

# SOCIAL CREDIT

A JOURNAL OF ECONOMIC DEMOCRACY

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## DEVIL WORSHIP IN 1935

Finance is Now the Religion of the West

WHEN the professors of the future examine their few carefully preserved records of our defunct civilisation, they will no doubt decide that we perished from a curious form of mass hypnosis which ended by destroying even our instincts of self-preservation.

They will note that having broken the first two commandments, our dissolution followed, slowly to begin with, then rapidly. Our idols, consisting of false moral precepts, became tyrannical monsters, depriving us of our liberties and demanding bigger and bigger sacrifices of all the necessities of life.

Men, women and children, the professors will discover, had to be starved and tortured at their command, till at last even death became a commonplace in the ritual of idolatry.

Perhaps you think this is soap-box oratory. Surely, you will say, enlightened public opinion of 1935 will not put up with anything like the devil worship of Moloch or Baal.

But is there so very much difference in the needless suffering inflicted then and now? Mass hypnosis works in just the same way as ever. The crowds who roared and screamed round the bloody altars of Baal, believing the priests who assured them they were balancing their accounts with the angry god and so averting a national calamity, have their counterpart to-day.

The high priests of Finance make us believe it is necessary to allow pregnant mothers and new-born babies to go on starvation rations, and thousands of people to commit suicide each year through financial distress. The great god Money demands it!

Just lately there have been enquiries into the fate of two vessels, the *Usworth* and the *Blairgowrie*, coffin ships both, and Lord Runciman has been drawing terrible pictures of timber boats with huge deck cargoes standing on their beam ends in mid-Atlantic during the hurricane season.

"Give ships and their crews a fair chance," he pleads. But while Finance is enthroned on the high altar what chance is there that anything will be done?

Here, too, is a charming little cutting from *The*

*Times*, which shows that the Quetta disaster was not so much an act of God as it first appeared to be.

"The appalling destruction in Quetta city is traced to the poor constructional quality of the buildings. Although Quetta was known to be in a serious earthquake zone, little appears to have been done in the city to counteract the devastation of earthquakes by sound building methods. In Japan, California, New Zealand and other regions where earthquakes occur, efforts have been made in recent years to avert the collapse of buildings by the erection of earthquake-proof structures, but Quetta, with foreknowledge of its likely fate, appears to have neglected this safeguard. Such earthquake-proof buildings as had been built in the area survived the catastrophe. In the railway lines, where enormous damage was done and casualties were heavy, earthquake-proof buildings remained intact. Not even their chimneys fell."

In other words, Quetta knew its probable doom and Finance refused it a reprieve. *The Times*, to add insult, delivers a callous funeral oration blaming it for its negligence!

What must be the feelings of those who have lost near and dear ones in the tragedy when they read such unctuous encomiums? Can even *The Times* believe that precautions were omitted owing to obstinacy or recklessness? Isn't it obvious that they were omitted because the authorities at Quetta were not given enough money-tickets which but for the Money Idol could have been issued at the cost of ink and paper?

Exactly the same thing may be said of the railway disaster at Welwyn. But for financial

credit, which ought to be simply a matter of mutual convenience, there is nothing to prevent us from making our railways all but accident-proof.

The whole of the western world, one or two countries excepted, is in a sort of devil's kitchen where most of the victims suffer and some are tortured to death. Yet the torturers are few, and did we but know it we could easily overwhelm them and walk out!

Was there ever such a tragi-comic state of affairs, and was there ever a clearer demonstration of what Jehovah really meant when He gave Moses the first two tablets?

Finance is the religion of 1935, and a very little thought will show to what an extent it has taken the place of the Church.

But having seen this horrible truth, can any one of us leave it floating in the mind as a mere intellectual abstraction? It is necessary to *feel* it with all the horror of a man sinking in a quicksand, and then to fight while there is still a chance to fight.

G. W. L. DAY.

### A NATIONAL DIVIDEND

Is money to buy things we now destroy and production we restrict. It will

ABOLISH POVERTY

## What is Social Credit?

*An explanation to an enquirer who had heard about it and was keen to do something, but who had stuck over technicalities and failed to understand the nature of money.*

ONE of the commonest difficulties is to understand the nature of money. It is not now, in the industrial world, so much a means of exchange as of distribution. It is created by banks, lent to industry for purposes of production, and has to be repaid to the banks by whom it is regarded as debt, though costing nothing to create.

This money paid for goods is not available to buy further goods, but is due to be paid back to the bank from which it was borrowed to finance the production of the goods. It may not necessarily be paid back directly, but if it is not, the debt which its direct payment would cancel remains to be repaid later.

When the money is repaid to the banking system it is destroyed, but, more often than not the price of the goods produced by its use is not simultaneously cancelled, and in fact, except for immediate consumable goods such as food, it remains to add to the total discrepancy between purchasing power and prices.

This discrepancy is manifested quite obviously by the prevalent paradox of "poverty in the midst of plenty." There is an enormous and increasing surplus of goods unpurchasable at prices covering their costs of production. This explains the competition for foreign markets.

There are several reasons why we are not actually faced with a vast accumulation of such goods. One is because of sales below cost (due to bankruptcies and writing down of capital); another is because of the non-payment of debt (manifested by what is known as national debts and the financial capital of private corpor-

ations); a third is due to the deliberate restriction of production (e.g., limitation of wheat growing, cotton production and ship-building) and the destruction of unsaleable commodities (e.g., throwing fish back into the sea, burning coffee and slaughtering cattle).

To understand Douglas Social Credit one must have some knowledge of how the existing financial system works—a knowledge which can, of course, be gained by a careful reading of Douglas's own writings.

It is, however, quite unnecessary to become acquainted with either the intricacies of the existing financial system or with Douglas's analysis of it to know that there is something radically wrong with a world the productive capacity of which is virtually unlimited, yet in which poverty and insecurity tend to become worse.

The rôle of the average citizen of a democratic country who realises the anomaly of this situation is simply to express his will to have the matter put right—for there was never a truer statement than that "the will of the people must prevail." The method of expressing the popular will is by the ballot box.

The plain duty of the conscientious and responsible citizen of a democratic country is, then, to penalise his candidate if he will not undertake to insist that the government shall see that poverty is abolished, and a dividend of the unexploited productive capacity issued to everyone as a right of inheritance.

Any government faced with that clear demand, and knowing it will be thrown out if it fails to respond, will instruct the experts to devise the means.

## No Work, No Pay?

"WHY should you feed a man who won't work? I wouldn't."

Wouldn't you? Are you quite sure that you'd starve the man who doesn't try? Would you penalise his wife and children as well? As a matter of fact, you don't believe it any more than I do. I have tried to say that irrespective of merit or any question of having earned it I believe every man, woman and child on this planet should receive what they need for physical well-being. I say this because they are God's children and He cares for them and so makes it possible. You would deny that reason for feeding the hungry and clothing the naked, and yet the civilisation which has tried to base itself on the competitive struggle for these things has been forced into the most absurd illogicalities.

Think for a moment. If a man commits a crime and is caught and sentenced, we don't starve him. We put him in a prison where he has food and clothing and shelter, sometimes better than that which he gets outside. There are very few prisoners who don't put on weight during their sentences. If a man's only crime is that he is on the scrap-heap of modern industrialism, we try to turn the question of his destitution into a moral issue and demand that he should prove that he is worthy of being kept alive and given a food ticket. I know a purist could find flaws in this as a precise statement, but you will all surely admit that substantially it is true.

"But if you start giving things away free you are going

to demoralise people—it will sap the very roots of effort and initiative."

I think you're dead wrong and anyhow I'd rather take the risk of demoralising people by feeding them than face the alternative of seeing them starve. As for sapping the roots of effort, I think of the fellows who come to me, hopeless and despondent because, although they are skilled workmen, they haven't decent clothes on their back; they look disreputable and no employer will take them on. I've seen those same fellows after we've been able to fit them out with a suit. They not only look smart, they feel new men. That suit has put new confidence into them. They have squared their shoulders and gone away with a new enthusiasm.

Again, you speak as if this giving things away were something quite new and hitherto unheard of. Don't you realise that under the present system it does actually happen now in certain spheres? In many cases we've started with luxuries rather than necessities, but there are already free parks, free water-fountains, free educational facilities, and a measure of free medical treatment.

Surely if it's good enough to give Bill Smith a free bath it's good enough to give him a free pair of boots. If it's good enough to vaccinate a tiny baby against the disease of smallpox, it's good enough to guard that same little child from the disease of malnutrition. If Mary Jones is entitled to free pencils and paper at school she is equally entitled to free carbohydrates and proteins at home. If we provide water from the tap, why not bread from the slot?—*Reprinted from "Christ and Tower Hill," by Donald O. Soper. (Hodder and Stoughton).*

### My Goodness, My Guineas!

On the back page will be found a variation of the famous Guinness poster, which is not quite so flippant as it looks.

MY goodness means, of course, the people's goodness, or credit, which has been filched by finance and stored in a bottle, representing the banks. The people, represented by the seal, have realised what is in the bottle, and that it belongs to them.

