

# SOCIAL CREDIT

A JOURNAL OF ECONOMIC DEMOCRACY

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## REFORM THE PROVERBS!

A League to Abolish Obsolete Slogans

**I**N these days when there are leagues and societies for abolishing nearly everything you can think of, from corsets to Premature Burial, why doesn't someone found a league for the abolition of obsolete catch-phrases?

Judging from the successes of politicians, Press magnates and others, these ready-made thought-substitutes are eagerly accepted by the public in place of genuine cerebral activity. It is even said that Mr. Buchman and his followers receive special injunctions from the Deity in this form, and many of our snappiest churches are now employing what are called "Churchograms," which compress a whole lifetime of philosophy into half-a-dozen words.

Finance, too, finds a ready use for clichés and slogans which sound weighty enough, even if they have long ago lost their original truth (if any).

The trouble is that most truths, like anything else, have a lifetime. But nobody thinks of publishing their obituary notices.

Our new league would hold inquests on a good many of our slogans and proverbs and decide whether life was extinct.

For instance, there is that well-known saying about every man pulling his weight in the boat. This was all very well in the days of triremes, but what a mess it does make of things when we all try pulling our weights in a motor-boat!

It would be far more sensible to give this proverb a decent burial and replace it by another about keeping your eye on the pilot.

Then there is the absurd saying, "Waste not, want not." Surely by now every tiny toddler must realise that the best way to maintain the toy trade as a going concern is to bust as many toys as possible.

After all, industry is actually dependent upon waste. For since producing and wage-distributing are linked together in an unholy matrimony, we simply *must* produce a lot and waste it if we want any more money.

As Major Douglas has pointed out, "Who pays the piper calls the tune" is a false notion, or should be. Those who *listen* should decide on the tune, while the payment should be a matter of convenience for all parties.

"A nation must pay its way in the world." Here is a faulty generalisation from a more or less sound premise. A nation is in a totally different position from one of its citizens because it has (or can have)

the sovereign power of creating its own money. So a nation's finances should not be compared with a man's private account.

Then there is a whole series of cracker-mottos, such as, "If a man will not work, neither shall he eat," "The devil finds a use for idle hands," and "Never put off until to-morrow what you can do to-day," which, however excellent in their original meaning and intentions, are now used to extol work as an end in itself.

A further series, such as, "Look after the pennies and the pounds will look after themselves," "A fool and his money are soon parted," and "Conserving our resources," are used to encourage the idea of saving, because experience proves it is far easier to stampee a good saver by telling him his money is in danger than to stampee a spendthrift who feels he has little to lose.

Probably more lying slogans are concerned with an appeal to patriotism than with anything else. "Land of the Free," "Hearts of Oak," "Britons never never, never . . ." and a score of others act as a sort of smoke-screen for repeated raids on our liberties, while "England's green and pleasant land" and a whole series of quotations from the poets are employed to suggest beauties and delights which are rapidly disappearing in this age of finance-ridden commercialism.

At the last General Election Cabinet Ministers and others solemnly warned us that we must "put our house in order" and that "England yet shall stand" as if our domestic staff had run amok and tried to pull the house down, whereas all they had done was to fall foul of the bankers.

We also have to listen to the deliberate misuse of certain words, such as "sound" and "secure." For instance, there is that dreadful phrase "sound money" which seems to imply that a Pound Sterling or a Franc can turn bad and rot unless it is kept in a dry vault. We might just as well have senior wranglers talking about sound differential equations. After all, both are just sets of figures.

Thousands of bondholders must smile a little grimly at the word "security." To invent such a term for investments is worthy of Machiavelli.

Up to date we ourselves have coined a few phrases like "Poverty in Plenty," but these we have stopped. It is time we fought the slogan-mongers with their own weapons.

G. W. L. DAY.

### SOCIAL CREDIT

**The power to monetise Real Wealth is the power of Credit, and if that power is socially owned, then it is Social Credit.**

Major C. H. Douglas.

## A New Zealander Calls the Bluff

Extracts from a Speech on the Mortgage Corporation Bill in the House of Representatives, Wellington, N.Z., by Mr. Harry Atmore, M.P., February 21, 1935

**T**HE honourable member for Thames put his finger on the futility of the Bill when he said it was the failure of the monetary system that is the root cause of the whole trouble in the world.

### The Farmers

A resolution passed by the Provincial Executive of the Southland Farmers' Union in dealing with the general depression is most appropriate. It says: "... With the ever-increasing supply of labour-saving machinery, all talk of solving the economic poverty by finding employment for men is a waste of time. We are satisfied that until the control of the financial system is taken away from private monopoly there can be no definite steady progress in the welfare of the people as a whole, but only a continuance of a wealthy minority and a majority which is becoming poorer every day."

### The Churches

That is the position all over the world. The purchasing power of the peoples has been taken away. The Bishop of London and seven other bishops have signed a declaration stating:—

"The wilful destruction of the fruits of the earth and the prevention or restriction of production in the face of need are virtually acts of sacrilege, because God's gifts are flung back in His face."

It is not a coincidence that the two most conservative Churches in the world—the Anglican Church and the Roman Catholic Church—are bestirring themselves and stating that the present system is immoral and a challenge to the Churches. It is not a coincidence that the leading business men of the world are declaring that there is no way out of the depression so long as we retain the present monetary system.

### Napoleon

One of the greatest men the world has known — I allude to Napoleon—said: "Agriculture is the soul, the foundation of the kingdom: industry ministers to the comfort and happiness of the population. Foreign trade is the super-abundance; it allows of the due exchange of the surplus of agriculture and industry... Foreign trade ought to be the servant of agriculture and home industry; these last ought never to be subordinated to foreign trade."

A little earlier, we find that, when asked to negotiate a loan, he said: "No; everything comes out of the land, and the land belongs to the people. Why should I mortgage the work of the people and that which comes out of the land to those who can only issue paper... I shall establish the Imperial Bank of France, with myself as first President, and I shall direct the credit of the people wherever their best interests require it."

Is not the lesson for us in those last few words?

### The Business Man

The London Chamber of Commerce asserts the banks have only paper and ink, and it is therefore obvious that the real wealth is produced by the people, and this alone can give value to the banks' paper and ink. Does not the question immediately present itself: "Why does the State borrow from the banks or any other financial source?" Can the Ministers give an adequate answer? How do they account for the banks' huge deposits? Do the Ministers know the banks create deposits by making advances? Or have they not learned that great truth yet? Have they not yet recognised that, whether the Government or the banks issue paper, it is issued against something of real worth, and that something is the people's production? And yet, when we urge that something should be done to improve their miserable conditions, we have this silly parrot cry: "Where is the money to come from?"

A document issued by the London Chamber of

Commerce says:—"Money does not build houses: man does that with things out of the ground. All the real things are produced by men out of the ground, and without those things money would have no value whatever, since it would then represent claims to nothing. Goods would still have value if there were no money, but money would have no value if there were no goods."

We are incredibly wealthy in real wealth, but poverty-stricken in the matter of money tickets.

### The Unemployed

The Bill does not touch unemployment; but if the Government had a right outlook upon modern life it would know that there is no cure for unemployment in a world that progressively passes on its work to machines, and will open up a life of leisure in the future, when human beings, having solved the economic problem, will be able to live in the highest and noblest sense of the word. But that is impossible under our present monetary system. ... Every increased power of production is immediately followed by decreased power to purchase, because it displaces those through whom, under our present obsolete monetary system, we distribute the purchasing-power; and there is no solution of this problem except by a complete change in our monetary system, for labour-saving machinery is only another name for wage-saving machinery.

Every progressive nation will have unemployed in its midst because the inventive genius of man is transferring the load from the back of the worker to the machine. Men and women did not come into the world to work unceasingly, but to live decently and at the highest standard of comfort and refinement to which their own productive powers entitle them. Not work but living in the highest sense of the word is the object of life.

### The Government

What is money but the counterfeit representation of real things? And guaranteed prices could be obtained by monetising that which, under the present system, cannot be monetised. Unlike the bank which issues paper against things which exist, but which are owned by the people, the State on behalf of the people could issue against that which the people, and not the banks, produce. Under the present system the Government goes cap in hand to the bank and says, "Please let us have some of the notes which we in Parliament" — allegedly—"representing the people, gave you authority to issue against the things the people own."

### The Bankers

The monetary problem is the greatest question of the day. The production problem has been solved and real wealth exists in unparalleled abundance, but owing to an obsolete monetary system which fails to reflect this real wealth, poverty is co-existent on an enormous scale. Meanwhile the banks are paying great dividends, which last year reached in Britain 18 per cent., with a minimum of 12 per cent. on watered stock. The people who produce the real wealth and, indeed, all things necessary for human sustenance, comfort, and refinement, are suffering poverty, whilst the banks, which issue paper and make book entries against the people's credit, are wonderfully prosperous. In New Zealand on an average £99 6s. out of every £100 worth of business is done on bank paper or by ledger entries. What does that mean? The greater part of the business is simply the work of the ledger-keepers in putting ink on paper. What is this financial credit issued against? The answer must be this: the real credit of the people.

The cost of printing bank-notes is 2d. per dozen, and, as Lord Melchett truly said, "The money system is the greatest bluff ever perpetrated on any people."

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## Notes and Comments

### National Dividends or Taxation?

Why is there poverty to-day, when abundance is ready to hand? Social Crediters say it is because people's incomes are chronically too small to enable them to buy all the things that are for sale, and we say the remedy is to increase individual incomes by issuing National Dividends.

