

A PEOPLE'S CHARTER

He who leads men to call forth and exercise in themselves the power of a disinterested play of consciousness upon his stock notions and habits, and who busily calls it forth and exercises it in himself, is at the present moment more in concert with the vital working of men's minds, and more effectually significant than any House of Commons orator or practical operator in politics.

MATTHEW ARNOLD

By God! I will have nothing that all cannot have their counterpart of on the same terms.

WALT WHITMAN

The Tailpieces are by the late Professor Selwyn Image.

A PEOPLE'S CHARTER

or

THE TERMS OF PROSPERITY AND FREEDOM
WITHIN A COMMUNITY

by

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*The Human Hive, its Life and Law: Pressing Questions,
The Gold Standard and other Diseases,
Electoral Reform, etc., etc.*

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Industry is the material basis on which is built up the prosperity and happiness of a nation.

It is therefore the first duty of Government to regulate the national industries in such manner that the greatest benefit which each industry can bestow shall be secured to its people.

In a word, the industry shall fulfil its social end, which is the general welfare.

We appeal to all those who, from a study of the past, and from an open view of the present, can discern the advent of the new spirit that will shape all national endeavour in the near future.

Ideas are the most powerful of explosives.

A PEOPLE'S CHARTER

THE people have fought for and won Civic Equality, that is, the same measure of Justice for all; have fought for and won Political Equality, that is, the same Measure of Regulative power for all. To make its Charter of Freedom complete Economic Equality must be won, that is, a participation in the product of the Co-operative state upon terms that are the same for every citizen.

The Great Charter upon which a people's rights and liberties are based is no charter granted by favour and seal of King, Barons in Parliament or Council. It is a Charter granted and sealed by the Architect of the Universe: its terms indelibly engrossed on parchment of the Heavens and the Earth in characters legible by the unlettered. A Charter setting forth the inexorable terms upon which King, Barons, and Parliament or Council shall govern a people if good government there is to be. Herein are set forth the unalterable laws under the discipline of which communities may develop from imperfections and incongruities to perfections and congruities. In disobedience to which a people shall find a steep descent to the valley of dry bones wherein lie the refuse of all imperfections and incongruities.

Herein are laws, unalterable, indisputable. Some glimpse of which man is now getting through chinks in the shutters which Science is slowly opening—the science which presents the Universe as a Great Being whose majesty is Order and whose pageantry is an

Evolution culminating in a Progress. Into this world of Order and Progress according to a foreordained plan the winning type of individual and group is being swept by the broom of Experience. A sifting process is at work through the whole Organic world making indubitably for the survival of types that fit into a scheme of life in which a discernible Order is the basis and an attainable Perfection or Beauty is the end.

The Freedom of a People lies in its discipline by these Laws and in its power of response to its fixed abiding Place—a freedom it can only enjoy when other peoples abiding in other places subject themselves to the like discipline and develop the like power of response to environment without any one interfering with any other in its socially organic effort. Thus comes about a Community of Nations—each one nation a household finding its fullest life within its own homestead.



I

FOREWORD

The world is, as it were, a commonwealth, a city; and there are observances, customs, usages, actually current in it, things our friends and companions will expect of us, as the condition of our living there with them at all, as really their peers or fellow citizens.

MARCUS AURELIUS

IN these Papers, written and read for special occasions and upon matters bulking largely to-day in the public mind, some repetition is inevitable. As, however, the public has been so misled as to the cause of distress in the Social Body by quack physicians and has therefore much to unlearn, perhaps repeated hammer strokes upon the nails of their coffin will be forgiven by the reader who will be relieved by the burial of doctrinaires who have never been truly alive to the world of realities.

If the everyday man will forget all the phrases he has heard fall from the tongues of economists and will cast overboard the dummy lifebelts which the financiers and politicians would have him use to keep his head above water; if in his life-experiences he will use eyes and brain as he does when dealing with some fault in his motor-cycle, he will get nearer the truth of things than by shutting his eyes and swallowing the pill which the professed physicians of the Social Body offer him.

All the sciences from that of the heavenly bodies to that of the human body have gone through Theo-

logical and Metaphysical stages before entering upon the Positive stage. They have passed through these stages in the order of their remoteness from man. The sciences of Politics and Economics dealing with the Social life of man are still in the metaphysical stage with vestiges of their theological stage clinging to them. They are to-day where Astronomy was when men believed that the sun went round the earth. To-day the physicians of the Social Body, instead of reverently examining the work of God, will offer prayers before prescribing in parliament their physic compounded of ignorance and magical formulae. Hence, the confusion of tongues and the antagonisms of opinions among these quack physicians—a condition unimaginable in the realm of any other science, even of that dealing with the physics of the human body.

Anyone trained by the positive method in the study of the inorganic and organic sciences will carry the same method into the domain of the science dealing with the life of communities—politics. The results arrived at by this positive method are consequently very different from those of the old school economists and politicians who will condemn them.

All things in Nature are of a piece, the test of truth is the same in all manifestations of Nature the world over. A Community is as much a growth from the soil as is a cabbage, and from study of its *order* of growth arise laws from breach of which we may trace social *disorder* and *disease*.

Throughout Nature the close observer finds beneath her kaleidoscopic pictures a wonderful consistency,

and in this consistency the scientist finds a touchstone for his theories.

No one will pretend that the system by which our ten million families maintain their life is anything but a defective system, working with a friction and inefficiency not to be tolerated in any machine. Indeed, we may say that our productive and distributive system can scarcely be called an "organization"; while in our Regulative System we have little more than a police control, preventing open robbery and violence, yet permitting almost any kind of indirect robbery.

For some five hundred years there has been no "rule of life" sufficiently prevalent and convincing to compel individuals willingly to subordinate their capricious ambitions to its dictation. The saner minds of the day are aroused by the seriousness of the evils brought about by this defect—evils so great and numerous that there would be no hope of the growing tide of discontent, waste and poverty being turned were it not for the encouragement to be found in two of the more significant features of our time. One of these is the birth of the "Social conscience"; the other is the discovery of the "Social process". Recently, we have come to know that in calling to our aid these two factors, we have a power for good such as has not been at man's service since the birth of Christianity. Indeed, they may be regarded, in their spiritual awakening to the dawn of a fuller and more lofty life, as the first-fruits of the Christian ideal.

The birth of the "Social conscience" means the birth of a social ideal or "rule of life" not for a class

but for a people. This Social Ideal is awakening new sympathies, giving rise to a Social emotion—a conviction that there is something greater than, and beyond, the individual—a Collective life, or Community, to whose larger permanent interest the smaller personal interest must bend or break.

The new knowledge of the "Social process" consists, first, in the discovery of the Evolution of a social group as a living "organism", with an accompanying Evolution of its individual units as cells in this organism. Secondly, it consists of the discovery that this dual Evolution of the Individual and the Social body persists under the operation of a cosmic law, or process, which may be investigated, comprehended, and made a rational basis for the organization of a people's social activities.

This recent discovery of the law of Personal and Social evolution upon which the idea of Progress finds a sure footing is the most momentous discovery as yet made. All physical discoveries pale before it, since in this law we may find not only a key to the problems vexing many a man's spirit in the present, but a compass pointing the way out of the present *disorder* to a safe pathway of progress for the future. Both key and compass unite in establishing a *Natural Principle* as the basis of a political stability; an *Order* lending dignity to economic activity.

In this Principle, derived from the observed nature of things, every man may find a religious motive urging him to seek "not his own but another's wealth"; urging him to unite his life more intimately, in kindlier manner, with the life of his fellows. And

since, in its operation upon Personal and Social welfare, a principle thus derived from the Divine Order must be beneficial, its character must be ethical. Our nature needs the wine of an imaginative stimulant to carry us pleasantly through the daily routine by which we get our bread. Vague hope is transformed into an impelling desire by the real presence of some not impossible ideal within the audience-chamber of the soul. Ideals are the tractive power of human progress.

Signs are not wanting to show that the social Mind impelled by a new emotion is moving in the direction indicated by this law of social progress. In some matters the movement is by a direct route, in other matters it is by a circuitous approach, or by tentative ways. But, while among individuals there is a going backward and forward between gallows and pulpit, there is, notwithstanding the present dislocation, a general movement of the community toward a nicer adjustment of its activities and relationships to morals and manners, bringing a comeliness, an artistic order, into life. This movement is characterized by an emancipation from those beliefs, customs, and statutes which hamper man's choice of effort towards the development of his best self: thus also an extension of opportunities for every member of the Social Body.

Change is in the order of things; yet there can be no change without some danger, man being what he is. The dangers most to be feared arise from the spirit of selfishness shown in the action of those who, to catch an advantage, would rush a change; also, in the hindrance of others who, to retain an outworn

privilege, would retard a change of any kind. Such are the enemies of society.

Under the sway of the new conception as to life's meaning and motive, we are passing from a type of conduct dictated by an inhibiting rule, having the fear of corporal punishment as its emotional factor, with the personal life in another world as its medium, to a type of conduct dictated by an impelling motive, having the attraction of an ideal beauty of social life as its emotional factor, with the personal life in a community as its medium. The difference is the difference between the compulsions of barbarism and the self-restraints of civilization.

This new concept of man's place and way of life in the universe means no blurring of the picture of nationalism, much less any over-emphasis of it. It means that the Freedom which may be ours in order that we may attain complete Self-development as a physical Unit or Social Body will be such as each other social body may also enjoy for its own Self-development on the same terms, within its own place, in an all-embracing Community of Nations.

In these days we should be beating the air could we not satisfy the mind that this new ethical principle at work, integrating the social life and exalting the personal life, is as inevitable in its ultimate operation upon the progress of man as an astronomical law harmonizing and controlling the symmetric movements of a planet. The times demand that we expose the groundwork upon which this rational conception of social law is founded: show it to be what it is as a result of the very nature of things set within a

universal "order" of which man is part. If there be an ethical principle ruling the progress of man as a part of the universal order, that it may carry to the mind a conviction of its reality, it must be shown to be soundly established by an appeal to experience of the unchanging world-order. Moreover, it is of the utmost importance that the principle itself be set forth in its ready application to social practices in order that our discordant methods may be modified into some conformity therewith. The intuitions of man's spirit formulate his ideals; but unless these spiritual aspirations satisfy the test of the imaginative reason, working upon and construing phenomena, they will not satisfy the test of practical living. In the past a man was unwilling to submit his faith to this test of reason; creed and experience were accordingly divorced, religion taking refuge in the unenlightened recesses of a subjective theology. At the core of every sound ideal there must be some cardinal principle which the reason can discover as *logical*, and the sentiment embrace as *desirable*. Such is the principle of "Social Evolution" which is the corner-stone of religion as a rule of life—a religion not cold in its abstraction, but warm in its humanism. It is an Evolution in which *purposive* selection and not *natural* selection is the active principle: the cells of the Social Body being Conscious cells.

When this Principle regulating the progressive movement of mankind is set forth and understood, it will be accepted as the law of gravitation—an equally subjective conception—is accepted; and once accepted by Church, State, and School, it will be given the

force of Dorian discipline, the power of Christian doctrine. But, as yet, it has not been the subject of scientific investigation save by a few sociologists. Consequently, the more advanced views upon social economy have been merely destructive of the old wreckage, rather than constructive of a sounder social structure with the new material at our hand. Some economists, by an intuition, have anticipated the more accurate knowledge of the social movement. Yet, the transformation effected by the humanization of our economy through ethics presents to the imaginative eye a picture so amazing that the courage is lacking to describe it. Such courage as is required will come only as a result of a rational as well as a spiritual conviction. The cold logical position must be unassailable before one will dare say that a world-wide custom is contrary to the stable constitution of a progressive society; must be thrown upon the scrap-heap before further progress can be made. And this is so notwithstanding the fact that man is influenced more by sentiment than by reason. This constructive work, however, can no longer be delayed if our country is to be delivered from spiritual and material ruin. In social thought we must leave the world of fiction and make-believe; in social action we must give up tinkering the material appliances of life; in social investigation we must get down to the main-springs of Social Life—the unchangeable Human instincts and intuitions. We must understand there is no standing still upon this planet for the self-complacent; neither is there any looking back upon privileged positions left behind, or we become pillars

of salt in a desert of ideals. There must be a general understanding that the permanent condition of society is an *evolution*, not a devolution, much less a revolution; that the permanent condition of intellectual honesty is the harmony of the Ideal and the Known.

A thing is really that which it will be when its development is complete; not that which it appears to be before that maturity. Both Society and Man are in a process of development along lines fairly well ascertained. We are therefore able to consider both Society and Man as they are coming to be *to-morrow*, which is the riper to-day. Failure so to regard them, in pretence of "being matter-of-fact", has led to confusion of thought in the discussion of social matters. The chief feature of all development is that, in the structure of the whole and in the relation of part to part, a more complete harmony is being brought about, throwing a charm over the commonplace, while everything incongruous is being eliminated in the process. Consequently, in taking an undistorted view of society, we must eliminate from our view any element which appears in its nature incongruous with the totality of human nature in its upward reach. We must eliminate any method of work, or condition of life, which does not aid the development of the complete nature of both Man and Society. We must speak of life in terms of its becoming.

The contentions and misdoings customary in every sphere of activity are so opposed to the new community-spirit brooding over the waters of the world that we shall have to travel a long road to reach the goal of an Industrial Co-operation and a Social Unity.

Toward the state of a Community in place of a conglomerate of competing units we are undoubtedly travelling, but movement is for the time being stayed by the industrial dislocation and disorganization. Further, before there can be any purposive movement toward social unity there must be some general prevision of the conditions which make for unity in the presence of our present method of wealth production. First, the Will to unity, then the Vision of its conditions; lastly, the Action toward realization. In the following essays will be found a forecast of the main features of a Community conditioned by this process of becoming. Such forecast does more than foretell. It interprets the events of *to-day* in terms of the *morrow* by the experience of the *past*. It enables us to see the hap and mishap of the moment by the light of a Social process that is maturing according to an Order that may be foreknown.

Coming down from general principles to the facts of the day we may note the cause of the stoppage in this movement toward social unity above referred to.

The general introduction of specialization in human power together with mass production by artificial power has brought about such radical changes in the system of economic production that a radical readjustment has become necessary in the machinery of our economic life. Of the necessity for these revisions and readjustments those men who have made themselves responsible for the regulation of the machinery of life as between one man and another and one industry and another, have not the remotest idea. These men continue thinking in terms of the old

individualistic system of economic production and of its distribution as this was effected in our Village Communities up to the eighteenth century. At the meeting of the British Association Professor Miles Walker, President of the Engineering section, referred to this extraordinary ignorance of politicians.

This lack of new vision with its consequent lack of effective regulation explains the congestion and paralysis of the present day. What has happened we see on a small scale at the cross-roads in the country on a bank holiday, when there are no police to regulate the traffic. We see the flow of cars from north, south, east and west, stopped by a congestion at this crossing. A like congestion in the flow of good things from factory to home has taken place at the cross-roads (markets) of our distributive system. What is needed is a Regulative Control over (*a*) the rapid movement and equitable distribution of all the new wealth produced by machinery: (*b*) the transfer of employment to new occupations and (*c*) the recasting of the work-hours for each team in mine, field and factory.

For such capital Regulation some sociologic education is essential; since politicians and financiers are as ignorant of social physics as of the latest discovery in celestial or terrestrial physics.

As examples of ignorance on the part of those who profess to deal with a class of phenomena the most complex we know and the most profoundly affected by subjection to changes of environment, we may mention these. (1) The introduction of a statute to fix for all time the debt-paying-power of Money while

taking other measures to bring about variations in the purchasing-power of Money. (2) The attempt to fix by legislation an objective standard of Energy Value for all latitudes and climates. (3) The fixation by statute of the food-purchasing-power of labour in the field while permitting by law any foreigner to reduce the food-selling-power or commodity-purchasing-power of this labour.

No one with any training in mathematics or biology could countenance such absurd measures.

We are to-day living in a situation which is new to the world's history. It is a situation which requires entirely new methods of treatment. With the adoption of new ways and means no new "principle" comes into play. But the unalterable principles governing man's economic life within communities needs to be better known that they may be applied with unerring strictness to everyday practice where such large masses of men and such large masses of material have to be dealt with.

And further, the situation is made more difficult because those who now regulate the affairs of the nation have no idea of the social movement into which we are all being swept. Communities are being recast in their own moulds. Their development is being placed upon a more secure basis—the basis of those permanent conditions which nature has imposed upon each climatic region. Both the Economic Laws and the Social Laws are therefore becoming increasingly insistent under the new conditions.

The politico-economic ambition which gave birth in the latter half of the nineteenth century to the

“British Empire” slogan meant a cast back to the tradition coming to us from the Roman Empire via the Carolingian. In times when States were held and Empires formed by forceful domination for economic gains, such political units had their place and possibly their purpose in the scheme of things. They are now out of date; inconsistent with the new impulses generating bonds of a more spiritual character. In the Empire building days, even to the opening of this century, the Christian creed was used as an instrument to forge the idea of Empire upon the mass mind. The one in Christ must be the one, politically and economically. This notion has worked havoc in every home market and long delayed the triumph of spiritual values in these latter days spreading; the which spread of spiritual values in the folk-mind will eventually bring the Community of Nations to a consummation in the greater concept of Humanity.

Forceful domination in the old way the civilized man dare no longer use. But where commercial ambitions are stronger than human sentiments man uses another kind of forceful domination under the name of tariffs and preferential agreements. Indeed, in this pursuit of commercial gains he has got so far removed from the physical realities of life that he is struggling to find impossible short-cuts to these gains, as for example, in searching for *a common measure* for cosmic differences, as a facility for an international trade.

The folk-mind easily becomes a victim to ideas. To-day in Britain it is a victim to the Empire idea. Little advance can there be till this idea which has

neither physical basis nor spiritual value gives place to an idea having both a physical basis and a spiritual value. Such idea we have in a Commonwealth of Nations wherein each nation shall find a sanction for its everyday being as contributor to the immortal Being of Humanity.

A consideration of the Laws governing the development of communities confirms the conviction that in human societies, prosperity cannot be maintained, much less increased, unless we eradicate conventional systems which are opposed to these Laws.

Our object, then, should be first, to expose the rational basis of that ethical principle whose rule ensures the evolution and harmonization of our social life; secondly, to point out the nature of the changes in our way of doing things and in our manner of treating our fellow workers—changes which will mark the forthcoming stage of social progress towards the winning type of civilization, and such as can be neither hastened nor hindered without injury. Thirdly, to make clear the distinction between those activities which at their best do no more than provide man with his provender, and those other activities whose aim has been to adorn, refine, and exalt his spirit with all that his spirit touches; a distinction peculiarly instructive to-day in showing

How wide the limits stand.

Between a splendid and a happy land.

Each Social Institution or instrument, then, we must regard as part of a self-determining whole—an organ of the corporate body—and, as such, having

no independent function or being. Whatever a man's special life-task, there can be but one rule of life for all. Whatever the field of operation under our consideration—religion, politics, or economics—the changes brought about through the leaven of ethics will necessarily be the same in their essence. However, it is in its universality of application that the test of truth lies, and this test the reader should apply.

To help the reader to an observational, or positive attitude of mind, these essays are prefaced by a brief statement of the rudiments of social physics. These he will find almost, if not quite, self-evident, and such as are consistent with the laws he is up against in the physics of his motor cycle, his motor body, and the course of this Earth in its Heaven.

Poor as are these explanations of the laws and principles upon which the structure of a Community is being built up, the best explanation that can be given will not enable the everyday man engaged in his daily job to get a clear and comprehensive view of that complex we call a Community. Yet, for the full understanding of his relation to his fellows he must see his work in its relation to the work of all others who are busy in keeping this common life going. Let him then simplify the matter. Let him think of his Community—the nation—as *One Superman of many capabilities*. His first job will be to produce food for his meals and from his world-allotment. When he has produced all the food which he will require till the next harvest, he then has the energy-power to do whatever he likes during the rest of his time. In this interval of days, freed from the necessity

of getting his foodstuff he will provide himself with all the utensils, facilities, conveniences and embellishments of life. All that he makes and does in these days will be sheer gain. Until he has again to replace the food he has eaten, he is a gentleman at large, spending his leisure as suits him best. However much or however little he does, it is economically the same: the real cost of his living is not altered thereby. He is under no further compulsion to get his livelihood, or to produce more energy-power. He has but to go periodically to his store and fetch forth his meal.

To get the best result out of his varied occupations, this Superman will keep his every member fit; his physiological organs sound that each may play its part in the common task: and, further, by his brain—the organ of Government—he will exercise a beneficent control over all activities in the interest of the welfare which they serve.

Each other Nation in the Community of Nations, or Supermen, will be doing likewise. For not one of them will food present a problem; nor will unemployment be a problem; nor yet money a problem. The only problem, how best to employ his free energies after each has produced his year's food supply.

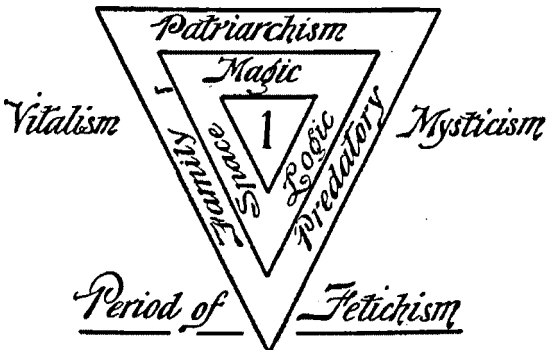
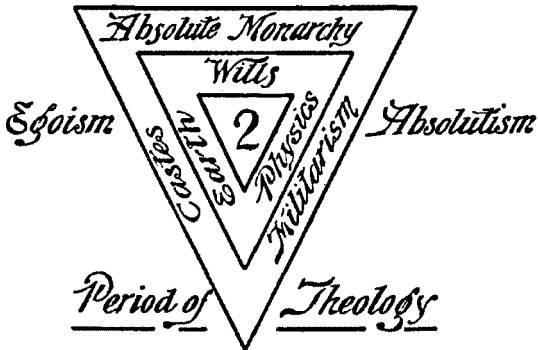
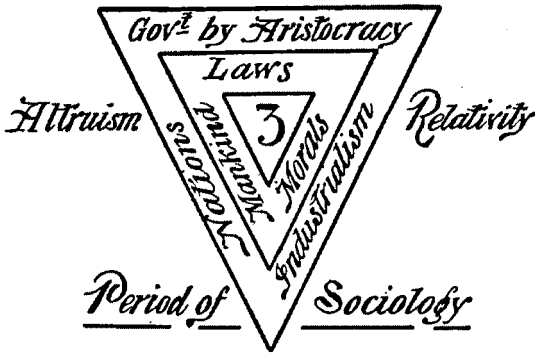
These Supermen may freely exchange any by-product of their spare energy one with another on reciprocal terms without either domestic disturbance, or dislocation of local industries and crafts. It is verily a Family of Nations. Each member thereof provided by Mother Nature with its means of living, and each member in its own way, in its own place, and in its own time, providing itself with all it may desire for

the convenience and enrichment of its corporate life. And, moreover, without possibility of any interference with or from any other member in the Family of Nations.

This, economically, is the real thing which human civilization is after. It represents in small the reality of the economic situation for every human Community sitting on this planet.

Get but this Vision, one may then see all things falling each into its proper place in the World-mosaic of Community-life.

Any other vision is no true seeing, 'tis but a kaleidoscope of fragments that fit into no Organic pattern.



II

RUDIMENTS OF SOCIAL PHYSICS

THE laws of Social Physics are consistent with the laws of all physics, mechanical, animal and others.

Animal physics present life as a rhythm of Energy-expenditure and Energy-renewal.

The raw material of Vital energy is Food; hence, at the base of Life is the rhythm of Food-consumption and Food-renewal.

The basis of Social Physics is, then, the production and delivery of Food to energize the Individuals composing a Community: this being a first claim upon the energy of a folk-group.

The *surplus* Energy of the group-life will be employed first, in the construction of those things that go to the equipment of the personal and civic life; secondly, in rendering those services that promote civilization and culture. But whether we play noughts and crosses, or school the young, the *cost* is the same to the nation: it is the cost of our food. This is a statement of bio-mathematical fact.

This order of activity is a constant in every Social Body all the world over.

That the physiological system of a Social Organism may work harmoniously and effectively, the Energy expended by each member must be measured before it can be renewed, since its expenditure *varies* with each Function or Occupation.

The instrument for measuring this Energy in its varying quantities is Money.

Money measures Energy by measuring the volume of its raw material, food.

Money thus becomes a National Measure of *the nation's periodic food-consumption*.

It is evident that this instrument for measuring quantities of food which have been, or are about to be, consumed must be unalterably related to some fixed quantity of vital food to be consumed.

Thus Money is actually a National food-ticket. A ticket always delivering at any place within the nation so much food, or energy-value, as is noted upon its face; price-level remaining as stable as a yard measure.

Place, Time, Food, Money and Folk are thus closely interlocked and cannot be separated.

Upon these unalterable relationships is the basis of Social Physics or Politics laid. Their comprehension is precedent to the understanding or investigation of any *disease* or *disorder* in the Social Body.

Politicians and Economists are Social Physicians who have yet to learn the rudiments of their Science before Science will recognize them as anything but Quacks.

The diagram on p. 30 indicates, approximately, the milestones on the road of human progress. It is a progress of increasing enfranchisement. First, man frees himself from the tyranny of his animally inherited passions. Next, he enjoys a freedom from the tyranny of brute force by surrendering to the State his right to use it. Later comes freedom of conscience, followed by political and industrial freedom. We are now wel-

coming the liberation of motherhood and wifehood from marital servitude. We are to-day in the throes of a further emancipation—the social emancipation of the manual workers.

Humanity does not yet possess the solidarity enabling it to progress as a body in even line. There is a lag among individuals and nations; some being still in the primitive stage. This renders all forms of government and discipline difficult. In the sphere of Economics, whose base is universal, some conformity of government and discipline is possible.

In the diagram on p. 30, if we take each triangle in its order from below and then compare side with side in the triangles above, we may comprehend the changes characterizing each successive epoch in the ascent of Man.

The highest stage marks a condition of fuller response to the demands of man's aesthetic and ethical nature—a condition setting a higher value upon beauty of character than upon fullness of knowledge. It is a condition bringing to the mass a greater consistency of structure; to the individual a greater complexity and richness of nature. Government at its highest is by selection of the best.

The will to imagine and the power to create a lovely thing are the parental beginnings of human evolution; the Summit of human achievement being reached when this Will and this Power have become a habit of the whole people. Man the musician, Life his music—a passage in the Grand Symphony.

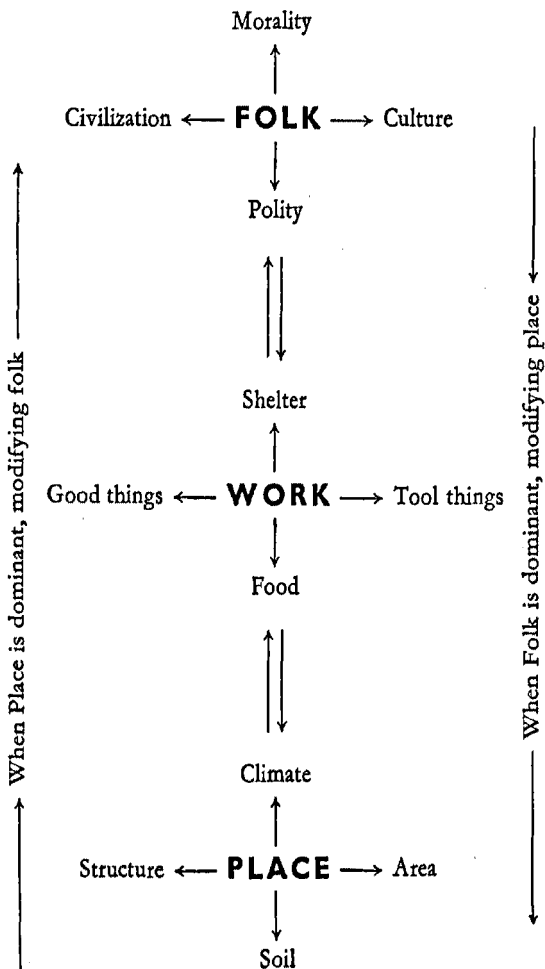
CHART OF HUMAN PROGRESS

	PRELIMINARY STAGE	MATURING STAGE
Its features	Toward perfection of the Physical man. Laws explored by the Biologist.	Toward perfection of the Social man. Laws explored by the Sociologist.
The Fittest are	Those possessing the Force necessary to secure most efficiently the interests of the Individual in the struggle for a survival predominantly Physical: the struggle being one between the stronger and the weaker man.	Those possessing the Power necessary to sacrifice most efficiently the interests of the Individual in the struggle for a survival predominantly Cultural: the struggle being one between higher and lower Organiza- tions.
The result upon the Individual of the survival of the fittest	The perfecting of the Individual type in every quality contributing to Personal efficiency, in pursuit of Self-interests.	The perfecting of the Individual type in every quality contributing to Personal efficiency in pursuit of Cultural interests.

<p>The centre of gravity in human Institutions lies</p>	<p style="text-align: center;">In the Present:—</p> <p>The era of the ascendancy of those limited interests resting ultimately upon Force and driven by the law of their being toward Absolutism.</p>	<p style="text-align: center;">In the Future:—</p> <p>The era of the ascendancy of those universal interests resting ultimately upon Tolerance and driven by the law of their being toward Freedom.</p>
<p>The Motive-power in the human Evolution lies in</p>	<p style="text-align: center;">The sensed Experience, Science in this stage being the reasoned Knowledge of measurable forces without.</p>	<p style="text-align: center;">The Emotion of the Ideal, Art, whose loftiest phase is Religion as expressing the Universal within.</p>
<p>The dominant factor of Evolution is</p>	<p style="text-align: center;">The Capacity of the Fighting Male.</p>	<p style="text-align: center;">The Psychic capacity of the Female.</p>
<p>Efficiency manifests itself in institutions as:—</p>	<p style="text-align: center;">The Spirit of Militancy:— whose increasing incompatibility with uprising Social institutions gradually becomes manifest.</p>	<p style="text-align: center;">The Spirit of Docility:— whose increasing tolerance as the basis of efficiency in Social institutions gradually becomes marked.</p>

CHART OF HUMAN PROGRESS—*continued*

	PRELIMINARY STAGE	MATURING STAGE
Minor characteristic features	<p>In this Preliminary stage still overlapping the maturer stage:—</p> <ol style="list-style-type: none"> 1. World changes are very slow. 2. Change is based upon the limited potentialities of heredity transmitted from individual to individual through the medium of the Body: biologic inheritance. 3. A condition in which the ruling motive is the desire to acquire property in fight. 4. A state of increasing poverty at one pole and accumulating property at the other pole: each pole repellent to the other. 5. The Exploitation of Peoples providing the physical basis of its Wealth. 	<p>In this Maturing stage on whose threshold we stand:—</p> <ol style="list-style-type: none"> 1. The world can be transformed in one generation starting at child-birth. 2. A transformation based on the unlimited potentialities of heredity transmitted from generation to generation through the medium of Mind: cultural inheritance. 3. A condition in which the emotion of the Ideal organized through public opinion and directed through the young in education, is omnipotent. 4. A state in which the programmes of governments move toward the exploitation of the world's resources on the basis of Brotherhood, involving such reciprocity in responsibility as prevails in the Family. 5. The Exploitation of its peculiar Region providing the physical basis of its Wealth.



III

THE BIOLOGIC BASIS OF SOCIOLOGY

IN the discussions upon the world situation to-day there is no indication that the educated public is aware that Sociologists might throw some light upon its cause. This is not surprising; the science of sociology is so new it has not yet taken its place in the hierarchy of sciences. It will be some time before it will occur to the politician that the sociologist should be invited to a round table conference called to advise upon social problems.

In the case of an orchard where some one tree was producing a super-abundance of wood; another a super-abundance of foliage, another a super-abundance of fruit that could not be profitably gathered and sold, the proprietor would call in an arboriculturist who would point to the entanglement of roots with roots in the soil, and entanglement of branch with branch in the sunlight—entanglements to be dealt with by a pruning that would restore for each tree an equilibrium between the tree and its allotment of soil and sunlight.

Where this dis-equilibrium is occurring with nations or societies the cause of it may be treated by the sociologist with less uncertainty than by politicians or financiers.

While science is being given a place in the school curriculum, it is this science or that science as a separate study—the science being selected by the inclination of the scholar. No indication is given the

student that science is a stairway whose first steps are mathematics and astronomy: its top steps sociology and ethics: each intermediate step related to those below and to those above, all together making up the science of the social life: each science only to be thought of as a branch of this great tree of knowledge of good or evil.

The sociologist should not however be dismayed nor discouraged, he must still cast his bread upon the waters, sure that some day it will be carried where a hungry mouth will be fed. And to-day there is special need of any contribution that can be made by those who have studied the growth and development of Societies. Since, if there are laws governing this growth and development, the sociologist is the least likely to be ignorant of them. He has never had such an opportunity of helping his country in her toils as to-day, for she is suffering, not from external aggression, but from internal disintegration.

Not in this island alone but all over the world every functional group incorporated in a nation is in an organically unsound condition. It is a condition so general it comes near a general paralysis. When the human body approaches such a condition the body physician is called in who after diagnosis of the physiological system of his patient prescribes positive and regulative remedies. Communities in their social maladies must likewise be physiologically overhauled by the sociologist who will point to laws of health which have been transgressed, and to habits of activity which must be curbed. His special studies enable him to point out activities which individual

members have over-stressed to the danger of the bodily health.

To gain a more general recognition in his own province the sociologist for social reasons must carry along with him all other scientists. His recognition of their preparatory work will gain their support to his conclusions. Each new science has been retarded by its isolation both from those upon whose foundations it has built and from those whose conceptions it has helped to formulate. We cannot afford to unlink any link in the chain of science. How much does Religion depend, for her universality, upon the numerals of the agricultural calendar, and for her popular appeal upon her astronomical festivals!

