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NOTES OF THE WEEK

HOW MUCH CAN THE NATION AFFORD?

THE Press has announced a scheme for "solving the London Traffic Problem."

The main idea is to build arterial roads deep underground which would radiate from the heart of London to the outskirts. It is estimated to cost £400,000,000.

The interesting point to note is that nobody questions whether this could be done or not. The paramount question is—"How could it be paid for?"

We all take it for granted that our engineers are capable of doing it and obtaining all the necessary skill, labour, machines, tools and materials.

We all agree that some drastic traffic scheme is needed. No one wants London to get so strangled by its own traffic that motorists will start in their teens at Aldgate Pump and die of old age before they get to Pimlico.

The only doubt in anyone's mind is—"Can we afford it?"

To put the question in another way, so as better to emphasise the stupidity of our economic system: "We know how to carry out this huge engineering feat, but what we do not know is how to hand out to the men who do the work enough pieces of printed paper."

So far, the only answer to the question of payment is, "The money will be raised by Government loans."

The phrase is so familiar that few people recognise it as the lunacy it is. For a government to have to borrow money to get its own work done is a sign that a government does not govern itself.

Is This A Swindle?

Let us examine the process by which these loans are raised. There is first a neat piece of camouflage. An announcement appears in the Press that the loan is to be a public one. At a certain hour of a certain day the subscription lists are opened, and shortly afterwards it is announced that the lists are closed because the issue was heavily over-subscribed.

The papers tell us next day what trust the public must have in the Government and how financially sound the nation must be, for such a big sum to be subscribed in an hour, or whatever the time was. And we are all so accustomed to it that nobody laughs.

What has really happened is that "the public" has subscribed only a small fraction, while the banks have put up the bulk of the money, having created the credit (which is the prerogative of the banks) by the simple act of writing figures in a book.

Usually the whole matter is arranged, and the great part of the money allocated, before the lists are opened; and to give the affair the appearance of a public issue, a comparatively small sum is allotted to subscribers amongst the public.

The only "confidence" it indicates is the confidence of the financiers in their own confidence trick.

Now the fact that the Government has to borrow money for public works is an example of what is fundamentally wrong with the economic system to-day. It is an example of the fact that all money comes into existence as a debt to the banking system. Until that is changed all our economic evils will remain.

It is not necessary for the Government to borrow money. The banks are able to raise this money (working through big financial houses) because they create it on the credit (*the real wealth*) of the nation, which is used as if it were the private property of the Bank of England—a private concern.

Commonsense versus Sound Finance

Commonsense, therefore, would say that the money should be regarded as the nation's, and that it could be spent without anyone being a single penny in debt for it.

But the nation's economic welfare is not based on commonsense, but on "sound finance"—a very different thing. It is based on the indefensible assumption that the people shall remain permanently in debt for their own credit and shall always regard their own national assets as liabilities.

Such a project as this road scheme could be carried through without the Government borrowing a penny.

If the nation's credit was controlled by the Government on behalf of the people, instead of by private banks on behalf of themselves, the Government could issue the money on the credit of the nation's ability to provide the skill, labour, material and mechanism required.

That is the true basis of credit: ability to provide goods and services as, when and where required. And it is the only sane basis on which money should be issued. But it is the exact opposite of those practices which are customarily intended by the phrase "sound finance."

MAJOR DOUGLAS TO-NIGHT

Just a word to remind our readers that Major Douglas will broadcast his address on "The Causes of War" to-night, from 10 to 10.15 p.m., from the National (Droitwich 1,500 metres) and all other National transmitters.

SOCIAL CREDIT IN SOUTH AFRICA

We are glad to receive evidence of increasing activities by the Social Credit Movement in South Africa.

The "Social Credit Bulletin" of Johannesburg publishes the text of a resolution passed by the South African Poultry Association and carried unanimously by the South African Agricultural Annual Congress at Bloemfontein last October. It expresses concern at the existing economic position under which neither producer nor consumer can either sell or buy "the full products of agriculture at prices fair to both parties," and demands that "the financial machinery of distribution shall be correlated accurately to the full capacity of production," and that "adequate purchasing-power be assured to the consumer, so obviating the spectacle of starvation amidst plenty and the inability to sell produce amidst want."

It concludes with a petition to Parliament to immediately appoint a Judicial Commission to enquire into the financial system, such commission to hear evidence and report on any financial proposals to correct the present situation which may be submitted by any authoritative persons or bodies.

The mover pointed out that of 45 resolutions on the Agenda, 25 dealt with economic questions mostly involving money problems. The applause given to the mover, the "Bulletin" reports, showed the degree of interest in the subject, and both mover and seconder emphasised the important point that a Judicial Commission was better than a Parliamentary Commission, or one composed of economic experts. Minds accustomed to sifting evidence were needed, they pointed out, and the place for experts was in the witness box.

The fact that these demands for a fundamental change in the financial system are now coming so steadily from all the British Dominions is one of the most hopeful signs of the times. And our friends in South Africa are especially to be congratulated on this evidence of their activities, seeing that local interest in the gold-mining industry gives additional strength to the support of orthodox financial views.

THE SERVILE STATE

Sir Raymond Unwin, delivering the Chadwick Public Lecture on "Good Housing: The Basis of Individual and Social Health," at the Royal Society of Arts, last week, said that society could not afford to let its members remain below a certain standard of home life.

Many people, he said, could not afford to obtain this from private enterprise, and the only solution was to provide dwellings for such people as a public service, as in the case of the water supply and education.

At this point one may give three cheers for the Servile State. We are sure Sir Raymond Unwin, pre-eminently a liberal-minded man, would revolt if confronted with the true picture of what such schemes will ultimately lead to.

It is of a country divided up into two sections—those who can afford to buy the necessities of life and those who cannot. And as this unmoneyed class will grow in number, we may look forward to an increasing proportion of the population having their means of subsistence handed out to them—not of their own choice, but of what the State thinks fit.

For there is no reason why this State provision (call it "relief" and have done with it) should stop at housing. Why not include in the subsidies, clothing, food, furniture and fun? If we continue to keep the people's buying-power less than the total prices of goods, the time must come when no one will be able to afford the *whole* price of anything.

Why does it not occur to these "National Planners" that if the State can pay producers to provide goods below cost (or for nothing) to people who cannot afford them, it can just as easily provide the people themselves with money to buy them?

We recommend to Sir Raymond Unwin, and other public-spirited men, the study of Social Credit, which, because it would substitute economic freedom for economic servility, would be more consistent with what, we feel sure, is their real intention.

OUT OF OUR BOUNTY. . .

The bountiful provision of houses for poorer people, which Sir Raymond Unwin hopes to see, seems to have begun with a vengeance. The vengeance is upon the people—for being poor.

The Brownhill (Staffs.) Urban Council are building council houses for slum dwellers and those displaced through demolitions, to be let at the following inclusive rents: Two bedrooms, 3s. 6¾d.; three bedrooms, 3s. 11½d.; four bedrooms, 4s. 4d. These include an average of 2s. 6d. rates. "Such cheap houses," we read, "have been rendered possible by Government subsidies. . . The average cost of each house is £260, plus £20 for land, and a little extra for foundations where land is liable to mining subsidence."

As a taxpayer we protest against the extravagance of giving these people foundations. If the land should subside, and the bottom fall out of the Brownhill's (Staffs.) housing scheme, carrying the people with it, then we hold that the second demolition should be counted an act of God and a judgment on these people for adding to the National Debt.

Some people may think it a trifle niggardly of a wealthy country, containing millions of pounds' worth of idle building labour and material, to put up flimsy rabbit-hutches instead of Englishmen's homes. Say, rather, that it is the solution of the slum problem; for these new slums will abolish themselves—with the first strong wind that blows.

THE JAPANESE BUDGET

The final estimates of the Japanese Budget for the fiscal year 1935-6, which were approved on Saturday, are the highest in the country's history, amounting to 2,190,644,938 yen (about £128,800,000).

Of the appropriations in the draft Budget, the highest are —Navy, 530 million yen; War Office, 491 million; Finance Ministry, 464 million.

The deficit to be covered by bond is 750,357,339 yen (£44,100,000).

As many of our readers are aware, Japanese Budgets must not be read in quite the same light as our own, or, indeed, anyone else's Budget. For the Japanese Government has, at least as regards the important matter of its foreign trade, subjected Finance to national policy, whereas in other countries private financial interests rule the government.

As a guide to the study of this very important subject, we recommend to new readers the article "Made In Japan," published in our issue of last week, November 23, in which it was shown that Japan is using her national credit to increase her export trade in such a manner as to suggest that the enormous nominal internal debt may never be repaid. It is possible, therefore, that enormous deficit figures do not strike the terror into Japanese hearts that such things do in this hemisphere.

AND WHO DID HAVE THE CAKE?

"You cannot eat your cake and have it. We have been eating our cake in the way of new expenditure so rapidly of late that I must warn you that very large increases of revenue will be necessary. . ." etc., etc., etc.

Expressing as it does the exact opposite of the economic facts, the absolute incorrectness of this statement stamps it as coming from the Chancellor of the Exchequer.

The fact is, we have not had the cake. An enormous unsaleable surplus of industrial and agricultural cake is lying rotting all over the place, and the only people who are getting their fill of it are the rats and mice (they naturally would; they did not produce it).

What we have had is not our cake—which some people call our national wealth of consumable goods—but loans from private financiers, who raised the money on the credit of the existence of *our* cake. The cake does not belong to them, but we, its rightful owners, are not allowed to eat it until we have repayed the loans which we cannot repay until we have sold the unsaleable cake.

But perhaps Mr. Chamberlain was referring to money when he said "cake"—statesmen use quaint terms. If so, we can only say that although the money-cake cost nothing to produce, the Costless Cake Co., Unlimited, of Threadneedle Street, will soon be sending in another bill to cover their costless costs, and at the same time demanding the return of the cake.