These National Dividends must be enough to enable people to buy all the things they want that can be produced.

We say that is just plain common sense, and that if the people demand such National Dividends for this purpose, the correct way to calculate and issue them, so that they will achieve what everyone wants, is a simple technical affair for experts to attend to, the sole condition being that the desired result shall be obtained.

The usual opposition case is that there is enough purchasing power—that is total individual incomes are sufficient to pay total prices, and it is only because some have an unfairly large share that others go short.

Well, our reply is that, if that is so, heavy taxation of the wealthy is the obvious means of getting the result all are agreed upon.

In many countries this method has already been put to the test. Here in Great Britain we have found that the heavier the taxation, the worse conditions become for everyone.

In the U.S.A. President Roosevelt is proposing crushing taxation on the very rich. It will not be long before the results begin to show themselves. Our prophecy is that conditions in the U.S.A. will become worse than ever if President Roosevelt's drastic new proposals for taxing the very rich are put into operation.

### Electrification Delays

At last, after years of delay, Finance is granting facilities, in the form of a £35,000,000 loan, to get on with the job of electrifying our suburban railways. Ten years ago, at least, this was something which obviously needed doing. We had the men, materials and organisation, and all we needed was the necessary financial credit to get on with the work. But this our financial dictators withheld, and so the work was held up until they deigned to change their minds!

At this present moment there are plenty more jobs which obviously cry out to be put in hand. Hundreds of thousands of new houses are needed for the poor; the slums need replacing; London and other big cities need rebuilding and replanning; the countryside waits to be colonised; and the Severn barrage scheme has been shelved indefinitely.

Why are these things not done? Just for lack of money. The initiation of any work scheme depends upon a bank loan, and this loan is granted only if the financial conditions are satisfied—which has no relation whatever to the real needs or desires of the nation.

The whole world is prevented from doing what it could and wants to do by those who have the power to grant loans—to create money. There is only one power greater, and that is the power the people themselves possess if they only knew it. *The people can dictate the policy they want enforced.*

### Wind up at Westminster

In spite of prosperity having returned (see Government posters) there are signs that many of our "National" M.P.'s are suffering from sleepless nights and bad dreams about the coming Election. In fact many of the Conservative M.P.'s are said to be looking for new constituencies rather than face the coming storm. It is even reported that the Northern constituencies are in a desperate state, and that a General Election held now would result in a complete landslide against the National Party.

Notwithstanding the frequent reassurances that we are the envy and admiration of other countries, the conviction is slowly gaining ground that this depression is *not* one of those periodic acts of God which may be classed with earthquakes and wet summers. In fact, a great many people are beginning to ask, "Couldn't this depression be man-handled?"

But so utterly disillusioned is the public in regard to politicians that the idea of getting anything done through Parliament is apt to raise a smile. But it *can* be, and in fact the Electoral Campaign exists for this very purpose.

### The Fight is On!

Now that it is no longer possible to hush up Social Credit, the enemy—that is, the people who from self-interest or moral prejudice wish to preserve the status quo—is coming out into the open. There is hardly a newspaper or periodical which does not from time to time mention the name of Douglas, and laborious "exposures" of the Social Credit proposals are published in the highbrow reviews.

The enemy is trying to advance in short rushes. Here is a job for S.C. marksmen! All these anti-Douglas articles should be answered, for even if the answers are not published, an impression is made on the editorial mind.



The Secretariat obviously has not the time to answer all these attacks, and even if it had, the enemy would probably feel that he had scored a success by keeping our headquarters completely occupied in counter-measures.

So will all readers who feel able and willing to deal with these attacks load their rifles (or fountain pens) and open fire whenever a chance occurs? The Secretariat will be very willing to give help when and if required, by having draft replies scrutinised.

Finally, if one Social Crediter engages the enemy, it is always helpful if others will stand by and back him up with further letters.

### Work Ahoy!

In the great international race to create work, Italy is making a bold bid for the first prize. According to *The Times* correspondent in Milan, "In order to diminish as far as possible unemployment among Italian labourers the Inter-Syndical Committee has decided that no 'mechanical means of any kind whatever,' are to be used for the next harvest. All work is to be done by hand!"

No nation has had the courage to go quite as far as this before. But now that the ice has been broken there is no reason why all pretence of mechanical efficiency shall not be abandoned, and everything possible done to increase the requirements in the labour market.

Man's endless battle with his environment, his slow and painful process of invention and discovery, has been as stirring a tale as any in history. Side by side with it there has been an internecine warfare between man and man. These two rôles, Man the Builder and Man the Destroyer, have always been the Jekyll and Hyde of humanity. And now it is the Hyde who seems to be getting the better of it.

By the way, there are still people who say that progress in the industrial arts has not reduced the necessity for human labour.

### Don't Shoot the Pianist

Out in Ndola, in N. Rhodesia, they are not so well drilled in paying taxes as we are in England. Provided everything is done in a gentlemanly manner and with an appearance of legality, we don't even kick at being taxed sixteen times as heavily as before the war, but out in Ndola, when the Government put on a poll-tax at five shillings a head, there was a regrettable outburst in which several natives were shot.

It seems they simply cannot understand finance out in those rude, uncivilised spots. A lady missionary said recently that she had the utmost difficulty in explaining to her Christian converts (somewhere in Africa, as far as we can remember) that Great Britain was short of money. All they said was, "Then why doesn't your King make some more?"

Still, as against their ignorance of economics we must weigh the advantage of being able to shoot them when they jib at paying. Even our Inland Revenue Department hasn't dared to go quite as far as this with us—perhaps because we are doing our best.

### Half-way to Douglas

Mr. Tom Johnston, the well-known Socialist, in an article in *Forward* of June 1, shows that he is at any rate half a Social Crediter. He says that Socialist propaganda ought to be increasingly upon the right to consume and decreasingly on the right to work; that in this modern mechanical world it is the consumer, not

the producer who needs to be subsidised from communal resources.

He then goes on to point out how machines are replacing men. A mechanical stoker does the work of 480 stokers, and a mechanical navvy in one hour does the work of 1,200 navvies with shovels. Owing to coal-cutting by machinery in the mines of West Yorks, there has been an increase of sixty-six per cent. in production with a heavy decrease in the number of workers employed. And according to the *Daily Telegraph*, in the last twenty-five years milk recording and grass land management have raised the average milk yield per cow by twenty-five per cent.; nowadays a couple of men and a boy can do the work of ten men and sixteen horses in the harvesting field, and a machine now plants 150 cabbages a minute.

So far, so good. But having said this, he makes no attempt to explain how or why the consumer gets a raw deal. All he says is, "We begin to see how every Socialist can honestly announce that within twelve months from its acceptance of power, a Socialist Government could guarantee the necessities of life to each and every household in the land, and that with the active assistance of the bulk of the farming class."

He may, but we don't.

### Paying for Our Defences

Finance, which rules through Fear and Suggestion, has always to face the possibility of being defeated by deeper fears and more powerful suggestions than even it can muster. Such motives have now arisen from the shadows of another approaching war. Finance would prefer us disarmed and policed by an international force, but since we have now decided to strengthen our national defences, it will do the next best thing and "sting" us for it.

National defences are obviously a national overhead expense, and if we were not living in an economic Bedlam they would be paid for out of a National Credit Account controlled by the Treasury. The money for building aeroplanes and so forth would be created on our known ability to carry out the necessary work, and to maintain the workers during the process, and having been paid out in wages and salaries, it would be spent in the shops by the workers, and would so complete its task.

As it is, the banks will create this money (*our money*) and then lend it to us as if it belonged to them. So not only shall we pay for our defences by our labour and skill; we shall pay for them a second time through taxation!

## Major Douglas Home

Major Douglas, having presented his first interim report as Chief Reconstruction Advisor to His Majesty's Premier and Legislative Council of Alberta, Canada, has returned to England.

To welcome him home, and to provide an opportunity for his supporters to hear an important pronouncement on the present situation, a dinner in honour of Major Douglas is being arranged by the Secretariat in London on July 19.

Details of place, time and price of tickets will be announced later.

## Why Social Credit?

### An Explanation of Proposals to Correct Maladjustments in National and World Affairs

(Reprinted by courtesy of "The Christian Science Monitor")

By Major C. H. Douglas

**M**OST of us are familiar with the advice to the effect that "If playing golf interferes with your business, give up your business." It appears that the bankers, politicians and statesmen of the world have taken this advice to heart. As between giving up the money game, as played at the present time, and wrecking civilisation, there seems to be no doubt that they are all for wrecking civilisation.

The money game is really quite a simple game. It can be visualised as a ticket system, not much unlike a railway ticket system, with the exception that a money ticket will be exchanged for any sort of goods or service, whereas a railway ticket is only exchangeable for transportation. No railway company has been so foolish as to allow some independent organisation to acquire the monopoly of printing its tickets, to issue them upon its own terms, and to retain the proceeds, while the railway company confines itself to providing the transportation. But that is exactly what the world has done. We busy ourselves with invention, science, production and agriculture. We increase our productive capacity a hundredfold. We transfer the so-called curse of Adam from the backs of men to the backs of machines.

Billions of pounds of coffee, millions of bushels of wheat are grown in excess of requirements, and are wantonly wasted, yet we allow tens of millions of the countrymen of those who have produced these marvels of ingenuity and progress to exist upon the verge of starvation. Our statesmen, at the behest of the bankers who have monopolised the ticket system, explain that they are doing their best to get us all back to work, and to curtail the output of the machines and methods, which have been only too successful.

