
PRODUCTION THE CAUSE OF DEMAND,

BEING A BRIEF ANALYSIS OF A WORK ENTITLED

“THE SOCIAL SYSTEM;—*a Treatise on the Principle of Exchange*,”—by JOHN GRAY.

THE Economist is not to frame systems and to devise schemes for increasing the wealth and happiness of particular classes, but to apply himself to discover the source of NATIONAL wealth, and UNIVERSAL happiness.—*M'Culloch*.

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WITH A SHORT ILLUSTRATION OF THE PRINCIPLES OF
EQUITABLE LABOUR EXCHANGE.

BIRMINGHAM :

Published under the superintendence of an Association for the Dissemination of the Knowledge of the Principles of Equitable Labour Exchange ;

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“The name of England,” says Mr. Gray (page 327), “is great and glorious among the nations of the earth; in war it has been feared; in peace it has been envied; in England the arts have flourished, and science has progressed with great and rapid strides; her trade has been the wonder of surrounding nations, and her commerce has extended itself to the utmost corners of the earth—yet are her people poor, distracted and unhappy.”

And in another place, “the want of money is a great evil, and I propose to remedy it by causing the production and distribution of goods and money, to proceed together. But how, it is immediately asked, do you propose to do this, and what will be the good of doing it? *Read the book*, is the reply.”—(Page 21).

And, “*READ THE BOOK*,” is our urgent and earnest exhortation. It is of great, of startling importance. But some are unaware of its existence: some have their own pre-conceived systems to support; some cannot afford the purchase, and are unable to borrow it; and others are unwilling to give the time necessary to the subject.

The following short analysis has been drawn up, to excite attention to the work itself—not to supersede it. It professes but to be a *catalogue raisonné* of the contents; deductions rather than reasonings are given, because to have attempted more would have been to have exceeded our prescribed limits.

DEFINITION (Page 16).

The principle, which it is the object of Mr. Gray to prove and exemplify, is the following:

THAT IT WOULD BE BY NO MEANS DIFFICULT TO PLACE THE COMMERCIAL AFFAIRS OF SOCIETY UPON SUCH A FOOTING, THAT PRODUCTION WOULD BECOME THE UNIFORM AND NEVER-FAILING CAUSE OF DEMAND; IN OTHER WORDS, THAT TO SELL FOR MONEY MAY BE RENDERED AT ALL TIMES PRECISELY AS EASY AS IT NOW IS, TO BUY WITH MONEY.

This principle is to be understood without any limit or restriction, as respects *quantity* and *value*, but not without regulation as to *kind*.

Produce *ad infinitum*, and you command a market *ad infinitum*. Multiply your productive powers by a thousand millions, and by that very act you enlarge your market for the sale of produce, to precisely the same extent.

The conditions are :

1.—There must be a sufficiency of *land*.

2.—There must be a sufficiency of *labour*, as the source of wealth.

3.—There must be a sufficiency of *capital*, or stored-up labour, that the producers may be enabled to await the course of production.

4.—There must be instant power of *exchanging*.

It is the want of this last condition, which is now the stumbling-block of every civilized society upon the earth ; and societies have only been able to exist at all in its absence, because they have fallen upon imperfect and inferior substitutes for it. Never having had a proper instruments of exchange, they have at various periods and places exchanged bullocks, sea-shells, metals, coins, bank-notes, &c. ; but to this hour there has *never existed* a rational system of exchange, or a proper instrument for effecting exchanges.

The thousand streams of wealth should all flow into one grand reservoir, and being there mixed up, should be restored to its producers in *quantities* equal to those contributed by each, but partaking of the *qualities* of the whole. *Money* should be the *measure*, to give to every man as much as has been received from him.

COMMERCIAL CONSTITUTION (Page 31).