It's just as silly either way. But a Chancellor said it, so it gets into the papers.

THE LONG, LONG NIGHT IS OVER

The subjects mentioned in the King's Speech as those to which the Government is about to give its earnest attention are :—

World peace, Indian Constitutional Reform, international trade, the shipping industry, slum clearance and re-housing, unemployment in distressed areas, electricity supply, Imperial air communications, agriculture, the herring industry, control of ribbon development building, and better housing for the Metropolitan Police.

Re World Peace : The Government will go on talking about the calibre of guns on cruisers, etc., and by continuing its attempt to recapture foreign markets, do its best to see that they are used.

Re India : The peasants will go on eating rice.

Re International Trade : The gap between total incomes and total prices in all countries will remain, so the Government will hope for "the continuation of the spirit of confidence and enterprise (*e.g.*, currency wangles) which has "enabled us to take the lead in world recovery."

Re Shipping : Shippers will continue to ask for subsidies (from taxpayers) to enable them to live without shipping.

Re Herring Industry : Same as shipping.

Re Slum Clearance : Taxpayers will help to pay the rents of men who are in poverty because industrial machinery and sound finance were invented almost simultaneously.

Re Unemployment : Same as slum Clearance.

Re Electricity : A few more people will get electric light (Ministerial and contractors' cheers) for as long as they can pay the rent.

Re Imperial Air Communications : We should not be surprised if they did this one.

Re Ribbon Development : The pastoral skin disease will appear in blotches instead of straight lines.

Re Agriculture : The producer will be compensated for what the consumer cannot afford, in the hope that the consumer will grow his own money and buy more.

Re better houses for policemen : They need more comforts; there is work before them.

THE LABOUR PARTY AMENDMENT

The first phrase of the Party Amendment to the King's Speech hinted at a change of thought from that expressed by the repetition of shibboleths with which the Amendment ends. It began :

> "This House regrets that, heedless of the changed economic conditions in the modern world due to the application of science to production and transport, and ignoring the inability of capitalism to distribute abundance . . ."

Here is recognition that the problem is not production, but the inability of the present system to distribute abundance. The mind of the Labour Party would appear almost to have caught up with the mind of the King in his Address to the abortive World Economic Conference in 1933! Unfortunately, however, the Amendment continues :

> " . . . Your Majesty's advisers accept as inevitable the existence of mass unemployment and of poverty in the midst of plenty, continue in their efforts to buttress the system of private profit making by subsidies, tariffs, and other devices, and have no constructive policy for establishing a collective peace system and for replacing by international co-operation the competitive economic anarchy which leads to war."

Here we have the contradiction of the motive of the opening words. Poverty is associated with unemployment, and the overcoming of poverty with re-employment, *although it has just been stated that that abundance is available in spite of the lack of employment,* and that *distribution of goods* is the problem.

Here, once again, the Party ignores the place of finance in the scheme of things. It identifies itself with economic orthodoxy and narrows its difference from Conservatism to the old, fruitless quarrel about industrial ownership and profit-making. And, in so doing, it commits itself to the assumption that under nationalised industry, wages would not be a cost recoverable in prices, as they are under "private enterprise." In short, it assumes that what "capitalism" cannot do, nationalisation could, and under the same "economic laws."

The internationalism of the Party is equally remote from reality. The phrase "establish a collective peace system" has no meaning. For the "subsidies, tariffs, and other devices" (which are attributed to the "buttressing of the private profit-making system") would be more than ever necessary to preserve the home market for the torrent of production poured forth by the re-employed workers.

Until the Labour Party proposes to give direct effect to its own observation of "plenty," and to utilise the money system to distribute it to the people, its differences from its political opponents will be negligible. The Party will continue to be driven towards regimentation of the whole nation, as are their opponents. And under which banner the people are imprisoned will not matter much to the victims.

NEVER MIND THE FAMILY

Mr. James Douglas, editor of the *Sunday Express,* is a champion of motherhood. He has probably written more about Mother and what should be done about her, than any other journalist in Europe.

His latest suggestion for helping her, however, is a curious way of showing his appreciation. Referring to the scandal of malnutrition amongst expectant mothers in depressed areas, and the fact that they starve themselves in order to keep the fathers and children alive, he proposes the following "remedy" :—

"We should have welfare centres where a woman who is expecting a baby can get at least one square meal a day. She must not be allowed to take the food away. She must be forced to sit down and eat it on the spot."

Here is a perfect example of planning for scarcity, and an even better example of how to prepare for the Servile State. There is no suggestion of seeing that the whole family gets enough to eat. Great Britain, with so much food that she destroys masses of it annually, cannot afford to feed more than one member of a family, and then only in order to bring another pauper into the world.

And why stop at making the women leave home in order to eat? Seeing that they may go short of clothes and bed-coverings for the sake of the others, why let them sleep at home at all? In fact, rather than provide the people with any of the necessities of life from our enormous surplus, let us end family life once for all and put the mass of the people into camps, and thus keep the lower orders safely and permanently in their place.

GOOD FOR "THE STAR"

Praising the Milk Marketing Board scheme, which provides school children daily with surplus miik at less than cost price, Earl de la Warr in a speech at Norwich last week suggested that the other Boards should likewise pass on surplus foodstuffs to the hungry in the land.

We welcome *The Star's* comment on that observation : "This remark may be a mere verbal squib, but if serious, it implies that the universal condemnation of the Ministry's policy of restriction is penetrating to the minds behind it. The problem of poverty in the midst of plenty is the vital problem of our age. Hitherto the Government's policy has been to cure poverty by scarcity. Earl de la Warr has come half way towards the light in recognising that scarcity is no cure. Whether he is right in thinking that if scarcity is wrong, a little less scarcity is right, is another question."

The Star is three-quarters of the way in seeing that less scarcity does not mean plenty. The remaining quarter is the demand for the distribution of abundance. One more spurt, and the Daily Press has arrived.

A VERY TENDER PRESTIGE

A middle-aged Polish woman, mother of seven children has been sentenced in Berlin to three months' imprisonment for saying that Germans would soon be using ration cards and that some German stuffs were made out of paper. The court decided that such remarks were calculated to damage German economic life and the welfare and prestige of the Reich.

It seems rather a risk to sentence the woman for as long as three months for saying something wrong, which may prove right while she is still in gaol. But in times of stress (which is most times) governments do not bother about details of that sort. After all, the statements that are most "damaging to the prestige of the State" are invariably the correct statements.

That being the case, we may presume that if ration cards and paper cloths appear in Germany before the woman's time is up, she ought to have her sentenced revised—and doubled.

THERE IS ONLY ONE ISSUE

WILL THE GOVERNMENT ABOLISH POVERTY?

THE following memorandum was submitted to the Prime Minister by the Douglas Social Credit Association, Southampton, with the request that he should deal with it on November 13 when he addressed a National Government demonstration meeting in that town.

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1. This is an Age of Plenty. The productive resources of this country are sufficient to ensure the security and well-being of every man, woman and child in the country.

2. As there is plenty for all available, the poor are not poor because the rich are rich. The only thing which keeps the poor poor is the lack of the money claims on the available plenty.

3. Money is merely a ticket, supposedly designed to facilitate the production and distribution of goods. To-day this is just what our monetary system is preventing.

4. Under the existing system money is distributed only in return for work within the economic field.

The plenty available is the result of power-production methods under which human labour is being progressively eliminated from the productive processes.

5. But if there is plenty for everybody, security for everybody is possible.

The purpose of our economic system being to provide for the well-being of the entire community, the available plenty should be distributed so that the resulting security is ensured to every man, woman and child—thus abolishing poverty from our land.

6. This cannot be done by the existing system of distributing money incomes only in return for work in the economic field—for in spite of "make work" schemes technological unemployment must increase as machines replace man labour.

7. (a) This being an age of plenty,
(b) the abolition of poverty therefore being possible,
(c) and the restriction to the abolition of poverty by our inadequate monetary system being artificial:—

Will H.M. Government take effective action by calling together the experts who control our monetary system and demand from them, that within a definite time limit they abolish poverty by means of technically sound methods which will ensure no inflationary results, no increase in taxation, and the effective production and distribution of the nation's wealth?

Will H.M. Government be prepared to make it clear to these experts that if they fail to achieve these results they will be dismissed, and another body of experts entrusted with the task, but with a shorter time limit and that this procedure will operate until poverty is abolished?

The Government Wants Work—Not Prosperity

It is perhaps superfluous to say that Mr. MacDonald ignored this memorandum, although he had been previously notified that a large number of his supporters would attend the meeting in the hope of hearing from him, as head of their Government, what steps the Government intended taking to equate purchasing power to production and so to enable the present ridiculous and artificial conditions of poverty to be abolished for ever by the distribution of the available plenty.

In common with most Members of Parliament, Mr. MacDonald appears to believe that the object of our economic system is to find work. Referring to the unemployment figures, he said: "We have reduced the number by 900,000, and we are striving to reduce it until it becomes normal." What, we may ask, is the "normal" number of workless in this country? And, if the economic system exists to create work, has the system not failed, if there is expected to *remain* this "normal" number of unemployed?

Unemployment Cannot be "Cured"

The truth of the matter is that it is hopelessly impossible to cure unemployment, and that in their efforts to do so the Government is directly opposing the progress which the nation is making towards economic freedom and the abolition of poverty. Each individual displaced by inventive machinery represents a step in this progress, for it means that we are producing our wants in the economic field without his aid. The individual has been liberated from unnecessary work and the machine has shouldered his toil.

On the basis that money has no intrinsic value in itself and that purchasing power can be increased scientifically without inflation, the Social Credit Movement claims that every citizen has a *right* to a national dividend in respect of the increase in the nation's wealth as a result of the progress made by science and invention in the productive system. Never before has this country been so enormously rich, yet never before have we been so poor by comparison. The introduction of Social Credit would banish poverty immediately. This fact has been established and proved again and again by virtue of the inability of all opposition to disprove its claims.