If the railway company met a public clamour for increased transportation by replying that while it was unfortunately unable to deal with the shortage of tickets, it was using every endeavour to see that the number of locomotives and the capacity of trains was cut down to correspond with the available number of tickets, I do not suppose that its policy would be regarded as satisfactory. Neither would it occur to most people that a shortage of tickets would be best met by altering the timing of the trains and the hours of work of the employees. It would seem fairly obvious to most people that a situation arising out of a defective ticket system would be best met by reorganising the ticket system, rather than by dealing, at any rate in the first place, with other departments which had been shown to function fairly satisfactorily.

Now it is the contention of those of us who propose the use of the public credit as a remedy for many of the economic, political and social ills of the present day, that the production system and its administration, while possibly not perfect, are demonstrably so good that they have produced a state of glut. Any changes, therefore, in the production or administrative system must either reduce its efficiency, or increase the glut. On the other hand, the existence of the paradox of poverty amidst plenty seems to be quite conclusive evidence that it is not the production system which is at fault, but the distribution system, and the distribution system is almost wholly a financial or ticket problem.

The principle of the remedies proposed can be, perhaps, best understood by imagining the public debt of the United States to be a correct accounting representation of the total assets of the United States, which at its present rate of increase will soon be the case, and to suppose that this public or national debt be issued without charge to all United States citizens in the form of interest-bearing bonds. By applying a portion of the possible interest of these bonds to the reduction of prices, it is quite possible to avoid a rise of the price of consumable products, or even

to cause a fall in such prices, just as we apply a subsidy to cause a fall in the price charged for transportation. In this case, however, we do not provide the required amount by taxation.

If, at first sight, such a proposal may seem revolutionary, there is an adequate answer. At the present time, when a central bank, and, to a less extent, any normal type of bank, acquires securities, it acquires them by exchanging a draft upon its own credit for the securities, thus increasing the money in the hands of the public by the amount paid, and increasing its own assets by the securities acquired. It is quite fair to say that a financial institution in such a case acquires securities for nothing, and I am not aware of any special reason why a financial institution should alone be thus privileged. The extension of the principle involved would result, amongst many other equally desirable achievements, in the reduction and ultimate abolition of taxation.

The usual objection raised to a procedure of this kind is that it is inflation. Why a procedure which is legitimate on the part of financial institutions should become dangerous when used for the benefit of the general population is never made very clear. The suggestion is inherent that an increase of money must necessarily be an evil, and is, in itself, inflation. Inflation is nothing of the kind. It is, on the contrary, an increase in the number of money tokens, accompanied by an increase in general prices. This latter state of affairs is now openly claimed to be the objective of the orthodox or bankers' financial system, so that the objection raised against the proper and scientific use of social credit to—at one and the same time—lower prices and increase purchasing power appears to be doubly irrational. It is perhaps unnecessary to add that the additional purchasing power issued would be cancelled by writing down the debts against which it was issued, as at present.

\* \* \*

It may be asked, what are the chances of proposals of this kind attaining the stage of realisation? The answer to this is, I think, that while the proposals in themselves are technical proposals, their realisation is a problem of the mobilisation of sufficient force to insure that the opposition of the monopoly of credit which now exists can be overcome. It is by no means a light problem, but it is being tackled with energy, ability and persistence in every part of the world and especially in the English-speaking countries.

So far, the United States has not heard so much of the orthodox social credit proposals as of various semi-socialistic schemes to which they bear only a superficial resemblance. There is every evidence, however, that within a period not exceeding twelve months there will be in the United States, as elsewhere, a recognition of the fact that the future of the world lies between two radically opposed ideas, the first the regimentation of individuals along the lines of Italian Fascism, German National Socialism, or Russian so-called Communism, on the one hand, and on the other, the institution of a modified financial system which will give the maximum amount of individual liberty to the individual, a liberty which can be defined as the opportunity to choose or refuse one thing at a time.

It may not be out of place to touch upon the bearing of social credit upon the problem of international peace. It is, at any rate, the belief of supporters of the Social Credit Movement that the primary cause of international friction, if not the only cause, is the competition for foreign markets.

Under existing conditions the competition for foreign markets is forced upon governments by their apparent inability to regard the individual as other than a person

for whom economic employment must be found. Failure to find this employment, being accompanied by cessation of wages, both causes desitution to the individual and a still further diminution of markets for consumable goods. If recognition can be obtained for the conception of an economic system as not being primarily an employ-

ment institution, but rather a method of providing goods and services with the minimum of work on the part of everyone, the great urge to force upon alien populations goods which either they do not want, or would prefer to produce themselves, will be greatly reduced, if not, indeed, completely eliminated.

## Human Beings or Ciphers?

### Marvellous Exhibition of Financial Mentality.

ON April 25th last a whole page of *The Times* was taken up by the annual report of the directors of Sofina, which stands for Société Financière de Transports et d'Enterprises Industrielles. It is a peculiar document in that it contains no reference to the progress of Sofina itself but consists of ten thousand words or so, plus neat little tables of statistics, all in explanation of the present business depression. A M. Dannie Heineman read it, so he, presumably, is the chairman of the company and probably the compiler of this extraordinary report.

Right at the start of his oration he says, "The doctrine we deem to be false is that which extols consumption of consumers' goods, tolerates production of durable goods for personal use, and, in a general way, condemns the formation of capital as being useless or pernicious in present circumstances. We hold, on the contrary, that the present depression, no less than preceding depressions, can be remedied only by a resumption of private expenditure on reconditioning and creating durable goods."

When you have got hold of those sapient words you will notice that they mean just this. There is a glut of "consumers' goods" because people cannot buy them as fast as they are produced. People cannot buy because they haven't got the money, so M. Heineman's advice is to buy still less, thereby increasing the glut, and make more machines to increase the glut still more.

This advice will, no doubt, be accepted most gratefully by the two million or so fifteen bob a week dole drawers who will hasten to their stockbrokers and tell them to pick up a few good industrials. Even more grateful will be the thousands of employers carrying on by courtesy of their bank managers. They will let their wives and children starve so that they can buy machines to add to the rows of idle ones they already have. This may seem pie-eyed to the ordinary man, but then, M. Heineman is no ordinary man. He is a FINANCIER. He can command ten thousand words in *The Times*, probably any time he likes with no one to say his drivell nay.

That is the trouble. The ordinary man KNOWS that this advice of M. Heineman's is pie-eyed, but because he is a financier his gup must be swallowed.

The one good thing about this report, if so it may be called, is that it debunks several other theories which are current. It gives a nasty crack to Government interference in business, and another to "Protection." Two of M. Heineman's jabs are worth quoting. "Need it be recalled that profits, generally speaking, have suffered a greater decline than appears from their published records? Many companies have reduced amortisation and depreciation provisions and paid dividends in order to *preserve their credit* or to give the shareholders an income they could not, in present circumstances, forego without hardship." (My italics).

The second crack is worthy of even more careful notice. He says "Whatever measure of recovery is noticeable to-day in various countries is doubtless largely due to renewed activity in the industries supplying military equipment." How would those two look on the hoardings beside the National Government posters?

But these gleams of reason are transient, and we turn, after them, into chaotic nightmares of statistics all adduced to back up M. Heineman's great thought, which runs thus: Seeing there is a superfluity of machines the proper thing to do is to make still more machines.

The truth is that this financier, like all others of his kidney, ignores hard facts or pretends to.

He doesn't think of the "business depression" as meaning fifty million or so people in the world starving in the midst of plenty, as meaning thousand of bankruptcies and suicides, as meaning, what it does mean, the destruction of humanity. He thinks of human beings as ciphers in a table of vital statistics and of human activities as statistics of industrial output. He is concerned, in short, not with filling human bellies and clothing human backs, but with the best way of squeezing facts to fit a crazy financial pattern.

We all know that there are enough machines to give us all we want of the material necessities of life. Further, more and more of us are getting to know that, while it takes time, skill and effort to make machines, it takes practically nothing to make money. Unfortunately, our Government is dictated to by men like the author of this report, and we all suffer in consequence.

From now on, therefore, let US do the dictating. Let US tell the Government to give us what we want which is the money to buy the stuff we need and which we can make.

HIBERNIAN.

If this civilisation ends because you fail to work for the Electoral Campaign, yours is the responsibility.

### Labour Saving

In 1926 the railways of the U.S.A. employed 1,822,000 men. In 1934 they employed only 990,000, yet the services rendered had not deteriorated.

### First-Class Debtors

In its third annual report, issued on June 18, the League Loans Committee (London) directs attention, according to the *Financial Times*, to the value which credit can have for a country. Danzig and Estonia, it is pointed out, have maintained the full service of their League loans and may be regarded as first-class debtors.

In his first interim report to the Alberta Government, published in last week's SOCIAL CREDIT, Major Douglas also points this out, and suggests how Alberta and any other community that follows his advice—can become first-class creditors, and issue National Dividends to their population. (See front page).

### Change of Address

Owing to the growth of the Secretariat's work and the increase in circulation of SOCIAL CREDIT, new and more convenient offices have been taken at 163a, Strand, close to Aldwych Tube Station, to house both together.

The address of the Editorial and Publishing Departments of SOCIAL CREDIT, as well as of the Secretariat, is now

163A, STRAND,  
LONDON, W.C.2.

