



S O C I A L C R E D I T

CLEARLY EXPLAINED

**101 QUESTIONS
ANSWERED BY**

**JOHN
HARGRAVE**

WITH A NUMBER OF DIAGRAMS & ILLUSTRATIONS

PRICE TWO SHILLINGS

SOCIAL CREDIT CLEARLY EXPLAINED

101 Questions Answered

By

JOHN HARGRAVE

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Government of Alberta (1936-37); Founder and Leader, The Social
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FIELD MARSHAL LORD WAVELL

at a Pilgrims' luncheon, September 16, 1943:

"It has always seemed to me a curious fact that money is forthcoming in any quantity for a war, but that no nation has ever yet produced the money on the same scale to fight the evils of peace—poverty, lack of education, unemployment, ill-health. When we are prepared to spend our money and our efforts against them as freely and with the same spirit as against Hitler—we shall really be making progress."

CHORUS OF MASS IGNORANCE

supported by economic "experts," hack journalists, and bankers' yes-men:

"But where is the money to come from? . . ."

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- 1. Open the National Credit Office**
- 2. Issue the National Dividend to all**
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FOREWORD

ALTHOUGH THERE ARE many books and booklets on the subject of Social Credit, we are always being asked for "A simple explanation—something that anyone can understand."

Experience has shown that the question-and-answer method is the only one likely to be effective in attempting to comply with this request.

This little book contains the Answers to 101 Questions about Social Credit. All of them are real questions that have been asked from time to time at Social Credit Party meetings and talks up and down the country. A team of Social Credit advocates kindly undertook to jot down all the questions usually asked, and send them to me. Originally, over 400 Questions were dealt with, but this number has had to be drastically cut owing to paper restrictions.

In compiling the Answers I have had the help and advice of recognised Social Credit technicians, including:

Arthur Brenton, Editor of *The New Age*, 1923-38.

C. Marshall Hattersley, author of *This Age of Plenty*, etc., etc.

N. Ridley Temperley, A.M.I.E.E.

To these, and a number of others, who have given very valuable assistance, I offer my sincere thanks. It should be clearly understood, however, that I alone am responsible for the wording of the Answers set forth in the following pages.

I also wish to thank Mrs. Ashley Lewis for typing the original MS., and Mr. and Mrs. Ian Alastair Ross for sorting out the most important Questions and arranging them in their present sequence.

It must, of course, be left to the general public to determine whether this small volume does in fact provide "A simple explanation—something that anyone can understand." That is its one and only object, but, in our phase of civilisation, adrift in a sea of pseudo-scientific jargon and bemused by a mass of seemingly unrelated "facts," it is the simple logic-tight statement based upon careful reasoning that is difficult to grasp.

What the so-called "experts" say is of no consequence whatever—their opinion is utterly and for ever discredited by their support of a financial policy and technique that continually plunges mankind into poverty and war. We all know that "A nod is as good as a wink to a blind horse," but if you really do want to understand Social Credit, I hope these Answers to Questions may be useful to you.

J. H.

Royal Societies Club, London, 1945.

PART I

WHAT IS SOCIAL CREDIT?

1. WHAT DOES "SOCIAL CREDIT" MEAN?

IT MEANS (1) a dynamic idea, and (2) the financial technique for putting it into operation.

The dynamic idea is: that we live in a world of abundance; and the financial technique is designed to distribute this abundance.

2. WHO ORIGINATED THE SOCIAL CREDIT IDEA, AND HOW DID HE HIT UPON IT?

A SCOTS ENGINEER, Clifford Hugh Douglas, Major R.A.F. (Reserve), born January 20, 1879, M.I.Mech.E., M.I.E.E., originated the Social Credit idea. He was on the staff of the Westinghouse Company of America; late chief Reconstruction Engineer for the British Westinghouse Company in India; deputy Chief Engineer of the Buenos Aires and Pacific Railway Company; Railway Engineer of the London Post Office (Tube) Railway; Assistant Superintendent R.A.F. Factory, Farnborough, during the First World War. Witness before the Canadian Banking Enquiry, 1923, and before the Macmillan Committee, 1930. Author of: *Economic Democracy*; *Credit Power and Democracy*; *Social Credit*; *The Monopoly of Credit*; *Warning Democracy*; etc.

While reorganising the working of the Farnborough Aircraft Factory during the 1914-18 war, Douglas's curiosity was aroused by his observation that the total costs incurred each week were greater than the sums paid out for wages, salaries, and dividends each week.

If this is true, as presumably it must be, for all productive businesses, it would seem to destroy the theory upon which our whole financial system is supposed to work—namely, that all costs are distributed simultaneously as buying-power.

Douglas collected information from over a hundred large businesses in Great Britain, and found that in every case the total costs incurred each week were greater than the sums paid out as wages, salaries, and dividends—except in businesses heading for bankruptcy.

He published his conclusions in an article in the *English Review*: "That we are living under a system of accountancy which renders the delivery of the nation's goods and services to itself a technical impossibility." The importance of this was recognised by very few at the time, but the late A. R. Orage, then editor of *The New Age*, grasped what it meant clearly, and at once invited the discussion of the idea in his paper.

3. ARE NOT SOCIALISM AND SOCIAL CREDIT MUCH THE SAME THING?

NO, THE DIFFERENCE is fundamental and clear cut:—

1. Socialism states that the social-economic conflict is Capital *versus* Labour.
2. Social Credit states that the social-economic conflict is Finance *versus* the Community.

The fight between two rats shut in a trap is not "much the same thing" as their quarrel with the rat-catcher who set the trap. It is totally different.

(Capital and Labour are the rats in the trap. Finance-Capital—the Money Power—is the rat-catcher.)

4. IS IT NOT A FACT THAT SOCIAL CREDIT HAS BEEN TRIED IN ALBERTA AND FAILED?

NO, IT IS NOT. I went to Alberta in the winter of 1936-37 to see for myself what was happening, and acted as Economic Adviser to the Alberta Government Planning Committee. (See *The Alberta Report*, issued by the Social Credit Party of Great Britain, 1937.) I found that it was not Social Credit that had failed—but the attempt to introduce it. A very different thing.

In August, 1935, the people of Alberta voted for the late William Aberhart and his Social Credit Party, and this resulted in a landslide electoral victory for Social Credit. During the next five years the Aberhart Government struggled to be allowed to introduce Social Credit. In 1940, when the Aberhart Government was nearing the end of its term of office, another general election was held. All the political wiseacres predicted that Aberhart and his Government would be swept out. Yet, in spite of five years of not being allowed to introduce Social Credit, the people of Alberta went to the polls and—*returned Aberhart and his Social Credit Government for another five years, with a strong working majority!* And this Government, now led by Premier Manning, again went to the polls in the autumn of 1944, and was returned with an even greater majority, gaining 51 seats out of the total of 57. Yet despite this Provincial majority Alberta is still struggling to introduce Social Credit in accordance with the mandate of the people.

So far, every attempt to implement Social Credit in the Province has been thwarted and prohibited as "unconstitutional."

Thus, for example, the Alberta Legislature passed the following Bills:—

1. "Credit of Alberta Regulation Act."—Disallowed by the Dominion Government, Ottawa, August 17, 1937.

2. "Bank Taxation Act."—Assent withheld by Lieutenant-Governor. Declared unconstitutional by Supreme Court of Canada. Appeal by Province from Supreme Court decision to Privy Council dismissed.

3. "Reduction and Settlement of Debt Act."—Declared *ultra vires* of the Province by the Courts.

4. "Act to Ensure Publication of Accurate News Information."—Assent withheld by Lieutenant-Governor. Declared unconstitutional by Supreme Court of Canada. In the appeal by the Province from the Supreme Court's decision, the Privy Council refused to hear Alberta's argument by their counsel.

5. "Home Owners Security Act."—Disallowed by Dominion Government, Ottawa, June 15, 1938.

6. "Security of Tax Act, 1938."—Disallowed by Dominion Government, Ottawa, June 15, 1938.

7. "Credit of Alberta Regulation Act (1937 Amendment)."—Assent withheld by Lieutenant-Governor. Declared unconstitutional by Supreme Court of Canada. In the appeal by the Province from the Supreme Court's decision, the Privy Council refused to hear Alberta's argument by their counsel.

The truth is that democracy has been denied to the people of Alberta by the Money Power.

5. WHAT IS THE BASIS OF THE SOCIAL PHILOSOPHY OF SOCIAL CREDIT?

THAT THE INDIVIDUAL is the all important unit. And that the only justification for the existence of any organisation—from a football team to the State itself—is that it helps in some way the life and well-being of the individual.

6. WHAT IS THE SOCIAL CREDIT IDEA STATED AS SIMPLY AS POSSIBLE?

THAT THE ONLY object of Production is Consumption, and that, of all the interests seeking satisfaction in the State, the interest of *CONSUMERS* shall be paramount. You are a consumer. So am I. We are all consumers.

In a modern community it is not difficult to produce enough and to spare for everyone. Social Credit is an economic technique for giving you your share of the things you want—including *time* to enjoy life, and therefore *culture*.

Social Credit does this by allowing Consumption to keep pace with Production—i.e., by seeing that total Consumer Incomes balance total Retail Prices all the time.

Social Credit is, in reality, a technique for allowing people the opportunity of living the Good Life—of living splendidly, instead of drudging and money-grubbing and snatching. You know what you want out of life—Social Credit makes it possible for you to get it.

