

SOCIAL CREDIT

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CONTENTS

	Page
Notes of the Week	217
Money and the Machine Age.—By Clive Kenrick	220
Don't Breathe on the Banks.—By R. L. Northridge	221
They Are Learning.—By M. Jacklin	221
The Circulation of Money.—By A. W. Coleman	222
Social Credit Motifs, VII.—The Place of Equality.— By Demos	223

	Page
A Real National Balance Sheet.—By P. R. Masson	224
Reviews	225
By the Way	226
What to Read	226
Correspondence	227
Notices of D. S. C. Meetings	229
Gramophones Wouldn't Do.—By Yaffle	232

NOTES OF THE WEEK

PAID FOR NOT PRODUCING

"MAN Paid £800 For Not Growing Hops."
"Railways Paid 2s. 1d. per Pig for not Carrying Pigs."

"Coal Mines Paid For Not Producing Coal."

These were headlines in the *Sunday Express*. We need not describe in detail how these things occurred, except to say that they resulted in the ordinary way from the quota system, by which the Government compensates producers of food and other necessities for bad trade which is due to the fact that the consumer has not enough money to buy the goods which are for sale.

The *Sunday Express* calls this "the crazy things which happen in Britain to-day." And everyone agrees that they are crazy, even the politicians and business men who design and operate the schemes; but they go on doing them just the same.

Inevitable Under "Sound Finance"

The reason is that, mad though they are, there is method—sound orthodox financial method—in the madness.

They are not accidental; they are the logical and inevitable results of the financial system, and so long as the Government believes in what is quaintly called "sound finance" it will be obliged to go on doing things like this.

In other words, the Government will be bound to continue these absurdities so long as it continues to devote its financial assistance to production instead of to consumption.

The financial system—that is, the way money is created and issued—operates in such a way that there is never enough purchasing power circulating in the hands of the people in the form of incomes, to meet the total prices of the goods the nation produces or imports.

While this gap between total prices and total incomes remains, producers will continue to be unable to sell their produce, and they and those whom they employ will go on getting poorer.

The productive system, agricultural and industrial, is so efficient that without any further improvement it could to-day provide the whole population with all it requires for complete comfort and security.

In spite of this, the Government continues to try and improve the economic situation by assisting and controlling and interfering with production, as though it were production and not consumption, that is at fault. And all

attempts to deal with trade from the producing end, whether by quotas, restrictions, or State control, must inevitably fail.

Therefore, *unless steps are taken to finance consumption* instead of production, the nation is faced with this inevitable reduction ad absurdum:—Producers will be continually paid to produce less; as less work is done, less money than ever will be earned; production will go on chasing consumption down and down until they both reach hell or the end of all business.

Now, few people would object to being paid not to produce. The desire to obtain money for jam is amongst the most common of the secret yearnings of the human heart.

Many of us, seeking an easy and profitable line of business, are always open to consider financial offers for not growing hops. For a slight additional remuneration we would extend our activities to the non-production of coal, and for a merely nominal fee we would bind ourselves to a rigid and determined refusal to carry pigs.

To be paid for not working does not, however, sound reasonable. Yet, in another sense, something like that will have to be done.

Consumers Must Be Paid To Buy

Instead of producers being paid for not selling goods, consumers will have to be paid to buy them.

So long as the incomes of the people depend on payment for work goods will remain unsold and production will decline. For in this scientific age, when the need of human labour decreases while productive capacity increases, the process of production does not provide sufficient purchasing power for the purchase of the produce.

If, therefore, goods are to be sold and trade is to continue, the people must be given a money income whether they work or not.

This income could be provided immediately by the National Dividend. Based on the nation's credit (that is, on the nation's ability to provide goods and services), and accompanied by the Price Discount to prevent fluctuations in buying-power, it could be issued to every individual, irrespective of any other incomes and without further taxation or other sacrifice.

And by maintaining a permanent adjustment between incomes and prices, it would put an end to the present insane practice of restricting wealth to the inadequate incomes of the people.

MAJOR DOUGLAS'S BROADCAST

To those who did not have the privilege of listening to Major Douglas's broadcast on "The Causes of War" last Monday, we would point out that it is published in the current issue of *The Listener*, under the title "Is Our Money System To Blame?", accompanied by the reproduction of the chart, familiar to most Social Crediters, showing the relation between bankruptcies and suicides in this country since 1910.

Stressing the fact that military war is an intensification of economic war, and emphasising the inevitability of the latter as a consequence of orthodox financial policy, Major Douglas explained how the issue of the National Dividend, by securing a steady home market for home production, would remove the economic necessity for capturing foreign markets which is the prime motive for war; and provide an irresistible object-lesson by the spectacle of a contented and prosperous Britain.

The address, characteristically concise, will prove a valuable addition to the short statements of Social Credit policy for which Major Douglas is personally responsible. It will shortly be added to SOCIAL CREDIT publications.

THE LIBERTY OF THE SUBJECT

We have persistently maintained that the present steady encroachment upon public liberty is due to the economic theories upon which political administration is based.

Mr. Elliot, Minister of Agriculture, defending the Government's policy of extended interference in trade, made this clear in Parliament last week. He said:

"It is impossible for this country to make itself into a place where all the surpluses all over the world can be sent to find a market. Unemployment was rising to boundless heights under that system . . . The Government sympathises with the desire for individual liberty (in trading) but it is impossible in these days to continue as we did when this country was the only industrial power in the world."

The occasion was the Liberal Amendment to the King's Speech, deploring the encroachment upon the "personal and economic liberty of the subject." In the debate, the Government's policy was denounced variously as Fascism, Socialism, and "State aid for capitalism." Not a voice was raised to urge the increase of the home market by increasing the personal incomes of the people—unless we except Mr. Addison, who sensibly remarked that "we cannot secure prosperity to the producer unless the consumer is in a position to buy."

Though Mr. Addison shares the Labour Party's mistaken belief that power lies in the administration, and not in the principles, of the money system, he did at least advance the suggestion that the real need of the producer is the buying power of the consumer, and that the cause of the economic dilemma is the money system alone. After so much talk of tariffs, quotas and other devices by which the life of the nation is trimmed down to a money shortage, and the whole trade of the country, home and foreign, accommodated to the lack of internal purchasing power, it was refreshing to hear the blank statement that this shortage is the real problem.

A HOPEFUL SIGN

The debate further served the useful purpose of providing a survey of the extent to which Statutory Rules and Orders by Ministers and Departments are being substituted for the law-making which was formerly the carefully-guarded prerogative of the House of Commons. The danger to liberty inherent in this slow destruction of Parliamentary authority, and the regimentation in the economic sphere consequent upon the incessant restrictions on private enterprise, were trenchantly expressed.

Advocates of Social Credit are well aware that all these phenomena must follow upon monetary restriction. Not one, but every class of the community is involved in the shortage of purchasing power. And in every sphere of encroachment upon liberty it is the same irresponsible financial monopoly which dictates the policy. At every point the citizen must be progressively cramped to the ludicrous limitations of a "sound" money system which cannot even provide enough costless money to distribute plenty.

We may thus observe in the Liberal Party Amendment as in the Labour Party Amendment upon which we commented last week, that the essential problem of the day—artificial financial restriction—can no longer be wholly

obscured. It is a hopeful sign. Whatever return to tradition the Parties may propose, their analysis discloses the real difficulty.

To them the Social Credit Movement continues to offer the only solution: distribution of personal income to the whole population. The Liberal Party's sincere and genuine dread of encroaching regimentation should, in all reason, impel the rank and file to join with us in our demand for a National Dividend. For until the direct distribution of purchasing-power is associated with the Party's denunciation of the present trend, they are beating the air. At the best, they only make a moral gesture; at the worst, they express a hopeless desire for the irretrievable past; when the foreigner and "the Colonies" could be induced to buy all the goods which we could—not afford to buy ourselves.

He who sincerely cherishes the love of liberty will find, in extending to the people of his own country the means to enjoy its wealth, both the realisation of his ideal and the solution of the economic deadlock.

THE SCARCITY COMPLEX

The clearest proof of the complete domination of false monetary principles over the minds of the people, is the degree to which, although every day brings further evidence of available super-abundance, even reformers can think only in terms of the strict limitation of the inevitability of scarcity.

A case in point is an article in the *News-Chronicle* of December 4 by Miss M. E. Green, Secretary of the Children's Minimum Campaign. To begin with, the very fact that an organisation—the sincere and benevolent intentions of which are beyond all question—should exist for the purpose of achieving a "minimum" is an example of the defeatist spirit to which we refer. The article itself is characteristic. Having enumerated the scandalous conditions of malnutrition throughout the country, it concludes with an appeal for the adoption of the proposals of the B. M. A. Committee and the Ministry of Health's Advisory Committee on Nutrition.

The object of these Committees was to determine how little a person can exist on, so that no more money need be spent on them than is absolutely necessary.

Such an object is not philanthropic; it is merely insulting. It shows a complete subjection to the financial dictatorship in whose interests the nation's wealth is withheld from the nation.

Some people may excuse this miserable demand on the grounds of the chance of its immediate concession. To that we would reply that demands for the bare minimum are the surest way of maintaining the present rule of shortage.

There is little to choose between a system which lets people starve amidst plenty and one which just allows them to exist. And so long as people refrain from making the only sane and effective demand—for the complete reform of the financial system—the money monopolist won't be particular as to the precise degree of destitution the nation chooses to live in.

FACTS ABOUT HUNGER

Though we object to such demands-for-as-little-as-possible, the article referred to above did perform the service of exposing conditions of which the public is largely ignorant.

In spite of all the official bragging of the Government's schemes for feeding poor children, it may surprise many readers to learn that only 190 of the 336 local education authorities use their powers to provide free meals and, or, free milk for necessitous children, and that only 4 per cent. of all the school-children in England receive anything at all in the way of free food. Further, even official health returns are shown to be quite unreliable by reason of the fact that medical officers differ as to their official definitions of what constitutes under-nourishment. Some will not report malnutrition unless a child shows signs of semi-starvation. Others will look for the slightest evidence of deficiency. The school doctor is told to classify children as "normal," "sub-normal" and so forth, but he is not given any standard of normality. So he uses his own judgment, and his report presumably depends on the degree of his own personal view of the inevitability of the money shortage.