Wonderful are the advances recently made in the sciences of mathematics, physics, and biology. These sciences have almost freed themselves from the dominating influences of theological, anthropomorphic, and metaphysical interpretations. They are entering the positive field of observation, experiment, and consequent synthesis.

Mathematics, now released from its early marriage with theology, is recognized as the basis of physics in structure and movement. Biology readily accepts the aid of mathematics and physics in exploration of compounds, functions and structures, thus breaking down the objective division between inorganic and organic matter, so manifesting the unbroken unity of nature. Biology presents life as conditioned on a plan embracing the whole sphere of inorganic material, mass and movement: astronomically, by seasons and by the periodicity of the moon: locally, by climate,

earth contours and soils: its adaptations as responses to temperatures, chemical compounds, moisture, electrical processes, field, forest and sea growths. The mathematician, machinist, physicist, chemist and electrician are the elementary teachers in the school of biology. These interpret the composition and working of our bodies. The analysis for each new vital synthesis is initiated by mathematics, and to geometry are referred the harmonies of structural form and functional movement. This study of biology covers in space the area between the snows on mountain peaks and the meteoric dust on sea bottoms, comprising arctic and tropic fauna and flora. In time it covers the interval between the birth of protozoa upon this planet and the maturity of a Shakespeare or a Darwin.

The Theory of Evolution, which has changed man's point of view of the Universe, arose from deductions in the field of mathematics applied to phenomena of human populations. Mathematics has since been employed in the study of biologic inheritance and even to psychical experiences. Processes in the human body are now explained in terms borrowed from the physical sciences—mechanical instruments such as telephone, bellows, engine, pump, electrical circuits and heating installations. The chemist in his synthetic productions has made his contributions to physiology and bio-physics generally.

Thus we note advance after advance in the higher sciences through contributions from those lower in the series—lower in the order of concrete complexity and intellectual intricacy.

The advance made by physics is chiefly due to the

aid which mathematics has rendered, and the more so, through the positive method which this most positive of the sciences has introduced into the study of inorganic matter and mechanical movement. So with biology, which became a science and made big strides so soon as mathematics and physics were admitted into the biologic laboratory. Hence, it has become a postulate that laws which govern processes in the phenomena of the lower sciences also govern phenomena in the higher fields of science. Where such consistency is not apparent we are forced to review our observations and redraw our conclusions.

The science of Sociology has made comparatively small advance, and this with uncertain steps, not so much through the complexity of its phenomena, as through the early isolation of its scientific method. It tried to build upon its own bottom, instead of upon the foundation of conquests made in the fields of mathematics, physics and biology. Owing largely to this lack of infusion from biology it has not been generally recognized by those studying social phenomena, that the Social Body, in all its stages of development, is an organism; though in these stages, less organically complete, because more complex in its structure, than the Biologic Body. Nor has it been generally recognized that the laws of the latter body operate in the former body. Owing to this defect in comparative analysis it is not as yet seen that all social organs, or functions, are, by trial and error, creating their appropriate structures or institutions. Only within present years has man, under the influence of his concept of universal law, carried the study of

Societies into the positive field cleared of its theological pre-conceptions. He now ventures to interpret differences of social type to the action of astronomical factors. He traces differences of pace in the integration of societies to climatic and geographical conditions. Only by a pressure of numbers is it now borne in upon him that number plays a large part in the progression, or retrogression, of a social group: that size may be as fatal to the survival of societies as it was to the survival of megatheria in the mesozoic period.

Assured that the growth and development of Societies follow laws upon which the growth and development of plant, animal and human body depend, we are now frankly applying the science of biology to the science of sociology. Sociology is taking its place in the order of the sciences.

But the lay mind has not got thus far; for though there is a willingness on the part of those who have undertaken the task of governing social bodies to consult the specialist, they have nothing to guide them in the choice of the specialist. True, an economist is often selected, but economic science is a subsection of sociology, and is therefore closely linked to biology, whose teaching forms the basis of all social economy. And yet, how rare to find an economist who has had any training in biology and its preliminary sciences. It is impossible to understand the economy of the more complex body unless one has been schooled in the economy of the less complex body. Further, if these conferences of specialists are to be serviceable, the consultants should be able to

bring to these discussions the scientific method—a method only to be acquired by long preparatory study in some scientific field. The financier and politician is not generally distinguished from the average man in this qualification.

As an instance, had the economists founded their science upon the findings of biology, they would have been first to denounce, as socially suicidal, the government measures in favour of a national economy by a decreased spending and an increased saving on the part of individuals—an economy measured in terms of food tokens. We need to be spendthrifts, that is, thrifty spenders.

The social life covers the ground of the biologic life, yet extends beyond it. Chemistry has prepared our mind to accept the fact that the union of two elements may give birth to a third element entirely different from either of the compounded elements. Water is neither oxygen nor hydrogen, yet a compound of the two. So an association of two men differing in functional activity and capacity will give birth to a social power previously non-existent in either unit. Here starts the germ of an organism as immense in its capacity of growth as it is illimitable in its capacity of development. Aristotle taught us, a thing is that which it will be when its development is complete; a truth pregnant with meaning when dealing with social movements. Le Play pointed out the interplay between a place and its people in his suggestive formula, Place; work; folk, and Folk; work; place. By Geddes with his completer notation in reference to the interplay between Environment, function and

folk, both physically and psychically, we are given a formula familiar to sociologists,

$$L = X = \frac{Efo}{Of e}$$

L standing for life, and *X* for the unknown resultant. This applies equally to the individual and the group.

The Social body, called in our day and suggestively, a Community, is now regarded by the educated mind an Organism; the baker's call with the daily bread and the postman's round with the letters its familiar manifestations.

Let us turn the light of biology on to this social organism that we may see more clearly what is happening to these organisms, or communities. First, let us note two features distinguishing the social organism from the human organism. In the former we have a conscious association of member with member. Each cell of the social body is endowed with a will and a consciousness; accordingly with a capacity for self-direction and misdirection. This conscious association with self-direction of effort gives rise to the sense of "duty". Now duty is no injunction arbitrarily imposed upon the man; it is the positive condition of all conscious association in the execution of which every member of the incorporated body is ultimately interested. I, as member of a community consciously respect and substantially aid by my work some other member who also consciously respects and substantially aids me. There is thus introduced a moral relation, or a relation of reciprocity, between the other self and myself. This moral bond founded upon

a reciprocity of endeavours and a mutuality of interests is the unifying element of a community. Though there be no personal contact between the two associates in a common task, neither a personal knowledge one of the other, the moral bond is there; forceful in its Personal effect, and unbroken in its Social consequences. Hence, we find a social organization which, being for all and each equally just, is a pre-condition of a welfare for the individual and of a solidarity for the community. This sense of duty, through its habitual activity and conscious association with beneficial results, becomes a folk-instinct whose roots drive deeper and deeper in the soil of human nature with the growth of its product—civilization. It is the tap-root of all civilities between members of a community—in course of time it strengthens to a growth extending to relations between communities, so giving rise to a Comity, or League of nations, in the interests of Humanity.

The second feature distinguishing the social body from the human body is that the latter can move from place to place whereas the social organism is rooted to its place of settlement, and within the limits of this place it must frame its development and forge its integration. A man can change his environment at will; a society can only modify its environment. Man's physiological structure is conditioned by such factors as gravity, temperature, moisture, sunlight and atmosphere, to the changes of which the individual can, within limits, adjust the mechanism of his body. The physiological structure of a community, anchored to a place, is conditioned by the factors dominant in that

place. With these particular factors of place each community comes gradually into an equilibrium. Its peculiar development is a response to a particular set of regional conditions. It must live upon the soil wherever it has settled; it must also live upon the produce of its habitat, restricting by a conscious control the increase of its population thereto. Hence, the differentiation of communities is largely traceable to differences of diet—rice eaters, fruit eaters, meat eaters, wheatmeal and oatmeal eaters.

Have we however to modify these conclusions by the teachings of marine biology? With regard to the relations between Food, Population and Place, we may learn much from the study of ocean life. For, here we have conditions differing from those on land. In the animal and plant world upon land surfaces, though fecundity is almost limitless, the race population is conditioned by the food supply of the being's habitat. This rule is possibly less rigid in the human world because man has the power of moving food from outside to his habitat. In ocean life, fish not only move to their food, but the food moves to the fish. The range of habitat for a fish is limited by conditions of temperature, light and pressure. Its increase is conditioned by its food supply—a supply made up of stuff (*a*) which the fish by its own movement can reach, and (*b*) food which by tidal movement reaches the fish. Survival of the born, so far as food is concerned, depends therefore upon these two kinds of movement.

With human communities, however, we have other conditions at work. Here, any movement of food-

stuffs (except fish food) from one place to another has to be purposely actuated. And further, the foodstuffs moved from outside is the product of human labour expended in its cultivation, and for this external labour an equal amount of home labour must be given up in some form. In the human sphere the change-over from place to place of any foodstuff must, therefore, be a matter of mutual agreement between two locally distinct parties. Something of equivalent energy cost must be given up for the food taken away. This shifts the question of food supply, in relation to place and population, on to the ground of social expediency.

We have then to ask ourselves, is it in the permanent interest of two self-developing communities, say, that of Denmark and that of Britain, that one should produce an excess of butter and bacon, the other an excess of shirts and kettles.

When we take into account the fact that each community, as an organism in process of integration, must organize a Regulative system under which the specialization by individuals in the sphere of production shall serve, first, the definite and foreknown home needs—neither surplus nor shortage of stuff—it is questionable whether any production by individuals in two countries for a market *external* to each, can be effectively regulated and if so, then without interference with the home production adjusted to the home market. Certainly, such surplus production by any two communities could not take place on any large scale, nor at all in vital necessities, without seriously disorganizing the physiological and regulative systems

of each organic body. Here we are dealing with something much bigger than the barter of two merchant groups upon the exchange.

The fact that we are here dealing with a Body which is an organism in process of integration within a definite geographical region also of organic and physiological development within its own self-contained structure, seems to determine the necessity for a strong linkage between Place, Food-supply and Population. Place will determine the kind and quantity of food supply : food supply will determine the *optimum* population.

Here, the teaching of the biologist, and the warning of the sociologist, with regard to a nation's economic basis are in agreement. We see, to-day, where the unrestrained acquisitiveness of individuals, through five generations, has undermined the economic base of the social structure, has further disharmonized its productive and distributive systems by dislocation of the former and by disorganization of the latter : also where the services of king and princes have to be called upon to help a nation make some advantageous bargain with another nation for shopping at each other's shops ; seeing this we must see how dangerous and unstable is the ground we are on. Then witness the profiteering upon the consequent maladjustment. And, this, because we have left high specialization and mass production under individual enterprise to work out their own equations of self-interest.

The sociologist is on firm ground when he applies to a nation's industrial system the lessons of biology in respect of the unalterable relation between Place,

work and folk. That a community must by its work sustain itself upon the resources of its habitat, does not rule out the expediency of our getting oranges from Jaffa, tobacco from Cuba, gold from Africa. It means that a community, if it is to maintain stable relations with its own setting in the universe, and with other communities maintaining the like stable relations, must so order its household economy that it can feed, clothe and house itself by the resources of its own region. Perfect its own physiological system.

The evolution of man is the result of a balancing of manifold and strange features alongside an adjustment to environment and located conditions. With such powers of movement and mass production we need be cautious in throwing overboard ways and means which for countless ages have served man's progress and brought him to where he is on the stair of civilization. Let us beware of imagining that a political measure, or a banker's draft, can save us when we have taken a turn on the wrong road.

The unity of the biologic organism is manifest when, finger or toe being poisoned, the temperature of the whole body rises, fever ensuing and frequently death. The same physical unity is manifest in the social organism when a strike occurs of some functional organ. This physical and moral unity is a result of specialization, or division of labour. Yet, a too great specialization of tasks, or a too minute division of labour, may prove fatal to this physical and moral unity. Of this we have ample evidence to-day in the social cleavage between the operative and the adminis-

trative sections; the tail of the one ending in a human machine, the tail of the other ending in a human parasite.

The solidarity of a Social Body, consequential to community of interest, extends over Time as well as over Space. There is a solidarity between contemporaries, also a unity and continuity between those of the present generation and those of the preceding and succeeding generations through the action of social inheritance. This continuity of interest necessitates that the interest of to-day must anticipate and so contribute to the interest of the morrow. Vision: prevision: provision.

This solidarity in time effects also a continuity of development for the organism along a line predetermined by its habitat. Seed-germ, stem, foliage, flower, seed in cycle after cycle, generation after generation, period after period, in the one evolving organism—vegetable, animal, human and social.

Biology has made it clear that there can be neither organic integration, nor organic development, in the absence of a physiological system working in its every part under a regulative control, or within a regulative system. Man has many such regulative organs in his body. The social body demands a like regulative system whereby all specialized functions shall be brought under a control in the common interest, and until we have such regulative organ, the chaos of unrestrained and blind-eyed mass-production will continue. The nutritive system should be the first in submission to a regulative plan. And to this we see politicians and rationalists in all countries fumbling

by such crude implements as quotas, tariffs and what not.

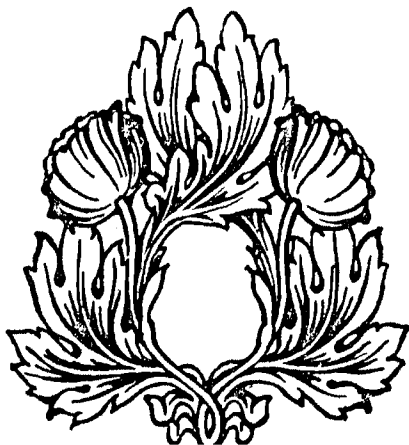
The acceptance of the fact that a nation is a social organism and must be dealt with as such is now being forced upon politicians as may be seen by recent political measures for the safeguarding of home industries.

Our survival as a social organism in a world where an Order prevails, and where other bodies in obedience to this Order, are working, each toward its own integration and development, will depend upon the revival of our Nutritive system. This revival, however, is manifestly impossible for a free state in the absence of a regulative system which will allow so much only of our secondary products to be exchanged for primary produce of external origin as may be necessary to make up the temporary deficit from our own lands.

For this and for all our present difficulties, even to that of unemployment, which difficulties are the repercussions of the initial blow to our nutritive system, we need to apply the lessons which science has taught us, bearing in mind that the law to which the apple responds in its fall to the earth is part of the same Order which keeps the planets in their cycle of movement, and societies on their stair of progress.

Every science can contribute something toward the solution of social problems as these arise, but the sociologist is more competent to throw light upon the error of a nation's ways and to the paths that are straight and tried, than is the mathematician, the physicist or biologist.

In the last few days since the above was written the foundation stone of Britain's prosperity in the future has been laid by the Minister of Agriculture, in the Regulative Control he has started within his own field of administration.



IV

INTEGRATION

ALL life upon the earth is governed by the movement of bodies in the heavens and therefore by its *place relations* to these bodies. This place relation to celestial physics fixes the range within which an organism—animal, human, or social—can develop a structural integrity by persistent adaptation to its setting. Earth structure and contour also play their part in limiting the range of certain types of organic life. The human body and all social bodies are alike subject to the sway of celestial and terrestrial physics. Hence it is that biologic and sociologic Integration is a result of successful adaptation to a physical uniformity within the space range of its being. Englishman, Italian, Australian, Canadian, each differentiated type is a response to its Place on the planet.

In the evolution of Man, the Integration of the Individual takes precedence of the Integration of Society. But, as the latter strengthens, so the former weakens. The individual organism becomes more absorbed in the social organism: the individual impulses being increasingly modified and controlled by the sociolistic impulses. We see this in the animal world. Hens, bees, sheep and bullocks accustomed to feed together will resent the intrusion of another of their kind into the feeding group. Often the intruder will be killed: never let alone.

In the village Community a stranger coming to live

in the Village is almost boycotted: made most uncomfortable. His presence is resented. This happens even when a man, having left his native Village in adolescence, returns upon his retirement from active service to die where he was born, so strong are the emotions engendered by personal contacts.

Among primitive people, if a man marry outside his caste, creed, or blood stock, he becomes dead to his own group. Sometimes a mock funeral takes place with all the sorrow and ceremonial of true death.

In our everyday experience we come up against the two processes of integration contending for supremacy. Men being now impelled to excessive cruelty by the one process and at another time impelled to heroic sacrifices by the other process. And all under the influence of a subconscious mentality. We see this play of inherited and acquired instincts in men when made members of a social group: members of parliament, members of local councils, or of committees: members of voluntary societies. The socially cultured individual merges his Self in the political or social self. The centre of gravity for his emotions is the centre of gravity for the interests he has undertaken to serve. In the school and in the game we witness the birth of the social sense leading to a social integration. It is the birth of Citizenship.

The higher the type, the stronger is the growth of this social sense and the nearer is the domination of social integration over all the purposive activities of life. When conscious of these antagonisms—for antagonisms they are—how often have we to adjust ourselves to the higher claims of social integrity! To

become emotionally conscious of these claims and by the strength of this larger emotion to accumulate the power of adjusting conduct so it may satisfy these claims, this is the first purpose of education. The school in all its disciplines must be regarded by the School staff as the cradle of social Integrity: biologic integrity proceeding automatically. All school games should be regarded as discipline toward social integrity, but discipline associated with a fine emotion.

It is self-evident that this Integration is only possible within a group capable of homogeneity, that is, within a group geographically defined and climatically one. Moreover, Integration presupposes an organic body. There can be no integration of a sand heap.

This leads one to say a word as to the process by which reforms are brought about leading to the integration of a society. Man progresses by a series of moves—moves by trial and error leading to a clearer perception of means proper to the ends sought. Hence, the first essential to any reform is a clearer vision of the effect upon the group life of a certain action or line of conduct. This clearer vision pointing to a more successful issue in what we desire arouses an emotion which is social in its character and progressive in its issue by impelling the effort necessary to secure it.

Precedent then to any social reform come changes in the following order:—

- (1) Change of folk Perception.
- (2) Change of folk Emotion.
- (3) Change of folk Action.

We must first perceive the effect which a certain type of conduct has upon the life-process in which mind and soul is steeped. When the mind has seen that a new type of action will bring within reach more of the riches of life, the soul experiences a new emotion—the emotion of an ideal which urges man to its realization by appropriate action.

This series of changes, conscious and unconscious, and occurring only in the life of Man, gives us a new interpretation of the formula:—

Order the basis : Love the principle : Progress the end.

We first make discovery of the Order to which life must more comfortably and conformably accommodate itself. Our sympathies are then focussed upon an attempt to bring Life and Order into more harmonious relation. Thus is progress assured toward Life's end, which on its intellectual side is Perfection and on its emotional side is Beauty.

All chances of Reform in any branch of Social conduct hinge therefore upon a change of Emotional attitude. Reason does no more than open the gate; emotion impels us forward.

A clearer vision of this external Order has recently aroused a common emotion giving birth to the movement known as the Preservation of the Countryside. A clear perception of the Social Order has in recent years aroused a common emotion impelling many ameliorative movements known as the Social Services, upon furthering which the nation is now spending a million and more of money each week. Witness also the awakening of an emotion with regard to the life

of the unemployed. The whole community is being swept into a movement to better this life in one way and another.

All this implies a subconsciousness of the fact of social or national Integration as a condition of Progress.

Any picturing of the Order into line with which the common life must be brought more closely for its own peace and happiness will alter the attitude of the folk-mind, and accordingly its emotional response whereby appropriate reforms are favourably regarded and finally realized.

Until the Order of movement as between Earth, Planets, Sun and Stellar space was intellectually perceived in favour of mere sense perception, no movement of Earth or Heaven could be interpreted with truth, or predicted with accuracy. As it became possible to interpret these movements in terms of life-needs, the new emotion aroused found expression in the seasonal festivals we keep to this day.

So with the Order of movement as between a Community and its Place in the universe, until this is intellectually perceived as against the deceptive sense-experiences, social movements cannot be interpreted in terms of life-needs, and so they fail to arouse that Emotion which will give impulse to socially ameliorative action. The reformer will be as one crying in the wilderness.

When however a clearer vision discerns the Social Order—sees the Community—not as grains of sand on the beach of humanity, but as an Organic Being in process of organization to attainable ends of perfection and beauty in all its inter-corporate relations

and immovably fixed in space, then will be awakened a Social or Folk-emotion powerful enough to purge society of its present incongruities—obstacles to Progress in its fullest sense. The poet and the artist have something of this insight into the heart of things. Hence the joy and the enthusiasm which characterize these sensitive natures in the most depressing circumstances.

There is now being introduced a system of tariffs and quotas for the protection of agriculture and the secondary industries within the British area. Our Country is making the best bargain it can in regard to its own immediate interests. It is a clumsy bit of machinery. The only justification for any such protective system is to be found in the assumption that our country, as also each other country, is a distinct economic unit or household. Were the bunch of countries politically known as the Empire verily an economic unit such protection of one member against another member were an absurdity. Here is proof that our government regards Britain as economically an Integral Unit whose home industry is to be protected from economic invasion by any other unit outside her borders. Yet, while by quotas and tariffs we are fighting against any invasion of this unity, politicians still talk in grandiose terms of our Empire as the British Unit ruled by the Emperor King. The Slogan "Buy British" they would say meant Indian tea and not China tea, and so on.

We ourselves hold the view of *Britain as an Economic Unit* to be the only view consistent with the logic of facts. But does not this fact of each nation being an

Integral Unit also necessitate for each economic Unit a National Money: that is, a money related in its food-purchasing-power to the staple food consumed by the nation, and must we not also protect the stability of our Measure of Value so constituted from being upset by the free entry of monetary instruments issued by other states and therefore having quite other food-purchasing or value-purchasing powers?

Integration or Unity brings to a group an increase of strength both moral and physical. It enables the group to gird itself as does the warrior to do battle with his foe and overcome him. So a group having solidarity can face with courage any difficulty that comes in its way, sure of ultimate conquest. Thus is unity a parent of Progress.

When there are class interests that are antagonistic, or class feelings that are incapable of fusion it is impossible for the Community to make any advance in civilization or culture. There will be certain material gains due to the acquisitiveness of one class and the toil of another class, or gains of convenience such as science may promote. But these after all are but tools and utensils. They alone cannot improve the quality of life.

In a Community where one section is struggling to sell its goods in the dearest market while the other section is at pains to buy in the cheapest market, can there be any unity? There can be nought but contention and chaos.

Or again, where ambition drives an individual to overcharge the public for whatever he does that he may be in a position to live upon the levy he can

make upon the industry of those having more modest aims, there can be no integration nor wholesomeness of community life. To attain this wholesomeness of the group-life maintained by Folk-Association the terms and conditions of life's work must be such as are possible for every member of the social body, as are the conditions of well-being for every cell or organ in the human body.

In a complex of highly specialized occupations it is not possible for anyone to accomplish the least thing by his own unaided effort. He must rely upon the open or concealed assistance of a considerable number of persons. The proceeds derived from personal work cannot therefore be regarded as other than part of a common wealth periodically divisible among members of the Community. It is clear that if one is allowed to grab the utmost one can as this wealth passes through one's hands, so that one man can become possessed on private account of three million pounds, such a group is a long way from being a true unity or community. It is a scramble without the *bon esprit* of a football match.



V

A COMPARATIVE STUDY

THE BIOLOGIC BODY

This is an Organic structure. A Unit.

It is composed of highly differentiated and functionally specialized cells and organs.

Each organ and cell has its peculiar function.

Each function is organically related to a welfare common to the whole Body.

All members are inter-dependent.

All functions are co-ordinated.

The higher the biologic type the more highly specialized and inter-dependent are the organs of its physiologic system.

Every cell in an animal and a human body is in association not in combat with the other cells.

Every animal is a dis-sociated unit or whole in combat or competitive struggle with other animals of its own kind.

In this dis-sociation between animal and animal and in this association between one man and another man lies the difference between the human being and the animal being.

The animal is a Whole in relation to another animal.

V—*continued*

A COMPARATIVE STUDY

THE SOCIOLOGIC BODY

This is a structure in process of organization. About to be an Organic Unit when organization is complete.

It is composed of members ever increasingly differentiated in functional capabilities.

Each member is discovering his most suitable function.

Each occupation is being organically related to a welfare common to the whole Body.

All members are inter-dependent.

All functions are in process of co-ordination.

The higher the civic type the more highly specialized and inter-dependent are the members of its sociologic system.

Every human being is a part of a whole and is in association with others, not in combat or competitive struggle with other associated members of the social body.

The social body is a dis-sociated Unit or whole in combat or competitive struggle with other social bodies. Harmony rules within, emulation rules without.

A Community is a Whole in relation to another Community.

THE BIOLOGIC BODY—*continued*

A cell is a part in relation to another cell.

Animals and peoples are in some measure solitary and independent one of another.

In the absence of this co-relation in the mechanism of the human body comes disease.

Physical well-being is a result of Integrity in the human body.

Where there is not Association there is Antagonism.

In the animal world, each organism or animal gets its living by preying upon other animal or vegetal organisms, that is upon the limited food extant and within reach.

Its life must therefore be one of persistent Antagonism to other lives active in seizing.

Among the social insects there are examples of association and co-operation among members of a social unit. But such association has become crystallized and is not organically flexible.

Increasing specialization of organic function reacts upon structure, bringing about an increasing integration of this structure.

Differentiation of parts and homogeneity of structure are complementary.

The function of each cell is related to its place in the structure.

THE SOCIOLOGIC BODY—*continued*

A Citizen is a part in relation to another citizen.

Cells and citizens are as to one another interdependent, together making for solidarity.

In the absence of this co-relation in the mechanism of the social body comes disaffection.

Social well-being is the result of Integrity in the social body.

Where there is not Association there is Antagonism.

In the human world each member of the social organism gets its living by producing more than is extant and within reach.

Its life must therefore be one of Association throughout the social unit active in production and distribution.

Since the adoption of Agriculture there are no exceptions to this production as a source of living in and by Association.

Increasing specialization of organic activity reacts upon structure, bringing about an increasing homogeneity of structure.

Differentiation of personal capabilities and homogeneity of social structure are complementary.

The functional activity of each individual member is related to and largely determined by factors of place within the structure.

THE BIOLOGIC BODY—*continued*

The most highly specialized cells are those latest in development, also the least possible to replace.

Each individual cell is in potential communication with every other cell through the nervous system.

The nervous system is a marvellously perfect Regulative system controlling every activity in the interest of the Body. This is part of the body's physiological system. Here inhibiting : there stimulating.

The Regulative system controls the supply of vital material and directs the circulation of this supply through a circulatory system whereby a balance is maintained between energy expenditure and energy renewal at varying speeds.

Injury to or incapacity of a member throws the whole organism out of balance, necessitating diverse readjustments of organ to organ.

The higher the type of organism the more vulnerable is it to external and internal injury.

The treatment of an injured member may necessitate a medical treatment over a wide range of members ; possibly some treatment affecting the whole physiologic system.

We have no experience of an Organism having no Regulative System.

THE SOCIOLOGIC BODY—*continued*

The most highly specialized members are those whose specialization has taken longest to develop, also these are the members most difficult to replace.

Each individual cell, or human being, is in potential communication with every other member through the social system.

The Social Body is developing a physiological system which will bring every special activity under a Regulative control and so render it more socially efficient. Here inhibiting: there stimulating.

The Regulative system in central and local Governing bodies is very imperfectly organized. Neither vital material nor amenities are as yet distributed according to needs. The medium of distribution (money) is not yet framed upon its functional base. Varying speeds of local activity are very disturbing.

Any occupational strike or any injury to a social organ may jeopardize the life of the whole organism. Readjustments of organ to organ are difficult.

The higher the type of social organism the more vulnerable is it to external or internal injury.

Organic disturbances may necessitate an overhauling of the whole physiologic or economic system of the social body.

We have no experience of a Social Body developing on permanent lines which has not organized some kind of Regulative System to which individual organs have to submit themselves.

THE BIOLOGIC BODY—*continued*

Habit has rendered automatic the majority of actions in the body: that is they are not dependent upon a consciously purposive impulse acting upon them from without.

All the cells are in this sense automatic.

We do not know where the power of Conscious control lies: nor what it is.

The organic activities of the human body we are most cognizant of are the following:—

- Nutritive system.
- Digestive system.
- Circulatory system.
- Motory system.
- Sensory system.
- Mental system.
- Regulative system.

The human body moves about from place to place at will during all periods of its life. With movement from place to place the individual type varies.

The human body is a city of cells.

THE SOCIOLOGIC BODY—*continued*

Many social activities have become mechanized and as such are incapable of purposive variations. Such mechanization needs restraint in the human interest and the social interest.

All the member-cells are conscious and psychologically affected by their work and method of work.

All social activities are subject to a conscious control: the power of this control lies within the social system of a Body increasingly homogeneous.

The occupational activities of the social body which are being purposively organized are the following:—

- Nutritive system.
- Extractive system.
- Constructive system.
- Instructive system.
- Circulative system.
- Distributive system.
- Motive system.
- Recreative system.
- Communicative system.
- Defensive system.
- Regulative system.

The social body is geographically fixed. Place plays an important part in the development of a social organism. Each climatic and geographic setting generating its own variety of social type. A group increasingly homogeneous must be geographically and climatically limited.

The Community is a city of families.

THE BIOLOGIC BODY—*continued*

Experiences are casually registered and casually transmitted from generation to generation.

Advance is dependent upon genetic inheritance; and slow.

The winning type of human being in the struggle for survival is that which has the strongest power of response to its external physical setting with adjustments thereto.

Specialization and integration proceeding harmoniously is a pre-condition of organic perfectability.

The setting of the biologic body is—

- (a) the organic world of beings; and
- (b) the inorganic world of events.

The biologic body is a product of its dual setting under the action of laws operating therein.

The enemies of a biologic organism act upon it chiefly from without: normally they are not of its own kind.

The varied range of educability for individual organisms is chiefly dependent upon ante-natal conditions.

The Processes at work developing identical with those developing the

The Biologic Body is the prototype

THE SOCIOLOGIC BODY—*continued*

Qualities are transmitted by social inheritance.

Immense changes can take place quickly through social inheritance.

The winning type of social organism in the struggle for survival is that which has the strongest power of response to its external physical and social setting with adjustment thereto.

Specialization and integration proceeding harmoniously is a pre-condition of social perfectability.

The setting of the Social Body to which it has to come into adjustment is first its Place upon the planet, and secondly its Place in the comity of nations.

The Social body is a product of its dual setting in response to the laws governing the development of a social mechanism.

The enemies of a Social body act upon it increasingly from within. In the past they acted increasingly from without. The Comity of nations has brought this change about.

The varied range of educability for social organisms is chiefly dependent upon post-natal conditions.

the Social Body are, in principle,
Biologic Body.

of the Social Body.

VI

THE DIVERGENCE OF SOCIAL INTEGRATION FROM INDIVIDUAL INTEGRATION

INDIVIDUAL INTEGRATION

The struggle is centred in an existing inequality of power for adjustment of self to setting.

A physically inborn heredity is dominant.

Individual continuity is by the mechanism of physical union and division.

All Western knowledge has concentrated upon the integration of the Individual.

By Pagan leaders the inborn heredity has been held to be the base of Civilization.

The mechanism of inborn heredity is in the Individual, not outside.

The knowledge of the psychology of the individual integrations is being put on the scrap-heap.

The laws of the Individual Integration are physiologic in character, controlling the evolution of the body.

In the past, the Western intellect concentrated upon the emergence of the man, physically efficient.

VI—*continued*

THE DIVERGENCE OF SOCIAL INTEGRATION FROM INDIVIDUAL INTEGRATION

SOCIAL INTEGRATION

The struggle is centred in a potential equality of power for adjustment of self to setting.

A socially inborn cultural heredity is dominant.

Social continuity is by the mechanism of education.

The immense potentiality of this heredity is due chiefly to the creation and transmission of that psychic element which consists of idealisms resting on emotion and conveyed to the young under the influence of emotion.

To obtain control of the mechanism of collective heredity is the coming problem.

The knowledge of the psychology of social integration promises to become the study of the future.

The laws of the Social Integration are psychic in character, controlling the evolution of the mind.

In the future, the Western cult will concentrate upon the emergence of the man, socially efficient.

INDIVIDUAL INTEGRATION—*continued*

Civilization on its material side rests upon Reason, and is a product of Sense contacts.

Sacrifice is incompatible with individual efficiency under the rule of Force.

SOCIAL INTEGRATION—*continued*

Civilization on its cultural side rests upon the sympathies, and is a product of the Idealizing faculty.

The law of Social efficiency cannot be stated in terms of Reason. It can only be summarized by one word, Sacrifice—the sacrifice of the interests of the individual at the moment to the interests of society in the future.

The power of Sacrifice is strengthened in the social era of the race. This separates man from the brute.

The Emotion of the Ideal is the greatest power man experiences. It is the chief integrating agent.

This is strongest in the child—the nearest Being to the future. It is strong in woman who anticipates the future.

In the West, new forces are arising which are making for Social Integration.

The science of Power in the Social Integration is the science of directing the Collective Will over the stretches of time to definite ends through generating the emotion of the Ideal.

Power is passing over from Individuals to Communities.

Force is passing from the region of internal relations to the region of external relations.

Life in all its forms is a process of Association under which Energy becomes organized: the Association, an Organism—a Society.

INDIVIDUAL INTEGRATION—*continued*

In the Individual Integration, Evolution follows the line of maximum Power through the self-assertion of the individual.

The centre of gravity for the evolutionary Process is in the life of the individual—the present.

Here lies the cause of the
the dual standards of

Reason is the highest form of the sum of self-regarding emotions. It is the faculty by which the individual senses the sequences through which personal Power becomes related to the Force under his control.