7. STATED SIMPLY, WHAT DID DOUGLAS DISCOVER —AND HOW DID HE PRESENT THE IDEA?

HE DISCOVERED (1) that there is, in peace time, a chronic shortage of consumer buying-power, and (2) how this shortage can be corrected so that people can buy all the goods and services that are ready for sale at any given moment.

He presented the Social Credit idea in a twofold manner:—

1. AN ANALYSIS OF COSTING, which has become known as the "A + B Theorem."
2. A SET OF PROPOSALS, of which the essentials are:—
 - (i) The establishment of a Credit Authority or National Credit Office.
 - (ii) The debt-free financing of the consumer apart from the employment system, by means of a National Dividend.
 - (iii) The application of the Scientific Price Adjustment at the retail end; and
 - (iv) New credits for new production.

8. WHAT IS THE A + B THEOREM?

IT IS A method of analysing costs devised by C. H. Douglas which reveals that there is, in peace time, a "gap" between the total buying power of individuals and the total prices of goods ready for sale.

The payments made by any factory or other productive organisation can be divided into two groups:—

Group A.—All payments to individuals (wages, salaries and dividends).

Group B.—All payments to other organisations (raw materials, bank charges, and other external costs).

The rate of flow of buying-power to individuals is represented by A, but since all payments go into prices, the rate of flow of prices cannot be less than A + B.

Since A cannot equal A + B, a proportion of goods ready for sale at any given moment cannot be purchased by the consumer.

If all goods ready for sale to the consumer are to be purchased, additional buying-power at least equivalent to B must be distributed.

The following diagram represents the two rates of flow of (A) consumer buying-power, and (A + B) prices charged to the consumer:—

A  buying-power.

A + B  prices.

9. WHAT IS THE NATIONAL CREDIT OFFICE?

IT IS THE Central Credit Authority that will be established by a Social Credit Government. At present there is no such authority, although there is a National Debt Office, 19, Old Jewry, London. E.C.2, established 1786 (26 Geo. III, c.31).

The National Credit Office will establish a National Credit Account, based on an assessment of the nation's assets and power to produce Real Wealth. It will keep an account of all increases and decreases in the nation's Real Wealth, and calculate the nation's Real Credit on that basis.

10. WHAT DOES THE NATIONAL DEBT OFFICE DO— AND WHO RUNS IT?

IT IS SUPPOSED to apply certain funds, known as "Sinking Funds," towards the reduction of the National Debt. ("Sinking Fund" is an appropriate name, because all money sunk in this fund is—sunk! and thereafter cannot be used as consumer buying-power.)

It is run by the National Debt Commissioners. They are:—

The Speaker of the House of Commons,

The Chancellor of the Exchequer,

The Master of the Rolls,

The Lord Chief Justice,

The Paymaster-General, and

The Governor and Deputy-Governor of the Bank of England.

11. SURELY THE TREASURY HAS CONTROL OVER THE BANK OF ENGLAND?

YOU WOULD THINK so, but it has not. The Treasury is "advised" by the Bank of England—in actuality, by the Governor—and always follows that "advice." Any Chancellor of the Exchequer who did not do so would find himself in Queer Street very quickly. This was so even in the time of Gladstone, and it is much more so to-day.

Gladstone wrote: "From the time I took office as Chancellor of the Exchequer (1852) I began to learn that the State held, in the face of the Bank and the City, an essentially false position as to finance. The Government itself was not to be a substantive power, but was to leave the Money Power supreme and unquestioned. In the conditions of this situation I was reluctant to acquiesce, and I began to fight against it by financial self-assertion from the first. I was tenaciously opposed by the Governor and the Deputy-Governor of the Bank (of England) who had seats in Parliament, and I had the City for an antagonist on almost every occasion." (Morley's "Life of Gladstone.")

"On one memorable occasion the Governor of the Bank (Mr. Montagu Norman) was asked the relationship of the Court of Directors (of the Bank) and the Treasury. He replied that it was the relationship of Tweedledum and Tweedledee." (Lord Strabolgi, then Lt.-Commander Kenworthy, in the *New Leader*, October 9, 1931.)

12. WHAT IS THE NATIONAL DIVIDEND, AND WHY IS IT REQUIRED?

IT IS THE method whereby every citizen will become a birthright shareholder in the common wealth of the community.

The National Dividend is the share-out mechanism of a modern Power-Age society. It will be paid as a flat rate to everyone—rich or poor—who chooses to draw it. It will be based on the total productive capacity of the community, *and will rise and fall with production*. It will be paid over and above the wages and salaries of those engaged in production.

By means of the National Dividend and the Price Adjustment the Home Market will be made effective, which means that the people of this country will be able to buy the goods and services ready for sale.

It eliminates the miserable, miserly unemployment "dole," and ensures to everyone economic security—AND freedom. Economic security without freedom is Totalitarian Serfdom—the Servile State.

A National Dividend is required because we—by which I mean we in this country—have left behind a Scarcity-and-Work Age, and have entered an Abundance-and-Leisure Age, in which more and more goods and services can be produced with less and less human Labour. A Power-Age society, using a modern production technique—i.e., labour-saving devices of all kinds—does not need the labour-power of a very large number of "workers" who were required heretofore. The National Dividend—the "Wages of the Machine"—is needed in order (a) to free industry from being clogged with unwanted "workers" seeking jobs in order to get money, and (b) to enable these released "work-wage-slaves" to buy and use the goods and services that can be made more efficiently without their labour. Without the National Dividend a modern community is bound to have an ever-increasing horde of poverty-stricken unemployed. There is no solution in the idea that "everyone could be employed a few hours a day," because before long *only a few* will be required to work even a few hours a day! These few—a highly skilled minority of production technicians—ought to be paid for their services to the community over and above the National Dividend. That is the only logical solution to this Power-Age

"problem," which is not really a problem at all, but a *fear-of-leisure* hangover from the Ages of Scarcity. A Social Credit Government will, however, leave this question to be settled by the community. If a majority decide that "everyone must do his or her quota of work," such a work-decree will come into force. But after a time, sooner or later, people will discover that the common-sense plan is for those to work who are best able to do the job, and who love doing it.

13. WHERE IS THE MONEY TO COME FROM?

FROM THE NATIONAL Credit Office where it will be created by entering up the financial value of the Nation's Credit—i.e., its ability to produce Real Wealth (goods and services).

People ask: "Where is the money to come from?"—as though money were some kind of Sacred Ju-Ju-Magic. That, of course, is nonsense. Money—i.e., Credit—is created by the Bankers "out of nothing," and at very little cost; and banking is, in fact, first of all a money-creating and then a money-lending business. But, in a Sane Economic System, money will not be a commodity. It will be merely tickets-for-goods, having no special value in itself.

14. WHAT IS THE PRICE ADJUSTMENT, AND WHY IS IT REQUIRED?

IT IS A calculation designed to "close the gap" between the total buying-power of individuals and the total prices of goods ready for sale. By means of this calculation goods will be sold to the consumer below cost (as now calculated). The technical formula can be set out as follows:—

Cost : Price : : Production : Consumption.

∴ Price per ton =

Cost value of Total Consumption.

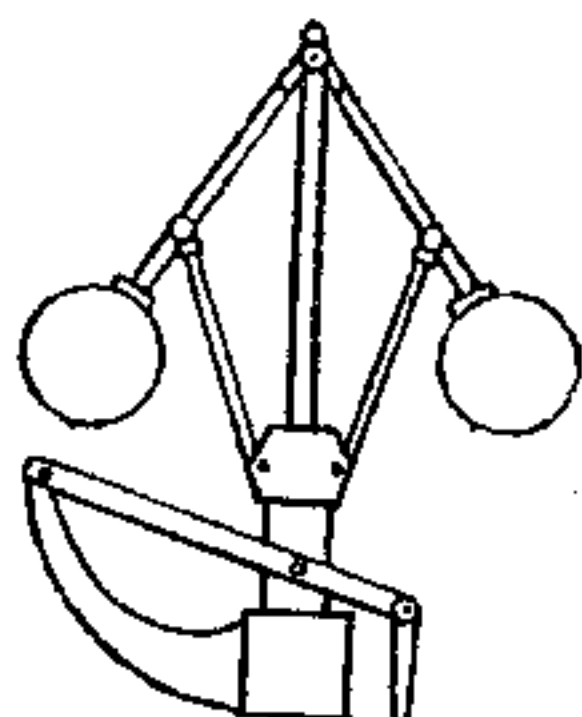
Cost per ton × $\frac{\text{Cost value of Total Consumption}}{\text{Money value of Total Production}}$

A simple explanation of this formula is: that the scientific price of any article to the consumer is the cost of consumption ("using up" of other articles) during the period of production.

Anyone can see that this is plain common sense, without necessarily being able to understand the formula itself.

It is required (1) to counteract inflation, and (2) to regulate production in relation to consumer demand.

The Price Adjustment at the retail end is the most important part of the Social Credit technique. It eliminates the "boom" and "slump" of the Bankers' Debt-system. In effect, it is like the governor on an engine. It regulates the flow of buying-power in relation to production. It makes sure that total spendable incomes equal total retail prices. That means that people can buy the goods and services produced and offered for sale.