Clearly the whole subject has scarcely yet been touched, and while such conditions exist in the heart of an Empire over-stocked with food, the less politicians boast of their achievements in child welfare the better for their reputation.

WHAT PRICE DICTATORSHIP?

Dr. Gorder, "Price Commissioner" of Germany has been invested with "complete and dictatorial power over the control of prices." He may intervene to fix prices and impose heavy fines if not obeyed. The object of his appointment is to "ensure that the cost of necessary food did not rise during the winter months."

That is one piece of idiocy for which the most violent anti-Fascist cannot blame the Germans as originators. Orthodoxy in all countries is content to attend to prices and leave incomes untouched. It is part of the curious habit economists have, of completely ignoring the consumer, presumably on the theory that prices are fixed by the amount of money in the public's pockets.

Incidentally, we may observe that the people who say, on some occasions, that prices must be kept low so that goods can be bought, will say, on other occasions, that prices must be raised to improve trade. We have not yet discovered the rule by which one judges when to change from one process to another. When we do, we will publish it in these pages.

Meantime, the fixing of prices without the use of the Just Price formula is a ticklish business, even for a Dictator. Either the price is too high to the consumer, and more in the aggregate than the total available purchasing-power, or else it is too low to the producer to make production pay. In either case the consumer goes short; in the first case amidst plenty; in the second, amidst real scarcity. Anyhow, it will be interesting to see how the situation will be dealt with by a dictator who can dictate prices but cannot dictate incomes.

ONE FAMILY THE WIDE WORLD O'ER

Whatever difference in custom, outlook and mentality may result from those rational barriers which internationalists so deplore, they all have precisely the same way of "enquiring into the banking system." They all appoint the same sort of tame Committee, imbued beforehand with the same religious awe of the banking system, and they all come to the same conclusion: that there's nothing really wrong with it. Under the banner of sound finance, all men are brothers.

And so, the Committee which has been enquiring into the German banking system for over a year has now finished its white-washing and Dr. Schacht, its chairman (naturally, for he is financial dictator and head of the Reichsbank) has submitted the report to Herr Hitler, doubtless much with the same spirit as an officer delivers orders to his batman.

As was to be expected, the report finds "that the defects of the German credit system were not inherent in its structure or methods, but due to faulty economic and political leadership during the period preceding the dawn of National-Socialism" (*The Times*). This laying of blame upon political administration is familiar; as finance in all countries intends to continue to control the Government, it is natural that they should advertise the defects of State interference. And the pretence that the most important field of inquiry was the nationalisation of banks is an equally familiar red herring.

But in view of the fact that the financial principles observed by the present German Government are exactly the same as they were in the pre-Nazi period (namely, the maintenance of the monopoly of national credit in the hands of the banks) it is difficult to see what difference "the dawn" will make—except the difference of even shorter waist-lines.

THE FAMINE—MAKERS

Among many others, we will choose for special mention two of the urgent and important questions to which the best brains in the commercial world are now being bent.

The shipowners of the world still await the fixing of the date for the International Conference of Shipowners, which Mr. Runciman is trying to convene. Its purpose will be "to frame proposals tending to adjust the supply of tonnage in the world to the demand." It is interesting to note, as exemplifying the economic intelligence of commercial Cabinet Ministers, that Mr. Runciman divides his time between telling the country to expect a revival of the old glories of British shipping, and advising shippers to reduce their tonnage because of declining trade.

The rubber producers are further ahead with the good work of restricting real wealth to meet the shortage of printed paper. The *Glasgow Chamber of Commerce*

Monthly Journal for November, reports that that British producers favour continuing the 30 per cent. cut to become effective next month, and while some would have been content with a reduced restriction, others demand an increase. The Dutch, it says, are believed to be opposed to further restriction, which they say would augment their difficulties, "and in this view they have the moral support of their consumers, who have, however, no voting rights."

We do not gather what use a consumer would have for a vote which enabled him to oppose a restriction of output due to his own inability to buy the goods. What he wants is money, and that is the last thing any international conference of business men or statesmen seems to want to discuss.

NOTHING'S ANY USE. LET'S DIE

The foregoing reports of the conferences of producers to consider the destruction of wealth because of lack of money to buy it, would not be complete without reference to another item in the same paper, the *Glasgow Chamber of Commerce Monthly Journal*.

Therein Mr. Norman L. Hird writes, "We may feel thankful that so far we have been spared, in this country, the putting into practice of theories . . . that have as their basis monetary and credit manipulation. We see conclusively that a mass of credit available in banks does not of itself have any effect in restoring prosperity."

Naturally; for the credit available in banks is only issued as a debt, which, though charged into the prices of goods, is cancelled out of existence on repayment, leaving consumers' purchasing-power short of prices.

It is strange that an economist, who has discovered (congratulations) that bank credit does not help trade, should think that it is impossible so to "manipulate" the monetary system that it becomes of some use. If we cannot improve the money system, what can we improve? He can see, from the journal for which he writes, that we cannot "manipulate" production so as to make people buy it. So what does he suggest?

But we suppose that at this point a sound economist goes into the garden and eats worms.

WHO GOT THE BENEFIT?

Between 1923 and 1929 the railways of the U.S.A. spent six billion dollars on additions and improvements. When that money was put into circulation there resulted, among other things, a drop of 41 lbs. (from 183 lbs. in 1923 to 142 lbs. in 1929) of fuel consumption per 1,000 gross ton-miles of freight moved.

The improvement in efficiency over the period from 1920 to 1933 was practically continuous and was indicated by the fact that the savings due to decreased unit consumption of fuel in 1933 compared with 1920, was equivalent to 4,345,000 tons. At the 1933 prices this would have cost over 8,500,000 dollars.

The money was saved, but where did it go to and who benefitted by the saving? The real wealth of the country was increased by the improvements of the railways, but the citizens were not allowed to benefit by that increase, for the saved money was only so much income lost to the people who formerly provided the saved fuel. In short, poverty resulted from the increase in the nation's wealth.

And this will be the result of all such developments until by means of a National Dividend, the nation's money income is increased in proportion to its real wealth.

THE CROP—SPOILING CONFERENCE

The World Wheat Conference, now showing at Budapest, is not getting on at all well. The benevolent intentions of the majority of the delegates to agree smoothly and amicably upon the further restriction or destruction of the world's food have been spoilt by the unwarrantable and unfriendly attitude of the representative of the Argentine. This person is actually refusing to limit the cultivation of wheat in his country. Oblivious of his responsibility for human progress, he insists that it is in the interests of his country to go on producing food for human beings.

This truculent attitude is not only a lamentable impediment to the growing spirit of international co-operation; it is also a menace to the world's economic progress. For, if people continue to work for abundant harvests instead of a profitable famine, how can the world maintain those sound economic principles and hungry populations upon which the financial stability of every nation depends?

MONEY AND THE MACHINE AGE*

The Need for a Democratic Money System

TO-DAY when we want to do anything we have to ask, "Have we the money?" We are all so accustomed to this state of things that few of us go on to ask the next question, "What do we mean by money?"

Money means on the one hand coins and banknotes, which are called "cash," and on the other hand bills of exchange and cheques, which are called "credit instruments."

The total amount of "cash" in our country is about £450,000,000. This may seem a large sum of money, but it is completely dwarfed by the £40,000,000,000 representing cheques which have passed through the Clearing House in a single year. So the bulk of our money is "credit" money, and cash is only the small change of the money system.

It is a mistake to think of credit money as something tangible like cash. It is simply figures in books kept at the banks. It is made by the banking system of granting loans. Even the bulk of bank deposits are created not by savings, but overdrafts or loans given by the banks against securities.

The Private Monopoly of Credit

The banks have the monopoly of credit and we depend on them for the bulk of the money we use. Mr. R. McKenna in his *Monetary Policy* says: "The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. Every change in the quantity of money is effected primarily through the action of the banks, and ultimately through the action of the Bank of England."

When a bank buys Government securities, it writes a cheque on itself, creating the money by a book entry. Then it takes the Government stock it has bought to the Bank of England, which treats it as cash and makes another book entry, crediting the ordinary bank with so much cash. On this "cash" foundation the bank can now increase its loans in the proportion of nine to one.

The banks not only create money. They also destroy it. Mr. R. McKenna tells us, "every bank loan creates a deposit, every repayment of a loan destroys a deposit." Professor Soddy says: "The cheque system, itself beneficent, has enabled the banks continuously to create and destroy money at will. It is the power of the private mint which imperils the future of scientific civilisation, which makes politics a sorry farce and reduces Parliament to a sham . . . It is a manifest injustice to those who have to earn money, that private firms (*i.e.*, banks) by a stroke of the pen, should be empowered by the cheque system to create it. But it is far worse that the money of the country by a mere refusal of a banker to continue a credit to a debtor should be suddenly and secretly destroyed again."

The Absolute Power of the Banks

So we see that the banks make and destroy money at their own sweet will. Industrialists and agriculturalists can in no way control the supply of the money necessary to buy their products. This is in the hands of banks, who now control most of our industrial and agricultural businesses.

The banks claim "this money" as theirs, for they make it. It is left to them to decide, if they shall lend, how much they shall lend and for how long. Mr. R. G. Hawtrey in *Credit and Currency* writes: "The grant of credit rests in the bankers' absolute discretion." The same authority reminds us that it will make this problem much easier to understand if when the banker says "credit" we think of "debt," for when he grants us a "credit" we contract a "debt."

Our present financial system, therefore, is nothing but a debt system, for most of our money comes into existence as a debt to the banks. Or we might describe it as a system of promises to pay, promises that the banks know they cannot meet, for they promise ten times what they have. The fact that they obtain the borrower's securities, his title to real wealth for their false promises, is no justification, but an added wrong. The moment they are asked to meet more than a small proportion of their

promises to pay, they go to the Government for a moratorium, as in 1914, and in 1931.

The banks control the economic life of the nation, making and unmaking even its Governments. Money, to-day, is a licence to live, and they who own and regulate the supply of money hold the economic life of the people in their hands.

The Control of a nation's money means the control of all the nation's assets and its life, and must not be left as a private monopoly. As Major Douglas has said, "Under the present conditions any country is as prosperous as finance allows it to be." Mr. McNair Wilson, in his "Monarchy and Money Power," expresses the same truth: "Money is seated on the throne. For he who can, at will, bestow plenty or starvation, holds a power that is like to God's."