In the Individual integration the heredity through which Power is transmitted is in the individual. It is passed from generation to generation with protoplasmic continuity. Hence, great changes are rare and slowly established.

SOCIAL INTEGRATION—*continued*

In the Social Integration, Evolution follows the line of maximum Power through the subordination of the lives of the living units to a survival efficiency in the Social Integration which is projected beyond the lives or consciousness of existing units.

The centre of gravity for the Social process is beyond the individual—in the future.

confusion and conflict in
the modern West.

The emotion of the Ideal is the highest form of other-regarding emotions. It is the ultra-rational faculty by which the individual senses the sequences through which Personal Power becomes subordinated to Social Power in a higher integration.

In the Social integration the heredity is in the cultural inheritance independent of protoplasmic continuity. The transmitting agent is the emotion of the ideal. Hence, changes may be rapid and universal.

The highest form of Power in the process of social integration lies in rendering Society organic. There has as yet been no organization for an Ideal embracing the full range of human effort—physical and imaginative.

To organize Power of the highest type, individuals must be rendered capable of subordinating themselves to an ideal beyond their lives and, may be, beyond their understanding.

INDIVIDUAL INTEGRATION—*continued*

The fruit of Individual Integration is the perfecting of the Social Unit—the Biologic body in its duality of Male and Female.

SOCIAL INTEGRATION—*continued*

In this type of Society, efficiency in the Future will include efficiency in the Present.

Since man became a social creature the winning types were not within the variations of the biologic self. They have been within the variations of social culture to which the man was being submitted.

The fruit of Social Integration is the perfecting of Society—the Sociologic body in the duality of its Perfectability and Continuity.

VII

MEMORANDUM TO THE CENTRAL CHAMBER OF AGRICULTURE

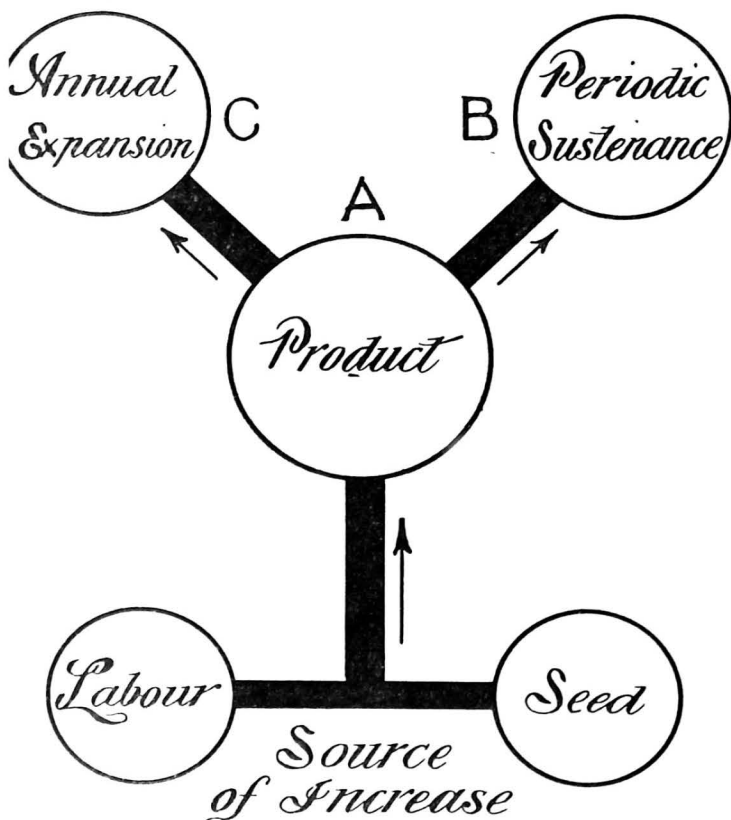
CONSIDERING the constitution of a modern Community; its area, its number of members, each one of whom requires its daily ration of food; considering also the specialized system by which this food is produced and thereafter delivered to every household, there must be some Organized Regulation over the quantitative production, the circulation, delivery and pricing of this vital foodstuff. The operation of food-production by agriculture is inextricably interlocked with the machinery of food-circulation by money. Together they constitute the most vital part of the physiological system of the Social Body, and for efficiency their co-ordination must be complete.

There can therefore be but one Organ of Control over this dual operation of quantitative production and pricing *en route* to Consumption. This organ can be no other than the Central Authority in the Community.

In a normal community living upon its own food supply, the individual farmer producing for the year in advance cannot forecast its food-consumption for the year. This can be done by the Central Authority.

That there may be no wastage of a product that will not keep, and no want of a product that is vital, this Authority must annually keep a record of (a) the potential food-production and issue a forecast of (b) the actual food-production based upon the esti-

mated food-consumption, for the guidance of individual producers. This refers to vital foodstuffs.



When, under abnormal conditions, a Community is exporting or importing essential foodstuffs as an item of its economy, the volume of stuff to be pro-

duced for export in the one case, and the volume of stuff to be imported in the other case, must alike be estimated and controlled by the Central Authority in each Community.

This Central Regulation is rendered necessary by the fact that a Community is fed by the special activities of individual producers not one of whom can adjust individual supply to public needs; neither can they afford to leave this adjustment to the blind operation of supplies and demands in a local market balancing one another.

In the absence of a quantitative Control in the common interest, there will ever be a waste of supplies, also insecurity among producers, with a general chaos of feverish buying and forced selling; prices dancing to the tune of the middleman who gains by maladjustments.

So far then for a quantitative Control of production. But the farmer, if he is to carry on his task of food-production, must know at sowing time not only how much of his stuff he can send to market, but how much of other stuffs he will bring back from the market. For, unless this quantity suffices, he cannot carry on. The relation of these two quantities is registered in price. The price of a man's life output must from year to year equal the price of his life's equipment. Unless the farmer is assured of this economic balance when he should put his seed into the ground he will not risk the harvesting. It is essential that he have this assurance. This means that the Central Authority must also fix for the year the commodity-purchasing-power of his wheat; the which

settlement will also fix for the manufacturer and miner the food-purchasing-power of their respective outputs : the essential matter for their economic balance:

As then for the producer, the money-purchasing-power of his Wheat has to be rendered stable for each year, and as for the consumer the wheat-purchasing-power of his money has also to be rendered stable, it follows as a logical necessity that (a) the total Wheat consumed, and (b) the total Currency money issued, be constituted terms of a true and stable quantitative equation.

This agrees with the requirements of a stable currency.

These facts still further indicate how closely inter-locked are the machinery of Money and the production of vital foodstuff.

Upon a sound and sufficing Agriculture prosperity
* follows as does day on sunrise.

To understand the Agricultural situation we must therefore view Agriculture in its true relation to the National Life as a whole. It is the key to the economic life and so to the whole economic situation.

This National Life is maintained by a Physiological System not unlike that of the human Body. Each is a Corporate Organism. The Development and Integration of this Organic Life has its place and play within a *Region* which Nature ordains and defines.

Externally are similar Communities, each in its own way, and in its own region, responding to the Process of organic development and integration. The Cultural life expanding without reference to these physical boundaries and not subject to the same physical laws.

Co-operation between Communities, as between Individuals, there will be, though each Body has its physiological system self-complete and self-contained.

The physical life of a Corporate Body is sustained by a perpetual rhythm of alternating food-consumption and food-renewal.

This rhythmic process is mechanized by a Nutritive system interlocked with and actuated by a Circulatory system, which latter carries to every cell (family) and organ (industrial group) of the Body a renewal of food for consumption, day by day, or week by week.

Upon consumption of this Energizing food the several Organs are sustained and energized. The *surplus* Energy is from meal to meal expended in producing the equipment and services which together constitute what is called the Common wealth.

From this fact that Food is the sole source of all the objective wealth which a National Body enjoys, there follows another fact of immense economic significance:

The prime or basic cost of the entire national Wealth brought into being between harvest and harvest by the Industrial and Service organs and available as the National dividend is mathematically equal to the cost of the food consumed by the nation in the same period. Whether this Wealth of equipment and service be much or little its real cost is still the cost of the nation's food-bill and not a tittle else.

Thus Food-cost and Wealth-cost are identical.

There are three classes of human work.

1. Food production.
2. Extraction and Construction of things.
3. Amenities.

The cost of classes 2 and 3 is the precise equivalent of the cost of class 1. Not one penny loaf more.

Hence a Nation's *real Income* is a Nation's *food*. Increase the Food and you increase the Income.

The whole physiological system, or Economic system of the Corporate Body—the Community—is actuated by the food consumed by this Organic Body.

Moreover, this Organic Body with its self-contained Economic or Industrial-service-system is confined within a definite Region in which *Climate* is the Dominant factor of cost. This fact is gradually asserting itself to the discomfiture of Industrialists.

Place and System are a self-contained complex.

Britain her system. France her system.

India her system. Australia her system.

Owing to the process of Specialization, Integration and Organization in which every organic activity is involved, the Extractive and Constructive system; the Educative and Regulative system; the Circulative and Distributive system, are interlocked and of necessity adjusted to the Region wherein this Self-development is taking place.

Every Economic problem, at its core, is a food problem, either upon the side of food production, or upon that of food-circulation and renewal.

The Circulatory system of the Social Body as an Organic unit, is actuated by Money—the mover or vehicle of foodstuffs and other things.

Money has therefore in these days of co-ordinated effort, of team-work, high specialization, and increasing co-operation, a dual function. Barbaric Money had but one function.

The two functions of Civilized Money are :

1. The Measurement of human Energy in terms of Food, the raw material of energy.
2. The Guarantee for the delivery of varying quotas or rations of this energy in some substantial form, or service.

Thus the production and consequent circulation of food on one side, and the precise measurement and consequent delivery of the various by-products of the food consumed on the other side, are inter-dependent and inter-locked functional activities.

Therefore the Volume of Money to be circulated in a given place and period, and the Volume of Food-stuff to be consumed in the same place and period, cannot be logically nor practically separated. This synthesis is the new discovery of Economic Science since it became a positive science. Currency is henceforth a food-ticket.

The Gold Standard has separated these co-related factors to the distress of the Physiological system of every Body politic in the world, and to the violation of the Order of Nature as understood by the physicist. It was an error cosmic in its magnitude and its effect.

If this Energy-measuring Instrument, money, under all circumstances and in all places *within the region of*

the Economic Unit is to function as a stable measure of energy—as stable as the yard measure—then it must be mathematically adjusted to a fixed unit of vital foodstuff *to be consumed* within this region of the economic unit.

That Money, in order to act as a non-variable Measure, must be based upon this adjustment, or co-relation, is as demonstrable as any Euclidean problem: *non est disputandum*.

A stable Measuring Instrument necessitates a fixed price for the food-unit to which the measuring scale is to be adjusted. No scale can be adjusted to a varying price.

Wheat is the food-unit in the West. Rice in the East.

Here again we see how the *National food-problem* with the co-related *National money-problem* are together soluble and separately insoluble.

As seen by the Scientist, that is, by the light of the non-varying laws of Social physics, the cause of our present physiological dislocation is as plain as daylight.

The remedy is in the cause.

The dislocation of our Nutritive system: the inability to feed ourselves within our geographical area has given rise to abnormal, arbitrary, non-natural conditions such as can have no permanence, since they do not fit in with Nature's unalterable pattern or plan.

As consequence of this dislocation we have been forced to upset the balance of field and factory,

making factory-work the dominant consideration, first, to the gain, and subsequently to the loss, of industrial interests.

This domination, along with the increasing use of labour-saving machinery and mass-production, has stimulated an artificial export and import trade having no reference either to regional capabilities to produce, or to regional capacities to absorb. This blind external trade has dislocated native industries the world over, and in its reaction has dislocated native industries here. It has literally messed up into a scrambling mass the several economic units which Nature mapped out and man's commercial interests have re-mapped for their own ends. It has disorganized organic structures and systems.

The reduction of field work alongside an increase of labour-saving machinery in factories has made inevitable an ever-increasing stream of unemployment which can be reabsorbed only by the fields. In this gradual reabsorption lies the restoration of balance and a return to prosperity for each self-sustaining and self-developing unit.

The necessity of making and selling a saucepan to a foreigner before one can have one's dinner has given rise to a competition between many economic units—a competition ever more intense and in which competitive struggle the National Unit located in the more genial climate must always win.

Climate creates its own tariff which man cannot alter.

This tariff is a tariff upon food and upon every thing made by human energy. In no two climatic regions is it physically possible for the cost of food-

production, and consequently the cost of living, to be the same. These costs are reciprocal to Nature's fecundity. Hence, Nature maps out the Economic unit, obliterating the fanciful map of the politician.

The abnormal struggle for a world market, or world-unit, has rendered inevitable an abnormal effort to establish a world money-standard of energy-values. Such a standard is as physically impossible as a standard of climate, standard of diet, or a standard cost of living for a world region.

These laws of Social Physics are as unalterable as are the laws of Mechanical and Celestial Physics.

If these laws are comprehended in their implicit and explicit meanings, both statically and dynamically, they will demonstrate the truth of the statement that:

the most vital and comprehensive problem is this of Britain's native food-supply.

The solution of this basic problem carries within it the solution of:

1. The unemployment problem.
2. The stable price and money problem.
3. The inter-regional trade problem (import control, etc.).
4. The problem of Industrial Security.
5. The health problem.
6. The population problem.

As a first step toward putting the Nation's Nutritive system on a sound bottom and so starting the replacement of the nation's Industrial system, Measuring

system, and Employing system, upon a permanent basis, is this:

Fix, year by year, and grade by grade, the price of the staple foodstuff—Wheat.

Relate, as indicated, the measuring Instrument to this fixed physical unit—Wheat.

Issue licenses to Importers of Wheat. The terms to be the purchase in the cheapest external market of such amount of wheat as will be required for home consumption during the ensuing Agricultural year, taking into account the utmost that will be grown at home. The importers as they deliver from bond to millers will hand over to the State the difference (less Commission) between purchase-price and sale-price.

This system of Import control avoids the use of tariffs which are offensive weapons of commercial war. It avoids any increase of the Nation's food-bill.

This is the application of the method of Science to the problem of Economics in which food-supply is the dominant factor.

Finally, without question, for efficacy in the building of physique, in the development of character and for its rich endowment of experiences, Agriculture stands in the first rank of human occupations.

VIII

THE POSITION AND FUTURE OF AGRICULTURE

THE case for Agriculture is not seriously treated because both politicians and people place Agriculture in the same category with other industries, whereas it stands in a Category of its own.

The basic facts so placing it apart lie concealed beneath the artificial life of the nation.

The Question of Questions is this:

How can we bring home to the people the unalterable terms upon which Nature conditions human life: how get politicians to visualize the realities of the situation this nation is approaching, when with all her machines running there will be a serious shortage of food: a shortage experienced first by miners, and then by townfolk.

Farmers understand their own job, but are not economists. They are unable to marshal these elemental facts, while the townfolk see no farther than the slot-machine from which their bread and cabbages tumble out as their pence are slipped in.

The facts which place Agriculture in a Category of its own, necessitating a distinctive and preferential treatment are these:

Agriculture alone produces the raw material of all human energy and therefore the raw material of every industry whatsoever.

In all other industries men and nations may choose what kind of thing, and how much of it, they will produce. Man has here the dominant control over the process of production.

In the production of food man has no choice: he must have it, and sufficient of it, or die.

Nature and not man is the controlling partner in the process of food production.

The cost of food production necessarily varies with the Climate and Region. The biologic value of food consumption also varies regionally.

The "economic unit" for natural products is determined by Nature. It is *geographical* and not political. The "economic unit" for artificial products Man may determine.

While fair and free competition in world markets *may* be practicable in the case of artificial products, Nature forbids any such inter-regional *competition* with her products. If a nation does not build a tariff wall to protect her field-products Nature will starve a people into doing it, as she will in the case of Britain by making her unable to feed herself, or buy her food.

Britain has to obtain her food from other regions, paying for this food with her tin pots and shirts.

Markets for tin pots and shirts are shrinking, because a new spirit of "self-determination" is brooding over the world, compelling Communities to make their own things and develop their own resources and abilities. This spirit is one that no external power can break or control.

Shrinking markets overseas: more automatic

machines at home, will cause factory and mine to turn into the street more hands every year.

To speed up machines, or to employ surplus labour upon work that *does not increase the nation's food*, will only aggravate the seriousness of the situation.

Every man spared from factory and mine if set to work in the field will produce his own keep and the keep of others: the more *unemployed* by factories, the richer might the nation become: wealth being a by-product of food-built energy.

The price of the staple foodstuff (wheat) must be fixed, region by region, for reasons given elsewhere.

I have shown elsewhere how the domestic price of wheat may be fixed for each seasonal year without taxing the breakfast-table but *after* the measuring instrument has been stabilized.

If the balance between field and factory is not maintained, both field and factory suffer; fields become untilled and factories idle.

A nation that cannot feed itself cannot remain Mistress of her destinies.

How stupid the pretence that Agriculture is anything but a National matter! To pretend that one's family fare and welfare is a matter of imperial or universal concern and not of National concern is to play the fool with one's understanding.

IX

REGULATIVE CONTROL

THE Structure of an organic body takes its form from conditions imposed by the manner in which it gets its food. The kind of food and the manner by which this food is got determines the shaping of the being's structure. It is the key to the relationships that have grown up between any one being and others of a like kind, whether of antagonism, symbiosis, or association.

We human beings since we domesticated animals and tilled the earth have got our food by the production of it, instead of by depending upon the food we could seize. This advantageous method has carried us forward from a state of Antagonism to our fellow man to a state of beneficial Association with him. It has completely altered our relationships to others of our kind with whom we are in immediate contact. One has joined up with another, one has become truly a part of another: there has come about a symbiosis so complete, the man can no longer live without the group: he has become structurally and functionally a part, organ, or member of his group.

Such a method of getting food necessitates the settlement of the group upon the land it is cultivating. This settlement upon a Place has become another factor of group integration. Henceforth, and for as long as we can see ahead, man is not a complete Unit, as the animal is a complete Unit; getting its food by

To be read upwards

A
Government
exercising
Regulative Control
over
Quantities and Qualities

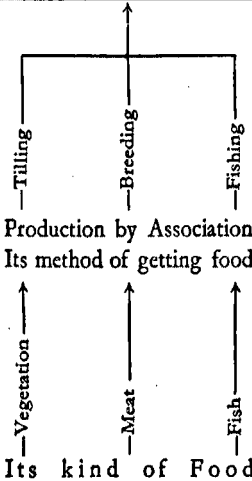
SOCIAL
Functional System
by
Specialization
in Doing



PHYSICS
Structural Form
by
Integration
of Being

Calendar of Seasons
Time relation

Food: Energy: Work:



Place of Settlement
Space relation

Place: Work: Folk:

To increasing Solidarity by Socialization

The Genesis of the Economic Body

seizing what is within its reach as it moves from spot to spot, or place to place. Man is a fraction, a member, or organ of a Social group getting its food by production of stuff not previously extant in the place of its settlement. It is this fact which welds into one harmonious structure the many functions so highly specialized and the many relationships so inextricably interdependent; the human fractions, members, or organs forming the Located Group.

Here, man parts company for all time with the animal. The Animal unit gives place to a Social unit. And after birth of this Association mind grows apace.

This new method of life brings about for each locally fixed Social Unit a condition in which the antagonisms of old give place to Association, Interdependence and Co-operation. The man under grim necessity surrenders his independence to obtain the advantages of association; first, in his food supply, after in his supply of material equipment, and eventually in his supply of intellectual and spiritual amenities for which he draws upon sources external to the Economic Group.

This Unification of a Social Body as a result of and help to Association has its seat deep down in the daily necessities of man's physical life. This method of living by producing food instead of by seizing it, makes Association so vital to the group-life that this Association of workers soon makes an urgent call for some further organization under which all workers will become sifted into occupations, each one of which will become responsible for the performance of a special task. So, Association leads to the Speciali-

zation of functions, subdivision of work, sorting and grading of workers. And, further, this specialization of functions in the Social Body leads to the formation of an organ whose special function is the Regulative Control of this intricate network of specialized activities by whose perfect co-operation the Social Body, as a whole, is maintained.

The pattern of this Regulative control may be found in the human body. Here, we have the most highly developed system of regulative control we know. All social Institutions unconsciously approximate this system in their organization. President, Officers, Committees, General body.

We have elsewhere explained that the most highly specialized organs are the latest to develop. This explains the fact that in Social bodies, or self-integrating communities, the organ of Regulative control is still very incomplete. Regulative control is not yet organized: is not yet made an efficient and responsible organ. We have what is called Government. But this is little more than a magnified police force and public cashier. Owing to the economic disasters following an unrestricted individualism in the use of mechanical production, this government is being forced hastily to adopt some degree of regulative control to safeguard our industries against hostile invasion from other competing communities. For, while man is in *association* with man within a community, each community is in *antagonism* and competition with each other community. The womb of Time holds a new power that will restrain these national antagonisms.

Government, as representing the common interest,

is now taking snapshots at Regulative control; here at one industry and there at another industry. And this by very crude methods such as quotas, tariffs, and what not. Such methods are obnoxious as discriminating between one friendly nation and another. They are also inefficient as means of control over the import of those things we do want, and of the export of those things we do not want. The riot of blind, self-interested production can still go on at home regardless of quotas and tariffs.

There are goods which we are producing for ourselves and in a volume more than sufficient for our needs. Here control is necessary so that private enterprise shall not produce more than the public need requires. Labour-saving machinery as it increases in power of mass-production, instead of turning mechanics into idlers, will reduce laborious hours.

There are goods, materials and foodstuffs which we cannot produce in sufficient quantities for home needs. These will be bought in from outside to the required volume. This means under some control as to volume. Here a system of licensed importation will grow up, ruling the respective volumes imported, year by year, and also the sale-price of these imports when sold in our markets alongside home products. This system is more fully explained in the essay upon agriculture.

Anyone who supposes that the Integration of a Community can proceed along with free and unfettered invasion of its fields and factories is ignoring the laws which underlie and govern the development of all Social bodies as organisms.

Our village communities so long as they were such, were self-contained and self-maintained Units. All the elements of the physical life of such a body were severally co-ordinated each with others, and in their totality were adjusted to the need of the common life. Each neighbour found that his best life was definitely dependent upon each other neighbour doing his job and doing his best. The optimum life was the result of a thoroughness in the several services ministering to this life. It was a common experience that each family gained by submission to a rule which so ordered the special activity of each individual as to make his activity minister to an all-embracing interest. The village life was the one big fact resulting from the individual work of the several villagers. Therefore, the best village life meant the best work of each villager—tiller of soil, miller, baker, blacksmith, wheelwright, tailor, builder, teacher, etc.

The personal life was a life possible only in terms of the life of each: a life not possible for a day without the co-operation of each other life. Within the village community there grew up as naturally as grass grows up from the earth, a Regulative Control administered by customary practice and public opinion.

The break-up of the Village Community broke down this Regulative Control then developing as a system: since when almost all private enterprises have been subjected to no regulative control whatever. The charges of transport companies, the construction of buildings, the quality of foodstuffs, the weights and measures of every salesman: these things have slowly become subject to a statutory control. The wages in

certain industries and the condition of employment for man, woman and child have now been regulated by statute. But the production of vital necessities, the equipment facilities, the rendering of social services, with the charges for these, such things are not yet subject to any rule based on the welfare of all. Each person in these matters does what he thinks right in his own eyes, or most gainful in his own interests. Even the export of home products and the import of foreign products have been till now wholly uncontrolled.

All this unrestrained private enterprise for private gain has seriously interfered with the socialization of industrial activities as part of the process of social integration, also with the maintenance of that balance between industry and industry, particularly that balance between field industry and factory industry upon which civilization builds its social structures, region by region.

Dislocation has taken place everywhere in all departmental work of the social-unit firmly fixed in its local setting. Such dislocation, and such consequent disruption of relation between supplies and needs, is inevitable in the absence of a Regulative Control over private enterprise both in the volume of its productions, and in the price of its products.

This lack of control in a complex body so sensitive to disorganization, so vulnerable to any disorder of its physiological system, has brought about such serious economic and social distress, that the public mind has been aroused to the necessity of some Regulative control over the industries of Production

and the services of Distribution. The individual in self-defence has had to *demand* a social control.

Many political measures have recently been introduced to protect our field industries and to safeguard our factory industries. These are very crude, tentative and ineffectual. But they are an earnest of a more efficient regulative system that will cover all those specialized functions of the social body which are in a true sense organic. Those activities that are the expression of the imaginative life, the enjoyment of which is outside the range of quantitative or qualitative measurement, require no external control. To be what they are, they must be the output of faculties that can function only for social ends. No self-interest can enter. They are instruments forming and informing the Social Mind: they also anticipate the ideals that will vitalize this mind. Indeed, these are the faculties which will eventually direct the Regulative organ of a Social body. They have the virtue and they have the power. The poets, the artists, the philosophers, these are the seers who discern the mainsprings of life; are themselves the mainsprings actuating all the littler wheels in the machinery of workaday life.

In the human body the cells have not the consciousness of human beings. Their action and inter-action is what we call automatic. Only a very small part of the physiological system in the human body comes under a conscious control. As the body has developed, so the regulative system has come into being and developed through millions of generations. First, the nutritive system, then, the circulatory system, the locomotive system, the perceptive system, and so on,

all through the physiological system of the biologic body—the animal-unit.

In the Social body there is the same kind of physiological system, only in this case the organs and cells of the body are conscious individuals with personal ambitions, wills and caprices, often at variance with the set purposes of the social body. These self-willed cells it is suicidal to leave uncontrolled by a power ruling in the common interest.

All conscious organs, howsoever well intentioned, when highly specialized and immutably interlinked with other organs, require regulation to an interest whose range is in most cases beyond the cognizance of these specialized organs. For instance, the nutritive organs will not have cognizance of all the facilities which the organs of transport, or the organs of education can render. Science may discover an improved method of tilling the soil; a new means of transporting field produce; an improved kind of wheat for our climate. One of the functions of the Regulative Organ is to facilitate the adoption of these improvements by those engaged in agriculture.

The Nutritive system is of the first importance to a Social Body, and the primary industry of Agriculture with our Fishery should be the first activity subjected to a regulative control in the interest of a *located* Community.

Accepting, as we must, the situation as it is in Britain to-day, the regulative control of agriculture will have as its objective an increase in the production of foodstuffs, field by field, till our home fields can feed the home population. Here, the regulation of

birth control will also lend a hand in bringing about the balance between nature's fecundity and human fecundity. This increase of foodstuffs, that is, this revival of agriculture, will swiftly proceed so soon as the obstacles to this progress are removed. The chief obstacle is the import of field produce, chiefly wheat, grown at less cost of human labour under more genial skies. The import of this overseas produce must therefore be regulated, but not by quotas or tariffs. These methods are but veiled methods of commercial warfare, or at best prejudicial preferences accorded to one neighbour as against another neighbour. That this is so, witness the amendment put to the House of Commons by Sir H. Page Croft on March 16th this year.¹ All that is needed for agriculture is a regulation over the quantity of stuff imported within the agricultural year. We can closely estimate the amount of wheat that will be grown: also the amount that will be consumed within this period. The difference between these two items of production and con-

¹ That this House, recognizing that one of the factors in aggravating world economic distress has been the consistent raising of tariffs by the vast majority of the countries of the world since the War and the exploiting of the free market of Great Britain, which provided the dumping ground for the surplus products of those countries, with disastrous results to British industry and workpeople, congratulates His Majesty's Government on having established a reasonable tariff policy which ends the defenceless condition of this country and renders it possible to secure trade agreements with friendly countries and arms the Government with the power to bargain with and, if necessary, retaliate against countries with hostile tariffs; and further urges that His Majesty's Government, in considering these matters in connection with the World Economic Conference, should be ready so to modify existing treaties as to give tariff advantages to those countries which are ready to reciprocate in the promotion of freer trade and to raise tariffs against those countries which do not desire to reciprocate.

sumption must be purchased externally. It is essential that this purchase be under control. The import of wheat should therefore be in the hands of importers licensed by the State. They would buy in the most suitable market; suitable, that is, as to quality, place and price. It goes without saying that if agriculture is to prosper and progress, the producer of foodstuffs must be able to sell his produce on terms that will enable him to go on producing. The "replacement-value" of his crops must be secure. This means a fixed price for the agricultural year: grade by grade and kind by kind. The imported wheat purchased externally at a lower figure will be sold at the same price as the home wheat: the difference, less commission to the merchant, being paid over to the State and so returned to the pockets of the people.

This regulation of imported wheat can be extended, as necessary, to other foodstuffs. But all imports by a self-maintaining community must be organized and this organization must be by way of licenses granted annually and controlling the *quantity* to be imported, also the *price* at which the imported stuff shall be sold in the home market.

There would be no inter-State arrangements. Exchanges of products would be free as between one nation and another nation. This freedom of international trade would cover the entire range of exports and imports. There would be no favoured nation in any transaction by which we obtained the few things we might need from outside. Climate would make its own tariff and so encourage economic integrity, nation by nation.

By this Regulative Control of Agriculture, the basis of a nation's prosperity is safeguarded from internal decline through suffocation under press of secondary industries unduly stimulated by mechanical production of goods for other countries; it is also protected from external invasion by foodstuffs grown by other nations. And further, it will make possible the absorption, into the most humanly formative and culturally informative industry, of the unemployed surplus of men from the mechanized factories. The necessary balance of home supply to home need will be brought about: for until this balance is brought about the national integration cannot proceed.

The Fishing Industry, so important to us as a source of food, is carried on by very wasteful methods of trawling and under most discouraging conditions for the fisher-folk. Here the present Regulative Control needs to be entirely superseded by a Control based upon our knowledge of Marine biology and a recognition of the unusual risks which those who operate this industry have to face. With our means of rapid transport from coast to every inland district, each family might be supplied with fresh fish at little cost. In nutritive values it is the cheapest of foods and the supply for Britain is far beyond the utmost demands that can be made upon it.

In our Extractive and Constructive or Manufacturing Industries—textiles, hardware, pottery and terra cotta—a Regulative Control would restrain production within the limits of the available market served by these several products. The imports of the like articles, if and when required, would be purchased

under license to prevent overstocking the home market or under-selling the home producer. This Control would stop any attempt on the part of the protected manufacturers to create a monopoly. No combination to raise prices against the public would be allowed. Free trade within and free trade without, but under such social restraint as may be necessary to safeguard the dominant interest—the interest of the Community in its advance toward Integration. There must be no obstacle to this integration of the Social Unit, for in this integration lies the Universal process of Civilization.

Control over industrial production will be followed up by a control over the distributive system by means of which every family obtains what it needs out of the several products of the common effort. This system must never be too restricted to carry the actual supplies, never too large economically to satisfy the estimated demand.

The charges for distribution must also come under a regulative control. In a complex society, where the consumer is often so far removed from producer, the common interest of producer and consumer—to get the best and to obtain the best—may easily be interfered with by a distributor who seeks only his own gain. The charge for his services must be based upon his normal cost of living as in all other occupations. No bringing about a scarcity to build up gains. A uniform *percentage* charge upon sales will in most cases be either unfair to the salesman or to the public, and in no two places can the conditions be the same. The distributor's return for Income Tax will show what

e man is getting too much for his services or too little. More is said on this detail when we come to deal with Price.

Under a wise control in the sphere of production man is encouraged to produce the highest quality he can provide; also the quantity which his material equipment and human assistance may enable him to supply, having regard to the market he feeds. He is so protected from hostile invasion of his market and from the undercutting of equitable prices by competition.

In the mechanism of his Social Body man may follow the pattern set by the laws of Nature in the mechanism of his own Body. The two patterns are governed by the same hand.

The lesson we learn from study of this pattern is that the *efficacy* of functional specialization must always depend upon its subjection to a Regulative Control in the interest of a welfare in which all participate. After providing for the Defence of the Hive the chief business of government is this of a Regulative Control whereby all personal interests involved in the management and operation of our specialized industries are brought into harmony with the Social purpose. This control, here voluntary and there statutory, will cover the whole economic field, regulating not only quantities and qualities in vital supplies, but quantities and qualities in opportunities of enjoyment for all citizens upon the same terms in such matters as work, leisure, recreation, schooling, healing and housing. Thus is laid a sound economic base for a progressive and increasingly spiritual life.

Until a local group of human beings has by Will or Circumstance habitually and contentedly controlled its fecundity within the limits of Nature's local fecundity, that is, until food-demand and food-supply within a defined local area enter into a stable relation, there is no stable base upon which human association can develop. Upon this basic unity a community may develop: not otherwise. Other similarly located groups basing their physical well-being upon a like relationship makes possible a free and peaceable co-operation between group and group for the embellishment of life. Thus physical boundaries and food-built unities must in the nature of things *underlie the sympathetic communion of peoples*. Transgression here means aggression: the repercussion of which is a reconstruction of the ruptured social structures within their several place boundaries. Is not the League of Nations the manifestation of man's effort to obtain in peaceable manner these embellishments of life which are to be obtained only by free co-operation between nations? Such co-operation has been made necessary for some few things through the local distribution of Nature's diversity of gifts. In this capacity the League of Nations will act for humanity as an organ of Regulative Control just as a Representative Government acts for nationality and as the Brain acts for animality.

As the Morphological structure of a Body is the reply to its Physiological system, of which system in the higher manifestations of life the organ of Regulative Control is the most important, the Integration of Structure can only proceed step by step with the advance of Regulative Control. The harmony of part

with part, man with man, the answering of function to function, occupation with occupation, all which makes for homogeneity and wholesomeness throughout a Community, depends upon the faculty of Regulative control active within that body. There are to-day welcome signs of advance in a show of this Regulative control over our industries. Although the motive power behind this movement is one of saving our pennies, we must not turn it back on that account.