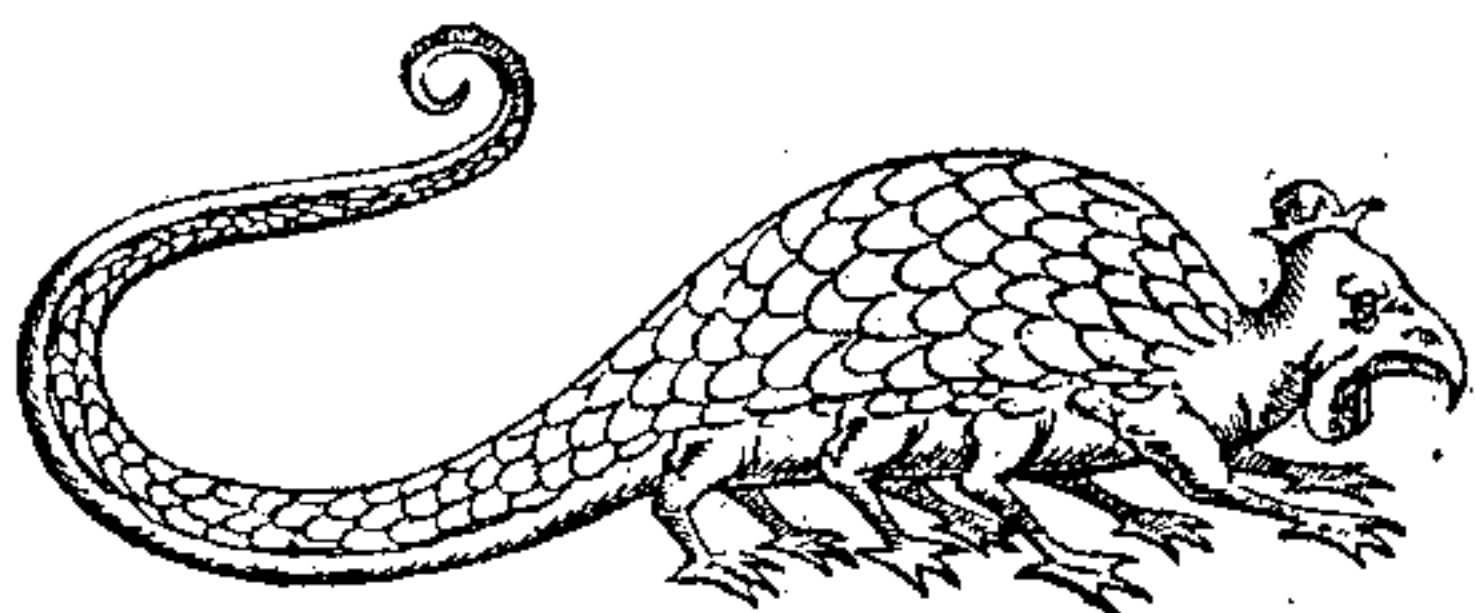


The simple or Watt's type of governor on an engine, which prevents it from "romping" too fast and also from slowing down.

15. WHAT DO ECONOMIC EXPERTS THINK ABOUT SOCIAL CREDIT?

THERE ARE NO "economic experts" because economics as preached by orthodox economists is not a science but a mystagogy wrapped in pseudo-technical jargon.

Those who call themselves, or are supposed to be, "economic experts," usually consider that Social Credit is "based upon a fallacy."



*Economic Expert discovering the "fallacy" in Social Credit.
(Basilisk from Aldrovandus.)*

16. WHAT IS THE "FALLACY" THESE "ECONOMIC EXPERTS" THINK THEY DISCOVER—AND WHAT IS THE SOCIAL CREDIT REPLY?

THAT AS "B" costs have been paid out as wages, salaries, dividends, or profits *in the past*, they are available as consumer buying-power *in the present*; and that therefore the public has all the money needed to buy all the goods and services ready for sale to the final consumer.

The Social Credit reply is: that money spent yesterday cannot be spent again to-day. A spent coin is like a spent bullet—and so is a spent £1 or 10s. note. Buying-power once used is buying-power exhausted—cancelled. "A" costs become "B" costs, but "B" costs never become "A" costs again. It is no use adding together:—

(1) Money spent yesterday	..	£10 ("B" Costs)
(2) Money ready to spend to-day	..	£10 ("A" Costs)
		<hr/>
		£20

—and pretending that you *now* have £20 with which you can buy goods priced at £20, when in fact all you *now* have is £10, and it cannot buy goods priced beyond that sum. Thus, you cannot spend to-day what you spent yesterday—and this applies to each individual, and to all groups of individuals.

17. WHY ARE SOCIAL CREDIT ADVOCATES SO MUCH AGAINST THE BANKERS?

BECAUSE THE BANKERS operate a system that places the whole community in financial debt to them, and forces the community to go on borrowing from them.

"Well," you may say, "is there anything wrong about that?" The answer is: Yes, very wrong. You know that an individual who is in debt financially is always under the thumb of someone else—i.e., the person from whom he has borrowed. That is why most people try not to "get into the hands of moneylenders"—little knowing that they are in the hands of moneylenders (the Bankers) from the day they are born, and even before.

A community that is in debt financially is under the thumb of someone else—i.e., the Bankers from whom they borrow their own credit. The results of this are extremely dangerous. Suppose the community needs ships, or the development of agriculture, or new schools and hospitals. Instead of setting to work to make and do these things, they are told, and actually come to believe, that "the

cost is prohibitive"—in spite of the fact that, quite obviously, what is physically possible, is, and must be, financially possible. And so, because of the Myth of Financial Debt, they let their shipyards stand idle, let their fields and farms go to rack and ruin, let their children go to schools that ought to be pulled down, and put up notices saying: "The So-and-So Hospital is Falling Down! Please give your pennies to our Rebuilding Fund." This can lead to a state of affairs in which the community is so unprepared in the organisation, equipment, and training of its Army, Navy and Air Force, that it is in danger of being attacked, blockaded, starved out, and invaded. Britain was in that position in 1939. And we shall be in the same position again a few years after this Hitler-war—if we allow the Bankers to keep us sunk in debt. "Out of debt, out of danger," says the old proverb, and very true it is.

So you see, now, why Social Credit advocates are so much against the Bankers?

18. IS THERE ANY EVIDENCE TO SHOW THAT BANKERS AND FINANCIERS WIELD A LIFE-AND-DEATH POWER OVER THEIR FELLOW MEN?

PLENTY. I COULD compile a large book full of it. Here are a few of the "exhibits" that would be included:—

(1) From *The Financial Times*, September 26, 1921: "Whoever may be the indiscreet Minister who revives the money-trust bogey at a moment when the Government (Lloyd George's) has most need to be polite to the banks, should be put through an elementary course of instruction, in fact, as well as in manners. Does he, do his colleagues, realise that half a dozen men at the top of the five big banks could upset the whole fabric of Government finance by refraining from renewing Treasury Bills?"

(2) Meyer Rothschild, father of the House of Rothschild and founder of the great chain of banking houses throughout the world, said: "Permit me to issue the money of a nation and I care not who makes its laws."

(3) From the *United States Bankers' Magazine* of 1892: "We must proceed with caution, and guard well every move made, for the lower orders of people are already showing signs of restless commotions. Prudence will, therefore, dictate a policy of apparently yielding to the popular will until all of our plans are so far consummated that we can declare our designs without fear of any organised resistance. The Farmers' Alliance and the Knights of Labour organisations in the United States should be carefully watched by our trusted men, and we must take immediate steps to control these organisations in our interests or disrupt them. The coming

Omaha Convention, to be held July 4th, our men must attend and direct its movements, or else there will be set on foot such antagonism to our designs as may require force to overcome. This, at the present time, would be premature. We are not yet ready for such a crisis. Capital must protect itself in every possible manner through combination and legislation. The courts must be called to our aid. Debts must be collected, bonds and mortgages foreclosed as rapidly as possible. Where, through a process of law, the common people have lost their homes, they will be more tractable and easily governed through the influence of the strong arm of government, applied by central power of imperial wealth, under the control of leading financiers. The truth is well known among our principal men now engaged in forming an imperialism of capital to govern the world. While they are doing this the people must be kept in a condition of political antagonism. The question of tariff reform must be urged through the organisation known as the Democratic Party, and the question of protection and reciprocity must be forced to view through the Republican Party. By thus dividing the voters we can get them to expend their energies in fighting over questions of no importance to us, except as teachers to lead the common herd. Thus by discreet actions we can secure all that has been so generously planned and successfully accomplished."

(4) Extracts from a letter written from London by the firm of Rothschild, the well-known international bankers, to their New York Agents, when arranging to introduce modern banking methods into America. "The few who can understand the system will either be so interested in its profits, or so dependent on its favours, that there will be no opposition from that class, while, on the other hand, that great body of people, mentally incapable of comprehending the tremendous advantage that Capital derives from the system, will bear its burden without complaint and, perhaps, without even suspecting that the system is inimical to their interests."

19. IS IT THE BANKERS, OR THE SYSTEM THEY OPERATE, THAT SOCIAL CREDIT ADVOCATES WISH TO ABOLISH?

THEY WISH TO abolish the debt-generating system operated by the Bankers. By abolishing financial debt, Social Credit will so modify the system as to remove the evils that inevitably result from its present operation.

Under Social Credit the Bankers will be required by law to operate a debt-free monetary system, and, by thus modifying the technique of credit-accountancy, Social Credit will entirely "evaporate" the power of the Bankers, confining them to their proper work, which is: to act as the bookkeepers of the nation's Production and Consumption.