What the People Want is Money

The people of this country who are starving and in want do not primarily want work! They want money to buy the goods they require, and a National Dividend would provide the money. This is a Democratic Country and we may well be surprised that the Prime Minister did not refer to the Southampton memorandum which in the plainest common-sense pointed to the fulfilment of the people's most urgent needs.

Parliament has begun a new session and among the matters which will occupy their time will be the Shipping Industry, the Bill to Prevent Overcrowding, and India Constitutional Reform. The King has made his excellent speech, yet we cannot help feeling that His Majesty's Ministers have to-day forgotten his words spoken at the World Economic Conference.—(These words are quoted in The Rev. John Knowles' Sermon on page 206 of this issue.)

Here is a challenge to the Government to make poverty a thing of the past. Will they accept it and issue the National Dividend?

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 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, 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, 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 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, as 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 the writings of Major C. H. Douglas.

MONEY

EXTRACTS FROM WELL-KNOWN AUTHORITIES*

What is Money?

"Any medium, no matter of what it is made or why people want it, which no one will refuse in exchange for his goods."—*Professor Walker.*

What constitutes the Money we use?

"I understand by money, all currency in circulation (coins and notes) together with bank deposits drawable by cheque, which in the aggregate represent the purchasing power of the public. By far the larger part of our total money consists of bank deposits."—*Rt.-Hon.Reginald McKenna, Chairman, Midland Bank, Ltd.*

What is the proportion of Currency to Cheque Money Used?

"In settling English accounts, the currency of the country distinct from cheques, was called upon to the extent of only 0·9 per cent. (18/- in £100)."—*Banks Clearing House Report,* 1933.

Are Bank Deposits just Unused Savings?

"It is not unnatural to think of the deposits of a bank as being created by the public through their deposits of cash, representing either savings or amounts which are not for the time being required to meet expenditure. But the bulk of the deposits arise out of the action of the banks themselves, for by granting loans, allowing money to be drawn on an overdraft, or purchasing securities, a bank creates a credit in the books, which is the equivalent of a deposit."—*MacMillan Report, page* 34.

"This is then the important point, that a loan by the bank to a customer increases the item 'deposits' and that 'deposits' therefore are not made up as they might seem to be, merely of idle balances and savings, but also of credits given by the banks."—*D. A. Barker, Esq., "Cash and Credit."*

Does this mean that the banks make most of our Money?

"Now, curious as it may seem at first glance, it is substantially correct to say the banks have the power to create money."—*Francis Williams, Esq., (Daily Herald) "Democracy and Finance."*

"I am afraid the ordinary citizen will not like to be told that the banks or the Bank of England can create or destroy money. . . We do not like to hear that some private institution can create it at pleasure. It conjures up a picture of an autocratic and irresponsible body which by some black art of its own contriving can increase or diminuish wealth and presumably make a great deal of profit in the process."—*Rt.-Hon. Reginald McKenna, January,* 1935·

*From a leaflet published by the Newcastle-on-Tyne Douglas Social Credit Group.

What does it cost the Banks to make Money?

"The banker creates the means of payment out of nothing."—*R. G. Hawtrey, Esq., Assistant Secretary to H.M. Treasury.*

"Banks create credit. It is a mistake to suppose that bank oredit is created to any important extent by the payment of money into the banks."—*Encyclopædia Britannica.*

Has the Government any control over the creation of Money by the Banks?

". . . the cheque alone is manufactured by the bankers without any limit or restriction by law· By this interesting development the manufacture of currency, which for centuries has been in the hands of Governments has passed, in regard to a very important part of it, into the hands of companies for the convenience of their customers and the profits of their shareholders."—*Hartley Withers, Esq., "Business of Finance."*

What effect has this "money making"?

"Further, I agree with him (Major Douglas) that banks create money and that trade depression arises from faults of the banking system in the discharge of that vital function."—*R. G. Hawtrey, Esq., debate with Major Douglas.*

". . . they control the credit of the nation, direct the policy of governments, and hold in the hollow of their hands the destiny of the people."—*Rt.-Hon. Reginald McKenna.*

Does the Gold Standard regulate the amount of Money?

"The Bank of England is in practice the controller of the volume of money· Thus we see that the gold standard is by no means the automatic mechanism it is commonly alleged to be, since the Bank, merely by buying or selling, lending or calling in loans, can within limits prompt an expansion or contraction of credit regardless of the movements of gold."—*Rt.-Hon. Reginald McKenna, January,* 1927.

If an attempt were made to alter the Banking System, could Financiers take their money abroad?

"People often talk of money going abroad or of foreign money coming here, but as a fact when gold is not in use money is incapable of migration. The title to the money may change. . . but the change of ownership does not remove the money, which necessarily remains and can only be expended where it was created. No exchange transaction, no purchase or sale of securities, no import of foreign goods or export of our own can take money out of the country or bring it here. Bank loans and their repayment, bank purchases and sales are in substance the sole causes of variation in the amount of our money."—*Rt.-Hon. Reginald McKenna.*

HARVEST FESTIVAL*

"Fruitful seasons filling our hearts with food and gladness." Acts. 14, 17.

BY THE REV. JOHN KNOWLES, B.A.

HARVEST-THANKSGIVING has been from time immemorial a religious service at which devout men gave thanks to God for His bounty in providing the kindly fruits of the earth.

These are days when even the most ancient and most sacred institutions are being brought under review. And when we find a public man, so closely connected with agriculture as the Chairman of English Potato Marketing Board, reported as saying that "In order to prevent bountiful nature from ruining us, and the benefits of science from becoming a curse, it is necessary to adjust production to demand" (he meant, of course, effective demand), we feel that we must either protest against such a statement or revise our ideas of Harvest-Thanksgiving.

If we are going to be honest in this act of worship, we must ask ourselves: "Shall we thank God for this abundance that threatens to ruin us"? Or shall we say: "We have had enough of this bounty, give us a famine of goods and a rise in prices." We must not say one thing with our lips and think another in our heart.

That there is abundance of the necessaries of life is plain to everyone. The fruits of the earth are being left to rot unharvested; food is being deliberately destroyed; subsidies are being paid to put land out of cultivation, and fines imposed for over-production. Factories are idle because their products cannot be disposed of.

We call this over-production—as if we had produced more than the people could use. But even in this country millions are living on or below the poverty line. The recruiting authorities in England lately announced that of every three men offering themselves for enlistment, two had to be rejected because of physical defects mainly due to insufficient nourishment.

That is, human beings go hungry, while Divine providence and human skill has provided more than enough to give them health and peace.

Statesmen Meet To Perpetuate Poverty

Not long ago the statesmen of the world met in conference in London to deal with this problem. That conference might be summed up in a sentence: They did not ask, "How can we distribute this abundance to those in need." But "How can we cut down supplies to the amount we are distributing." They were not there to usher in an age of plenty, but to perpetuate an age of poverty.

Let us look at some of the proposed remedies of our own Parliament: (1) To increase employment. This seems a most worthy aim, if it can be achieved. But if those who are working are producing too much, how will you solve the problem of over-production by setting more people to work.

(2) Taxation. This is becoming more and more a means of taking money from the rich and giving it to the poor. It is assumed that there is plenty of money, but some have too much and others too little. Whether this is true could easily be discovered by finding out the total yearly income of the population and the total value of the goods they produce, then seeing whether the income was enough to buy the goods. Unofficial calculations have placed the average income at £3 10s. per family per week. This is not an exciting prospect even to many working families. And it would ruin many industries, such as the motor trade. Thus fresh unemployment would be caused.

(3) Revival of export trade. That is, to begin again exporting more than we import. Statesmen seem to think we can bring back the days when this country was the workshop of the world. They have forgotten that most countries are now industrialised, and that they also are trying to export more than they import. There follows an increasingly bitter fight for a steadily diminishing market, the inevitable end of which is War.

Here is a quotation from the Journal of the London Chamber of Commerce which confirms this. It says, "All the efforts towards international good-will and co-operation are just windy nonsense as long as you have a situation which makes it inevitable that in order to maintain the first law of life, which is self-preservation, you have to scramble among yourselves for a diminishing portion of an insufficient number of tickets which are issued by an organisation which fundamentally has no right to the power."

They Make Work and Plan To Abolish It

(4) Rationalisation, that is, installing more up-to-date and labour-saving machinery, cutting out waste in management, and reducing wages and costs. We have an example of it in the proposed Government Loan to destroy eight million spindles in the Lancashire Cotton Industry. But this is the direct opposite of providing employment. It is planning for greater unemployment, and the fact that the same Government can, at one and the same time, advocate re-employment and rationalisation implies either mental muddle, or despair.

Whether the Governments wish it or not nationalisation is coming, and with it a steady and increasing displacement of human labour by machines. If unemployment grants paid for by taxation is the only method of relieving this situation, then the burden of taxation will grow steadily greater as the numbers of unemployed increase, and the outlook for all of us is black, indeed.

A More Hopeful Sign

There is another and brighter side to this picture. The minds of many of our leaders are looking for a solution which will not mean destroying wealth, but distributing it.

At the opening of that futile economic conference His Majesty the King gave a hint which, if acted on, would have saved the conference from being the fiasco it was. He said, "It cannot be beyond the power of man so to use the vast resources of the world as to ensure the material progress of civilisation." The problem as our King saw it was to use the resources of the world to bring about material progress. The problem as most statesmen saw it was how to reduce these resources to the level of effective (or money) demand.

Most important of all, because it is the opinion of leading business men of the Kingdom, is a resolution passed by the Association of the British Chamber of Commerce. It said: "This Association views with grave concern a defect of fundamental importance in the monetary system, whereby the purchasing-power of the community is rendered increasingly insufficient to buy the whole product of industry, the effect being reflected in the present disastrous world situation, and accordingly requests the Executive Council to take the necessary steps to set up a Special Committee, composed of representatives of the Association and of other important commercial and industrial organisations, to consider how this defect can be remedied and to report."