Money is scarce, to-day, because the supply is regulated to suit the needs and continuance of an obsolete nineteenth century financial system, although our productive powers have been enormously expanded by twentieth century science. Mr. McKenna says: "In a community like ours with a steadily growing population and production power, unless there is a corresponding growth in the supply of money we cannot avoid deflation with its inevitable accompaniment of trade losses and unemployment."

The purpose of money is to facilitate the production and distribution of goods and services. It is a means of exchange. It comes into existence to enable production to be financed and should go out of existence in purchasing commodities.

For money to perform its work there must be sufficient to buy the amount of goods produced if they are needed.

It is this financial question everyone shirks. The problem was to have been tackled at Lausanne. Again at the Ottawa Conference, when Mr. Bennett said: "International finance has broken down." Again at the World Economic Conference, which only tried to revive the Gold Standard.

Our monetary system is a system of exchange and can only work when people are employed and, therefore, in a position to get money.

The Scientific Revolution

But to-day trades are being revolutionised in a way that is making them more and more independent of labour. For all inventors and scientists have been striving to lift the burden of toil off man's shoulders and put it on to the machine.

Social Credit would take the monopoly of credit away from the banks and so restore to the nation its right to control its own money supply. The nation would then empower the Government to create credit money without waiting on the goodwill of the banks. It would be the Government's business to see that the money in circulation in the country was based on the real wealth produced in the country in the form of goods and services.

This wealth would be distributed to the people by the issue of a National Dividend to each member of the nation. This means that the Government would pay each person a money income representing his share in the nation's assets.

This change would give the country a democratic money system, without which democratic government of any kind is a farce and delusion.

IN BIRMINGHAM TO-NIGHT

A PUBLIC MEETING

will be addressed by

MAJOR C. H. DOUGLAS.

M.I.Mech.E., M.I.E.E.

IN THE TOWN HALL

at 8 p.m. ^{Open} 7.30

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

Tickets from Lewis's and E. Grey, Bull St.; Dale Forty & Co., New St.; Scotchers, Corporation St.; Priestley & Sons Colmore Row; J. H. Riley, Paradise St., or the Hon. Sec., Mr. G. Kay, Old Croft Lane, Castle Bromwich, and all Birmingham Groups.

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

(*From an address entitled "The Machine Age and the National Dividend," delivered by MR. CLIVE KENRICK to the Birmingham Douglas Social Credit Group on Oct. 10.)

DON'T BREATHE ON THE BANKS!

It is now a few weeks since Mr. Runciman, President of the Board of Trade, addressed a meeting at Lincoln. It is true that the best jokes will not bear indefinite repetition, but he made one or two that deserve a wider public, so no apology is necessary for rescuing a few from the oblivion of the newspaper files.

"Surely there is no department of life where the element of confidence counts for so much as it does in banking," he begins, according to *The Times* report. (He must have forgotten the gentlemen who, for a consideration, will give you a certainty for the 2.30, and the vast field of business enterprise that deals in gold bricks and oil concessions in the Sahara. It is a little disquieting to think that our money system requires even more "confidence" than is required by these industries to make it work.)

"Was it true that industry was not able to get the necessary credits?" asked Mr. Runciman. "It could borrow money a good deal cheaper as a result of the Government's policy than it had been able to borrow for two generations."

Now, isn't that nice! If you were a manufacturer desperately trying to sell off the stocks of goods you had already made, and at your wits' end for markets, wouldn't you be delighted to think how cheaply you could borrow if only you wanted to make more goods? What a weight would roll off your mind!

Keep Governments in their Place!

"Governments had better have nothing whatever to do with the overdraft business," went on Mr. Runciman. "I would not trust the management of the overdrafts to either the Liberal, Labour or Conservative Party offices. They are not set up for it."

There is democracy for you! Parliament, supposed to represent the sovereign will of the people, is not fit to be trusted with the nation's credit. Money, the life-blood of trade and industry, must remain under the private control of the banks. It would be a whole lot safer to hand over control of the Army and Navy to the Russian Embassy and keep our money system in our own hands; if the Russians gave our Forces any orders we didn't like we could soon put an end to their obedience by stopping their pay.

It must be a question of "division of labour." You make the houses and boots and bread: the banks make (by writing figures in a ledger) the money to buy them with. You might think that, as you made the goods, you should have the money to exchange them with, but Division of Labour doesn't work like that. You can only get the money if you make more goods, and you can't make any more goods because you can't sell what you have made. That is how it works, and, if you don't like it, you can always wait for your Old Age Pension.

Parliament May Still Assert Itself

Mr. Runciman's speech was for the most part directed against the Labour Party's proposals for the nationalisation of banking. As a measure of practical politics he is probably quite correct in condemning it; if the banks were nationalised before any change had been made in banking procedure, Parliament would be taken for a ride just like that of the well-known lady of Niger. With the lady safely inside, the tiger could smile still more broadly at any efforts to teach it better methods. As long as Parliament is still an institution separate (at least in name) from the banks, there is always the hope that it may be roused to assert its constitutional supremacy before it is too late.

But Mr. Runciman's reason for opposing the Labour proposals is quite different. "If there were a change such as that anticipated—that they really intended to transform these great financial, commercial institutions into messengers of political principle or practice, I, for one, should feel very nervous. The day after the change was made I should go to my bank with a cheque made out to myself, and it would cover every penny I had there."

Well, the Bank of England has the power (on formal application to Parliament) to increase the fiduciary issue to any amount, so no doubt Mr. Runciman's requirements would be promptly met. The real question is: Can we, as a nation, be so unkind as to make Mr. Runciman very nervous? That is unthinkable! No doubt many of us will prefer to starve.

R. L. NORTHBRIDGE.

They Are Learning!

"Any adequate cut in money wages is a political impossibility; and, moreover, it is questionable whether cuts in present wages would suffice, for final products contain cost of machinery, etc., in which former wages are already crystallised, and only a parallel cut in all forms of indebtedness will solve the difficulty."

(From "Money and Banking" in *The Economist*, November 17, 1934.)

We commend this statement to all writers in *The Economist* and others, who believe that, because all costs have been distributed at some time in the past, they must be available as purchasing-power to meet the prices of consumable goods of which they finally form a part.

If wage cuts result in a shortage of purchasing-power to meet past costs built up when wages were higher, then there must, in fact, always be a shortage of purchasing-power in the hands of consumers. Production constantly increases in efficiency as the result of improved processes and machinery, which in turn cause the displacement of labour and a consequent reduction in the ratio of total wages to total prices.

This shortage is met, in part, by the export of unsaleable surpluses, and, in part, by the same process as that suggested by the anonymous contributor to *The Economist* to meet the shortage due to wage cuts, that is, by "a . . . cut in all forms of indebtedness." A recent striking example of such a cut is the writing down of the capital of Dorman, Long & Co., Ltd., from £13 million to less than £3 million.

Social Credit, by means of Compensated Price and National Dividend, would dissolve the debt at present paralysing the economic system, and, by the equation of purchasing-power and prices would prevent their formation in the future.

M. JACKLIN.

A Warning

From an Eminent Economist to a Member of the Proletariat, whatever that is

The economic system's aim
Is not by any means the same
As simpletons conclude;
Supplying work is what it's for,
And anyone expecting more
Shows base ingratitude.

Our leaders to a man have said
"No work, no pay; no pay, no bread;
No bread? Well then, eat cake;
And just because you have no job
That's no excuse for you to rob
Machines of what they make."

To say "Now work's mechanical
There's goods enough for one and all,
If we had cash to spend,"
Is leading you, unhappy man,
Headlong toward that devil's plan,
The National Dividend.

This sinister device ensures
Prosperity for you and yours—
A most unwelcome plight;
Imagine life without the funny
Joke of being short of money
Morning, noon and night.
From so unthinkable a fate
Return, before it be too late,
To what our elders taught,
And think in future, if you can,
Not as you *like*, presumptuous man,
But as we say you *ought*.

J. D. BENNETT.

THE CIRCULATION OF MONEY

An Analysis of Orthodox Fallacies.

THE general contention of the New Economists that the root of the trouble to-day is the shortage of purchasing power—that there is not enough money in consumers' pockets to meet the prices in the shops—is frequently countered by the argument that the *quantity* of money existing at any moment is not the only factor in the problem; the speed at which that quantity is circulating must be taken into account.

What do supporters of this argument mean when they speak of the circulation of money? Many consider that money is circulating whenever it is changing hands; Mr. Graham Hutton seemed to be under that impression in the commentary he gave following the late Mr. A. R. Orage's broadcast on "Poverty in Plenty."*

That is not what the New Economists understand by circulation.

The Two Functions of Industry.

It may perhaps help the student if he will consider Industry (with a capital I) as a huge and complicated organisation which performs simultaneously two simple functions. Firstly, it produces ultimate goods and services with prices attached to them; secondly, it distributes incomes to consumers, either directly or at one or more removes, where-with they may pay these prices.

Two things should be noted carefully:—first, that, on the productive side, the end and aim of Industry is to provide *ultimate* goods and services; the provision of intermediate products and capital equipment is merely a means to this end—it is not an end in itself. Secondly, on the distributive side, all our incomes are derived, directly or indirectly from the industrial system; there are no other incomes.

So the picture we get consists of two streams—a stream of incomes into consumers' hands, and a stream of industrial costs, including profits, on to markets. Only the incomes can defray the costs, and the costs cannot be defrayed until they reach the boundaries of the Industrial organisation and meet individual consumers at shop counters or ticket offices or other points of contact with incomes.

Now, take the first stream—the incomes. This is a stream of money, having a beginning, a path or circuit, and an end.

The Complete Circuit—and the Short Circuit

The complete circuit is as follows:—Starting from a bank, either as new money lent to a producer, or current money depleting a producer's current account, the money will be paid out by a producer to some employee in return for service, and the employee, in his capacity of consumer, will spend it in purchasing goods or services, and the producer (retailer or other) who receives it will pay it into a bank where it will suffer actual extinction if used to repay a loan, or virtual temporary extinction if used to reinstate a depleted current account.

That is a complete circuit. But money may be short circuited. For instance, the money, on reaching the first producer, may be spent by him in buying raw materials from another producer who, on receiving it, will pay it straight into his bank, thus completing a short circuit. This is an instance of what is called a B payment, and, as will be seen, no consumer handles a B payment. That is why B payments are not available for defraying costs—they can only transfer these costs *within* the Industrial organisation.