But finance, still holding the people's credit, drains the guineas as its own property.

### A French Local Currency

According to the *News Chronicle* of June 30 a new dictator has arisen in France in the person of the Mayor of Cizely in the Auvergne district. This dictator, a M. Joseph Archer, has introduced a new coinage called the "Europa" and citizens are selling their products in francs at cost, and taking the profits in this new money. According to the report the cost of living in Cizely has thus been reduced by thirty per cent.

If any of our readers are spending their holidays in France they might try to secure further information.

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## War and Profits

Mr. Barney Baruch, banker and industrialist, has been talking about the necessity for taking the profits out of war. And, in fact, this noble sentiment has already almost passed into the Oxford Dictionary. The profits refer to the comparatively modest sums earned in excess of expenditure by the Kruppses and Vickerses of this world. No attempt has been spared recently to portray these amiable armamenters as booked for single tickets to the Seventh Circle of Inferno.

Far be it from us to hold any brief for the patrons of the Grand Chaco. All the same, before throwing the first stone, the bankers might make quite sure that they are themselves blameless, for they, if anybody, are in a position to prevent wars. So far from doing this they use the genuine emotions of pacifists as a catspaw in their policy of "divide and rule," just as they once used the agitation of the Henry George movement to impose crippling taxation on landowners, thus crushing another of the powerful interests which might have had the strength to oppose them. The latest parallel is President Roosevelt's Newest Deal, which aims at imposing crushing taxation on the millionaires.

As long ago as 1919 Major Douglas showed the potential importance of millionaires in the scheme of things. We quote from *Economic Democracy*, Chapter III: "Only the control of considerable purchasing power based on capital... made possible such crusades against an ill-informed or misled public opinion as, for instance, the anti-Slavery Campaign of the early nineteenth century, or the parallel activities of the anti-Sweating League at the present time. The very agitation carried on against capitalism itself would be impossible without the freedom of action given by the private control of considerable funds."

## The Local Press and the Campaign

We continue to receive from readers the names of local papers that give space for the discussion of Social Credit. Their numbers have so increased that the subject may be assumed now definitely to have reached the news value stage. That being so, we do not propose in future to mention local papers that include Social Credit items—rather should we refer to those that are so sleepy as not to do so!

What we shall be glad to record, however, is the names of papers that give prominence to the Electoral Campaign. The Electoral Campaign has a much wider public appeal, because it excludes technicalities as to means of reforming the money system, and concentrates on telling the people to demand results.

Supporters of the Electoral Campaign might do worse than write to their local papers explaining that the Campaign is designed to get the electors of this country to give definite orders to their Members of Parliament—who are their servants, or ought to be.

Members of Parliament have hitherto never had any definite, clearly expressed instructions from the people. Therefore the people themselves are really responsible for enduring poverty when they might be enjoying plenty. They should tell their M.P.s to see that National Dividends are issued, and poverty abolished—before anything else.

## To De-Value or Not to De-Value

From the welter of conflicting statements which toss and tumble in the roaring stream of relativity into which economic science (so-called) has fallen emerges a couple of news items both dated June 16, one from the *Financial Times* and the other from *The Times*.

The item in the *Financial Times* is headed "De-valuation in Belgium. Unemployment Reduced 20 per cent." The other, in *The Times* bears the title "French Finance. Reviving Trade and Confidence," and shows hows things in France are looking up because M. Laval is determined to resist de-valuation. So there it is. De-valuation and their opponents are both right!

The extraordinary thing is how facts and statistics can be twisted to prove almost any case. A few months after tariffs were imposed, all three political party headquarters were rubbing their hands and chuckling: "There you are, you see, just what we always told you! Tariffs are/are not the salvation of the country." Even the economy campaign was shown, by some, to have "saved" England.

## The Black Cat That Isn't There

Metaphysics has been described as being similar to "two blind men in a dark room looking for a black cat which isn't there." This description fits equally well, or some may think even better, the discussions which took place at the meeting of the Congress of the International Chamber of Commerce in Paris last week, which discussed the revival of world trade.

It may well be that some intelligent and thoughtful speeches were made, but, if this was so, we have yet to see reports of them. In *The Times* leader on the subject on June 9, we are told that the most important resolution passed by this "impressive gathering" was one in favour of currency stabilisation. This resolution is based on the report of that ubiquitous wanderer in the service of international finance, Dr. Gregory, alias Guggenheim, and reads as follows:—

The International Chamber of Commerce declares that stabilisation of the foreign exchange rates on the basis of gold

is imperative for effective world economic recovery. Therefore the Chamber urges the principal Governments concerned to inaugurate immediately appropriate consultations for the purpose of formulating and putting into effect an agreement for provisional stabilisation in order to enable Governments to take the speediest possible measures for adjusting their national economic and financial policies to assure the safe functioning of an international gold standard over a long period.

Its relevance to the average man's problem of how to buy without money the goods he wants and which exist or could be made, is doubtless clear to those initiated into the esoteric mysteries of high finance. To the ordinary person, however, who believes that food is produced to eat, clothing to wear, and houses to live in—and not to give employment, to secure a favourable balance of trade, or to revive overseas lending—it seems so much mumbo-jumbo, which it is!

### More Power

A report in the *Sunday Graphic* for June 16 states that the Radio Corporation of America is experimenting with the photo-electric cell as a means for the direct conversion of sunlight into power. Already it has been found possible to generate enough power by the use of a cell of this description, only a few inches square, to drive a small motor, and it has been found that ordinary light from an electric lamp is sufficiently powerful to make the motor revolve.

Dr. C. W. Hewlett, when interviewed in New York, stated that "amazing things are now being done through the medium of photo-electric cells, and sunlit-driven machinery is quite possible. We have only to remember the rapidity with which wireless telephony has been developed to realise the possible developments which may follow researches into the use of sunlight. How long it will be before coalmining is rendered unnecessary it is impossible to say, but this would appear to be the logical development of the direct utilisation of the sun's power.

Those who still regard unemployment as the problem to be solved are indeed fighting a losing battle, unless they can secure such power as will permit the incarceration of all inventors and the prohibition of new plant, machinery and processes.

### Compounds for Clerks

It is the practice in South Africa, and various other countries which depend on native labour, to make the natives enter into contracts for so many months' work, and to ensure that the contracts are carried out by keeping them in compounds for the contractual period. This method has not yet been adopted with white labour, as far as we know, although in this country in the bad old days, coalminers were to all intents slaves of the mines and could not take other employment.

The first step in the direction of labour compounds has now been taken in this country, however; only a small step, it is true, but nevertheless a definitely retrograde one. We have it on good authority that certain of the banks and insurance companies now forbid their clerks freedom of choice for lunch at the usual mid-day break, and insist on their meal being taken at the canteen provided for the purpose.

The reason given is not to make the canteens pay, but to try to prevent leakages of information which have occurred in the past, owing, it is believed, to the indiscreet talking of "shop" by clerks over the lunch table in public restaurants. Similar arrangements are made, we are told, for messengers and commissionaires, whose terms of service provide for a free lunch.

The temples of finance are already much finer than

many of the temples dedicated to God. Shall we live to see a new religion called "Sound Money," with servants who dedicate their lives to it, and live entirely within the temple walls, uncontaminated by contact with the outside world?

### Curing Unemployment

According to "Jubilee Chimp," issued by the National Unemployed Workers' Movement, the weekly food bill of "Boo-Boo," mother of "Jubilee," the Zoo's London-born chimpanzee, is £1 16s. 3d., while the B.M.A. standard diet for human beings costs only 5s. 10½d. a week.

Here is an obvious clue to solving our unemployment problem. Why shouldn't our unemployed either exhibit themselves in cages and earn a Chimp standard of living, or else hire themselves out as domestic pets to the wealthier households? Our kindness to dumb animals is a well-known national trait, and so long as unemployed applicants remained dumb, and performed one or two amusing tricks, such as balancing lumps of sugar on the ends of their noses, they would certainly be well fed and cared for.

We earnestly recommend this solution to all bankers, Front Benchers in the House of Commons, and the London School of Economics. It ought to form an admirable defence line against the advancing forces of Social Credit.

### The Bacon Crisis

Lord Radnor, who until recently was Vice-Chairman of the Pigs Board, says that under the present Contract System neither producers nor curers are satisfied. Acting on the dogmas of Adam Smith relating to supply and demand, it was naively imagined that by restricting bacons, prices would rise until producers and curers could sell at a profit. But they didn't!

"Bacon," says Lord Radnor, "has no monopoly as a breakfast dish, and while we can raise the price we cannot force the public to buy."

He then goes on to make a remarkable suggestion. "We must bring in a levy on foreign imports and a system of *deficiency payments*." (Our italics.)

This he explains as an arrangement whereby the producer would be guaranteed a price rising or falling with the ascertained cost of feeding stuffs and regardless of the market price of bacon. The curer, on the other hand, would sell his bacon at the best price it would fetch in the open market and he would draw deficiency payments. Why not go the whole hog and call it the Compensated Price?