20. IS IT A FACT THAT BANKS CREATE CREDIT "OUT OF NOTHING"?

YES, I'M AFRAID it is. It's hard luck for the so-called "economic experts" who made fools of themselves at the outset of the Social Credit revelation by asserting that "banks do not create credit out of nothing," that "banks do not create credit," and that "banks can only lend the money deposited with them by their customers." The facts, however, are otherwise, as you will see below:—

Encyclopædia Britannica, vol. 15, under "Money": "Banks lend by creating credit; they create the means of payment out of nothing."

Encyclopædia Britannica (14th edition), vol. 3, under "Banking and Credit": "Banks create credit. It is a mistake to suppose that Bank Credit is created to any important extent by the payment of money into the Banks."

William Paterson, born 1658, the Scots economist and financier, who founded the so-called "Bank of England," said, in explaining his scheme at the time: "The Bank hath benefit of interest on all moneys which it creates out of nothing."

R. G. Hawtrey, Assistant Secretary to the Treasury, in a B.B.C. broadcast, March 22, 1933, said: "I agree with him (Douglas) that Banks create money, and that trade depression arises from faults in the Banking System in the discharge of that vital function."

The late Reginald McKenna, Chairman, the Midland Bank, and ex-Chancellor of the Exchequer, addressing the shareholders of the Midland Bank, January 29, 1920, said: "When a bank makes a loan to a customer or allows him an overdraft in the ordinary course the loan will be drawn upon, or the overdraft will be made, by cheque drawn by the customer upon the bank and paid in to someone's credit at the same or another bank. The drawer of the cheque will not have reduced any deposit already in existence because we are supposing a case in which he has been given a loan or allowed an overdraft. The receiver of the cheque, however, when he pays it into his own account, will be credited with its value and thereby a new deposit will be created."

Addressing the shareholders of the Midland Bank, January 25, 1924, the late Reginald McKenna said: "I am afraid the ordinary citizen will not like to be told that the banks can, and do, create money. The amount of money in existence varies only with the action of the banks in increasing and decreasing deposits and bank purchases. Every loan, overdraft, or bank purchase creates a deposit, and every repayment of a loan, overdraft, or bank sale destroys a deposit."

Addressing the shareholders of the Midland Bank, January 22, 1930, the late Reginald McKenna said: "The Bank of England is

the supreme authority in determining the quantity of money available for the use of the public."

The Report of the Macmillan Committee, 1929, page 34, para. 74, states: "It is not unnatural to think of the deposits of a bank as being created by the public through the deposit of cash representing either savings or amounts which are not for the time being required to meet expenditure. But the bulk of the deposits arise out of the action of the banks themselves, for by granting loans, allowing money to be drawn on an overdraft, or purchasing securities, a bank creates a credit in its books which is equivalent to a deposit. . . . The bank can carry on the process of lending, or purchasing investments, until such time as the credits created, or investments purchased, represent nine times the amount of the original deposit."

In his great textbook, *The Theory and Practice of Banking*, H. D. McLeod, M.A., a recognised authority on the subject, states: "The essential and distinctive feature of a bank and a banker is to create and issue credit payable on demand, and this credit is intended to be put into circulation and serve all the purposes of money. A bank, therefore, is not an office for the borrowing and lending of money; it is a manufactory of credit."

A. L. G. Mackay, Professor of Economics, University of Rangoon, states: "By means of a loan, an advance, an overdraft, or by the cashing of bills, the banks are able to increase the volume of deposits in the community, and because of this process it is not correct to say that a bank loans out deposits which people make with it. It is clear that it creates the deposit by the issue of the loan; the loan travels back to the bank, or to another bank, and assumes the form of a deposit."

Branch Banking, July, 1938, stated: "There are enough substantial quotations in existence to prove to the uninitiated that Banks do create credit without restraint and that they create the means of repayment within themselves"

21. WHEN A BANK BUYS GOLD, WITH WHAT DOES IT PAY?

A VERY AWKWARD question for any banker!

The correct answer is: It pays with paper—or rather *on* paper: for the payment is made by pen-and-ink book-entry only. It pays, in fact, with Promises to Pay!

22. IS NOT WORK THE ONLY WAY IN WHICH MONEY CAN BE CREATED?

WORK DOES NOT create Money. It creates goods and services—Real Wealth.

You may work for weeks and months digging the ground, planting potatoes, and hoeing them. But when you go to dig them up—*will you dig up money?* No, your work has produced potatoes, not money.

The only activity that “creates money” is that carried on by the Bankers. No other activity creates money, nor does it create money-values. Work creates Real Wealth—goods and services—and nothing else (except perhaps backache and tired feet. . . .)

You must learn to think clearly about Work and Money if you wish to understand Social Credit.

23. IS IT TRUE THAT ANYTHING CAN BE USED AS MONEY?

YES, IT IS—on condition that everyone within the community accepts the particular kind of money. Thus, ears of corn, cowrie shells, beads, stones, hides of animals, salt, bars of iron, discs of gold, silver, copper and other metals, and scraps of paper have all been used as money.

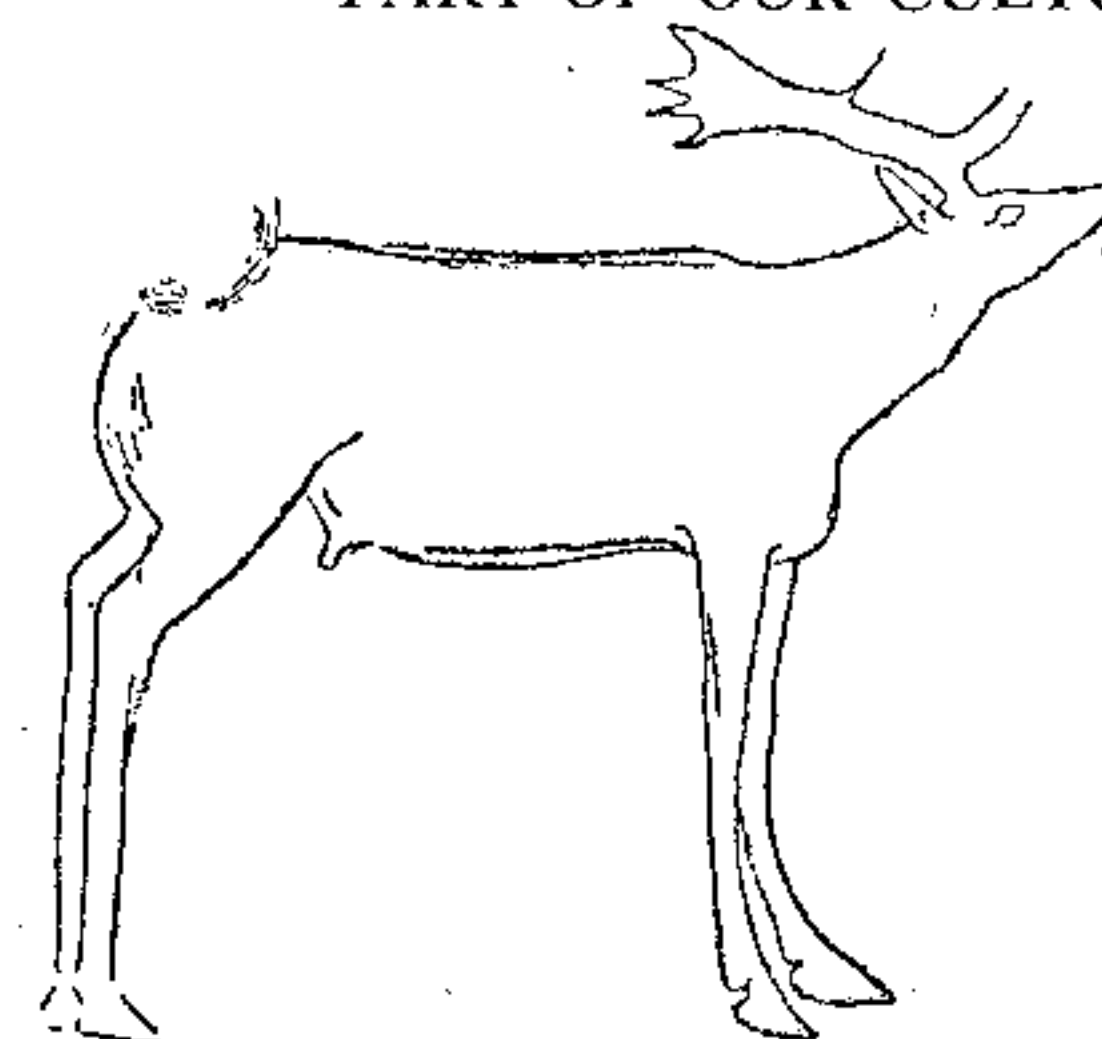
Paper money is the most convenient for a modern community, although it is by no means a modern invention. Paper notes, made (as Marco Polo tells us) from the fine inner skin of the bark of the mulberry tree, and printed by wood-block process, were in use in China, 1260 to 1294, during the reign of Kublai Khan, and perhaps long before that.

Certainly anything can be used as money. When, in 1664, there was not enough coined money in Canada to pay the King's troops, numbering 400 men, M. de Meules, the Administrator of New France, hit upon the idea of “making” the needed money by signing “bonds” written on playing-cards and putting them into compulsory circulation; an act later approved by Louis XIV. Each playing-card was cut into four pieces, each piece having the “value” assigned to it, written by hand, and the personal signature of the Governor and the Provincial Administrator. In this way M. de Meules created the banknote type of money. It was not a bill of exchange nor a letter of credit—as used by the bankers of the 13th century—but a veritable banknote. Some of this “card money,” as it was called, was to be seen in the Colonial Museum in the Paris Exhibition of 1931.

