THE REAL POLITICAL ISSUE

R. Lloyd George's "New Deal for Britain" was just in time to be included in the New Year prophecies and resolutions which we may expect from our leading politicians.

His proposals cover every department of economic life—industry, agriculture, housing, transport, etc., and at the head of the Bill is the star turn—national control of the Bank of the Bank of England.

This last is regarded as the latest and most revolutionary idea. And in advocating it Mr. Lloyd George is merely putting himself into line with the Labour Party.

Naturally, it has drawn the usual arguments from the even more reactionary politicians. Sir John Simon, for instance, repeated the old cry that political control of finance would mean disaster. The banks, he said, grant credit where it is deserved (whatever that means) but politicians would use the power of granting it for political purposes.

This argument can be ruled out straight away. Finance is political now. The Bank of England is the strongest political power in the country. It rules the government.

These two ideas—government control of finance and private control—are to-day put forward as the only two alternatives before the nation.

They are nothing of the sort. They are only put forward because the function of a democratic government has not yet been understood or defined.

Nationalisation Itself Means Nothing

Change of management does not in itself make any difference to any business, public or private. We should still want to know what the government would do with finance when it had got it.

The function of a government is to find out what the people want done and see it gets done by giving the job to competent technical experts. Not, we repeat, do it, but see that it is done.

People educated in democratic principles would say, "We don't care how it is done; we are interested only in results. We don't care whether the national credit is issued and manipulated by the Treasury, by a new branch of the Civil Service, or by the Bank of England at as present. We don't care whether the nominal head of the credit-issuing organisation is a government official, a Cabinet Minister or a private banker like Mr. Norman. All we care about is that there shall be enough credit to enable us to buy and sell what we know we can produce. Please get on with it and don't bother us with technical details."

All Problems Are Settled Except Money

The real political issue to-day is the lack of money. All other aspects of the trade problem are already settled. The people know how to produce what they want and how to transport it about; how to grow food or ship it from abroad. They are experts in production.

Also, they are experts in consumption—or would be if they had a bit more practice. Their adroitness in eating, in drinking, for example, is such that if they could only get hold of the doings, they would not require the assistance or advice of a single government official.

Therefore to introduce into political discussion any matters concerning production—control of manufacture, transport, etc.—is to confuse the issue, to discredit Parliament and pave the way for the dictatorship of those whose interest it is to control the lives of the people.

The object of democracy is not the maximum control, but the minimum. To centralise the whole commercial and industrial activities of the nation will merely limit the scope of individual choice and lead to the Servile State.

In this respect the Social Credit Movement is political. It seeks to clear the real national problem of its irrelevancies and persuade the people to perform this urgent political function:

To decide what they most want and demand that the Government shall do it.

There is to-day no doubt as to what the nation most needs: it is—enough money to buy and sell what it is already able to produce. And all the people need to know before they can make this demand is—that it can be done.

For that reason we would suggest, to any Party or organisation sincerely devoted to the political and economic enlightenment of the people, that there is just one piece of information worth propagating:

That any Government, by the exercise of powers, it already possesses, can at any time issue money to any extent up to the price-value of the goods the country produces.
We trust that Mr. Roosevelt feels a glow of pride when considering a Plan of expenditure on Public Works in the United States amounting to $2,000,000,000. Even in America one hundred and five thousand millions of dollars looks a tidy sum.

But only $75,000,000 a year is to be expended on putting “2,000,000 acres of sub-marginal land” out of cultivation. And vast schemes of development in other directions are envisaged over against this expenditure upon returning land to its wild state.

Apart from the remuneration of the whole nation, the snags in the financial proposals submitted to Mr. Roosevelt on the “anti-cyclic theory” propounded by Mr. David Cushman Coyle, (We quote The Times account of December 28). The suggestion is to finance the plan “by selling bonds to Government-controlled banks.” Thus:—

“When a bank buys Federal bonds the bank has an asset—the bond—and a liability, the money paid for the bond and credited to the cheque account of the Government. The money is created by the process of writing it in the cheque account.

“When a part of the National Debt is paid to the banks in return for bonds, the money with which the debt is paid vanishes by reversal of the process through which it was created.

“In other words, in times of depression the Government must accept a heavy budgetary deficit financed by inflation and in good times an equally large budgetary surplus based on income-taxes and usable as a curb on excesses of Wall Street speculation. The fact is,” says Dr. Coyle, “that the Federal Budget ought never to be balanced except momentarily at a shadowy ‘normal’ between good and bad times.”

No mention is made in this proposal of interest on the Federal Bonds bought “by the process of writing money in the cheque account.” Apparently the American people are to re-establish the private banks in unrivalled power, and give them a vast additional claim in perpetuo on the incomes of the people, under the shadowy guise of “government control.” We wait eagerly the day when the wealthiest of all the great nations of the earth shall take unequivocal control of its own credit for benefit of its own people, and not for the benefit of the financial institutions.

“A HUMANE CODE”? Referring to the question of Unemployment assistance, the Daily Telegraph recounts, and praises as generous, the miserable standards of poverty, quaintly termed “Relief,” to which the Government has condemned those people who are unemployed because of that very industrial mechanism which has made universal affluence possible. Then follows this hackneyed yet ever-fresh piece of sheer inhumanity and humbug:

“The Board has strictly borne in mind the guiding rule that no man shall receive from public funds relief equal to what he could normally earn if in work. That rule is cardinal. It is the real vindication of what may seem at first sight the sternest rulings of a thoroughly humane code of rules.”

That is to say, because employed workers are poor, unemployed workers must be poorer still; that although unemployment is unavoidable, the unemployed must be punished. The exiles which orthodoxy invents to prevent the national wealth from being distributed are as cruel as they are stupid. To give them a highly moral flavour is to add a Pharisaic touch to what would otherwise be mere brutality.

Such violations of human reason do, nevertheless, provide an excellent background for the proposal of the National Dividend. We ask for no better contrast than that between the proposals of these troglodytes and those of Major Douglas.

(Reviewing that last paragraph, we must observe that it is unjust to the troglodytes. They at least ate what they wanted and allowed others to help themselves freely to what was left.)

THE MENACE TO INTERNATIONAL FRIENDSHIP A Brazilian paper, quoted in the Daily Telegraph, has discovered that the worst customers for Brazil’s exports are creditor countries. It complains, for example, that Great Britain, instead of studying means of improving relations between herself and Brazil, has embarked on “a nationalistic policy disastrous to Brazil, a debtor country and a natural provider of raw material.” It calls particular attention in this connection to the “Buy British” campaign. Trade between the two countries, the article continues, has always been to the advantage of Great Britain. In 1911-13 Brazil absorbed a deficit of £ sol. million in her relations with Great Britain, which, added to the service of the Brazilian Federal Loans of £119,000,000, shows a total loss of £281,000,000, and these figures do not include heavy remittances of dividends on British capital invested there.

The Bank of Brazil’s decision to apportion exchange is, says the article, tantamount to an invitation to Great Britain to negotiate a commercial treaty of reciprocity, mutually favouring both nations, “whose cordial friendship cannot longer be expressed in the gallery of post-prandial toasts, but must materialise in a more practical and common-sense manner.”

We need not labour the point that international cordiality will continue to be confined to after-dinner speeches so long as the real interests of nations are subordinate to the policy of their banks. A “common-sense” money policy would enable the people of the United States to purchase Brazil’s coffee and rubber and Brazil’s coffee and rubber will be burnt.

THE BASIS OF “CONFIDENCE.” An American correspondent to The Times announces that, according to recent reports, the banks of the country have some $12,000,000,000 of “idle” money which they are ready to lend to private industry. For some time, he said, applications for loans were not forthcoming, but, “since Mr. Roosevelt’s conciliatory speech to the Federation of Bankers’ annual convention, confidence in the future has begun to return.”

Such grounds for “confidence” are peculiar, but common. We hesitate to upset the faith of these simple-minded experts by pointing out that these figures merely indicate twelve thousand million dollars debt due to the banks from the public—in other words “deposits.”