### Dinner to Major Douglas

A dinner is being given on Friday, July 19th, to welcome Major Douglas on his return from Alberta where, as Chief Reconstruction Adviser to the Government, he has just presented his first interim report on the possibility of applying Social Credit to that Province. The dinner will be held in the Connaught Rooms, Great Queen Street, London, W.C.2, at 7 for 7-30 p.m. Lord Tankerville will be in the Chair. Tickets, 8s. 6d., from the Social Credit Secretariat, 163A, Strand, London, W.C.2, or Lady Beaman, 18, Palace Gardens Terrace, London, W.8.

# What's Wrong With the World\*

## Social Credit Simply Explained

By G. W. L. Day

### CHAPTER III.

#### Our Amazing Wealth

WHEN His Majesty The King opened the World Economic Conference in 1933, he said:—

"It cannot be beyond the power of man so to use the vast resources of the world as to ensure the material progress of civilisation. No diminution in these resources has taken place. On the contrary, discovery, invention, and organisation have multiplied the possibilities to such an extent that abundance of production has itself created new problems."

What did he mean by this? He meant that we have at last solved the problem of how to produce enough food, clothes, houses, and, in fact, necessities and comforts of all kinds for everybody—the problem which has worried us ever since the beginning of history—and that we are now faced with other problems: namely, how to get on unhindered with the business of producing these things, and how to let each person get possession of his or her share in them.

Was he right? Certainly he was right! Our power to produce necessities and comforts of all sorts has increased to such an extent that we are completely bewildered. And the reason is that inventors keep on inventing bigger and better machines so that we now have millions of mechanical slaves to work for us.

Look at the matter in this way. In 1775 our ancestors had their own muscles to work with, and they got about an equal amount of work from primitive machinery and animals. But in 1929 they had their own muscles, and in addition about fifty-nine times their own strength from modern machines. This is according to M. Jacques Duboin. Professor Soddy works it out a little differently. He calculates that our power to produce per worker is now about forty times what it was before the Mechanical Age.

And all the time this power to produce goods of all kinds is increasing. For instance, between 1924 and 1929 the output per worker in the whole of the industrial world increased by eleven per cent. In the United States it has gone up by fifty per cent. in the last twenty-five years.

Just consider how our power to produce food has increased.

It took a man ninety-six hours to plough an acre of land in 1775, but to-day with machinery it takes him only five minutes, seventeen seconds. We have harvesting combine machines now which reap, shock, load, haul, stack and thresh corn all in one day.

We have electric incubators which hatch 50,000 eggs at a time, and hatch a total of three million chicks a year. We have electric milkers — in 1926 there were 100,000 of them in America alone—which milk from five to six cows at a time.

And so on, and so on. Machines and appliances of this kind could be installed by the million if need be, and as to human labour, Professor Soddy calculates that a mere 4,000 men equipped with modern machinery could produce the whole of the American wheat crop!

How about agricultural land? Modern intensive cultivation makes almost anything possible. As long ago as 1912, Prince Kropotkin estimated that Great Britain with intensive cultivation could support a population of 90,000,000.

We have made great strides since then. Professor O. W. Willcox, formerly consulting agrobiologist of the Iowa State College, believes that enough food to feed New York City (the most densely packed city in the world) could be grown on a farm not much bigger than New York City itself with the labour of only 6,500 men.

In 1916 it was feared that the world's supplies of nitrate might run out because 1,250,000 tons were being exported from Chile as agricultural fertilisers. But to-day more nitrates for fertilisers could be produced from the air than we could possibly use.

Between 1913 and 1928 the world's food production

\* Previous instalments of this elementary explanation of Social Credit written for the million appeared in our issues of June 21 and 28.

increased by sixteen per cent.. When looking at this figure you must remember that all the while countries are deliberately *restricting* their crops so as not to produce more than they can sell.

A report by the Royal Bank of Canada says that the wheat area sown in Canada last year was 2,000,000 acres less than in the year before, while Australia reduced her crop by 37,000,000 bushels. Argentina sowed about 1,000,000 acres less, and both France and Italy have now promised to reduce their crops.

In spite of an international agreement between twenty-one countries to cut down wheat supplies, the world's wheat stocks last crop year actually increased!

Food of all kinds is destroyed. Last year, for instance, large quantities of milk from cows landed at Marklands Wharf, Glasgow, were thrown into the Clyde by order of the Ministry of Agriculture, and Southend fishermen sold fish for manure at £1 a ton. Argentina burned 500,000 cattle in its incinerators. Denmark destroyed 25,000 cattle. Portugal threw away 10,000,000 gallons of wine, and Ireland poured large quantities of "surplus" beer down the gutters. In the summer of 1933 the Liverpool Fruit Association dumped a consignment of 1,500,000 oranges in the sea.

The National Coffee Department of Brazil has already burned more than 30,000,000 bags of coffee. I shall give some further examples of this wholesale destruction of food and goods in another chapter.

If we were living in a sane world, then, we should certainly all have more than enough to eat.

Now what about clothes? Cotton blouses, for instance? Lancashire's power of producing cotton goods is so enormous that she is proposing to scrap another eight million of her spindles.

Boots? In 1907, 121,000 workers in Great Britain made 8,200,000 pairs of boots and shoes, but in 1930 only 108,000 workers made 10,000,000 pairs. Some people talk about the exhaustion caused by the war, and try to make out that we are really poor because we haven't yet recovered from it. Here are all these machines waiting to pour out goods in abundance. Can it be that our raw materials are running out?

No, the boot is on the other foot. We have been busy *restricting* the output of rubber, *restricting* tin, *restricting* copper.

For instance, by 1932 the supplies of tin had been reduced to one-third of the supplies for 1929. To reduce the cotton acreage, planters in 1933 ploughed up 19,000,000 acres, or one-quarter of the growing cotton.

Can we be short of men to do the work, then? No, it is quite the opposite. There are millions of unemployed in every industrial country.

Then we have exhausted our power to become rich? No, we have not exhausted it. On the contrary, we have invented such wonderful machines and methods of producing that we could all live like lords if only we allowed our machines to work for us and found some means of distributing their output.

Whichever way you look you find unbounded power to produce the things wanted. Here are one or two more examples at random.

Albert E. Reed & Co. Ltd., have installed the biggest paper machine in Europe. It produces paper over 250 inches wide at the rate of a thousand feet a minute. The Imperial Paper Mills have high-speed machines for making newsprint at the rate of one mile in five and a half minutes.

In the United States in 1904 it took 1,291 hours of work to make a motor car, but in 1923 it took 133 hours of work, and in 1929 only ninety-two.

The Imperial Chemical Industries plant at Billingham will make 30,000,000 gallons of petrol a year from coal. A lamp-making machine invented in 1933 would enable the German Osram Company to supply the whole requirements of the German markets in a few weeks—if it were allowed to work as hard as it could.

But it isn't. Food is destroyed. Spindles are scrapped.

Raw materials are restricted. And machinery is not allowed to work.

The late Mr. H. L. Gantt, one of the world foremost efficiency experts, said that the efficiency of industry in the United States was barely one-twentieth of what it could be *without installing any more machinery at all*. This was in 1919. How low is the efficiency now when over twenty million Americans are "out of work"?

The experts in America estimate that if the engineers were given a free hand they could get enough goods produced to enable each family in America to live at a £4,000-a-year standard, even if men worked only four hours a day and four days a week.

Competent British engineers have calculated that the

world's requirements could easily be produced by one-quarter of the employable population working seven hours a day.

In July, 1932, the Prince of Wales said: "The potential output of the existing means of production in the world is far greater than ever before. If all the employable labour were employed for a reasonable number of hours per week, the world would have at its disposal a volume of commodities and services that would enable the entire population to live on a higher level of comfort and well-being than has ever been contemplated in the rosiest terms of the social reformer . . . . The problem is largely one of distribution, using the term in its broadest sense."

It is quite obvious that every one of us ought to be well off, but that something or other is preventing us from coming into our inheritance.

## Democracy

IN its issue of May 11 last the *Winnipeg Free Press* reported Mr. H. H. Stevens, former Federal Minister of Trade and Commerce, as having said: "Canada to-day faces Fascism controlled by the wealthy few, or Marxism established by a destructive revolt of the people.

"The reason for this lies in the failure of thirteen men who control one-half of the nation's twenty billions of industrial and commercial wealth to evolve, during the past five years, a policy beneficial to the welfare of the people," Mr. Stevens said.

**These men, he declared, should be peremptorily ordered to "shoulder the task of righting Canadian affairs."**

**"If they failed to assume that task within one month," Mr. Stevens continued, "I would say to them that the Government would assume the control they (the controllers of the capital) have now, and do it."**

Is it possible that Mr. Stevens has been reading Douglas on democracy? In his Southampton speech, for example, Douglas said:

"The people of this country, in my humble opinion, have a perfect right to say 'We are tired of this game; we are no longer going to see piles of goods over there and empty mouths over here. We do not know how you are going to get these goods from there to here, but we are assured it can be done. Now you are business and financial experts and you must do it.'"

In "The Nature of Democracy" (the Buxton speech) occurs this passage: "The business of democracy is to elect representatives who will insist upon results, and will, if necessary, pillory the actual individuals who are responsible either for the attainment of results or their non-attainment."