Tel: Secretariat, Temple Bar 4154.

SOCIAL CREDIT, Temple Bar 7054.



## Overseas Notes

### Canada

MAJOR Douglas's Interim Report as Reconstruction Adviser to the Alberta Government, which appeared in last week's issue of *SOCIAL CREDIT*, may well be destined to become a landmark in Canadian history as striking, in its more limited sphere, as his speech at Buxton which inaugurated the Electoral Campaign in this country. The clear differentiation between strategy to obtain a certain objective and the technique to be applied when that objective is achieved makes it a document of the very highest interest and importance to all who are seriously concerned with Imperial affairs, and may, taken in conjunction with the Electoral Campaign, go far to convince even those remarkable individuals who accept Douglas as a thinker while denying him as a practical leader.

The Ottawa *Citizen* reports the formation of a "Social Credit Bureau" for Canada, with objects defined as "Assistance in the organising of Social Credit groups in other districts; co-operation and assistance to existing groups; the provision of speakers for Social Credit meetings anywhere, and the extension of Social Credit in the Dominion." If the formation of this Bureau leads to close co-ordination of Social Credit activities between Ottawa, Toronto, and Montreal it will be an excellent step; if it goes further, and in co-operation with existing organisations helps to develop propaganda from coast to coast, it will assist also in the important work of breaking down that unreal sense of economic antagonism between eastern manufacturers and western farmers which can be achieved only in proportion as both realise the identity of their common enemy.

The conspicuously fair and competent financial articles appearing in the *Toronto Star* of recent months from the pen of its Financial Editor deserve wide recognition. They appear to be without bias, except the bias of a genuine determination to get at the truth, and the general tenor may be judged from such a statement as "Douglas may be wrong in his major premise but no one so far has convincingly been able to disprove it." Like many others with a considerable acquaintance with the subject, however, this writer seems tacitly to encourage the common assumption that the "nationalisation of the issue of credit" would necessarily apply to credits for production as well as those for consumption. Major Douglas takes the view that the present banking system functions with remarkable efficiency apart from the flaw in costing, and that the path of economical reform would be to leave it in control of its present administrative powers, while introducing a continuous compensating element into the non-liquidating costing system by means of purchasing power supplied direct to the consumer. This course would have the effect of breaking the *monopoly*, and of decentralising initiative, while avoiding the possible dangers and complications of nationalising the entire power of credit issue under political control.

The Social Credit Movement has perhaps been too ready to assume a change of heart on the part of orthodox political parties in the past when any statement by their leaders showed signs of financial grace. There is no doubt, however, that Labour Parties throughout the Empire are growing uneasy about the old comfortable slogan of nationalisation as a cure-all for economic troubles. In the course of the last session of the Manitoba Legislature, the following four-point statement of policy was formulated by Mr. Farmer, the local leader of the Labour group: No more wage-cutting; socialisation of key industries; use of "social credit"; organised planning. The *Winnipeg Free Press* comments, "What is the public to understand by 'social credit'? Has Mr. Farmer adopted the Douglas theory?" We in this country can only echo the question.

To judge from the "Special Finance Issue" of the Co-operative Commonwealth Federation's monthly publication for June, the Socialist-Communist wing of the Canadian "Left" continues to look on Social Credit

as a semi-fascist political rival. The issue is largely taken up by an excellent explanation from the secretary of the Douglas Credit League of Canada of what the Movement stands for, a reply by the Editors, an article called "Monetary Messiahs" which discusses Mr. Aberhart and Mayor McGeer of Vancouver, and finally one on "Douglas and Fascism" which takes the view that "many sentences and paragraphs in Major Douglas's books might well be mistaken for direct quotations" from Hitler or Mussolini. The technical level of criticism in the Editor's article may be judged from the statement that Douglas contends that "B" costs "cease to exist," and that "a portion of the *value* [my italics] of any product shrinks in the process of manufacturing."

I should not like to leave an impression that left-wing criticism in Canada has any monopoly of questionable methods of controversy. This would be doing less than justice to the powerful and Conservative *Montreal Gazette*, which presumably has certain standards to maintain but which can nevertheless write in its first leader of May 29, "The Major has never been backward in putting his project before any audience, and in the present instance [his Alberta appointment] his courage has been fortified considerably by a fat retainer and the promise of further emoluments to come." If this does not represent low water mark in reputable journalism, I shall be glad to receive rival bids.

### Australia

The news makes up in quality what it lacks in quantity. The Douglas Credit Movement of Victoria at a recent meeting decided "to go ahead with the Electoral Campaign as vigorously as possible." Clearly this State intends to demand results, and believes that Douglas's methods of getting them in Great Britain are applicable also to Victoria. Each unit of a world-wide decentralised movement such as ours will decide policy for itself, but believing as we do here that no other method except mass pressure through Parliament will serve to put the fear of God into the money monopoly, at least in any country which retains a democratic system, we are naturally glad to hear of others who have arrived independently at a similar conclusion.

### Irish Free State

Issues of *The Kerryman* have lately arrived, containing letters and articles on Social Credit. This paper circulates in Kerry and Limerick, and seems willing to give plenty of space to the subject, with the majority of the contributions favourable as far as I have seen. E. Ua Curnain has had a series of most readable and interesting articles over a period of many months, and in the issue of June 8 refers to an article in the *Irish Rosary* for June, by Father James Collins, O.P., called "The Commonsense of Social Credit," but I can express no opinion on this as I have not seen it. It is good news, furthermore, that last month a county executive was formed at a meeting in Tralee for the purpose of carrying out a systematic propaganda campaign in the villages. If other parts of the country are getting under way as effectively as Kerry we in Great Britain should like to hear of it.

J.D.B.

### Overseas News

The Secretariat is already acting as the centre and "switch-board" of the world-wide Social Credit movement, but, in order that its efficiency in this important department of its activities may be continually increased, the Director of Overseas Relations asks all Social Crediters, either in Great Britain or elsewhere, to let him have any overseas information of interest for publication in *SOCIAL CREDIT*, or for the confidential information of the Secretariat. Letters, visitors to Great Britain, newspaper cuttings—all such are news sources of potential value to us and the movement. Never mind if news items are duplicated; no one suffers except the Secretariat.

J. D. BENNETT,  
Director of Overseas Relations.

## A Letter to The Only Democrats From the Bradford Douglas Social Credit Group

To the Director of the Electoral Campaign.

I AM dropping you this note for the reason that, if there is one thing I like to do, it is to admit when I am in the wrong. When I had a chat with you in London some time ago, I was utterly against the new pledge form, and expressed myself against it in no uncertain manner. I was definitely of the opinion that we could obtain more than *twice* as many signatures to the old pledge form, but of course, as you know, I did promise to try out the new one on a given area. I am very glad I did.

Through the efforts of Electoral Campaign workers we are now in a position to judge the relative values of the original and the new form. Our results on the old form were as under:—

Signatures.	Refusals.	Teams.	% in favour.
1,203	938	1 $\frac{75}{84}$	56

It will be seen by this that, so far as we have gone, it would seem possible to win over the majority of voters, given the time and necessary helpers. But it would also mean almost every voter being called upon.

These results gave us confidence in the original form, and then all workers were given the new form to try out. Given half the above percentage of signatures, yours would be the better form to use, since only majorities had to be attacked, and not every voter.

The results are proving rather startling. Within three

days of the new form being used the first report came in from one enthusiastic worker. His returns showed a signature every three-and-a-half minutes, with between eighty per cent. and eighty-five per cent. signatures, and only fifteen per cent. to twenty per cent. refusals. It is quite obviously impossible to obtain 160 per cent. signatures out of one hundred per cent., so my personal opinion that signatures could not be obtained on the official form is proved hopelessly wrong.

Other figures coming to hand show about the same results. Some a trifle better, some not quite so good. All are unanimous in saying that signatures to the new form are very much easier to get than they were with the old form, because of the form itself. The "get up" is, of course, excellent, and we find the electors quite prepared to sign and place it in the door ready for us to collect. Before starting with the Campaign, I had great hopes of obtaining a majority in all four constituencies here. Now, with the new form, I am absolutely certain that given time, we can secure control of all four constituencies.

This demonstration of the effectiveness of pledge form number (?) is naturally conclusive. This form, and no other, will now be used in Bradford, since it is based on actual experience and rests neither on opinion nor theory.

E. WRIGHT,

Supervisor of Electoral Campaign, Bradford.

### Social Credit in "The National"

ONE "Consus" is the latest recruit in the press campaign against Social Credit. His forum is *The National*, a mysteriously modest sheet issued apparently to boost the so-called National Government, and he adopts the familiar method of an inaccurate summary punctuated with corrections of his own misstatements.

His article is the second of a series on unemployment. He avoids mentioning this problem altogether, and devotes the first half of his paper to a fairly correct history of money. Like all orthodox writers, however, he insists on regarding money as still being a means of exchange. It is not a means of exchange to-day within national boundaries; it is the means of distribution.

Before the industrial revolution, when every man's labour was required to produce the necessary goods, the term "means of exchange" bore some relation to economic facts. Our present problem is to distribute the increasing glut produced by men plus machines. You cannot exchange the products of a machine for those of the one hundred men it has displaced. The former does not consume, and the latter in all probability have nothing to contribute.