Such faith, however, takes a lot of shattering. Nearly two years ago, according to a press-cutting before us, Mr. Hore-Belisha, Financial Secretary to the Treasury, said hopefully, “it is well for the banks and for the State that the Treasury has had and had increased in the last 12 months from £72,000,000 to £109,000,000. The banks had built upon that a credit structure of 10 times the amount, employing their resources of nearly £720,000,000 to various channels. There was not the least bit of actual idle money outside the normal reserves kept for purposes of safety . . .”

He was right about the safety of the “idle money.” There is no sign of its escape from the secure confines of debt. But the phrase “employing their resources” is slightly misleading. It should read—“employing the nation’s resources for the purpose of keeping the nation in debt.”

What are his bright hopes for the New Year? More idle money?

ANOTHER DUMPING GROUND There has been a correspondence in the Times about the economic condition of Kenya. This being the latest of the exploitable countries at our mercy, it is regarded with pathetic hopefulness by those who can see no economic future but that in which the surplus of British manufactured goods which British people cannot afford to buy are persistently pumped into every corner of the earth not already full.

A characteristic letter describes the Kenya trade as “an opportunity for which we have waited for years past. At last we see a justification for Great Britain to revert to her old-time policy of making loans abroad for the acquisition of capital goods.” And the hope of reverting to this discredited policy, which has achieved nothing but a widespread indebtedness to the banks, so moves this champion of outward creeds that he babbles of “a new faith in our Colonies . . . a field for the adventure and enterprise of rising generations.”
It is hard to believe that many of our manufacturers can still have faith in the revival of foreign lending, or can see anything in it but further bankruptcy amidst plenty. The old game of exporting against foreign loans is as extinct as Durer's wheel. Nevertheless, the seat of Government being in the City, it will doubtless be tried again. Kenya will be encouraged to raise as much coffee as it can, and, after the example of Brazil, burn it. Great Britain will export capital goods to Kenya and lend Kenya the money to buy them, to the detriment of the home market. Kenya will thus have got rid of surplus coffee, and Britain relieved of the weight of some of its heavy goods.

A new and quite unpayable debt will have been created, and the bank directors' speeches will be more pious than ever.

THE PROPER END OF PUBLIC BORROWING

Sir Ernest Benn has been deploring the modern loss of liberty. Increasing rules, regulations and restraints, besides preventing our social and economic development, are inflicting upon the people an inferiority complex, he said, addressing the National Association of Building Societies at a recent luncheon. Modern politicians, he added, are turning us into robots, developing the pauper mind, and putting the State and its wealth into pawn. He thought there should be at least as many bricklayers as bureaucrats and more plasterers than planners.

We shall all agree with that much. We differ, however, with his idea of how to liberate the complex. Sir Ernest doesn't like houses and things being provided by rates and taxes. He says that if civilisation is to last, we must put an end to public borrowing.

But will he agree that even if public borrowing were stopped, there would still be public debt? By the place and occasion of his speech, we presume that he would have us fall back upon private borrowing from Building Societies out of the money savings of individuals, which—and we commend this to his consideration—are, when analysed, seen to be debts to banks just as much as is the new money borrowed from the banks by Governments.

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As to the State and its wealth getting into pawn, we would have Sir Ernest enquire who are the pawnbrokers and where they got their license from. So long as all money used either by governments or private individuals comes into existence as debt to private banks, the bank-pawnbrokers will continue to hold the wealth of the nation, beyond the possibility of its redemption, and we shall soon have nothing but bank-tickets instead of legal tender. It is no use even asking for an end to public borrowing unless we demand instead the public issue of the public's own credit.

Only in that way can we prevent the nation developing a pauper mind while surrounded by unlimited wealth of its own.

THE MONEY FOR HOUSING

In discussing the application of mass production principles to slum-clearance and rehousing, Mr. A. C. Bosson, F.R.I.B.A., in a letter to The Builder of December 7, says, "The nation wants a reduction of building costs. The building industry wants security and good wages. The suppliers of materials... want the assurance that they can run full blast for many years to come, and in mass production may be found the answer to our housing riddle."

Then why is the riddle not answered? The principles of mass production are basic in all fields. Builders and architects already know exactly how to produce any kind of house we require, and where to get materials in abundance. We may ask Mr. Bosson, 'what are we waiting for? Our hearts? The fact is that the answer to the riddle has so far only been given by Major Douglas, when he pointed out that the total prices of goods for sale at any given moment is always greater than total purchasing power available to meet the prices. To reduce building costs we might reduce the price of buildings, but never down to the level of cost, which is the level of consumption. Standardisation might bring the price of a house down to three-halfpence, but it would be found that the purchasing power available to buy (let alone furnish) the house would be only a penny. So why have mass-production? Why not design palaces instead? Christopher (Wren)!' Who would be an architect?

EACH TO HIS TRADE

Four years ago, and two years after the beginning of the great slump in the U.S.A., Mr. Runciman made a speech in which he said that there was no shortage of anything in the world (he forgot purchasing power) and that it might 'be a good thing to fill all the ships with these commodities and scuttle them in the Atlantic.'

Mr. Runciman is a shipper by trade, so it was natural that he should think of that particular means of destroying wealth in increased trade, thus combining good business with national salvation.

Now Dr. Schacht, broadcasting the other day in New York, said there is more hope now of overcoming the world crisis since President Roosevelt has 'taken the initiative.'

Dr. Schacht is a banker; naturally his preference for nationsaving methods is to see countries increasingly in debt to their banks—as Roosevelt is getting the U.S.A. It is, however, a natural mistake to think that Roosevelt is doing something new. Actually, he has not taken the initiative in trying to save his country by increasing its debts to the banks; all he has done is to get it more into debt than it has ever been before. But it is a common error to mistake magnitude for novelty. And the attempt to cure a disease by the anti-homeopathic method of giving the patient a still larger dose of the same poison is the only method of doctoring known to orthodox economists.

So both the banker and the shipper look like being satisfied. Soon the entire wealth of the U.S.A. will be mortgaged to its banks, and as bank loans are only for production and not for consumption, the Atlantic will be a natural place for it.

NO NEED FOR AMUSEMENT

President Roosevelt's newly launched committee "to take the profits out of war," has occasioned heart-searchings in the Press of five Continents, to name only a few. The public in the U.S.A. are wondering (that is, their papers tell them they are wondering) what it is about. The chairman, Bernard Baruch, chairman of the War Industries Board during the War, is to draw up legislation to forestall profiteering in the event of a war—which would stop war, if anything could, for Mr. Baruch is hardly the man to believe in war at any price.

Suspicion is aroused by this development. Senator Nye, of the Arms Inquiry, Committee believes it is a device to close down the Committee's work. "It amazes me," he said. It does not amaze us. For one thing, the Committee's disclosures are so revealing of corruption and collusion on the part of other people's deaths was making things too unpleasant for too many important people. And in any case, we can't afford to attract too much attention to the armaments industry. If it were not for those "welcome increases in exports and employment in the heavy industries," due to the carefully unmentioned sales of war material to other nations, how could a Government point to the signs of trade revival resulting from its enlightened policy? Ask us another.

THE VALUE OF THE CITY

The Times announces that "the new total value of the City of London, which comes into force in April 1935, is (subject to appeals) £11,244,469 gross, and £8,946,725 rateable, is The City of London, which comes into force in April 34, rateable, and the Middle Temple 23,720 gross, and £17,889 rateable. This is a total of £11,300,130 gross, and £8,888,519 rateable—an increase of £21,619,89 gross, and £5,857,87 rateable."

Such monetary sums, representing the money-value of real wealth, are, of course, arbitrary. But the point to note about them is that they are accepted and agreed to by the citizen. The citizen is agreed to, that is, although the main purpose of the estimate is to make citizens fork out money instead of being used as a basis for paying rates.

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If, instead of being used as a basis for paying rates—loss of income—they were used as part of the basis for estimating a National Dividend—increase of income—would the citizens agree to accept them? Don't all speak at once.

£11,000,000 is a large sum for one city. What is the money-value of the wealth of the whole country?
ON the day following Lord Hewart's attack on the first two clauses of the Government's Bill, and his exposure of the slights and campaign of innuendos with which his high office has been subjected, the daily press had much to say, but little to the point.