But Mr. Stevens is not quite there; it is not necessary for the Government to try to be experts—we recommend to Mr. Stevens's close study this, from the Buxton speech:—

"It is not the business of the Parliamentary machine to reform, for instance, the financial system. It is the business of the Parliamentary machine to transmit the desires of the people for results (which at present the financial system is not producing) out of the financial system, and to transmit to the people the names of individuals who are responsible for the financial system, so that, by the exercise of the right of Eminent Domain, which has undoubtedly been established as vested in the representatives of the people, **they may, if necessary, take steps to remove those responsible for impeding the will of the people.** If it is pleaded in extenuation, that those in charge of any particular function of the State, such as finance, do not know how to produce the results desired, then it is the business of Parliament to provide them with all the advice available, but if they will neither take action within a reasonable period of time, and will not accept advice if provided, then it is the business of the representatives of the people to remove them, whether they are alleged to be operating under a system of private enterprise or as public departments."

We can assure Mr. Stevens that there are plenty of good men ready to shoulder this responsibility.

## 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

Leaflet No. 4: 6s. for 1,000 (postage 9d.); 3s. for 500 (postage 9d.); 1s. 6d. for 250 (postage 4d.); 7d. for 100 (postage 2d.).

Leaflet No. 5: (post free) 12s. 6d. for 1,000; 6s. 3d. for 500; 3s. 2d. for 250; 1s. 7d. for 125; 10d. for 60.

Leaflet No. 6: (carriage extra) 27s. 6d. for 1,000; 3s. for 100; 1s. 6d. for 50; 9d. for 25.

Obtainable from the offices of SOCIAL CREDIT, 163a, Strand, London, W.C.2.

We had money for war, money for death and money for destruction. There will be any amount of money for the next war. In the name of God, why can't we have money for life and construction and peace?—*W. Irvine, Member for Wetaskiwin, Alberta (U.F.A.).*

## Electoral Campaign

Demand has been registered for a cheap leaflet explaining the Electoral Campaign in the simplest possible terms, to be placed in the hands of anybody and everybody likely to be interested.

The Electoral Campaign Number is, of course, a complete compilation of information, but perhaps not brief enough for introductory work.

Will Groups please estimate what they could order in the next six months, assuming that an ideal leaflet for the purpose and of the character above described were printed, and advise the Secretary.

The Only Democrats, 163a, Strand, London, W.C.2.

## Tasmania and Social Credit

Mr. A. G. Ogilvie, the Prime Minister, Gives His Views to the Secretariat

AS reported in SOCIAL CREDIT for June, the Tasmanian Douglas Social Credit Association wrote to the Premier, Mr. A. G. Ogilvie, K.C., on the eve of his departure for England, asking him if possible to grant an interview to the Social Credit Secretariat and also to Major Douglas. Mr. Ogilvie replied favourably, the Association communicated with the Secretariat, and an interview was arranged and took place at Australia House at the end of May. There were present the Premier, Dr. Gaha, Minister of Health in the Tasmanian Government, the Director of Overseas Relations of the Secretariat, and the Secretary. The discussion, which was extremely friendly and of the greatest interest to the Secretariat, lasted for more than an hour and a half, and, at the end of it, Mr. Ogilvie expressed the hope that a similar meeting could be arranged with Major Douglas on his return from Alberta.

### Nationalisation Dropped

Early in the conversation, Mr. Ogilvie made it clear that the Tasmanian Labour Party, which is the Government party under his leadership, is the first and as far as is known the only Labour Party in the world to have dropped the nationalisation of banking from its official programme. "The first plank in our platform adopted last March unanimously at the most numerous attended State Labour Conference ever held in Tasmania," said the Premier, "is 'control of credit by the community for the community.'"

He went on to explain that as an extremely busy professional man he had not hitherto been able to devote the time necessary for an exhaustive study of financial text-books such as those of Major Douglas (although he was a regular reader of the *New Era*, the Sydney Social Credit paper), but added the interesting information that his Social Credit friends, of whom he has many, appear for the most part to know their subject intimately, which he confessed was more than could be said for most of those who fancied themselves as financially knowledgeable.

Mr. Carruthers, who was elected to the Tasmanian House on a Social Credit platform, is at present in the remarkable position of constituting the Government's majority all by himself, "and that," said the Premier with a smile, "is just a little awkward for me sometimes"; but he had noticed, he continued, that whenever Mr. Carruthers got up to speak on a financial question he appeared to get the better of the argument. "This," added the Premier, "only does not apply to me because I know that I am not an expert in these matters, and therefore do not attempt to compete."

### Political Action

Asked his opinion on the Australian Douglas Credit Movement, Mr. Ogilvie suggested that the political campaign in last year's Federal election, while it may well have gained publicity for the movement as a whole, had been "a great mistake" from the tactical point of view. He went so far, speaking purely as an individual observer, as to consider that the movement had been, temporarily at least, "completely smashed by it" in more than one State.

Some interesting discussion followed on the subject of the necessity or otherwise for centralising the issue of credits for production, a matter which appears to have caused a good deal of argument in Australian Social Credit circles in recent years. Mr. Ogilvie entirely agreed with the view of the Secretariat that, while such centralisation would not necessarily be harmful, there was no necessity either technical or political for such a course, since Major Douglas's proposals pro-

vide for a continuous compensation of the accountancy error inherent in the present costing system, and could therefore be adopted with the absolute minimum of friction by any government.

The Premier expressed the greatest interest in the Electoral Campaign in Great Britain for getting the voters to demand results, rather than expecting them to judge between alternative technical methods, and promised to study carefully the material on this subject which is being supplied to him by the Secretariat.

### Bankruptcy of Leadership

The later part of the discussion was concerned chiefly with the more general impressions made on the minds of Mr. Ogilvie and Dr. Gaha by what they had seen of conditions in Europe, and by the various leaders of thought whom they had met here. The dominant impression gained from conversations with many eminent men had evidently been, as the Premier put it, "the feeling that they had no idea of what was going to happen next. They would admit that neither Great Britain nor any other country could hope to 'borrow itself out of debt,' but admitted also that this was exactly what we were all trying to do, and getting deeper and deeper in trouble while doing it. When I asked them what could be done to get us out of the mess we are in, short of a revolution, not one of them had a single constructive course to suggest; they just shrugged their shoulders and admitted that they had not the faintest idea." He considered this fatalistic attitude a rather extraordinary one for men who were occupying positions of authority and trust in Europe, and he had noticed, he said, that when pressed on this subject they quickly became impatient at the questioning and attempted to get the conversation back to matters of secondary importance.

Mr. Ogilvie made reference to his conversations, among many others, with the Pope and the Archbishop of Canterbury. He expressed himself as having been particularly struck with the real grasp and understanding of social and economic problems shown by both these dignitaries and their genuine and evident anxiety to use their influence on the side of economic reform and social justice.

### Tasmanian Self-Sufficiency

Finally, Mr. Ogilvie was asked how far he considered Tasmania could be self-supporting, assuming some such remote eventuality as that the Tasmanian people should find it advisable to depend entirely on their own products. "We have everything, or very nearly everything," was the reply. This question, however, galvanised Dr. Gaha into taking a leading (and exceedingly interesting) part in the conversation. For several minutes he gave a graphic and comprehensive outline of the resources of Tasmania, in men, natural resources, and products, and left his visitors to form for themselves a sudden and vivid realisation of two things. First, that Tasmania, a potentially self-sufficient island inhabited largely by the finest British stock, represented (political considerations apart) an almost ideal unit for the application of Social Credit in a way that would focus the eyes of the world upon it and make it famous for all time. Secondly, that once these men thoroughly grasp what the application of Douglas's principles will do for the prosperity of the island they are so passionately and so reasonably devoted to, they are not the kind of "leaders" to remain helplessly enslaved by an obsolete financial system which depends for its power on the simple fact that no government has yet called its bluff. They, like their people, will demand results, and see that they get them.

J.D.B.

Autumn winds revive no more  
Leaves that once were shed.  
The sickle cannot reap  
Corn once gathered.  
So get on with the Electoral Campaign.

Oh! the wasted hours of life  
That have flitted by.  
Oh! the things you might have done,  
Lost without a sigh?  
So get on with the Electoral Campaign.

## Whiting the Sepulchre

### The Truth About the Banks and the Public

THE Economic League has published a pamphlet\* (1935 Series No. 4) entitled "The Banks and the Public" which so successfully combines instruction (genuine) with entertainment (involuntary) that it should be read by everyone. It is apparently directed against the Labour Party's proposals for the nationalisation of the banking system, and on certain counts is a good defence to Labour criticisms. On others it is a chain of sophisms through which any competent Socialist could lead an entire Hyde Park demonstration.

But this particular battle—very much of a sham fight, in any case—need not concern us. There are weightier matters to be considered, much more important than the question of nationalisation.