Or, again, the money on reaching the employee—the consumer—may be "invested" by him; which means, from our point of view here, that he will barge into the Industrial organisation and purchase capital equipment. This will not *defray* an industrial cost—it will only move it along within the organisation. The producer of the said capital equipment will pay the money into a bank and so complete a short circuit.

Speed Is Not Quantity

However, we are concerned here with the full circuit, and the main thing to note is that whenever a producer pays money out to a consumer (as a wage or salary) it is booked in some industrial ledger as a cost of that amount, and

whenever the consumer pays it back to a producer (in return for ultimate goods, etc.) a cost of that amount is defrayed. If then, this circular process is speeded up, all that happens is that costs are generated more quickly and are defrayed more quickly.

Many people seem to imagine that if consumers spend their money more quickly they will reduce the total of industrial costs. Nothing of the sort. If they are to spend money faster, they must earn it faster and that means that it will be booked up as costs against them faster. By no possible magic can money, on this circuit, defray costs faster than it generates them.

So it will be seen that it is not velocity of circulation which matters. What *does* matter is the volume of income, week by week, relatively to the volume of costs coming upon the market during the same period.

A Rolling Stone Gathers No Moss

But another thing may happen to the money whilst on this circuit. The consumer who first receives it may use it in various ways, apart from investing it. He may transfer it to another consumer in return for personal and private services. He may transfer it to another consumer in the course of playing shove-ha'penny, or of backing a gee—whether on the race-course or the Stock Exchange. He may transfer it to another consumer in exchange for some second-hand goods—goods whose industrial costs have already been defrayed.

So we see that as soon as any given sum of money reaches a consumer, as income, it may change hands scores of times without ever defraying an industrial cost. Sooner or later, however, unless invested, it must do so.

But the New Economist is not interested in the gyrations of consumer income so long as it is not defraying costs. That is why he is not interested in Mr. Graham Hutton's illustration of Tom and Bill with their gallon of beer and their sixpence. He is not interested in the beer because, being already the property of a consumer, it must have been purchased and its costs defrayed. And he is not interested in their silly antics with the sixpence, during the process of lowering the beer, because none of these antics does anything towards defraying an industrial cost.

A. W. COLEMAN.

* Commenting on Mr. Orage's address, Mr. Hutton repeated the story of the two men who had an 8-pint barrel of beer, and a 6d. When one wanted a drink he took the beer while the other held the 6d. By this means the 8 pints were drunk and the 6d. changed hands 8 times.

"Agricultural policy is only one of the many branches of policy which can contribute to the ultimate ideal of enabling more people to earn their living."

Note: The earning is the ideal, not the living. And as people must not have a living unless they earn it, one of the other branches of policy is machinery-breaking.

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SOCIAL CREDIT MOTIFS—VII.

The Place of Equality

"The human individual contains either in a latent or active form, every function and attribute, although on a minute scale, which can be imagined to reside in a world society."

C. H. DOUGLAS.

Social Credit is the statement that Equality is the basis of all right relationship in human affairs, but the basis only. Upon that basis, a fruitful and acceptable inequality can exist. Without that basis, privilege on one side and insult on the other destroy creative and happy living.

Equality exists in two aspects: human need and the cultural inheritance by which that need is met. The one aspect is found in the depths of consciousness, where "I" is lost in community or the whole. The other rises from those common depths, whence the "I" returns, not lost but only the more truly "I" that the genius of the race moves in the individual. That genius flows perpetually, in substantial contribution of thought and thing, filling the earth with wealth. The intake and outflow of breath are not more completely interdependent than the cycle of being and doing. In the one aspect, man descends to draw upon the whole life for his sustenance; in the other, being thus sustained, he acts. Moreover, the needs of the "I" move in harmony with every successive addition to the richness of human possibility. The range of consciousness which creates new wealth in the whole realm of living, constantly extends the range of need, but in quality rather than in quantity.

These two aspects are expressed with great economy of words in the statement of Major Douglas that, "latent or active," the world is contained in microcosm in every man, and every man is potentially an expression of the whole world.

Man the Creator

Thus the activities we have separated off as "material," because the spirit in man wrought in substance, prove to have the divine quality of art: they are creations. For by transmutation of the heavy substances of the earth into mobility and service, men have taken upon themselves the process of the world, and have fulfilled in a subtle manner the dream of the alchemists that baser metals could be transmuted into gold. Man the creator is every man, and every man is united, in perpetual relation, with the things created, for he and all men had part in them.

These are the basis of Equality; and equality has lain always in the depths of the heart, as the fruit in the seed. Idealism has despairingly wafted it to distant heavens of compensation, but the eyes of those who live to-day are blest to behold the coming of equality on earth, in light that has not before been seen, save as a vision in the heavens.

But so immeasurably rich is the universe in which we dwell, that the tale of its glory is but half told in its Equality. Upon that basis, and upon no other, may Inequality inhere in everything the moment it has been accomplished. But the "I" which has plunged so deep in the common wealth of creative power that it has filled the earth with plenty, and added surplus of power with a prodigality like that of nature's own seeding, has lost its life only to find it. Man returns in joy from the age-long sacrifice, to utter himself, the unequal, the unique, in his

magical variety. Freedom is his—true for the first time because it is equally another's.

The Individual's Worth

But the worth of what he shall do is unpredictable, and its acceptability to his contemporaries unknowable. In the kingdom of freedom there are no rights but those of opportunity. No man's life depends upon material reward for his contribution; nor can his gift be denied by the punishment of material deprivation. Material security is already under his feet. The individual contribution is subject at any moment to the verdict of contemporary society upon its worth. That verdict may be wrong; succeeding generations may prove it so. But the realm of conflict is now that of quality and choice, and by *this* conflict the life of the world is kept in continuous stimulation, though necessity no longer holds men bound in toil. Inequality thus arises, sanely based upon equal access to the world's accumulated wealth.

In these depths the foundations of Social Credit are laid. Need, and the power to meet the need, are established by Social Credit in a self-adjusting balance. Thus simplicity has, at last, emerged out of the complexity of human effort, and the Kingdom of Necessity yields to the Kingdom of Freedom. The creative power of men, released by its triumphs over material, conceives a New Age, in which the truth of Equality in the Kingdom of Necessity will be given full expression. A new order of human living will emerge, a totally new experience. The world's stories of dungeoned prisoners released in the light of the sun are parables of our estate.

DEMOS.

A FINANCIAL SEPTAIN

"Feed
My sheep,"
The Pastor said;
"Comfort those who weep."
To the unemployed, who need,
Give not stones for daily bread.
To a land of milk and honey,
All the workless shall be led
By the Social Credit creed,
When from FINANCE freed,
Industry be fed
With cheap
Money.

HELENA ADDIS.

"Several leading farmers spoke appreciatively of the assistance which the banks had given in enabling arable farming to pull through the difficulties of the past three years."—*The Times*.

But what they said later on, when they couldn't repay the bank loans, and the banks foreclosed on their farms, is not polite enough to be reported in—*The Times*.

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A REAL NATIONAL BALANCE SHEET

BALANCE sheets must be included amongst those devices of every kind which are essential to the advancement of civilisation.

Maps, gauges of all kinds, measuring instruments and even mathematical formulae are, like balance sheets, pictorial or symbolical representations of a physical aspect or condition, or "state of things." A speedometer on a motor car is a "balance sheet" of speed; a watch is a "balance sheet" of time.

It is safe to say that without these various devices for presenting facts, production could not possibly go on, and that the rate of progress on the producing side cannot be greater than their development.

Now, there is one characteristic above all others which we expect from every gauge or record—it must be accurate within the limits of accuracy desired or possible. An untruthful representation is worse than none at all.

It is customary for auditors to make a statement above their signatures, "In our opinion such balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company."

The Budget Is Not A True Balance Sheet

Having established the main principle—that all forms of representation must be truthful, that faulty representation of a serious order can be detected by fantastic contradictions between the known facts and the representation and finally that in everyday life we expect the use of reason or logic in checking the devices we use: we can now consider the question of the national balance sheet.

The Budget is the nearest thing we have to a balance sheet at present; and though it is nothing more than an estimate of the following year's income and expenditure, we are taught to regard it as a balance sheet. It has been compared to the "petty cash" account in the affairs of a company. The "petty cash" account is of so trivial a nature that it does not appear by name in a balance sheet. But suppose we let the imagination run riot and taking a firm and its affairs away to Bedlam, gradually increase the status and importance of the "petty cash" account and reduce and finally eliminate the main balance sheet altogether; we shall then have got that firm into the same ridiculous position that we are in nationally.

Wealth Is Called Poverty

Suppose we try the "fantastic contradiction" test on the national balance sheet. We have been assured from time to time that we are a poor nation, and yet anyone not mesmerised into intellectual stupor must know that the exact opposite is the truth. We have so much wealth that we burn wheat, kill calves, suppress inventions and practice many other forms of sabotage.

This is, in the fullest sense of the term, a false representation and we are being punished by a needless amount of human misery and distress which cannot be measured but is indicated by a toll of about one hundred suicides a week. Those who have mastered the reasoning of Major Douglas's Social Credit theories know that just as long as we continue to work on falsely represented facts in financial matters we shall continue to be punished, that our leadership among nations will be at stake and the complete breakdown of our civilisation will face us as a possibility.

If the main considerations and fundamental principles of our "Real National Balance Sheet" have been well and truly laid we would normally leave the execution to the expert of balance sheet practice.

Scotland, for Example

Major Douglas, in his "Scheme for Scotland" has indicated the obvious and only method of drawing up a national balance sheet which shall truly represent what it is supposed to represent.

On one side of the Account all real assets are "monetized"—that is, sums of money are entered to represent the value of land, roads, bridges, railways, buildings, drainage and water schemes, minerals, semi-manufactured materials and also a sum representing the commercial capitalized value of the population—a figure known to insurance companies who require this valuation. The sum of all these items will give a grand total which is the figure representing the price value of the Scottish Capital Account.

From this total, entries are periodically made on the other side of the account, as the national credit is drawn upon, for payment of the national dividend, the just price discounts, and the total money value of exports during the period of the account. The assets side of the account will be credited with the money value of all increases of real wealth, including imports.

