorious virtue. Ours is the only civilisation which has professed this. The earlier cultures definitely put income-seeking low in the scale of morality, though their practice did not necessarily agree with their theory. This was misguided enough when man had serious struggles for bare life, but for mankind to change round and insist on income-seeking for all, just when we have succeeded in making universal labour unnecessary, is equally misguided. We need not make the mistake of depreciating income-seeking. What we should recognise is that it is not the sole criterion of personal or social value. The Socialists, who denounce profits and demand the co-operation of all for all, recognise the error in viewing man as a profit-seeking animal—using profit in a financial sense,—but rush into the opposite extreme of ignoring the fact that most men do to some extent desire and seek profits, and that there is no reason why they should not, so long as it does not involve the sacrifice of others.

They have not yet recognised that the most convenient device for reducing profit-and income-seeking to its proper proportions is the National Dividend, for that would give the greatest play to the many other motives by which man lives.

HILDEGAR COUSENS.

A STATEMENT OF TRUTH continued from page 146.

Specific Analysis

The principal items of specific analysis have been stated in some detail in the two previous articles. They may be restated in summary

(1) Profit includes profit, which is an arbitrary addition to financial cost and is not (and cannot be) issued as purchasing power under present methods. (2) Payments under group B are paid away in respect of past production, and the recipients of such payments use them to cancel past costs and repay debt. Such payments cannot be issued again as effective demand unless they are accompanied by an equivalent new price. (3) Group B also includes reserves for contingencies which are a counter part of the effective demand to meet those costs. If the savings so invested are used to cancel past debts, the "money" is destroyed; if used for new pro-

duction, they are re-issued subject to the routine of the A + B flow, which is interchangeable under present conditions.

Therefore, by analysis the A + B theorem is shown to be a statement of specific accuracy, clearly understood by all properly equipped investigators. It is in strict accord with existing facts and contains no unknown quantity or assumption.

It is a scientific formula of supreme importance to the world today, condemning to scientific obsolescence the elements of present economic disease.

For this, and for the scientific remedy based upon it, this generation will not be able adequately to do honour to its propounder, who is the Watt of the technique of distribution, and the first philosopher of the age of plenty.

DARAN.

SPECIAL CREDIT IN AFRICA

Extract from a letter from the Marquis de Serra, author of "Property, the Substance and Value," about to be published by Figurehead.

"I have given several lectures in the Marquis de Serra, more precisely on Douglas Social Credit. A considerable body of business men, farmers, etc., have taken keen interest in the subject and an Association is to be formed very soon in Nairobi."
Correspondence

“A Social Credit Combine or Trust”

To the Editor of Social Credit.

Sir,—May I, through your columns, be allowed to express my hearty approval of Mr. J. E. Tuke’s letter in your October 26, issue?

As a Social Crediter, some such idea has been simmering in my brain for a year or two past. There seems to be one basic objection to the proposal, and that is that the Social Credit Community would have to be completely self-supporting, at all events at the outset, since the tickets which it pays out for wages, etc., would not be at once spendable outside its own limits.

There is, however, as far as I can see, no objection to starting the ball rolling in the way Mr. Tuke suggests. So much has the idea appealed to me that I am at the moment seriously contemplating the retail distribution to Social Crediters (or should one say “Creditresses”?!) of a manufacture of my firm, viz., knitting wools.

As retail distribution is, for my firm, an entirely new departure from normal, the necessary organisation, preparation of stock, etc., will take some little time. When this is done, which I hope will be within the next few weeks, I hope to advertise the service in Social Credit, and back it up with the offer of a cash discount to Social Crediters (or Creditresses) only. If successful, the service will be extended to cover many other necessities of clothing which my firm, through its associations, is able to produce well and cheaply.

Yours faithfully,
8, Ashfield Road, Moorhead, Shipley.

John Earnshaw.

October 26, 1934.