On the battlefield of commerce are encamped two armies each contending for victory: the one believing that more pennies are to be got by free trade, the other equally sure that more pennies are lost in the scramble where is no protection. The rule of the lower motive, however, will last but a day, for it is a motive without any human faculty at the back of it. Regulative control will come about as all permanent things come about in this world of progressive order. It will come about as part of the social organization because it is part of the natural process at work throughout the universe. It rules throughout the vegetable and animal kingdom: its pattern is in the human body: the seeds of it lie deep down in the soil of human nature. Man's love of order; his desire for association, these are manifestations of this seed germinating within him by a Will greater than his own. The total sum of events happening around us, the total sum of beings of which Social Bodies are the highest type is all part of an Integration and a Regulation commensurate with the grand Universe. No need then to be disheartened by a slowness of this

process in the Social body through the concentration of so many busy in counting the pennies of commerce.

The conflict to-day is a conflict of irreconcilable ideas. (1) The idea of an unrestrained individualism. (2) The idea of an unrestrained collectivism. They who contend for Individualism form the party in power through being the holders of property. The irony of the situation is this: the proprietors who use property as they will, regardless of the common interest, are unwittingly playing into the hands of their opponents by doing all that make dominant the ideas of nationalism, communism, socialism or fascism. If then these ideas come to rule the Community life it will be due not to the inherent force or validity of these ideas, but to the abuse of power on the part of the extreme individualists.

The conditions of sound Association involve the voluntary co-operation of all units upon the same terms. The conscious purpose of this co-operation will define the nature of the Regulative principle, which may be of two kinds: (1) A restrained Individualism, or (2) an unrestrained Collectivism. The principle of Individualism involves the admission that the general welfare is best secured under the fullest liberty of the Individual that is compatible with the condition of human aggregation and social integration. The principle of Collectivism involves the recognition of the State as a super-individual to whose welfare the claims of any personal welfare must be secondary. It is the application of the herd system to the human hive. Society is ignored and Man renounced in the idolatry of the State.

All through these essays it is assumed that the governing system of the Community is that of a restrained individualism. Only under such a system can the development of the Individual and the development of a Community proceed harmoniously.



X

THE MONEY THAT INDUSTRY WANTS

PRELIMINARY

Each kind of work demands its own equipment: each home its own maintenance. These embrace the sole universal and rightful claims of the individual upon the common wealth annually produced within the nation by the sum of co-operative effort. The new function of money is the accurate measurement of the varied kinds and volumes of this wealth for its more efficient and just apportionment among the domestic and occupational units of the community. And this is its Social function.

SIR JOSIAH STAMP has asked for a Measure of Value as stable as are our Measures of length, time, etc.

THE LOGICAL ASPECT OF THE PROBLEM

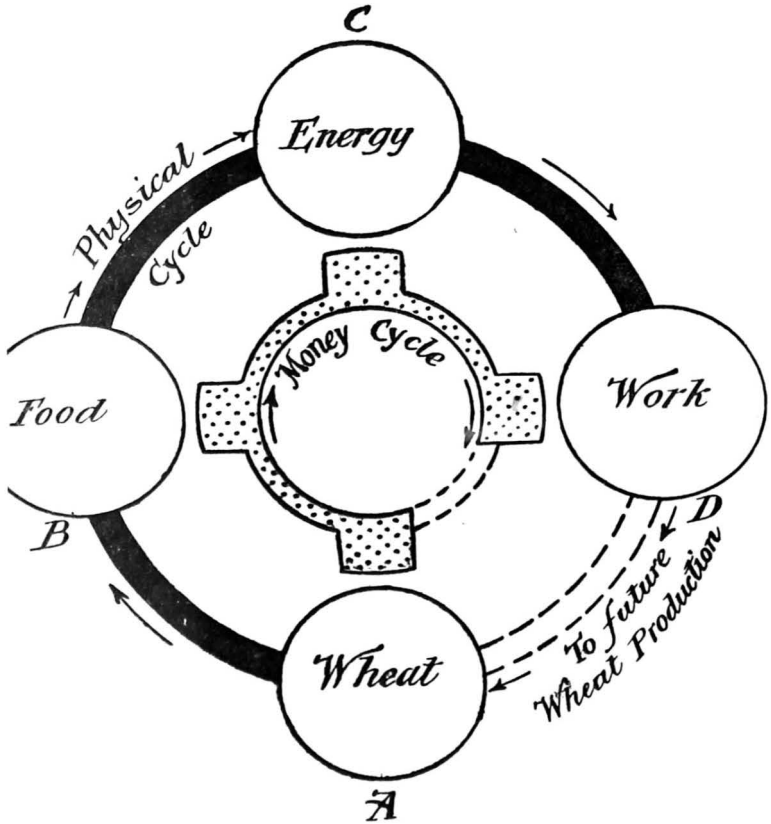
Preliminary Note.

The term "Value" is here used in its positive or scientific sense; namely, as the quantum of food which has to be consumed by all parties to the production of the item valued, the which quantum of food has to be renewed for further consumption before the item can be again produced. Hence the term Replacement-value.

The term Money is here used definitively as legal-tender-money not including any form of credit or hypothetical money: Currency in fact.

Everything done by man is done upon or by the power of the Food which he eats and cannot be again

done until food is again eaten. Wealth is therefore a by-product of man's vital energy.



It follows that Vital food is the Capital source of all substantial Wealth and marketable services.

Food being the Capital and sole Source of Wealth, food must also be the sole Measure of the Value of this Capital or Wealth.

The Logic of this is unquestionable.

Since, for practical purposes, this Value has to be quantitatively expressed in terms of a quantitative Money:—

A Money to act as a Measure of Value must be unalterably related to, or quantitatively representative of, a Vital foodstuff.

The Logic of this is unquestionable.

Since a fixed Unit of Money must be unalterably related to, or be quantitatively representative of, a fixed Unit of vital foodstuff,

A quantitative equation between the two Units x Food and y Money has to be constituted.

The Logic of this is unquestionable.

Since a quantitative equation between the two Units x Food and y Money has to be constituted,

A fixed quantum of a Vital foodstuff as *substantial* Unit has to be equated with a fixed quantum of Money as *speculative* Unit.

The Logic of this is unquestionable.

The two unalterable Units x food and y money that may be adopted to form a stable Scale by their fixed co-relation are

(1) As substantial Unit, the quantity of Wheat to

be purchased and consumed between harvest and harvest in the given Region.

(2) As Speculative Unit, the quantity of Money required to purchase this quantity of Wheat, issued within and exclusively for the given Region as standard or legal-tender-money

Thus x Wheat at y Money-price in one scale of the balance and y Money at x Wheat-price in the other scale of the balance, by their fixed co-relation and mathematical balance will constitute an unalterable Scale for the measurement of Value in any and every human product within the economic field—a value registered either in terms of Money or in terms of vital Food as required.

In the several countries of the West no fixed quantum of vital food can be adopted as a physical unit other than Wheat, in the East it will be Rice.

The physical and mathematical conditions of the problem dictate, as always, the method of its solution.

Above is the argument set out in its logical stages.

Accuracy of speech and logical thought are not the characteristics of the public mind. If, however, the reader will rivet his mind upon the diagram illustrating the mechanism of this problem, it will render more lucid the subject matter. The statements will also carry to his mind meanings which, however strangely new they may appear, will at least be understood.

A preliminary caution should however be given to those in whose minds there is a confusion as to the distinction between money and credit. To those in the presence of this confusion the problem of a measure of value will be incomprehensible: the statements made in support of it, so much nonsense. Money and credit, as shown later on, belong to two quite distinct categories: as different one from the other as the King's Highway differs from a Ferry-boat.

Up to the present day money has been regarded as a *medium for exchange* between foodstuffs, goods and services. There is now the comprehension of a higher function for money as a *measure of value*, leading to an ethical system of equitable exchanges in place of bargains. Whence comes the call of civilization for a stable money.

The cardinal problem before the commercial world to-day is, as Sir Josiah Stamp says, the construction of a measure of value as stable as our measures of length, weight, etc. Value meaning Valour or Energy.

This problem is to be solved by adopting the method of Science. The method of applying the instrument of mathematics to the physical phenomena concerned in the problem.

Such attempts as have been made to steady the general purchasing-power of money are those that from time to time have been attempted by metaphysicians destitute of scientific training: men who do not count nowadays.

Nor has any scholarly attempt yet been made by a nation to establish a money which shall operate as a stable *measure* of value and at the same time act

as a reliable *guarantee* for delivery of value to its holder.

Here, then, is no originality of method. We do but apply the method which Science has used in establishing our other measures.

THE METHOD

From the variety of things having economic value, we select the one item whose value fulfils all the conditions of the problem. These conditions are that the value-content of the physical item shall be the same for all *folk* and shall be subject to no variation in *time*, or *place*, within the region where the measure will operate. To this fixed *quantum* of value as a dominant *physical unit*, a fixed volume of money will be anchored as its complementary *speculative unit* (see diagram page 120).

We shall thus obtain a true equation between a physical unit and a speculative unit.

Either co-related unit will then function as a mathematically exact measure of the other unit, both totally and fractionally.

THE REAL ISSUES SHORN OF METAPHYSICAL TERMS

The economic life of a community is based upon a rhythm of Consumption and Production: an alternation of energy-expenditure and energy-renewal. This perpetual cycle is part of the natural order throughout the organic world. If it stops, there is stoppage of life.

Hence, the organized distribution of the common

wealth is the organized application, to the life of every active member of the community, of this cyclic process of consumption—production—consumption.

This cyclic process is actuated by money.

When viewing things as verily they are in the economic sphere, we view the marketable thing as a *by-product of life's surplus energy*. We also view money, first, as an instrument for measuring this human energy expended in life and life's work. Secondly we view money as a ticket securing for its holder the means of renewing the whole of this expended energy for further life and work; hence the term "replacement-value". We regard money as a recording-power and a purchasing-power in the field of energy. In the whole range of economics there is no measurement possible but this of energy-expenditure.

Value, therefore, means Energy *in esse* or *in posse*.

Price means the *quantum* of this energy as measured by money.

When money acts as an agent of exchange—an exchange of one energy-product for another energy-product—it acts solely as a measure of energy-expenditure. When money acts as an instrument for the purchase of vital foodstuffs—the raw material of vital energy—it acts not only as a measure of value, but as a State guarantee for the delivery of this raw material of energy to the holder of the money: that is, for delivery of vital foodstuffs to the exact *quantum* of its face value. Thus we get a common Measure for

such diverse things as a suit of clothes, a sack of coals, a wheelbarrow, a lawyer's fee.

How to enable money to function in this dual capacity (*a*) of a stable measure of value as expended energy, and (*b*) of a sure guarantee for delivery of value as renewed energy, is the problem demanding solution.

THE PROBLEM OF A MEASURE

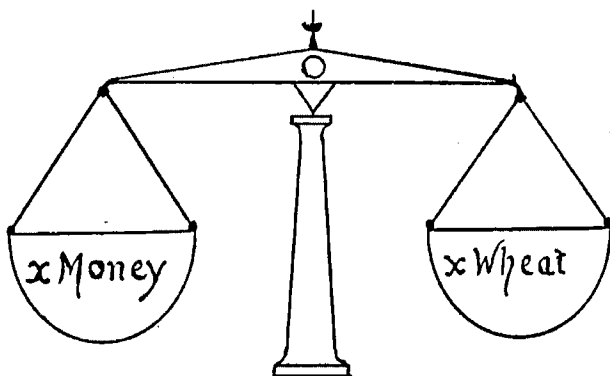
Knowing the physical property to be measured, we must first discover in the physical world a fixed quantity of this property and make this quantity serve as a physical unit upon our measuring scale. To this unit we must then rigidly adjust our measuring instrument.

In the raw material of energy, and nowhere else, we may find a non-varying unit. A fixed and universally available volume of *vital* foodstuff will give us this unit. If we then take a fixed unit of our measuring instrument, money, and relate the two units we have constructed an unalterable measuring scale. This is as demonstrable and as indisputable as that the three angles of a triangle are equal to two right-angles

The physical unit, in the nature of the case, must be available everywhere and always within the region of its use. The measuring or speculative unit will also be *the creation of the region* wherein it will be applied.

We come now to a mathematical demonstration of the process by which we construct our measuring scale.

HOW TO CONSTRUCT A SCIENTIFIC MEASURE OF VALUE



x Money = the total volume of legal tender money to be issued by the State for one year, say £98,000,000.

x Wheat = the total volume of wheat to be consumed by the nation in the one year, say 7,000,000 tons at 14/- per cwt.

The linking together in one balance or equation of these two units will give us both a *stable measure of value* and a *stable price-level* under all conditions.

For instance:

Any fraction of x money to the last pound will buy a like fraction of x wheat.

Any fraction of x wheat to the last loaf will buy a like fraction of x money.

The price of the loaf regulates the price of all home-grown foodstuffs.

The price of foodstuffs consumed regulates the price of all things done by man upon the consumption of these vitalizing foodstuffs.

Consequently, the general price-level for goods and services will remain stable over any period of time, owing to the basic element of all labour products being stabilized, that is, maintained in perfect balance with the same measure of money, and throughout the region where this balance between food-unit and money-unit has been established.

Price is the expression of this balance in terms of *currency*—the instrument measuring energy.

Value being the expression of this measure in terms of *food consumed*—the stuff-producing energy.

Each year the Treasury and Board of Agriculture will readjust this price-level by fixing the average wheat-price for the ensuing twelve months and by regulating the monetary issue to the changed volume and price of wheat; as may be necessary.

With these units of (*a*) food and (*b*) money in mathematical balance we secure a mathematical relation between *price* and *value* in any and every by-product of human energy.

The amount of the staple foodstuff of a country which is *to be consumed* between harvest and harvest provides a *physical unit* answering all the conditions involved in the problem of a measure of value. Its volume is also fixed and ascertainable. *There is no alternative unit.*

The legal-tender or standard money to be issued for measuring purposes during the same period, when immutably related to the food-unit, provides a

speculative unit answering all the conditions of the problem. This volume is also rigidly fixed and available everywhere within the region: it is its national currency.

Each fraction of this money-unit will act as a guarantee for the delivery of energy-value to the exact amount of its face value and so fulfil the second function of money; this is certain and immutable.

This volume of standard or legal-tender money will freely circulate till it has purchased the last loaf for the last meal of the year, also acting *en route* to this final purchase as a vehicle for the delivery of such other foodstuffs, articles and services as will replace all that has been consumed, such being available for delivery by exchange of things, value for value, as registered by the measuring instrument.

When the velocity of currency circulation is not rapid enough to operate every required purchase and exchange of value, then will credit instruments be freely employed, cash transactions being replaced by credit transactions. These credit instruments will be drawn in terms of the measuring instrument and in each case they will be extinguished when, in the round of circulation, currency comes to hand.

These credit instruments will normally multiply with the number of commercial transactions that cannot be instrumented by cash. Their terms of extinction will be rigidly fixed by the standard money and recorded on their face. Their number cannot affect the measuring scale of x money which, notwithstanding any variable volume of credit instru-

ments existing at equal periods of time, will continue to purchase x volume of wheat, or its equivalent in some other foodstuff or product of labour.

The purchasing-power of money and its debt-paying-power will tally.

Under our present system the Bank of England is continually changing the *purchasing-power* of money, the House of Commons having for all time fixed its *debt-paying-power*.

In the nature of the case, each climatic region must establish its own measure of energy-value on a like scientific basis. The physical unit throughout the West will be wheat; and rice throughout the East.

An international money is as impossible and absurd as an international time.

By these local adjustments to a universal value will every international exchange be rendered unalterable.

In time transactions extending over the year the true settlement-point for debtor or creditor may easily be reached and reciprocally adjusted. Thus will be eliminated such vicious features as the unforeseen gains on one side with the unmerited losses on the other side, which are now inevitably incurred in all time transactions through changes occurring in the price-level between the inception of a contract and its maturity.

A stable measure of value, by maintaining an unalterable price-level, will maintain equity of settlement in all time transactions, such as bonds, mortgages, rents, loans, pensions and bills of exchange. From year to year their value and purchasing-power will remain stable.

For biologic reasons there can be no alternate method of establishing a measure of value that can remain stable and applicable to every kind of commercial transaction within a nation. Foodstuff being *the only form in which value is measurable*.

THE EQUATION BETWEEN CONSUMPTION AND PRODUCTION

The organized distribution of the new wealth periodically created is based upon an equation of extreme significance. This equation is subject to continual disturbance in the absence of a stable measure of value.

The preceding equation between (a) money issued and (b) wheat consumed, gave us an unalterable measure of value with a basic price-level similarly unalterable.

This equation between (a) consumption or energy-renewal and (b) production or energy-expenditure, will give us the basis upon which the true *market-value of any human output* may be measured upon our basic scale of energy-value.

This reliable measurement is of the greatest use as

a safeguard both to the individual producer, and to the public as ultimate paymaster.

The periodic *expenditure* of surplus energy in work done alternates with the periodic *renewal* of this energy by a fresh consumption of food. This alternating process constitutes an unalterable and persistent cycle of x intake and x output.

On one side we have in any given period, day, month, year, a volume of food that has been or is again to be consumed. On the other side we have a volume of things that have been or are again to be produced by the consumers of the food and their families within this period.¹

We know the market price of this volume of food that has been consumed and has again to be purchased for further consumption. If this price is x pounds then will the market price of the renewed product be x pounds. Its foodstuff value will also be x foodstuffs, since the renewal of this food-consumption includes every material expenditure incidental to the cost of the renewed work-product.

It is a biologic necessity that the two items (*a*) energy expenditure measured in foodstuffs, and (*b*) energy renewal, measured in foodstuffs, be maintained in

¹ The work done upon any one thing from start to finish comprises the collaboration of very many hands and heads. The cost of a portion of the food consumed by these co-operators is therefore included in the cost of this one thing. Thus do all these contributors to production obtain a portion of their food, or living expenses, out of the proceeds derived from the ultimate sale of this one product to the public.

perfect balance, if the cost of living is not to be raised, or the standard of living is not to be lowered. In the maintenance of this equation the public is an interested party.¹

THE BIOLOGIC EQUATION

$$\text{Energy-expenditure in} \quad = \quad \text{Energy-renewal by} \\ \text{life and } \textit{work} \quad \quad \quad \text{consumption of } \textit{food}$$

As result of this equation a significant fact comes into view. It is this. The economic cost, in terms of money, of the entire volume of new wealth produced by a nation between harvest and harvest is, and must necessarily be, to a penny loaf, equal to the economic cost, in terms of money, of the entire volume of vital foodstuff consumed by the nation in the same period. A fact of great significance, exploding many political and financial phrases freighted with wind.

Further, any fraction of the total work-item will have a value and a price equal to the value and price of a like fraction of the food-item.

In the language of the everyday man: the *just price* of all the new stuff produced by the lot of us is just the market cost of our victuals.

¹ A nation's *cost of living* is determined by the proportion of her available labour which has to be devoted to getting the people's meals upon their table.

The national *standard of living* is determined by the character of the work done by her people upon these meals. Whatever is done upon what is eaten makes no difference to the *cost* of living, but it makes all the difference to the *standard* of living.

A nation's work done = the nation's food eaten.
 A man's work done = the man's food eaten
 (including family).¹

The outstanding fact disclosed by this equation is this. The one and sole material which we have to measure, value, price and record upon our measuring scale of value is the vital food which has been consumed. This food consumed does actually include every material expenditure which for life's periodic equipment and sustenance has to be or, indeed, can be valued.

The reader who is in the habit of skimming the surface of things, may say, "I want something more than bread, I want trousers, for example." Doubtless he does, and this fact has not been overlooked. These very necessary articles he will get, provided that out of the proceeds of his own work he supply tailor, weaver, shepherd and others with means of purchasing their victuals. Not otherwise.

Hence it is that money may properly and commonly be regarded as a *food ticket*.

The point to stress here, however, is this. It is physically impossible in any complex community to maintain this vitally important equation between the by-products of energy and their replacement value

¹ A king and a tinker can each be sustained by the same food ration. But the former has to feed a small army of persons who maintain his state; the latter having to maintain himself and his family only. Hence maintenance will vary with function.

without an instrument capable of measuring definite volumes of a foodstuff available for consumption everywhere.

The efficacy of every man's work depends upon the maintenance of this equation. The whole economy of the Co-operative community depends also upon it.

THE MONETARY ISSUE

Having securely established the two units upon which the national measuring scale has to be constructed, the State, through its Treasury, will issue for free circulation within its frontier a volume of currency as fixed by the speculative unit. This standard or legal-tender-money will be issued and circulated in such fractional parts as convenience may determine. There will also be issued by the same department such volume of metal tokens as may be needed for petty cash payments. The purchasing-power of these tokens will tally with their face value which will be recorded in terms of the standard money. They will be convertible, on demand, into standard money.

It is clearly not material to the efficacy of a measure what the number of measuring instruments may be. The efficacy of a measure depends upon its *fixed relation to a definite reality in the Universe*. But as a purchasing-power, or guarantee of delivery, *its volume must be rigidly related to the thing to be purchased and delivered*. As a purchasing-power and medium of exchange the volume of legal-tender-money has varied within recent years from £3 to £9 *per capita*.

As the issue of money is reduced in proportion to the purchasable commodity, its purchasing-power is proportionately increased and its velocity of circulation is also increased. By this automatic tally between the number of food-purchasing-tickets and the amount of food to be purchased, there is a rise and fall of the price-level. There is neither shortage nor excess of money due to its smaller or larger volume. The change of price-level, however, is most injurious.

The following figures suffice to manifest how rapid and complete is the automatic response of the purchasing-power to the volume of purchasable stuffs when their mathematical relations have been altered.

	1913 Millions	1920 Millions
Volume of money of all kinds ..	178	536
Wholesale price of commodities	100	352.9
Food prices (retail)	102	291
Cost of living (Index No.) ..	102	276

The excess of profiteering in the wholesale trade caused the price to rise above 300, while rents were artificially prevented from rising, thus keeping the cost of living below the 300 *per cent.* rise one would expect.

With a money having a physical basis of immutable energy-value; that is, a money representing a positive value which under all circumstances is unalterable, credit will be emancipated from its present limited base—gold or legal-tender-money in tills.

The process of changing over from our present money to the standard money will cause neither disturbance of prices nor inconvenience to trade. This is explained in my *Essay on Money and Credit of the Future*.¹ But this much it is necessary to say here.

In pre-factory days a medium of exchange was used for the everyday exchange of goods and services. This medium consisted of bits of gold, silver and bronze.

The price of a wheelbarrow, for example, would be one gold piece, three silver and six bronze pieces. Foodstuffs, goods and services being all priced in terms of these metals, the wheelwright with his £1 3s. 6d. could obtain all he needed to balance his expenditure.

Here however there was no constant. The costing price from time to time had to be altered to agree with the variations in the cost of mining and minting the metals. Foodstuff purchased, sometimes more, sometimes less gold. Thus altering every price.

With the adoption of a *Scale of Value* in place of a *medium of exchange* we may get a constant. Value being a quantum of food-consumed, a Scale of Value based upon a "food-unit" must be a mathematical and biologic constant. Supposing the unit of this scale to be a quantum of Wheat, then the price of the barrow will be say, 1 bushel, 2 pecks and 10 lbs. Tickets to this amount will give the wheelwright the same general-purchasing-power as he had before—the money-purchasing-power will be a constant.

¹ Published by P. S. King & Son, Ltd., 2s. 6d.

Suppose, however, that goods were priced in terms of beef, mutton and potatoes. It would be mathematically impossible to construct a uniform scale with these varied items. A scale must be based upon a *single physical and unalterable* unit.

As however the Measure of Value when adopted will have to take the place of the existing medium of Exchange, and since all prices for daily traffic and for long-term transactions have been set in terms of the metallic medium we must continue the use of these terms to avoid confusion. The food tickets must be described in terms of pounds, shillings and pence, not in bushels, pecks and lbs. The barrow will still be priced at £1 3s. 6d.

In giving *terms* of money to *volumes* of wheat for our basic Scale of Value, we may put any price we choose upon the wheat. We may call it £100 per bushel or 100 pence. It makes no difference to the Scale, as a measuring instrument. But if we do not adhere in our nomenclature to the existing price figures there would be endless confusion. It would take years to get to a new price-level and for years it would seriously affect the relation between creditor and debtor in all time transactions.

This note is a further explanation of the essential difference between a Medium of Exchange that, because of its objective nature, must be liable to continual change of value, and a Measure of Value that is mathematically unalterable, because it is based upon a constant Biologic factor, and this factor ruling the general-price-level.

What the ordinary man wants is this. That there

be a non-variable relation between his daily wage and his daily bread; that these tally with the same precision that his 4-lb. loaf tallies with the 4-lb. weight in his larder-scale. It is not mathematically possible to fix or stabilize for any length of time a relation between a currency unit and any other unit of physical energy. This basic stability will cover the whole ground where stability is either possible or necessary for a sound national Economy.

When a nation has its money based upon a positive measure of value and so rendered stable in its purchasing-power, the purchasing-power of this money cannot be shaken by the money of any other nation. Its internal commerce will be undisturbed by the rise or fall of prices externally.

The advantages of a stable money are so great and far-reaching that when one nation has a Stabilized Currency, other nations will soon follow up the advantage to the benefit of their internal industries and external investments.

Further, as soon as a nation has a money that is unalterably related to the staple food of the country, it will give Agriculture what she requires, namely, stability of price in her own markets for her produce.

Until a nation's measuring scale of value has been made a reliable instrument by the scientific method, a nation's commerce and her agriculture will suffer by the continual changes in the price-levels, within

and without. They will also suffer by the restriction of credit facilities which is part of a barbaric monetary system founded on barter.

Since a measure of value is of necessity a measure that is related to the victuals which feed a people, the same measure cannot be applied and hold good in any two climatic regions of this planet. As each region has its own climate, so it will have its own staple food, its own cost of living and, therefore, its own measure or index of that cost.

It will also be evident that when once a national money has been in its volume related to a fixed volume of food consumption, any export of this money will at once render unstable the national measure of value. The inhibition of export will therefore give great security to a nation's industry and commerce. For, to export a nation's money to be stored in some other nation's cellar is to create monetary famine in one place and a fiscal nausea in another. For any country to permit such a practice even with present money is evidence of an entire misconception of the meaning of money.

The whole system of exports and imports is one that may act and generally does act detrimentally to a nation's permanent interests. A people may have to pay very dearly for a cheap breakfast.

A community has now to organize its maintenance by specialized industries operated by team work and

automatic machinery. Standardization and interdependence follow. In this system, both economy and efficiency are attained by a nice adjustment of productive capacity to the common need. The introduction or extradition of varied quantities of produce from/to regions where the cost of living as ordained by nature is higher or lower entirely upsets the mechanism of this system of satisfying the needs of a community. For biologic, economic and political reasons a community, if it is to be efficient in its co-operative organization, should act cautiously in the matter of exports and imports. Unless restrained they become a menace to the even growth of a nation's prosperity. They may easily upset the costs of the basic industry which has to carry all secondary industries upon its stomach. Their unrestrained competition with home products will also bring about now a rise and now a fall in the level of monetary purchasing-power. So great may be the disturbance—biologic, economic and political—that a nation which desires to have stable values and an immutable price-level upon which she can build up her industries, should limit inter-regional trade to such raw materials and artificial products as are necessary to its economic life and not producible in its own region. And even this restricted trade if it is to conduce to international goodwill can only be safely carried on so long as the advantages are mutual.

Thus much it is necessary to say because it would be futile after establishing a stable measuring scale of value to have its working made impossible by the

introduction of elements from outside that invalidate this scale.

Enough has been said to convince the reader that within the economic field, life's maintenance really means the bare victualling of life. This, after a little thought, he will accept as no fanciful notion of an armchair philosopher, but as part of man's universal experience. If the nation have on the morrow the meals it has to-day, it can do to-morrow all that it has done to-day, and so to time's end. All our buying and selling is at bottom a part of the machinery which keeps the engine of man's body working. Money being the vehicle for moving the fuel to each body as and when required.

This brief statement of the problem, accompanied, alas, by much repetition for clarity's sake, may be closed by two statements of fact which the reader will do well to ponder.

1. The method here adopted for establishing this measure we are in quest of, being the method employed by science in the case of our other measures, he will be bold who disputes its validity.

2. That since the selection of the physical unit as basis of this measure is one in which we have no choice, there being no other that fulfils the conditions of the problem, to refuse its adoption is to place oneself in a position from which there is no way out.

Among those nations in the West and in the East which shall have established a Measure of Value upon

a physical Value in each case regionally constant, the "exchange" between these measures will be automatically a constant: the relative value-purchasing-power of any one currency as easily computed in terms of any other currency as may the length of the English yard in terms of the French metre.

XI

THE MEANING OF CREDIT

A MULTIPLICITY of movements and exchanges are necessitated by our modern methods of production and distribution before any single thing comes to the hand of the consumer. From earth extraction to human consumption there runs a long line of manual and mechanical processes.

At every movement or change of process some payment for services is made and frequently by duplicated transactions.

A few only of these payments are made in cash, the bulk of payments being implemented by hypothetical or bank money—credit instruments.

Every credit instrument is drawn in terms of the measuring instrument; that is, legal-tender-money, and at maturity each credit instrument is extinguished by the creditor either upon receipt of this money, the receipt of value, or alternatively, by default.

No credit instrument is legal tender, nor has it *necessarily* any legal-tender-money behind it. It is a private or personal instrument, and, therefore, it is no publicly accredited voucher for the delivery of value as is the case with money.

In addition to the various payments incidental to the creation and distribution of new wealth (food and services), there is a large body of payments made for the movement of old wealth. These latter payments are generally made by credit instruments and not by cash.

The actual cost of the entire volume of new wealth annually created, including all services, cannot exceed, and when the standard of living is rising, is probably somewhat less than, the cost of the total vital foodstuffs annually consumed: wealth being a by-product of the food consumed and renewable only by further food consumption.

The estimated amount of vital foodstuffs annually consumed by the nation is £1,300,000,000. This same figure would therefore represent the actual value of the new wealth produced together with all services rendered for one year. This body of wealth and services having been sold, the proceeds of sale, as they came to hand, would provide the means for purchasing a further volume of foodstuff, thus completing the ceaseless rhythm of *consumption* and *production* till the last shilling had bought the last loaf.

Measured by bank clearings the credit instruments daily attain, on the average, an amount equal to one-half the total money circulating within the nation. Each day they average an amount equal to 40 times the value of the new wealth each day created.

It is clear that the economic efficacy of credit instruments does not depend upon their being warrants or presentations of actual value. Their efficacy is entirely restricted to the facility which they can afford for the rapid movement of material and services from one person to another *en route* to the public mart of wealth. They perform a function similar to that of the railway trucks. But unlike the trucks, when they have fulfilled their function of movement from A to B, they are destroyed: their efficacy of function largely

depending upon the velocity and promptitude of their honourable extinction by the rotary transmission of money.

Again, the volume of money in circulation does not vary from day to day, neither does the average volume of measurable wealth produced from day to day vary. But the actuating volume of credit instruments does vary from day to day and at times to an extent exceeding 50 millions, or thirteen times the amount of the new wealth daily produced, or to an amount exceeding one-sixth of the total purchasing-power of the national money.

Such a fluctuation, were it to take place in the volume or purchasing-power of money, would react upon prices in such a way as to make the price of bread and everything done upon this staff of life, 14 *per cent.* dearer, or 15 *per cent.* cheaper as the case may be on the Tuesday than it was on the Monday.

But the general-price-level is not in the least shaken by these fluctuations in the volume of credit: proving, if proof were wanted, that there is no warrant for the statement that in the interests of industry and commerce there should be some restriction upon the expansion of credit. As though credit were a value-measuring instrument.

There is no law limiting this expansion: it should freely follow the expansion of trade. Each credit instrument stands not upon any actual or existent value. It stands on its own bottom. It stands upon the credibility of the acceptor, that is, on the estimate of his power to honour it at maturity.

Credit instruments and currency belong to two different and wholly independent categories.

The economic tendency freed from the restricting hand of profiteers is toward a stabilization of money on one hand and an expansion of credit on the other hand: the one as stable as the other is fluctuating: the one a measure, the other a vehicle of movement.

Further, the name of these instruments vouches for the fact that they constitute no guarantee for the delivery of value as is the case with currency. They merely promise a payment of speculative value to a particular person at some future date.

Their usefulness is in their advantageously bridging the interval between some process in the creation and movement of wealth on the one side and the ultimate sale of this wealth to the consumer or payment therefor by him on the other side.

In days of barter a system of restricting credit to the area of a gold or silver base was established by the Medici—the Jews who founded the institution of money-lending for profit. Of this system modern banking is the direct descendant.

To-day the banker strives to restrict it to a metal base about one-sixth the area of his edifice of credit, while industry struggles to expand it to the economic needs of the hour, an amount beyond reckoning.

In view of a possible reduction in the volume of legal-tender-money it is necessary to draw attention to the above facts so that the complete independence of credit instruments with regard to the volume of currency in circulation may be understood.

Note.—It is not questioned that the general-price-

level is strictly, automatically, and definitely related to the volume of legal-tender-money in circulation: that is, that price is synonymous with the purchasing-power of money. Nor is it disputed that any alteration in the volume of purchasing-power is quickly and automatically registered upon the price-level, by an inverse movement.

It has, however, been the contention of a certain school of thought that the volume of credit is in some mystic way related to the price-level, and that unless credit were restricted prices would rise.

Were it true that the volume of credit instruments had anything to do with this purchasing-power of money, the daily creation of credit-money to an extent equal to half the total volume of legal-tender-money would reduce the purchasing-power of the money 50 per cent.: whereas the purchasing-power of currency and the price-level of things is unshaken by this enormous and varying issue of credit-money.

Money is a food-ticket: a credit instrument is a money-ticket.