That ripe old question, "Do the banks create money?" comes up for early discussion, and connoisseurs of the red herring have seldom been so liberally catered for. Here is a choice example from page 4: "A bank cannot create money for its own account by simply writing figures in a book, as some people appear to imagine." As it stands, that statement is perfectly true, and the author (who prefers to remain anonymous) ought to get thirty pieces of silver per week in perpetuity for his skill. Of course, the bank must get another party to the transaction, a borrower or a vendor of securities, before it can perform its well-known miracle of "raising the wind," but it is not very likely that John Citizen will see that.

#### Hardly up to Standard

Every here and there the banks are spoken of as lending "other people's money" or as keeping it safe, but that is an old trick. Here is another, rather newer: "If A borrows £1,000 from the Westminster in order to repay a loan to B, who, in his turn, uses it to repay an overdraft at the National Provincial, no deposit has been created anywhere." This one is hardly up to standard, however; even John Citizen can see that if a bank extends a loan and immediately cancels it again, no deposit will appear. But whoever argued that it would?

However, after twelve pages of similar wriggles it is at last implied, though not admitted, that banks *can* create money, and the issue turns, in Part 2, upon how much they can create.

The argument begins like this: "The Bank of England is in the same position as any other bank in that it cannot create legal tender currency at its own sweet will. Only the Government can create money out of nothing, and Lord Snowden has pointed out that it did this during the War, 'with the disastrous consequences from which we are still suffering.' The Bank of England is strictly limited as to the number of notes that it can print." (Lord Snowden, by the way, is drawn upon pretty freely; the best one can say of his lordship's efforts is that they are funny without being vulgar.)

Now it is stated in Part 1 that "the banks always keep about ten or eleven per cent. of their deposits in the form of cash." It follows from this statement that eighty-nine or ninety per cent. of their loans are not backed by cash, and therefore such loans have been made from bank credit—money created by the banks. Naturally, however, the author does not draw this obvious inference.

#### Fiduciary Fiction

Let us now consider what happens in the Bank of England (Issue Department); the author is commenting upon the Return for Week Ended Wednesday, February 27, 1935: "Of the total of £452,489,539 (notes issued) the so-called 'Fiduciary Issue' accounts for £260,000,000, and the balance is backed by gold. Fiduciary means 'deriving its value from public confidence or securities,' and that £260,000,000 is the total note issue that the Bank of England is authorised to make, *except, pound*

*for pound, against a backing of gold, or in case of emergency by special sanction of the Treasury."* (Author's italics.)

We have it on excellent authority that the relation between the Bank and the Treasury is the relation "between Tweedledum and Tweedledee," so that the last clause of the quotation rather blows the gaff upon the whole proceeding. There cannot be the slightest doubt that, if the Bank desired to increase the Fiduciary Issue to-morrow, it would inform the Treasury of its intention and proceed to print the notes. The Bank Rate, for example, reacts upon trade and commerce throughout the country, yet the Treasury has no more voice in determining what it shall be than the Stamp Collectors' Union.

The gold backing inspires a delightful passage. "The public may not now be able to get gold in exchange for its paper, but the knowledge that the gold is actually there in the possession of the Bank does inspire that confidence which, so long as it exists, is as good as gold. This may be illogical but it is a fact." It is nothing of the sort; it is an insult to the intelligence of a child of seven. Try it and see for yourself: explain that only about 8s. 6d. in every £1 note is covered by gold, that the gold is not of the slightest use to you, and that you can't get it anyway, yet it creates "confidence" in our money system. If you are advised to consult a doctor, you have yourself to thank.

Why such stupid arguments should be put forward to hush up a matter that has been made abundantly plain by eminent bankers themselves is not clear, but the motive can hardly be creditable. It is significant that there is a great deal of talk throughout the pamphlet about the British banking system being "the envy and admiration of the world." Through all the world chaos of the War and afterwards . . . the British Banks have stood firm as a rock"—based unshakably, it might be added, upon the ruins of British industry. You will notice that not a word is said about the crisis of August, 1914, or that the entire British banking system, its bluff called, was then found to be so utterly insolvent that it could not meet more than one-tenth of its liabilities. It would have been so interesting to see our author at work upon an awkward little fact such as this.

#### Ananias in Lombard Street

So far, however, we have merely dealt with a few evasions and half-truths designed to convey a lie without incurring the risk of being taken in flagrant falsehood. We come now to a piece of downright and gratuitous insolence which deserves a paragraph to itself.

"It is open to question whether the community really has any such credit apart from that which it derives from the general confidence in those who look after its money, namely, the banks. The community, when seen *en masse*, does not always inspire that confidence which is the basis of credit."

The real credit—the true wealth—of any community is its ability to produce and deliver goods and services as, when and where required. The financial system at any rate pretends to reflect these industrial facts and is of use only in so far as it does so. It is possible to imagine a community running a system of production without money, but can anyone outside Threadneedle Street or a lunatic asylum imagine a community operating a money system without any production system? Or without consumers?

It is notorious that the entire resources of the Bank of England, with the assistance of all its satellites, could not produce so much as a loaf of bread—no, not even a single fountain-pen wherewith to create its own stock-in-trade. If every bank in the country, with every penny of the credit they have created, were wiped out to-morrow, things would be in a bit of a muddle for a while, no doubt, but we could get along after a fashion—and, very possibly, better than at present. On the

\* Obtainable from the Social Credit Press, 168a, Strand, London, W.C.2, 3d. each (postage 1d.).



other hand, if the rest of the community, along with their creations, disappeared, how long would the banks last?

That is the real point at issue. All through this pamphlet the assumption is made that the financial system exists as an end in itself. Industrial activity is considered unhealthy if it jeopardises the financial

system, and the industrial coat must be cut according to the financial cloth. Until it is accepted that the industrial facts are the reality and that the figures of the financial system are only symbols, criticism of the banks will grow, and must in the end prevail. Pamphlets such as this will certainly do nothing to stop it.

R. L. NORTHBRIDGE.

## Potential Votes in Plenty

*There is a tide in the affairs of men,  
Which, taken at the flood, leads on to fortune.*

—Shakespeare.

**T**HIS is as true to-day as it was when Shakespeare wrote it. The tide is rising now. What are you doing to alter the fortunes of your fellow-men? Those men and women sick at heart through hoping for employment which never comes. Who, in their thousands, are living in houses little better than hovels not fit for pigs, in unclean surroundings; rearing the future citizens of your country, my country and theirs.

Will you give them a message of hope? It is up to you as a man, as a Social Creditor, and a true follower of a great prophet. I've been called a madman and a fool, a Communist and a Liberal, a Socialist and a Conservative. I'm none of these. I've been thanked for bringing the message of hope. I've been received with open arms. I've been hailed as the only sensible canvasser seen for years. In short, I have been well rewarded for the time and effort spent in a wonderful experience.

Will you pull your weight? Let us all join in a solid phalanx and make a mass attack at the zero hour which is upon us now.

It was with fear and trembling, nine weeks ago, I made my debut in a Conservative stronghold as a seeker of signatures for the abolition of poverty. After forty-five nights spent in obtaining votes (more often than not amidst squalor, dirt and poverty) I am making this appeal to all Social Crediters who may not as yet be working on the Campaign to take the plunge immediately and devote at least one specific night a week to the canvass.

You will do more in one night for the cause than in a dozen spent in highbrow talk on the technical difficul-

ties to be overcome in the application of our scheme. If you are a man of character (and I presume you are); if you believe in your leader as a man of integrity and worth; if you believe in the principles he has expounded to you, then your only course is to get down to the job he has asked you to do.

Failing this, you are letting him down; you are missing a glorious opportunity of putting many nails in the coffin of "Sound Finance" (so-called). You are missing a chance of forcing your M.P. to use the only means possible to bring prosperity and happiness to your native land.

There are potential votes in plenty ready to hand for the asking. There are thousands of votes waiting to be united in a single determined effort to lift the stranglehold of the party politicians.

In these times of scarcity nothing worth having can be obtained without sacrifice. How much of your time are you willing to offer? How many signed forms will you guarantee per week to obtain the next three months? If Major Douglas asked you personally to do your bit in the campaign, would you refuse him?

Every four determined members of your group can obtain one hundred votes in two hours from the right houses. A part team averaging thirty hours a week during the last ten, has secured three thousand votes. So don't let lack of strength in man-power deter you from your duty.

In conclusion, let me add, if you are still unwilling to toe the line and to cut out the excuses (they can be many and varied), then you are not worthy of the name "Social Creditor."

*Omitted, all the voyage of their life  
Is bound in shallows, and in miseries.*

NINIAN BLAKEY.

### Soviet Russia Piles Up Debt

The Third Year of the Second Five-Year Plan Loan, which was issued by the Soviet Government for a sum of 3,500 million roubles, was oversubscribed by more than 100 million roubles in nine days. Such a response of the whole population to the appeal to help Socialist construction by lending their surplus savings is undoubtedly most gratifying to both the Government and the Party, who have appealed to the people to subscribe. . . . In the past four years the forty-five million Soviet bondholders have lent to the Government 10,500 million roubles for economic and cultural construction. . . . They realise that by assisting in the development of the Soviet State they are also creating for themselves a bright and joyous future.—"Monthly Review," issued by the Moscow Narodny Bank Ltd., London, June, 1935.