There would be a great similarity between such a true national balance sheet and the ordinary company's balance sheet. But there would be one important exception. The company balance sheet usually includes among the assets an item "cash at banks." In a national balance sheet all money or credit in hand must appear on the opposite side to assets. If it is realized that cash at banks can be changed by a company into real assets at any moment and that a company is operating within a money system while a national balance sheet should be an integral part of the money system, the difference will be clear.

It will be observed that if our imports were greater than our exports our total assets would be increased and the corresponding amount of extra money represented by the difference in values would be created and distributed. *This could be regarded as a "favourable" trade balance in flat contradiction to the present use of that term.* To-day it is considered "favourable" to dump goods, made by British labour, on the foreigner virtually for nothing. No wonder Mr. Hodgson, in his book "The Great God Waste," describes this as "voiding our wealth."

The Present False Accountancy

Another test can be applied to our Real National Balance Sheet. It is known to those who care to find out such well hidden facts that three-quarters of the National debt is owned by the banks. According to Professor Soddy at least £100,000,000 of our taxes every year is cancelled out of existence in repayment of the part of the debt owed to the banks. It literally disappears into the blue, which is the normal fate of all money which is the repayment of a loan to a bank. This is a ridiculous state of affairs, for we could cancel that part of the debt with no loss to anyone and no injustice to the banks, who used our credit to create this money during the war. Such a position could not arise with a Real National Balance Sheet in operation.

Those who are new to Social Credit will have wondered where the money is to come from? This is a real difficulty at first but perhaps two statements may help:—

1. There would not be a single pound of money or credit in existence if it had not been made or created by someone; *i.e.*, there is no such thing as a "natural" money.
2. There is no more wrong in creating or cancelling money than there is in printing and cancelling railway tickets, or for the foreman to write out orders which the storekeeper in a works cancels as he supplies the worker with the goods. But if the storekeeper wishes to hold his job, it is very important that the cancelled orders should balance the goods issued!

P. R. MASSON.

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REVIEWS

A Few Words About Law

AS one of the laymen for whom he has written "The Citizen and the Law" (Routledge, 7s. 6d.), I congratulate "Solicitor" with providing a good measure of instruction and entertainment.

The first moral of the book is to keep clear of litigation, for it is more often than not the occasion of spending more money, time, and labour than any results are worth. And the second moral is to keep out of "Police Courts" or Courts of Summary Jurisdiction, for they are infested with magistrates stupid, incompetent, and unjust. The third, superfluous to readers of this paper, is to keep out of the Divorce Division, where the sole means of salvation appears to be cunning lies.

The author makes a good defence of solicitors and barristers in the matter of legal expensiveness, on the grounds that a chief source of the expense is the collection of facts, and that law costs are "taxed," i.e., scaled according to certain rules and sometimes at the sweet will and pleasure of the taxing master.

There is no doubt that the benches of unpaid magistrates are in very many places a scandal, and our author says that in matrimonial cases, i.e., separation, maintenance, and affiliation cases, "the magistrates are usually old men originally appointed for political reasons, almost invariably prejudiced one way or the other, and generally in a hurry," and he refers to their deafness and self-importance, which favours the deferential humbug against the man or woman smarting under a sense of wrong. Then why is this incompetence permitted? You can give the answer first shot. Stipendiary magistrates have to be paid and our noble country is too hard up, financially, to do the paying.

But it is not too hard up to tolerate the incredible delays due to there being too few judges. The Law Society's Newcastle meeting has just had this forcibly expounded. Nor to waste numerous people's time with a series of courts of appeal, which have the added disadvantage that one party to a suit can often blackmail the other by threatening to continue appeals from one court to another.

The Bank-Note Case Absurdity

That the Law is an Ass is perhaps most clearly shown in the Appeal Courts. We may instance the Waterlow Bank-note cases, where three different courts came to three different conclusions about sundry pieces of tough, oblong, printed paper. "Solicitor" discusses at some length the even more scandalous case of *Russell v. Russell*, in which Mr. Justice Hill started off by taking what any sensible person would have said to be the sensible view about admitting certain evidence. But the upshot was that, after a Court of Appeal had supported him, the House of Lords by a bare majority did not, hence "the result was to settle the law in accordance with the view of Lords Birkenhead, Finlay, and Dunedin, against that of Lords Sumner, Carson, and Sterndale, and Lords Justices Warrington, Scrutton, and Hill . . . there can be little doubt that the six judges were generally held to be more learned in the law than the three on the other side." "Solicitor" suggests that when a decision is upset on appeal, the State should pay the costs of the appeal, as it is a servant of the State who has been found to be in the wrong.

Among other interesting passages there is one on dodging the Excess Profits Duty. "Immense ingenuity was shown by lawyers and accountants in devising methods of evasion, of which concealment of profits by means of subsidiary companies, high salaries to all sorts of people, the acquisition of derelict businesses with potential future value and the renewal of plant and buildings were the most popular. In mining districts you may hear stories of workings carried up to the beginning of profitable seams and then abandoned until taxation was taken off."

This last example of patriotism reminds me of the tale in Addison's *Diary of the World War*, of the bank in Leeds which advanced £800,000 to enable a man to corner the linseed oil market. The market turned sour on him, the bank threatened to foreclose, and the Ministry of Munitions had to intervene to stop a harvest of bankruptcies.

But I must end with one more quotation from this excellent book: In connection with income-tax—"the protection which is supposed by some newspapers to be afforded to the taxpayer by the local commissioners is in most districts farcical."

HILDERIC COUSENS.

LETTERS TO PUBLIC MEN

("Gauntlet," by H. Neville Roberts. Published at the Sign of the Three Candles, Dublin. Price 6d.)

This little book contains a series of open letters addressed to some of the leading figures in public in the Free State.

The author, obviously, knows and agrees with the proposals of Major Douglas, and, in each of his twelve letters, deals with a different aspect of national life, showing the manner in which it is restricted by the maintenance of an orthodox financial system.

Open letters to prominent men are an effective and popular form of propaganda, though their value is due rather to the extent to which the letters are read by the general public than to any effect they have on the persons to whom they are addressed. This is especially the case when they are directed at politicians, who, as a class, are particularly afraid of appearing advanced.

One is, therefore, inclined to think that, instead of throwing any more gauntlets down before such people, who are unlikely to risk taking them up, it might be better to concentrate on the ordinary voter, and persuade him to demand the distribution of the abundance available. Politicians of every shade of opinion are usually very sensitive to a well-organised popular demand which might affect their careers, but quite unconcerned by challenges from individuals.

M. J.

THE SOCIAL CREDIT MOVEMENT

Supporters of the Social Credit Movement assert that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and therefore, in order that it may be repaid, it is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity; and bringing it face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in the writings of Major C. H. Douglas.

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

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

By the Way

"THE sound and prudent financial policy which they (the banks) have maintained," says a *Times* leader, "has enabled the country to enjoy to the full the benefits of the policy of cheap money steadily pursued by the Bank of England."

Hands up any grouser who hasn't enjoyed it.

* * * *

The builders of the Zambesi Bridge have not had a single case of malaria among the European employees during the three and a half years of construction. This, says *The Times*, is a wonderful record, and "an example of what might be done for tropical Africa, given time, organisation and finance."

Well, we've all the organisation and any amount of time. What are we waiting for?

* * * *

"The word 'saturation' that had of recent years crept into industry is a horrible word," says the First Lord of the Admiralty.

And it is all the more horrible because it isn't true. What is meant by it is that after the public has spent all it can afford, goods are still unsold. High and dry is a better phrase than saturation.

* * * *

"We could substitute co-operation for competition, and by the power of our finance would be enabled to provide our Dominions with all those loans upon which their development and prosperity had been built up."

And in the vain effort to repay which their development and prosperity is being gradually destroyed again. And by the way the author of the above fairy tale was not Hans Andersen, but Sir Robert Horne.

* * * *

"The scheme fell into three parts:— Work to-day; work to-morrow; and work in the future. . ."—Sir John Jarvis, on his scheme for the distressed areas.

Hence the phrase "The Relief of Distress." We are, however, officially informed that there will be pie in the sky when they die.

* * * *

"The outcome of this unorganised expansion is that, from time to time, but with greatly increasing frequency, there is considerable over-production of most kinds of vegetables, at any rate relatively to the purchasing power of the public, resulting in prices utterly below the lowest possible cost of production."—*The Times*.

There are two alternative ways out of this difficulty. One is to sell the food below cost by means of the Douglas Price Discount. The other is to stop eating. At present the latter is in favour; but dressmakers say the fuller figure is returning.

* * * *

"A Labour victory would be followed by a deliberate precipitation both of a constitutional and of a financial crisis."

In other words, the banks would tell the people, through their tame ("independent") Press, that any attempt to tamper with the ticket monopoly would ruin them. "Deliberate" is the right word.

* * * *

"Four boat-loads of sprats brought into Southend on Saturday by fishermen who had been out all night failed to find a market, and a large portion of the catch was dumped back into the sea."—*Daily Telegraph*.

"Herrings Thrown Overboard. Fishing Economics."—Press headline.

Set a sprat to catch a herring, and then throw them both away. Object: To increase employment.

* * * *

"The most urgent need of the industry is new markets overseas to take the place of what has been lost on the Continent."—Mr. J. Henderson Stewart, M. P., on the herring problem.

At present the only market is undersea. But what matter, so long as the people at home don't get any?

What to Read

In the following short list of books and pamphlets necessarily incomplete, we have included only publications believed to be available in this country.

The following are the works of Major C. H. Douglas:—

BOOKS:

Economic Democracy	...	...	6s. od.
<i>This book, the original statement of the philosophy of Major Douglas, is temporarily out of print. It will be re-issued about December at 3s. 6d.</i>			
Social Credit (new edition)	...	...	3s. 6d.
<i>This book continues the philosophical background of the subject and includes the Draft Scheme for Scotland as an Appendix.</i>			
The Control and Distribution of Production	...	...	7s. 6d.
<i>Temporarily out of print. It will be re-issued about December at 3s. 6d.</i>			
Credit Power and Democracy	...	...	7s. 6d.
<i>Will be re-issued shortly at 3s. 6d.</i>			
Warning Democracy	...	...	7s. 6d.
<i>Will be re-issued shortly at 3s. 6d.</i>			
The Monopoly of Credit	...	...	3s. 6d.