Here you have the definite statement by representatives of the leading business concerns of Britain, that our troubles are due to "a defect of fundamental importance in the monetary system;" you have also accepted and embodied in their resolution, the main plank in the platform of the "New Economics" or "Douglas Social Credit," *viz.*, that as a result of this defect "the purchasing-power of the community is rendered increasingly insufficient to buy the whole product of industry."

This is neither the time nor the place to explain the proposals I have referred to. But if there should be a general desire for it, on some occasion I would be very glad to explain proposals which might bring hope to many who are now without hope.

It Is The Concern Of The Church.

Someone may say, "Why should you, a minister of the Gospel, concern yourself with such questions? Your concern should be with spiritual questions." In reply, I say this is a spiritual question, for if we are to give thanks to God for His temporal gifts, it is a matter of supreme spiritual importance whether we give thanks sincerely, or, so to speak, thank Him with our tongue in our cheek, and in our hearts wish for dearth. Worship is not worship, but blasphemous deception unless it is out of an honest heart.

Again, it is concerned for the poor, and from the days of Jesus until now the care of the poor has been one of the first concerns of the church.

(*Continued on page 207.*)

**SERMON preached in Tullylish Presbyterian Church, near Banbridge, County Down, on Sunday, November 4, 1934.*

THE JUST PRICE

III.

SOCIAL CREDIT is the only "untried alternative" to present world-chaos that is based on scientific principles as opposed to ethical considerations, and is reducible to the exact terms of accounting method.

There is no mystery about the Just Price as a mechanism correcting the price-defect exposed by the A plus B analysis, and, the analysis and remedy being agreed upon, its imposition would be non-experimental; much less difficult than the regimentation of the community into official destitution armies for the dole.

But even with the universal respect now accorded to Social Credit argument, genuine psychological objections are encountered even to the arithmetical mechanism of the Just Price.

The most obvious aspect of a set of accounts recording the Just Price in operation is the colossal increase of potential turnover. Such accounts must be the written record of abundance. Yet there appears to be a wide-spread fear of the unlimited issue of discount-*currency,* and the method of cancellation assumes an aspect of unwarranted difficulty. Very soon we shall be unable to understand how such a fear could exist while astronomic figures of *debt* were accepted as the record of some dimly understood, but inevitable law!

Consider the facts.

Incomes Must Cover Price of Capital Goods

Goods are produced to be destroyed by consumption, or to be used over a varying term of years as the capital assets of the community, the economic environment. The wealth of the individual is consumption of goods and use of the economic environment. But he cannot consume goods at all unless he can cancel their price by the payment of money, since all economic transactions deal with financial values only.

Under present circumstances producers must recover in prices all the costs of production, both of goods to be consumed and of capital goods, the price of capital goods being charged into the price of consumable goods to be cancelled, by yearly charges for depreciation. *Therefore, currency equal to the price of capital goods should be in the hands of consumers.*

At present, however, there is the mathematical deficiency created by issuing money to consumers *only as part* of the cost of production. Money originates as a bank loan; is issued in the form of wages, salaries or dividends as part of cost (price), and is recovered by the sale of goods *for consumption.* Part only of the created price can be cancelled; *therefore part only of the goods produced can be sold,* unless the money-monopoly agrees to a continuous expansion of bank-currency (deposits) *based on debt.*

Under the Just Price the originating loans could be issued by the banks as at present and the normal circuit of money, as outlined, would continue. But the price-discount would be, in effect, a flow of currency from the National Treasury Account directly to consumers, and would be equivalent to the prices of capital goods which consumers must meet by the normal method. If capital assets are destroyed by consumption and their price cancelled by depreciation charges during their years of use, then the discount-currency originally issued to meet those charges would be absorbed.

Reduce the transactions to a skeleton example, and we find that if the total production of £100 is offset by total consumption £50, then a price of £50 *representing unused real wealth* is carried forward to be met in a later period. Under the operation of the price-discount the National Treasury can issue to consumers the outstanding £50 as it appears in prices. Thus there is at the one time an asset in the National Treasury Account of £50, a cost in the producers' accounts of £50, *and real wealth in existence* priced at £50.

Now, by normal economic procedure (which would continue) such real wealth could be consumed (destroyed) only by cancellation of its price against purchasing-power in the hands of consumers. Let us suppose that in the next period the National Treasury issues £25 to consumers by way of the Just Price Discount. In that case, consumption of real wealth of £25 would absorb £25 of the consumers' currency, cancel £25 of the producers' price, *and reduce the National Treasury Account balance* to £25. But since the remaining real wealth is not yet consumed, an equivalent credit of £25 would remain as a balance in the National Treasury Account, and could be issued as and when required.

National Assets More Terrifying Than Debt!

Now here is the difficulty for some students. (Be it noted that the foregoing skeleton demonstration is one of several obvious alternative methods, the selection of method being one of accounting convenience only.) By the continuous and accelerated surplus of production, the figures of the National Treasury Account and the currency in the bank-accounts (to which everyone would be promoted) of consumers, must reach astronomic proportions. Fifteen thousand millions of debt is now unnoticed, except by the incidence of taxation. But the translation of dead debts into live currency is somehow frightening, as though the *figures* of abundance were dangerous.

Assume for a moment that production were multiplied ten times, and that the price-factor were in operation, so that in a period of five years, in spite of *mass-consumption,* surplus capital assets had been added to the National wealth to the *price*-value of forty thousand million sterling. We would then be in, what is apparently to some people, a horrifying position of having, instead of a new and crushing National Debt, a National Capital Account of similar amount. And the community of consumers would have a call upon purchasing-power in the form of bank-deposits to the extent that these forty thousand millions appeared in prices. And would this be such a very terrible thing? Would a bank account of about £1,000 in favour of each individual destroy the British nation more horribly, shall we say, than the coming war of poison-gas and germs that we must suffer *to protect our poverty?*

And if we should actually try to spend all that money, would it be so very regrettable, after a noble effort to enjoy the fruits of scientific research and the dignity of a re-built and truly civilised environment, to find that the only result of our effort was to leave us with a doubled quantity of real wealth, and individual banking accounts of £2,000 each to reflect it?

Freedom From Financial "Magic."

And if, in spite of our most determined efforts to live within the splendours of the new age, the wizard Science should persist in pouring abundance upon us, and our money-measure should inevitably grow as a record of our claim upon the limitless achievement around us, might we not cease to regard money-tokens as the secret scroll of financial magic, and use them, when abundance in mass has become normal, as the weapons of our responsibility to shape new forms of human greatness.

For by the very fact of abundance we must become idle from routine toil. We shall have leisure to fashion the uses of abundance. And, having rid ourselves of the superstitious fear of money-figures, it may be assumed that the present ignoble fear of leisure and admiration of needless drudgery will be gone from our belief. To this aspect we shall return.

DARAN.

HARVEST FESTIVAL *continued from page 206.*

Lastly, it is the only proposal, I know of, which has any hope of ending war. It is obvious our present system is making straight for war. The race in armaments has already begun. Commercial rivalry inevitably ends on the battle field. If a Christian Minister seeks to save the boys under his care from the hell that war is, is he untrue to His Lord's commission?

I conceive it to be part of the duty of the Christian ministry to stand for truth in the heart and on the lips, to be the friend and helper of the poor and needy, to seek peace and good-will among all men, and to labour to bring back the days when our hearts shall be unfiegnedly thankful for the bounty of our God; when "fruitful seasons shall fill our hearts with food and gladness," and the fruits of the earth shall not be consigned to wilful destruction, but shall nourish the lives of men.

By the Way

"NO Power could have given stronger proof of its readiness to turn swords into ploughshares."—*Observer*.

And having done so, it will rationalise the ploughshares and destroy the surplus produce of the furrows. Who wants ploughs, anyway, with the price of wheat where it is?

* * * *

Mr. Lloyd George: "You must take care that if that calamity (war) ever befalls us it will be for an adequate cause. Humanity must not be rushed for motives of ambition, racial hatred, racial jealousies . . ."

It never is. It is rushed into war for foreign markets, the competition for which is getting keener everyday. War has nothing to do with racial distinctions, unless you care to regard financiers as a race by themselves.

* * * *

"There is a distinct possibility that this question of economic liberty may become the main new dividing line in politics."—Mr. H. G. Williams, M.P., in an address to the Primrose League Grand Council.

What is hidden from Communists, Fascists, Labour Nationalisationists and Planned Economy enthusiasts, hath been revealed unto the Primrose League.

* * * *

"Revolution means the transference of power from one class to another. That is why it is impossible to describe any reform as revolution."—Stalin, in a recent interview.

So the transference of the power of the Control of British Credit from the private banks to the British people, involving the whole difference between poverty and prosperity, will not be a revolution, because the British people are not a class, but a nation. It will be a mere reform. That makes it easier. So get on with it.

* * * *

"They wanted to achieve as potato growers what the manufacturer did as a matter of business prudence—adjust production and supply to demand, in order to prevent bountiful Nature from ruining them."—From an address to the Potato Marketing Board's registered producers.

We regret that we have published this anthem too late for the Harvest Festival.

* * * *

"Wealth should come as the reward of hard labour of mind and hand."—President Roosevelt.

But, of course, you have to wait until you have finished your sentence. As Mr. Roosevelt is paying for the provision of the hard labour by bank loans, which there is no chance of ever paying off. One may conclude that in all cases the hard labour sentences are for life.

* * * *

"Three-quarters of the (herring) boats are mortgaged to the salesmen and to the banks, and for months the means of life has had to be obtained from grocers and tradesmen by means of a crippling system of extended credit."—The *Observer*.

Yet it is only the grocers and the tradesmen who are crippled by the extended credit. The banks thrive on it. Funny.