Whenever a sufficient number of persons shall be induced to combine their capitals for supplying themselves with the necessaries, conveniences, and luxuries of life, by making the **production** thereof the unfailling **cause** of a **demand** for them ; it is proposed that they should proceed on principles detailed in 20 articles, of which the following is an outline :

That the supreme management shall reside in a representative body, equitably chosen, to be called the *Chamber of Commerce*, whose duties and qualifications are carefully defined. That the members of the association shall receive interest for their capital advanced. That the cultivation of land and the management of trades and manufactures, be intrusted to salaried managers, acting under the control of the Chamber of Commerce. Produce of every description, *manufactured and agricultural*, to be lodged in national warehouses, from which all retail shops shall be supplied. These warehouses and shops also to be committed to the care of salaried managers. Wages and salaries to be paid *in money of no intrinsic value* ; and the price of commodities to consist, 1st, of the cost of material ; 2d, of the wages of labour ; 3d, of a *per-centage or profit*, sufficient to pay all expenses of rent, interest, salaries, taxes, and other national charges, &c. ; and to insure a gradual increase of capital. Undue accumulation of any kind of commodity to be prevented, by diverting a portion of the labour and capital employed in its production, to other purposes ; the operatives during such changes to be paid their full wages ; and all loss or damage, arising from such changes, to be charged to the general account, as one of the items to be paid by the *per-centage*, above mentioned. The borrowed capital to be paid off as rapidly as possible. Regular accounts to be kept by a *National Bank*, and an annual balance sheet published.

The operation of such an association would be, that if from the use of machinery and other improvements, the necessaries and comforts of life should superabound, the labour and capital would be applied to the production of articles of ornament and luxury. There would thus be no danger of production overtaking demand. *Mankind will never cease to desire something which they do not possess*. This rule may be always acted on. It has no restriction, no condition, no qualification.

National prosperity of a very exalted character would spring out of such a system. Employment would *always abound* for the labouring classes ; individual anxieties would be done away with, and unmerited misfortune or bankruptcy rendered *impossible*. The higher classes would be provided with an excellent fund for the investment of their money. The Government would be eventually saved the disagreeable and expensive business of collecting the taxes, and the nation would know no other limit to its wealth than the exhaustion of its industry, the exhaustion of its productive powers, or the satisfaction of its wants.

PRODUCTION (Page 10).

Labour is the source of all wealth; but a controlling and directing power, such as that of the *Chamber of Commerce*, is necessary, to prescribe what it is prudent to bring into the market, as to kind and quantity. A master manufacturer, as he is now termed, must therefore be an *agent*, and must hold himself always ready to increase or decrease his usual production, or to change the nature of his business, as the case may require. If in any instance there are three factories where two would be sufficient, it is much better that one should be given up, than that the three should run a race of competition to see which should first be starved out of existence. The *kind* of produce might change, from necessary to luxury, and from luxury to profusion;—the manufacturer might be instructed to contribute to the pleasures of mankind rather than to his necessities; the builder might be told to *adorn* rather than to *erect*;—the fine arts of painting, sculpture, music, &c. would flourish to an incredible extent; the productive powers of the labourers would also be increased by the introduction of machinery in every possible case, as every one would be interested in the abbreviation of labour, *but there would be no more "gluts."* Men, too, might slave fourteen hours a-day, if they chose; but when properly educated (an *inevitable result* of universal national prosperity) they would probably prefer to work half that time, and to improve and enjoy the other half.

EXCHANGE (Page 57).

Exchange enables individuals to partake of a great variety of things, which their own labour could never have commanded without it. The present system of Exchange is shown to be encumbered with an *error*, the effect of which is to reward industry with starvation,* exertion with disappointment, and the endeavours of our rulers to do good, with perplexity, dismay, and failure,—nor will the wisest action of the wisest plans of reform; the most sweeping reduction of taxes; or the most complete freedom of commerce, suffice permanently to rectify this error, and to restore prosperity.