PAMPHLETS:

These Present Discontents: The Labour Party and Social Credit	...	...	1s. od.
The Use of Money	...	...	6d.
The Nature of Democracy	...	...	6d.

The following are books and pamphlets expounding and supporting the Proposals of Major C. H. Douglas from various points of view:—

The Douglas Manual, by Phillippe Mairat	...	...	5s. od.
<i>This is in the nature of a concordance of the works of Major Douglas, and is a most valuable book of reference.</i>			
Economic Nationalism, by Maurice Colbourne	...	...	3s. 6d.
<i>This book introduces the subject in easily assimilated form for readers of no previous knowledge of the subject.</i>			
The A.B.C. of Social Credit, by E. Sage Holter	...	...	3s. 6d.
Ordeal by Banking, by Allen Young	...	...	2s. od.
Introduction to Social Credit, by M. Gordon Cumming	...	...	6d.
Poverty Amidst Plenty, by C. F. J. Galloway	...	...	6d.
An Outline of Social Credit, by H. M. M.	...	...	6d.
Poverty Amidst Plenty, by the Earl of Tankerville	...	...	6d.
Short Papers on Money, by the Marquis of Tavistock	...	...	6d.
The Nation's Credit, by C. G. M.	...	...	4d.
The Abolition of Poverty: A Brief Explanation of the Proposals of Major C. H. Douglas, by R. S. J. Rands	...	...	4d.
The Douglas Theory and its Communal Implications, by Fred Tait (revised edition).	...	...	3d.
Outside Eldorado, by J. E. Tuke	...	...	3d.

The following books and pamphlets support the general analysis and proposals of Major Douglas but are not devoted solely to the exposition of Douglas Social Credit:—

The Coming of Community, by W. T. Symons	...	...	7s. 6d.
This Age of Plenty, by C. Marshall Hattersley	...	...	3s. 6d. and 6s.
<i>Perhaps the most popular exposition of the paradox of shortage amidst plenty. This book has done much to spread the conception of potential plenty held up by financial restriction.</i>			
Life and Money, by Eimar O'Duffy	...	...	5s. od.
Community Credit, by C. Marshall Hattersley	...	...	1s. od.
Men, Money and Machines, by C. Marshall Hattersley	...	...	3d.

Report of the Economic Crisis Committee of the Southampton Chamber of Commerce 6d.
Though not falling into any of the above categories this document will repay the study of our readers. It is a masterly analysis of the present economic situation.

Orders for literature should be addressed to the Manager, SOCIAL CREDIT, 9, Regent Square, London, W.C.1.

Correspondence

Major Douglas on Mr. Hawtrey and Others

TO THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—I have addressed the following letter to a correspondent, and it may possibly interest your readers.

Yours faithfully,

C. H. DOUGLAS.

Dear ———, I am interested to hear that Mr. Hawtrey at the meeting of the Engineers Study Circle characterised the Douglas Theory as "peurile." This appears to be a relapse into the manner of an article he wrote about 1923 in *The Pilgrim*, which was unadulterated Billingsgate, and was accompanied by a statement of his belief that the correct objective of a satisfactory monetary system was a stable price level. I have never, myself, been able to find a satisfactory adjective for an objective which would require that the price of neckties rose when the price of bread fell, and I notice that Mr. Hawtrey, in common with other professional economists, is now not quite sure that this would be wholly desirable. (Cf. D. H. Robertson's chapter in "The International Gold Problem," F. A. Hayek "Prices and Production," and "Monetary Theory and the Trade Cycle," R. G. Hawtrey "The Art of Central Banking," Chapter V.)

Since, however, this tendency to become abusive appears to be inherent in some of the professional economists who deal with these matters, and as I agree with you that they do, as experts, command a considerable, though diminishing, amount of attention from those interested in the problems of finance, it seems desirable to put upon record the four occasions on which my views have been the subject for formal debate with them in this country. They are (1) The Debate with Mr. Hawtrey at Birmingham in 1933, (2) The Wireless Debate with Mr. D. H. Robertson in 1933, (3) Chapter VIII. of Mr. Cole's book written by Mr. H. T. N. Gaitskell, (4) My address to the Marshall Society of Cambridge on October 20, 1934. Mr. D. H. Robertson was present at this address, and took part in the debate which followed the address.

I have no hesitation in saying that neither in the case of the two formal debates, nor in the case of my address at Cambridge, in which I put forward certain aspects of my case in the form of questions to the Society, was any serious attempt whatever made to meet my position. Mr. Hawtrey's contribution to the debate at Birmingham consisted in an able exposition of the orthodox theory of the balanced budget. Mr. D. H. Robertson's reply to my opening statement of my case in the Wireless Debate completely disregarded this statement, made no attempt to reply to it, substituted a statement which was not mentioned in the opening statement of my case, and demolished this substituted statement on the basis of hypothetical answers to questions with which the time limits of the debate did not allow me to deal, and which were subsequently answered at length in *The New Age* in a totally different sense to that which Mr. Robertson evidently expected. At Cambridge Mr. Robertson, together with others, ignored completely the technical question which was put to him in my address, and which was also put to Mr. Hawtrey without obtaining an answer. Mr. Gaitskell's criticisms were completely answered and his argument disposed of by Mr. J. Adamson in *The New Age* of December 28, 1934.

I have no doubt whatever as to the fundamental reasons for the divergence of my views from those of the professional economist. The professional economist believes, whether he is aware of it or not, that it is possible to have a science of money which is self-existent and independent of the progress of the industrial arts. I do not. For this reason I do not think that any economist who at one and the same time believes in a suitable price level and a balanced budget in connection with the modern production system can have anything of value to offer towards a constructive solution of our difficulties.

I am sorry that I cannot address the Engineers Study Circle, but my engagement book was already full by June of this year.

Yours sincerely,

C. H. DOUGLAS.

"Propaganda Suggestions"

TO THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—To follow up the interesting propaganda suggestion put forward last week by Mr. Mundle, of

Gateshead, may I call the attention of your readers to a new venture that is just being embarked upon in Leeds.

The Leeds Section of Green Shirts has opened a SOCIAL CREDIT SHOP at 75, Hunslet Road, Leeds.

All visitors from the South must pass the shop, which is in a conspicuous position on the main road and a quarter of a mile from the centre of the city.

For several weeks an average of 6 dozen copies of SOCIAL CREDIT have been sold each week-end in the streets, and now we hope to see a rapid increase in our sales.

All Social Credit literature will be kept in stock, and I would like to extend to all Yorkshire readers of SOCIAL CREDIT an invitation to call at the Social Credit Shop when next they come to Leeds.

Every town which can count on twenty keen Social Creditors could open a Social Credit Shop at an average cost of 6d and a few hours each per week.

Yours faithfully,

Leeds Douglas Social Credit Society,
"Newholme," Church Lane,
Leeds, 6.

W. TOWNEND,
Staff Section Leader.

November 24, 1934.

Social Credit and the Labour Party

TO THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—I see the letter from the Rev. H. Edwards advocating an official approach to the Labour Party, with the keenest appreciation.

A quick presentation to the public on a really comprehensive scale of Douglas Social Credit ideas is not only desirable, but in all probability, vitally essential.

Whatever the short-comings of Labour policy, I think that all will agree that of all existing organisations of formidable size, this is definitely the only one which sincerely aims at the betterment of conditions for the oppressed.

This aim is paramount with both the rank and file, and also, most of the leaders and officers.

With the executive convinced and converted, who could estimate the millions of votes secured for Douglas Social Credit in one dramatic deal?

Economy of effort demands that at least an attempt is made.

If we cannot graft to Labour, the Fascists may graft to us, and their "support" might prove an uncomfortable crutch.

Yours faithfully,

R. CUNNINGHAM.

11, Queen's Road, Bournemouth.

November 30, 1934.

"A Labour View of Social Credit"

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—I read with interest the letter by Mr. Maurice Colbourne on the above subject in your issue of November 16th.

In my article on this subject which appeared in your issue of November 9th, I mentioned that it was my *personal opinion* that no matter how great the purchasing power of the community might be, no man should have more than four times the income of any other man, apart from items such as travelling expenses, etc.

Mr. Maurice Colbourne says "Why not?" So I will, if I may, endeavour to explain my reasons more clearly.

First of all, however, I would like to emphasise that this is only my personal opinion, and I quite realise that some may not agree.

Some people would say that "five times" would be fairer. Others would say "three times" or even "twice." The exact figure is merely a matter of personal opinion. The principle underlying these various opinions is that there should be some limit to the differences between the incomes of individuals other than what Mr. Maurice Colbourne describes as "the open market of human supply and demand."

Mr. Maurice Colbourne again asks "Why?" My reply is that I consider that the uncontrolled open market of human supply and demand results in great injustices, for under this system a small number of persons (some as a result of ability and some for other reasons) are able to obtain enormous incomes which give them very great power over the lives of their fellow men.

Mr. Maurice Colbourne suggests that a man of ability, if he did not get a very large income would refuse to con-

tinue to do useful work for the community. This seems to imply that his only object in doing useful work is to enable him to earn an enormous income.

If this is so he must be a very selfish man. His main object in doing useful work should surely be to benefit his fellow men. Certainly he should get a fair remuneration, and I agree that the exact amount which he should get is debatable. Personally I think that £1,000 per annum at present prices (plus travelling expenses, etc.) is enough for any man at the present time.

I have every sympathy in certain circumstances for workers earning £2 a week who go on strike in order to try to get £2 10s. per week, but I would have no sympathy with a man with an income of £1,000 per annum if he said that he would go on strike and do no more work until his income was increased to £2,000 or £3,000 per annum.

I agree, however, that the limitation of very large incomes is of far less importance than our main task of abolishing unnecessary poverty.

Yours, etc.

ROBERT M. BURKE.

(Irish Labour Party Candidate for Co. Galway at the 1933 General Election.)

Toghermore Poultry Farm, Tuam.
November 30, 1934.

"Made In Japan"

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—No one, it seems to me, but the wilfully blind or mentally defective could read the admirable and illuminating article, "Made In Japan" in your current issue, without profit and instruction. The matters related therein have particular interest for me, for while in Bombay recently for a considerable period, and coming into immediate contact with people closely connected with that mill-industry of which Bombay is the centre in India, I heard at first-hand many things that English people, drugged and doped by the most venial and corrupt press that exists, are not allowed to know.