The matter could not be hushed up, but it could be, and, with the result, probably, that many readers gained the impression that Lord Hewart had acted unreasonably, or at most, that the question was concerned only with the political colour of one of the Judges. The fact that the Lord Chief Justice was defending the principles that the appointment of Judges and decisions as to the cases they should try, should be, as far as possible, independent of political or other influences, was never made clear.

According to the Daily Herald of December 13, supreme efforts were made on the day following Lord Hewart's attack to reach some settlement. The Cabinet, it stated, was at first disinclined to yield, "later, however, more moderate counsels were heard," and "very strong pressure was exerted on Lord Hewart to drop his attack." The Government Leader in the House of Lords, Lord Hailsham, "full advantage of the openings left by Lord Reading did and by Viscount Sankey. These noble Lord's both referred their best to demolish the case against the Bill. It was inferred that Lord Hewart had refused to co-operate with the Government with wishing to prevent Lord Reading was the suave Hebrew lawyer personified; "indeed there was not the slightest justification for it." Lord Reading then suggested that Lord Hewart had charged the Government with wishing to prevent Lord Justice Slesser from becoming Vice-President of Appeal, upon which, Lord Hewart rose to point out that he had suggested that the public "might well think that it was so." Lord Reading closed his speech by suggesting that either Clause 2 be dropped, or, if the Government considered the appointment of a Vice-President essential—the Government case had yet to be heard—the appointment should be made in such manner as not to affect existing Judges of Appeal.

The Suave Mediator

The counsellors must have been influential and the pressure heavy, for the Debate on December 14 proved to be an anti-climax. It was opened by one who has played many roles in his time, including that of Lord Chief Justice, Lord Reading was the suave Hebrew lawyer personified: he had a difficult case and handled it well. He admitted the disturbing nature of Lord Hewart's disclosures, stressed the necessity to suspend judgment, as the Government reply, of which he was ignorant, had yet to be heard. He pointed out that he had served as Lord Chief Justice under several Lords Chancellor, but that he never thought that he was treated with a lack of proper attention and respect; "indeed there was not the slightest justification for it."

What happened between Tuesday and Friday? What "influences" were exerted and what "pressure" brought to bear? It may be that Lord Hewart still means to fight the Bill, "not clause by clause but word by word" in the Committee stage. It is to be hoped he does, but if so, he gave no indication of his intention, and according to The Times leader the whole matter ended in "a final scene of reconciliation and handshaking between the protagonists."

Irrelevant Speeches

Various speeches followed, those of importance being by the Government Leader in the House of Lords, Lord Hailsham, and by Viscount Sankey, legal member of the House of Commons and the House of Lords . . . with a view to settling the dispute." The correspondent, discreetly or from ignorance, omitted to name the counsellors of moderation and those who exerted "strong pressure."

Red Herrings to the Front!

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Small Finance Appoint Its Own Judges?

No one who realises the full implications of the Tweedledum-Tweedledee relations of the Bank of England and the "Treasury can regard these possibilities unmoved. What, one wonders, would have been the outcome of the Waterloo case, in which one Appeal Judge and two Judges in the House of Lords, found that bank notes cost a bank only what is charged for paper and printing, if the Judges to hear the case had been selected for their financial orthodoxy? This might well happen without dishonesty on anyone's part, with a Ministry of Justice, subject, like all Government Departments, to the dictates of the Treasury, subject, in turn, to the Bank of England.

It is interesting to learn from Lord Hailsham that the idea of a Department of Justice was being actively canvassed in 1913. This will be remembered, was the year of the Marconi scandal, which resulted in Mr. Lloyd George being gravely censured by Sir Albert Spizer, the chairman of the committee of enquiry, for investing in American Marconi shares on the advice of Sir Rufus Isaacs (now Lord Reading) at a time when the Government of which he was a member was negotiating a contract with the English company cases, and others. It is therefore ominous that any legislation even remotely permitting undue influence on the members of the House of Lords, the constitution of the Bench of Judges should be proposed. British justice is still a source of legitimate pride to every British citizen. Long may it remain so.

J. DESBOROUGH.
THE DISTRESSED AREAS*

BY FATHER DRINKWATER

This is a problem that cannot possibly be brought within the four corners of orthodox money-lenders' finance; but there was no hint of any such realisation on the part of the Government in the Commons debate on November 15th.

Broadly speaking, the Government discloses four ideas for rescuing the unemployed of the distressed areas.

1. Transference of the unemployed elsewhere. This is evidently regarded by the Government as the first and most promising thing to do. Employers in the South are to be "appealed to" and so forth.

2. New industries for the depressed areas, financed from borrowed money.

3. The Land comes next—a bad third. The Commissioners will have power to acquire land compulsorily and to sell it to local authorities and other public bodies.

4. Finally, public works of various unremunerative but desirable kinds, forestry, reclamation of waste areas, new roads, etc.

Of the above proposals, numbers 1, 3 and 4 (but not number 2) are to be aided financially by the Commissioners, chiefly no doubt by grants-in-aid. They are to have two million pounds to spend between now and March 31st next.

A Large Scale Transference

1. As for transference, two million pounds, I imagine, might just about pay the railway fares of all the families that would need to be "transferred," supposed there was anywhere to transfer them to! As a large-scale policy, the transferred unemployed would obviously throw many out of work in the South. The only result would be to spread unemployment more equally over the country. That is the sort of "remedy" you are driven to if you insist on "employment" as the aim and end of existence.

New Industries—And Loans

2. As for new industries, one can only wait and see what the Government can arrange in the way of credits for production. The banks have been refusing to create credit for small new enterprises (as the four Commissioners' reports indicated) because these could offer no "security" in the depressed areas. Even when he is risking nothing, the credit creator exacts full security—in England, though not with his loans abroad. Will the proposed local boards issue credits for production without security of the orthodox kind?

3. As for getting the unemployed back on the land (those that really desire to go) that is very right and urgent and ought to have been done years ago. But it will mean pouring out money like water with no hope of a direct monetary return. It cannot be done by borrowing money from bankers. What farmers need at the start is producer credit free of interest, and consumer-credit as well to give them a fair share of the townsmen's products and amenities.

Slave Labour?

4. As for public works, it is necessary to ask, are they to be done by slave-labour—by a special class of "able-bodied unemployed" compelled to work for their dole? Are we to do such things simply to make work for people, as Pharaoh made work for the Israelites in Egypt? If so, our motive is all wrong, and there will be no blessing on the enterprise.

The true lesson of the depressed areas is not that employment must be provided at all costs, but that we must get rid of the idea that employment—paid occupation—work for a living—is the be-all and end-all of life. Work is for Life, not Life for Work.

The Fruits of Usury

Faced with the depressed areas, a really live Government would say: See what Usury on the grand scale has brought to. With plenty all around, half the nation lives in poverty and despair. We will stop our borrowing, we will begin to use the National Credit for the nation. The banks have been refusing to create credit for small new enterprises (as the four Commissioners' reports indicated) because these could offer no "security" in the depressed areas. Even when he is risking nothing, the credit creator exacts full security—in England, though not with his loans abroad. Will the proposed local boards issue credits for production without security of the orthodox kind?

The Money Supply

"Ah, yes—but where would the money come from?" It is a question that can only be excused by ignorance at this time of day, but people will go on asking it and we must go on patiently answering it.

The answer is that money and credit would be issued and cancelled as re-issued just as it is now issued and cancelled and re-issued. The only difference would be that the money-supply would be "pumped into industry" at the consumption end as well as the production end. And the money itself—not only the legal tender but the cheque money too—would be money of the nation's own issuing, not the private money created by usurers for their own profit. In so simple a way as that can the Pope's demand be fulfilled that "each one must receive his due share, and the distribution of the created goods must be brought into conformity with the demands of the common good or social justice" (Quadragesimo Anno).

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, 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 essential that is 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.

The adoption of this scheme would result in an unprecedented improvement in the standard of living of the population by the absorption at home of the present unsaleable output, and would, therefore, eliminate the dangerous struggle for foreign markets.

Unlike other suggested remedies, these proposals do not call for financial sacrifice on the part of any section of the community, while, on the other hand, they widen the scope for individual enterprise.