The use of money should be precisely similar to that of scales and weights, viz. to measure and apportion exchanges; money is therefore a necessary of the most every-day description, and ought to be as easily attainable, *by those who have any thing they wish to exchange*, as a pair of scales, or a pound weight. It should be a *receipt*; an evidence that the holder has either contributed a certain value to the national stock of wealth, or that he has acquired a right to such value, from some one *who has contributed it*. A metallic currency is *totally unfit* for this purpose, because it is itself *wealth*, and not the *representative* of wealth. Bank notes are subject to the same objection as gold, for they are uniformly issued upon securities, which in the aggregate, are of more value than the money which is advanced upon them. Money should not be intrinsically valuable; it should be nothing more or less than postable, transferable, divisible, and *imitable* evidences of the existence of wealth in store. The *National Bank* therefore should possess the sole power of manufacturing *paper money*, and of issuing it, on demand, to the agents of the association,—it must also keep the national books and separate accounts with all the agents;—and as the cost or money price of all the property in stock would be entirely made up of the money issued by the bank to the several members of the social community,—the quantity of money in circulation would be at all times exactly equivalent to the money value of the property in store. *Money therefore would always increase as produce should be increased; money would decrease as produce should be re-demanded or consumed; and demand would ever keep pace with production.*

A single qualification is required respecting the latter assumption. The annual demand would be *less* than the annual production, *by the exact amount of wealth annually accumulated* by the per-centage, after all charges were paid,—but this surplus, which would never consist of perishable commodities, so far from being an evil, would be demonstrative evidence of prosperity.

The action of the National Bank and the nature of its accounts with the agents, are next detailed; the whole being conducted with the utmost simplicity, and forming by their systematic arrangements, an effectual check upon the conduct of the agents.

* A workman whose fair wages amount to 30s. weekly, ought to be able to exchange that property or *blow* into tangible necessities and comforts, as easily as he can, who has in any way an income of thirty shillings in coin weekly. *Under the social system this facility would exist.*

Gold, silver, and copper coins, it is observed, may however still be conveniently used as auxiliary instruments of exchange, in cases of small purchases: paying balances to foreign countries: travelling abroad, &c. *A coin manufactory* should therefore be established, and its produce paid for, like that of any other manufactory, *in nobis*. The coins so made may circulate as money, or may be sent abroad, like any other commodity, without injury to the nation; they have been paid for in the national currency, paper; and when more are wanted they will be produced.

Foreign trade would be facilitated under the social system, and would be managed by members of the Chamber of Commerce, capable of directing it: the *principle* being to *import* whatever we want, and could buy, with *less British paper money* than it would cost to produce it at home; and to *export* whatever we could sell at a profit,—that is, for *more British money* than it should have cost. The true principle of exchange being once fairly set on foot, restrictions of any kind upon the freedom of trade would soon cease to have any advocate.

DISTRIBUTION (Page 97).

Money being merely a *measure* of value, and itself of none, the price of wages and salaries is of no real moment, *except with reference to the government taxes and the national debt*. This debt having been in course of contraction for a long period, during which, owing chiefly to variations in the amount of paper issues, money was sometimes of one value, and sometimes of another; the national creditors, therefore, individually, can never be all repaid with strict justice *to all*, because it is impossible to ascertain *now*, the value of the different sums when they were severally borrowed. Government therefore should institute an inquiry on this point, and having ascertained, as nearly as may be practicable, the various values of a *pound sterling*, in *wages*, during the time the debt was contracting, they should strike a general average, and having declared that *on an average of the whole period*, a given sum would have purchased an *average* week's labour of a mechanic or labourer, *that sum*, be it whatever it may, ought to be the price now fixed as the *average wages of labour*, in paper money; and the public creditor who is paid off in currency, so adjusted, receives the benefit of a really *equitable adjustment*, as far as possible without injury to himself or others.

This average price of labour once settled on equitable principles, *need never be altered*. There can never be any greater inducement to change it than there is to alter the weight of the piece of metal called a *pound*, or the length of the measure called a *foot-rule*. For if it were once determined that *one pound*, for example, should be the payment of the labour of one man for a week, consisting of six days or 72 hours, in an *average* employment, a pound-note from that time forth would be simply another name for a week of reasonable exertion. Goods under this system would vary in price, but they would never *fall*, except from increased *facility of production*; they could never *rise*, except from increased *difficulty of production*.