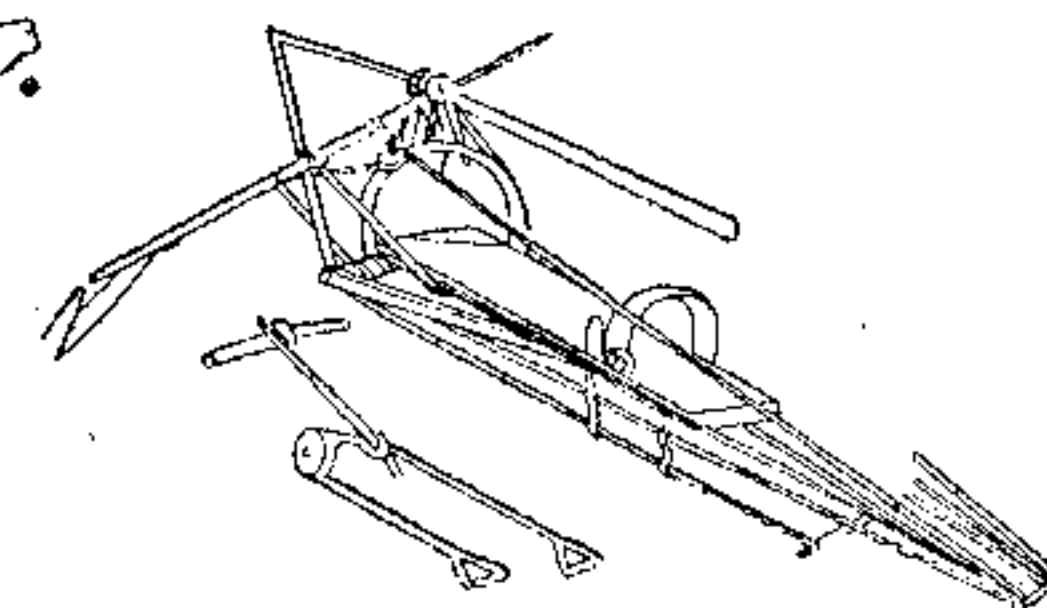
These fiduciary pieces of playing-card currency were meant to be no more than a temporary makeshift. Every year, usually in October, those who had this card-money were invited to hand it in and convert it into bills of exchange on Paris resembling Treasury bonds. But the Canadians preferred to keep and use these quartered playing-cards, and some of them even wanted to barter bills of exchange for them! Certain Boston merchants, living in Quebec,

seeing how well this card-money functioned, proposed in 1690 that the province of Massachusetts should pay off its public debt by means of similar money. The suggestion was agreed to, but the Puritans had no playing-cards, since they looked upon them as “instruments of the Devil.” So they used plain pieces of cardboard written by hand, which they found did just as well.

PART OF OUR CULTURAL INHERITANCE.



Prehistoric drawing of reindeer.



Leonardo da Vinci's design for a flying machine.

24. WHAT IS “THE CULTURAL INHERITANCE” THAT SOCIAL CREDIT PEOPLE TALK ABOUT?

IT IS THE total advantage to each one of us of the work of such men as Archimedes, Pythagoras, Galileo, Leonardo da Vinci, Roger Bacon, Paracelsus, Francis Bacon, Shakespeare, Johannes Gutenberg, William Caxton, Isaac Newton, James Watt, Richard Arkwright, George Stephenson, Edmund Cartwright, James Hargreaves, Samuel Crompton, Humphrey Davy, Gabriel Fahrenheit, Michael Faraday, William Harvey, Johann Kepler, Nicholas Kopernick (Copernicus), and a thousand and one others, who, by the power of their imaginative insight, produced many inventions and discoveries, thereby

To the right noble/riht excellent & vertuous prince
George duc of Clarence Erle of warwop and of
salisbury/grete chamberlajn of Englonde & leutenant
of Irelonde oldest broder of kynge Edward by the grace
of god kynge of Englonde and of france.

A specimen of Caxton's printing.
(From the introduction to the “Book of Chess,” 1475.)

giving us the "cultural inheritance" that enables us to organise a Power-Age of Abundance and Leisure for All.

This inheritance from the past—all these inventions, devices, techniques, arts, sciences, modes of thought—belong to each and every one of us. They belong to the whole community, and cannot belong to any particular person or group. That being so, every man, woman and child is entitled to a fair share of the "cultural inheritance," and Social Credit makes this possible by means of a National Dividend.

25. WHAT IS "THE INCREMENT OF ASSOCIATION" THAT SOCIAL CREDIT PEOPLE TALK ABOUT?

TEN MEN TOGETHER—in association—can do what ten men separately cannot do. The outcome of such work-in-association is the "increment of association"—that is: Real Wealth (goods and services) produced by working together, instead of each man alone.

In a modern Power-Age community every individual is entitled to his fair share of the "increment of association," even if his or her quota of work is not needed in the Productive System. That is because the Productive System is able to produce enough and to spare for all, and if it is not taken up and used it will have to be scrapped—or Production cut down—which is absurd. Social Credit makes it possible to distribute a fair share of the "increment of association" to everyone by means of a National Dividend.

26. WHAT ARE "THE WAGES OF THE MACHINE" THAT SOCIAL CREDIT PEOPLE TALK ABOUT?

THEY ARE THE wages that would have been paid to human beings if machinery and improved processes had not made their labour partially or wholly unnecessary. Under the present Work-Wage System, human beings released from the Productive System are left practically without buying-power except for a miserable "dole." In the past these people have been called "The Unemployed."

The Social Credit National Dividend is, in reality, the "Wages of the Machine" that will enable the unemployed, and everyone else, to take up and use the goods and services produced with less and less human labour.

27. ISN'T SOCIAL CREDIT A "SOMETHING FOR NOTHING" SCHEME?

WHAT MAKES YOU think a "something for nothing" scheme is wrong? When the Sun shines upon the Earth there is no charge for the stream of Solar Energy we receive. It comes to us free of charge. *It is something for nothing.* Yet without this stream of Solar

Energy there would be no life of any kind on this planet—not so much as a blade of grass!

Solar Energy is God's gift to man. Social Credit is a method for allowing God's gift to man to be used—in the form of goods and services—by everyone.

28. BUT SURELY IT IS IMPOSSIBLE TO GET "SOMETHING FOR NOTHING"?

THAT IS NONSENSE. And it is Bankers' nonsense. I have just stated, in answer to the foregoing question, that the whole of Creation is, in fact, a something-for-nothing scheme. It is perfectly possible to get "something for nothing." You do it every moment of the day, when you breathe the air, and when you see with your eyes by the light of the sun.

It is quite true that you cannot get "something from nothing" nor can matter be changed from one form to another without expending energy—but that is totally different. We are not proposing to attempt to get something from nothing. We are proposing to take and use Real Wealth, which is a product of Solar Energy.

29. DOES PLENTY REALLY EXIST?

IN PEACE-TIME it certainly does. Have a look at the items listed in answer to Question 30, *Were Consumable Goods that could have been used Really Destroyed on a Large Scale?*

"If an engineer dictator over industry could be appointed, and given complete control over raw materials, machinery and trained labour, he could flood, smother and bury the people under an avalanche of goods and service such as no Utopian dreamer ever imagined."—Ralph E. Flanders, President of the American Society of Mechanical Engineers, in 1937.

Here are further facts that reveal the Enormous Abundance ready for man's use:—

In 1925 Iowa was blessed with one of the biggest maize crops in her history. But Iowa looked upon it as a curse. As *The Times* said: "The bountifulness of Nature threatened her with financial catastrophe," and she was forced to go to the banks for help. Result: financial loans were granted to the farmers to enable them to withhold their maize from the market indefinitely.

In 1926 there were prospects of a bumper American cotton crop, estimated at 15,600,000 bales. This news of God's Providence filled Lancashire with dread and dismay. Yet a few years before they had been organising all sorts of movements and plans to prevent a world shortage of cotton.

In 1933 salt water appeared in some of the East Texan oil wells, indicating that this oilfield's best days were over. The report in the *Financial Times* (June, 1933) said: "Oilmen feel that, with the unmistakable signs of salt water this field has shot its bolt and that better days are ahead for the oil industry, from crude to petrol. The feeling is that the big record-making production of the East Texas field is no longer the menace it has been to the oil industry."

The U.S. Secretary for Agriculture, Mr. Wallace, announced that the maximum tax under the Agricultural Relief Act would be levied to pay benefits to farmers and to finance operations for a gigantic crop reduction for three years. (*Financial Times*, June, 1933.)



Crodon,
The Saxon God of Plenty.
(From a woodcut of 1656.)

30. WERE CONSUMABLE GOODS THAT COULD HAVE BEEN USED REALLY DESTROYED ON A LARGE SCALE?

HERE IS A mere fraction of the record of deliberate destruction as published in the Press:—

Enormous sabotage of food supplies by allowing 2,500,000 acres of English arable land to go out of cultivation between 1919 and 1930. 'Bumper Wheat Crops in Canada—Crushing Blow to Markets.' (*Daily Herald*, 1932.)