Our own banks tell us that industry, which makes possible a bright and joyous future, must be built up out of the savings of the people. Meantime the people get deeper and deeper into debt. Perhaps some day they will demand that bright and joyous present which is possible now?

### Restricting Production

The first instalment of the Government jute forecast for the five Bengal districts and Assam, showing a twenty-eight per cent. decrease, has been received enthusiastically. . . .

The price of jute—Rs.35 per bale, compared with Rs.22 last year—proves the success of voluntary restriction. Peasants are now receiving double the amount they got last year.—"Financial Times," June 29, 1935.

And prices to the consumer will go up—a "vicious spiral."

### You Can't Evade It

We have been evading a discussion on the Douglas Credit Scheme for a long time, but it seems bound to come, so we may as well have it and get it over.—*Editorial comment on a letter entitled "National Dividends for All" in "Civil Service Opinion," June 15, 1935.*

### New Address

All departments of the Social Credit Secretariat, including the Weekly paper SOCIAL CREDIT and other publications, are now housed at  
163A, Strand, London, W.C.2,

close to Aldwych Tube Station.

All communications should bear the words "Social Credit Secretariat", or SOCIAL CREDIT, as well as the above address.

### 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.

## The Causes of War

THIS delightful little book\* containing eight of ten B.B.C. lectures on the causes of war is—as Mr. Stenning indicates, still quite apropos of the world situation.

Oddly enough, when these talks are in cold print it is easier to discern the great variety of direction which great minds seem to take, and advise! It would almost seem as if each speaker had done as much to neutralise the advice of another as he had to offer a way of escape from war.

Each talk has an implicit or even explicit "down" on one of the others. Thus Lord Beaverbrook is *Anti*-(European) Alliances which Sir N. Angell thinks desirable. Sir N. Angell and Mr. G. D. H. Cole are *anti*-munition making while advocating no new method of prevention of wars.

Mr. Chamberlain has been set the task of summing-up which he does neatly and kindly but without illumination, while Mr. A. Huxley lectures without leaving any trace of constructive proposals.

The two outstanding "talks" contained in this book, are those of Sir Josiah Stamp and Major Douglas. Even here we are left at the last moment with a strong impression that Sir Josiah had "been asked to deal primarily with *economic* causes" (a line that was "off his natural beat") in order that he might, more effectively be *anti*-Douglas.

He ends on a note that is unfortunately rather too authentically financial to escape the notice of those who have realised that Major Douglas's chief objective and policy is *not* criticism of the Bank of England *qua* Bank. Sir Josiah displays all his usual fluency and command

\* "The Causes of War." Introduction by H. J. Stenning. London: George Allen and Unwin, Ltd. 3s. 6d.

of rare stores of information, and the conclusion of the whole matter, if we accept his leadings, is that he is *anti*-economic causes of war. And this in spite of his admission on page eighty-seven that two out of three possible causes of war are economic!

One feels after a careful study of this "talk" that Sir Josiah *could* tell us something quite different if he *would*—but he *won't*!

These are some points that seem by common consent—or was it common constraint?—to have been left severely alone, or aside, in all but one of these talks. They are the relationships between monetary exigencies, economic results, and international consequences.

With these in particular Major Douglas deals. To-day when everything is relative, and interlocking conditions produce fresh relationships, the fact that Major Douglas relates his basic conclusions makes his "talk" more interesting than others. He brings home the fact of the close connection between financial, industrial and international situations; of the control that financial *policy* has over every other; and one is left feeling that along these lines one is gaining a wider viewpoint of examination of the deep seated causes of war.

Did Sir Josiah omit these aspects intentionally? A financier could have been so enlightening. One can but regret this omission, as well as the commission of this leader of opinion to a plea for internationalism, for that can only be achieved by a financial hegemony which would ultimately deprive each and every nation of the right to control its own finance according to its own resources and desires, rather than at the behest of a particular set of traders, the banks.

M.B.C.

## Wisdom of the Week

A resolution of protest against the recent experiment at Bishop Auckland of selling potatoes at a special price to the unemployed was passed at the spring conference of the Retail Fruit Trade Federation at Bristol.—*The Times*.

They'll be *giving* them away next, and then where would the unemployed be?

\* \* \*

Cotton cloth production reflects a necessary severe curtailment of operations after an excessive activity in face of strong consumer resistance to high prices.

Steel production maintains its level at forty-seven per cent. of capacity of the mills.—Message from New York in *The Times*, April 29, 1935.

"Consumer resistance to high prices" is a good phrase. It means people's incomes are too small to buy as much of what the people want as they can produce. National Dividends would overcome this "consumer resistance."

\* \* \*

The other day the Bank, overstuffed, offered 500 temporary clerks up to £2,000 down to resign. Seventy-five accepted. The rest "held on."

Honoured to-day with the Order of Merit is Sir Frederick Hopkins, vitamins discoverer. Suppose one day he finds Vitamin Z, containing all those qualities of judgment, energy, etc., and gives it to the remaining 425 Bank clerks, and many others. What happens then?—*Daily Express*, June 3.

\* \* \*

There was, however, room for a marked increase of our export trade, together with the development of our internal markets.—Minister of Labour.

We like the afterthought; they used not even to put that bit in.

The best feature of the returns is the improvement that has taken place in our export trade.—City Editor, *The Observer*.

Sorry, we spoke too soon, it hasn't reached the City pages yet.

## Aren't We All?

I am not unqualified to criticise the economic system. A man who has mastered the works of Adam Smith, John Stuart Mill, Daniel Ricardo, Karl Marx, Hartley Withers, J. M. Keynes and Josiah Stamp, may be said to know something about economics.

Possibly—but I doubt it.

Personally, I have read none of these masters and sincerely hope I never shall, and what does book learning signify anyhow? Now, practical experience—I repeat, I am not unqualified to criticise the economic system. A man who has had first-hand dealings with money matters in the capacity of book-keeper, book-maker, stockbroker, chartered accountant, bank cashier, insurance actuary and numismatist, is no arm-chair critic. It may well be argued that such a man really does know something about the subject. It may, but some people will argue about anything. Myself I have never been any of these, and, with the possible exception of bookmaker, I hope to goodness I never shall.

No, my qualifications for criticising the economic system are those of any citizen. It obviously does not distribute the goods that can be produced in any quantity, and since this distribution is practically the only reason for having an economic system, it follows that the present system is simply mud.

By the way, I am doing a spot of National Canvassing.

Aren't we all?

N.D.S.

## Crop Failures are so Helpful

Officials said that while the present shortage of wheat in the Northern Hemisphere had alleviated somewhat the need for export agreements and restrictions, the world's wheat acreage remains at a level which if a normal crop resulted would build up a tremendous surplus.—*The Financial Times*, May 27.

These "burdensome surpluses."

Money has been in plentiful supply—too plentiful, perhaps, to stimulate bank earnings.—*Manchester Guardian*, June 25.

The cat is let out of the bag at careless moments.

## Active Service

### Colchester Gets Under Way

The Social Credit Group in Colchester has been in existence for only about twelve months, but is already making itself felt. This young Group sets an example worth following. It is alive and is not content merely to exist. Despite small numbers and many initial difficulties the Electoral Campaign is being carried on energetically and already pledges secured run to four figures.

In his report the Supervisor comments as follows: "I hope there are not many groups standing out against the Campaign. If there are I am sure they will cease to function at all unless they work. Our own organisation was beginning to be a very stale affair till we started the Campaign."

### London (North West)

The following letter will, we hope, provide an opportunity for many London readers who have not done so hitherto to play their part in the Campaign.

Dear Sir,

#### 1. Is London on the Social Credit Map?

Frankly, Londoners should be ashamed of themselves. They don't seem to be figuring to any extent in the Electoral Campaign. The Metropolis has always been (comparatively) well off, and it is a well known fact that new industries, as well as much of the North's lost business, have come South. Are we then callously to disregard the distress of fellow beings in less prosperous and semi-derelict areas, for the sole reason that their crushing poverty is not in daily evidence under our hypocritical noses? Or is it that we Londoners prefer to boss the Campaign rather than staff it? But read on.

#### 2. N.W. London Shows a Leg

Kingsbury, N.W., enters the Electoral Campaign lists with a team of nine non-talkers, against London's largest Parliamentary majority of 51,000. They are not overawed, but ask for helpers. Will those willing, living in Kingsbury, Hendon, Colindale, Burnt Oak, or nearby districts, write (in the first place) to the Secretary at The Greenaway Cafe, Hay Lane, N.W.9?

#### 3. Why Not a London Electoral Campaign Organiser?

It is suggested that this is necessary to split up territory to be covered by groups, to co-ordinate and to organise for London as a whole.

#### 4. Where Do You Read "Social Credit"?

Try in a train or other public conveyance. Hold your paper so that you advertise the name and so that others can read over your shoulder. It also helps to make contact with brother social crediters which is mutually useful.

Yours faithfully, G.R.T.

The Secretariat is looking after the point raised in (3) above and is able to prevent overlapping.