* * * *

"This industry is still awaiting a renewal of orders for India to replace those which are now being shipped; at the moment business is on a small scale, apart from orders for the home market."—"Trade Prospects," *The Times*.

Orders for the home market are, of course, a bit of a nuisance, but they serve to fill up time, while waiting for something really important.

* * * *

"He was convinced that if every man, women and child in Europe were to eat the bare minimum required for health there would be but little talk of a glut of food."—Lord de la Warr.

But there would be no balanced Budgets either, so we cannot consider it.

* * * *

"Finance is the key of nearly all policy"—*The Times*.

If so, it's about time the key unlocked something. Or perhaps somebody's lost it?

The Chinaman's Shirt

WE are told by economists that imports pay for exports, and that statement, in accordance with orthodox principles, puts the cart before the horse. Of course, you can look at it both ways; it depends whether you are considering an industrial system designed for the benefit of financiers, or one primarily concerned with the welfare of the community.

Our trade with China is a case in point. We supply that country in normal times with textile goods to the value of some £7,000,000 a year. She pays for these goods in part by sending to this country a considerable quantity of eggs. Of these, 167½ millions being "in the shell," are recognisable as eggs. Although foreign eggs have to be stamped with the country of origin, these Chinese eggs are merely labelled "foreign," so that the housewife cannot tell whence they come.

The remainder (529 millions, or 12 per head of the population), to the value of about £3,000,000 per annum, arrive in liquid form, packed in barrels, the shell having been removed. These are largely used by bakers and confectioners, and thus find their way to practically every town and village in the country.

The fact that we do not need to import any eggs at all, and that thousands of British small-holders are dependent for their scanty living upon the produce of their poultry, is a matter of no account to financiers and politicians. Exports must be paid for somehow.

A gentleman resident in Hong Kong for the past 24 years, gives the following account of the way these eggs are produced (*Eggs*, Nov. 7, 1934, p. 451):—

> "My friend stated that hens in China (as well as pigs and dogs) feed on the accumulated human excreta of the Chinese, who suffer in a large percentage of cases from internal parasites, dysentery, sprue, typhoid and cholera, while venereal diseases, particularly syphilis, are rampant.
>
> "He also described a typical Chinese village. The drain runs down the centre of the street. It is a very primitive affair, being an open ditch protected by large stones with wide cracks between them. The villagers empty their lavatory utensils into this ditch through the cracks between the stones, and the stream of filth oozes along to the end of the village street. There the hens, dogs and pigs congregate and can be seen feeding all day long.
>
> "The ditch is never cleaned out from one year's end to the next. It is impossible to give a real description of the filthy conditions—the millions of flies—and the awful stench."

These facts are perfectly well-known to the Government, although such knowledge is officially denied in the House of Commons. The Poultry Societies have repeatedly called attention to them, with a view to getting these importations stopped, but still the Minister of Agriculture *"does not recommend that any action be taken because of our trade in textiles."*

So that it appears this unspeakable filth is brought to this country with the connivance and encouragement of the Board of Trade, and fed to the British public in order that John Chinaman may pay for his cotton shirt.

Query: Does the Kitchen Committee of the House of Commons supply Chinese eggs for the use of members? If not, why not?

ALPHA.

REFLECTIONS ON THE "JUST PRICE"

A PRINCIPLE THAT WAS UNDERSTOOD IN THE MIDDLE AGES

THE "Just Price" is a phrase borrowed from the Middle Ages, a phrase that in those days had a meaning understood by the whole of the community.

The idea underlying it was, in a sense, the very basis of economic life. The conception of a just price involves the assumptions that there really are persons to whom justice in fixing prices is due, and that there is resident in the individuals of a community such a similar sense of justice and of the fitness of things, that practically general agreement on the application of the idea is possible.

In the Middle Ages the idea of the "Just Price" was closely linked to and partly implemented by the Guilds. In those spacious days the Guilds were able and anxious to give the public a square deal while ensuring for their members a reasonable standard of life. To-day the trade unions and the employers' organisations are forced by external circumstances to demand the utmost for their members, and normally no attempt can be made by either to mould their actions according to a sense of justice, however perverted. In those days there did not exist the present day chasm between master and man, nor the quaint notion that the consumers were a class apart and capable of being bled indefinitely.

Both Trade Unions and employers nowadays seek to gain advantages at the common expense of the public. The operation of the old "Just Price" made such attempts punishable offences. In those days it was perfectly well understood that the general public as consumers were entitled to at least as much consideration as the producers, who were merely members of the public detailed to cater for the general needs. It was axiomatic that the labourer, the craftsman, the supplier of capital, the merchant and the shopkeeper were entitled to remuneration commensurate with the services they rendered to the community or the risks they ran in serving the community; and that on the other hand the individuals comprising that community were entitled to protection against being exploited.

MAJOR DOUGLAS.
A Linocut by H. R. Purchase.
(*For prices, etc., see note on page* 213.)

To add to the price of an article without adding equivalent value was considered reprehensible and made punishable. The worker was entitled to receive what was considered by the consciences of the public, by general consent, a "just" wage *i.e.,* one commensurate with his effort; but no more. There probably existed even then people of a Puritan, Socialistic type of mind who grudged the "capitalists" their profits, who thought that the risk they incurred in staking their capital in a venture was not such as to deserve recompense. As, however, there appears to have been comparatively little jealousy between the various strata of society but rather a pride of social status within each excepting the lowest, it seems safe to assume that persons possessing the anti-capitalist sense of justice were either in a negligible minority or that it has arisen as a result of more recent developments. It was probably recognised more or less unconsciously that a leisured class was necessary to the health of the community and essential to any progress, material or spiritual.

In essence the conception of the old "Just Price" and that in the mind of Major Douglas and his followers when using the phrase, is the same. As the conditions of production have changed, the altered and new factors must be taken into account in applying the idea. In other words the method of computing the "just price" has changed, but this price still aims at representing a fair reward for effort while at the same time being such that the consumer is both able to afford and willing to pay it. This in turn involves that the price is so fixed as to cover proper remuneration for all those concerned in production and that the public are always in possession of sufficient money to meet the price. To put this idea into practice is a matter for statisticians, mathematicians, and administrators and is not the job of the public, who should confine their demands, though emphatic and persistent, to the job being carried out with the least possible delay.

The main difference in the conditions of production is the employment of machinery and power plant. This factor, practically absent in the Middle Ages, has the dual effect of releasing men from production while introducing a fresh item of cost into price. The latter point necessitates a mathematical adjustment of financial cost to arrive at the final "just" price. The former is one aspect of the communal heritage handed down from past generations and involves the institution of the National Dividend.

Socialists, Fascists, and Finance-Capitalist, deliberately or through ignorance, refuse to allow for the fact that the greater part, by far, of our present physical wealth is due to the efforts of men and women now dead and often forgotten. Even the great material progress made during the last, say, twenty years, was based on the wisdom, knowledge, research, and experience of those past generations. Further, this progress is largely communal in so far as the education, time for study and research, and final experiment is carried out thanks to the efforts of the community as a whole in supplying them.

This steadily increasing heritage represents values created not by individuals but by the fact of communal co-operation and co-ordination. Whereas in the Middle Ages the value of the communal heritage was small as compared with the efforts of individuals, to-day it is immense. The modern conception of the "Just Price" therefore necessitates a distribution of the unearned increment of association, our heritage; and monetised, this will take the form of a National Dividend.

Practically all the conscious resistance to Douglas Social Credit arises from a sense of justice and of the fitness of things that differs from that of the majority of people. The Finance-Capitalist is mortgagee in possession of that heritage, although under false pretences, and refuses to relinquish his hold. He does not see fit to do so. The Socialist and Fascist thinks it is "just" for the national heritage to be suppressed and not distributed at all; for that is what is entailed by their sense of "justice" that only "work" be remunerated or monetised.

An explanation of this fundamental difference in the conception of economic justice must be left to the psychologist. It must, however, be grasped by every Social Credit propagandist and should be presented to members of the public on every possible occasion. There can be no doubt of the public's verdict, once it has grasped what is involved.

H. R. PURCHASE.

SOCIAL CREDIT AND EDUCATION

State Control or the Freedom of the Teacher

MANY members of the teaching profession will have been grateful to Mr. Fred Tait for his "Open Letter to Teachers" in a recent issue of SOCIAL CREDIT He knows so well that sense of frustration felt to-day by all who have to do with the training of children and are not yet quite subdued to the educational machine they are set to operate. And he showed how a right use of the nation's credit could be made to give us all the material means of rendering education as generous, and schools as attractive, as physical means allow.

One effect of the National Dividend, or of free access to the use of credit, deserves further emphasis. I mean its effect of bestowing freedom on the teacher himself, to teach as he knows best how, and to organise his school from within out of his own genius.

Education for Individual Freedom

One of the most profound and far reaching of Major Douglas's utterances runs as follows (I quote from memory), "That the end of man, though unknown, is such that progress towards it is best furthered through the greatest freedom of the individual." And one of the most useful questions his followers can put to opponents is: "Do you do your best work when acting on your own inspiration, or when carrying out other people's directions?"

"Education is an affair of the Spirit," parrot our politicians with one breath, while with the next they call it a "System," one which needs revising certainly, but one which is capable of being framed, ordered and administered by them, from above. "The Educational Systems of the world are cracking like the streets of Messina during the earthquake," says Sir Michael Sadler, and adds, with apparent approval, "Hitler is trying a very interesting experiment in national education." The *Daily Telegraph* leader, next day, hastens to draw conclusions, "If so, it is high time the progressive educationalists should agree on the educational system best fitted for our changed English life," and proceeds to scold its political opponents for "rarely sparing a word on what that Education itself should be."

Even if such decisions were within the competence of any political party, or of any administrative body within the political systems, the truth would be the exact opposite of what the *Daily Telegraph* assumes. The systems are cracking because they are imposed systems, not vitally functioning organisms quickened from within.