*From an article in the Catholic Times, November 30.
The Machines of the Industrial Age were Designed to Bring Leisure, Not Labour

To read the papers at present is to get the idea that the sole object of the Industrial System is to provide work for the greatest possible number of us. As Jack London once said, "We go to work, To earn the cash, To buy the food, To get the strength, To go to work and so on."

Yet the same people who are at present demanding work for the unemployed have given whole hearted support since the war to every movement to increase unemployment. They are all keen advocates of the necessity of maintaining exports. In order to do this it is necessary to reduce costs, which means to the average export fanatic, wages. For to compete with the foreigner in his own over stocked market it is necessary to undersell him. This means that in the search for foreign markets the British worker must accept a rate of wages as low as the lowest paid industrial worker anywhere in the world, probably the Chinese, slaving in mills built with French capital in Shanghai or Hong-Kong. This policy has been responsible for the cuts in wages made since the war, and those cuts have reduced the demand in the Home Market to a far greater degree than the foreign market has diminished, and have thrown thousands of men out of work. Our would-be exporters seem to have no idea of the fact that four-fifths of our trade never touches the seas.

Rationalise!

Another favourite cry has been rationalisation. Through this policy factories equipped with up-to-date machinery have been closed, villages and towns have been rendered derelict, and man power displaced. Yet in face of this they tell us we must find work for the unemployed.

Greatest of all has been the economy ramp started in 1930 with the declared idea of getting back to the Gold Standard, after which our experts are still labouring. This policy creates insecurity and credit has forced employers to uphold wage cuts and to look abroad for markets which could have been found in Britain, and has imposed greater hardships upon the masses than did the enclosures of seven million acres of common land in the seventeenth and eighteenth centuries. It has put the vast majority of industrial undertakings into the control of the banks, and has as Major Douglas has shown driven thousands into bankruptcy and suicide. It is also largely responsible for the periodic crime waves we have had since 1920.

There Is No Cure For Unemployment

But to-day, even if all these policies were reversed, although unemployment would thereby be mitigated it would not be cured. Even in the pre-war era of expanding capital development and alternate booms and slumps, the average percentage of unemployed was 2 1/2, and there was always a hard core of 250,000 unemployed even in times of "prosperity."

While the cause of poverty is explained by the A plus B theorem of Major Douglas, the cause of unemployment is to be found in invention and scientific progress. To-day unemployment is a necessity, and not even a Parliament of Stafford Crippes, or Jimmy Maxtons can solve it, under this or any other system.

The Industrial Revolution

There is a tendency to-day to talk of the Industrial Revolution as something that happened between 1750 and 1840. Indeed one so called History book, largely used in schools tells all and sundry that it ended about the latter date. As a matter of fact we are still in the Industrial Revolution, and it is now beginning to get into its stride. In this case, unless the financial system is altered, the next hundred years will be the worst.

It was in 1770 that James Hargreaves invented the Spinning Jenny which really began the era of labour displacing inventions in the textile industry. In that year the cotton import into Britain were 4,500,000 lbs. At first eight spindles were worked by the device, which displaced seven spinners. Later one hundred spindles were worked, by one person. The application of water power to spinning by Arkwright and Crompton in 1769, and the perfection of Watt and Boulton's engine for use in mills, greatly increased the number which could be worked by one machine. So by 1792 the amount of cotton imported had grown to 25,000,000 lbs.

The Power Age had begun. One of Watt's employees, Murdoch, invented a travelling engine, later perfected by Trevethick and George Stephenson. At the commencement of the Railway boom in 1824 cotton imports had risen to 400,000,000 lbs.

When Major Douglas appeared before the Macmillan Committee he was asked:—

If our financial system has been on a wrong basis for over 100 years, I should have imagined that you would have had progressive unemployment and progressive depression, and not, as we have had, periods of quite excellent prosperity succeeded by periods of depression. . . How would you account for that?

A Past Phase of Employment

The history of the Industrial Revolution supplies the answer. From 1750 we began to modernise our roads. This work, non-productive of consumable goods and financed by creations of credit, absorbed hundreds of thousands of the unemployed. It also caused vast immigrations of Irish, who were transported to this country for half-a-crown per head, according to the Hammonds. In 1761 we began an era of canal building, which found work for still more displaced men, and continued until the railways knocked out the canal companies. At the height of the canal boom there were passed in four years eighty Acts of Parliament authorising the building of canals, 1790-1794. It is noticeable that in Scotland the promoters of the Forth and Clyde canal obtained cash credit, that is an issue of notes, from the Royal Bank for the job (MacLeod, "Elements of Banking").

When the Railway boom started about 1839, still more labour was needed. The London to Birmingham railway, 112 miles in length, took five years to build and employed 20,000 men. To-day there are 50,000 miles of railways in Great Britain. Many of the lines were much more difficult engineering feats than that mentioned above. We can assume safely that these railways occupied 10,000,000 men for five years on construction alone, besides hundreds of thousands who were employed on making rolling stock and rails, etc.

Add to this the fact that harbours, factories, docks, warehouses, houses for the industrial millions, waterworks, gas undertakings, tramways, electric power stations, etc., etc., were being built at feverish speed during the last century and we have the explanation of why unemployment was not, except in periods of slump, a pressing problem. There are for example about 4,000 miles of tramways in Britain, the construction of which must have absorbed hundreds of thousands of men who would otherwise have been unemployed.

During the nineteenth century Britain found employment for her displaced workers in perfecting her industrial plant. And now that phase is over, unless we have a five year plan to smash it all up and a further x year plan to rebuild it. Otherwise we shall still have the unemployed with us.

Shirking the Issue

In his lecture before the Royal Society of Arts, Mr. John L. Hodgson, B.Sc., M.I.Mech.E., stated:—

"For the past 22 years I have been engaged in conducting researches and devising and selling apparatus whereby the costly fluids used in industry—water, steam, high pressure air, and oil might be continuously controlled. I can trace economies equivalent to £2,500,000 a year achieved by clients who have made use of my work."

That is the work of one man. Hundreds of people, engineers, constructors, efficiency experts have been engaged on the same job. That is, to displace labour. They are doing it successfully.

(Continued on page 271.)
People are a Pity!

(Letter from an intelligent young woman to a friend. Written in 1934 and now preserved in the National Credit Museum.)

My Dear,

"Fancy you being worried about the Unemployed! Poor darling! Now, I've been studying Economics, and it is simply too exciting for words. It's all so simple, really. We ought to abolish more people. Obviously it's people that are the trouble, and if you get rid of more of those, there won't be so many unemployed.

Abolish the problem by abolishing the people! Take Birth Control, for instance. This isn't being used half enough. Teach it to everyone—make it a compulsory matriculation subject and give it special scholarships. Then those of us who do manage to get born can be sterilised, so that at any rate it won't happen again. You've heard, of course about sterilising all those who have any weakness in the family history? That would be almost all of us, wouldn't it? And then this "Termination of Life!" That's the very latest, and what a splendid idea! Terminate all the old aunts and people. It's only the family that has to decide, with the help of a doctor or two, and we all know that that won't be hard when the old things themselves have plenty of money. In future we shall be able to talk of when dear Aunt Eliza terminated!

Of course, the old people may begin to feel a little bit nervous, especially when the young ones look fixedly at them across the breakfast-table. Still it's all for the best and I'm sure they won't mind. Of course, it may mean dismissing a maid or a gardener now and then, but the great thing is to keep down the population! Then those of us who do manage to get born will (patriotically sterilised) be able to find jobs, which, as you say in your letter, is the great point of being alive. Of course, there won't be so many consumers (as they call them in my study circle, have you heard of those by the way?) but what there are will be able to work, although what they will work at may not be quite clear at the moment, and there won't be so many needs. Still, we really ought not to want so many things.

War and the Traffic Problem ought to help us more than they do in this matter of abolishing people. At present they are hardly appreciated as much as they ought to be, because, I suppose, they are apt to absorb those who are in work, as much as those who are not. Couldn't Mr. Horace Belshe do something about this? Surely he might arrange those balloons of his so that the unemployed can work far less than the others! There might be different crossings, and it might be indicated to motorists that at certain points it wouldn't matter quite so much if they were dazzled, or something.