"Consus's" views on Social Credit are summarised under eight headings. I have no quarrel with the first six, but in number seven, dealing with the control of credit by the banks, he says: "the (Social Crediters) assign to the leaders of the banking world a Machiavellian duplicity which seems to have little foundation in fact." If he would examine the subject more closely he would find that the main Social Credit criticism is directed towards the financial system as such. Its complaint against bankers as individuals is that they resent any criticism of their obsolete system, and take no steps to rectify it.

Heading number eight is a misleading summary of

Douglas's constructive proposals. Consumer credit is contemptuously dismissed in the sentence: "the source of these proposed payments would be the printing press, and they [Social Crediters] argue, somewhat unconvincingly, that this would not cause inflation." As "Consus" is no doubt aware, Major Douglas nowhere advocates the use of the "printing press," if by this is meant an increase of the note issue. The source or basis of the dividend and the compensated price payments is the real wealth of the country, and even the village idiot can see that money issued specifically to reduce prices cannot cause inflation, i.e., a rise of prices.

"Consus" ends with a promise to discuss the matter further. It is to be hoped that before doing so he will make himself better acquainted with his subject.

K.M.

### A Social Creditor to Broadcast

Western Regional, July 11, at 6.30

A broadcast discussion under the title "The Signs of the Times and Farming" has been arranged between Colonel J. Creagh Scott, who has done such splendid work for Social Credit, particularly in Ireland, Devonshire, and the Shetland Islands, and Mr. A. W. Ling, Agricultural Adviser to the University of Bristol.

### The Earl of Tankerville

Offer to Speak at Public Meetings

The Earl of Tankerville has generously offered his services as a speaker at public meetings in support of the Electoral Campaign.

Full particulars will be supplied on application to the Secretary, Social Credit Secretariat, 163a, Strand, London, W.C.2.



## Campaign Workers! Take a Bow!

### Bradford, in the Name of Science, Joins You

*Science rests on reason and experiment, and can meet an opponent with calmness; [but] a creed is always sensitive.—Froude.*

**H**ISTORY has it that Great Britain conquered the world in a fit of abstraction, but for certain, it will someday write that Douglas campaigners freed it in a calm of reasoned faith.

The names of everyone of them should be carefully recorded and preserved, because futurity will certainly want to put plaques on their houses. They certainly haven't made any fuss about their zeal. It is indeed to be doubted if even they themselves know what a stupendous achievement is theirs—but we can be quite sure that the Social Credit Movement doesn't even glimpse it.

"Let a plain tale suffice," then, and here it is: They have collectively evolved, tested and proved an implement with which humanity may cut itself free of all but Nature's exactions.

It is just as if humanity were behind prison bars, and our campaign workers had completed and proved an oxyacetylene unity which every prisoner could construct for himself, and with whose flame he could cut through every constraining shackle, bar and door—as if it were butter.

Major Douglas, of course, laid down the principles upon which the unit should be constructed, and knew that, when evolved, it would produce the flame that would both light with faith and cut with precision humanity's path to freedom; but unaided he couldn't construct the unit, he could not prove its efficiency—only the workers could do that—and they have done it.

Whilst all the arguing, bickering and contending has been raging, Douglas Campaigners have kept working, working, working, and have now secured reliable figures shewing such astonishingly heavy margins on the right side as to make all doubts concerning future action

untenable. These figures prove beyond all reasonable doubt that twelve months after we have got together a sufficient number of workers like those we now have, their methods could ensure a political landslide in the direction we desire, as extensive as that of 1906.

And that, big as it is, is not all; because these figures are bound to convince any dispassionate mind that all it has to do is to join up with other workers—and work.

Leaders of other organisations, therefore, will not have to endure the hindrance to progress caused by unreasonable doubters and those with ill-considered and inconclusive opinions—and prima-donna temperaments. They will be able to refute them all with undeniable facts of actual achievement, and go right out to bring in the millions with unbiassed minds whom we know to be waiting and willing to hear our epoch-making news.

Let all now take it as an established fact that the initiative is with the Douglas Movement and its freedom for action grows daily. It is, of course, the more valuable in that we know this, because, within reasonable time, knowing we possess it we shall be able to decide between several places where it suits us best for the next issue to be fought. Later, in spots so chosen, we shall be able to make moves that will force our opponents to counter with other moves that we can foresee, and against which we can be previously prepared. Believe it or not, when that situation exists in contests, the final triumph is seldom far off.

So, when we of the Secretariat have to lose the—er—"sweets of office," we shall be found readily admitting that, so far as the men and women of action are concerned, fate couldn't have given us a better crew.

G. F. POWELL,

*Director of Electoral Campaign.*

## Active Service

### Southampton Prefers Science

I have prepared these notes on the Electoral Campaign with the idea of offering suggestions, arising out of actual experience of the Campaign, to those District Supervisors and workers who have not yet actually engaged seriously on the practical canvassing of the electorate.

At the outset it should be recognised that the document E.C.D.1 is a masterly basic plan for evolving the perfect technique for bringing the Electoral Campaign to a successful conclusion. It does not in itself contain this technique, but prescribes a simple method whereby it may be discovered.

I can safely say that all my colleagues are unanimous that the Campaign is the thing, and that it is simply a question of recruiting sufficient workers in time. We have got the working details down to a sufficient degree of simplicity, I think.

I would like to say here that the District Supervisor himself needs to be ruthlessly single-minded — which requires no small effort when his previous activities may have been in some very different direction.

In an army you can't be infantry, artillery, intelligence, commissariat and all; you must give undivided attention to your own department, trusting that the other sections will do likewise. This, of course, does not exclude intelligent co-operation towards the objective, namely, the defeat of the enemy. The Supervisor must also

remember that Electoral Campaign business takes precedence over *all other business*.

Having decided to embark on the Campaign, the first thing to do is to assess the size of your job. For example, in my constituency the majority at the last General Election was something like 28,000, in a "straight fight," so that assuming there may be somewhere near the same majority at the next Election (though we hope the electorate will not be "bounced" again), in order to get a balance of power an organisation would need to aim at getting command over about 30,000 votes. Now, in this constituency there are about 60,000 households, so that we arrive at an average of one vote for every two households to be won.

This brings the job down to practical dimensions, and gives the basis for arriving at the number of workers needed. In the example I have just given, 200 workers, bringing in fifteen signatures a week each, would complete their canvassing in ten weeks, and could after that devote their time to intensive consolidation of their position. As results in Newcastle, Widnes, Liverpool, Southampton and elsewhere show, fifteen signatures a week means about one-and-a-quarter hours work per week per worker—not at all a big task.

Having assessed the size of the job, the next step is to build up your teams. This is very difficult to begin with, but becomes progressively easier as the Campaign develops. All groups can start with a nucleus of their

members who are willing to give the canvassing a trial. They can generally find at least one or two who will devote their time to recruiting—and this is an essential part of the organisation.

In our case we called a meeting of members, obtained a few volunteers, from amongst whom I appointed a Team Leader. Our method is, where possible, to start team workers straight away. They go out with the Team Leader on a practical demonstration canvass in one of the streets where a team is working, both for delivery and collection of Electors' Demand and Undertaking forms, and thus see how it is done on the spot. This is much better and more convincing than any sort of classroom instruction.

An objection to starting team workers straight away, before the team is up to the eighty-four-man-hour standard strength, is that recruits get disheartened by the amount of territory to be covered in relation to the small number of workers. I think however—again as the result of experience—that this disadvantage is offset by the fact that only stalwarts are left, and they are the quintessence of your fighting force, and worth their weight in—I was going to say gold, but shall we say? many times their weight in goods and services! We find the faint-hearts drop out early, but the best workers keep pegging away, and get more expert every week.

After one month's trial of E.C.D.I, a team is then free to apply such alterations in procedure as seem to have arisen out of the experience gained. Only one alteration should be tried at a time, and the proof is, whether or not an improvement shows in the speed and quality of the signatures obtained. Every such improvement must at once be reported to Headquarters if the virtue of E.C.D.I is to function.

### Personal Contact Best

To cite some examples; we found the idea of the householder placing the Electoral Form over the door a total failure, so we abandoned that. We then found that a great deal of time was saved, and a greatly improved percentage obtained, by making personal contact with the householder at the first call, instead of placing the Electoral Form in the letter-box.

The canvasser takes the opportunity, when making this personal contact, of ascertaining how many parliamentary voters there are in the household, so that on his return he knows how many signatures he ought to get. If the person who answers the door is obviously busy, he endeavours to find when he may return to explain the Campaign at a more convenient time, and rarely is refused an answer. On his street record sheet (see illustration) he notes the number of voters, also any time for appointment, and proceeds on his way. He is often able to clear up appointments on his way back.

Another point that has arisen out of experience is that most of the Electoral Forms placed in letter-boxes are wasted. I am therefore giving instructions that houses where no personal contact is made at first call are to be missed, and if possible at a later date a clearing-up squad can go along and try again (but, bearing in mind we need only one signature out of every other household, this is not too important as we are getting a much higher percentage than that).

We have also decided that in order to make the most of the services of nervous recruits, a circular letter (as published in SOCIAL CREDIT June 14, page 275, shall be handed to the householder with the Electoral Form. This does away with most of the talk, and saves a few valuable seconds.

### No Effort is Ever Lost

In conclusion I would like to suggest two or three matters for encouragement. In the first place, I have come to recognise, from long experience in the Social Credit Movement, that no well-meant effort is ever lost. In the past when my colleagues and I were engaged on purely propaganda work, we sometimes sowed the seed on the stoniest, most barren-seeming ground, but it is everywhere bearing crops nicely, now. In the centre where we held our study group we have the finest workers and obtain the best results, and their influence is widening all the time.