Teachers and the State

Major Douglas, before the Macmillan Committee, quoted from the economic views of Rudolph Steiner as expressed in his "Threefold Commonwealth." Let me quote from the educational views of the same writer, taken from a preface to the same book:—"Human life in these latter times has entered upon a phase where all social institutions continually give rise to what is anti-social, and this anti-social element has constantly to be overcome afresh."

. . . "Those who hold socialistic views can conceive of no other arrangement than that the Community should educate the individual to its own service, after its own standards. People are very unwilling to come to what is an absolute necessary recognition for our own day, namely a recognition of the fact that, in the course of history, a thing may come to be a mistake for a later age which at an earlier stage of evolution is right. In order that new conditions might be prepared suitable for modern times, it became necessary that the control of education should be taken from those in whom it was vested during the Middle Ages, and should be made over to the State; but to continue to maintain this arrangement now is a very serious social mistake.

. . . "The educational system—which after all forms the ground from which the spiritual life grows—must be placed under the administration of those who do the educating. Every teacher must spend only so much time on actual teaching as will allow of his being administrator in his own province. . . Nobody will prescribe instructions who is not himself at the same time hiringly engaged in the actual work of teaching. No parliament—and no individual who himself once taught, perhaps, and does so no longer—will have any voice in the matter . . . From a free spiritual community of this kind both the State-life and the life of Economics will *receive* those forces which they are not able to *give*, when they aspire to shape the spiritual life from their own aspects."

No one who looks with imagination into the future can fail to see that in the Social Credit State education will become a free, self-appointed task as far as teachers are concerned. With a grant from the national credit supply, men and women who feel they know the needs of the young, will be able to associate themselves together in groups, drawn to one another by natural affinity, and will select or attract pupils by the same hiring process. Only so can education ever be truly an affair of the spirit, only in such free communion can the gifts of the children find their true development.

Mr. Tait, as a historian, will recognise that these anti-social conclusions to socially necessary beginnings (mentioned in the above quotation) are discoverable in all human institutions (not excluding the institution of Banking), and if anyone should need further persuasion of the Death of Abstractionism coming to us from central educational administration, complicated by power lusts of the politicians, levelling jealousies of the mediocre, and vanity complexes of official advisers, he cannot do better than read the front page of the *Times Educational Supplement* of October 27.

F. BUNCE.

Real Wealth

"DOUGLAS CREDIT" said *Everyman* recently "is a system by which a country would live, not on its cash in hand, but its theoretical wealth, Social Credit, in the form of an increased currency, being supposed to make up the difference between the two."

"Theoretical" is good. There is nothing theoretical about the millions of tons of good, solid food which have been destroyed in the past few years.

Neither can one say "theoretical wealth" when alluding to potential production deliberately prevented from becoming actual by Governments subsidising producers not to produce. If money is forthcoming to pay farmers to destroy their crops, in the form of Consumer-Credit, the same money could pay people to *eat* the crops.

All over the world there is "over-production"—too many factories and too many goods in shops. If all idle machinery were in use, and the unemployed were working, the plethora of riches would be overwhelming. Yet statesmen and economists seem unable to decide whether plenty or dearth constitutes prosperity.

This productive capacity belongs to *us*, the community, not to the bankers. It is our inheritance of technical knowledge and skill that has produced these mighty machines. As we are the heirs of the inventions of the ages, and of all the wealth they have made possible, we are also the rightful owners of the money that represents this wealth. We must therefore, insist that the amount of money issued shall be limited only by the quantity of goods available. *It is the business of experts to see that articles for sale and money to buy them with exactly correspond.* There is nothing mysterious about this.. If there are twenty articles, and only fifteen pound notes to represent them, obviously five of them will remain unsold. If there are fifteen articles and twenty notes, then evidently that would throw everything out of gear too. Why is it invariably assumed by the "experts" that we *must* have either more money than goods (inflation) or less money than goods (deflation)? The suggestion that it is possible to have exactly the right quantity, is dismissed with pitying smiles.

The destruction of food and goods because there is not enough money to buy them, is so preposterous that it could not be done if the public were not hypnotised by continuous suggestions in the Press that we must raise prices, and so forth. As things become more plentiful they *should* be cheaper. Where, otherwise, is the advantage of plenty?

To "Sound Finance," scarcity and hard work are ends to be achieved even at the cost of paying men to produce less.

Social Credit would distribute abundance equitably by means of a national dividend to all, paying wages and salaries in addition to all those still working in industry.

"Douglas Credit," *Everyman* might have said, "is a system in which a country would live on its *real wealth* and not suffer financial poverty in the midst of plenty."

D. BEAMISH.

Correspondence

"The Just Price"

To the Editor of Social Credit.

Sir,—May I draw your readers' attention to a statement in Daran's article, under the above heading, which is liable to prove misleading to elementary students of Douglas Social Credit.

Daran states: "In the first place, a national sequence of organisation, following the introduction of the Just Price, would require that all (or say 90 per cent.) of new capital required for capital production would be supplied by the National Treasury Account by *the very methods now usurped by the financial system*; and the further introduction of the National Dividend, would reduce the necessity and some of the inclination for thrift."

The Douglas Proposals, although based on the beneficial ownership of credit by the community, do not imply that the administration of credit for production would be taken away from the experienced and very capable hands of those at present in charge of the banking system. The banks are accustomed to assessing the soundness of productive proposals for which they make loans, and it would be necessary to withdraw these powers only in the unlikely contingency of a refusal, by those in control to co-operate with the national credit authority. The right to withdraw such powers rests, obviously, on the communal ownership of credit, and once this is recognised, the threat would, almost certainly, be sufficient to bring the banks to heel, for the loss of the power of credit creation would be the loss of their only source of profit. ("The fact is, that a banker's profits consist exclusively in the profits he can make by creating and issuing credit in excess of the liquid assets he holds in reserve . . . . and in exchange for debts payable at a future time."—H. D. McLeod, "The Theory and Practice of Banking.")

So long as the banks continued to create and issue credit for production on a reasonable basis and for a reasonable profit, the National Credit authority would need to concern itself only with the maintenance of a national balance sheet, and the issue of credit for consumption by means of the compensated or Just Price and the National Dividend. It is to be hoped that it will not be necessary for the issue of production credit also to be nationally administered, for this would mean the end of the present banking system which, however unsatisfactory its present policy, is undoubtedly most efficiently run.

Yours faithfully,

November 17, 1934. L. E. H. Smith.
London, S.W.1.

"Women and the National Dividend"

To the Editor of Social Credit.

Sir,—May I offer my opinion on "Women and the National Dividend." I certainly think it is high time attention should be given to the women's point of view, but not in the manner it is approached in "M.C.'s" article. A burning zeal on the women's part would soon make great headway, but it must be aroused by sane, sensible propaganda on a high level, not out-of-date trash. I agree, not one woman in a thousand will be satisfied to get no answer to her question "how." A broad, general idea of the scheme can be given in a few words. I have done it frequently, and then names of books can be given if the questioner has the type of mind that likes to study detail.

Yours faithfully,

6, Underhill Road, Dulwich. E. G. Troughton.

To the Editor of Social Credit.

Sir,—"M.C.'s" argument does not prove his original statement that money is not the problem to women that it is to men; it merely proves that women are much more resourceful than men. For this reason, I believe that women will readily grasp and greet the idea of the National Dividend. They will see in it, a method of obtaining real sex equality, a goal that it is impossible to reach at the moment, owing to the financial and consequent economic exigencies of our time. Women will readily see in the idea of the National Dividend a method whereby their children would be able to be educated for a fuller life, as most women desire, but find impossible at the moment.

Yours faithfully,

21, Red Post Hill, S.E.24. F. M. Ashley.
November 16, 1934.

To the Editor of Social Credit.

Sir,—I think your contributor D. D. S. tends to overstress the effect of what, amongst some people, is called "the servant problem," on the minds of those in a position to employ servants. Whether this is the case or not, there seem to be at least three good arguments that can be advanced when talking to the selfish minority, who refuse to support the Campaign for a National Dividend, because they fear, its success would increase their difficulties in obtaining personal service. They are as follows:—

(1) That no lady or gentleman need ever lack such service. This is an argument which the late Mr. Orage used with devastating effect on one occasion.

(2) That those who care to do so, can use the whole of this Dividend plus what they were paying before its introduction, in order to obtain such service. *E.g.*—A family of four, assuming the Dividend to be £75 per head per annum, could offer a wage of at least £300 per annum which would undoubtedly prove attractive to many domestic servants, even when in receipt of an income of £75 per annum.

(3) That the alternative to the adoption of this plan appears to be a dictatorship of the right or left, or war, or very possibly both.

The suggestions that the National Dividend will make domestic servants "less likely to remain in the service of other women," and that "the number of families able and wishful to keep servants will be enormously increased," both ignore the complete change to be expected from the introduction of the Dividend. It seems probable that once domestic service comes to be regarded as a real service to the community, as is bound to happen, that many will be glad to take such work for good pay, short hours and decent treatment, all of which are frequently lacking to-day. Increased demand will lead to such improvements which I believe will solve the problem for good employers; bad ones deserve to suffer.

I am, Sir,

Yours faithfully,

November 19, 1934. F. M. H. Watt.
Queen's Court Hotel, London, S.W.5.

An Approach to the Labour Party?

To the Editor of Social Credit.

Sir,—One wonders whether the time is ripe for an official approach to be made to the Labour Party in the hope of their adopting National Dividends as part of their programme for the next General Election. Even an outsider can see difficulties, but these might prove surmountable. Were this possible, there would at any rate be a very real chance of our getting National Dividends before the present system collapses. What are any alternative prospects?

Yours faithfully,

Rev. H. Edwards.
Stainforth Vicarage, Settle, Yorkshire.

"Education for Scarcity"

To the Editor of Social Credit.