"Sugar position 'improved' by destruction in Cuba." (*Daily Express*, 1932.)

"Holland destroyed 100,000 pigs." (*Evening News*, 1932.)

"Hurricane 'helps' sugar position in Cuba." (*Daily Express*, 1932.)

"Portugal destroyed 10,000,000 gallons of wine." (*Daily Express*, 1932.)

"France 'welcomed mildew' to reduce wine output." (*Evening Standard*, 1932.)

"Holland burnt 15,000,000 flower bulbs." (*Sunday Pictorial*, 1932.)

"Irish beer poured into the gutter." (*Times*, 1932.)

"Russian failure of wheat crops 'brings better prospects.'" (*Daily Express*, 1933.)

"France fines farmers for increasing acreage." (*Times*, 1933.)

"2,000,000 tons of sugar 'withheld from market.'" (1933.)

"U.S.A. ploughs in 25 per cent. of cotton crop." (*Evening News*, 1933.)

"Up to the middle of September, 1933, approximately 22,250,000,000 sacks of coffee had been thrown into the sea, burnt, and made into briquettes and used as fuel." (*Daily Herald*, 1933.)

"U.S.A. destroyed 2,000,000 sows, and 4,000,000 little pigs." (*New Democracy*, 1933.)

"International plan for destruction of cocoa." (*Evening News*, 1933.)

"British farmers forced to kill cattle too soon." (*Daily Express*, 1933.)

"225,000 sheep slaughtered." (*Observer*, 1933.)

"Herring glut threatens starvation." (*Daily Express*, 1933.)

"60,000 sheep slaughtered and burnt in San Julian area, Argentine." (1933.)

"Westminster Abbey painted with milk." (Photograph.) (*Evening News*, 1933.)

"Denmark incinerated 25,000 cattle." (*Sphere*, 1933.)

"French farmers rewarded for feeding animals on wheat." (*Daily Express*, 1933.)

"Canada, Argentine, and U.S.A. worried about 'too much bread' in 1936." (*Daily Express*, 1933.)

"Innumerable schemes for restriction of wheat acreage." (*Daily Express*, 1933.)

"Stoking railway engines with wheat in Canada." (*Star*, 1934.)

"Southend sells fish for manure." (*Daily Mirror*, 1934.)

"Brazil destroys over 26,000,000 bags of coffee." (*Evening Standard*, 1934.)

"Too much corn—Government hint at reduction plan." (*Daily Express*, 1934.)

"Scottish farmer dumping his potato crop into the sea." (*Star*, 1934.)

"5,000 lambs driven into the sea and drowned in New Zealand." (*Sydney Sun*, 1933.)

"U.S.A. ploughs in every third row of cotton." (*New Democracy*, 1933.)

"250,000 cwt. of hops destroyed, worth £2,000,000." (*Daily Herald*, 1934.)

"£15,000 in fines collected from potato growers for exceeding the acreage allowed by the Potato Marketing Board." (*Daily Express*, 1935.)

"Stornoway fishing fleet struck heavy shoals of fish on three successive days. Market glutted. About 1,700 crans sold at prices

ranging from 19s. to 33s. Samples representing another 1,500 crans lying on market floor without an offer." (*Daily Express*, 1935.)

That was in the "locust years" before the Hitler war. But even in war-time, with the whole nation fighting for its very existence, its food drastically rationed, and compelled to rely mainly upon home-grown supplies, many instances of deliberate food destruction—especially fish—were reported in the Press.

31. WHY ARE SOCIAL CREDIT PEOPLE SO COCKSURE OF THEMSELVES?

SIMPLY BECAUSE THEIR case is unanswered—and unanswerable. That is because it is based upon facts that anyone can observe, and, as the old proverb says: *A single fact is worth a shipload of argument.*

32. WOULDN'T IT BE BETTER IF THEY WERE LESS FANATICAL?

No. ONLY FANATICS accomplish anything.

33. IS IT POSSIBLE THAT ALL THE ORTHODOX ECONOMISTS ARE WRONG, AND THAT DOUGLAS ALONE IS RIGHT?

PERFECTLY POSSIBLE. Up to the time of Copernicus (1473-1543) all philosophers and learned men, and everyone else, believed that the earth was the fixed centre of the planetary system, and that the sun moved round the earth. *They were all wrong—and Copernicus alone was right.*

This occurrence, in which one man alone has been right and everyone else wrong, has happened time and time again in the history of mankind. It is therefore surprising that so many people to-day—with the examples before them of Copernicus, Kepler, Galileo, Newton, and many others—should doubt its possibility in the realm of economics.

34. ISN'T IT "TOO GOOD TO BE TRUE"?

EACH NEW DEVELOPMENT of human understanding has always seemed "too good to be true" to those who feared the coming change.

PART II

HOW WILL SOCIAL CREDIT WORK?

35. CAN SOCIAL CREDIT BE INTRODUCED INTO ONE COUNTRY ALONE?

YES, IT CAN—on condition that the one country has sovereign powers (not like Alberta which is only a Province), and the military power to resist any attempt by other countries to stop it by force. That is why the Social Credit movement concentrated its main efforts in Britain and the United States before the war.

36. WHO WILL DO THE "DIRTY WORK"?

IT WILL BE done, as much as possible, by automatic machines and improved processes designed to require as little attention by human beings as possible. What "dirty work" is required to be done by human beings will be well paid for over and above the National Dividend. There will always be people ready to do uncongenial work provided that the inducement is congenial (i.e., adequate pay and short hours). And, apart from any such inducement, there are more "Mark Tapleys" in the community than are dreamt of in our bank-ridden philosophy.

37. SUPPOSE A GANG OF FORGERS AND SWINDLERS COUNTERFEITED LARGE AMOUNTS OF NATIONAL DIVIDEND MONEY, AND PUT THIS "BAD MONEY" INTO CIRCULATION—WOULDN'T THAT UPSET THE WHOLE SCHEME?

NOT IN THE least. It would simply mean more buying-power in the pockets of consumers. This would tend to stimulate production, if production could be stimulated by more consumer-demand for goods and services. If production was already going at full capacity, some people would find that they had "surplus money." That might annoy them, but it would not upset a Social Credit régime. The surplus money would not affect prices, because the Price Level would be maintained in accordance with productive capacity.

Thus the appearance of the new ("bad") money would be a signal that industry was required to expand, and if it could, it would. So the "bad" money would tend more to consolidate the "scheme" than upset it.

Of course, a Social Credit Government would catch and convict the forgers, because public opinion would not tolerate the idea of a "gang" manufacturing money *ad lib* for its own benefit. No one has any right to fix his own rations. But the point is that

the so-called "bad" or "illicit" money could not upset the smooth-running of a Social Credit régime.

In this connection note the word "illicit." It was repeatedly used and emphasised during the famous action brought by the Bank of Portugal against Messrs. Waterlow & Son, when the situation supposed in the above Question actually took place. A person called Marang got Waterlows, who were currency-note printers to the Portuguese Bank, to supply him with currency notes to the value of £1,000,000 on the pretence that he was the agent for the bank. These notes he took to Portugal, where he passed them into circulation, buying goods, property, paying taxes, and so on. There is a proverb: "Handsome is as handsome does," and this so-called "illicit" money did everything that the legal money was doing. The joke in this case was that both sorts came from Messrs. Waterlows! Well, the fraud was detected after a considerable time (some bank official noticed two notes bearing the same number). Whereupon, the Bank of Portugal solemnly went through the farce of withdrawing Marang's illicit "Waterlow-notes" and exchanging them for legal "Waterlow-notes," which it got Waterlows to print for that purpose. And, to crown the whole Alice-in-Wonderland procedure, five Lords Justices who tried the final Appeal in the House of Lords could not agree (3 against 2) what damage had been sustained by the Bank of Portugal. And since no other parties had been affected (for every holder of an illicit note had got a legal note in exchange)—well, there you are! (See judgments pronounced on April 28, 1932.)

The fact is, of course, that *any* money that will buy goods and/or services is *good* money, whether it happens to be issued by a bank or by a "gang of forgers and swindlers." A "blackleg" worker is not a bad worker: neither is a "blackleg" pound note.

38. HOW WILL THE PUBLIC SERVICES BE PAID FOR?

PUBLIC SERVICES WILL be a direct charge on the National Credit, and the necessary credits will be issued via the National Credit Office. In effect, a Social Credit Government will say: "Can the community afford an efficient Forestry Service?" (or whatever it may be). If the land, equipment, and personnel for such a service are available, then, obviously, the community *can* "afford" it—because what is physically possible is, and must be, financially possible. All that remains to be settled is whether such a service is desirable and/or necessary. These are questions that ought to be settled by the individuals composing the community, after they have had the opportunity of hearing the arguments for and against.

39. HOW WILL THE BUDGET BE CALCULATED?

A TAXATION BUDGET will not be required, but a Real Wealth Budget showing national Production (plus Imports) and National Con-

sumption (plus Exports) will be drawn up, presented to Parliament, and made known to the public. In reality, it will be a National Stocksheat, showing in terms of cost-values how much has been added to the nation's wealth, and how much subtracted, during a given period. The first will always exceed the second (except for a natural catastrophe), and so there will always be a surplus over the accounting period; and this, after the Government's consumption has been subtracted. So the old-style "problem" of "balancing the Budget" will be turned upside down. Instead of requiring the collection of taxes to recover a deficit, it will require the distribution of a National Dividend to dispose of a surplus.