WAGES (Page 102).

The total wealth produced, is of course the joint property of the members of the social community, and is distributed among the various classes, by paying money to each individual, in the form of wages or salary, as the reward of his labour or services; and in the liquidation of all national charges. The average rate of wages would be the price fixed upon as above, to be paid weekly for all the operations of the productive classes, the agents drawing money from the bank for that purpose; and no motive could ever exist for any agent to beat down the price of labour. Variations in the price of labour would however exist, arising from its agreeableness or disagreeableness; the time spent in learning it; the degree of trust reposed in those who exercise it, &c. Such inequalities in an educated population, where all labour is equally respectable, would not be numerous, and would easily be regulated by fixed scales, and also in certain cases by some degree of discretionary power, left in the hands of the agents.

SALARIES (Page 104).

The direction and superintendence of labour are as essential to production as labour itself—and the average wages of such direction should be a fixed sum, having a due relation to the price of common labour, to responsibility, and to the qualifications required of the various agents employed. These agents would take the place of the present manufacturers and traders. Their remuneration would be on an advancing scale, till we arrive at the Members of the Chamber of Commerce. The rate of the remuneration of the latter, therefore, must be sufficient to induce the most valuable

members of society to relinquish their other pursuits, whenever they should be called upon to fill these, the highest offices of the commercial state. The present number of *unproductive* labourers, is vastly too great,* and it is calculated, that the saving under the social system, in this branch alone; *the management of the business of society*; would be *ninety millions of pounds sterling annually*; nearly double the present amount of taxes, so generally complained of as oppressive!

NATIONAL CHARGES (Page 108).

These are specified, under the heads of *education, insurances, incapacity,† depreciation of stock, unproductive labour, change of employment, taxes*. Each is briefly discussed on rational principles. The last-mentioned charge especially, it is stated, would be collected without expense; the taxes forming a portion of the *per-centage*, to be added to the cost of all articles produced. Such a mode of paying the expenses of government, would be the most *really equitable Property-Tax*; and, *without any inquisitorial research as to individual means, must obviously fall upon every man, in exact proportion to his income*.

Every saving under any of these heads would be so much clear gain to the consumers, but the question would no longer be, "*what tax shall be taken off?*" The balance of the national account would exhibit a surplus; and a consequent *reduction of the per-centage* would take place as a matter of course.

Finally, as land, capital, labour, and freedom of exchange, are the fair ingredients of which wealth is composed, it is impossible that any such thing as unmerited poverty could exist in a true *social system*, unless it should arise from a deficiency in one of these ingredients.

If land be deficient, let more be bought or rented;—in Ireland, or in other countries more or less remote, where uncounted millions of acres await cultivation.

If capital—increase the per-centage.

If labourers be deficient—then will a new era have arisen in the history of human troubles; and *immigration* instead of *emigration* must be the resource!

If the power of exchanging be deficient, then the social system does not exist; for its very essence is embodied in the words, "*Freedom of Exchange*."

Thus, then, production and population may proceed until the uttermost parts of the earth shall be cultivated as a garden, and myriads upon myriads of human beings be added to the great family of mankind. Then may man say to his Creator, "We have fulfilled our destiny; we have been fruitful and multiplied; we have replenished the earth and subdued it; and we have dominion over every living thing that moveth upon the earth."

Such is an outlined sketch of the practical portion of Mr. Gray's work. The remaining two-thirds of the volume are filled with matter, which, though highly interesting, may be more briefly abstracted. The contents of each chapter shall, therefore, be consecutively glanced at.

PREVENTION OF FORGERY (Page 129).

This, where paper currency prevails, is of course a matter of prime importance. Mr. Gray holds that the *critera* should be *public*; and proposes a plan by which the notes may be rendered inimitable;—chiefly by filling a portion of the space with representations of *intelligible objects*, executed in the highest perfection of the engraver's art.

PROFESSIONS (Page 147).