XII

RESTRAINT IN CONSTRUCTION AND DISTRIBUTION

THE end of construction is the satisfaction of man's need of substantial things and his love of making substantial things. For the satisfaction of these needs the automatic-power-machine now gives such facilities by mass construction that the supply of this stuff may quickly outrun the demand. Restraint over such immense powers of making things should be exercised, or markets will be forced, corners created, and false needs stimulated, ruining the conscientious distributor and the more provident producer. Wherever we find machines running at top speed, warehouses loaded with machined goods, we may be sure that selfish motives have been at work. Such irrational construction will beget a wasteful and cruel competition, ruining a sound rivalry for excellence, and establishing monopolies for the opportunity of extortion.

The restraint which intelligence would impose should be directed, first, to some regulation of our vast power of mass-manufacture, and, secondly, to the regulation of the competitive system of distribution. The multiplication of shops beyond the number needed to supply a given district leads not only to adulteration of stuff and dishonest advertisement, but to every deceitful artifice by which another man's customer may be gained.

Such restraint may be wisely, and not wantonly, imposed through, say, a Distributing Guild or Marketing Board. Without a licence from such Board no retailer should be able to open a shop, and such licence would be granted only where a shop was needed and could meet a demand without injury to any existing shop. We limit our beer shops and regulate this trade by licences, but we need to extend this impersonal regulation to all retail establishments. The public suffers loss and damage by the unnecessary multiplication of shops. Their total of overhead charges the consumer pays. The freedom of hundreds may thus be restricted through the unregulated liberty of one.

The restraint in mechanical construction that conduces to the general welfare is one that would reduce to a minimum the use of any process which excludes human interest in the process. Any real advance in human industry must, in the nature of things, make industry more human, more instrumental to the development of human nature—a development which results from the exercise of faculties and not from the possession of things. Till Shakespeare's day the advance was in an enlargement of interest, a richer play of the faculties in the personal work that maintained the corporate life. In this direction is the future advance, not in the direction of mass-facture, as our fathers and grandfathers blindly believed. Welfare is a result of a personal development which enriches in diverse ways without sacrifice of the individuality or the free play of human faculties.

There are things in whose use comes the enjoyment :

there are also things in the making of which comes the enjoyment.

The production of things for the joy of making them and for the pleasure of using them will never outrun the demand for such. Nor will any external control be needed here. In the endeavour to make a thing in the best way it can be made, and in the pains taken to make it pleasing to look at, a craftsman must needs obey the law of restraint which rules all sound and beautiful handicraft. Other restraints he does not therefore need. With regard to the commonplace things, when distribution is regulated by licence the production will regulate itself, provided the market is the home market.

In a word, we want the Industrialist to render his services to his Community in the same spirit that the Artist works. He gives and gives increasingly of his best. He makes no bargain with any of the fallen angels.

As long as things are made for what is called a "world-market" there can be no regulation over supplies since demands can never be foreknown.



XIII

REGULATION OF CHARGES

A COMMUNITY, economically considered, is a Body whose continuous life is maintained by the work of its members; first, in provision of foodstuffs, secondly in provision of all other stuffs and services. Every member is presumably occupied in some one of the special tasks which go to this maintenance. Thus is the work more easily and more efficiently done. Gone are the days when a family fed, clothed and housed itself. Work is to-day continually being subdivided for efficiency's sake. The increasing Specialization of functions is complementary to the increasing Integration of structure; the two movements constituting a dual process of social evolution. Specialization, however, may easily be carried too far: probably has been carried too far: and so become not complementary with integration; indeed making against integration by an artificial cleavage of the whole structure into classes having opposed interests; with complete disregard of local needs whereby industrial dislocation comes about.

Consequent upon this specialization of social tasks no member of the Social Body can work for his own exclusive interest save in his leisure time. Thomas works for Brown, while Jones and Smith are working for Thomas, each man mainly interested in the main welfare. Very visible in beehive and anthill: but more truly so in the human hive.

It follows that the Product of this highly specialized and intensely subdivided series of operations—the common effort—cannot be regarded as the property of any actual contributor thereto. Everyone has an interest in the product, everyone has an obligation to the producer, from teacher in the school to cleaner of the sty. Each man's work is a contribution to a welfare vital to every other member. The social system sweeps everyone into this common duty of contribution according to his capacity. It brings everyone under the same universal law: if a man work not, neither shall he eat. This the law of high heaven and good earth. The law of Hell and stagnant bog being, *you shall toil and I shall eat.*

The contribution being made, no right is claimed over it, no reward is given for it. It is a task which life in a Society compels one to accept as one accepts the task of learning the language of one's neighbour. The claim of the worker is his claim upon the common stock of wealth, not by virtue of work done, but by virtue of being member of the Community; an organ of the Social Body. The common stock is the product of the common effort. Everyone, by inheritance of citizenship, and not by reward or right, is a shareholder in such Co-operative Society and has a socially sanctioned claim upon its periodic dividend.

And what is this dividend, and how apportioned? If there is an obligation on the part of the individual to contribute to the common stock, there is clearly an obligation on the part of the group to apportion the resulting dividend. To each of these obligations there are conditions essential to the smooth working

of the economic machinery. This human machinery works only on the oil of good will.

The obligation of the individual is of a twofold character; in each aspect of it there lies a moral germ, lifting the obligation from the economic plane to the social plane. (a) The duty of doing one's bit in the best way it can be done. If one knows not how, one must learn how, through the facilities which society provides. (b) The duty of making out one's bill of expenditure quite honestly: society paying the same.

That these duties imposed by the relation of the man to his group may be fulfilled, they must be clearly comprehended with all their implications. As to the first. The sum of what each enjoys is an integral part of the sum-total brought periodically into being by the effort of all. We all drink from the same pot: we all eat from the same platter. The comfort and enjoyment which each experiences is a comfort and enjoyment which others have provided. If a man fails in his self-chosen task the repercussion of his failure is felt throughout the community. Failure must not be tolerated. You Mr. Smith must be found a job you can do without failure. Are not then the best training schools we can provide essential to the comfort and welfare of each of us? For how much in one's everyday life does one have to depend upon the other man! For how much also does the other man depend from morn to eve upon you and me! This thought is a moral drive *to do the job* whatever it be, come what may. If fighting for one's fellows, one's duty is to stand up to be shot at: there is a duty not less exacting when working for one's fellows. In each

case the life of others is dependent upon our standing up to our duty. What then becomes of the business man's motto, "Business is business"? Such mottoes light the fires of hell.

The second duty of the individual active in the interests of the body that provides all his needs consists in making out the bill of his expenditure quite honestly. May he send in his bill for ten hours' work when he has worked but five: or for supplying ten loads of timber when he has delivered but six? Do you allow your tradesman this kind of liberty? No. Then see to it that you also in trading for others make out your bill honestly. This accounting of what is called "replacement values" needs some explanation in a day when all sense of it has been clouded, dimmed, and destroyed, by the misrule of acquisitiveness. Get the most, and give the least you can! Another bit of script to light hell fires.

In a society wherein no one from A to Z is supplying his own needs; has indeed to live as best he can upon what others do or fail in doing for him, some machinery has to be devised whereby each shall get the work-product of others. Hence the market. Into the market all goes from your bench, from the market all comes into your home. It is the national exchange and clearing house. The machinery which operates in the market is money. Every service, or product of service, entering the market is labelled in terms of money. So much this and so much that. Such money as A gets for his product this he uses in purchasing the products of B, C, D, etc. When A overcharges for his product he takes from B, C, D, etc., more of

their products than he should. He is rendering a false account. And by this falsification he is getting more than "replacement value" for the service he has rendered the public. It is physically impossible for more than the cunningest few to get more than "replacement value", because the many so robbed would not have the stuff to give up. We are all in the hands of honest and dishonest alike, so long as each is free to set what price he may choose upon what he does for the hive.

In the village community when the village was self-supporting, as until the factory period, this freedom was controlled by the "customary price" from which no one could make departure without show of good reason. But with the breakdown of the village community with its control, came chaos. "Replacement value to the winds! I am out to get the most I can and give the least I can contrive to give!" So barked the Hell-hounds!

This is where we are to-day. Man protests. Nature protests: says it shall not go on: cannot go on in a world planned by God's footrule.

So the Government intervenes: means to govern here if nowhere else. From a community of peaceful workers, wild beasts scrambling for the biggest bone must be tamed or ousted. Government has now tentatively as it were set its hand to regulative control. Control, first, over any hostile invasion of our fields and factories by foreign imports. This food market under control we will next pay attention to the hostile invasions of peaceful industry within our economic boundary by curbing the domestic competition among

individuals to steal one another's customers through fraudulent adulteries or defrauding underpayments: through attempts also to undersell another's market either by a speeding up of work, or by a pressing down of wage. No internal friction, no external interference must our Governing and Defensive Organ permit.

For the smooth working of a Co-operative Society some sane, reasonable, friendly arrangement between producers and purveyors must be made throughout each specialized industry. It is the business of the governing body through its organ of regulative control to see this done in the interest of all concerned, which means the whole closely interlocked community. If this be not government, what is? It is nothing more than a machine for trapping criminals. The common enjoyment of benefits derived from the organization of highly specialized activities inevitably involves some external control of those activities by a body in charge of the interest of all and so of each.

Man, such as he is, cannot be trusted with the sole responsibility of settling his charges upon the public stock of wealth. In a complex group of ten million interdependent families how can such responsibility be left unguarded without giving rise to such disorder as we suffer to-day: each seeking his own and not another's welfare.

But whoever has the safeguarding of this responsibility, or however it be effected, the principle upon which personal charges shall be based must be a principle that will work: that is, a principle which will permit the most effective distribution of the

common weal among our ten million families. It must be a principle that tallies with the eternal laws upon which the Universe works.

Evident is it that where there is no regulative control by law, or by custom, over personal charges upon the public purse, there will be not only general confusion but serious injury to members inextricably enmeshed in the economic machinery of the community. Some will be taking too much out of the common stock; others will be going short. Social disintegration the result. Surfeit wedded to famine.

Regulative control then must be administered upon some principle applicable throughout the whole human hive. One principle for singers, another for dustmen and prime ministers will not work. It breeds a struggle to get away from one's own job for someone else's job.

Nor, without injury and offence, can there be one principle for the administrator and another for the operative. If we cannot find a principle applicable to every one actively contributing to the general welfare we must submit to the custom of the jungle wherein the cunningest survive.

We have not to search very widely among Nature's methods to find examples of a rule for reciprocity in give and take between the individual organ and the group organism. Throughout the biologic world we see one and the same rule at work everywhere. Let us look into it.

In every plant, in every animal, in every human being we note a structure composed of organs differing one from another in form and function. The life of the whole structure is the product of the diverse

activities of these specialized organs. The higher the type of being and the more differentiated the organs, the more complex and unified is their physiological co-ordination. This increasing Integration of the whole along with an increasing Differentiation of parts is the manifestation of the higher type in the scale of being. Disintegration and repetition of parts is sure sign of retrogression. By acquisition of these features of integration and specialization the creature climbs the stair of creation. This is its static condition. Dynamically we find an uninterrupted rhythm of energy-expenditure and energy-renewal. This rhythm in periods of rest and sleep slows down, but the rhythm is as regular as the to and fro swing of the clock pendulum. In periods of great activity while the rhythm is there its beats may be as irregular as the beating of rain upon your window on a stormy day. In an organic body this very irregularity is the result of a purposive regulation of intake to keep pace with output. Violent activity of an organ involves rapid expenditure of energy and material substance, which rapid expenditure has to be rapidly renewed, or paralysis and death ensue. In each organic body of plant and animal there has grown up a regulative system which keeps an eye on the output of energy here and the output there. The nervous system telegraphs for corresponding increase of supplies to be sent to this or the other active organ. A marvel of organization which man may well study. By this Regulative system a balance is maintained between energy-expenditure through growth made and work done, and energy-renewal through supplies of fresh

material. In running a race, or in delivering a speech, the unusual expenditure in muscle and brain is promptly attended to, so that racer and speaker get to their destination without collapse.

In place of the series of Village Communities, each a social organism with its Regulative system developed through a system of neighbourly interchanges and interlocked co-operation throughout the settlement during thousands of years, we have now a British Community; a Social Organism commensurate with the British geographical boundary. This finds itself in a hopeless muddle: all its activities at loggerheads: its productions overlapping or serving the interests of parasites. Its circulation and distribution of products are held up, rendered ineffective by strangulation of these parasitic interests. And all because there is high specialization and mass production without any regulative system whatsoever. For preservation of very life we are now forced to some sort of economic regulation in production and distribution. First, a governing body of manufacturers and dividend eaters introduced measures to safeguard the secondary industries. These industries still in a decline and agriculture threatened with extinction, attention is later turned to her. Just in time is she being saved by a regulation crude enough, yet palpably a regulation, by quotas, tariffs, and what not.

Doubtless some day this regulation will be organized, made organic, governing the whole physiological system of the social organism we call the British Nation or Community. And this Regulative Control will take its pattern from that of the biologic body

—the pattern that rules throughout the organic world. Nature compelling this unity wherever life persists.

In the diverse activities which together maintain the everyday life of the Social Body whose corporate members we are, there is great diversity of expenditure by this and the other specialized organ—trade, business, craft and profession. Each occupation makes its unique demand first, upon the individual customer, secondly, upon the group. The demands of energy-expenditure upon the individual are biologic and do not vary very much with the work done. A hedger and ditcher needs much the same food supply as a Judge or Cabinet Minister: a school teacher no more than the school cleaner. In the social world or world of men, the biologic needs are the smallest needs in the general economy of life. The occupational and social needs are the varying needs; the tools and amenities varying so largely with each occupation. These needs that form so large a part of what is called "replacement value" of work done consist of services rendered by others and materials purchased from others. These services and materials form the major part of the occupational equipment. They have to be renewed at each turn of the economic cycle: as the man's biologic needs have to be renewed at each turn of the earth's face to the sun. One man's work may be done with little more equipment cost than his bag of tools, another man may require the services of a hundred others beside a costly supply of materials. Go round the village and note the varied occupations from husbandman to craftsman and teacher, what

simple equipment suffices for the one, what variety of equipment is needed by the other. All this organic expenditure of energy, services and material has to be periodically renewed, as with the like expenditure within the human body. It is for this renewal or replacement that the individual, as a social service organ, makes a charge upon the common stock of divisible wealth. It is this renewal-expenditure which fixes a man's charge upon the common stock. Since the biologic expenditure of the domestic unit is included in the charge—indeed is the one item of expenditure behind the cost of all human services and products of human work—the charge is in its essence a time charge. So many days making this barrow, so many days writing that book, therefore so much for my keep in each case. Piece charges must defraud the worker, or the public. They cannot be organized.

Simple enough to clear eyes and clean pockets. How anything but simple through eyes blinded by self-interests; pockets bulging with coin sweated from labour. Even so, any honest man can justly make out his bill for the public paymaster. But to establish order and a certain uniformity throughout an occupation, there is an advantage in establishing as of old a customary charge for each occupation, such charge to vary only with the standard of living within the Community as a whole. When Britain was laying the basis of its greatness, producing its John Knox, its Priestley, Bunyan, Spencer, Shakespeare, Wren, and other unknown greatnesses, this customary charge ruled and was upheld by the courts of law. In the Civil services, the army, the law and the church, in

our schools and crafts, the pay for livelihood is still fixed, a scale running through all grades of office.

To-day each specialized activity has its association, union, or society. In future each will have its Guild. This body through its Council may in each case settle the rates of pay for its members, grade by grade, order by order, throughout the whole Occupational Group. Proprietors, administrators, managers, supervisors, operatives skilled and unskilled, each order subject to the like regulative control in the matter of charges upon the public store for cost of living, which includes, for a period, the renewal-cost of all domestic and occupational expenditure. We may call it a wage or salary, but it is actually a ration.

In the distributive system including transport of stuff; in the health services, the like principle of balance between the expenditure and renewal of human labour in its varied forms of service and product, must be applied in the social regulation of each personal charge upon the public. Security for the man, and security for the community that maintains the man, shall each be a matter, not of caprice, but of sound adjustment.

The Nation is awakening to the necessity of this adjustment, now that her industries are being destroyed by the invasion of a foreign foe in her markets and by a suicidal competition for gain among the branches of the home industries. Government is recognizing as one of its functions the regulation of imports and the control of prices. But national prices cannot be regulated until we have a national measure of value.

This national arousal is of profound significance.

It signifies a step out of chaos where an unrestrained individualism ran riot into the light of an economic order wherein a social organism can develop along its own line of functional integration and local structure.

This economic order which links the individual interest to the group interest must precede any social progress; any human advance.

Under this principle that must underlie every personal charge upon the common weal no cranny is left into which the social parasite can creep for shelter in his nefarious doings. In justice to his expectancy, for which society is responsible, he will be given a period within which he must find some honest and honourable work to do, a work which shall make his life secure and his bread sufficing.

There being in this world as ordered but one principle upon which Nature yields her increase, and man obtains her bounty—this of work for food, and food for work; any levy of tribute for loan of money, land, or substance of any kind, being a monstrosity, not to be regarded as anything other than a monstrosity. This levy upon work done which we have allowed to engraft itself upon the healthy stock of our economic system we must slowly pare away; indeed, it is now being pared down in the natural order of things. The paring away of exactions upon wealth-building-labour will permit that growth of integration which is a condition of true civilization.

In this principle of common wealth distribution by periodic renewal of expenditure what provision have we for a distribution of the substantial increase

annually harvested by the nation? Civilization is largely due to this increased return upon the common effort. It is a dividend that has somehow to be equitably apportioned and commonly enjoyed.

This increase will automatically come into the general system of distribution through the resulting change of price. If in a given harvest at the end of the Agricultural Year a larger volume of the staple foodstuff—wheat—is harvested (in relation to population increase), this increase will react upon price-level when price-level and staple foodstuffs are co-related, as they will be. The pound will equate or purchase a larger volume of wheat. The annual co-relation of wheat to money being the basis of price stabilization year by year has been explained in the essay upon Money. When, then, upon a given expenditure of food-driven human power there comes an increase of food production, that this biologic increase may be distributed so as to raise the general standard of living nearer to an *optimum* standard, the price of the staple foodstuff will be lowered so that the ratio of currency to the total volume of purchased or purchasable foodstuff may remain a constant; x bushels of wheat = x pounds of currency. By this means every man's purchasing-power over, or his charge upon, the available foodstuff will be increased proportionately with the biologic increase of production. The price of things and services is a mathematical relation between these things and services on one side, and the energizing food eaten on the other side. There is no relation between an increase of food-products and an increase of products brought into being by

the expenditure of human power. Human power is continually running to waste as the constitutional idler makes manifest. Goods and amenities are truly the by-products of a nation's leisure.

Whatever then be the conditions—scarcity or plenty—the principle of charges based upon expenditure and renewal will work. No other system will work in a world planned according to Order and moving according to Law.

The family income of a member of the Community, A, represents the proportion of the total output of the rest of the Community from B to Z which A claims as his share. And this share, less any portion lent or given away, A with his family and dependents does actually enjoy. It is a share of the total national dividend. The effective incomes of all from A to Z cannot be more nor can they be less than this output of A to Z, that is, the national dividend, after deducting the tribute paid to persons overseas, and adding the tribute received from persons overseas. Such tribute whether paid or received from overseas being an economic anomaly, it cannot be made subject to any regulative control. The like exactions levied by and upon members within the Community can be regulated and is by statute limited. A large part of this tribute goes back to the Community under taxation of unearned income. This unearned income is however automatically increasing in the absence of any Regulative control in the common interest.

XIV

HEALTH AND WEALTH OF THE FOLK TO FURTHER THE REGIONAL IDEA

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TOWARD an illuminating interpretation of the statement made by Mr. Griffith in his excellent paper "A New Analysis of Unemployment" which appeared in your April issue, some further notes may be of use bringing to the surface facts lying below the reach of general observation. They are facts that to-day are pushing up into the common consciousness and to their influence must be attributed changes in the attitude of the man (*a*) to his *Group*; (*b*) to the *Wealth* which his group periodically renews; (*c*) to the *Region* wherein his group lives. Moreover, they are facts which underlie the whole structure of modern communities, and owing to their permanence and universality, are like to effect a radical change in their economic policy, national and international—a change at first largely increasing unemployment, afterwards absorbing every available worker.

Taking these changes of attitude in their order we may briefly summarize them thus:

Man's personal attitude to the group of which he is a conscious member.

The modern system by which man's everyday needs are supplied—team work with meticulous subdivision

and output in mass—is responsible in the economic field for the sense of mutual dependence, first, of the man's welfare upon the group activity from factory and field to state, and secondly, of the group's welfare upon the man's activity from legislator to scavenger. This sense of a reciprocity in interests and a mutuality in responsibilities is leading the common mind to a growing insistence upon an equality of opportunity in the training of the individual for doing what in him lies, with a subsequent opportunity to do his chosen job. This on the part of the individual. Then, on the part of the group this sense of interdependence between the collective welfare and the individual welfare—the one a reflection of the other—is bringing upon the horizon social measures encouraging and helping every member who draws upon the store of the group to an activity socially beneficial, and to a condition socially healthy. The movement toward better provision for technical training after puberty is a response to a sense of the first of these inter-dependent responsibilities. The measures now being inaugurated by central and local authorities to find employment for the surplus labour of private enterprise with improved housing and medical facilities are a response to this new sense of duty on the part of the group towards its members.

A like movement within the factory is forcing to the front considerations that tally more fully with a consciousness of the mutuality of interest in the output on the part of operative and management. These movements, however, do but slightly and

remotely affect present unemployment, though they will largely affect future employment.

The man's attitude toward the Wealth which his group periodically renews.

Here we may trace the origin of a change of view on the part of the mass likely to bring about a greater "bouleversement" of the world's economic system with its corresponding social structure than any the world has yet seen.

The wealth brought into being by the sum of specialized effort within a community is consumed within the year and has to be renewed each agricultural year. This Wealth is the product of the human energy set free for work after the energy-needs of life itself have been met. Here, it is of social importance that we grasp elemental facts not commonly comprehended. First, that the sole economic source of that human energy of which Wealth is the by-product, lies wholly in the vital food we have consumed. Secondly, and consequent upon this first fact, the economic cost of all the Wealth annually produced within a nation cannot exceed by one loaf's cost the economic cost of all the vital foodstuff annually consumed within the nation. This very real relation of food-consumption to wealth production is not generally seen, yet, it is perhaps the most powerful factor in the serious situation now being brought about the world over, and notably in that lack of balance between field and factory which causes much unemployment and produces a wide social cleavage.

Were we to analyse the mass attitude toward this

Common Wealth we should find it centred round this dimly comprehended fact; namely, that inasmuch as a community is now maintained by its several industries and services actuated in specialized compartments, no kind of wealth is or can be produced by the sole effort of the individual. He cannot produce and market a turnip without the aid of many Social resources and the remote Co-operation of many other individuals. The making of a boot calls upon some contributory effort on the part of, say, some fifty other persons. The sense that this is somehow so is permeating the common mind leading to a demand for a more just apportionment of the Wealth periodically created by this Co-operative effort. This demand will in due course eventuate in a change of social structure analogous to that which constituted the type for our country and every other country in days before the working people were taken from the fields and regimented in factories. In these former days so real was the innate sense that a man's work was his contribution to the community-group in return for which his livelihood and person was secure, that every manual worker, every professional man rendering a service accepted, as a matter of course, a regulation as to his share of this common wealth, a share having no relation to the social worth of his work. This wealth apportionment was instrumented by a regulation of pay, or a scale of charges varying with the costly nature of the work. The social basis of this regulation was the relation of supplies to functional needs. Each worker would receive out of the available wealth as much as would enable him to carry on, domestically

and vocationally. In most of our professions, and in the skilled industries, the claims of the individual upon the community in respect of work done, is still regulated by the vocational body to which the worker belongs. So much your fee, so much my salary, or wage.

This ethical principle of common wealth apportionment, *to each according to his need*, prevailed through every sphere of work contributing to this common stock of wealth from feudal days up to the period of the industrial revolution. Thenceforward, the system of mass production by enormous teams introduced new features for which there was no social provision for a "price regulation". The man who drove the factory team was free to make what charge he could upon the common wealth. He could do more than maintain himself domestically and vocationally. He could accumulate claims upon the labour of the future by his surcharge.

This custom of an unrestrained charge upon the public in the private interest, while it brought social benefits, blurred the social outlook of every worker. The operative no longer looks upon his work as a social service: he has come to regard it as a mere preliminary to drawing a wage. The administrator likewise regards his office as a means of drawing a profit; a profit having no relation to personal needs or social considerations. The man in the factory is thus brought fact to face with the operations of two antagonistic forces—one compelling him to accept a wage fixed by that which will keep him at work: the other impelling the administrator to adopt a system of paying his operative and pricing his goods, such

as will bring to him the greatest profit which competition will allow. This contrast between a "regulated wage" and an "unregulated profit" has caused men to think furiously.

With the tradition of the past behind him, when a restraint was imposed upon human cupidity, the operative becomes restive under a curb controlled by a fellow citizen who is unwilling to submit to any such curb over his own cupidity. Pending the introduction of some regulation of functional pay by the Industry as a whole, the State must take back into the stream of national expenditure a large and increasing portion of these excess profits. But, in the presence of this antagonism of interest within the factory, we cannot expect that "co-operation between leaders and the rank and file" referred to by Mr. Griffith. True is it, as he says, that the policy of price-rings and also the ill-will between the classes, have been factors in an ineffectiveness in the home market. These price-rings are the objective results; the ill-will is the subjective result of the new attitude of the individual worker, be he administrator or operative, to the stock of wealth which the industry of head and hand periodically renews.

Further, this socially irresponsible attitude on the part of the administrative order of working man brings about an increase of unemployment on its own account. Since the making of a profit is the avowed and legalized aim of private enterprise, to make this as large as may be is but natural. To this end the machine will be made increasingly automatic and costs will be reduced by the elimination of human work in

every process. Science will be made to play its part in developing mechanical facilities; even the collective conscience through the state will be made to play its part in facilitating the reduction of hands in the factory by the public maintenance of all those thrown out of employ by the profiteer. It is futile our attempting to ignore the anti-social character of this new feature of unrestrained profit: or to pretend that the edge of this instrument of unemployment, as an aid to profit, may be blunted by state action or human feeling. Until each Industry *as an economic unit* is made responsible for its own unemployed there is nothing to arrest the increased number of workers being thrown upon the state by the development of mechanical processes on one hand, and the competition to make a profit on the other hand.

Or, on this head, shall we have to wait until every profit cancels itself out by the profits derived from the over-charges of production and distribution being spread over as wide an area as the consumption of distributed products—an area including every adult citizen? For, 'tis certain this general cancellation will come about if and when the proletariat responds to the "Saving" crusade; every working member of the community then levying a tribute upon his neighbour member while also paying this same tribute when purchasing his goods and services. It may be.

We now come to the change overtaking the public mind in regard to the region wherein the group lives—the homeland.

We see throughout the world a new spirit brooding

over these homelands: a spirit of self-determination leading to a regional solidarity; a will to make one's own country, even at some sacrifice, a Mother-country—a country providing her children's essential needs by her own native abilities and out of her own natural stores. Every community is now set, first, upon governing itself, next, upon developing to the utmost its own natural resources and its own native abilities. To this end door after door is being closed against the entry of foreign goods. This movement in a country that can feed itself will soon absorb all its available labour, while it will at once displace labour hitherto employed by a country exporting goods against imported food. Against this new social tendency impelling communities to supply their own wants and thus bring about a balance between field and factory, the politicians and economists are helpless.

There is, moreover, another aspect of international trade which by its growing recognition will strengthen the determination of communities to make each its own region an economic unit,—that is, an economic unit in the sense that, within a geographical area where its own standard of cost and price rules, there shall be no unrestrained competition created by the entry of goods made in other areas and at prices that make such competition disadvantageous to native industries. Here is a sequence of facts which will constitute the dominant factor of all inter-regional trade in the future when the recognition of these facts is forced upon the public mind by the full force of competition for profits.

1. Every region has its own climate and soil: the fecundity of nature varying with the geniality of climate and soil.
2. Every region produces a kind of foodstuff which becomes the staple foodstuff of its people.
3. The labour cost of maintaining life varies with the region.
4. The cost of all human energy and of its by-products will vary directly with the labour cost of its staple food production.

The meaning of this sequence of facts is this. The value of all things made or done by human energy is arbitrarily fixed by Nature according to the cost of labour involved in the production of the energizing food. Hence the price of a pair of boots made in region A will for ever differ from the price of a like pair of boots made in region B. Price, then, is a resultant of *climatic* and *biologic* conditions. Every import must therefore cost either more or else less than a similar home product. This fact coupled with the desire to develop native industries is compelling our own offspring to close their doors against us. The physical impossibility of establishing a uniform price in the international market is making it impossible to establish an international market as an economic unit even between two such communities as that of Britain and that of Canada. The free operation of facts outside human control upon a trade whose basis is "competition for profit" will tend to throw *an increasing number of workers out of factories working for export*.

To the many factors of unemployment pointed out by Mr. Griffith in his analysis we must then add those

resulting from these three fundamental changes in the public consciousness: (1) as to the relation between the individual and his *Folk-group*: (2) as to the relation of the individual worker to the *group-wealth*: (3) as to the relation of the individual to the *region* whence the group-wealth is derived.

These factors, when allowed free play, will facilitate a more natural interplay between folk, work and place. And this freer interplay will modify the whole social structure by making it more homogeneous in itself, less parasitic and more readily responsive to external forces making for the betterment of physical conditions. Parasitic features will be largely eliminated, education and world experience more widely diffused, economic disparities reduced. Hence, these world-movements, within and without our own borders, forcing, as they will, a readjustment between folk, work and place where relations have become so inorganic or disorganized, are matters that call for closer study by the sociologist.

In this matter of unemployment we are brought face to face with the maladjustment between the elemental needs of *man* and the natural potentialities of *place*. The fact is forced upon our attention that the recent unrestrained pursuit of profit for private ends has overthrown the natural balance between field and factory within the region of our own nation. The natural adjustment of home supplies to home demands has been broken up for an artificial adjustment of mass production to personal profit. The resultant economic system which has based the productivity of home work upon needs arising in foreign

lands is economically unsound and socially perilous. The stroke of a statesman's pen overseas may in a moment upset this artificial adjustment of folk, work and place; closing factories and throwing out of employ large numbers of men and women; *a condition that could not happen in a country that feeds itself*. The wash of such an economic disturbance reaches the home of very family in the land. It involves, at the least, a partial reinstatement of the natural adjustment, a response to the natural relation between regional demands and regional supplies. This readjustment is very costly, complex, and socially disturbing. Moreover, it is a change-over that requires considerable time for carrying it out, during which time the State must fill the breach made in our foreign trade by a dole to the unemployed.

In so far as a nation is not parasitic, its standard of living will be determined by the following four factors. Its climate, its geographical position, its geologic soil, its native capacity and desire to use its surplus energy to the best advantage in field, workshop and social institutions. The free interplay of these factors, directed by the human will towards an abundant life, brings about a balance in the nation's economy between field and factory; the kind of balance you get in a tree between its root-growth and branch-growth. Immediately this balance of a nation's economy is altered by supplies from outside taking the place of home products, an unstable factor is introduced, and one beyond the national control. The foreigner may at any moment refuse to take things made in another country: refuse also to continue

making things he does not need for his own use. This leads to unemployment in each community. This accounts for much unemployment within the last few years in countries that can feed themselves, such as Japan and America. These agricultural countries recently developed a mechanical power to produce factory goods for foreign markets. These goods the foreign markets are now refusing to take. Consequently, factories are being closed down in Japan and America, while a new readjustment between the supply of natural and artificial goods for the home market is being started.

As things are now going in the world, this movement towards a more complete national equipment by home-made things, must bring about a disturbance of employment till the new balance has been found.

This balance between field and factory, first, for the adequate supply of foodstuffs to feed a nation during its agricultural year, secondly, for the supply of artificial needs, is a matter of more than economic importance great as this importance is. This balance affects beneficially or otherwise, the whole social structure, as may be seen in our own country so largely parasitic.

If we let our minds play freely upon these facts, giving to each fact its proper weight and place in an economic scheme commensurate with a geographical region such as Britain, will they not indicate a way out of our unemployment trouble?

For instance, a nation that by its root industry can and does feed itself, may grow, spread and carry its own branch-industries upon its own terms. Such

branch industries will no longer be the sport of decisions come to in other countries, lopping them off at any moment. Its food bill for the year having been paid by the work of a section of the community, the remainder is then free to work as *it will* for the provision of the clothing, housing, movement and other conveniences: which goods and services, as to a portion, will be sold to the food producers for their products, the balance being exchanged one thing for another among those who produce the goods and render the services till all are absorbed.

A nation that feeds itself, unless it has committed a section of its workers to produce goods for export, need have no unemployment problem. And we are told by those who should know that given improved conditions of diet, a more effective land cultivation, and an economy of distribution, Britain could feed her present population: the balance of field and factory gradually cancelling out all unemployment as we become independent of other countries for life's necessities. The Shepherd Kings again the Rulers of nations.



THE REGIONAL SOCIAL UNIT

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FOR some time the public mind will be agitated by the question as to what should constitute the "Economic Unit", not for this kingdom alone, but for other nations and federated states. The instruments of Money and Tariff are involved in the institution of what is commonly called the "Economic Unit". The public mind is already subjected to political and financial gales blowing from every quarter according to the character and intensity of depression in financial and industrial interests.

To bring relief to a situation in which the public mind, cast adrift in the open sea, is floundering without hope of getting aboard even a bit of wreckage from the broken ship of state, has the student of sociology in his equipment of experiences a life-belt he can throw out? Surely he has.