Then again, the job becomes progressively easier as the team work develops, first with the practice the team

workers are gaining, and secondly with the assistance to future effort that arises from the advertising value of the work previously done.

There is no need for the canvasser to be diffident. He generally gets a civil reception, and in many cases a cordial one; for he soon develops skill in putting a good case to the householder, suiting his exact words to the kind of person who answers the door. Those few instances where a rude reception is experienced are generally due to a misunderstanding on the part of the householder of the purpose in calling. If it cannot be cleared up there and then, the canvasser must not worry: he or she is conferring the favour of free personal service to fellow-citizens, and can afford to ignore ill-natured refusals to listen. For every one who will not listen, there are hundreds willing and anxious to do so.

So buckle up, all you chaps, and get the women in too; they make excellent canvassers. — C. DAISH, District Supervisor, Electoral Campaign, Southampton.

### Felixstowe Finds the Way

The following letter is being sent out to Electors in Felixstowe. I find it necessary to address electors' Demands and Undertaking forms in envelopes and enclose the attached letter. Our first experience showed that many took the form to be an advertisement and simply destroyed it without looking at it. About 800 houses have been canvassed in Felixstowe, and owing to the season approaching when so many householders let apartments or take board-residence that it will be unwise to go on with the canvass after next week, and so I propose to resume in October.

The results at present are *very satisfactory* and I shall shortly send you the full reports and figures. The result to date has surprised me because this is not an industrial town and possesses a very mixed population.— F. H. SMITH, Supervisor of Electoral Campaign, Felixstowe.

Following is the letter referred to above:—

Dear Sir or Madam,—A National Electoral Campaign is in progress, the object of which is to enable you to use your vote to obtain what you want. You desire Security and Freedom, and you want poverty ended.

Now it is quite certain that these wants *can* be satisfied, because we are living in a rich country which could provide plenty for all. We have a great inheritance of culture, invention and all the wonders which we call civilisation.

We ought to be drawing a dividend on this inheritance, and if we demand it we *shall* draw a dividend, that is, an independent personal income, additional to earnings. There is no doubt about the possibility of this; all authorities are agreed that money can be issued if there are goods to be bought, and we know that goods are available and still could be made.

Remember also that in this machine age, your wages and salaries in return for work done are becoming, and must necessarily become, less and less as human beings are being displaced by mechanical appliances.

We elect Members of Parliament to do as we tell them so, if we want National Dividends on our inherited wealth, we must tell our M.P. to see that we get them. It is not at all necessary for us to know how this is to be done any more than we need to know how a generating station works before we use electric light. We pay people to find out how to do things; but we must insist that they give us results.

So, we must let the sitting Member of Parliament know that if he does not undertake to carry out our expressed commands, we shall vote against him, no matter what our political leanings may be.

In order to get information as to the number of people who will do this, a form is enclosed, which we ask you and every adult in your house—as free voters—to sign. No names will be divulged.

The purpose is to enable the organisers to approach the present Member, and tell him that if he does not do what all these voters want him to, he will certainly lose his seat in Parliament.

We appeal to you to think this over carefully, sign the form, and hand it to the Campaigner who will be calling upon you shortly.

Yours truly,

THE ONLY DEMOCRATS.

### Fruits of Experience

We have found poor districts very profitable when tackled in the right way and hopeless when not. My own experience will interest you. I decided to try again a poor road which had been canvassed earlier on the orthodox "push under the door and call next day"

method without any signatures at all. I obtained fifty-three signatures from fifty houses.

When I leave the forms I have a short talk saying that I am collecting the signatures of voters in this district for a national campaign which concerns us all, ask how many voters there are in the house, request that the form shall be carefully read by all, and say that I will call for the form (signed, I hope) in about an hour or half-an-hour (as the case may be). I point out the device on the back page (which is then often used). If I receive back the signed form by hand I tear off the signature half and leave the other half as a reminder.

Everybody who signs seems friendly and interested and does not ask questions.

Another canvasser has had much the same experience in council houses. The personal talk and signatures the same evening is necessary—absolutely. Forms left overnight in poor districts are invariably lost or destroyed.—*Richmond Supervisor.*

### Liverpool Has Five Teams Now

**Garston Group** with continued enthusiasm have passed the 3,000 mark. A splendid achievement and the interest is increasing daily.

**Birkenhead** had an experimental canvass and obtained

eighty-six signatures in two hours. Commencing on Tuesday, June 11, in earnest with six persons they delivered forms at 200 houses. On Wednesday they collected 190 signatures and delivered a further 200 forms. Time under 3 hours! The ladies played a prominent part in obtaining these returns.

**Wallasey:** The work is extending to Moreton, and a high tribute must be paid to the work of the ladies and gentlemen who have contributed to the success of the campaign in the area.

Two ladies topped the averages by obtaining eighteen signatures per hour.

Forms distributed ... ..	1,056
Signatures obtained ... ..	841
Hours worked ... ..	56½
Average signatures per hour ... ..	15

**Waterloo:** 205 signatures were obtained by a small team as an experiment. Total time occupied twenty-four hours. The area is a difficult one and more recruits are needed. The Area Supervisor or Mr. S. Bridgewater, Park Avenue, Great Crosby, will be glad of the names and addresses of recruits.

**Wavertree:** The work is progressing satisfactorily and a steady increase of approximately 250 signatures a week is being obtained.

## CORRESPONDENCE

### Our Mail Bag

*Our mail bag bulges more and more every day, and we cannot print more than a steadily decreasing proportion of the letters we receive. Nor can we directly accede to all the requests and suggestions made.*

*We do, however, consider carefully everything our readers put to us, and the observant among them will, we hope, see the results in our conduct of this journal. We have certain clearly-defined principles which guide us, but beyond that we are always glad to learn the opinions of our readers, and to act upon their suggestions whenever these are good and possible.*

### One Method of Earning Revenue Quota

A cheque for 7s. 6d. in payment for an article based mainly on yours entitled "An Increased Income for the Asking," has enabled me to pay my Supervisor of Revenue my quota of 3s. 4d. for the next two months. This appears to me a fairly easy method of getting funds from other than Social Credit sources.

Newcastle.

"TYNESIDER."

### British Legion Hunting Expedition

The British Legion is sending an expedition to Germany charged with the capture of that elusive and strange beast — International Goodwill. One of the shikaris is the Chairman, Major F. W. C. Fetherston-Godley, O.B.E. I have pointed out to Major Fetherston-Godley that the best way of holding out the hand of friendship to Germany is to abolish Poverty from Britain, and so set an example which Germany, and other countries, will be quick to follow.

Upminster.

T. H. STORY.

P.S.—As a member of the British Legion I am employing a new slogan on all my letters—"The British Legion asks you to Buy More German Goods." "German Goods Are Best."

### A Proof of A + B

In Mr. Hugh Golder's references (SOCIAL CREDIT, May 31) to raw materials, he quotes the values of primary products of logs and pulpwood as 210 million dollars out of a total of approximately 582 million dollars added annually to the financial resources of the Dominion of Canada from her forests, etc.

I take this 210 million dollars as a "B" cost in the

process of manufacture for which the general pool of purchasing power of the people has never received credit, and which it can therefore never liquidate without leaving some other process short of a like amount.

May I quote a similar example I came across in a book entitled "Wayside and Woodland Trees"? This may be an exceptional one but will serve to illustrate the case. A certain specially fine oak tree was sold as it stood for £405. The purchaser paid out £82 in wages to have it cut down, stripped of bark, sawn up, etc., and sold the whole lot for £600, his profit therefore being £113.

Allowing the wages and profits as "A" costs, I maintain again that the community has never been credited with the £405 for the actual tree.

Presumably the actual real cost of growing this was the original acorn, plus the amount of nourishment it derived from the surrounding soil and air during the few hundred years of its existence.

Now if this is true of wood, is it not also true of coal, etc. To calculate the cost of coal at pithead for instance, one would have to include the wages of the men who heaved it, and brought it to the surface, overheads for machinery, etc., and royalties, I suppose.

But is there not some allowance for the actual coal as it stood before it was hewn? If so, how (if at all) is the community credited with its value so that that particular "B" cost can be liquidated?

Does this not help to prove the correctness of the A + B Theorem? The point seems worth settling, for coal is a "B" cost which enters into so many varieties of manufactured goods. If it is not as I suggest, why does good coal fetch a higher price than inferior qualities?

Southampton.

H. M. SOUTHOON.

[This is an excellent example of the pure allocated cost in respect of which no purchasing power is issued. If it is obtained from the public, then the public has that much less to pay for other existing costs. This type of cost is generally converted by the recipient into an investment out of "savings" which creates a fresh cost, so that the allocated cost becomes a source of deficiency of purchasing power in perpetuo.—Ed.]

### Make Your Desires Known

At a meeting organised by the Liverpool Social Credit Association last week it was suggested that the British Broadcasting Corporation should be bombarded with postcards asking that Major Douglas should be included among the eminent people who are giving broadcast addresses on the subject of Freedom.

May I appeal to all readers of SOCIAL CREDIT to join in this bombardment during the next few days, so that it may have the desired effect?

Liverpool.

DOROTHY M. ROBERTS.