Here is a specimen of a Real Credit Budget, drawn up by A. L. Gibson, Fellow of the Institute of Chartered Accountants, and a Social Credit advocate. Please bear in mind that the figures in this specimen are merely token-figures to illustrate the method of drawing up such a budget:—

At convenient intervals—quarterly, half-yearly, or yearly—a Social Credit Government will have prepared a

REAL CREDIT BUDGET.

Dr.		Cr.	
IMPOVERISHMENT.		ENRICHMENT.	
	£		£
1. CONSUMPTION.	millions	1. PRODUCTION.	millions.
(a) People's Goods sold retail (including National Dividend spent)	1,100	(a) People's Goods ..	1,100
(b) Wear and Tear (Depreciation of Business Equipment)	200	(b) Business Goods ... (i.e., Capital Goods, Intermediate Products, Semi-Manufactures)	700
2. EXPORTS.		2. IMPORTS.	
(Real wealth lost by us)	200	(Real wealth received by us)	200
TOTAL IMPOVERISHMENT..	1,500		
Balance carried down ..	500		
	<u>£2,000</u>	TOTAL ENRICHMENT ..	<u>£2,000</u>
		Balance brought down	
		NET ENRICHMENT ..	£500
DISCOUNT		Net Enrichment	500 1
		Total Enrichment	2000 4
			25%
		<i>(These figures are merely illustrative.)</i>	

40. HOW WILL THE PRICE ADJUSTMENT WORK ?

THE RETAILER WILL be required by law to sell at the Just or Scientific Price—i.e., below cost (as now calculated)—and the difference will be reimbursed to him by the National Credit Office via the Local Credit Office (or bank). This will enable the retailer to pay full costs plus profit (i.e., service charge) to the wholesaler, and the wholesaler will be able to pay the producer, and the producer will be able to meet all costs of production.

This price-discount rate will be regulated by the relationship of Production in general to Consumption in general. If production increases faster than consumption, as it usually does, there will be more goods for distribution. The price to the consumer will drop accordingly. Such a price-drop will enable the community as consumers to keep pace with the increased production, and will prevent any "slump" in production so long as any real want remains to be satisfied. If, on the other hand, people buy goods faster than they are being made, the price will rise accordingly. This will slow-down buying, and indicate the need for increased production.

The National Credit Office will periodically announce the price-discount level in accordance with the ascertained facts of the previous cycles of Production and Consumption. This will be an over-all discount rate covering the retail prices of all goods ready for sale. Thus, over one period, a discount rate of 1 per cent. might be announced, and in the following period a discount rate of 3 per cent. This would show that production had risen and called for the drop in prices announced.

41. AS THERE IS A "GAP" TO FILL BETWEEN CONSUMER INCOMES AND RETAIL PRICES, HOW MUCH WILL BE FILLED BY THE NATIONAL DIVIDEND, AND HOW MUCH BY MEANS OF THE PRICE ADJUSTMENT ?

THIS WILL DEPEND on how rapidly it will be possible to release human beings from the work-wage-system by introducing more and better automatic machinery and processes. This depends upon new and better inventions.

1. If people can only be very gradually released from the earning-a-living toil of machine-minding and other work that might be done quicker and better by automatic mechanisms, the "gap" will be filled mainly by means of the Price Adjustment.

2. If the release from machine-drudgery and other monotonous and soul-destroying work can be speeded up, the "gap" will be filled mainly by issuing an increased National Dividend.

To begin with the "gap" could be filled gradually on a 50/50 basis: half by means of Dividend, and half by lowering retail prices.

(It must never be overlooked that the National Dividend is designed to provide for those who are not required in the Productive System of the community as a whole.)

42. HOW MUCH WILL THE NATIONAL DIVIDEND BE TO START WITH—AND HOW MUCH COULD IT BECOME ?

IT WILL DEPEND upon the level of production at the time it is issued. It would not be less than 30s. a week per person, and probably much more. At the end of March, 1936, a group of 2,000 scientists, after 18 months of careful investigation, arrived at the conclusion that the *minimum* income based on production in Great Britain at that time should not be less than £317 per average family of four. That is, roughly, £75 per person. Since then, however, our power to produce goods and services has increased enormously.

In order to "run it in" smoothly, it might be expedient to issue the National Dividend "in small doses," increasing steadily month by month, and year by year, up to the limit of production, or until the actual physical limit of consumption has been reached.

As to how much it could become: it will depend entirely upon the actual production of Real Wealth—goods and services—plus imports. A victorious Britain should be in a position to monetise its Real Wealth in the form of a National Dividend for all citizens of no less than, say, £75 a year per person. And this sum should increase steadily, as peace-time production of consumer goods increases, to £100 a year—£200—£300—and possibly £500—without difficulty.

43. WHO WILL BE ENTITLED TO DRAW THE NATIONAL DIVIDEND—AND WILL IT BE PAID TO CHILDREN ?

EVERY INDIVIDUAL WHO has reached the school-leaving age, who is legally recognised as a British subject and who has lived in Britain for, say, two years or more, should be entitled to draw the National Dividend.

It will probably not be paid directly to children. Some arrangement might be made whereby it could be drawn, if required, by the parents or guardians, to be expended for the benefit of the child until the legal age is reached, which may be fixed at the school-leaving age. Thereafter, the child will be entitled to draw its own National Dividend. If not drawn by the parents or guardians,

the child will be credited with the yearly amount in the Post Office or bank (i.e., Local Credit Office) and it can be drawn as a lump sum, or as required, by the child upon reaching the legal age. Thereafter, the child, now growing to manhood or womanhood, can draw the National Dividend as an adult.

To be born into the world with Real Wealth waiting for you (instead of being born in Debt) may seem strange to us, but in certain African tribes where goats are "money," the tribe as a whole sets aside a certain number of goats when a child is born, so that it shall have a share of the tribal wealth to start with.

If ignorant (?) and poverty-stricken (?) savages (?) can provide for their children in this way, surely a highly cultured, civilised community, with all the advantages of modern science, should be able to do far more?

44. WON'T PEOPLE SAVE THEIR NATIONAL DIVIDEND, THUS NULLIFYING THE WHOLE SCHEME?

THEY WILL BE fools if they do. But, in fact, once Mrs. Smith has bought new shoes for the children, or a new hat for herself, Mrs. Brown will be likely to say: "I don't see why I shouldn't spend my National Dividend."

45. WILL INHERITED INCOMES CONTINUE PLUS THE NATIONAL DIVIDEND?

AT THE OUTSET, inherited incomes will continue plus the National Dividend, if people inheriting such incomes choose to draw the Dividend. But the whole practice of "Wills and Bequests" will tend to die out, along with all other forms of saving or hoarding.

People save money and leave it in their wills to their descendants (a) from a fear of poverty-in-the-future, and (b) in order to show how "successful" they have been! This tendency to save-and-leave money will gradually disappear in a Social Credit State. It will look, and be, unnecessary and foolish, because *everyone* will have an "inherited income"—the National Dividend—based upon the Cultural Inheritance and Increment-of-Association of past and present generations. Instead of "amassing wealth" and then leaving it to someone else, people will tend to spend their money while they are alive, knowing that their descendants will be adequately provided for by the National Dividend.

46. WILL A MILLIONAIRE RECEIVE THE NATIONAL DIVIDEND?

YES, IF HE chooses to draw it. Why not? There is plenty for all. But if not, he will in any case benefit by the price-discount.

"Oh, so under Social Credit there will still be millionaires?" I hear someone say.

Under Social Credit *everyone*—including millionaires—will have a birthright income (the National Dividend) based on the productive capacity of the total community. Under Capitalism the millionaires were a tiny fraction of the total population, and under Social Credit this tiny millionaire-class will tend to disappear as the National Dividend increases with production. Why? Because a man who is assured of a birthright income that can meet his needs from day to day, and who has no fear of the future, will not bother his head to amass a fortune. The "get rich quick" incentive will lose its force, and as the power of money is reduced by the Social Credit technique, so the desire to accumulate it will fade away.

47. HOW WILL YOU FIX AND CONTROL PRICES?

PRICES WILL NOT be "fixed," they will be adjusted. This means that they will rise and fall with the production of goods and services.

It is *their ratio to costs* that will be fixed from time to time, by agreement between the National Credit Office and producers.

Prices will be controlled by taking the general retail price-level at the time when Social Credit is introduced, and then announcing an all-over rise or fall periodically. (There would be no rise unless there was a natural catastrophe, or a war forced on the country.)

48. WILL NOT SOCIAL CREDIT LEAD TO INFLATION?

NO, HOW CAN IT? The Social Credit method of issuing any new consumer buying-power is always accompanied by a *fall in prices*.

1. An increase in the amount of the National Dividend will reflect an increase in the production of Real Wealth (goods and services).

2. An increase in production will change the Retail Price-Level, and total retail prices will drop accordingly.

If prices are falling, how can they (at the same time) be rising? In other words: how can there be inflation if, instead of rising, prices are falling? Those who assert that "Social Credit would lead to inflation" must answer this question logically, or admit that their inflation-fears are groundless. Never yet has there been a logical answer to this question from the critics of Social Credit. Always they conveniently ignore the working of the Price Adjustment—which is the vital mechanism of Social Credit.

By means of the two-fold synchro-meshed mechanism of National-Dividend-and-Price-Adjustment, inflation is absolutely impossible.