### Newcastle-on-Tyne

Used to be famous for ships, is now a distressed area owing to the operations of "sound" finance and its tool the Shipbuilders Securities Corporation. Despite the difficulties due to financial stringency and the apathy arising from long periods of unemployment, the Newcastle Group forges ahead with the Campaign, and in the most recent work for which a report is to hand collected 1,770 pledges, the average time per signature being 3.4 minutes.

### Parkstone (Dorset)

Having done its "thirty days hard" by adhering strictly to the instructions in E.C.D.1, the Parkstone Group is now testing an idea which is likely to be of great interest to other campaigners. This consists of delivering the pledge form in an envelope bearing the following statement:—

#### Important!

The enclosed does not ask you to BUY. It does not ask you to GIVE.

It seeks your help to abolish Poverty by reading and signing the enclosed leaflet which will be called for on . . . . .

The results of the first trial of this method are reported on by the Parkstone Supervisor as follows:

For delivery I purposely chose an evening when I knew that the majority would be out — the evening of the Poole Carnival. My assumption was correct as fully ninety per cent. were out. But I thought the envelope would arouse curiosity, and collection was arranged for the following evening, Thursday.

The result was that we found pledges already signed and in many cases left for collection without our troubling to knock or ring, and in many cases where they were not sympathetic the form was courteously handed back unsigned.

#### Result:

- 185 forms delivered.
- 153 forms actually signed and collected on the Thursday.
- 20 to 25 out, necessitating calls back.
- 15 pledge forms handed back not signed, some of which have since signed.
- 9 Definite refusals.

The time spent in securing the 153 pledges was nine hours, and therefore in this first trial the time per signature was approximately 3½ minutes.

### Tynemouth is so Inspiring

The following proves it:—

Something for nothing,  
Oh, give me the rocks  
And the wild rolling sea,  
The cliffs of old Tynemouth  
For ever for me.

Kill two birds with one stone. Come to Tynemouth for your holidays and obtain free tuition in the art of electioneering for:—

The One-Way Vote,  
The New Way  
The Best Way,  
The Only Way.

The Tynemouth group is putting expert advice and tuition at your disposal if you visit the Northumbrian coast, the finest in the country. We guarantee to make you a first-class canvasser by devoting one hour a day of your holiday (while here) to the cause. All enquiries to:— Reveling, Seacrest Avenue, Cullercoats.

We hope that many readers will take advantage of this opportunity of benefiting others while themselves benefiting from the air of Tynemouth. We can assure them that the Tynemouth team will be able to give them valuable instruction for they are experts—see report on Page 307 of our issue of June 21.

A country [Great Britain] which could produce balanced budgets in times like these was not decadent.—Prime Minister of Australia.

The new manliness!

\* \* \* \*

Social Credit is founded on true Christian principles.—Archbishop O'Shea, Metropolitan of New Zealand.

\* \* \* \*

If the constitution prevents us from bringing in a system which would bring food, clothing and shelter for our people, then it is time the constitution was changed.—Wm. Aberhart.

### 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.

## CORRESPONDENCE

## Another Model Answer

I could not give you a model answer to Lord Tankerville's question in SOCIAL CREDIT for June 14, as I have not the ability to do so, but would make a shape at an answer, according to my limited understanding. Only very brilliant women shine at technique and statistics. Perhaps men learn it by rote!

*Question:* Each of the existing political parties already promises us Prosperity by various methods; what is yours? You say you will demand the issue of National Dividends, but in what way do you propose that they should be issued? None of the recent governments have brought us any real prosperity, in spite of all their promises; so, until you tell us something of how you propose to work your scheme, how can we judge of its soundness and, therefore, whether or not we will vote for it?

*Answer:* I could not tell you *how*. We are agreed as to *why*. There is no lack of goods, and production could be very much enhanced if the citizens were able to buy.

Were I a secretary I should resent my principal asking me how I did my work. It would take so long to explain that my work would never be done! Were I a hairdresser I should resent the practice of many women taking a friend into my saloon to watch me at my work, to pick up what they could of my craft, which appeared so easy, but required so many years of training.

Likewise, we in England have the best brains, the best services, and the best experts at our disposal, quite able to do the people's will, if the people demand results. And the responsibility rests on the "why" of you and of me, if the results of the abolition of poverty and the issue of National Dividends are not as satisfactory as our English official administration is efficient.

Wallasey.

CECILY FRANCIS (Miss).

## What's in a Name?

In your issue of June 21 you report the Green Shirt correspondence with Mr. Montagu Norman.

This brief and succinct account of what Mr. Montagu Norman "*knows*" is not only interesting for its own sake but because it recalls a time when Mr. Montagu Norman thought fit to travel incognito whenever possible.

He once went to America as Mr. Clarence Skinner, and this episode, and the name, were immortalised by "Low" in one of his best cartoons, "The Skinner Family."

In this he showed the Cabinet as "members one of another" and all Skinners in cut and colour; a brilliant commentary (or was it symbol?) of the notable dependence of thought of our *elected representatives* on the Governor of the Bank of England (or is it his private secretary?).

The secretaries, private and otherwise, of Chinese Officials and Rulers are becoming notoriously important. This may escape observation part of the time, but when certain consequences eventuate we may have reason to consider these inconspicuous persons rather more seriously. Their modesty need not prevent our becoming acquainted with their physiognomy and if, or when, Japan assumes the Hegemony of the East and the B.I.S. has established another World Hegemony we may be glad to know more of "the Skinners," whether they sign themselves "E.H.D." or "Clarence."

M.B.C.

## The Making of Laws

I have been waiting for an article by some competent Social Crediter pointing out the importance of watching the making of laws. Many of us are aware that the many little laws passed in the last fifty years or more, nominally to *control* banking, have eventuated in an almost *complete protection* of the present financial system and financial magnates from outside attacks.

The dispersal of the Grand Jury, about two years ago, removed one of the oldest and most important forms of protection of the individual in certain legal issues; particularly in Police and Assize Courts.

These two items taken in conjunction and considered in their relation to the New Seditious Bill, and *all* criticised in popular language should prove an interesting eye-opener to some of your readers.

A LAWYER'S GRANDDAUGHTER.

## Thinking It Out

The latter part of the letter of Mr. R. Somes Saxton which deals with the effect of investments, and which, together with your comment thereon, appeared in your issue of June 14, greatly interested me, though I found it somewhat difficult to follow. In case others of your readers experience similar difficulty in understanding this question, may I put it forward in a somewhat different light?

For the sake of simplicity we neglect for the moment A+B and imagine that when goods are produced, purchasing power equalling their cost is also produced. This means, all the goods can be purchased [and all the money cancelled.—Ed.]. But we imagine some of the purchasing power to be invested in industry, say £1,000, and we see then that the result of this investment is to leave £1,000 worth of goods unsold.

But the £1,000 has returned to production and is utilised to produce more goods, at the same time, of course, being distributed as purchasing power. The position then is this: £2,000 as prices; £1,000 as purchasing power. Why cannot the £1,000 buy the £2,000 worth of goods? Or can it?

Let us try to see whether it can. Let us spend the £1,000 and look at the position again. This is what we see: £1,000 worth of goods still "in production" (by that I mean, not yet in the hands of the consumers), and also, now we have spent our £1,000—£1,000 *also in production*.

Unless the £1,000 is withdrawn from production by the original investors, it stays in production and becomes purchasing power again as it produces more goods (and prices). We thus have £1,000 worth of unsaleable goods *ad infinitum*. And more, of course, every time an investment takes place.

A National Dividend would purchase these goods. It would pile up only in the sense that it would become capital for increased production, quantitative or qualitative.

Middlesbrough.

H. DALBY.

[If the £1,000 is assumed to be spent on buying the second batch of goods, then the investors have their money back, and can spend it on the first batch. It will no longer be an investment. This is not actually what investors do, even when they have only financed the purchase and resale of a "job" line. They look round for another investment. Moreover, in point of time the first batch is due to absorb the £1,000, which will be cancelled before the second batch gets a look in.—Ed.]

## The Electors' Demand—New Form

A new edition of the Electors' Demand and Undertaking is now available, embodying improvements based on canvassing experience. Supplies may be ordered at once.

Pages one and two are unaltered. Page three contains a simplified electors' demand and undertaking, having the same effect as before. The appeal for funds has been removed and there is space for two more signatures.

The back page has been entirely redesigned, the upper half being devoted to some instances of terrible poverty and its consequences, each with the reference so that it can be verified. Space for three additional signatures is provided, and the elector is clearly urged not to sign on both sides.

This will be known as Leaflet No. 5 in future, taking the place of the old leaflet. Prices are the same as before, and are set out on page 334.

## Ten Funerals to Every Wedding S.O.S. from the Highlands

A dramatic appeal has been received by the Prime Minister and Sir Godfrey Collins, Secretary of State for Scotland, from 700 smallholders in the Highlands and the Hebrides who are in debt to the Department of Agriculture for rents, sheep stock loans and building annuities.