To the Editor of Social Credit,

Sir,—Mr. Tuke’s interesting letter brings to mind two things which must be surmounted before such a project can materialise or come to success:

(1) The Truck Acts. (Internal application if any, to experiment).
(2) The external relationship of the S. C. Group with the larger containing entity—the community, i.e., the method of acquiring currency and credit funds for “outside” transactions between the group and “other organisations.”

The Truck Acts are popularly supposed to be solely and entirely beneficial in character! When politicians bear “gifts” in the shape of legislation, what’s left hands bestow, their “rights” often pilfer. The Truck Acts are no exception.

Certainly, the Acts gave employees the “right” of payment in money only, but the public overlooked the other side. The advantage, of suspended claim and freedom of choice which the money ticket confers, is superior to the specific payment in goods. To Social Crediters, however, the parallel motive behind the Acts is plain: that employers and employing organisations (including Co-Op’s) are at all times forced to resort to the banker’s commodity-bank credit in order that their employees can be paid “coin of the realm.”

The sponsors were the unwitting (?) abettors of the Money Monopoly.

With regard to (2) above, the provision of “accepted money” i.e. legal tender and bank credit funds for “outside” transactions:—This points to the need of a central clearing house through which all transactions between the “Group” and “other organisations” would pass. The making available of all known information about the working of existing barter groups (U.S.A., etc.) should provide useful data.

An internal ticket system suitable to the job should not be beyond the wit of Social Crediters to devise and work with success.

Always provided that the ultimate goal—the Social Credit State—is not lost sight of, Mr. Tuke’s idea might prove a valuable means to that supreme end.

Yours faithfully,

John Mair.

14, Sylvan Street, Belfast.

October 26, 1934.

“The Trader Confronts Social Credit”

To the Editor of Social Credit.

Sir,—I think we should all like to thank Mr. Charles Jones for his satirical phrase “A National Dividend is the Pinnacle of Social Ethics.” I have promptly adopted it, as no doubt many other readers have, and it will appear as a heading to many of my letters or on the back of the envelopes of others.

Yours faithfully,
73, Boundary Road, N.W.8.
E. Birnstingl.

October 26, 1934.

To Certain Humanitarians

To the Editor of Social Credit.

Sir,—As no reply has yet appeared to the recent contribution of D. Beamish entitled “To Certain Humanitarians,” I hope you will allow me space for a few remarks.

Those who believe in Birth Control as a means of social amelioration are not ipso facto opposed to a policy, such as that of Major Douglas, dictated by a desire for a better distribution of the world’s goods. The two questions ought not to be considered as conflicting. Not even the most ardent supporter of the National Dividend plan will deny that there must be an optimum population; a population whose numbers will alter with the needs of the time. The ultimate aim and object of human existence. It seems to me that your contributor, in trying to score off those who advocate Birth Control, is doing a disservice to his own cause and to that of humanity.

The movement for the provision of Birth Control clinics in this country is rooted in the belief:

(1) That it is wrong to withhold contraceptive advice from those mothers whose health and strength are not equal to the strain imposed by child-bearing.
(2) That the opportunity afforded married women by contraceptive knowledge, of spacing their children so that more care may be devoted to the individual units of the family, is bound to result in a broader basis of happiness in community life.

What is the reverse picture? Take a recent case reported in the press. A Toronto woman who has already had nineteen children, sixteen of whom have died, now hopes for twins which will put her at the head of the race. How can she afford to rear all of them? Is she contributing to the amelioration of her race?

There is, however, as far as I can see, no objection to the provision of Birth Control clinics, provided they are supported, at all events at the outset, since the tickets which it pays out for wages, etc., would not be at once spendable outside its own limits.

October 26, 1934.

R. A. Brown.

“An Open Letter to Teachers”—A Reply

Dear Mr. Tait,

Your article was handed to me by a colleague who apparently was of the opinion that it expressed the feelings of the majority of the profession. Let me inform you, sir, that it does not.

It is all very well to dabble in financial theories but we must bear in mind that we have a higher duty to our noble profession. How would you, sir, like to have the outlook of your child warped by the perhaps unconsciously expressed bias of some supporters of an, as yet, untried scheme?