# What's Wrong With the World\*

## Social Credit Simply Explained

By G. W. L. Day

### CHAPTER II.

#### This Suffering World

**F**IRST of all let us look at Great Britain and see how most of us are living to-day. The total population of England, Scotland, and Wales at the last Census, in 1931, was 44,790,485, and out of this number there are to-day about 2,300,000 of us registered as unemployed. At the very least there are another 300,000 black-coated unemployed who draw no doles at all.

Some people tell us that a large proportion of these numbers will get jobs again, some day and somehow, but even the most optimistic admit that there are 400,000 families representing what is called the "hard core" of unemployment—400,000 families, that is, whose breadwinners are permanently unemployed.

However you look at it, there are now millions of men drawing doles which are just enough to keep them and their families alive, but barely enough to keep them in a state of health, and certainly not enough to keep them in a state of cheerfulness.

The number of people all over the Kingdom on Poor Law Relief is increasing steadily, not to say alarmingly.

At the end of 1913 there were 632,242 in England and Wales on relief. On the first Saturday in January, 1933, there were 1,376,040. In 1934 there were 1,401,224, and by January, 1935, there were 1,471,987. (These figures exclude insane patients in institutions and casual wards.)

The numbers on relief in Scotland on December 15, 1932, 1933 and 1934, were 273,768, 308,162 and 401,927 respectively.

Another indication of our present distress is the amazing growth of moneylending. In spite of the Moneylenders' Act, passed in 1927, the number of moneylenders, both registered and unregistered, has been steadily increasing ever since. London now has over 3,000 registered lenders, and Belfast, Manchester, Liverpool and Glasgow have another 2,000 between them. Experts have estimated that one-half of the salary-drawing and wage-earning class of the Kingdom is now in the hands of moneylenders, or has passed through their hands.

So at the bottom of the economic ladder more and more people are getting into dire straits or becoming down-and-outs.

At the top end it is just the same. In 1931 there were 678 taxpayers with incomes of over £40,000 a year. In 1932 there were 534, and in 1933 only 452. Our millionaires are quickly disappearing.

The *Financial Times* says: "The total income gained by millionaires declined from £42,537,541 in 1931-32 to £35,140,072 in 1932-33. The decline reflects the general tendency for the rich people to become less wealthy. A noticeable feature is the big reduction in the number of persons liable to surtax and supertax.

"Whereas in 1929-30, 108,532 persons were in receipt of annual incomes of £2,000 or more, there has been a steady decline year by year to 84,175 in 1932-33, with their total incomes assessed at £414,101,427."

So the rich and the poor are both growing poorer together, and since the cost-of-living figure to-day in 143 compared with 100 in 1914, there is no doubt whatever that most of us are a good deal worse off than we were.

Since the depression began, bankruptcies have been much more numerous than usual. They now number between 6,000 and 7,000 a year. Figures show that they have been most frequent of all amongst peers, while the only people to escape bankruptcy altogether have been the bankers, who show a nil return for all three years, 1931 to 1933. Which proves that banking is the one and only uniformly prosperous occupation in Great Britain!

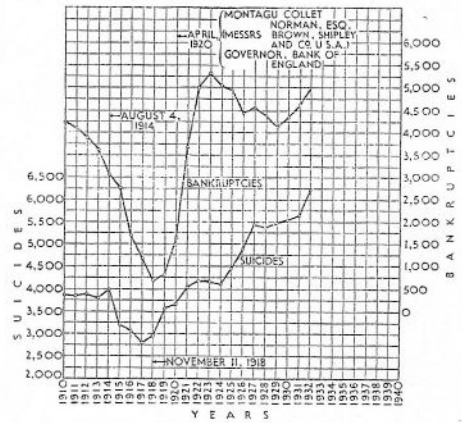
Now a disturbing fact is that if you examine the figures for bankruptcy and compare them with the figures for suicide, you will find that they rise and fall

together exactly as if they were linked. This shows that the greatest cause of suicide is economic distress.

The total number of suicides rose from 3,582 in 1919 to 5,502 in 1929 and 6,247 in 1933. A sudden increase in bankruptcies began immediately after Mr. Montagu Norman became Governor of the Bank of England.

Then there are, according to the *Morning Post*, as many as 3,000,000 men and women in the kingdom suffering so severely from nervous breakdown as to need medical treatment.

The *British Medical Journal* says that out of one thousand panel patients in Glasgow who were medically



Bankruptcies and Suicides in Great Britain since 1910

examined because of prolonged incapacity for work, at least half were suffering from nervous breakdown.

We can safely put down a great many of such cases to poverty and money anxieties, and we can debit a good deal more of the nation's ill-health to sheer lack of sufficient food.

Recently a number of doctors and others have formed a Committee Against Malnutrition. In a letter reported in the Press the chairman, Dr. Leslie Harris, said it was impossible to deny that there is extensive malnutrition, which is the polite word for starvation. "Statistics are available," he wrote, "to show that considerable sections of the community have less money to spend on their food than the minimum necessary for health.

"Medical evidence shows from recent investigations that a large percentage of babies in the slums and among the working classes suffer from nutritional anaemia due to inadequate feeding." Or, to rub in the brutal truth, *thousands of babies in Great Britain are starving.*

In a letter to *The Times* in December, 1934, Dr. G. F. Walker, of Sunderland, appealed to the nation to consider "the deterioration of the health of a very large section of the population in the distressed areas."

Lately the Tyneside authorities have grown alarmed at the poor health of babies and expectant mothers who are getting too little milk.

The Board of Education at Smethwick has just decided that under-nourished children must show actual signs of starvation before they are given emergency food.

Mr. Rhys Davies, M.P., said in the House of Commons earlier this year that 110,000 members of approved societies had been unable to pay their contributions owing to being out of work, and so had lost benefits of every kind, including medical benefits. He said that maternal mortality and "still" births were steadily increasing.

\* The first instalment of this elementary explanation of Social Credit written for the Million appeared last week.

Last year the approved societies issued over five million warning letters to their members threatening penalties if their arrears were not paid up. Special legislation has been necessary to assist defaulters.

Let us look at something else—housing.

The first separate housing census ever compiled has just been issued. It says there are 50,000 families in Great Britain living in incredibly bad conditions of four or more persons to a room.

It says there are over 180,000 families overcrowded to the extent of four or more persons to a room.

And it says no fewer than 382,700 families are living below the "standard" level.

Debts. In 1925, 10,858 people were imprisoned for debt. In 1929 the number had risen to 12,925, which was about one-quarter of the total imprisonments for all offences. But by 1932 it was no less than 24,272, or about 45 per cent. of all who were sent to prison for any offence.

Brixton, our biggest debtors' prison, is full up.

Miss Craven, Secretary of the Howard League for Penal Reform, says that practically all crime nowadays is due to enforced idleness and poverty, and that the crime figures follow the unemployment figures "almost slavishly."

The Empire. In a letter to *The Times*, Commissioner David Lamb, of the Salvation Army, says (of the British Empire): "... despite a higher standard of living and all our modern scientific achievements, the 'Submerged Tenth' of fifty years ago is in danger of becoming the 'Submerged Twentieth'—(obviously this is a slip for the 'Submerged Fifth')—of the present generation."

In America, which a few years ago was said to be the richest country the world had ever seen, there are now 20,500,000 people on the relief rolls, while between the

years 1931-32 and 1932-33, eighty-two millionaires ceased to be millionaires any longer.

Let me close this dismal chapter with a few extracts from a recent report of the Save-the-Children International Union.

The report says there are 25,000,000 registered unemployed in the industrial world who, including their dependants, would make an army of 100,000,000 men, women and children—enough to stretch five times round the earth in single file.

It describes the home life in an average unemployed home as "Hell."

It says that in Canada large numbers of men are becoming tramps, and talks about their sense of defeat owing to "enforced idleness, lack of any spending money and a general deprivation of opportunity."

It draws a terrible picture of the nerves of the grown-up people in unemployed homes, and the exasperation and despair of the children.

It says those of the younger generation with more spirit become revolutionaries, while "the less valuable let themselves drift into a condition of lethargy and slowly degenerate into that sort of human dust and refuse that can serve no further useful purpose."

I could take each industrial country in turn and give you enough gloomy information to fill this book. The world is in a shocking condition and seems to be sinking into general bankruptcy.

Is there no way out of all this poverty and distress?

Let us have a look at a fresh set of facts and see whether we can go one better than Mr. Montagu Norman and find some daylight at the end of the tunnel.

(To be continued.)

**"Humanity"—Don't let all of it down  
by shirking work in the Electoral  
Campaign.**

## Slogan Labels At 16 a Penny

All readers who undertook to buy supplies of slogan labels are requested to send in their remittances to the offices of SOCIAL CREDIT, 163A, Strand, London, W.C.2. The price of the labels has been fixed at 1s. for one dozen sheets of sixteen labels each, post free.

The labels are in the Electoral Campaign colours, orange and purple, are ready gummed, and bear the following inscription:—

**THE ABOLITION OF POVERTY  
DEMAND IT!**

Clearly  
Simultaneously  
Singlemindedly

**VOTE FOR IT**

Unitedly  
Consistently  
and

**PARLIAMENT WILL OBEY YOU**

Groups which have nominated a Supervisor of Revenue to work the Group Revenue Plan G.R.1, can obtain supplies of these labels for re-sale at special reduced prices.

Individuals who are not members of Groups and who wish to obtain supplies of labels at special prices for re-sale, should ask for a copy of the plan drawn up for this purpose—P.R.1.—when placing their initial order.