And the Safety First people might teach children to look left, then right instead of the other way round. As for War; well, surely the unemployed might be made to fight it out among themselves, then the nation which had most Unemployed would win, which, of course, would be quite fair. All the other people could go on working. Oh! I nearly forgot Pestilence (and Earthquake —I do think Science might arrange some of those!). But Pestilence could be made much more useful than it is. Doctors might be told about this when sterilising their instruments, or they might open a bottle of germs occasionally in the right place. Really Science ought to help.

Well now, I've made it all quite clear, haven't I? It's People that I am worried about. I didn't quite like to mention murder, by the way, but in the present stress, even murderers have their patriotic side (especially if they and their victims are Unemployed). This might be encouraged but, of course, murder must not weaken about capital punishment. For every murder we must get two people at least, otherwise its hardly worth while.

With all loving thoughts for Christmas.—Christiana.

Dorothy Dudley Short.

THE NECESSITY OF UNEMPLOYMENT continued from page 270.

So we get to-day marvels of production, which had they been detailed fifty years ago would have obtained for the teller a Baron Munchausen reputation. Many of these have been given in this paper. Here in depressed Durham we are cutting 50% of the coal now mined by machinery, compared with 14% before the war. We have automatic stokers for furnaces at gas works, electric power stations and so on. In that connection a story is told of one Tommy, who was apprised as a half-wit by his mates. But when the automatic stoker which did the work of twenty men in unloading the coal and firing the furnace, was installed, Tommy gained at it with a group of his mates before he cashed his last pay check.

"Lads," he exclaimed, "let's go and mob the b——"

Production Increases, Workers Decrease

Stewart Chase, in "Men and Machines" points out that the time has now arrived when production increases and workers decrease. If the index figure for production is taken as 100 and factory employees at 100 in 1914 (U.S.A.) then in 1927 the latter stood at 115, a decrease of 14 since 1919, and production stood at 170 an increase of 23 since 1919.

He says:—

"Here is an electric hand-saw by which one man takes the place of four; a power chisel which does the work of ten; a floor-sanding machine which puts five men on the street every time it is installed. Two men now charge a steel furnace which once required fourteen men; seven men cast as much pig iron as sixty used to do. In the liner 'California' three white garbed firemen precluding over gauges, replace one hundred and twenty stokers."

In all branches of industry the same tale is told. Even food the bug-bear of the Multibusan school, foretold a shortage which ought to have happened a century ago, is now produced in order that men might devise ingenious means of destroying it. Meanwhile the 40,000,000 unemployed in the industrialised world hope for—work.

And our leaders, God help us! in industry, politics and philosophy, tell us we must find work for the unemployed.

Who Are We, Anyhow?

Tennyson said it. We are "the heirs of all the ages, in the foremost ranks of time."

Major Douglas says it. We are all shareholders in Great Britain, Limited.

We have at our command an industrial machine which can supply everyone of us with all the food, clothing and shelter we may want. The problem is, we can't use it.

The labour of dead men is enshrined in it. To-day each one of us can have at our command the labour of millions of slaves. They can clothe, feed, shelter, transport us. They can amuse us. They tell that we may rest. They are the machines, the processes, embodied in the idea of the Watts, the Stephensons, the Bessemers, the Parsons, who gave them to mankind.

The Age of Leisure

They have made unemployment a necessity. They have brought the Age of Leisure. Never again can the workers of the world find profitable employment in industry. We cannot plough against a tractor, nor harvest against a combined harvester and threshing machine, nor dig coal against the iron man.

No work that is being suggested to relieve unemployment will add to the quantity of consumable goods which the men will eat and wear while employed on these relief works. Why then insist on employment when by an alteration of the financial system we can give those men tickets to buy what they require now?

Let them have leisure.

"As distinct from unemployed idleness, leisure is unhired time, accompanied by purchasing power," says Dr. Thomas D. Elliott, of the North Western University, U.S.A.

The financial system must be brought into line with the productivity of the industrial system. The latter is doing its job, it is delivering the goods. Let us make the former deliver the tickets for them.

Stop shirking the issue. The solution is plain. Demand the National Dividend. Let us have "Money for Now!"
It seems perfectly certain that either a pyramidal organisation, having at its apex supreme power and at its base complete subjection, will crystallise out of the centralising process which is evident in the realms of finance and industry, equally with that of politics, or else a more complete decentralisation of initiative than this civilisation has ever known will be substituted for external authority. The pyramid structure of society gives environment the maximum control over individuality. The correct objective of any change is to give individuality maximum control over environment.

G. H. Douglas.

At last, with a movement of the human spirit so gentle that its irresistible strength is not readily perceived, Power concentrated is challenged by Power diffused. The weapons in the battle that ensues are not those chosen by the Concentrated Power, for men have begun to perceive that they have been tricked into conflicts in which one side had a monopoly of the weapons. Money rules, and to fight it with money is foolish. For those who create and destroy money at will, another weapon is needed.

The apex of the pyramid into which power has formed, as a Money Monopoly, is so remote from the broad base of human productivity and the culture upon which it rests, that those who exercise power from the nearly absolute point of dictation achieved by Finance, do not yet perceive that Common Sense is no longer fighting with the weapon monopolised by them, but is breaching their supremacy by ignoring it.

The Beginning of Revolt

Amongst those whose contribution to the human economy consists of power embodied in machines, some are refusing to sit idle and hungry beside the rusting marvels of their invention, whilst in the great spaces of the earth, food and the material of clothing are destroyed, and the toilers rendered destitute. They will no longer preserve the money pyramid in supreme power for such unnatural purposes. They arise, the one and the other, and arrange together to unite their obvious power, by direct exchange of their products. And if the notes they render one another in record of the transaction are not given the name of money, who is the worse for that, save those who have held the world to ransom in terms of that artifact? On the large-scale and the small; in the world-trade and in the limited range of products of a district, the primitive method of barter is arising to alleviate the closure upon interchange of goods between peoples. And deprivation of money tokens amongst those who can no longer be supplied with them through payment for saleable products, is not quite so completely permitted to prevent the mutual services men naturally love to perform.

The Challenge of Barter

The method of barter is the answer of ordinary wisdom to the money power, in whose eyes the peoples of the world exist only as security for mortgage. This method has severe limitations, but it enlightens; and in the changed vision it betokens, lies the power to go further.

For in the process of material interchange, activity occurs where would otherwise be stagnation. Men of the sea and their vessels are needed; manufacture and the organisations of distribution are quickened. And once the industrial and the agricultural centres of the world begin to relieve their unhappy condition by this means, the pyramid is undermined, and a policy is inaugurated which deprives of power the operations of finance.

Finance is nothing; it is only a policy. Attack that; and the immense power melted like snow in the sun. Money is not fought with money; it is not fought at all; it is foregone, that those for whom the token is the reality may come to their senses.

A Very Vulnerable Power

Thus, even in overcoming the evil Colossus of the world, a new epoch is inaugurated. The same mind which forms the peoples of the world acts, and history is made. The great mass of men at the base of the pyramid begin to lower their hands which, Atlas like, have supported the world, and, behold! the weight that crushed them was an illusion! The world they were supporting was not the real world but an insubstantial globe of riotous fancy. It begins to float away. Millions of noughts are struck off the record of the world's indebtedness; even the annual tribute for recording the noughts is not being paid. Frantically, the creators of money book new and ever larger debts against the human race. But the support they have relied upon fails them. Men are turning attention to their proper business. From the depths of tribulation comes the urge. Men in their infinite variety begin to handle their real wealth; to find in so doing the richness of their own resourcefulness, the wealth of their own minds. Broad-based, and with eyes no longer dazzled—either in fear or in hope by the spectacle of ruthless power above them; using their limbs and their intelligence upon their own affairs, the imposing superstructure they had deemed solid, floats away. And they care not in what oceans of the Moon it finds a watery grave.

With that revolutionary change—so simple as a technique, so in calculable a blessing as an order of society—the very tendency to centralise power in ever larger units will pass, as well in the industrial and political realms as in that of finance itself. The individual will achieve the aim of Social Credit: "maximum control over environment." And so doing, his soul will be satisfied and creative; the morbid impulse to subject all men's ways to dictation, on pain of death, will pass away, for men will allow themselves to be combined and directed only for agreed purposes, and in useful ways to achieve those objects. The ability to handle men will be used, but it will cease to be exercised as an end in itself. The sign of the pyramid will pass from human affairs.