We, as moulders of the opinions of the growing generation, must keep ourselves uncontaminated by partisan opinions. Our duty is to develop and cultivate the minds of the children, not along a narrow path with a single (Continued on page 149.)
objective but along the wide, spacious highways of a broad culture.

I fear you do not appreciate the great work that has been and is being done to improve our educational system.

You infer that our school buildings are dilapidated; our equipment meagre and our playing fields limited. Any older colleague will tell you of the giant strides made in improving conditions for scholars and teachers alike. It is some time since I personally saw a class of more than forty children. Comparing this with the sixties of not so many years ago, I think further comment is unnecessary. As to equipment; I am sure you will agree we must have some degree of economy. To say the least, it is our duty to the ratepayers. Reckless expenditure is inevitably followed by the unfortunate boy mentioned in your letter; nevertheless we allow the child to delude himself too long. He will soon find that he is left alone in a rather overcrowded labour market and ability to twist bits of wire won’t help him much. No, I think that teachers are to be congratulated on their stand through the past few years—alas! from petty squabbles and untested (from an historical viewpoint) financial schemes.

I feel confident that my views meet with the approval of the more experienced and thinking members of the profession. I am, Sir,

Yours faithfully,

P.S.—Perhaps some of our colleagues would care to express their sympathies with regard to the unfortunate boy mentioned in your letter; nevertheless I feel constrained to point out that ability to make “electrical models from pieces of wire and old metal” does not necessarily mean that a boy will prove himself capable of securing a competitive world, and we, as teachers, are being dishonest if we allow the child to delude himself too long. He will soon find that he is left to fight alone in a rather overcrowded labour market and ability to twist bits of wire won’t help him much. No, I think that teachers are to be congratulated on their stand through the past few years—alas! from petty squabbles and untested (from an historical viewpoint) financial schemes.

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I am, Sir,

Yours faithfully,
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I AM surprised and pained to observe in this issue a great deal of space devoted to what appears to be, if only I had time to read it, a denunciation of Work.

One writer in particular, who ought to know better, being a parson, spreads himself out over page after page in an effort to show that Western man is making an ass of himself by going on working after he need not. According to him, Englishmen have for the last one hundred years been laying themselves open to the same charge of soft-headedness as would a man who goes on working after the whistle's gone.

Now, I would be the first to throw something wet at a man who would not leave a nail half in, rather than give it another wallop after the first hoot of the buzzer.

I am fully in sympathy with the sturdy spirit of the man who, though black in the face from having swallowed his false teeth, would not go to the doctor because it was in the dinner hour.

"Absorbing unemployed" by doing without ladders, (Note: One man is about to break his neck. This will absorb him permanently).

A certain modicum of making is right and proper. It asserts one's independence and maintains the salutary standard of social usage which defends us from those who would endanger our livelihood by working overtime for nothing. But to allow the invention of labour-saving machinery to start mankind on a prolonged and unlimited muddle, is going a bit too far.

There are two reasons for making people work all day. One is to keep them out of mischief, and the other is to distinguish who are the gentlemen.

When machines are doing all the work, how can one be a gentleman?

If the mass of the people spent most of their time swanking about doing nothing on a National Dividend, there would be no noticeable class distinctions, and life would be hollow and grey. Either everybody would be a gentleman or nobody would.

I should know, of course, that I was superior to the masses, but I would not be able to prove it. That would be the annoying thing. As John Ball (I think) observed, "when tractors delve and power-looms spin, who will be the gentleman?"

Now, people are continually writing rude remarks in this paper about the politicians who say that the most urgent need of to-day is to find work. They say, with varying degrees of rudeness, that it is absurd to insist on everybody working while at the same time we continue making innovations. I am sending a few ideas to Dr. Dalton, who ought to know better.

"There is, I say, no end to the number of similar epoch-making innovations. I am sending a few ideas to Dr. Dalton, who ought to know better.

..."