This brief note is written in the hope it may bring from better-informed minds some guidance to this national concern by marshalling, in logical sequence, the conditions which set a limit to the *region* within which a human society of the modern type can efficiently operate its physiological system, or economic life: for an economic unit there cannot be apart from the social unit. Such guidance would be socially helpful.

A Community is a product of nature, and as such is an organic growth, developing in accord with the process of nature. All organic growth is from a centre, outwards. At this centre, even within the germinal period there are present the elements essential to its full development. The fruit is in the bud, the mature being sleeps in the germ. Hence, a being is always *that* which it will be when its becoming is complete.

Before organic growth is possible, a community must therefore have in small the pattern of all that will be in the large. The child has all the potentials of its manhood, or it would not grow into the man. These potentials are set in an unalterable and co-ordinated order of a specific kind. The calf does not grow into the horse, nor the grain of wheat into barley. The organism at each stage of its growth and development is a complete microcosm, and this, notwithstanding changes of food, form, habit and medium, such as nature introduces at successive stages, as in tadpole and frog, caterpillar and moth. However heterogeneous the parts there will be a homogeneity co-relating these parts and co-ordinating their functions to the requirement of the whole organism. The condition of growth seems to require the presence of these complementary features. And if this be so, then before a human aggregate can become a social organism capable of growth and development toward a higher perfectibility, it must possess an inherent educability which will transform disorder into order, one-sidedness into balance, competition into co-operation, antipathies into sympathies.

As a nation we have much to do in this way. We

have to pull ourselves together in a quite literal sense before any organic expansion is physically possible. To establish a common education as a unifying influence, to make rights and responsibilities co-responsive, to bring field and factory into balanced activity, and generally to found a common ethic as a rule of personal conduct, as a basis for our institutions, as a root and criterion for our public opinion, would seem to be the pressing needs of the hour, if integration and solidarity are to be attained.

Throughout the animal and vegetable kingdom the size of an organism varies according to its kind. When we come to investigate this bulk-variation we are brought into the presence of conditions which set a limit to the size which a particular kind of organism can attain. Among these conditions is the balance in power of response of the within to the without, also the limit of power for co-operation and co-ordination among and between the specialized organs of the body. These conditions, in part internal, and in part external, are chief among those that determine the survival value of bulk in the individual, or of number and range in a herd-group.

Man is also subjected to like conditions determining the bulk of his biologic structure; human societies are likewise subjected to limitations of geographical range within which a group of individuals may become a completely integrated social *unit* with its unique social *system*.

In a brief note we cannot enumerate the many conditions, internal and external to his being, which limit the range of size in the human body. Daily experience

suffices to convince one that survival value lies in the average. Giants and dwarfs do not long survive in a world of men of mean stature and for reasons commonly known.

This being so, there is an *a priori* reason for believing that the size or regional extension of a community as a "social organism" is likewise internally and externally conditioned. Its survival value in the presence of and in contact with other social organisms depends upon the degree of its capability for integration; for solidarity; for the harmonic relation between the within and the without as a social organism subject to space and time dimensions.

At the present hour it is of social importance that the attention of the public mind should be drawn to the fact that there are conditions which do constrict the spread of a social unit within a geographically definable region, if this unit is to acquire those powers and properties which make for the civilization and culture of the Social Body.

Politicians and financiers talk of an "economic unit", as a something having a physical being and geographical dimensions. Some urge the establishment of a "national-unit"; others an "empire-unit", while some contend for a "European-unit", others for an "Anglo-Saxon-unit". There are not wanting some who stand for a "world-economic-unit"—as though the constitution of a unit were just a matter of map-making. Moreover, the economy of a social body cannot be severed from the other social institutions so essentially local, as government, law, education, money, agriculture; with all which institutions its

economy is interlocked. We cannot find a state upon an abstraction.

Every social aggregate is a "community" in process of becoming. The sociologic structure of the social organism is very similar to the physiologic structure, or system, of the biologic organism—man. Throughout each organism there is an intricate interplay of activities: each is dependent upon the efficient functioning of each other activity. Each several function in its operation is conditioned by the other several mechanisms and organs; the location and size of each organ is also conditioned by internal necessities and external facilities. Notably is this so in our mechanical industries, where mineral, vegetable and animal products are the raw materials, and where mechanical power with human team work are the instruments of production. Here facilities of place figure as important items of economy notwithstanding our enormous and varied facilities for movement. In the provision of food by agriculture and fishing, the convenience and power of place is the ruling factor of efficiency. A people howsoever segregated must live upon the land and by the land. Thus do industries become segregated in areas of proximity to natural sources of mechanical power, or in areas having climatic conditions specially favourable to manipulation of materials, or in areas where the finished products being fragile or small can with least loss and damage be moved to the consumer. In all mechanized industries where artificial power is used and mass production is the method, *place* rules very largely. In industries where the special aptitudes of the worker count as factors of industrial efficiency,

the geographical region becomes an important contributor to the quality of the output, as the birthplace of special occupations and so of special aptitudes.

In the industries where man-power is regimented and highly specialized, daily experience finds size and area are factors to be taken into account. In the matter of departmental control and in that of central administration, both the size of an industry and the area over which it extends are conditions affecting its efficiency.

Space factors come into play not alone in the productive system of a social organism; they play a very large part in its distributive system. In all movements of things from the place of their production to the place of their consumption, waste is inevitable. The shorter the distance between maker and user the better for the common economy. As things are, with a large portion of our population tightly packed vertically and horizontally in city and town, the network of wealth distribution may easily become too intricate to control in the direction of either justice, efficacy or economy. Beside, the personal link between user and maker is broken if strained by distance. The consumer loses all power of control or direction over the producer. Production becomes blind to its destiny. Too much blood is carried to some one organ, too little to another, causing disease throughout the whole body.

This is particularly the case with the distribution of foodstuffs. Here, any movement will cause not wastage only but deterioration. Quickness and directness of distribution are essential to economy. The closer the food supply to its destination the better, and the more economically is the social body fed. For

the efficacy of the nutritive system in any organic body an optimum is found for the size of the body to be nourished in its every cell and the fecundity of the contiguous region supplying the nourishment. A body may easily outgrow the power of its region to feed it, unless place and people are closely tied. Prior to the adoption of artificial power for movement, human fecundity was directly controlled by local fecundity, save at such times as war, conquest and plunder were resorted to for correction of any want of balance between human fecundity and place fecundity.

In the simple machinery of life, alike for its nutritive system and for its material equipment, place may retard or hasten the development of a social body. But, beside the organs whose function it is to supply a Folk-group with its physical nutrition and equipment, there are organs having other special and more socially important functions. These are the instruments of defence, government, communication, education, recreation, research and emotional expression. Each of these organs has come into being in response to the demands of a developing process of which human societies are a result. These organs for their effective operation have their limits of location and size within the social body as within its prototype the biologic body. As in the latter, so in the former, there is also a movement of these more highly specialized organs owing to the rhythmic pulse of centralization and decentralization. When this movement is arrested or misdirected we find organs, such as education and government, becoming either atrophied by irresponsibility, or crystallized by bureaucracy, because their

administrative centre is too distant from the circumference of their activity, or because from their size they have become inflexible in their power of adjustment. There is a region beyond whose boundaries these organs cannot function efficiently. An organ or institution may become too unwieldy for the power of the Social Body to actuate through its personal instruments. Evidence of this is abundant in the history of communities, kingdoms and empires; in the recurrent breaking-up of politically mapped group-systems, extending over diverse regions and containing unassimilative elements, into smaller systems grouped within a naturally unique region and composed of individuals mutually attractive. Outside the limits of assimilation or heterogeneous personalities, there seems to be requisite for the security of the folk-life which is a pre-condition of social development, a balance between the centripetal and centrifugal forces ever active within an organism, and the more active these forces become the higher is its stage of development. These forces are to-day visibly active in the out-throw of folk from city to suburb, and back from expansion over the countryside to a vertical concentration within the city. Integrating development must precede expansive growth if a community is to result. In the political sphere there is daily evidence of this among artificially planned states; we see effort after effort toward a breaking-up of the political state into local states, each one with its self-organized central government and its native industries.

Neither diversity of creed, nor language, nor colour, seem to be the most powerful dislocating forces. Of

greater disintegrating force is the congestion and indigestion of the physiological system upon whose free working social vitality depends. It is through this system that the life of a Social Body is most vulnerable. So soon as the harmonious working of a social system is weakened by the presence of incongruous elements within the integrating body, or where through sheer bulk the complete co-operation of the specialized organs cannot be maintained, the group disrupts or disintegrates.

The integration, the solidarity, the co-operation of *personnel* within our Social Body has broken down under the weight of a commercial-political system which has extended the economic system beyond the capacity of its nutritive and educative systems to maintain a socially effective balance and a socially directive power. The consequent weakness of homogeneity in a body whose units are becoming increasingly heterogeneous has permitted the concealed growth of a parasitism which is destructive of the inherent principle of the "community-process". It is on this distended commercialism which has cut itself loose from relations with the social body that the parasite feeds.

But it is when we come to examine the nutritive and circulatory systems of a community that we see how the artificial interference with the integrating order of Nature causes a breakdown, or a break-up, of the Social Body, as an "organic unit". By the *Order of Nature* we mean in this context, the harmonic development and free interplay between the organism and its natural setting *en route* to a higher integration;

In the work of food production upon the efficacy of which the Social Body depends for its very life, man is partner with Nature, and she is dominant in this partnership. Owing to this partnership, a fecundity or increase comes into being in this industry and in no other. In every other industry when its fruit is gathered, there is less of substance in the world within reach of man than there was before. The industries for the production of those things and services which make for the conveniences and facilities of civilized life are industries of movement, reconstruction and re-composition. They create nothing. Increase there is none save in the premier industry of food-production and food-extraction from land, air and water, all which media are rigidly *localized*.

In this partnership Nature brings into play every variety of Climate according to the geographical region. In each climate the reward of human effort varies, and varies with the fecundity of Nature. This influence of Climate not only affects the fruitfulness of man's agricultural industry, it affects the whole economy of the folk-life. There is in each region an adjustment of the man to his habitat, and upon the completeness of this adjustment does his free and full development depend. Civilization and Culture are thus natives to the soil and to a degree we are but beginning to recognize. Region by region the climate determines the kind of food which the place produces and the amount of this food which the individual needs. Climate also regulates man's kind of clothing and method of shelter. His mentality and his ideals, his arts of expression and crafts of utility; his language

and, as we are now told, the shape of his skull and build of his body, all these are of local origin and local development, varying with Climate.

This persistent effort of the individual man to adjust his life to his immediate physical setting involves the social man in a concentration upon this process of adjustment. Each one of his social institutions must take on a local character in response to this adjustment. Hence there is an innate and a natural relationship between a community and its place upon the earth. Any forced extension of an integrating and self-adjusting unit beyond the area over which this integration and adjustment can freely and fully develop, must, in the nature of things, make for dislocation and disintegration. We may safely say there can be no unification of a people, no community, whose habitat extends over an area of two climates. If by political force such a union is attempted; by cosmic force will such a union be broken. A comparative analysis of the world map before the War, and the world map after the War, provides ample evidence of this. The world map is being continually re-drawn by nature's hand.

This climatic and physiologic limitation of region for a social unit, or Community, does not control the expansion of ideas or emotions. These features have no geographical boundaries that we need take account of. That twice two are four is equally true in Britain as in Timbuctoo. The ideal of Humanity is a fact wherever on the planet man is located. But that the same food-consumption will supply man with the same amount of surplus energy in England and in Ceylon

is not true; or that the labour-cost of living can ever be the same under these two skies is not true.

When we enter the material sphere of folk-life we enter a physical environment whose physics preclude the unification of a social system extending over two regions so climatically different as Britain and Australia, Holland and Switzerland. Assuming this to be true, if ideas may range beyond climatic barriers may not markets also range beyond them without interference with the physiological integrity of a community? Most assuredly they cannot. The facts that militate against any unified social system based upon an inter-regional trade are demonstrable.

The part which the market plays in the physical system of a society highly specialized and organically co-operative, is a part of most vital importance to every individual member of this society. The marketing of food, things and services constitutes the circulatory system of the Social Body and is comparable with that of the Biologic Body. The circulating blood carries to every cell in the human body such portion of nourishing material as each cell needs for its repair and activity: it also carries away wastage. In a highly specialized and co-operative body, such as the British community, there is a circulatory system whose function it is to convey the fruits of this co-operative effort to every domestic unit—the social cell—whereby each organ can renew its expended energy and material, and so live to-morrow and function to-morrow. The social instrument actuating this common wealth circulation and apportionment is Money. Owing to the facts of high specialization and exclusive co-operation

which to-day characterize the constitution of this social unity, this circulating medium of money has a new function to perform in addition to its primitive function. In days prior to production by mechanical power, team work and high specialization, each hamlet was a self-contained, self-regulated and self-sustained unit. Bits of metal that would keep without deterioration were used as make-weights in the bartered exchanges which brought to every husbandman's family in the hamlet something of the common produce of the hamlet, in exchange for his particular labour product. The method was one of give and take in accord with a customary and neighbourly fairness. To-day the composition of communities is very different. There is no local supply of the "stuff" of life, no neighbourly exchanges of the fruits of personal labour. Moreover, there is a diversity of things that go to the maintenance of the simplest domestic life in hamlet or town. This diversity of stuff is purveyed and conveyed from no man knows where. It arrives. That the man gets into his home the amount and the kind of stuff which he and his family need is the beginning and the end of his care. His mind has come by habit to be centred upon the vehicle which brings him his daily bread. He works no longer for his livelihood, but for his wage.

Money, then, has to do something other than act as a medium of exchanges, something other than give "value" to one parting with the fruit of his labour. In the apportionment of the common wealth as part of the process of its circulation throughout the Social Body, it has to act as a *measure* in order that in the

distribution of this wealth every member of the community may have a portion that shall be the equivalent of that he has expended by life and work in the service of the community. This dual function is to-day the *social* office of this instrument, money. For this internal circulation of the common wealth, money no longer needs to be appraised on its own account. It needs only to *represent* vital value and accurately *measure* this value, or valour.

To make this quite clear to the lay mind is important. It becomes most clear when put in its bare statement of positive fact. Life and wealth are products of Energy. In order that energy-expenditure and energy-income may be kept in perpetual balance throughout the *personnel* of a social Body, this instrument, money, must have the power of measuring the varying amounts of this expended and renewed energy in the case of each organ. Human energy being measurable only in the substance of its raw material—food consumed—money must act as a scale upon which the food-consumption of individual organs can be measured. Being measured upon this public register, or scale of price, this raw material can be apportioned in its circulation. Without measurement it cannot be apportioned; everyone must scramble for the biggest bone. Since everything done or made by man is a by-product of this energy, it follows that the total output of the common effort—the common wealth—is *accurately* measurable in terms of energy expenditure. Only so can money, or price, balance one form of this wealth against another form of this wealth in those exchanges of contribution between community and

individual. The rhythm of food-consumption and wealth-production pulsates evenly.

So soon as we visualize the circulation of the common wealth in the social body as we see the circulation of blood in the biologic body, we comprehend it as a circulation of the raw material of energy; the circulation of vital and physical *power* in the form of foodstuffs.

Since measurement of human energy in terms of its raw material is the mathematical basis of common wealth apportionment, it becomes clear that as the energy-value of foodstuffs varies locally, as it is not the same in any two climatic regions, each place must have its measuring instrument accurately and unalterably adjusted to the particular "food-ration", or "material cost of living", for the place. An inter-regional money is as physically and mathematically impossible as an inter-regional climate, diet, or time. It is only possible to think of an inter-regional money when we do not see the direct relation between money and food consumption. Whenever there is a national, or staple foodstuff, whose annual consumption is known, there can be established a monetary scale for measurement of energy values in terms of the staple food consumed. Such a scale can be unalterably adjusted to the *one* region and the one social organism but not to two which differ.¹

Here, then, we find within a community another factor and one of vital importance, which unifies folk and place. Money rigidly fixes the boundary line of a

¹ See *Money and Credit of the Future* by the author (P. S. King & Son, 2s. 6d.).

Social Unit upon the line which climate has drawn upon the world-map. Money has thus a socializing influence in its daily accentuation of the fact that all persons from tinker to king are members of one Body—a community. It also has a stabilizing influence in the fact that by its action it grips together folk and place as in a vice.

If the whole tapestry of the community-life is to be of a piece; if the social services, the work of equipment and sustenance are to be its interwoven web and woof, there must then be a well-defined *region* to which this life can come into harmonic relation and develop in adjustment thereto. This territorial unit, as place of the folk-unit, is not to have its boundaries drawn by politicians or conquerors, much less by industrialists; if its boundaries are to be permanent they must be drawn by Nature. Throughout the historic period man has drawn his arbitrary map of nations, states, and empires; these Nature has re-drawn upon her own lasting lines. Nature is still busy with this re-mapping, disentangling the artificial lines laboriously laid down and jealously safeguarded by the conflicting interests of commercialism and socialism. The present territorial units are being shaped and re-shaped so that their area and extension upon the globe will be such that the folk-life of each unit may be subjected to a common socializing process under which the territorial unit and the social unit will become co-extensive and co-terminous. Such a unit will develop its nature-suggested ideals, its regional government, education, hygiene, language, art, industry, agriculture and money. The unit will become

a social organism whose active organs will be coordinated into a co-operative whole by a physiological system after the pattern of that which actuates the human body.

The natural segregations of husbandmen were in the past broken up and re-cast by huntsmen and herdsmen. In these latter days they have been broken up by a new force, that of the tradesman. The tradesman when regardless of other interests than the sale of his factory products draws upon the map of his mind an "empire-unit" which he struggles to realize. But under the influence of these commercial interests, each community is now being driven into a closer integration and induced to strike a deeper root in its own soil, to the development of its local resources and native abilities.

To-day Britain is the victim of abnormal conditions. For the last six generations her effort has been directed to empire-making, and world-trading, to the extraction of coal from her mines for sale overseas, instead of to the extraction of food from her soil for home consumption. If it be true that climatic variations are compelling social integration to be thus co-terminous with climate, then we may find the chief cause of the present abnormal conditions in Britain and elsewhere to be the recent attempts of trading interests to counter for selfish ends the restraints of Nature which operate in a socially advantageous direction. Moreover, for the solution of social problems we do well to apply the test of those laws which rule our own bodies. For Nature is consistent.

XVI

TRADE

My white-feathered quill blushes to write the word Trade, into such desperate straits has it brought honest and rational men. How truly disreputable it has become! Can anyone touch it without soiling his hands and blurring his eyes? Honestly and unambitiously done, trade has a socially sound and useful function. Dishonestly and self-interestedly done it is the disturber of a people's peace, the destroyer of every fine quality in human relationships.

At its best it is as the sharpening of a sickle: it is part of the machinery by which man equips himself to do some solid and satisfying work. But the fallacies connected with trade as a business of life are so widespread in the commercial world: their impact upon the public mind so harmful and enervating, it is imperative to say something of truth on the matter in the hope of exploding wind-bags of such foul gases.

When we talk of Trade, what are we talking about? Is it some magic wand flourished over us by an unseen hand bringing beneath its waving a shower of good things to toilless hands? Nothing of the sort. Trade is just the taking from someone a kettle with one hand, giving up with the other hand a linen vest: or a suit of clothes for a sack of coals. Good Heavens! Is it nothing more than this that politicians are making such a hubbub about: sit up so late in the Commons to discuss how to restore British Supremacy by—

trade? Financiers, too, get to loggerheads with their jiggery-pokery talk about the Wealth of Britain depending upon her trade in this thing and in that. Does not the Lord Chancellor sit upon a wool sack, or is it now a coal sack! The mountains of controversy shake, heave to and fro, and behold a mouse runs out!

What is the simple truth? This. That had we all the trade of the world in our hands this British Community would not have so much as a penny loaf more of wealth. The skeleton of poverty would be on everyone's doorstep were we to depend for our living upon Trade.

There are but two ways of getting wealth; one is by seizing it as do animals, the other way is by producing it as do honest and sensible men. An "association" developing into a "community" is the outstanding result of man's method of getting his food. With all the exchanging of kettles for scuttles, and clothes for coals there is added to the world's store of wealth not so much as would cover a pin's head. Man will never find a shorter cut to wealth enjoyment than by producing it by his energy mated to the fertile earth.

Whence then comes the illusion? Has the burglar who enters your house and gets away with your jewellery any illusion as to having got something of value by his skill in burglary? He certainly has not. Equally sure is the modern trader, who has exchanged your kettle for someone else's scuttle, that he has come off with some addition of wealth sticking to his hand. At the end of the transaction he counts up his tickets: finds he has more than he had before:

preens his feathers in pride for having bought in the cheapest market and sold in the dearest: done good business in fact:—played the Almighty's part and *created* wealth.

When such is the fact, there is no illusion as to one party in the transaction having got something for nothing. But it is an illusion to suppose that the wealth gotten by the one is anything other than the wealth lost by the other parties to the transaction. Here, one is not taking into account the commission for a service rendered—honourable enough pay in itself. We are supposing that the man so anxious to trade sees his way, and intends, if possible, to exchange some one thing for some other things of greater value—as a school-boy would put it, giving up two apples and getting back three apples from hands concealed behind the back.

The trade that was done in our Village Communities between neighbour and neighbour before their break-up by the factory system consisted of each neighbour as craftsman or producer disposing of his product to some other neighbour, and so enabling each neighbour to get some part of every village product. Each had the thing needed for life's journey, each was as well off after this exchanging as before it, better off only in the fact that each had gained a convenience, or facility, for carrying on his domestic and occupational life in exchange for that he had made yet had no use for.

Supposing someone comes along to effect these exchanges for people living far apart; this is an honourable service and the trader must be paid

somewhat by each producer whose product he thus exchanges for the other needful things. This payment ultimately comes out of the common stock of wealth available for distribution. This stock is therefore reduced by what the tradesman takes and consumes: but his service being one useful to the community is counted as one of the services to be paid for out of the common stock of wealth. In the national exchequer there will be a credit to balance the debit in each honest transaction.

In rendering such services honestly a tradesman can get no more than his livelihood. But to-day the production of things is removed so far from the consumption of things that traders must come in to bridge this gap. These traders have the opportunity of levying a tribute upon producers far in excess of that required to meet their cost of livelihood. They seize the opportunity, become rich, and never cease to scramble for more extensive markets. Citizens and consumers should know, however, that all these gains made by trade are so much loss to producers and consumers. It may be but a sip out of everyone's glass of wine, still the sips bulk into barrels and many mouths go dry.

Here then lies the difference. There is honest trading and there is dishonest trading. The honest trading is a social service for the rendering of which a man is entitled to a share of the common wealth as it passes through his hands—an equitable share and no more. Directly this line of equity is overstepped, dishonesty steps in. Trade then becomes not a social service, but a cunning bit of machinery for taxing the co-operative

effort of society in the interest of privileged individuals.

So thoughtless are most of us, so habituated to taking for granted that what is customary is right, there are probably but very few who are conscious of their trading being anything but a perfectly honest occupation. Yet the fact remains that anything other than the straightforward deal of worth for worth is in itself dishonest and socially incriminating.

It is this dishonest and self-interested trading which politicians, financiers and merchants are clamouring for, and it is precisely this gainful dealing which has been the root cause of Britain's suffering to-day. Had this trade, even this parasitic trade, been merely an inter-personal trade within the community its dishonesty would not have brought serious disaster within the nation's household. Some would have grown rich and many poor. Some would have been living in relative idleness, others toiling long hours to support them. But when it comes to a trade between Britain and other countries, the Englishman becomes the parasite and the African or Australian the host; the impoverished host having to toil the harder to enrich the trader.

As pointed out elsewhere: trading between communities should be reduced to a minimum, under which minimum each community would be urged to develop its own abilities and its own resources, falling back upon neighbourly groups for such things as a home nation cannot supply itself with: the transaction being one in which each party gives up and each party receives an equal labour-product—the scales always

even between them. Here lies the germ out of which grows the Comity of Nations. In trade for the sake of trade-gains lies the root of the Discord of Nations: so discordant to-day, each nation is trying to come to some Concord with some other nation by economic agreements, tariffs, quotas and such like mechanizations, concealing the warfare going on beneath them.

And further, however necessary international trade may be, all trade between nations should be subject to a regulative control by the respective governments.

Were it true that the mere exchanging of tin cans for textiles, or bicycles for barrows, created wealth we might as well drive our machinery full speed ahead, turn out this and the other thing by the million, all of us playing at barter: bartering the same things over and over again till we were snowed under with wealth and glutted with prosperity. Indeed we might cry a halt to both machines and hands and go on bartering what was extant, this good Faery of Trade bringing us prosperity without doing any more work whatsoever.

In the world as planned, it is to-day as true as in the days of the Pentateuch, man can live in no other way than by the sweat of his brow. A little less sweat and a little more bread, perhaps, as man gets more cunning with his fingers and brain. But it is still sweat for bread, and bread for sweat. The difference between the animal and the man lies in the method of getting food. The animal seizes it, the man produces it. Hence the animal lives its best life in Isolation: man lives his best life by Association. This association or co-operation is the tap-root of Society.

The only source of wealth, the only base upon which any kind of permanent prosperity can be built by man on this planet is by human energy marrying such energy to earth fertility, and so getting foodstuffs as the product of this marriage. All life is a merry or a sorry cycle of energy-expenditure and energy-renewal. Energy is expended in living, energy is renewed in eating: so we eat to work and work to eat.

Trade puts a man in possession of tools wherewith to get his living, but neither life nor living is to be got by bartering tool for tool. Nor will anyone find a permanent source of livelihood; by any cunning way, changing a shilling into thirteen pence. Even money-changers have sooner or later to learn the lesson that meals are only to be had at the price of man's sweat of brow 'twixt earth and heaven.

This obsession about trade for the sake of trade, trade with this country and with that country, is the most foolish of fallacies and the most disastrous of delusions.

Worry not then about trade: worry about the weeds in yonder field. Get your workless man to turn thistle-down into bread-stuff.

To understand the essential difference between purchases and exchanges we will follow broadly the transactions between those few who produce the foodstuffs and those many who produce all other stuff and render diverse services. The normal proportion of food producers to other workers in our climate we may take as 20 to 80 in each 100 of the population. Supposing everyone by his own effort is making some special contribution to the common need, everyone

passes on the product of his own effort to others, each presumably retaining only that portion of it which his family needs. All these transactions between one citizen and another must be carried through upon some orderly system of quotas or by some regulative principle in the matter of values. This system of quotas and values is set and regulated by the regional harvest. Those who produce the food from 1 to 20 (in each 100) will purchase a quota of the products from each of the others from 21 to 100 in return for the foodstuff harvested, less that portion retained for their own consumption. Each must *sell* the entire surplus of his harvest and each will need to *purchase* only so much of the diverse things and services as each needs to bring his living up to the general standard and enable him to carry on. It will be evident that this purchase and sale automatically establishes a quantitative relation between foodstuff and all other products of human energy for the year—a relation registered in price by the instrument of Money or food-tickets. So much foodstuffs for so much clothing, utensils, or social services.

These transactions of the several food producers 1 to 20, give to each food-producer all that each requires for his life's diverse needs. The same transactions give to the rest of the community 21 to 100, all the food that each requires. But each of these from 21 to 100 has now to obtain his share of the equipment and embellishment of life supplied by the specialized workers 21 to 100. This is done by a series of exchanges—clothes for utensils and utensils for teaching, healing, etc. The quota of each one thing

for each other thing is set by the quantitative relation that has been established by the amount of foodstuff sold by the farmers for these very same things—in every case a quantum registered by money as the food-ticket.

This indicates the system of distribution behind all buying, selling and exchanging between members of a Co-operative Commonwealth wherein no one satisfies his own needs, everyone working for the needs of others and all the products of this co-operative effort being measured, as to value, by the food-scale. This also indicates how the regional harvest determines not only the standard of living for you and the rest, but the price of your trousers and your skirts.

The past shows us at least five City-states built upon Trade, in each case their prosperity was so ephemeral that within six generations of their foundation oxen were driving the plough over the site of their proud palaces and hanging gardens.

So unstable is the wealth derived from Trade.

Trade is no index of a people's well-to-doness. Our Export and Import trade has gone up at the same speed that our prosperity has gone down. Now that this trade is declining we may expect a happier lot for every citizen.

XVII

INTERNATIONAL TRADE

FACTS THE PEOPLE SHOULD KNOW

It is through failure to adjust our artificially stimulated foreign trade to the natural world conditions that suffering and hardship are being brought upon the people.

The recent development of National Ideals is bringing about momentous changes.

One of the more important is the change in the character of international trade. Under these new Ideals National Policy is subjecting private interests to the larger interests of the Commonwealth.

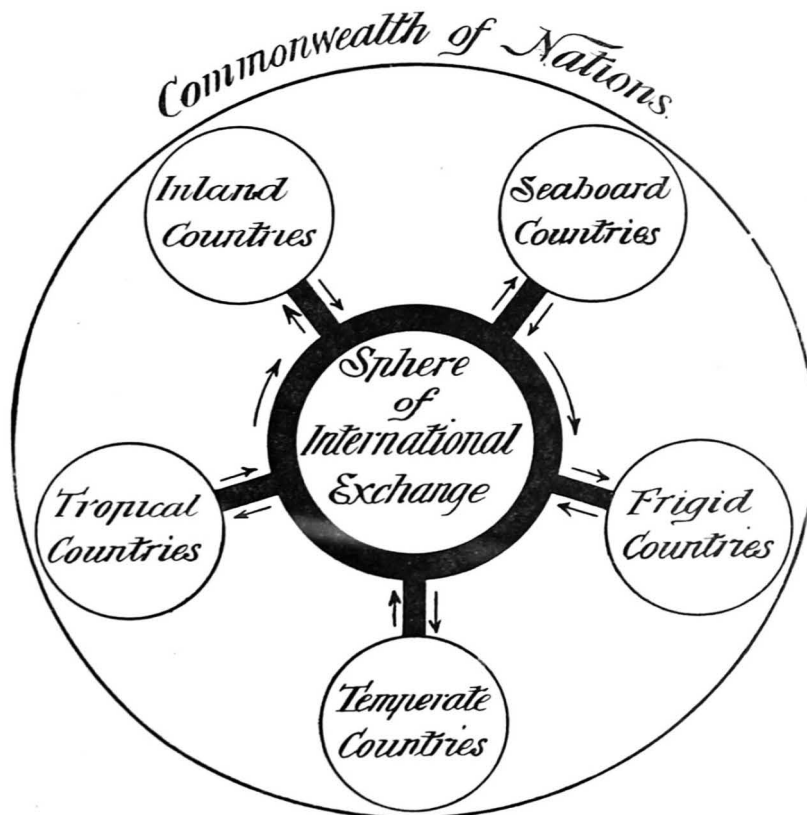
Consequently, the policy of every other nation's external trade is becoming one of "*exclusive self-determination*".

In the case of a country, such as Britain, which cannot at present feed itself there can be no such self-determined national policy in full operation.

The policy of Britain's external trade must be subject to the national policy of the *other* self-determining nations whose food is, or may be, secure within their own territories. A fact no less true than bitter.

In the shaping of these new national policies cognizance is being taken of those cosmic facts which do ultimately dominate the economy of every self-developing country.

Among these the predominant fact is this: Nature compels every community, as its first business, to set



so much of its labour to the production and movement of vital foodstuffs as will suffice to feed all the mouths it brings to birth. It is the duty of the State

to see to this. A nation having done this is then free to use its *surplus* labour for the production and distribution of Wealth—clothing, housing, equipment, comforts, amenities, etc.

It is a feature of these new National Ideals, and one regarded as of great importance, that a country's wealth be such as can be obtained by the development of its own resources, physical and human. This being the only kind of Wealth that a nation can produce *free of any cost* beyond that of producing its food in its own fields. It gives Folk a mastery over Place.

A fact not commonly recognized, yet one that silently and arbitrarily rules the whole economy of every nation is this: the cost of a nation's newly created wealth is precisely the cost of the food consumed by the nation from harvest to harvest. The more costly its food, the more costly its wealth.

The labour-cost or prime-cost of feeding a nation varies with the region: Nature's fecundity in her partnership with human effort being the chief item in this cost.

It follows that the labour cost of all new Wealth (materials, goods and services) will, in like wise, vary with the region; food being not only the *measure* but the *sole raw material of all wealth* whatsoever.

This cost of food with its by-product, Wealth, will be low where soil, climate and position are the more favourable; it will be high where these factors are

less favourable in their response to Labour. Man will be encouraged to invent labour-saving instruments.

For any International trade, the more favoured nations will be those where life is maintained on the easiest terms.

A nation comes up against this fact directly it has to nurse its external trade as Britain has to do.

Owing to the fact that the cost of natural and artificial products varies with the region, there can be no free competition for the sale and purchase of foodstuffs, or of the same kind of artificial product between nations occupying different regions.

A nation has a free market only for the sale of those few things which some other nation will have and no other nation is making under the like favourable climatic conditions. The question which rules the exchange of these things being this: how much of the products of its spare labour is it worth while for a nation to surrender in order to obtain a particular product of foreign labour. A question which every nation is now asking itself.

The time has passed when the hold of a British ship would be filled with foodstuffs for a few packets of needles.

Britain can still supply a few goods, materials and services of this unique kind. But the amount of these which other nations will take from us will probably diminish every year, owing to many causes. The growing desire to develop one's own resources, the spread

of science, skill and discovery, the assertion of national tastes: these all restrict external trade. This being so, for her external trade upon which her food depends, Britain must, and to her utmost, concentrate upon the special manufacture of things for export in whose production conditions of geographical position, climate and traditional skill do not seriously handicap her.

To expect Communities to set aside this National impulse of "self-determination" to suit British interests is a dream of the newspaper man, or politician of the old school.

The getting of food is a vital necessity for every nation. Here it has no choice but to set apart the labour and land necessary for this purpose.