SOCIAL CREDIT

SOCIAL CREDIT MOTIFS—IX.

The Pyramid as Balloon

Read

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By the Way

"The bankers are the only class of German Jew who so far, and in the main, have escaped persecution."—Observer.
That's only fair. You can't persecute the one profession to save whom the red-heading of the Jew-baiting is being pursued.

"Satisfaction at the prospect of having to pay less in taxation is tempered in the case of many motorists by the decision of the tariff insurance companies to increase their rates in certain areas."—The Times.
So that, what the banks don't collect from taxation they gather in from their other collecting agent—insurance companies.
For "tempered" read "bad-tempered."

"They needed not only equalised imports and exports, but a favourable trade balance."—Dr. Schacht.
So, instead of his excess imports and the same time equal them. That will really test a Dictator's omnipotence.

Bankers prefer a large number of small loans to a small number of large advances, security, of course, being equal.
—Times City Notes.
The more debtors, the more chance of some of them being able to repay—security, of course, being in fact unequal.

"Mr. MacDonald's... intention to give younger Ministers' a bigger say in the framing of policy. By doing this, he hopes, the criticisms of the Government on the score of senility will be stifled."—News-Chronicle.
And replaced by criticisms on the score of infantile paralysis.

"Lord de la Warr's far-sighted contention that agricultural policy should ultimately aim at securing a greater consumption of better food..."—The Times.
Far-sighted is right. Looking backwards a few million years, he discovered that primitive man grew food with the ultimate aim of eating it. It's a new one on The Times.

"Nevertheless, "unemployment is disaster."
—Labour Corespondent of The Times, on the Tyneside situation.
Ideas have changed. Adam didn't think so. But the fruit and vegetable were there before he arrived, so he didn't have to raise a War before he could grow any. The result is, there was no gap between his effective demand and the produce available. Even the Serpent hadn't invented banking—then.

"The most important function of the banks is to give credit," says Sir John Simon.
Or, more correctly, to lend stolen property.

"Germany's Barter Plans. Opening Australia's Markets."—Heading in The Observer.
How far open will they get before the banks tell them they are using the wrong tin-opener, and offer them a loan instead?

"Level-crossings problem. Cost the obstacle to solution."
—More headings in The Observer.
Put plainer terms—the railway and road traffic of the country must be held up through lack of paper money.

Use More Feet.

"So much for the justice of the regulations. Their generosity is equally indisputable."—Times leader on the draft regulations of the Unemployment Assistance Board.
"The basic allowance has been fixed at £4. a week for a man and wife paying an assumed rent of. 7s. 6d."—News columns same day.

"Generosity? Indulgence! That leaves them 8s. 3d. per head for food and clothing! How can trade revive while it is slowly strangled to death by taxation to pay for the dole-fed debaucheries of a paupered and profligate proletariat?"

"To seek an escape by making the productive machine less productive must be wrong."—Prof. J. M. Keynes, broadcasting in "Poverty in Plenty" series.

Stop him, he's going Bolshe!
The leadership of centralized control

Possibly the greatest obstacle to the attainment of Social Credit is the attitude of the majority that centralized control of men's lives is essential.

I am less concerned here to refute this blasphemy than to examine the extent to which the centralisers justify their claims and the manner in which they go about it.

The centralising theory finds its most important supporters amongst the financiers who decide, and the civil servants and politicians who administer, the policy of control; and that is why they employ economic compulsion.

Now, logically, those who aspire to positions of national control, take on the obligations of leaders; they assume responsibility for the welfare as well as the direction of the community. Let us examine the leadership which this country has experienced during the last 15 years.

At the end of the war, Great Britain, in spite of vast losses in men and materials, was richer in physical assets than she had ever been before. New means of production, better organisation and improved communications, held out the prospect of a much higher standard of living for all in the immediate future. A re-adjustment of our war efforts to meet the demands of peace was all that was necessary to provide those homes for heroes, which vote-seeking politicians had promised.

Less than two years after the Armistice we were gathering the initial fruit of these promises. Men were being turned out of employment by the thousand to starve physically and spiritually on the dole; the middle-class was riddled with economic insecurity; many of the employers were being bankrupted; a gigantic sabotage of our national plant had begun.

England as a society of producers and consumers was sliding steadily down the slope of industrial values from At to C3; her green and pleasant land lay in the grip of "sound finance." The "mortgage" of international usury has maintained its strangle-hold ever since.

Military Leaders have More Sense

Compare this situation with the normal standards of leadership; say, those of a military commander in the field. Imagine a general, whose lines of communication are working admirably, whose base depots are full of every supply that he needs. He gives out, that this is an absolute necessity. His whole importance is derived from these symbols, and, if men and things do not correspond to his sums, so much the worse for the former. The politician has even less excuse for the notable lack of leadership which he displays to-day. He, at least, is directly responsible to his constituents, and has, or should have, more direct touch with the realities of life than the credit-mongers of the City and their Whitechapel cronies. But the "noblesse oblige" of the elected representative has no place in the meritocratic atmosphere of present day politics. A Legislature that pretends to decide policy, but can only re-adjust details within financial limits imposed by the usurers of London City, is based upon a lie. The Mother of Parliaments has become a whore disguised as a lady.

The complement of irresponsible leadership is servility.

The British freemen, vulgarised by a kept press and debauched by charity, are busy scrambling with each other for employment as the only means of obtaining the goods tickets doled out by the money lenders. The squires of England stand hat in hand in bank parlours craving a job for their offspring, or barter honoured names for a directorship of some financial institution. Whilst the fat son of Lombard Street shrewdly enlist the best products of our public schools into their service, and shackle to their ledgers the peculiar loyalties of the "old school tie."

The Victims of Ignorance

Some twenty-five years ago an American general, Homer Lea, wrote a remarkable book called "The Valour of Ignorance." I quote one passage from memory:-

"The most promiscuous murderer in the world is the ignorant military officer. He slaughters his men by wounds... He makes cowards of them. The dead are hecatombs of his ignorance; the survivors grisly spectres of his incompetence."

General Lea did not live to see the post-war conditions of this, and his own country. Had he done so he might have included in his restrictions others besides the incompetent soldier. At least he would have admitted that the latter performs his duty in circumstances of great physical difficulty, whereas the money-lenders, who decide our lives, and their masochistic satellites in Whitehall and Westminster, who bleat of "economy" and "sacrifice" in a world burning with material want, have no such excuse for their failure as self-appointed leaders.

The fear they seek to impose is a reflection of the fear in their own souls, the craving shrinking from those whom they have wronged so deeply in their lust for power. Leadership is only tolerable when it is accompanied by a full responsibility for the fed. Our financiers have no such responsibility. They like to pose as big business men because they deal in big figures, but that is no criterion that they possess the administrative ability to run a sweetheart, and their policy is an attempt to make facts fit figures in the interests of their own profit and power.

Their Objective—The Servile State

The Treasury official lives his life in an office. He never deals with men or with things, but only with figures, the mere symbols of reality. His whole importance is derived from these symbols, and, if men and things do not correspond to his sums, so much the worse for the former. The politician has even less excuse for the notable lack of leadership which he displays to-day. He, at least, is directly responsible to his constituents, and has, or should have, more direct touch with the realities of life than the credit-mongers of the City and their Whitechapel cronies. But the "noblesse oblige" of the elected representative has no place in the meritocratic atmosphere of present day politics. A Legislature that pretends to decide policy, but can only re-adjust details within financial limits imposed by the usurers of London City, is based upon a lie. The Mother of Parliaments has become a whore disguised as a lady.

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Government by Economic Pressure

I know that I shall be told that the foregoing analogy is not exact; that the military leader has much greater powers of direct control than the civilian authority, and that the latter must apply indirect economic pressure in order to control an army to its task.

My reply to this is twofold. In the first place, the general has a limited objective, the winning campaign, the attainment of which involves danger and discomfort for his army. Economic compulsion is essential for the task in hand. In the second, the civilian leader has no definite goal, and the conditions which he administers need be neither arduous nor unpleasant. His position is at most a co-ordinator of collective effort towards an unknown destiny.