Sir,—With the bulk of Sanson Carrasco's article I find myself in agreement, but there are some other things to be borne in mind. It is perfectly true that the Board of Education is dominated by the Treasury. Otherwise its members are much more enlightened, as far as I can make out, than the general run of Local Education Authorities, who are supposed to be set up democratically. The trouble that staffs go in fear of their headmasters is balanced in the State schools, primary and secondary, by the fact that headmasters have the greatest difficulty in getting rid of unsatisfactory teachers.

The greatest trouble in primary schools, apart from their being starved of money, is that children *have* to attend a particular school and their parents have considerable difficulty in defending them against tyrannical and unsatisfactory staffs. In the non-State schools, Public and private.

(*Continued on page 212.*)

CORRESPONDENCE *continued from page* 211.

the trouble is that most parents, who are in a position to choose the schools for their children, are incredibly remiss in inquiring about methods of teaching and discipline, material accommodation, food, etc., and, even when they are really desirous that their children should grow up in the best possible way, prove gullible in the extreme. As a matter of fact, what Sanson Carrasco labels the "so-called studious type" of boy is probably the least likely in this country to grow up to defend the slave tradition. I think that a count of innovators in any branch of culture would show a preponderance of such, whereas the contrasted "healthy" or extravert is more predominantly conversative when he grows up. This, of course, is no plea for the present educational practices which oppress both types impartially.

Yours faithfully,

November 17, 1934. HILDERIC COUSENS.
Holly School, Sheringham.

A Welsh Campaign

TO THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—Mr. Robert J. Scrutton has lately completed a four weeks' campaign tour for the National Dividend in the Rhondda Valley, addressing thirty meetings and arousing great interest. Arrangements are being made to carry the campaign into the remaining twenty-one villages of the Rhondda and surrounding district.

Half the population of the Rhondda is unemployed and those in work receive incomes only a few shillings more than the "dole." The men have accepted the fact that the industrial machine has made enforced leisure permanent, and are anxious to meet and study the solution offered by the Social Credit proposals, and to mobilise public support for the National Dividend.

Members of the Cardiff Social Credit Association have undertaken to instruct men representing villages of the Rhondda who have volunteered to meet regularly for study, and have agreed to instruct groups in their own districts. Later these groups will recruit and train Campaigners to canvass the Rhondda for Pledged voters and obtain support for the National Petition to the King. As the number of trained canvassers increases, mobile units will be available to assist established S. C. groups in the local canvass for the election pledge.

All forms of S. C. books, phamphlets, journals and leaflets are urgently needed for free distribution by the Rhondda Campaigners. Will readers of Social Credit with S. C. literature to spare for this purpose, please communicate with Mr. Robert J. Scrutton, St. Peter's Vicarage, Payne's Lane, Coventry?

Similar campaign centres will be established in other districts as soon as possible.

Yours truly,

B. H. Vos.

Twogate Court, 21, Fitzjohn's Avenue, N.W.3.

(We are pleased to publish this letter and we trust it will draw the support which this vigorous campaign deserves. At the same time we would point out that the official programme of the Social Credit Secretariat is the Electoral Campaign, and not the petition to his Majesty the King.—Editor, SOCIAL CREDIT.)

Economics and Birth Control

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—In your issue of 9th inst. Mr. D. Beamish replied to my earlier letter on the subject of birth control. I am glad that he holds the view that individuals should have the greatest possible freedom to develop along their own lines. In one direction this freedom can be achieved by a wider knowledge of birth control practice and technique. Your contributor seems to have some misgivings regarding the significance of the word "control." As generally used in this connection, it does not connote the exercise of direction or control by outside persons or authorities, but merely by the individual concerned.

I am in agreement with much of what Mr. Beamish writes, but I profoundly disagree with his view that the plea of economic necessity is not real and valid when the limitation of the size of the family is under consideration. Let the reader place himself or herself in the shoes of the poor woman who has already more children than she can house and feed and clothe. It is not much consolation for her to be told: Carry on the splendid work of child-bearing —some day, in the future, the financial system will change and there will be National Dividends and plenty for all. It sounds too like the dubious consolation of Religion: Suffer on Earth that your reward in Heaven will be greater.

Yours truly,

Amochrie, Nethercraigs, Paisley. R. A. BROWN.
November 17, 1934.

Propaganda Suggestions

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—It occurred to me that, as the Christmas Season is about to commence, some of the following would form excellent gifts to one's friends:—

(a) A three, six, or twelve months subscription to SOCIAL CREDIT, or other paper dealing with the same subject for forthcoming issues, the latter to be sent direct to the recipient, or

(b) copies of the works of Major C. H. Douglas, or other books relating thereto.

Yours, etc.,

November 17, 1934. ALEX. T. HARDY.
Kirkliston Drive, Belfast.

The National Dividend and the Individual

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—I am very pleased to see that you devote a good deal of space in SOCIAL CREDIT, to the justification of the National Dividend. This dividend, which should be the common legacy of all citizens, besides giving economic security to every individual, will also perform a valuable psychological function in restoring character and personality.

Alas, it is only too true that owing to present day cut-throat competition in the industrial world, individuality suffers greatly, and many humiliations have to be endured if people would even exist at all. There is no doubt that a certain type of hypocrisy is prevalent in our commercial life, for competition has made it necessary for a trader to employ every artifice at his command in order to cajole the potential customer away from a possible rival. Modern advertising provides ample confirmation of this.

It will doubtless not be an easy task, at first, to "demesmerise" people and make them realise that a National Dividend is ethically, as well as economically, justifiable, but I am confident that ultimately such a source of income will be accepted as essential to a civilised community.

Yours faithfully,

School Green, Freshwater, I.W. GEORGE NEWBOLD.
November 21, 1934.

Taxation of the Rich

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—Mr. R. M. Burke in his article " A Labour View of Social Credit," in your recent issue, asks for comment upon his views.

The first of these worthy of comment is, "I agree that in this age of plenty, it would be possible, with a proper financial system, to increase the purchasing power of the poorer members of the community to a very large extent without taking anything from the rich by taxation or otherwise . . . *In spite of this I would like to see the very rich taxed much more heavily than at present.*" (my italics.) His reason is that "no matter how small or how great the purchasing power of the community may be, it should in justice be far more evenly distributed."

Well, would not Mr. Burke's objection be met (as in the Douglas Draft Scheme for Scotland) by issuing National Dividends *only to those* whose net income already from other sources *is less* than four times that of the prospective dividend amount? The rich would benefit only by price discount for ultimate goods. The poor would have both dividend (in addition to any existing wages) and the price discount. This could continue until a more equitable state of affairs had arisen, when, of course, all would have National Dividends.

With regard to taxation, the consent and approval of the poor to this has been won by false pretences. They have

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been told that it promotes equalisation of incomes and the fairer distribution of wealth. The exact opposite results are really the case.

In actual fact, about half of all national taxation goes to the service of national debt, probably three-fourths of which is held by financial institutions, and is, therefore, not distributed again as income—it is extinguished.

The remaining part goes to the upkeep of the State (non-trading) departments, Navy, Army, Airforce, Civil Service, of which, again, only a portion is distributed as income.

Furthermore, modern taxation in money is based on a lie, *viz.*, that ownership of wealth means ownership of its "exchange value" or "financial equivalent" at the same moment of time. The theory that "financial reflection" or equivalent is in the same hands as the reality, is false.

The "exchange value" of anything is always, even in the case of barter, in hands other than the owner of the thing. You cannot in the very nature of things possess both an article and its "exchange value" or "financial reflection."

You part with wealth (or its title) in order to obtain (or use) its exchange value, *i.e.*, financial reflection.

Social Credit is the power to monetise wealth, *i.e.*, to create financial equivalents to, or financial claims upon, wealth.

Ownership does not convey the power to monetise wealth owned. Owners part with wealth to obtain money equivalent, or they part with title (as in mortgage); in the case of a secured loan (overdraft) they part with title to obtain a financial "exchange value" or "equivalent" which previously did not exist.

Financial "lending" by financial institutions is monetisation of wealth, the creation of "financial exchange values" for things that were previously financially "valueless."

When these facts are known to a sufficient number of people, those who advocate more and stiffer taxation for the rich, will be exposed as really the advocates of the very rich financial institutions, at which Mr. Burke should look more closely. They have stolen the "social credit" of the nations. Money taxation is theft of financial exchange values.

It destroys and distorts the true "financial reflections" of the people's wealth.

Yours faithfully,

71, Pine Street, Belfast, Ireland. T. G.

A LINOCUT PORTRAIT OF MAJOR DOUGLAS

On page 209 we reproduce a linocut portrait of Major Douglas, by Mr. H. R. Purchase. The original is 5½ ins. by 4 ins. All genuine prints are autographed in lead pencil by the artist.

Recommended sizes of mounting are: 9 ins. by 11½ ins. or, if that is too large, 7 ins. by 9½ ins.

Price: Unmounted print, post free, ... £1 1 0
Mounted print, 9 ins. by 11½ ins., Signed by Major Douglas (limited number only), post free £2 2 0

Proceeds will all go to the Secretariat.

(NOTE: Orders may take 3 or 4 weeks to complete.)

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Six Months	5s.
Three Months	2s. 6d.

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„ Half page	£1 0s. 0d.
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Series discount five per cent. for three and ten per cent. for six insertions. If it is desired to see proofs, advertisements should reach the Advertisement Manager, 9 Regent Square, W.C.1., not later than Friday morning for insertion in the issue of the following week, and final proofs should be returned by Tuesday of the week of issue. Size of advertisement page eleven inches by seven inches.

Only suitable advertisements will be accepted. SOCIAL CREDIT has an unusual reader value: subscribers read and retain their copies and rely upon the information contained.

NOTICES OF DOUGLAS SOCIAL CREDIT MEETINGS

Notices of Social Credit Meetings will be accepted for this column. Six lines 1s., seven to twelve lines 2s.