A regular joke with those who are ignorant of the subject, consists in the inquiry,— "Will your lawyers and physicians and divines be content to be paid for the exercise of their functions, at the rate of fourpence or sixpence per hour?" Our author has not

* It must be evident to every one that, at present, there is an immense superabundance of unproductive labour, which is supported upon the profits laid on produce, or which becomes bankrupt because such profits are abstracted by competition. Who would not be a labourer, in a community "numerous and lightly tasked", as the Working Man's Companion says, rather than submit to be chained fourteen hours a-day to the ear of the retail counter, condescending to exact a precarious subsistence by all manner of ridiculous puffs and false assurances? Rather than support painfully the anxious dignity of a *master manufacturer*, like Wallace, in *the Hill and the Valley*, "just able to keep the business going, without realizing any profit?"

† Mental and physical incapacity, superannuation, and certain cases of widow and orphanhood, would form the only claims for any charge at all analogous to our present *poor's rate*.

so absurd a fancy, but prescribes simple and easily arranged plans for the fair remuneration of those, who, by *long study*, have qualified themselves for the profitable exercise of any intellectual pursuit. Professional men, however, as *unproductive labourers*, must not be too numerous.

REVIEW OF SOCIETY (Page 157).

This chapter contains an ingenious table, drawn chiefly from Colquhoun's documents, published in 1812, with copious illustrations. This table is called "A Map of Society," and shows that—

The population of the United Kingdom being taken at	17,000,000
Their total income was	£430,000,000
Total number of the <i>productive</i> classes being	9,000,000
Their total income was	£100,000,000
Total number of the <i>unproductive</i> class	8,000,000
Their total income was	£330,000,000

Reduce the millions to units. Here is a family of *seventeen* persons, with an income of £430, or about £25 each. Of these, nine are *productively* employed, and eight *unproductively* employed, or not employed at all. The income of the nine active members being £100, and that of the other eight £330. This result shows, first, that the total income is *not sufficient*, and accounts for the alarm of *over-population*;—and secondly, that it is very imperfectly distributed. The analysis of the items on the map is singularly interesting, and the deduction is,—"*Employ mankind*; and that men may ever be able to employ each other, let them establish *freedom of exchange*."

POPULATION (Page 178).

The theories of Mr. Malthus are examined and sifted with rigid scrutiny. The fears of that author are *proved* to be groundless. Increase of population to an unimagined extent, is courted as the source of wealth and happiness. "Labeller of nature and her laws," exclaims the author, "define if you are able, the boundary of human power!"

POLITICAL ECONOMY (Page 226).

Mr. McCulloch's "*Principles of Political Economy*" are reviewed,—in a considerable degree favourably, but freely; pointing out the action of a social system to remove existing evils. A grand corollary is given in the words of McCulloch.

The economist is not to frame systems and devise schemes for increasing the wealth and enjoyment of particular classes, but to apply himself to discover the sources of NATIONAL wealth, and UNIVERSAL happiness.

TAXATION (Page 300).—PUBLIC DEBT (Page 312).

The *taxes*, as at present raised, are lightly discussed, and the defective management of the resources of the country exposed. The progress of the *debt* is traced, and its operation defined. The equitable payment of the whole, under the *social system*, is declared to be a task easily effected in moderate time.

A rapidly sketched "*plan of commencement*," and a spirited "*concluding address*," occupy the few remaining pages of the body of the work; which is closed by an appendix, chiefly relating to the late Mr. Combe of Edinburgh; and to the Orbiston Establishment, of which that gentleman was the founder.

Thus have we endeavoured to give an idea of the aim and tendency of Mr. Gray's Book. Our motive for abstracting it at this time, has been to call the public attention to the connection between such a *social system*, and the institutions called *Labour Exchanges*, now in operation in the metropolis.