### Starving Children

A letter from the County Education Authority, giving the names of 126 children medically certified as being unable, by reason of lack of food, to take full advantage of the education provided for them, and asking whether measures could be taken locally to provide, through voluntary agents, the necessary sustenance for these children, was referred to by Mr. W. Davies, reporting for the Milk Sub-Committee at Monday's meeting of the Woking School Managers.

It was reported that the children were at present receiving milk at the cost of 1/4d. per day, paid by the parents, or from the Managers' fund. The County Committee proposed that the 126 children should receive a pint of milk per day, at a cost of 7/4d. each per week. It had been decided to inform the County Committee that funds were available for the continuation of the present arrangements, but not for the proposed supply. The Managers later dealt with the matter in committee.—From the "Woking Herald," February 15, 1935.

## WHAT IS THE ELECTORAL CAMPAIGN?

The Electoral Campaign is the only sure means by which, according to Major Douglas, founder of the Social Credit Movement and Chairman of the Secretariat, Social Credit can be brought about in this country. It is the most urgently important task of the Movement at the present time.

The twenty-four page Special Electoral Campaign number of SOCIAL CREDIT, dated April 19, fully explains the Campaign, what it is and how everyone—yes, you too!—can take part in it, and so help to Abolish Poverty and Save Civilisation.

Social Credit Groups who have not already got supplies, are invited to order them at once for immediate use or for stock, at the special price of 1s. 6d. a dozen (carriage extra).

Individuals who have not yet read it, and all those who have not yet fully understood the Campaign, are recommended to send for a copy (2d. plus 1d. postage) to SOCIAL CREDIT, 163a, Strand, London, W.C.2).

# What to Read

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## ANNOUNCEMENTS AND MEETINGS

*Notices will be accepted for this column at 6d. a line, minimum three lines.*

*We suggest more extensive use of this column by affiliated groups for making their announcements. At present many groups notify their members by post, which costs both labour and expense that might be greatly reduced by a notice in this column. It would then only be necessary to draw the attention of the members to the fact that they would in future find all announcements concerning them in SOCIAL CREDIT.*

*Notices must reach the publishing office by the Monday morning before the date of issue.*

### Belfast Douglas Social Credit Group

The Headquarters—Princes Chambers, 72, Ann Street—are now open each afternoon and evening for the purpose of answering enquiries regarding Literature, Lectures, Meetings, etc. Meetings are being held at the above address as follow:—  
 For Women—on Tuesdays, at 3 p.m. For Men—on Thursdays, at 3 p.m. These meetings are intended for those unemployed especially. Public meetings on Thursdays, at 7.45 p.m. Admission free. The Group Monthly Meeting will be held at the Group Headquarters on Tuesday, July 2. Admission on presenting Membership Card or other proof of identity.

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## ELECTORS DEMAND NATIONAL DIVIDENDS

### Leaflet No. 4

**For Recruiting.**—The leaflet is designed as an aid to recruiting and contains a space in which the address of the local group or District Supervisor can be inserted with a rubber stamp.

It can be used for distribution at meetings, or for delivery by post or from door to door, and is admirably suited to be left behind after collecting signed demand forms.

### Leaflet No. 5

**Elector's Demand and Undertaking.**—This is the instrument of the Electoral Campaign, fully described in our Special Electoral Campaign Number, April 19, 1935, and can be obtained either in purple on orange or purple on white.

### Leaflet No. 6

**For Personal and Business Friends.**—Not suitable for the house-to-house canvass, but for use in offices, factories, or by travellers, or at parties. Contains space for twenty-four signatures. Also described in our Special Electoral Campaign Number, April 19, 1935.

### Prices of Leaflets

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# The Giant Killer

THOSE age-old stories we all know, Jack the Giant Killer, St. George and the Dragon, David and Goliath — these typify Truth in conquest of Malignant Error, and in this year 1935 the whole world prepares for such a conflict. Alberta, courageous Alberta, is on the point of casting down her challenge. Her fertile prairie well may be the stage for the first round.

In his First Interim Report Major Douglas surveys the coming conflict, and describes its object and the strength and weapons of both adversaries. The tone of this document is of scientific precision, impartial to a degree; with the most quiet deliberation facts are revealed, facts which soon will shake the world.

If this report were dramatised we might see our opponent as a shaggy colossus straddling the globe, gaudily arrayed in panoply of customary power and privilege. The muscles of his gigantic arm flex mightily as he brandishes the bludgeon of the law; but, as we watch, that bludgeon drops from his nerveless grasp, as useless as a bladder, for "The sanctions that can be applied to penalise action against the existing monopoly of credit, so far as Alberta is concerned, do not appear to be legal, and do not appear to extend so far as to render an internal credit system unworkable."

His other arm is much more dangerous. We must beware, for we can plainly see the talons "foreign exchange" with which he means to choke out life before we can draw weapons. But we can shear those talons: "they are not novel, for methods of dealing with them have been successfully applied both in Russia and in Germany." More, will he dare use them? He might so expose himself to flank attack since "the fear of repudiation has raised in the mind of the external bondholder a recognition that his debtor has claims upon his consideration."

The Adversary has one foot planted on firm ground: "the power of printing legal tender money . . . undoubtedly belongs to the Dominion, and has now been delegated to the Bank of Canada." But look closely and you will see his other monstrous hoof is sinking in a marsh: "cheques, which quite unquestionably pass as money . . . are not Dominion or Bank of Canada documents." Near his sound stance a root juts out which yet may trip him up: "the Provinces are specifically granted the right to raise loans upon the sole credit of the Province." Behind him is the gulf of Civil Rights: "the exclusive domain of a Provincial

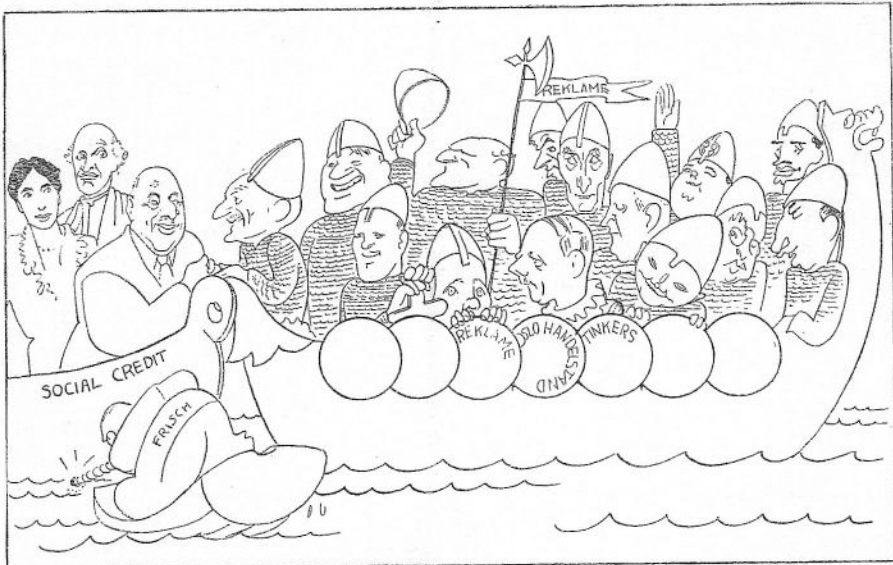
Government." A man may surely write an order upon himself: "such an order is effective demand."

Those sturdy knaves on either hand, do they still obey his leadership? We have some news they stir against their allegiance. "It is not so certain that, under the changed conditions, the same remark" (stating implacable opposition) "applies wholly to the Chartered Banks." But count them with him; they may not see the light as yet. "It is, perhaps, however, safer to assume that the banking system of Canada would unite against any steps in this direction."

With the connivance of these rogues he schemes to sunder us from all aid "by a refusal of financial facilities from the existing financial system" and then to overwhelm us with a horrid blast of superheated air and flame from mouth and nostrils, which, it is said, he can belch forth with strength of Popocatepetl in full eruption—"an attack of a psychological nature upon the action of the Province." But see, a steady breeze, setting to force of hurricane is with us; the wind of truth gathers strength to blow down his house of lies—"Vindicative action by the financial authorities could be pilloried through the agency of the Press and broadcasting to an audience which is already sufficiently instructed all over the world to grasp the questions which are at stake, and has a pronounced bias against the banking system as it exists at the present time." With this irresistible force we'll smash the goggles—safety green—which guard his eyes; and so unmask to sight the lurid crimson danger beams which stream from out his sockets: "it is the existing financial system which is the seed-bed of disintegration . . . The real secessionists . . . are those who insist upon an orthodox financial policy, regardless of its consequences to the population affected."

We'll have him tottering. Now paralyse him, lay prostrate his gross bulk with fumes from that strange form of aerial torpedo; they will stupefy, bewilder him: "effective demand not subject to attack as being recognisable as having been created within the Province."

Now for the finishing blow. Quick—that Crusader's axe — 'tis a man's weapon, sharp as razor and of ponderous weight: "No difficulty might be expected, therefore, if certain cheques were made legal tender." Canst wield it, brave Alberta? Aye—see, thy brawny grasp gloves it as that of thine own crusading ancestors. Art ready? Then, with a swing whose shrilling whistle will echo and re-echo around this Ball on which we live—OFF with his head! EDWARD HEWLETT.



A cartoon of the arrival in Norway last February of Major and Mrs. Douglas and the Dean of Canterbury, and their welcome by Norwegian Social Crediters, and a Professor of Economics.