It is a petition written for them by a young minister at Glenelg, Skye, the Rev. T. M. Murchison, himself the son of a crofter. He speaks of:

"Their debts piling up, credit being refused them, their families suffering, their stock failing, their young people forced to join the unhappy masses in the cities, so that many Highland parishes are becoming inhabited almost entirely by the aged, school rolls dwindling, churches becoming derelict because there are so few left to worship, ministers officiating at ten funerals for every one marriage or baptism.

"It is not a begging for charity, but a respectful demand

for the righting of injustice . . . We are men of peace, but we do not welcome the peace of economic death."

A royal commission to inquire into the plight of the people is suggested. Mr. Baldwin's maternal forebears came from Skye.—"Daily Express," June 24, 1935.

Why inquire when their plight is so obvious? These Highlanders needn't *appeal*. They should *demand* National Dividends. It is their right, and, as members of a democracy, they are responsible for seeing that they get it. They are not democrats if they shirk this responsibility. Let them join The Only Democrats and demand, by their Parliamentary Votes, National Dividends and the Abolition of Poverty!

### Banking and Industry\*

This dispassionate and reasonable analysis of the financial system should be read by all those who are worried about methods of producing the results everyone wants, namely, means to enjoy the plenty which so obviously surrounds the existing unnecessary poverty.

Mr. Joseph describes simply and clearly how the present money system operates, and in doing so he shows up its accountancy errors, pointing out their inevitable results and indicating how easily they could be rectified.

Answers to all the stock questions put to Social Crediters are found here: Why we have not long ago starved in the midst of plenty; how banks create money—argued simply from first principles, independently of quoted authorities;—why banks prosper not only in booms but in slumps also—"the banks are always able to get in at the ground floor and get out before the bottom falls out";—how "issues" are subscribed, and "oversubscribed"; why, as a country's real wealth grows, debt piles up—"the richest country is the country which has the biggest National Debt."

We specially recommend this booklet to those who are worried about the cancellation of consumer credit. If they follow the simple explanation of how any credit is cancelled, their fears and perplexities will automatically vanish.

In a foreword, Major Douglas, Chairman of the Social Credit Secretariat, truly says that "Mr. Joseph's little pamphlet fills a want in the Social Credit Movement." We are glad, therefore, to add it to our list of recommended literature, which will be found on page 342 this week.

\* Banking and Industry by A. W. Joseph (see *What to Read*, p. 342). Published by the Birmingham D.S.C. Group.

### The Catholic Herald

Social Credit is fairly commented on on four different pages of *The Catholic Herald* for June 15, and in the editorial reference to the situation in Alberta occurs the following:

So far, Major Douglas's scheme has been very much in the air, but now it is to come right down to prairie earth. The farmers and ranchers of Alberta are to be thanked for offering to submit to a practical test a theory which has occupied the attention of controversial economists for many years. If only in the hope that they will be able to end the controversy one way or the other, we trust that they may have a chance of putting their theories into practice.

### Practical Aid

One way in which our readers can render the paper material support is by supporting our advertisers. Practically everyone drinks tea, and many run motor cars. Quite a number require printing of one sort or another, and we suppose all read other literature besides SOCIAL CREDIT. Need we say more?

### National Dividends

A process which is improved must, by the operation of a suitable economic system, decrease the time-energy units demanded from the community, or, to put the matter another way, all improvements in process should be made to pay a dividend to the community.—Major C. H. Douglas.

Campaign Supervisor to prospective M.P.: "You want the best votes? We have them."

## 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:—

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Singlemindedly

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and

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Books bearing on the subject, but not solely devoted to Social Credit :—

**This Age of Plenty**, by C. Marshall Hattersley. 3s. 6d. and 6s. 0d.  
*A very popular exposition of the paradox of Poverty and Plenty.*

The Coming of Community, by W. T. Symons ... 7s. 6d.

Life and Money, by Eimar O'Duffy ... 2s. 6d.

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Pamphlets by Major C. H. Douglas :—

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FROM SOCIAL CREDIT, 163A, STRAND, LONDON, W.C.2.

## 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 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.

### Bound Volumes of "Social Credit"

A limited number of bound volumes of SOCIAL CREDIT, Vol. I., are available at 10s. 6d. each, and binding cases at 3s. 6d. each, carriage extra, from SOCIAL CREDIT, 163A, Strand, London, W.C.2.

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## APROPOS

### Of Everything in General and Nothing in Particular

#### The "Daily Herald" Postbag

H. G. Wells is on it this time. Cheers.  
 "It is necessary to break away from old traditions and adopt a scientific attitude to world problems." Oh, I beg your pardon, "things are not what they seem," you know how often that happens.

Mr. Wells really means we must replace national independent sovereignty by world-wide controls. Now, of all things, that is precisely what is *not* breaking away from tradition; it is reverting to type, and badly, too.

That's the kind of stuff Alexander the Great talked B.C. 500 or so. And several Roman Emperors said as much, and said it at the end of their spears, and Mussolini has been looking up their speeches and getting them translated into modern Italian slang quite lately. No, DEAR Mr. Wells—we think not.

Is Mr. Ramsay MacDonald being sent to confer with Roosevelt to get him out of the country and out of the way—or simply because he can be trusted to talk longer while he says less of any consequence whatever than any other living (states?) man?

A meek little plaint has gone up from certain Labour Party gentlemen that they "do not get a clear lead from Finance" (*Daily Herald*).

Now what exactly do they think they could, would, should, or *might* get in the way of clarity from any grade of Financier? Why, the one thing High Finance prides itself on more than any other is its immensely obscure incomprehensibility for any but the most élite of experts. A CLEAR LEAD! Don't think of it! Don't dream of it! If it were clear it would, *ipso facto*, be futile, and if not clear, probably dangerous.

Now if they *want* a clear lead *we* can give them one—ASK FOR RESULTS, *not* information.

But there, that's too clear and too simple; even Mr. Baldwin knows better than to believe in simplicity.

Attorney (to Witness): What is your business now?

Witness (languidly): Not raising hogs.

—*Los Angeles Times.*

#### Innocent Merriment

"Some brewers are suggesting that pubs should be made places of entertainment as well as places for conversation and refreshment."

This quotation from an editorial in SOCIAL CREDIT for June 7 conjures up visions of "how to pass a happy afternoon when we get the Dividend." What a picture of peace and plenty is conjured up for the day when everyone has leisure and cash.

The German Beer Garden, beloved of English visitors before the war and now so much less cheerful, will renew its youth; it may conceivably be emulated by its English Cousin in the Country Pub, "with annexe and pretty views over cornfields."

I can see in imagination the Good Old Days of Cheese and Ale, glorified by the addition of a play, "The Vicar of Wakefield" (English screen version), or "Sweet Auburn," or Grey's "Elegy," with appropriate music, etc., etc. And I find nothing to grieve over. There are millions of artists, amateur and other, waiting for jobs, and millions who would make good audiences and appreciate the fare.

Why not start them *free* for the derelict areas as an advertisement? It would not cost more than the present Local Assistance Committees spend, badly, and the "change of mind and heart," generated with regard to spare-time occupations, would be worth twice that amount.

#### A Socialist Sings

Oh, give us the freehold of Threadneedle Street  
 And all corner sites of the banks,  
 With Montagu Norman as liveried foreman,  
 Then all will be right with us—thanks.

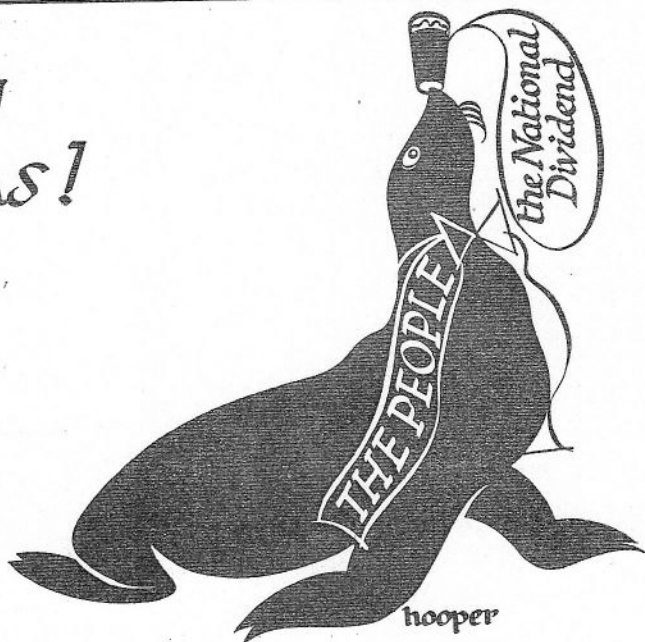
We must own the whole mighty caboodle complete,  
 And the mines and the factories, too.

And our Party, what fun!  
 Will the whole of it run,  
 What glory for me and for you!

But how we would alter the rule of finance  
 And justly distribute the goods,  
 May be very well left to the workings of chance,  
 'Tis a question that hardly obtrudes.

PHILIP T. KENWAY.

my goodness!  
 MY GUINEAS!



hooper

(With acknowledgments to the famous poster and apologies to Messrs. Guinness.)  
 (See page 330)