These institutions are experimental on, and preparatory to the gradual introduction of a general *social system*. In them, the *time* occupied by labour is made the standard of value; but those who determine to reap the benefit of such improved channels of exchange, are not yet in possession of all the prescribed ingredients of prosperity. Of "*land, capital, and labour*," they have only the last. A workman "*out of employ, or partially employed*," who has *tools*, and who can procure a modicum of *material*, may fill up his week, or his day, with manufacturing labour, upon his own material, and so far wait the production; but those who would occupy *land*, and commit seed to its bosom, must have *capital*; must have a previously accumulated supply of "*stored-up labour*," to enable them to await the gradual operation of nature, in bringing round the time of harvest. In a newly-established Exchange, there may be a difficulty in procuring a

supply of food ;* those, therefore, who are partially employed by masters, must lay out the *coins* they receive in their supply of *food*, reserving their *labour notes* for the purchase of clothing, furniture, raw material, and all the other numerous articles that they may require. They exchange their labour as individual depositors of its produce ; not as operatives employed by a capitalised association, which will make agriculture and foreign commerce go hand in hand with manufactures ; and thus cause the majestic stream of *universal supply* to flow on, untroubled by excess or deficiency in any of its components. As new exchanges are opened in different parts of the kingdom, and as capital is accumulated, the system of Mr. Gray will gradually be brought into action, with immense advantage. The benefit derived by the solitary depositor, compared with what he would receive under a generally established social system, resembles the action of such an individual at his single lathe, compared with the result of his labour, assisted by steam power and systematized by division with other operatives. Yet the lathe itself is a good thing ; and industry may enable its possessor to join with others in the purchase of the steam power.

Why should not the respectable, the wealthy, the influential, the benevolent, support and advocate *Labour Exchanges* ? They are ever ready with their contributions to schemes of charity. Why then not support a scheme which, while it renders benevolence more active and more intellectual, shall lessen or annihilate the call for that charity, which consists in alms-giving.

Is it not a fact, that there is at present much distress among the working classes ? Is it not also true, that if there were full employment for all, with full wages, such distress must cease ? Why then have they not such employment ? Because there is not a market for their productions. Indeed ! then assist them in producing for their *own consumption*—advise them as to the *kind*, and fear not for the *quantity*. A new market will thus be opened, which will laugh at the apprehension of *gluts*. Small beginnings will grow to extensive operations ; and a social system, in which land and capital shall join with labour, to produce wealth, hitherto unimagined—will gradually establish itself ; and plenty, independence, knowledge, comfort, and happiness, will overspread the land.

Oh ! would those who reason on the “present embarrassments” of the country, discard all narrow and selfish considerations, and work for “the advancement of *national wealth*, of *universal prosperity* ;” they would cease, solely to advocate *partial reform*, and make a simultaneous effort for *general benefit*. Half the capital expended in the preliminary operations of an incipient trading company, would establish a complete social system ; perfect in all its requirements ; which would *at once—in a month*—without the delay of petition, remonstrance, or Parliamentary enactments, abolish, through a wide district, all poverty, all parish charges, all unwilling idleness, all distress.† Nor would any previous opinions be compromised. Whatever good might result *to society as it is now constituted*, from the abolition of monopolies and corn laws, from free trade, from an equitable property-tax, and from the numerous excellent *palliatives* that are daily propounded, would be doubled, quadrupled, increased ten-fold, under the beneficial operation of a really *free exchange*. Alterations, additions, omissions, and modifications may be admitted, but if this grand principle be preserved ; if *production* be really and truly made the *cause of demand*, the anticipated happy results must *substantially* follow. This rejected, all schemes are Utopian, all expectation of any considerable amelioration of the condition of society, is vain and visionary.

This then is the great desideratum, the efficient reform to be quietly effected, without even the machinery of appeals to Parliament and prayers to Government ;—without injury inflicted on any one, under the guise of “Equitable Adjustment.”

This is the *real* “only effectual remedy for present embarrassments.”‡

This is the *perfected* “perfection of money.”‡

* It ought, however, to be added, that this difficulty decreases ; the conductors of Labour exchanges are continually receiving offers from agriculturists, who propose to deposit their produce, and to receive its value in labour notes.