Glasgow Douglas Social Credit Association

Wednesday, Dec. 5th, 8 p.m.—In the Religious Rooms, 200, Buchanan St., Glasgow.—Public Meeting. Speaker: Mr. P. McDevitt. Subject: "Social Credit Terms and their Implications."

The London Social Credit Club

Blewcoat Room, Caxton Street, S. W. 1

Nov. 30th, 7.45 p.m.—"What is Social Credit?" Speaker: A. L. Gibson, Esq., F.C.A., of Sheffield.

Dec. 7th, 7.45 p.m.—"Organisation." Speaker: John Hargraves.

Newcastle-on-Tyne Douglas Social Credit Group

Until further notice all meetings will be held on alternate Wednesdays, at 7.30 p.m., in Lockharts Café, Nun Street. Next date, Dec. 5th. Speaker: Mrs. Coward. In the Chair: Miss A. Hopper. Required to rent, small room for Group office. Central position. Information to Mrs. J. W. Coward, Deepdale, Holly Avenue, Fawdon, Newcastle 3.

South Shields Social Credit Group

Thursday, Dec. 13th, 7.30 p.m.—Public Meeting, Mecca Café, Ocean Road.—"Social Credit." Speaker: R. P. Pearson, Esq., of Newcastle-on-Tyne. Questions invited. Everybody welcome. Hon. Sec.: M. Petry, 3, Woodlands Terrace, South Shields.

The Electoral Campaign

NATIONAL DIVIDEND LEAFLETS

THE ELECTOR'S PLEDGE

I believe that, in this age of abundance, poverty can be abolished

It is my will that I, together with all others, shall enjoy the plenty, freedom and security that modern progress can provide.

I therefore pledge myself at the next election to vote only for the candidate who undertakes to demand payment of a NATIONAL DIVIDEND to every citizen, and to defer all other legislation till this is done.

Leaflet No. 1.

"Demand a National Dividend" with elector's pledge. This is the essential leaflet, all others are subsidiary.

4s. 6d. per 1,000, postage 1s. 3d.
2s. 3d. per 500, postage 1s. 0d.
Stereos for local printing, 12s. 6d.

Leaflet No. 2.

Pledge only, with space for twenty-nine signatures.

12s. 6d per 1,000, postage 1s. 3d.
5s. 0d. per 400, postage 9d.
2s. 6d. per 200, postage 8d.
1s. 3d. per 100, postage 4d.
Stereos for local printing, 6s. 9d.

Leaflet No. 3.

"What the National Dividend will do for Everybody." Can be used in conjunction with No. 1.

4s. 6d. per 1,000, postage 9d.
2s. 3d. per 500, postage 9d.
1s. 2d. per 250, postage 4d.
6d. per 100, postage 2d.
Stereos for local printing, 5s. 9d.

One sample of each of the above, together with a reprint of Major Douglas' Buxton speech, in which the campaign was proposed, will be supplied for 3d., post free.

Orders for leaflets, etc., should be sent to "Social Credit," 9, Regent Square, W.C.1.

Special Note

Groups are recommended to obtain quotations from local printers to print the leaflets from stereos as advertised. Leaflets No. 1 and 2 should be on white paper suitable to be written on in ink. This will enable the address of local headquarters to be printed on the leaflets, and should result in some saving on the above prices, which represent no profit to the Secretariat.

Manual for Electoral Campaign Workers

A comprehensive Manual for the guidance of Electoral Campaign Workers has been specially prepared for and approved by the Social Credit Secretariat.

It will save time and cut waste of effort for Campaign organizers and workers. Paper-bound, duplicated copies 1s. 3d. post free from SOCIAL CREDIT office, 9, Regent Square London, W.C.1.

AN OFFER TO SUBSCRIBERS

A special offer of Social Credit at a reduced rate is now made to purchasers of one copy of the *Douglas Manual* (price 5/-), who at the same time subscribe to Social Credit for one year. The combined price for the book and the year's subscription will be 12/6, while this offer stands. The Douglas Manual is indispensable both to new Students and to those versed in the ideas; it should be in every Social Creditors Library.

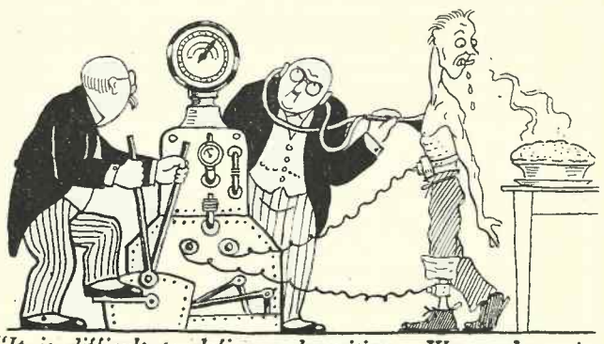
WHY BOTHER ABOUT FOOD?

WE will now return to the subject of food.

It is not a very moral subject, and one to which I would not refer without due consideration for the delicate feelings of my readers. But there are occasions when, in the interests of public enlightenment, one must speak frankly about the facts of life and not hesitate to call a spud a spud.

Moreover, there may not be many opportunities in the future to speak of food, for after earnest study of the economic policies of our rulers, I cannot avoid the conclusion that there will soon be none left. So let us make hay while the bun shines.

And after all, need we eat? Is it not a somewhat over-estimated form of entertainment? A thing of beauty, said Keats (after lunch), is a joy for ever; and who can say that about a meal? Is not the very reverse the case?



"It is difficult to define malnutrition. We need precise information based on observations about which no doubt can exist."—The Times.

Have you ever known a man who, having finished a good meal, could say, "that was so beautiful that I must have it all over again"? (As a matter of fact I did know such a man. That's his mark on the ceiling.)

Surely, then, no one can say that food is beautiful. And the question I would put to you is this: Ought we to admit the necessity in our lives of anything but the truly beautiful? Is it not our duty, as immortal spirits clothed but briefly in our decaying garb of earthly dross (I beg your pardon, madam, I was not referring to you in particular), to avoid placing our lasting reliance upon what is of merely transient value? For we shall pass this way but once. Pardon? Thank you, just a small piece, with plenty of treacle. Or, possibly, twice.

It is becoming increasingly difficult to get food distributed. It is all very well for you people to say that because there is more food than the nation could eat, therefore, there should be no malnutrition. You do not realise the enormous administrative and technical difficulties involved in this matter of distributing food.

For example, *The Times,* referring to the question of maternal mortality, and the suggestion that the Government should give further help if the death rate and mortality rate are to be reduced, points out that :

> "One of the difficulties of arriving at a final judgment about malnutrition, is the difficulty of defining that condition."

How can the Government deal with malnutrition until Science has defined what it is? You are accustomed to define it, loosely, as "Not having enough to eat," or "under-feeding," and so on, and think they are sufficient. But how can legislation be based upon such inexact and unscientific data?

As *The Times* very justly points out, "It is to be hoped that some *precise information, based on observations about which no doubt can exist,* will be placed before the public. The matter is far too serious to be decided *by mere advocacy.*" The italics are mine (on loan from the printer).

There is no doubt of the seriousness of the matter. Only the most urgent reasons should compel the Government to save some of our surplus food from rotting by getting it eaten. There is the Budget to be considered.

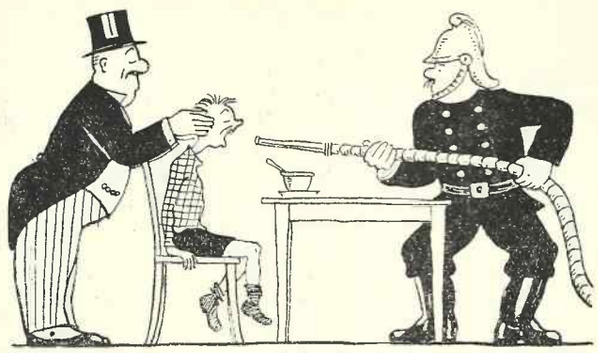
The Times clearly means that it is no use asking the people themselves whether they want more to eat. Their views are unreliable. I have heard children, filled to surfeit, with their back teeth right under, whisper wheezily for more cake. And you know what the lower orders are when they think they can get something for nothing. Their own opinions, therefore, come under the heading of "mere advocacy."

Moreover, they would not be "based on observation," but only upon their own feelings. You might have 10 million saying they were hungry, *but not one of them would be anybody but himself,* and his feelings could not be regarded as scientifically or universally reliable.

It is clear, therefore, that the correct definition of under-feeding must be based on data which are quite independent of the feelings of the people concerned.

Further, there are political considerations. Food must not be distributed without regard to national discipline. As to this, Professor J. A. Nixon, of Bristol University, made some profound observations to the Council for Health Education. "Children's ideas of discipline," he said, "deteriorate as their physical condition improves." We need no further argument to show the close relation between the preservation of law and order and the strict regulation of the people's diet.

We do not quite endorse the Professor's economic views. He went on to say that "the minimum amount of food



"The minimum amount of food which just spells under-nourishment can be made adequate by taking water with the meal."—Prof. J. A. Nixon.

which just spells under-nourishment can be brought up to be adequate by taking water with the meal."

Now, it is true that if we filled the kids with water it would be cheaper than giving them food. But that is still unnecessarily extravagant. *The Professor has forgotten the water shortage!*

Fortunately, an even cheaper substitute has been suggested. *The Derbyshire Advertiser,* in a leading article criticising Social Credit, prophesied a new economic epoch in the following manner :

"Social Credit . . . is a species of universal subsidy to industry . . . goods being in effect sold below cost price. This means that *ultimately the community would be buying more goods than it produced,* with the obvious results."

The "obvious results" would be that ultimately the people would be eating beef that is not yet born, with next year's fruit for afters.

I can think of no better way of balancing the Budget.

YAFFLE.

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