In all other work there is choice. In the employ of its Surplus labour a nation may do as it pleases. It may create what kind of Wealth it chooses to have irrespective of cost. *All* that it turns out upon the food it eats in order to live is for its own enjoyment: *its own foodstuff paying the bill.*

The kind of wealth, the how much or the how little of it, which a nation produces is a matter of culture or civilization and not a matter of economy. Hence, the wealth of a people truly depends, not upon the *volume* of its output, but upon the *nature* of the work it does upon its food, and even more, upon the method by which it gets its food.

Therefore a nation can afford to make things for its own use which it might more cheaply buy externally.

Nations are awakening to the many compensating

gains of such a determination. Cold economics will never obtain absolute sovereignty over the realm of human nature. They do not embrace all the factors.

Britain is now being brought tight up against this new fact, namely, that every other nation is exercising a choice as to whether it will open or close its doors to her factory products.

It is also up against the freshly seen fact that no other nation is under a compulsion to import either goods, materials or foodstuffs.

To no other nation, indeed, can International trade bring Wealth, save in the case of a few mechanical facilities and some raw materials necessary to the production of such things as it chooses to make part of its domestic wealth for life's embellishment.

Further, the British climate enforces a more extensive dietary upon her working population than is needed by other nations except America. This will raise the prime cost of all the work that Britain does upon her food compared with other nations: machinery being the same as in process of time it will be, save where Nature more largely shapes the conditions and more abundantly provides the comforts of life as in warmer zones.

If in consequence of this there is any reduction of the volume of goods which foreigners will buy from our machines, the cost of those that are sold will increase in geometric ratio to the reduction. This will make *no difference* in our home market, because here home goods are exchanged for home goods. But

it will still further reduce our chance of export sales. We cannot even dump a surplus from our machines upon external markets where doors are closed.

In the face of the above facts over which man has small control, the situation of a nation that has outgrown its own food supplies, renders essential the framing of a national policy for her external trade, a policy in closer obedience to laws that govern the prime cost of all human productions and cause that cost to vary in diverse regions: a policy also that takes account of the new ideals of "self-determination" in kindred nations—ideals that engender a spirit of sacrifice for the common good of the geographical Community.

The situation for Britain is to-day and henceforth this. Through unrestrained multiplication of mouths and through simultaneous neglect of Agriculture Britain is compelled to obtain the bulk of her food from other nations. This food she pays for in goods, materials and services. Her life from week to week depends upon her finding a nation here and there that harvests more food than it consumes: a nation also that will take, in payment for its surplus food, such goods as we can supply, cost what they will to the purchasing nation. Yet no Community endeavouring to maintain itself upon its own resources of skill and material will for long purchase goods made by other people: much less pay a higher price than the lowest world price. It is imprudent to take into account the food coming into Britain without payment.

£270,000,000 annually. This is an accident of time and circumstance.

Equally true is it that there are no artificial things vital to a people's life which a people cannot make for themselves if they choose.

Such is the changed world environment in which Britain has to get her food to-day. We have to deal not with an Empire, but with something much more real—a Commonwealth of Communities.

How many are blind to this change; their political views still tied to the policy of Cobden's day whose sun has long since set!

Owing to the fact that every region of the earth has its peculiar climatic conditions, its natural resources, its native human abilities, which together determine the cost of living in each region, each nation will decide whether and to what extent it may advantageously and without hindrance to its full and free development upon its own lines, build round its territory a wall of exclusion with regard to foreign goods.

Whether such a wall of self-defence be built or no, the external trade of every nation will tend to diminish for reasons given above, while domestic trade will be carried on by each nation with a freedom impossible where there is an economic dependence upon other nations for the equipment of its life and industry.

The above-cited factors, new in the history of the world and due to the enfranchisement of the masses,

are slowly strangling Britain's external trade while blind politicians hang their heads in despair.

The first step toward surmounting the difficulties of this situation that the town dweller, who says "Let the farmer help himself", will be the foremost to face, is to arrive at a clear understanding of the situation.

This understanding will point to a more complete "*self-dependence*" in life's essentials: a break with our parasitic system of trade and plan of living.

To speed up automatic machinery in order to turn out a greater mass of things for other communities to take off our hands in exchange for their surplus loaves is a short-sighted policy aggravating the abnormality of the situation.

We need to employ every man upon field work that can be spared from mine and factory work. Every extra loaf will make us less dependent upon other nations for the first necessity of life—the raw material of all wealth.

Thus in the increase of men cast adrift by our automatic machines may lie the salvation of our country; since her future prosperity must veritably depend upon an increasing number of men unemployed in mine and factory; but employed in the field.

Next to these measures for the increase of food production, we must set ourselves to restrain human fecundity to the limits of nature's fecundity within our geographical area.

Thus may a nation which has brought about a condition that does not fit in with Nature's design in a world pattern of self-determining nations, re-

model her economy so as to bring it into line with the order of human development: of which order Man plus Nature are the determinants.

To make in the best way we can those things we do need for our own use; and for other nations to make the things they want in their best way also, is the most pleasing and profitable way of each country equipping itself in a world where human abilities are so delightfully varied. This does not apply to those facilities for culture which do not diminish with their enjoyment, and are but little subject to climate.

This self-equipment by the full development of regional individualities will necessitate some slight material sacrifice during the transition which it will not be safe to leave individuals voluntarily to make. The collective authority whose responsibility it is to safeguard a nation's ideals as well as its coal must see to this.

This "restrained nationalization" of the Institution of industry, an industry best carried on by private enterprise, will be clearly seen as the true method of its rationalization, when we have spread the net of capital investment so widely that everyone will be caught in its mesh, everyone receiving and everyone paying tribute.

We are fast approaching the universality of this game of "tit for tat".

Finally it will clarify the mind if we understand the source of the present competition within and

without a nation. The competition which exists between nation and nation and citizen and citizen for the sale of goods is not due to a demand for things exceeding their supply. Nor is the competition due to any exceeding demand for things essential to life's everyday maintenance. Nor to love of our neighbour overseas.

This competition is wholly due to the struggle of private interests for dividends.

Immediately the administration of an industry is dominated by an obligation to pay a perpetual tribute upon loans borrowed to start such industry, that particular industry is compelled to increase its output irrespective of home or other real needs. There will be a constant struggle to capture new markets and customers, or to hold those already won. The alternative being to keep up the price-level of the output, to reduce the operatives and increase the dividends.

This competition reacts unfavourably upon the national economy, which requires that those things and those things only be made for export which will be taken in payment for foodstuffs, or such raw materials as we cannot do without, or for such services as we are better able to supply.

The goods exported by British industries for the sake of dividends are as often as not exchanged for foreign goods whose sale is afterwards pushed in this country of their import to the detriment of the home-made goods.

Such traffic helps neither nation.

By an export of home-fed energy in the form of *goods* without a corresponding import of *foodstuffs*

available for the renewal of this expended energy, the abnormal situation is made more serious. For expended energy can only be renewed by consumption of food.

When we understand that any industry has to-day to do more than pay its way: when after paying its outgoings it has to secure a surplus wherewith to furnish the tribute levied outside the industry, we may understand the magnitude of the struggle into which this nation will be driven by its financial interests when the saturation point for artificial needs is reached at home. Already a larger proportion of the national income is being spent on movement and entertainment, than on purchase of material goods.

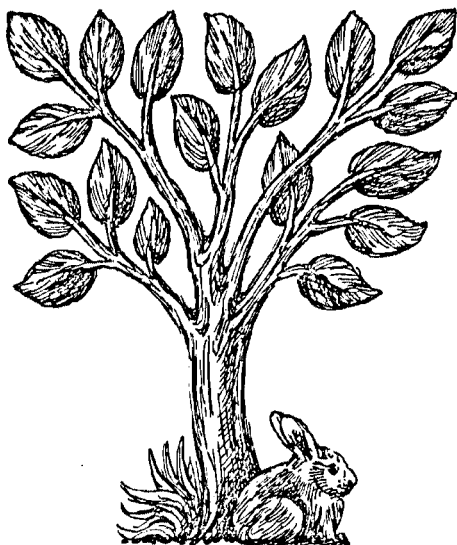
To this struggle for dividends our modern commerce is responsible for most of its ugly features.

The growth of these abnormal conditions has made the personal interests no longer identical with the national interest. Whence emerges the senseless remark, "Business is business".

Only when these interests are identical will private enterprise be safe and a people's food secure.

This alternation of Self-expansion and Self-concentration is part of the rhythmic movement of evolution. The area of this centrifugal and centripetal movement is geographically determined. No internal impulse of a single geographical unit, say Britain, can be powerful enough to induce the units of the world-group to reverse the order of their movement—become importers when the protective impulse is dominant. These Communities are undergoing a process of integration involving Self-dependence.

We may expect a world-wide broadening of sympathetic relations when the economic relations are less strained. For antagonisms due to this competition between Economic Units hinder the growth of that conception of Humanity which will eventually bring about the sympathetic solidarity of Mankind.



XVIII

ECONOMIC STABILITY AND INSTABILITY

BEFORE THE INDUSTRIAL REVOLUTION

Factors leading to Economic Stability and General Integration

The Village Community was an economic Unit.

The Village Community was also an Organic structure.

This structure of individuals in association was functionally efficient.

The Community was self-sustained and self-equipped.

Each functional organ was consciously related to the social structure.

The daily bread demand was foreknown to its producers.

Each worker worked for his own and personally known market.

Each worker enjoyed the harvest of his work.

Each member of the State contributed to the cost of its social services and paid no tribute but that to the landlord.

XVIII—*continued*

ECONOMIC STABILITY AND INSTABILITY

AFTER THE INDUSTRIAL REVOLUTION

*Factors Leading to Economic Instability and General
Dislocation*

There was no economic Unit.

The nation had not become an Organic structure.

Function was unorganized and locally ineffectual.

The Nation could neither sustain nor equip itself.
Association is still incomplete.

Functional organs were related to no structure.

The daily bread demand was unknown and counted
for nothing to the bulk of wage-earners.

The workers worked for no known market.

The team workers enjoyed a fraction only of the
fruit of their labour.

The team workers by the incidence of taxation paid
an undue share of the Social service costs. Their
industry also paid a tax of over 50 per cent. as dividend
to money lenders.

BEFORE THE INDUSTRIAL REVOLUTION—*continued*

There was no parasitic class.

It was not legal to lend money for gain.

Metallic money sufficed for purposes of hand-to-hand exchanges in the Village Community. And other Western countries had no metallic money.

The balance of trade was the natural balance between home demands and home supplies.

The Regulative Control of domestic supplies to needs was operated by the customary practice in production and by personal contact with the market.

The natural bond between Place: Work: Folk, was unbroken and continuously strengthened.

Social and structural Integration was proceeding till the break-up of the Village organization by the entry of mechanical methods.

The nature of the work-method encouraged skill and efficiency on the part of the worker.

Man was continually raising the standard of quality in his work.

AFTER THE INDUSTRIAL REVOLUTION—*continued*

A large parasitic class grew up in the absence of all restraint over its exactions.

Lending money for gain was legalized and the chief gainers in this nefarious trade were rewarded by titular honours.

Metallic money no longer sufficed for the mass and complexity of transactions and was too unstable for long-term indebtedness. Other nations adopting metallic money, the national currency became liable to export. The nation had no stable measure of value. Economic integration was impossible.

The balance of trade attempted was one between things sent out of the country and things brought into the country; a balance impossible to maintain, so enormous the tribute due from overseas.

A total absence of any Regulative Control over supplies or prices. Large gains being made through the maladjustment between supplies and demands.

The bond between these factors was broken: dislocation and disorganization resulting.

The process of social and structural disintegration started with the entry of mass production by machinery for personal gains.

The nature of the work-method discouraged skill and encouraged a gamble for profits.

The machine stamped out and fixed its own standards.

BEFORE THE INDUSTRIAL REVOLUTION—*continued*

Loyalty to one's craft and loyalty to one's village home linked stability with progress.

The Village community paid no tribute upon overseas loans; nor did it receive tribute from overseas speculations.

There was but little economic strain between the individual and the aggregate also between the aggregate and its setting, consequently the sympathetic relations between individuals and between aggregates strengthened.

These factors made for social stability and a general prosperity on a modest scale.

AFTER THE INDUSTRIAL REVOLUTION—*continued*

The only loyalty was that engendered by a class interest. This in itself was a disruptive feature bringing about deep social cleavage.

The nation depends for a large portion of its food supply upon the tribute payments from overseas.

Considerable economic stress between individuals, between the individual and the aggregate, also between the aggregate and its setting, consequently the sympathies could not freely expand either between individuals or between aggregates or nations.

These factors have made for social instability and a condition of extreme wealth and poverty on a large scale.

XIX

UNEMPLOYMENT

To understand the Unemployment problem we must understand the Employment problem in a Community maintained by highly specialized activities. For an unemployment problem can arise only as a result of some grave dislocation, or lack of organization, in our employment system.

The sooner we face up to the fact that the evolution of the power machine with consequent adoption of scientific methods and instruments must diminish the amount of necessary labour and throw an increasing number out of employ, the more readily and the more easily shall we make the necessary readjustments in our industrial System and profit as a nation thereby.

A Community is employed in work of three kinds. First in order of importance to the individual members is the work of providing food. Secondly, the production of material equipment. Thirdly, the provision of services. The order of social importance is the reverse of this order.

The labour of a Community may therefore be regarded as split up into three groups. (1) That providing foodstuffs. (2) That providing equipment. (3) That providing services and amenities.

The regular and regulated *provision* of these things will depend upon the amount of *provision* exercised by the Community as an organic unit. For, not only is there an order in this provision, but there must be

a quantitative relation between (a) the total supplies actually contributed by groups 1 and 2: and (b) the limited demand of the community for these supplies. The maintenance of this order and this quantitative relation cannot be left to the chance of working itself out in a community of ten million families, each and all interdependent for very life.

To keep the work of these groups in some rational relation to normal needs, the regulative control must be vested in some body or bodies not only representing the common interest but qualified to exercise such control.

The actual economic situation is this. Each of the ten million families requires day by day, and week by week throughout the year just so much of these two kinds of labour-product—food and equipment—no more, no less. In addition, each family should have a share of the amenities available for distribution: for these the demand is illimitable. That everyone may obtain the product of other men's work in these three categories, there is spread over the whole area of the community a network of markets where these products may be purchased and exchanged. With the method of purchase and exchange we are not concerned. It is part of the social mechanism whose organization has been a growth.

It will at once be evident to the reader that in the absence of a quantitative relation between these supplies and the extant needs, we may easily have too little food and too many utensils, or too few amenities such as books, teachers, concerts, etc.

In the case of food, here man's need is biologically

X

THE MONEY THAT INDUSTRY WANTS

PRELIMINARY

Each kind of work demands its own equipment: each home its own maintenance. These embrace the sole universal and rightful claims of the individual upon the common wealth annually produced within the nation by the sum of co-operative effort. The new function of money is the accurate measurement of the varied kinds and volumes of this wealth for its more efficient and just apportionment among the domestic and occupational units of the community. And this is its Social function.

SIR JOSIAH STAMP has asked for a Measure of Value as stable as are our Measures of length, time, etc.

THE LOGICAL ASPECT OF THE PROBLEM

Preliminary Note.

The term "Value" is here used in its positive or scientific sense; namely, as the quantum of food which has to be consumed by all parties to the production of the item valued, the which quantum of food has to be renewed for further consumption before the item can be again produced. Hence the term Replacement-value.

The term Money is here used definitively as legal-tender-money not including any form of credit or hypothetical money: Currency in fact.

Everything done by man is done upon or by the power of the Food which he eats and cannot be again

have the most important organ—the nutritive—atrophied: good corn being burnt overseas. With fields sick of weeds, with stacks of unneeded utensils we suffer privation of those amenities now become necessities among civilized peoples. Where we need twenty food producers we have only seven in our fields.

Such abnormal conditions cannot continue. Sanity and God's law say it shall not. We must forthwith trim our sails to a breeze that is blowing up on the horizon, compelling all human settlements to weld themselves into closely integrated organic structures in response to local climatic and geographic conditions. These integrating and self-determining Communities are now bent on adopting nature's rule of self-adjustment to place. These will take as little as they must from us; we shifting as we can for dinners we have ceased to provide. Thick will be the dust thrown up on the road to this goal.

Meanwhile machinery is daily becoming more automatic and more powerful in mass production. Man after man is being thrown on to the scrap-heap: for, notwithstanding this increase of labour-saving machinery there can be no decrease of laborious hours in the factory where the competitive race for ever cheaper goods is being run. Two-fifths of our vocational workers without a regular job: some three million adults and their families spoon-fed by the state! Where lies the way out? There is abundance of light on the road we should take: let us rub our glasses and look upon it.

We have to make up the food-producing Group

to its full contingent of workers: gradually reclaiming the lands gone out of cultivation. To do this we must on the one hand protect the home market from hostile invasion, and on the other hand stabilize the price of foodstuffs at a figure which will secure replacement-value for the producer. Toward each of these issues a course is clear. Then, for such unemployed labour as is still unabsorbed by the farms, we must find employment upon allotments, helping each allotment-holder out of the public fund until he has secured economic independence. Here regulative control will confine itself to stability of price and to restriction, under licenses, of imported foodstuffs. With a prosperous agriculture many factory workers will doubtless prefer field work; a shifting process will then arise giving each man the work he can most happily do. Soon there would not be a field untilled that is capable of cultivation: nor a man unemployed. For are there not ploughmen who could sing us songs as did Burns?

Further, as a Regulative control is exercised over the secondary industries, both constructive and extractive, only such things will be produced for export as may be necessary to pay for any home deficiency of foodstuffs and other quite necessary stuffs, while the products for the home market will be reduced to a fairly stable periodic demand. Such reduction in the absence of foreign competition will permit a reduction of laborious hours. The balance of available labour, increasingly large with the growth of chemical and physical science, will at all times be absorbed in the production of social services and

general amenities of which man can never have more than enough.

Here, in answer to those who are always counting up the cost of things, we will again call attention to the fact that the cost of running the human machine can never be more, never be less, than the cost of its fuel—foodstuffs. This fuel having been provided by a small section of the nation's labour, all else that a nation does will cost not one penny loaf more. Equipment and amenities are truly a nation's by-product of leisure.

Local Authorities will have to assist in the transfer of employment from crowded centres to the rural areas. There will be a heavy migration from cities and towns to the villages. To this migration transport facilities must adjust themselves, as has been so well done in Holland, Denmark and elsewhere.

In every kind of human work there is a time of sowing and a time of reaping. When well under way, a man lives to the coming harvest upon the proceeds of his last harvest. The unemployed have harvested nothing. Those making for economic independence must therefore be kept and kept fit for a twelvemonth or more, till they can live upon what they harvest. This burden we must all share as the penalty of a national mistake—the mistake of our fathers in their rush for an imaginary goldfield.

This way lies the solution of the unemployment problem. There is no other way this side of the eternities of Time in a world ordered by Laws, unalterable by political parties or financial factions.

LOANS

LET us look into this matter of Loans, regarding in the first place those made to public bodies—the central government and local councils.

These loans are now increasing at a pace threatening the economic stability of the Social structure in whose interest they are presumably raised.

First let us get a clear view of them as they affect us socially and economically. Every loan to a public body makes every citizen a debtor; it also makes him liable for the payment of a tribute to his life's end, and after death his heirs likewise liable to the same tribute, and so on to the world's end. So concealed in our civic accountancy is this tribute which we pay, that we miss sight of its magnitude in the many petty charges for social services. And so stealthily is straw upon straw placed upon our backs that we notice its weight only when it nears the breaking point.

Sizing up these loans with the periodic tribute we pay upon them, we find that every citizen, each twenty years of his adult life, that is, from twenty to forty, and from forty to sixty years of age, is forced to contribute his personal share—a share *pro rata* with income—of *the entire financial cost of all the public enterprises that during the last one hundred and fifty years have been carried out upon interest-bearing loans* prior to his coming of age. In addition to this burden he is committed to the payment, each year, of his share of

one-twentieth part of the total cost of all enterprises annually completed during the same period. By the time he has attained his three-score years he has paid his personal share of the *total cost* of all these public enterprises carried out over a period of one hundred and fifty years, *twice over*. Moreover, though he, as parent, shall have paid twice over for these services the indebtedness of his children is in nowise reduced—they must in their three-score years pay again, and twice over, with their contemporaries, the entire capital cost of all the public undertakings completed within the last one hundred and fifty years.

This burden so subtly concealed, yet so enormous, is paid penny by penny and shilling by shilling upon every purchase each citizen makes in shop after shop and in addition to the direct payments for rates and taxes.

Can we tell what this daily tribute totals? It has been estimated that, the amount being paid as tribute upon public loans amounts to about fourpence in every shilling expended by a citizen. The amount paid as tribute upon loans on private account would be a little more—say fivepence in every shilling. This means that on the purchase of a pair of boots for twenty shillings, one pays fifteen shillings as tribute with small proportional payments beyond this for loan-redemption; the remaining five shillings representing the actual replacement-value of the article purchased. Were all loans extinguished to-morrow the price of the same boots would be five shillings—the real income of the worker remaining the same.

This burden laid upon the back of citizenship goes

to maintain a group whose livelihood is not contributory, but socially parasitic. These interest-bearing loans, therefore, not only weigh down labour, so its head cannot rise above the poverty line, but they create a cleavage in the social structure by enabling an increasing number to live without more effort than lifting its hand to its mouth.

No wonder that loans between nations are becoming so impossible to repay; indeed so difficult is it to meet their interest charges many such loans are being repudiated, or a long moratorium demanded. Of the states which have contracted loans through the agency of the League of Nations all but two—the Free City of Danzig and Esthonia—have in one way or another defaulted: and these quite recent loans. The new Canadian loan of £15,000,000, subscribed six times over, will never be repaid.

When we consider loans that have been raised on private account, these are extending over so wide a base through the Friendly Societies, Savings Certificates, Post Office deposits, etc., that they will soon neutralize one another. When all persons from A to Z are debtors, and all from A to Z are creditors, then will the slate be automatically wiped clean. But we cannot wait for this method of extinguishing the burden. Industry is being snowed under by this frozen pall of indebtedness so much heavier in Britain than elsewhere. As a result of these loans we cannot make full use of our labour-saving machinery to lessen the hours of toil, nor can we extend over the whole community the full harvest of its powers of production.

Having seen with more open eyes the action of

these loans of money upon life and life's work for all those who spend themselves in contributing to the common wealth; having taken some measure of this economic burden upon industry, and having followed the injuries they inflict upon a society by hindering its progress and preventing its integration, let us ask ourselves whether loans are a necessary evil. There are no such things as necessary evils; and there is certainly no necessity for loans of money either on public or on private account. We do not include credit instruments.

The following facts warrant this statement.

For the payment of the money-cost of each undertaking money is forthcoming, week by week, as required out of the cash reserves of the public. The merry-go-round of currency circulation is speeded up.

In addition to the above cost sufficient money is, week by week, forthcoming to pay in one year the hundreds of millions required as interest for existing loans upon completed works.

Other surplus money is being lent to foreigners every year to the sum of many millions.

All this money is raised or replaced by a percentage charge upon all work done and goods sold within a nation day by day.

This enormous sum of money so lent to borrowers on public and on private account is enough to pay for all the new enterprises now carried out upon interest-bearing loans. Were it not so, wages would stop.

This *surplus* money regarded as the property of the individuals who have exacted it from the labour of

the nation can neither be eaten nor buried. If it could not be lent for a Gain, it would be lent as a Trust, such better use of it being also the safest.

Interest-bearing loans of money were started by the Jews who found a profitable trade in helping Christians out of tight corners; and later were used as decoys by adventurers starting bubble companies.

Our Social machinery, also our industrial machinery, must provide ways and means by a less injurious and a more practical method than by loans of money from private citizens on terms of mortgaging the industry of the unborn.

That the State, by its short-term treasury bills, should pay a few citizens for using their spare cash, is a monstrous abuse of power. The poorest agricultural labourer has to pay the cost of this as he sips his beer and smokes his pipe.

To-day, there is a scramble for investment of money at very low rates of interest. One Friendly Society offers to lend in the next two years £10,000,000. When it is realized how heavy is the burden upon industry which this method of raising money imposes, and that the alternative method will free every worker from these parasitic impositions, the revulsion of feeling will be strong enough to carry measures for the abolition of interest-bearing loans. Then, also, will the institution of banking assume its truly social function, namely that of treasuring the national instruments of value in the intervals of their travel from hand to hand in the process of commerce.

Their abolition will call for a proper regard for expectancy to avoid injustice. After a period of

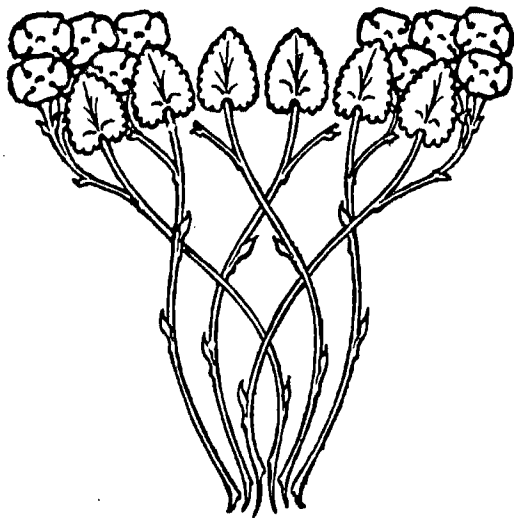
twenty years all interest-bearing loans might be extinguished by law, the money received in this interval being regarded as repayment of the loan.

So long as there are grabbers of money there will be lenders of money. And the more so when the lending of money is made a profitable trade and one not stained with dishonour. To curb the lust for money we must make the lending of money for gain an impossibility. The incentive to overcharge for one's services will then be so reduced that this form of dishonesty will disappear. We shall then secure equitable dealing and freedom from parasitism at the same time. The provision of such economic security and sufficiency as will then be the common lot may fructify in a passion for honesty. The world has known examples of this. Indeed more than this: a passion for sacrifice of Life.

Already we see the state exercising in the public interest a Regulative Control over money lent by individuals to Foreign nations, to Colonies and also to our local authorities. This is the beginning. A like control over money lent to private enterprises must in the nature of things follow. For every interest-bearing loan causes serious economic disorders. Each involves the perpetual levy of a tax upon industry which the public has to pay—a tax that goes into the pocket of a class which is thereby freed from the necessity of making a substantial contribution to the common wealth of the community.

These non-functionaries, do they not think it part of the divine scheme of things that they are privileged to suck the blood from the arteries of industry, till

being surfeited they allow industry to take back some of her blood upon terms of a perpetual blood-letting for their benefit? Small wonder that some call this blood-sucking a refined form of cannibalism. Survivals of primitive race habits take long to die out. But to permit it to increase at the rate it is increasing means national suicide through the breakdown of social cohesion.



ECONOMY, THRIFT, SAVING

ALL lovers of their country will in these days do what each may toward the national welfare. Our mode of living and working should be planned to this end. Public men, however, in calling attention to this duty mislead us when they let empty phrases slip from their tongue. They talk of Economy, Thrift, Saving; each as a special duty on the part of the Individual and the Collective Unit. Let us see what these terms mean and how far these sacrifices will help the present situation, if at all.

This is important as all the employed and unoccupied will soon be brought to face a reduction of real income as the unemployed increase.

Economy.—This means the wise provision of material supplies, whether in the domestic or the national household. It means the employ of all available labour for the adequate supply of life's needs, household by household and community by community. The purpose of all work is the making of useful and beautiful things. The end of this activity is the enjoyment of these things by the *whole* community. To use up everything we make is a gain and not a loss to the nation. Sacrifice for the country does not mean not using up every bit of the fruits of the nation's labour. The economy we should practise lies in everyone making the best use of his power to contribute to this common wealth, also to make the

best use of such portion of this wealth as he is able to enjoy, and to enjoy every bit of that he uses.

Thrift.—This means nothing more than the thrifty use of whatever we have. This is at all times a duty. The unthrifty use of anything which labour has produced is truly a loss for which everyone some day pays.

Saving.—This refers only to money. It is not possible to save any real thing unless we bury it as a dog buries its bone. This would help no one. The saving of money means this: A, B and C lend their *surplus* income to D, E and F, who spend it upon their needs. All is spent to the last shilling. There is no saving. Nor can the nation save. Every penny raised by national or local taxation is spent in the national or local employment of labour, and so comes back into the general circulation of current money. The more the State spends the more labour it employs. The amount of taxation does not reduce by a penny piece the amount available for expenditure upon either national employment, or upon national industry. There is exactly the same amount of money expended, the same amount of food enjoyed by the Community as a whole, whatever the taxation. But, what is spent by public bodies for the public welfare cannot be also spent by the individual for his exclusive personal welfare. And the Public welfare must take precedence over the Personal welfare, since the best interests of the individual finally depend upon the condition of the public welfare which is man's environment: taking for granted that the normal needs of the citizen are adequately met. Were it not so, that we are members one of another is nonsense. Seeing things

as they really are, the truth is forced upon us that neither Economy, Thrift nor Saving, are matters that are going to help the situation to-day. They are platform phrases. They are as dust in our eyes preventing our seeing the real evils. But, after an explosion of these phrases, a speaker leaves the platform mightily pleased with himself, and his audience hypnotized.

It will be said that public men when they advocate economy are advocating a reduction of public and private expenditure of money-tokens. Here clear vision will disclose a popular fallacy. There is a common belief that high taxation for public expenditure in some way reduces the national wealth. High taxation for public expenditure may be a good thing or a bad thing. High personal expenditure may be a good thing or a bad thing for the public welfare, but this is not the point. The popular belief is that the money spent by us in our collective capacity is money lost to Industry. Nothing could be more untrue. Every purchase by the individual, or by a public body, is a purchase or employ of labour in some form. Were collective expenditure doubled or halved, in neither case would the employment or unemployment of a single man be thereby effected. In one case more persons would be employed on private account, and fewer on public account; in the other case more would be employed to serve the public weal and fewer to serve the private weal. *The trend of Civilization is toward an increase of employment on public services.* By the very nature of Civilization it must be so, for Civilization implies the betterment of the collective welfare.

The question at bottom of any public policy is not therefore can we, as a community, afford a particular expenditure of human energy, but will such expenditure give us some benefit which private enterprise does not supply. If it will, then it should be supplied by a public body and every citizen should in some way contribute to its cost.

In this connection we may take the dole as test. The public expenditure as now administered is a positive loss of national wealth, it is also a disgrace to our social and political sense. The unemployed are not responsible for their unemployment. But the community of which they are members is responsible for it; responsible, therefore, both for their adequate maintenance and for their re-employment. The dole permits their small consumption of the fruits of effort but prevents their least contribution to that effort.

As we have said elsewhere, an individual A or B can save some money in his household budget by not spending all his income. But in this case C or D will borrow this saving and expend it on the needs of the borrower. A nation may also out of its income lend money to individual citizens, but it does not and cannot lend money to other nations, no currency crosses a frontier unless that currency is metal.

But to show the absurdity of what is meant by national Economy let us look at it in the form of Electricity. An amount of Electrical energy is generated by a machine for a definite amount of work to be done; this work being done we will suppose there is a *surplus* of electrical energy remaining which

cannot be stored for future use. This surplus must either be used in doing something or just run to waste. Some wiseacre comes along and says this power should be economized and stops the extra work being done upon the *surplus* power. And so it runs to waste and it is called economy. This is precisely what is being done to-day with the *surplus* energy of the nation.

Life is carried on by the expenditure and renewal of Energy. This physical energy is generated by the human engine through the consumption of its fuel—vital foodstuffs. These foodstuffs renew the energy expended in the act of living. In this renewal there is always a surplus of energy remaining, which surplus power if not used must run to waste by its own dissipation. The main bulk of energy is used up in supplying all those good things which are constantly renewing and increasing the conveniences and amenities of life. This brings us to the fact that lies at the base of all Economies, namely, that the (energy) cost of everything done by the individual within a community is mathematically equal to the (energy) cost of the vital foodstuffs consumed by the community during the year. *The total of wealth created equals in value the total of food consumed.* All wealth is the product of this *surplus* energy available after life's demands have been met. Whether we play marbles or build houses the cost to the nation is exactly the same; it is the cost of the vital foodstuffs that are consumed to keep life going. The fruit of this surplus energy *cannot be stored*, it must be either used or else dissipated in idleness. Seen then as things are, it will be evident

that whether a nation's unemployed are fed and found work to do, or are fed and compelled to keep their hands in their pockets, the *cost* to the nation is in each case mathematically the same, but in the former case we get more divisible wealth, in the latter case we get no addition to this wealth.

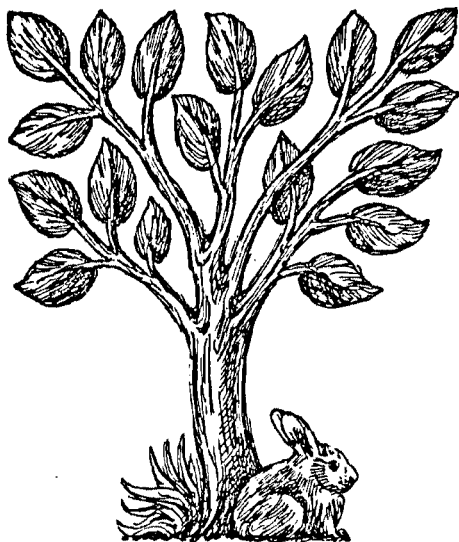
And so this stunt of Economy is just nonsense.