The fact is that those, who arrogate to themselves the control of the nation's life, are attempting to govern by a method, which the most under-privileged would not advocate as the sole means for attaining a limited purpose. They rely mainly on fear, the meanest motive for influencing men.
DIS_EMPLOYMENT

The Politicians versus the Inventors

Nurses who have an innate love of children, but no children of their own, might relieve mothers of families. It would be a labour of love and not a matter of bread and butter. There might be “morning” and “afternoon” nurses. Incidentally, a great deal of the sickness we now “enjoy” would disappear, for it can be traced to financial worries, unsuitable work, and so forth.

In cases of serious illness or accidents, nursing home fees would no longer be prohibitive, and nursing homes would be more attractive.

The End of Drudgery in Sight

No doubt during the first few years of Social Credit, there would be many readjustments. It seems certain that “home” will never again be the prison it has been to many women in the past. Modern women will not sacrifice health, looks and temper to the house; they will prefer to do the necessary work as quickly and easily as possible, so that they may be free for other activities. They will use all the labour-saving appliances which many of them can now only admire enviously.

There is, for instance, a device for making an early morning cup of tea by simply touching a switch. This turns on the current and boils the kettle which automatically empties itself into the tea-pot. The current is then automatically turned off and a bell rings to announce that tea is made.

There are endless possibilities. Perhaps firms will clean houses by contract, much as window-cleaners come to clean windows. Enterprise persons will probably go round serving hot dinners from a van.

Whatever kind of world we ultimately live in, it will be better, saner, happier and more harmonious for everybody, including the housewife. Nobody at all sensitive can feel at ease with a hired help who is only restrained from bolting through the door because she knows there is starvation on the other side of it, and that “sleeping in” is only just preferable to “sleeping out.”

D. BRAMISH.
Social Credit and the Experts

SOCIAL CREDITERS are sometimes told that no acknowledged authority on Finance or Economics has pronounced that the National credit account which Douglas would set up, to express the total of the capital assets of the country in money terms, would have debited to it periodically, all issues of consumer credit whether in the form of price compensation or national dividend. The total of these two issues of a period would be put over against the entries of increases of the real national wealth of the preceding period, and the books of the "Drawing Account" would thus be balanced. That is the book-keeping aspect of the matter, and would be the means of regulating the issues of money so that claims upon the national wealth should never exceed the proved physical ability to meet them. The National Capital Account would be maintained. Having ascertained the monetary expression of the increased wealth of a period, the money issued on account of it can be distributed in three ways:

(a) by discount to consumers in the prices of consumable goods, (b) by direct distribution of personal incomes and, (c) by allocation to public services of all kinds (in lieu of collecting the necessary funds by Taxation). The last is in reality only a sub-division of the allocation for the Dividend of the period. The total issued in the three ways would not exceed the proved net increase of national wealth since the last balance was struck.

The money issued under either of these heads would obviously represent expenditure previously incurred, since all increases of wealth are brought about by the expenditure of money.

The money issued by the State would therefore be, in one form or another, "earmarked" to discharge of the money costs incurred in bringing about the increased wealth, i.e., its expenditure by the recipients would meet and discharge debt, upon which it would either go out of existence (in so far as this debt was believed by the recipients to have originated at whatever period now—was direct bank credit; since the banks in writing off a loan necessarily and properly cancel the money out of existence), or it would replace depleted resources (in so far as the debts incurred in production are supposed to have arisen in the hands of individuals whose solvency, i.e., their ability to go on producing, depended upon recovery of those sums).

Thus the theory of the Dividend proposal is the discharge of previous debts, which can now only—and with decreasing success—be discharged by incurring fresh debt, thus merely throwing the liability forward a stage and subjecting the common life, more and more, to the policy of the banking system, which has the monopoly of credit creation.

It is a matter of public policy as to what proportion of the national credit of a period shall be issued directly as income, or indirectly in relief of prices. In any event, price regulation is believed by the Social Credit Movement to be an absolute preventive of Inflation. (Inflation is not the issue of additional money but its issue in such a way that prices of goods at market rise to absorb it.)

It certainly is Douglas's anticipation that some of the new money reaching individuals as dividend, would ultimately be utilised for financing enterprises which are at present dependent upon the creation of fresh indebtedness to the banks.

There can be no doubt that in the vast complex of a modern community, the simple, theoretical, basis would need safeguarding by various regulations (some of which, Douglas anticipated in the Draft Social Credit Scheme for Scotland). But Douglas relies, in the main, upon bringing about a situation of such greatly eased stresses between all sections of the community, that administrative and class questions would tend to be settled in an atmosphere of reasonable concession.

W. T. S.
Our correspondence is steadily increasing. This is a very welcome sign, as indicating growing interest in this journal and its subject. As, however, our space is obviously limited, we appeal to readers to make their communications as brief as possible.

The Value of Local Newspapers

To THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—The following resolution was carried unanimously at our usual monthly meeting:

"That this meeting desires to place on record its deep appreciation of the public spirited and broad minded attitude of the Editor of the Romford Times, and Essex Times, in allowing a very considerable amount of valuable space to letters from correspondents dealing with matters of local interest from the Social Credit viewpoint."

It is rare that a week passes without a letter appearing in these papers from one or more local Social Crediters, and a growing number of readers make a point of looking first for our letters. A considerable amount of keen discussion is carried in numerous little groups in private houses in the district, and the papers are going to friends in other parts of the country.

Yours faithfully,
W. H. CASTOR.
Chairman Social Credit Group of Romford.

“Made in Japan”

To THE EDITOR OF SOCIAL CREDIT.

Sir,—Touching upon the interesting letter by Mr. Kaikhosru Shapurji Sorabji, in the current issue of Social Credit under the heading of “Made In Japan,” I have before me an article written by “A Japanese Business Man” and published by the Morning Post which would certainly seem to bear out the fallacy of Japan’s “sweated” labour. The article is a lengthy one, dealing with hours of labour, pleasure and recreation, free medical treatment, the attention given to the laws of hygiene and sanitation, ample bath facilities, and the operatives take their bath every day and illustrations are shown of dining, reading and rest rooms which compare very favourably with any English factories I have visited during the course of my business career.

The article concludes “Sufficient has been said to show that so far from “sweating” labour, great pains are taken to make the work and life of the operatives as pleasant and enjoyable as possible... The allegations of cheap wages, long hours of work, and “sweated” labour are absolutely unfounded, and to attribute the success of Japanese industry to these false allegations is not at all fair...”

Yours faithfully,
STANLEY BURTON,
Hon. Sec. West Wight Douglas Social Credit Association.
December 19, 1934.

Hidden Strings

To THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—Mr. Lloyd George has announced a campaign “to build up a Britain which shall be an object lesson for the world.” If he was speaking truthfully this could only mean that he was taking up the Social Credit Electoral Campaign but he goes on to say, that unemployment is an internal enemy, thereby disagreeing with Major Douglas’s assertion in his excellent Birmingham speech that unemployment is an asset. So we can take it that whatever the campaign is it is not Social Credit. But what is it? Lloyd George declares that it is non-political, and that politicians of all shades of opinion are supporting him.

A prominent Social Crediter recently observed that when Finance was beginning to feel the pressure of public opinion it might offer some kind of palliative that would confine the public, thereby hindering the full realisation of emancipation through Social Credit.

Does this mean that Finance has gone to the one man, who, has platform eloquence and public appeal? Does this mean that Finance has gone to the one man, who, has platform eloquence and public appeal?

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Social Credit and Birth Control

To THE EDITOR OF SOCIAL CREDIT.

I have noticed more than once in Social Credit papers unprovoked propaganda against Birth Control and gratuitous sneers at Dr. Marie Stopes. The issue of Birth Control is not, of course, very important on a long view. Protestants have acquired the more intelligent Anglo-Catholics are already persuaded that the practice in not necessarily wrong in itself, and Roman Catholics are retreating from their apparently uncompromising opposition of the past. A generation or two hence contraceptives will be considered no more harmful morally than anaesthetics in childbirth, and the further fact of the increasing impossibility of distributing the output of the machine to the members of its class by means of wages alone, or by taxation.