First of all, no one, I found, in Bombay believed the legend sedulously propagated by financial and banking persons in this country *via* their tools and creatures, that the reason for Japan's shattering and devastating competition—a competition as a result of which, at one fell swoop a group of no less than *fifty-three* mills closed down at one and the same moment—is due to sweated conditions of Japanese labour, long hours, low wages and all the rest of the bunk beloved by our journalists. An article was, indeed, published in a leading Bombay daily exposing the complete untruth of this, but I cannot for the moment recall the name of the author or which of the dailies. The author was, however, an Englishman.

Next, leading Bombay mill-owners were quoted to me, by the gentleman in direct touch with them, as declaring that *if they got their raw material for nothing and their labour for nothing it would still be impossible for them to compete with the Japanese*, and from occasional remarks let drop it would appear that the Bombay mill-owner is not quite so abysmally blind as to the true inwardness of Japanese competition, and the financial methods whereby it is made possible, as most people here. But, of course, the hand of Sir George Schuster (is it?), is as heavy upon India as that of Mr. Montagu Norman is upon England . . . for is he not a Minister Plenipotentiary of that *Imperium sine imperio* of which Mr. Norman is monarch?

Yours, etc.,

KAIKHOSRU SHAPINJI SORABJI.

175, Clarence Gate Gardens, N.W.1.
November 25, 1934.

Economics and Birth Control

TO THE EDITOR OF SOCIAL CREDIT.

MORAL FREEDOM

Dear Sir,—With regard to Mr. R. A. Brown's letter on freedom of a person to practice what is expressly forbidden by our Creator and His natural law, does he not imply that we are "free" to commit murder, robbery, etc.? Those only are free who see the truth and follow it, but error only leaves us "free" to fall to our own destruction. I am sorry Mr. Beamish withdrew his remarks, as no amount of finesse will budge the truth, once established. Will Social Creditors please settle what they mean by Freedom, economic or otherwise? If Mr. Brown does not need the

"comforts of religion," will he please say whether Society is "free" to commit malnutrition, sabotage, slavery, and other monstrosities.

Yours faithfully,

74, Cecil Park, Crouch End.
December 1, 1934.

J. DOYLE.

Social Credit and Farmers

TO THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—I have been interested in reading J. W. Sault's letter on the proposed Social Credit experiment in Hertfordshire. It has long seemed to me that something of the nature is wanted, in which members of the general community could participate. The day when our monetary system will be altered by Act of Parliament may be far distant. Can nothing be done in the meantime?

Various experiments in the use of substitutes for the present monetary system are being tried in this and other countries, but they are being carried out by what one might call close communities; *i.e.*, by groups who come together to work, pool and share their products amongst their number.

But something practical is needed in which anyone could join without necessarily changing his job or abode.

It seems to me as a farmer that it is amongst the agricultural community that the need is greatest for some substitute or alternative to our present monetary system. The position of the farmer under our present monetary laws is far worse than that of the manufacturer or merchant.

Besides being liable to distraint for rent or for tithe, the farmer is far more liable to the operation of the bankruptcy law. He is, generally speaking, not in a position to evade it. The safeguard of the law allowing the formation of limited liability companies, which is open to others, is of little help to the agriculturalist. By the very nature of his calling, he cannot as a rule avail himself of this means of escape from ruin through bankruptcy.

He upon whom manufacturer, merchant and banker ultimately depend for their existence is the most insecure. Under our present system there is a vicious inversion of security, the banker being the most secure, the agriculturalist the least. The risk of financial ruin is greatest of all in his case.

Farmers, together with their workmen, need more than most other sections of the community, some practical alternative that would provide escape from the present monetary system. Can a Social Credit experiment be devised, which beginning, however tentatively, might grow, and ultimately spread from agriculturalists to others?

I should be very glad to get into touch with anybody who has ideas upon this important matter.

Yours faithfully,

PHILIP J. BUTTER.

Barking Road, Needham Market, Suffolk.
November 29, 1934.

"Can Produce but Cannot Sell"

TO THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—Reference is made in a letter to *Engineering* of November 23, 1934, to the following contract:—

"A control instrument equipment was required for a Finnish cellulose mill. Fourteen firms, in all, from different countries competed, and the order went to a German firm at a price approximately 25% below the lowest English tender—10% to be paid in cash, the balance in cellulose."

I thought you may be interested in this as another pathetic illustration of "can produce but cannot sell"—this time referring to capital goods.

Yours faithfully,

28, Farm Hill, Leeds 7.
November 30, 1934.

S. TOWNSEND.

The Electoral Canvass

TO THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—Your paper is good reading and Yaffle deserves 100% increase in his National Dividend. Mr. W. L. Bardsley's article, however, is not helpful.

The inhabitants of these islands are not divided into the two classes mentioned by Mr. Bardsley, and the point of view of the lady, quoted in your issue of November 16, and

referred to by Mr. Bardsley in his article, is a sane, and common-sense point of view, and a very common one.

I personally first had Social Credit brought to my attention in 1925, and it has never been out of my thoughts, but until recently, although I could accept the principles, I could not see daylight as far as the carrying out was concerned, and I, as a voter and a citizen, have had many "gold bricks" offered to me, and like the lady, I wanted to know more before I adopted it.

There is, if you will pardon my saying so, a subtle arrogance in Mr. Bardsley's point of view which is calculated to put the British back up, regardless of the merits of the cause he is pleading, and it is easier to modify the line of approach than to modify the British people. Good as the Douglas cause is, it will not go over if put forward in Mr. Bardsley's fashion.

Reading Major Douglas's speeches, shows that the founder of the movement can talk in simple language, understandable to the multitude, and that is what is required from his helpers.

Bush House, London, W.C.2.

K. W. WILLANS.

November 24, 1934.

[The above letter was submitted to Mr. Bardsley who replies: Mr. Willans finds me not helpful. I wonder whether *he* is really helpful, or just one of the armchair brigade. However, we shall soon see. I challenge Mr. Willans to a contest, twenty a side, each combatant to be armed with 1000 National Dividend Leaflets No. 1, and each team to tackle one constituency in the London area. His team to work in the way he advocates, my team to work on the lines laid down by Major Douglas at Buxton (because, of course, my article was merely a marginal note on the Buxton speech). With subtle arrogance I now challenge London Social Creditors to come along and do some work.

I call for volunteers for Willans and volunteers for Bardsley. But I must add one word of warning; Major Douglas's Electoral Campaign is a stroke of genius; it is very simple, and therefore not easy to understand. Mr. Willans does not yet understand; so, until he has proved that he can obtain pledges in his way, let no one, but his team of twenty, imitate him. My article should be read carefully, as it stresses the vital point in this campaign. All volunteers should write to me, at 8/9, Essex Street, Strand, W.C.2. Now, Mr. Willans!—W. L. Bardsley. December 4, 1934.]

"The Church and Money Power"

TO THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—I notice with regret that you are allowing the Christian religion to be mixed up with S. C., which is, I consider, a very great mistake.

The Social Credit movement is distinctly not a religious movement. The Christian religion is a supernatural religion built up upon ignorance, superstition and fear, the two are poles apart. The D. S. C. movement, as I understand it, is a scientific readjustment of the National Credit by the Nation for the Nation. It stands or falls entirely on its own merits.

This week's SOCIAL CREDIT Journal contains an article: "The Church and Money Power" by J. S. Kirkbride, which will not carry the S. C. movement very far.

The chief aim and object of the S. C. movement is to do away with poverty. The poor, and poverty are the Church's chief *raison d'être*. Lip service, yes, they will give you plenty of that. One of the central doctrines of the Christian religion is for its members to cultivate and delight in a state of poverty. Religion in the past has always retarded progress.

The D. S. C. movement is concerned with the economic condition of the people, which, to-day, is far from what it should or could be.

The Christian religion, as such, is to make the people satisfied with those conditions, any other definition of the Christian religion would be contrary to the Bible definition.

The Douglas Social Credit Scheme is crystal clear, why make it cloudy by pouring dirty water into it?

Yours faithfully,

1, The Cliff, Roedean, Brighton.
November 26, 1934.

MARTIN TAIGEL.

Further Correspondence has been unavoidably held over until next week.

NOTICES OF DOUGLAS SOCIAL CREDIT MEETINGS

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

Birmingham Douglas Social Credit Group

Dec. 12th, 6.30 p.m.—Queen's College, Paradise Street.—
"The Social Aspect of the National Dividend."
Speaker: T. F. Evans.

Bradford Douglas Social Credit Group

Dec. 12th, 7.30 p.m.—County Restaurant. C. Marshall Hattersley, M.A., L.I.B., will speak on "Foreign Debt and Export Trade."

Erdington (B'ham) Douglas Social Credit Group

Dec. 14th, 8 p.m.—At the Red Lion Hotel, Station Road.
P. R. Masson, Esq., on "A National Balance Sheet."

Liverpool Social Credit Association

Dec. 14th, 7.45 p.m.—Bank Café, 14, Castle Street.—"The Basis of the National Dividend." Speaker: Dr. Tudor Jones, M. B., Ch. B., F.R.S.E.

The London Social Credit Club

Blewcoat Room, Caxton Street, S.W.

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

Dec. 14th, 7.45 p.m.—League to Abolish Poverty.
Speakers: Marquis of Tavistock, Mr. William Ward, Mr. J. E. Tuke.

A short statement of Social Credit is made at the beginning of every meeting. Visitors are welcome.

Social Credit Literature Stall and Library.

Manchester Douglas Social Credit Association

Dec. 12th, 7.15 p.m.—At the Milton Hall, Deansgate, Manchester.—Public Meeting. Address by Miss F. Bunce, M.A.: "The World in Debt. Douglas Social Credit the Way Out."

Newcastle-on-Tyne Douglas Social Credit Group

Until further notice all meetings will be held at 7.30 p.m. alternate Wednesdays in Lockharts Café, Nun Street.

Required, to rent, small room for Group office. Central position. Information to Mrs. J. W. Coward, Deepdale, Holly Avenue, Fawdon, Newcastle 3.