† If parish authorities, in our “over-populated and over-productive” districts, would occupy and cultivate large tracts of land on the best principles, namely with the *spade* ; they would instantly give employment to the labourer ; and the produce once reaped, would show how poor’s rates might be for ever abolished.

‡ See two clever pamphlets, lately published in Birmingham.

LABOUR EXCHANGE BAZAARS.

England possesses the means and the power of creating more *manufactured Goods* than the world can consume; and her soil is capable of furnishing several times the number of her present population with *food*,—yet millions of her own people are imperfectly supplied with the necessaries and conveniences of life,—that is, with food and manufactured goods.

The supply of these wants open a market not yet tried,—calls for a power of production not yet exerted.

It cannot be doubted that if all industrious persons of both sexes, could, immediately and advantageously dispose of the products of their labour and skill, want or poverty would be no more heard of.

The object of *Labour Exchange Bazaars* is to effect this purpose—to make it *as easy TO SELL as it is TO BUY*.—Several of these Bazaars are established in London, and are making rapid progress.

Active exertions are now being made for the establishment of *Branch Exchanges* in Birmingham and other large towns, where the introduction of the system would doubtless have a rapid effect in the production of the continually increasing means of comfort and happiness to the industrious and well-disposed.

Further information will be derived from the following extracts from the prospectus circulated by the principal *Labour Exchange* of the Metropolis.

EQUITABLE LABOUR EXCHANGE.—INSTITUTION OF THE INDUSTRIOUS CLASSES, GRAY'S INN ROAD, KING'S CROSS, LONDON.

The first step to ameliorate the condition of the population of this country, upon sound principles, is to adopt some decisive measure to relieve the working classes from the extreme of poverty and wretchedness into which they have fallen, and the middle classes from the downward progress which they are rapidly making towards the same condition.

To accomplish these objects arrangements must be formed for the easy and certain exchange of all the useful and valuable products of industry, that a fair remuneration for labour and talent may be readily obtained without unnecessary waste of time, and without moral degradation.

These purposes can be obtained by substituting the natural standard of value, which is labour, for gold or silver, the artificial standards of value, by introducing notes, expressing the amount of such labour, for the circulating medium of the country (instead of gold, silver, or bank notes of credit), and these notes to be increased in number and value as real wealth shall be produced, and to be decreased as real wealth diminishes.

The process of these operations will be found, after a little experience, to be most simple, equitable, and advantageous to society.

MODE OF TRANSACTING BUSINESS.—Depôts to be opened for the reception of all kinds of portable wealth. Such wealth to be received, examined, and valued by Committees, specially appointed for their knowledge and integrity, and who shall have no private interests in the transaction. The wealth to be valued at prime cost or labour value. Should the depositor be satisfied with the valuation so made, labour notes, expressing the amount in hours, will be given to him, which notes will be exchanged for the same value, estimated upon the same principles, for any kind of wealth which may be in the depôt, magazines, or warehouses.

Thus will equal justice be obtained for all,—a market always open for the producers.—exchanges made at once of most articles, without loss of time,—all immoral bargainings avoided, all risks in trade prevented, bankruptcies rendered impossible; the direct road to useful employment opened to all, and a firm step secured towards the permanent relief of society from the wretched, irrational, and anomalous condition to which it has been reduced by extensive advancement in our knowledge of science, and by individual competition.

To carry these important objects into immediate execution, an Association has been formed under the denomination of **THE EQUITABLE LABOUR EXCHANGE ASSOCIATION.**

CAPITAL.—To be raised in shares of £20 each, bearing interest at 5 per cent. and the shares transferable. The capital, as it accumulates, to remain undivided, and to be applied to give the most effectual employment in the most efficient manner to the industrious classes, for their own benefit, and the general good of society.

Agriculturists, gardeners, manufacturers, traders (wholesale and retail), and dealers of all descriptions, will find this mode of transacting business more easy, more moral, and more economical, than any plan ever yet put in practice; and no doubt it will speedily produce general prosperity, and supersede all existing arrangements for conducting the whole business of society.