I see no reason to attempt to “graft to Labour” lest the Fascists may graft to us. For the Labour and Fascist aim is substantially the same: each desires to establish the “work” state under the aegis of its own particular class. The aim of Social Credit is the emancipation and freedom of the individual. It is not for Social Credit to graft to Labour or any other party, but rather for the party that is able and willing to see the truth to “come over” to Social Credit.—B. C. Best, Bromley.

Mr. Doyle states that the practice of birth control is expressly forbidden by our Creator, and I should like to ask for his authority for this statement. The Bishops of the Anglican Church, at the Conference held at Lambeth Palace in 1930, acknowledged that there was no direction in their Encyclical and Report to state that scientific methods are not at all fair...”

Yours faithfully, J. D. V. WARD.

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Yours faithfully, J. D. V. WARD.
Money—A Few Reminders

Money is not wealth, but a means of its exchange and distribution. Real wealth is consumable and usable goods and services and the potential means of providing them.

Gold is not real wealth, and only has value because nations have agreed to give it a fictitious price.

Money is any medium which has reached a degree of acceptability that no matter what it is made of, and no matter why people want it, no one will refuse it in exchange for his product if he is a willing seller. It has no value in itself and its only real value is the real wealth for which it can be exchanged.

When anyone other than a bank lends money, he parts with the use of something he owns. When a bank makes a loan it parts with nothing; it simply makes entries in its books.

Bank credit functions as money. Any business man will accept a certified cheque in payment as readily as bank notes.

Banks create money by lending credit or by buying property or securities. As the Rt. Hon. R. McKenna, Chairman of the Midland Bank, said, "The amount of money in existence varies only with the action of the banks in extending credit or effecting sales."

We know how this is effected. Every bank loan creates a deposit and every repayment of a bank loan destroys one.

Mr. R. G. Hawtrey, of the Treasury, has amplified this description of the origin of money by saying, "The banker creates the means of payment out of nothing."

So we see that no matter how much real wealth a nation may be able to produce, it rests entirely with private banks to decide how much money there shall be for buying and selling it.

Therefore, when a nation finds itself—as Great Britain now finds itself—capable of providing all the necessary goods and services it requires but without enough money with which to use them, it should be obvious where the primary need for reform lies—namely, in the banking system.

Subscription Rates.

SOCIAL CREDIT may be obtained through newsagents, or direct from the Publisher, 9, Regent Square, London, W.C.1. The subscription rates, post free, both home and abroad, are:

- One Year: 2s. 6d.
- Six Months: 5s.
- Three Months: 3s.

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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.

WHAT A NATIONAL DIVIDEND WILL DO FOR EVERYBODY

A National Dividend means a money income for all, apart from earnings, issued without inflation and with reduced taxation.

A National Dividend will secure:

To Every Person—Freedom from fear of poverty.
To Producers and Traders—An immediate and increasing demand for goods and services, so that they can confidently prepare for more trade.
To Householders—An income for every member of the household, resulting in a higher standard of living.
To Parents—The certainty of being able to feed and clothe their children and bring them up properly.
To Wage Earners—A regular income which will not cease should they lose their jobs.
To the Unemployed—A regular income which will not cease when they get work.
To Professional Workers—A more numerous and prosperous clientele.

A National Dividend will result in an unprecedented improvement in the standard of living of the population by the absorption at home of the present unsaleable output, and will therefore eliminate the dangerous struggle for foreign markets.

A National Dividend will not entail financial sacrifice on the part of any section of the community, while, on the other hand, it will widen the scope for individual enterprise.

National Dividend Series.—Leaflet No. 3.

A LINOCUT PORTRAIT OF MAJOR DOUGLAS

Last week we reproduced 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.)

PORTRAIT OF MAJOR DOUGLAS

The portrait of Major C. H. Douglas, M.I.Mech.E., as a Medici print in full colour. Copies may be had from Social Credit Office, Price 1s. 6d. each, postage with country additional.

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.

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(Publisher to all the leading magazines)

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Our manufactures are of a uniformly high standard of quality and workmanship, and are to be thoroughly relied on as being honestly described.

Write for full details of prices etc.,

THE FERNCLIFFE SPINNING CO.
VICTORIA MILLS, BINGLEY, Yorks.

Partners: J. Earnshaw
J. Neashill.
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I AWAIT, with an eagerness that I can scarce control, for the flood of New Year prophecies of peace and prosperity which our press and politicians annually dispense. Even without waiting for the official heralds of the millennium, I can point to considerable evidence of the dawn of a sweeter, gentler age, in addition to the relief (about 6d. a head) which has occasioned such rejoicings in the distressed areas.

Take, for instance, poison gas. The recent speech of Dr. Levinstein, formerly managing director of British Dyestuffs Corporation, Ltd., and consequently an authority on dyes, unlimited, afforded us ample proof that humanity is reaching ever on and up. He made a similar speech four years ago, by which we may conclude that he is not only an earnest humanitarian but an enterprising publicity agent for the old firm.

His assurance that poison gas is the most merciful of all forms of warfare was the more welcome in that he added that war was necessary. For, since we can't escape it, and must regard it as a permanent institution, it is only natural that we should make it as pleasant as possible.

We shall all endorse his statement that chemical gas is less brutal than the older forms of weapons. The unpleasantness hitherto associated with war has always been a cause of deep concern to nice people. And, with an unlimited field of invention before them, scientists may be counted on to produce gases so pleasant, that mankind will become addicted to war for the same reason that men now take to opium. So that instead of saying "Your country needs you," we shall say "Goodnight, and pleasant dreams," and the papers would head the casualty lists with the comforting observation, "O gas, where is thy sting?"

After all, nations are civilised now. They no longer have wars because they like them, but through sheer economic necessity—that is, the maintenance of a sound banking system. They do not kill each other because they like doing it, but because victory depends on the enemy becoming incapacitated for the duration. It is the incapacitating they aim at, not the killing. Nothing would please the Government of a Christian country more than to have some masses to wake up again. But foreigners are always useful outsiders, such as the Esquimos or the Russians, to stroll in and pinch our trade, but our great men would want to get rid of them permanently.

In this connection, the press last week referred to a function held at Claridge's Hotel. The reports were headed, "Limitation of Population Dinner." The large number of titled and affluent guests had gathered, apparently, rather for the purpose of reducing the size of the population outside Claridge's than for forming suicide pacts.

The guests included many advocates of birth control; but is possible that the reason why the meeting took the form of a good binge at a famous and expensive restaurant was to celebrate the dawn of the Era of Gas. Just so one might, on minor occasions, have Limitation of Population Lunches and Teas, and even, when time is short, Limitation of Population Quick Ones.

We cannot wait for the solution of this problem until the mass of the people have been cured of their obstinate insistance on being born. Their lack of intelligence renders them blind to the truth that Production is our only economic need and Consumption is an unnecessary expense and a burden upon the Exchequer.

A humane lethal gas should solve this problem. The friction hitherto accompanying international strife would be reduced to a minimum. There would be only two invasions—one, at the commencement, in which fleets of aeroplanes would drop bombs all over the country and put the whole population to sleep; and the other, when victory was achieved, in which van-loads of alarm clocks (the only item for indemnity) would be distributed throughout the country to wake the enemy up.

I am not saying that war will be without its dangers. The worst will be that both sides might send each other to sleep simultaneously. This would mean a double calamity; not only would it afford an opportunity for some crowd of uncivilised outsiders, such as the Esquimos or the Russians, to stroll in and pinch our trade, but our great men would go to sleep in the middle of their recruiting speeches and their immortal words would be lost to history.

Our motto must therefore be—"Prepare!" (Copyright). The civil uses of poison gas are, of course, even more obvious than the military ones. The greatest problem of our time is how to get rid of our surplus population, by which I mean those lower orders who, being no longer needed for industrial production (their place having been taken by machines which are much more clean and obedient and do not have to eat), and are of no possible use to anyone but themselves and their wives and families, who are, in turn, of no possible use to anyone but their husbands and fathers.

The value of poison gas for the solution of economic problems is obvious.