We are all the victims of a system now breaking down because of its maladjustment to *permanent* human needs. These latter needs which cannot be set aside demand a continual readjustment of human power to an increased mechanical power. To make every use of mechanical aids is an advantage to the general welfare. But unless we so "organize" the productive capacity of the nation so that the increase of machinery is balanced by a reduction of human labour all round, social and economic disaster must result. This balance should be brought about in a way that Nature will one day make imperative and such as common sense to-day dictates. This way is by a reduction of hours' work, per man, in all mechanized industry. If machinery does not to some extent release man from toil, however many gramophones it turns out, it is a curse and not a boon. To tie a man to mechanical work is to arrest the uplift of the man: and so he needs more leisure for his physical and spiritual balance.

Let us stop talking about Economy, Thrift, Saving. Let us pull our wits together. Master the new situation. Reorganize our industry upon a basis of individual Co-operation and national Independence. Let us regard competitive industry as we have come to

regard such relics of Barbarism as human sacrifice and bloody battles.

In this new effort men and masters must pull together. Prosperity for all, the fruit. But we must pull together as a collective Unit—the nation. Other nations doing likewise will bring about a true Commonwealth of Nations. Empires being blown to the winds.



DEMOCRACY

The essential doctrine of Democracy is that each man, as a free human soul, lives of his own free will in the service of the whole people.

PROFESSOR GILBERT MURRAY

THE meaning of Democracy as a form of government is "the self-rule of the people". This implies more than these words at first suggest. It implies a conscious need on the part of the people of a rule of some kind. It involves a confession on our part that we are less well behaved towards one another than we might be, as well as an assumption that self-control must be the first of controls, as self-possession is the first of possessions. The desire for a ruling authority can emanate only from a conception of some better order than the actual order—that is, from an "ideal". Self-rule of the people involves, then, some recognition of an "ideal" state of civil life—a state more to be desired than the actual, and one that the general Will may make the actual.

The success of Democracy must therefore depend, in the first place, upon the character of our "ideal". If this ideal is in accord with the universal trend towards harmony, then has Democracy behind it the power of the universe, against which nothing can prevail. Fortunately, we may ascertain the direction of this trend towards perfection as surely as we may ascertain the direction of the North Pole. In the

former papers we have indicated this direction; here we need only add that a people in the natural order of things may be sure it is facing the pole of perfection if its actions, heroisms and aspirations have these three cardinal characteristics: Sincerity of purpose, Love as the inspiration, and Beauty as an end.

Sincerity means that in all actions we go straight to the mark, letting the world see what our aim is, also that there is no pretension about it. It implies honesty. To possess this virtue is a condition of our being able to give a permanent lift to our fellow man by the daily work which we accept as our task and do honourably perform. Yet this alone is not sufficient.

Love means that in our heart we have such full sympathy with our comrades in life, that we make some conscious sacrifice in order to keep the weaker brother alongside us in the march. This is essential, yet not of itself sufficient.

Beauty means that in every sphere of human life we reverently introduce that supreme quality whose appeal is to man's noblest faculty, the imagination,—nature's first and last gift to man each day in the majesty of the sun rising and in the glory of his setting. These three virtues must Democracy cherish.

In more concrete terms we may put it thus: It must be the aim of Democracy in its rule to win the *hearts* of oversea folk and not their *markets*; to open the eyes of commercial men to see that money-making is not the first nor last lap in the race to avoid poverty. To use machinery for any other purpose than that which will ultimately increase every man's leisure and in its process assist the full development of every

man's nature is to add degradation to toil. In the use to which we put the gifts of the earth, and not in the ownership of them, lies our only worthy concern in matters material. We must see that every citizen keeps his shoulder to the wheel and pulls his full weight in the co-partnership State. Further, the democratic control of the common output of work under which all citizens may share the enjoyment of its fruits is as much a part of the rule of Democracy as is that political enfranchisement, to gain which the fight of the peasant and citizen has been so keen.

As one of the wisest of kings said, three thousand years ago: "It is good and comely for a man to eat and to drink and to enjoy the good of all his labour, for it is his portion."

Yet, it may be said, a people does not so much desire to govern itself as to be well governed. That it may be well governed, Democracy must forge some instrument by means of which "the best" are sifted out and raised to power. To get the best for the job the process of selection must operate as part of the process of election, the many selecting the few, and this few selecting a still smaller number to be submitted to an electoral body for final selection and election as legislators. This process of selection, implying a trust in the abler man, will probably arise out of the Occupational organizations when more complete. Mazzini defined Democracy as "the progress of all, through all, under the leadership of the best."

Unless democratic government does eventuate in a government by the people under the leadership of the

best, a nation will soon become the victim of ambitions so vain and materialistic they will bring a common disaster.

International affairs are likely to be in better keeping when in the hands of a people's government, because in matters that are impersonal, the ethics of the people are more sound; their sympathies more frank and less subject to the restricting influence of competitive interests. Yet here also the leaders need to be well informed, or alien peoples will be treated as though all were in the same stage of civilization and capable of making the same good use of its gifts. The recent international attempt to get uniformity in hours of work and standard of living under quite dissimilar climatic and spiritual conditions is a case in point.

A People must be Dictator in its own Household.



XXIII

ELECTORAL REFORM

[First published in 1910.]

AFTER providing for the Defence of the Community the first duty of a government is to establish a system of Regulative Control under which the specialized industries may be carried on by private enterprise while efficiently serving the public interest. Such private enterprise is here called an Occupation.

Your occupation, not your residence, should be the basis of your franchise.

The local constituency is a relic of days when population was small, callings few, and each locality could easily select its representative: baron, knight and burgess.

Now that the population is very large, the franchise extended to millions, and pursuits numerous, the outworn system, to work at all, necessitates some arbitrary cleavage of the unwieldy mass. This cleavage is *now* effected by the caucus-made political parties; which are a curse to the country, setting the class that wishes to secure the conservation of its own property against that class which wishes to secure the betterment of its own condition.

There are *three* real parties, or, strictly speaking, *Orders*, arising out of the organization of industry:

- (1) The order of Administrators.
- (2) The order of Managers.
- (3) The order of Operatives.

These ranks or grades are the lines of natural cleavage in our social structure. For convenience' sake we may merge the two former into one order.

To establish the *occupation vote*, each distinct occupation must become a parliamentary constituency: Weavers, Miners, Builders, Lawyers, Healers, Teachers, etc.

Every trade, profession and service has its own Federation or Guild. Each Guild should become the political constituency for all the members of any one Guild, every adult worker being upon the register of some one Guild.

There will be about twenty-four million members upon these registers, each one entitled to a vote.

Each Guild should be governed by a Council of two sections. One Council-section composed of the *Administrators and Managers* of an occupation; and the other Council-section composed of the *Operatives* engaged in that occupation. Each Council will thus embody the three natural orders or ranks of working men.

These Councils, representing in their dual form all the *employers* and the *employed* in the several industries and services, will, one by one, *choose* and *send* to Parliament the appointed number of delegates allotted to each occupation.

The Councils will be composed of men chosen by the *local* members of the various Occupation-Guilds, and the Councillors will be elected *district by district* throughout the kingdom.

Every member of a Guild will record his vote in his own district. The Operatives will vote for the

Operatives selected for election by the Operatives of the district, and those elected by a majority will sit upon the Operative section of the Guild Council; the Masters and Managers similarly voting only for their own Order, each Order *voting at its own poll for its own grade of men.*

These Councillors will then select members to represent the occupation in Parliament.

The number of members returned to Parliament by the Council of a particular Guild will bear a relation to the size of such Guild: the Guild of Weavers returning so many Members of Parliament; the Guild of Builders so many less; the Guild of Lawyers so many less, and so on.

The total number of Councillors might be about 3,000, the half, or 1,500, being Operatives; 1,500 being Employers, Financiers¹ and Managers.

The choice and election of the 600 Statesmen should not be left to a mixed electorate of some twenty-four million competing and contending voters. But the 3,000 picked Councillors can well choose and elect the 600 Parliamentary Representatives. Emulation to select the best will take the place of contention between partisan groups.

Some sifting process we must have which shall grade the adult population of twenty-four millions into consistent, consolidated and organic groups, *all in one group having kindred industrial interests and belonging to the same industrial order.*

The millions *can* be sifted into occupation groups; but into groups of no other kind. The members of

¹ As long as industry is financed by loans.

each Guild can again be sifted into Councils; the Councils into Statesmen. In such sifting, order by order, the best men are likely to come up top. We have at hand the machinery for this sifting process: we can readily make use of it.

By the sifting process we get the following groups:—

1. The electoral constituencies formed by the occupations: 24,000,000 electors.

2. The elected bodies; being the Guild-councils.

(a) Administrative section (1,500).

(b) Operative section (1,500).

3. The legislative chamber formed by the selected delegates.

(a) Administrative party (300).

(b) Operative party (300).

(c) Elected Chairman or Speaker.

Every Trade and Profession has to-day its Federation or Society. These Federations will provide the political machinery necessary, first, for the grouping of citizens into comrade occupation-groups; secondly, for the formation of electoral constituencies composed of trades, professions and services; and thirdly, for the proportional representation of all these national occupations in the National Parliament. Thus linking political Power with Function.

The vote of every Operative and the vote of every Master will have its full weight. The vote is now rendered powerless by caucus organizations, by privilege of wealth, or by mere count of hands.

Each Elector will have the certainty of being represented in Parliament—should he so choose—by a man of *his own Order* and of *his own Craft*, by one of kindred interests and similar needs and means.

The Landowner, be he duke or commoner, if he farm, will belong to the Agricultural Guild; the Architect to the Arts Guild; the Railway Porter to the Transport Guild; the school Mistress to the Education Guild, and so on.

No one will have a vote by virtue of what he *possesses*. He will have a vote only by virtue of what he *does* for the community.

The female worker will be on the same register as the male worker. As a worker, she will vote on equal terms with the man for the election of local representatives to the Council of that Guild to which she belongs. There is not likely to be any solid objection to female suffrage on these lines.

The House of Representatives will, as a body, truly and proportionately represent, not only all the trades, professions and services, but also the three great Orders into which the working population is split up. *This* is proportional representation of a right and practical nature.

Within this Parliamentary body every member will possess some qualification for government, such as administrative ability, imaginative outlook, technical knowledge, or commercial experience.

The main civic work of Parliament is to regulate the machinery of production, to control the distribution and exchange of the national output, and to perform other services of a national character, such

as health, education, etc. This it does by framing such regulations as shall prevent the growth of abuses and privileges by which the public suffers.

The relation of the governed citizen to the Government is the relation of the *worker* to the social Authority that has the prime control of the nation's activities. Only through his *occupation* does the individual come into contact with the State control. As a contributor to the national expenses, it is the proceeds of his or another's *work* which he contributes.

Residence should remain the basis of representation upon Local Councils, since by residence does a man come into contact with the local authority and his vote is for a representation of his home or place of business by an elected resident neighbour.

This electoral system thrusts aside the Candidate. Under the present system, the Candidate is little more than a marionette upon the political stage. Upon his choice the people have not the ghost of a control, nor can his judgment exercise any control over the decisions of the House.

The caucus-driven machine cleaves a constituency in twain. It drives electors into two militant camps, as opposed and as contentious as are sects severed by intense spiritual convictions, and it drives strong men from political life altogether.

Co-operation is making way everywhere in the industrial world. Co-operation must take the place of contention in the political world, both at the poll and in Parliament.

Think of the variety of interest, occupation and condition prevailing among those whom *chance* has

to-day brought together upon one area; and then ask yourself if any fair representation of such a varied crowd be possible in the proportion of one representative to each 27,500 electors (new register).

A system which permits a tinplate manufacturer to come forward for the representation of an agricultural community stands condemned.

Proportional representation will create a parliament of many groups, not one of which will be able to carry the measures to which its members were pledged. This must lead to bargaining and compromise, under which half the groups may secure some part of their electors' demands, the remaining groups being defeated of all the benefits they hoped to secure.

A parliament of occupation groups will of necessity contain a powerful majority, able and eager to withstand any encroachment upon the public well-being which any one occupation group might attempt by measures framed in the interest of that particular industry. Thus, the public welfare will be safeguarded, which is the main objective of legislation.

The pay or maintenance of every citizen-family goes with and arises from occupation. The political rights of citizenship should therefore go with occupation and not with the personal ownership of a piece of soil or a store of goods. We are all concerned in what a man does; we are not concerned in what a man possesses.

The *family* is the social unit. The pay of the adult citizen is the pay of the family, not of the individual. Hence the political right is the *family right or vote* exercisable by one of its members—the bread-winner;

where this is the woman it should be exercisable by the woman. But no family should have two votes, nor should there be two bread-winners outside the home, or the family life and unity is broken up. The occupation vote ensures one vote for each family which vote is cast for the *male, female and offspring*.

To make *pay* the maintenance of the individual and to make the *franchise* the right of the individual is to destroy the unity and solidarity of the family—a sacred and God-ordained institution. Fathers, mothers, and children, uphold this!

This reform will do away with the necessity of taxing commodities, such as tea, sugar, beer, etc. Taxation of commodities is the rocking-horse of the partisan parties. Upon this, each party alternately rocks itself into power, one by a bribe to repeal some tax; the other by a threat to impose some higher duty.

There is but one fair economic levy. That is, a levy upon *income*, graded from the lowest to the highest according to the economic ability of the payee. As this income tax must be levied upon the produce of some occupation, it should be levied at the time such produce is harvested by the payee.

Throughout the civilized world the sceptre of power is passing into the hands of those who are captains of industry and soldiers of the nobler services. It is our urgent task to give it *direction* and *moral conviction*.

Demand not a greater number of worthless votes. Contend for your political birthright—the right to have a *fair* representation of the *Order* to which you belong and for the opportunity of choosing your

representatives without interference from any man outside of your own Order.

Understand that "representation" means *not* the representation of Smith, Brown and Robinson, but the representation of the *orders* or ranks to which Smith, Brown and Robinson belong, and also the representation of the *occupation* which maintains them.

Since each *order* is of equal economic importance, each order should be represented by an equal number of parliamentary members. But *occupations* are *not* of equal economic importance; therefore the number of parliamentary members representing an occupation will be proportional to the number engaged in that occupation.

The *individual* citizen cannot be represented in a parliament where one member represents on an average, 27,500 enfranchised citizens.

Classes cannot be represented under a system of voting which necessitates every class voting at the same poll and the election of a candidate going by a majority of votes.

Localities cannot be represented, since localities are dumb.

Sex cannot be represented in a parliament from which one sex is excluded.

Property cannot be represented unless the vote is *weighed* by the amount of property owned by the voter.

Evidently, there must be some kind of *group-representation*.

Occupation-groups are the only groups of citizens that can be separately, severally and effectually represented; and this, by each occupation and each order electing

its own delegates without interference or dilution by citizens engaged in some other occupation or belonging to some other order. This is the historic method of representation and has proved a practical method in the past. Relics of this remain in the return of members by the older universities and by the London Guilds.

An approach to this principle of representation is outlined in the constitution of the Irish Convention.

This principle is in partial operation in South Australia, where railway employees and also civil servants have no local vote. They elect each a representative of their occupation to Parliament.

The Labour Party has recognized the rightness of this principle.

That which is Right shall prevail.



XXIV

THE PURSUIT OF BEAUTY

THERE is but one source of such complete satisfaction as may be man's upon this planet. This lies not in beauty, but in the pursuit of beauty. This pursuit brings one's whole nature into play, and is persisted in with undiminished zeal to life's end. To do one's task worthily, to do one's duty honourably, enables one to hold the head up, but still leaves one an hungered. This pursuit, if it is to be satisfying, is not for the inert possession of beauty: it involves an effort to add in some way to the sum of beauty adorning the human hive. The greater joy comes in the creation of beauty, the lesser joy in its possession.

Might it not be well to ask oneself, what it is that gives one the keenest gratification. Is it a good dinner? is it to witness some stirring adventure at the Cinema? is it to have a larger bank balance than one's neighbour? or is it, without feeling a superior person, to experience the joy of having made something it is a pleasure to look upon as well as to use?

Man has been built in a beautiful mould, and lives his life in a beautiful world. The presence of this beauty, his life contact with it, these have made its daily need a habit of his nature. Under the urge of his craving for it he has accentuated the beauty of his body by decoration, has made ornamental the things of familiar use, and spared no labour to create round his dwelling a beauty more choice than that of the

wild. This beauty of the body, this beauty of the earth, is man's most precious inheritance. Its presence upon and about him provokes the noblest emotions, the warmest and most universal sympathies: nothing unless good can enter the substance of beauty, or exist beside it.

This being so, at any sacrifice we should avoid all toil likely to mar the beauty of the body, which is a trust to be handed on to our children equally with our faculties. Having this reverent pride in our bodies, we shall have a care concerning the work we demand of others, lest it bend them into uncomeliness, or blemish them with disease. Equally should we reverence the beauty of the earth, and guard it as a solemn trust for those to enjoy who shall follow us. We may be sure that if we do not consider the lilies of the field in their beauty, some day we shall deplore the barrenness of our pastures and the cheerlessness of our toil.

The outward show and substance of every human ideal has been the endowment of beauty. We can know the perfection we are in search of only through our vision of this veil of beauty—this wondrous harmony of qualities, always so arresting. There is nothing permanently arresting, nothing which answers the cry of the soul, that is not lifted out of the commonplace by this buoyancy of beauty. Perpetually to make its increase our aim, the love of it an expression of our life, is to touch the mantle of the Divine Presence.

ECONOMICS IN A NUTSHELL

BIOLOGY tells us that all life is a rhythm of Energy-expenditure and Energy-renewal: a fact that dominates the whole Economy of Life.

Food is the sole source of this vital Energy. Food production, not food import, being the sole source also of a nation's new wealth.

Everything made by man is a product of man's surplus Energy.

Man in renewing this surplus Energy expended in Working has also to renew the sum of Energy expended in Living.

This is the key to the Family Livelihood.

Life's expended Energy is therefore measurable only in terms of its renewal, that is, in terms of a Foodstuff.

To construct a Scale for the measurement of diverse volumes of Energy-expenditure each Nation as an Economic Unit must select a vital foodstuff as its Unit of measurement and register the same upon its Measuring instrument—Money.

For obvious reasons Wheat (to be consumed) will be this Unit for Britain.

Economics is the branch of Sociology which deals with the Measurement and the Distribution of this source of vital energy *en route* to its consumption; for upon the efficacy of this dual process a nation's economic welfare is based.

Each nation, for physiological reasons, requires its

own Measuring and Distributing instrument for the systematic circulation of its common wealth.

For the operation of precise measurements of energy-renewal the tally or balance between the conventional Unit and the physical Unit must be complete: the two units forming a permanent balance or equation with no variant nor variability.

$$\times \text{ Money (a constant) } = \times \text{ Wheat (a constant).}$$

Money is thus constituted the yard-stick measuring diverse forms and quantities of energy-renewal in terms of a vital foodstuff to replace energy-expenditure in terms of living and working.

As a yard-stick can measure in terms of its length the distance round the earth, so the Wheat-stick can measure in terms of itself the total food consumed by the nation over a succession of years if necessary and register this total upon the Money-scale.

Price is the record of Energy-expenditure in terms of a vital foodstuff. The pricing upon this scale of (1) a sack of coals, (2) a suit of clothes, (3) a barrow, (4) a ton of bricks, is made possible by our pricing upon a pre-established scale their common denominator, energy-expenditure in terms of a vital foodstuff: Wheat in the West; Rice in the East.

The Money-purchasing-power of a barrow means to its maker its food-purchasing-power on sale. Every by-product of life's energy, upon its sale or exchange, being either directly or indirectly a means of living and of renewing work.

Value is Potential Energy. A thing has value in so far as it can produce or secure, through the process

of sale or exchange, a renewal of energy for its possessor.

In Economic transactions we are dealing with the Dynamics of Energy in its expenditure and renewal: with no fanciful values.

Money as currency has two Functions. (1) To measure quantities of Energy in terms of its renewal. (2) To guarantee delivery of foodstuff for this renewal and to its face value.

A Community can fix the Food-purchasing-power of its currency; it can also fix the Currency-purchasing-power of a single foodstuff. But it cannot fix any third power; there being only two scales in a balance. It cannot *fix* the food-purchasing-power of a sack of coals, nor the commodity-purchasing-power of a bullock. Moreover to *fix* one only of the above powers is to fix a something to a nothing.

Fixing (*a*) the money-purchasing-power of Wheat to (*b*) the wheat-purchasing-power of Money is to automatically stabilize the general-price-level of life's sustenance throughout the field of Agriculture, also of life's equipment throughout the field of Manufacture as completely as this can be stabilized under the variable conditions of production and distribution.

So far, the nation has been attempting to weigh the respective masses of things in a balance with no standard weights.

The Triad of factors in the universe is this:—

Space : Energy : Time

In its application to Money as an instrument

measuring quantum of Energy, the concrete terms of the Triad will be these:—

SPACE	ENERGY	TIME
National Region or Climatic Region	Total of the staple foodstuff to be consumed	From Harvest to Harvest

Hence, each Regional Unit, capable of organic integration, will have its Monetary Unit for domestic transactions.

The Social Body like the Biologic Body is an Organism: it is in process of becoming organic. It is also an Economic Unit whose atom is the Family.

The Physiological system of the Social Body in the completeness of its organization will be of like pattern to the physiological system of the Biologic Body in all essentials.

Man's Biologic life cannot be separated from man's Social life.

That Production and Distribution may become organic to this Organism—the Social Body—some Regulative control of these functional organs is essential.

Over the use of any property there must be some Regulative control in the common interest, since good or bad usage affects the economy of a community. But there need be no control over mere

ownership so long as that ownership does not interfere with the freedom of the user.

The freedom of an Individual as conscious organ of the Social Body is increasingly dependent upon his willing submission to Social law which compels his active co-operation with the common Social effort.

This mutual Reciprocity between Individual and Group creates a medium in which personal efficiency and social integrity may develop.

There is no substantial thing which we enjoy that is not the product of someone's effort. Consequently, to obtain the enjoyment of any substantial thing without paying the full price of this effort is to rob someone. It is a social offence.

Anything exacted in excess of the thing lent is a tax upon industry such as neither the Reason nor the Conscience can in these days justify.

All interest-bearing loans are a cancer upon the Social Body slowly sapping its strength and sterilizing human effort. They increasingly disorganize the national Economy.

This vast tribute exacted on private account is preventing the producers consuming what they produce. It has either to be exported (as foreign loan) or used to maintain idleness.

The common wealth is the product of the common effort. Hence it is the first duty of the State to see that each member of the Community has title to some share of it.

For economic stability throughout a community there are two Powers which have to be rendered stable. Each Power is in dual form (sale and purchase).

For all those producing Foodstuff

1. { The Wheat-purchasing-Power of money
and
The Money-purchasing-Power of commodities.

For all those producing other stuffs

2. { The Commodity-purchasing-Power of money
and
The Money-purchasing-Power of food.

The upper twin powers always rule the lower twin powers, that is

The price of things is a consequence of the price of foodstuffs.

These two twin powers when stabilized are interlocked and reciprocal.

Thus

The Commodity-purchasing-Power of money
rises and falls with
The Wheat-purchasing-Power of money.

Also

The Money-purchasing-Power of commodities
rises and falls with
The Money-purchasing-Power of food.

Money and Food

the two aspects of the same thing—Energy.

SOCIOLOGIC GLEANINGS

Materialism discerns in the mode of Science the determination of the world of inorganic matter upon the world of organic life, and thereby upon man's imagery, thoughts and emotions.

Transcendentalism traces the purposeful reaction of man directing to preconceived ends the activities of human life upon the material world.

Reading the message of Science from Nature to Man we are materialists all the way. Re-read it in reverse order and then according to the opulence of our own interpretation we are transcendentalists all the way.

Nothing can claim man's unqualified reverence which is not discerned above all relativities. Nature as God; Society as God: are unsatisfying to the reverent soul. Man will always let his imagination lift the veil.

Religion, as such, creates values beyond all uncertainty and relativity.

Religion provides man with devices to make his escape from realities possible.

The participation of man in the process of social integration renders inevitable his acceptance of Society as the arbiter of human values—virtues—viralities. Hence, religion will now embrace all that makes for the stability, maintenance and survival of the Social Group. Its governance will secure social security, peace and prosperity from within.

The gods as representing social values, hold the people together in a common effort against a common danger, or in concert of common rejoicings.

The conception of the Avatar, Bodhisattva, Messiah, illustrates religion in terms of the social consciousness.

Social disintegration jeopardizes human values, hence the individual subordinates his interest in the present to the interests of Society in the future as these values are appreciated.

For the sake of the Unity and Efficiency of Society, religion inculcates loyalty to the group. Hence, Religion and the Group-life must be interlocked.

In times of crisis the socially conservative spirit of religion is apparent.

The inadequacy of social religion comes of different persons enjoying social values in unequal degrees. Man builds a paradise alone and by himself and is King thereof. Neither Nature nor Society can build a Jerusalem.

Religion creates symbols to express the conviction that Nature has significance not by herself but as revealing to man his own scheme of values; as in baptism—the consecration of the act of cleansing, and in the communion of folk by the partaking together of bread and wine.

Religion expresses social values in terms of totalities such as Truth, Goodness, Beauty, Love.

Religion emphasizes devotion of the individual to Humanity—man as he bulks in time and space.

Man consciously seeks a supernatural and super-national order.

Religion builds up an attitude which elicits the largest amount of thought and sacrifice for one's fellows.

Religion began as the definition of a Mastery on the part of an external Power over impotent man. It ends by generating aspirations which emphasize man's impotency.

The most serious lack of modern Religion is its emotional chilliness.

If man cannot direct his recently acquired power over the world of things to mould his environment and develop himself, he is better without it, being then driven into closer partnership with Nature: for man will be driven either heaven-ways or earth-ways.

Artifice has dethroned art and there is this risk whenever man does not subordinate his instruments to his mentally-set purpose.

Greatness is attainable only where in a particular domain an historic epoch is nearing its final consummation. For greatness there must be a condition of coincidences: native aptitude, historical epoch; also a contemporary spirit congenial with the particular phase of aptitude. The times must keenly appreciate a great quality if it is to be known as greatness. One cannot be truly great and truly a pioneer.

Industry should be a sacrament of Fellowship. It is built upon Association.

Without communication the mind does not develop. A word is a vehicle floating down from the past laden with the thoughts of men we have never seen. The web of communication forms the medium for the

group mind. By it we set our social values and our essential humanity.

There has been no scientific attempt to discover the laws which fashion social structures.

Confucius and Mancius made some attempt to discover the laws on which the social life is based and so co-ordinate the social order with the natural order.

It is necessary to discover what machines are doing to man.

Unless the gains of education are deposited in institutions they are lost.

There is a growing discernment of the true law of success and survival—through service.

The secret of the freeing of Prometheus Bound is in the united will of the scholars, writers, artists and teachers of the entire world.

Civilization means the possession of a spirit. Its continuing element is the presence of a certain number who live over again in their wider experiences the thoughts of their predecessors in civilization.

People are what they are through the kind of emotion they habitually experience from their relation to (a) the physical surroundings in which they live; (b) the kind of work which they do; (c) the kind of people in whose midst they live and work.

The Pagan is he whose standard of Right extends not beyond his own interests.

The Enfranchising tendencies are setting in motion tidal movements in which social emotion is submerging all the fixed points of the past.

Concentration of labour-purchasing-power in joint-

stock limited liability companies has brought this power into conflict with the social emotion. It implies the negation of any social principle or responsibility.

Alongside a resurgence of the primitive elements of Force in our Commercial system new forces derived from the social emotion are assembling themselves.

The Ascent of man is the story of the sacrifice of the individual efficient for himself to a collective efficiency.

Any claim to supremacy based upon intellectual superiority, force or material instruments is doomed to failure.

Facts are the concern of Social Science. Values the concern of Social Philosophy.

Biology is the Science preliminary to Sociology.

All the laws recognized by Biology apply to Sociology. New features are being discovered by Social Science existent only in human associations, as for example the power of the printed word.

The most developed Community is that which achieves the completest synthesis of the widest range of human activity resting on free competition to excel.

A National System is one applicable to all humanity in all relations of life and demanding a consistency in human character and conduct within the system.

The nineteenth-century conception of progress was overweighted with a mechanical bias. This century, so far, is overweighted with a commercial bias.

"Natural Selection" as generally understood was but a rationalized application of the competitive industrial regime.

The Social impulse springs from some prevision of Unity among divergent Wills.

In the realm of animate nature all beings develop to the norm of their species by repeating, each individual in its own life, the typical interaction of organism and environment, the which interaction has in the past gone to the making of the species and continues to sustain its being.

The Social Mind is continually altering the human environment.

There is a revival of spiritual life in Communities depressed by long subservience to the utilitarian habit of mind. Also a renewal of rural and civic life struggling everywhere towards wide-ranging federations against centralizing tendencies and all that these stand for in the way of repressions and parasitisms.

The mechanism through which qualities function has yet to be studied.

To within quite recent days there were but four ways of speech: the way of the emotions, mind, life-work, and body. Each way of speech had its background of posited realities. They comprised the equipment of the philosopher, psychologist, economist and politician. The Social way had not yet been formulated for the sociologist.

The great problem is the reconciliation of these speech forms.

All sciences now deal with both static conditions and dynamic movement.

Man's canons of validity as guides to conduct are made for him by the cultural situation. They are habits of thought imposed upon him by the scheme of life

current in the community in which he lives, and under modern conditions in the West the scheme of life is largely machine-made.

Leaders, groups, churches, schools and parliaments, not possessing the power of adaption to changing conditions are a dead hand upon a living Community and so hinder its development.

The present distressful situation in which the whole Western Civilization is involved may be viewed as the combined result of three conditions.

(1) The intellectual revolt against the moral sanctions ruling conduct in the past.

(2) The absence of any moral conviction rationally acceptable making for self-restraint.

(3) The opportunity which the unrestrained use of automatic machinery offers for self-aggrandizement.

This combination inevitably leads to the degeneracy of the individual as a social factor and the disruption of a social structure built upon a moral basis—the convergence of divergent Wills to a purpose whose fruit is gathered in the future.

The three modes of human progression are (1) by Thought, (2) by Feeling, (3) by Action. Feeling is the central motive. This perverted, thought will be perverted, and action misdirected.

Before we can correct what is wrong in practice we must know which is right in principle.

At the period of the intellectual Revolt, among the better informed, reliance was placed upon the discoveries of the external world. The world of sense governed the world of thought regardless of the finer emotions embodied in the social inheritance. For the

less informed, the inconsistencies of conduct and doctrine on the part of the upper or leading class, reacted upon the common mind, bringing about disbelief in sanctions based upon mere Authority. It called for something more substantial, more at one with experiences gathered in new and wider spheres of work.

Under the rule of the Moral Law derived from the subjective sanctions of the Past, restraints were imposed upon the individual which permitted the social sympathies to germinate. And while these restraints were necessary and for the most part negative owing to their Eastern origin they did lead to a recognition of duties. With the Christian religion the negative restraints of the Jewish religion were largely supplemented by the imposition of positive duties.

Where the social life was simple and communal, industry was personal. The Moral Law as commonly accepted, sufficed to make conduct serve the Order within Communities. But when the subjective basis of the Moral Law broke down, its restraints and duties lost their support. Man became a Law unto himself doing that which he pleased. The mind having lost its old moorings the moral sense having lost its rudder and compass, man was at the mercy of wind and tide which carried him in whatever direction self-interest drew him or ambition lured him. Man needed but opportunities to gratify his more primitive instincts. The introduction of automatic-power-machinery gave this opportunity.

An economic system grew out of this de-humanized industry which was based upon the competition of

material forces in the warfare of money-making. It soon became impossible for a man wholeheartedly to throw himself into any work which served the end of Beauty in its form and the end of Society in its service. Honesty meant economic suicide.

The social laws are written in the natural history of Man. These are now a subject of study. And out of the conflict between these laws and the practice of unrestrained industry is emerging a solvent in the form of a Regulative system.

History teaches us first the conditions of social integration under which civilization makes its advances; secondly the law of Nature's processes, the knowledge of which forms the basis of Morals. The study of History from the Social point of view gives us that mental equipment without which we cannot hope to improve the imperfect structure of Society.

To place Morals upon a solid objective basis that will support every experience is to take the first step towards the amelioration of social ills.

The evil system in which the Western world is involved can only be broken down by a moral reconstruction of the social life on lines consistent with the rule of conduct as taught by Jesus and confirmed by a sound knowledge of Nature's laws.

Life has its physical roots and its spiritual flowers; fruit and flower is the outcome of the one Order of growth.

Man must pay Nature's price for any fruit he enjoys. Nature will not be cheated. She must have her full price. This ensures the same terms for every man upon

God's earth. No favoured man; no favoured Nation in the statute book of the Universe.

The Government registers the Will of the average mind.

The average mind is informed by such knowledge as it can get through piercing the clouds of contradictory experiences and catching a gleam of light beyond through a chink here and there. These clouds are darkened by the dust of struggles to grab the biggest bone.

Two events have taken place of greater moment to Britain's prosperity in the future than have been within the memory of living man.

(1) The initiation of a Regulative Control over the industry of Agriculture.

(2) The getting of Unemployed men upon the land.

The blood-sucking parasite is being squeezed between the fingers of reduced export sales and the thumb of reduced tribute derived from money loans. From these sources of industry the parasite has habitually sucked the blood.

To be read upward.

THE HIERARCHY OF UNITS

BEING HUMAN CELLS IN ORGANIC FORMATION

FORM OF ASSOCIATION	METHOD OF INTEGRATION
Mankind Race State or Empire Community Family Individual	Moral Cultural Political Economic Genetic Physical
<p>A development of the Individual follows man's entry into each form of Association in the ascending series by his subjection to the method of Integration characterizing each unit</p>	
<p>With the full conceptual Integration of Humanity as a Great Being all antagonisms incident to the smaller units are dissipated. Man here realizes his full Manhood; attaining efficiency after efficiency. The Strong man; the Domestic man; the Working man; the Civic man; the Cultured man; lastly in the loftiest sense, the Social man.</p>	