Solihull Douglas Social Credit Group

Monday, Dec 10th, 8 p.m.—At Tree Schools, Warwick Road, Solihull.—"The Case for Social Credit."
Speaker: Clive Kenrick, Esq. Visitors cordially invited.

South Shields Social Credit Group

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

Subscription Rates.

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„ Quarter page	10s.	0d.	
„ Eighth page	5s.	0d.	

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

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

The Electoral Campaign

NATIONAL DIVIDEND LEAFLETS

THE ELECTOR'S PLEDGE

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

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

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

Leaflet No. 1.

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

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

Leaflet No. 2.

Pledge only, with space for twenty-nine signatures.

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

Leaflet No. 3.

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

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

One sample of each of the above leaflets will be sent in return for 1d. stamp. The supply of cheap reprints of Major Douglas's Buxton speech (introducing the Electoral Campaign), available for distribution with samples, is now exhausted, the balance being required by the Secretariat. The speech has, however, been subsequently reprinted by Stanley Nott as a 6d. pamphlet entitled "The Nature of Democracy," and is obtainable from the Social Credit Press, 9, Regent Square, W.C.1. Orders for leaflets and other literature should be sent to this address.

Special Note

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

Manual for Electoral Campaign Workers

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

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

DOUGLAS TARTAN TIES

Ties in the Douglas Tartan can be supplied for 2s. 6d. post free. Apply SOCIAL CREDIT, 9, Regent Square, W.C.1.

A LINOCUT PORTRAIT OF MAJOR DOUGLAS

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

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

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

Proceeds will all go to the Secretariat.

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

Newcastle-on-Tyne Douglas Social Credit Group

"Money Leaflet as reproduced in SOCIAL CREDIT of November 30th, can be supplied at the following rates:—

7s. 9d. per 1,000 (including postage).
4s. 0d. " 500 " "
2s. 4½d. " 250 " "

Orders to Secretary, Deepdale, Holly Avenue, Fawdon, Newcastle-on-Tyne.

Co-operation in Electoral Campaign by other Organisations

The three possible ways in which other organisations can co-operate in the Electoral Campaign are:—

(1) By adopting the pledge leaflet issued by the Secretariat, canvassing for signatures to the specific pledge which has been adopted and placing signed pledges at our disposal as they are collected.

If (1), which would be the most effective, disturb their autonomy,—

(2) By inviting their individual members to join the Social Credit Campaign Groups and collect signatures for those Groups.

(3) By refraining from collecting any signatures and confining their operations to propaganda in favour of the National Dividend.

A Merry Xmas and a Happy New Year

from.....

Is what we enclose with our Boxes of Tea dispatched to your order

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6 lb. do. do. ... 13/-
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JUST DROP US A LINE GIVING FULL POSTAL ADDRESSES OF THOSE TO WHOM YOU WISH A BOX TO BE SENT.

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WILSON BROS. & Co.,
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5, South Castle Street,
Liverpool, 1.

Note: Where requested a current copy of "Social Credit" will be enclosed with Parcel.

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By Post 2s. 7d.

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by

T. H. PEDDIE

(Contributor to all the leading magazines).

PUBLISHED BY THE AUTHOR AT 10, MAIN ST.,
PERTH, SCOTLAND.

The analysis of form is science and can be taught. Selection and arrangement of form is art. Art cannot be taught by any process, but this little book can and does teach scientific analysis of form. If you have talent it will help you to make money in the present scramble.

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LONDON, ————— E.C.1

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Signed ERNEST SUTTON, M.I.M.T.
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Monthly Payments. Cash price £135. 1934 Ford 14-h.p.
Fourdoor saloon de luxe, trimmed in leather. Mileage 7,700.
Taxed. Faultless condition.

Please get on my Mailing List.

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ERNEST SUTTON, LTD.,

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Mr. WHITTON is pleased to announce he is holding a SHOW
during the Christmas Shopping Season, of his High-Class

SCOTCH HANDWOVEN TWEEDS
RUGS, SCARVES, ETC.

in the
KNIGHTSBRIDGE HOTEL, LONDON, S. W. 7
(163, Knightsbridge, near Knightsbridge Tube Station)

On the 10th, 11th, 12th and 13th December, 1934

Ground Floor

Hours : 10.30 a.m. to 6.30 p.m.

Handwoven Tweeds for Ladies' and Gents' Wear.

Handwoven Lightweight Tweeds.	—	Sports' Skirt Lengths.
Travelling Rugs.	—	Knee Rugs.
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Motoring Scarves.	—	Small Scarves.
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GRAMOPHONES WOULDN'T DO

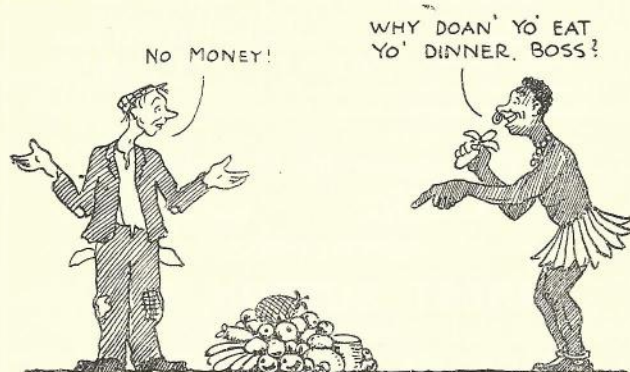
A CRISIS has arisen in the British Empire. At present it is only felt in one of the outposts, but it may spread to the very middle of the thing.

Under the heading, "Financial Crisis" in the Jungle," *The Times* publishes an account of the Zoological Expedition in the British Cameroons led by Mr. Ivan T. Sanderson.

The staple industry, I read, was formerly palm oil, for which the native once received 12/- a can; the present value is 6d. for the same amount. This, Mr. Sanderson says, probably accounts for the following incident:—

"One morning the head chief . . . presented himself in company with 14 sub-chiefs and a cloud of retainers. . . After they had seated themselves solidly and complete silence had been established . . . they humbly asked, through an interpreter, for an explanation of the 'financial crisis.'"

"The question," the explorer adds, "was so unexpected in the heart of an African jungle, that we were quite taken aback."



He might have less respect for the intelligence of his white rulers.

That was only natural. The same question in the heart of the City of London, would take even economic experts so completely aback that they would probably stammer incoherently about things that have no connection with the case, such as cyclones and blizzards and cycles.

It was a critical moment. As Mr. Sanderson says, "to explain further that the absence of money among the Africans was not due to a greatly decreased supply being coined by the Whites, appeared to be quite unbelievable to them."

Without being an African chief, I don't mind saying that it is also quite unbelievable to me. In view of the enormous masses of unsaleable necessities lying about all over the British Empire, I am unable to rid myself of the belief that the Whites have coined a very inadequate, if not decreased, supply of money.

I am, however, sufficiently patriotic not to endanger the prestige of the Empire by asking awkward questions.

It is not only a matter of explaining things to the heathen Blacks, though that is embarrassing. It is necessary for their proper control to represent the Whites as being superior in intelligence to the Blacks, but it is not going to be easy if they ask us why we can't produce enough money to buy the things we have got ready for sale.

The heathen, in his blindness, consumes all he wants of what he picks, finds or grows, not having the sense to invent a sound financial system which would make him starve under a tree full of bananas. It would be very difficult, in the present backward state of jungle education to make him understand why the superior white man destroys the food he wants or goes hungry within sight of it.

I can imagine the kind of conversation that might ensue if a savage came across a hungry white man in the act of balancing a white budget by the process of not consuming

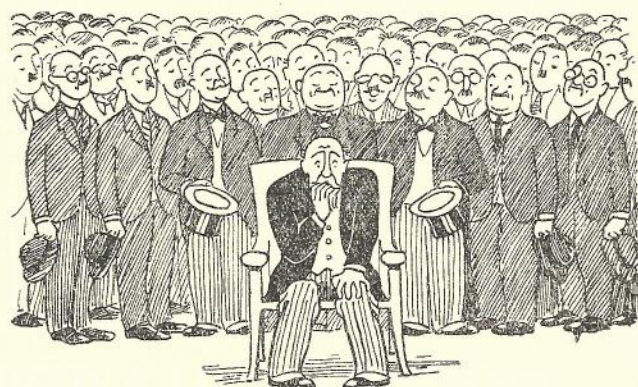
his own goods. He would ask the white man why he didn't eat his own dinner, and the white man would say he hadn't any money because he hadn't any work, and that he hadn't any work because he'd already done it by producing the stuff he couldn't buy, and that he couldn't buy it because he hadn't any money. They would go round that circle a few times and then the savage would say, "then why didn't he make some money," and the white man would get fed up and say, "Oh, eat yer dam banana," and the black man would go away with less respect for the intelligence of his white rulers and slightly more for his own ju-ju.

This crisis in Imperial affairs can, of course, be temporarily avoided by the Foreign Office preparing adequate formulae for the use of explorers.

What I am concerned with is a far greater danger. Is it possible that at any time the whites may be moved by the same economic curiosity as the blacks? Is there any fear that the intellectual upheaval which the explorer in question discovered in the heart of the jungle will spread to the heart of the Empire?

These fears are disquieting. One cannot stop the spread of ideas. I am informed that a white man has very much the same sort of brain as a black man, and he is mentally quite capable of conceiving the question, "Why isn't there enough money?" Such things, I say, are possible.

I am haunted by fears of what might happen (to the Budget) if one morning the chiefs and sub-chiefs of the tribes of producers and consumers should present themselves to the Government and humbly ask for an explanation of the financial situation.



Supposing the natives of these islands should ask a great white chief for the explanation of the financial situation?

In the case of the savages, the brave explorer was able to deal with the situation with the presence of mind that is characteristic of the Englishman (What? Oh, all right—and Scotsman) in moments of danger. He says:

"The arguments that followed had such a soporific effect on the older members of the council that I resorted to playing jazz records on the gramophone."

That proves once more, of course, that the British are at their best in a crisis. But, as Mr. Sanderson explains, "as none of those present had seen or heard of a gramophone before, the debate ended in a complete win for us."

Clearly gramophones would not help us here, for many producers and consumers have seen or heard of them.

If a crowd of white men should go and sit solidly in front of Parliament and ask why they can't have money to buy the food and clothes that are lying around in heaps, how could we distract them? What inventions have they not yet seen or heard of?

The only thing I can think of, would be a new kind of gas.

YAFFLE.