49. HOW EXACTLY WILL THE NATIONAL DIVIDEND BE CANCELLED?

IT WILL BE cancelled when you pay it to a retailer in exchange for goods or services. After that it is cancelled right through the system. It is then no longer consumer buying-power. The process is as follows:—

1. The Retailer, to keep solvent, must use it to pay the Wholesaler, retaining only an agreed profit, i.e., *his service fee*.
2. The Wholesaler, to keep solvent must use it to pay the Producer, retaining only *his* agreed profit or service fee.
3. The Producer, to keep solvent, must use it to pay production costs, retaining only *his* agreed profit or service fee.

50. WON'T A SOCIAL CREDIT STATE SUFFER FROM LACK OF IMPORTS?

No. ON CONDITION that it produces a Real Export Surplus, it will be able to get all necessary imports from abroad.

51. IS IT NOT A FACT THAT BRITAIN MUST EXPORT MANUFACTURED GOODS IN ORDER TO OBTAIN IMPORTS OF FOOD AND RAW MATERIALS?

IT WOULD BE a fact if Britain were unable to feed herself. After three years of World War II, however, Britain was able to grow two-thirds of her total food supplies, and it would not be difficult to grow the entire needs of the nation. (See "Britain Can Feed Herself," by G. P. Pollitt.)

As for raw materials: a great proportion of what we imported in the past was sent here in order that we might manufacture and then send it abroad again in return for food-imports. If we grow our own food—as we shall under Social Credit—much of the imported raw materials will not be needed.

In these circumstances agriculture would flourish, and we should enjoy our own home-grown farm produce. That is exactly what the health of the nation calls for.

52. HOW WILL A SOCIAL CREDIT BRITAIN PAY FOR NECESSARY IMPORTS?

BY EXPORTING ITS Real Surplus—i.e., goods not needed in the Home Market—via a National Import-Export Clearing House, and calculating the transaction in financial terms. The goods imported from abroad in return for this Real Export Surplus will be sold in Great Britain at the Scientific Price then prevailing.

The money-payments for imports will be made by (a) credits received from other countries for our Real Export Surplus, together with (b) special drafts on the National Credit should it be necessary to subsidise in this way

As the Real Export Surplus will consist of goods not required by the Home Market, they can be sold abroad at any price whatever.

No policy of "dumping" would be necessary, however, because (a) non-Social-Credit countries must find export markets, while (b) a Social Credit World would have no difficulty in arranging the exchange of Real Surpluses both of raw materials and finished goods via an International Import-Export Clearing House.

53. IS NOT GOLD THE ONLY WORKABLE BASIS FOR A FINANCIAL STANDARD OF VALUE?

No. It is ridiculous for a modern Power-Age community to measure Abundance by means of Gold-Scarcity. The attempt to do so created economic chaos in the 1930's, and almost every country was compelled to "come off gold" in order to recover from this bankers' idiocy.

What is wanted is not a "financial standard of value," but a common-sense Use-Value. Social Credit achieves this by its technique of balancing Total Spendable Incomes and Total Retail Prices—i.e., by making buying-power keep pace with production.

A Social Credit State will not use gold internally as a financial standard of value. It will, no doubt, be used by working goldsmiths, gem-setters, jewellers, and other craftsmen—and perhaps by dentists for dental fillings.



A goldsmith's shop.
(From a 14th-century woodcut.)

54. WHAT WILL HAPPEN TO FOREIGN TRADE WHEN STOCKS OF GOLD IN THE BANK OF ENGLAND HAVE BEEN PAID TO OTHER COUNTRIES ?

WE SHALL DO without monetary gold altogether, and continue to trade with other countries on the basis of our Real Export Surplus.

55. SUPPOSE OTHER COUNTRIES REFUSE TO TRADE ON THAT BASIS, AND DEMAND GOLD ?

THAT IS A form of financial blackmail that no Social Credit State will tolerate. Its method of resisting such financial pressure will be to cease to trade with any country attempting to apply such pressure. The result will be the loss to that country of "a valuable export market," while the Social Credit State will not suffer so heavily, since it is not dependent (financially) upon export markets. The corresponding loss of imports to the Social Credit State will only be serious in the case of "essential raw materials"—and the Hitler-war has shown that, apart from war-production, very few raw materials from abroad are absolutely essential to the maintenance of life and health in the British Isles. In other words: a stop-all-exports-to-Britain campaign could not succeed in either starving us out or bringing our productive system to a standstill.

The fact that all non-Social-Credit countries are compelled by their financial debt-system to "export or die" will make them think twice and three times before attempting a no-goods-for-Britain policy. Any such attempt will compel the non-exporting country to (a) find some other export market; or (b) to destroy part of its goods-for-export; or (c) distribute them to its own consumers—which can only be done by making its own Home Market effective by applying Social Credit principles.

Thus, the attempt to boycott or starve-out a Social Credit State by depriving it of imports, is certain to drive the "boycotter" towards Social Credit—simply because, under the debt-system of orthodox finance, it must "export or die." Foreign Manufacturers of goods for export will certainly not welcome any decree banning exports, unless their goods can be sold at an economic price in the Home Market—and this can only be done by financing the consumer in accordance with the Social Credit technique.

Social Credit established in any one country will, therefore, tend to drive all other countries towards Social Credit; and the threat of a ban on exports will automatically speed-up the process.

56. WHEN BRITAIN "GOES SOCIAL CREDIT" WHAT OTHER COUNTRIES WILL BE LIKELY TO FOLLOW HER EXAMPLE ?

CANADA, NEW ZEALAND, AUSTRALIA, will be likely to follow our example very quickly.

With Great Britain, Canada, New Zealand and Australia operating Social Credit, the other countries of the British Empire, or Commonwealth of Nations, will certainly introduce the same debt-free technique.

57. HOW WILL A SOCIAL CREDIT BRITAIN DEAL WITH POST-WAR EUROPE ?

IF BRITAIN IS in a position to bring effective pressure to bear upon post-war Europe, two things must be insisted upon:—

1. A Debt-free Peace—the cancellation of all war-debts.
2. The establishment of a Debt-free Europe operating a financially costless system of exchange in each country in accordance with the Social Credit technique of national accountancy. That is: *a Social Credit Europe*.

Frontier problems should not be dealt with until after each country has established its own Social Credit economy. Questions as to where one country ends and another begins are not vital questions in a Continental Community operating Social Credit. For a time frontiers could be "fluid"; and, indeed, under Social Credit the frontiers of post-war Europe would tend to become of no more importance than the county boundaries in Britain to-day.

PART III

WHAT WILL SOCIAL CREDIT DO?

58. HOW WILL SOCIAL CREDIT PUT A STOP TO WAR?

BY CUTTING OUT the chief cause of war—the international scramble for Export Markets.

The nations of the world are compelled, under the present Bankers' Debt-system, to compete with each other for Export Markets, because, under this system, they cannot make their Home Markets effective. This is the root of all modern war.

Social Credit makes the Home Market effective, and, by abolishing needless Poverty at home, avoids War abroad.

59. SURELY WARS ARE PRODUCED BY FAR MORE THAN MERELY ECONOMIC CAUSES?

WHY DO YOU use the word "merely"? Without Food, Warmth, Shelter, you cannot remain alive. A careful examination of the history of mankind shows that most wars, among the more primitive peoples as among the so-called "civilised," are caused by pressure of economic circumstances, no matter what the high-sounding "excuse" may be for going to war. There is reason to believe, for example, that the religious Crusades of the Middle Ages were due in large part to the bad state of the roads in England at that time. There can be no doubt whatever that the main cause of all modern war is the scramble for export markets. People are told that they are fighting for "freedom," and indeed they are fighting for freedom to live. There can be no freedom to live under the present financial debt-system without "freedom" (an outlet) for exports. When the Dictators said, "Expand or explode," "Export or die," they were merely repeating what the Democratic Governments proclaim when they say, "We cannot live without exports." This is the seething cauldron of war, and it is no use speaking of "merely economic" causes as though these were not the main causes. Almost all the impulses towards war are the outcome of these economic causes. To deal with the impulses arising, is to deal with the symptoms of the disease and not with the root-cause of it.

60. DOES SOCIAL CREDIT MAKE A CLEAN SWEEP OF CAPITALISM—OR DOES IT PRESERVE SOME PART OF THE OLD SYSTEM AND SO KEEP CAPITALISM GOING?

CAPITALISM IS A system of production without an adequate mechanism of distribution.

Social Credit will establish an effective mechanism of distribution that will enable everyone to have a fair share of the goods and services that are, in fact, efficiently produced by the so-called "capitalist system."

It is no use trying to maintain that the so-called "capitalist system" does not produce goods and services efficiently. It does. You have only to look in the shops and showrooms to convince yourself about this. There you will see the actual finished products of "capitalist" manufacture. You will see chairs, tables, beds, carpets, curtains, clothing, knives, forks, spoons, cups, saucers, plates, motor-cars, radios, vacuum cleaners, refrigerators, electric irons, lamps, radiators, kettles—and a thousand and one other things. It is quite ridiculous to suggest that these things are not made efficiently by the so-called "capitalist system." Go into the shops. buy what you want and take it home, and you will find that these capitalist-produced articles are well constructed, useful, and sometimes even beautiful.

The truth is that the main problem of Production has been solved by "capitalism"—but *your* problem of being able to go into the shops and get what you want has *not* been solved. *It is a money problem—not a problem of production.*

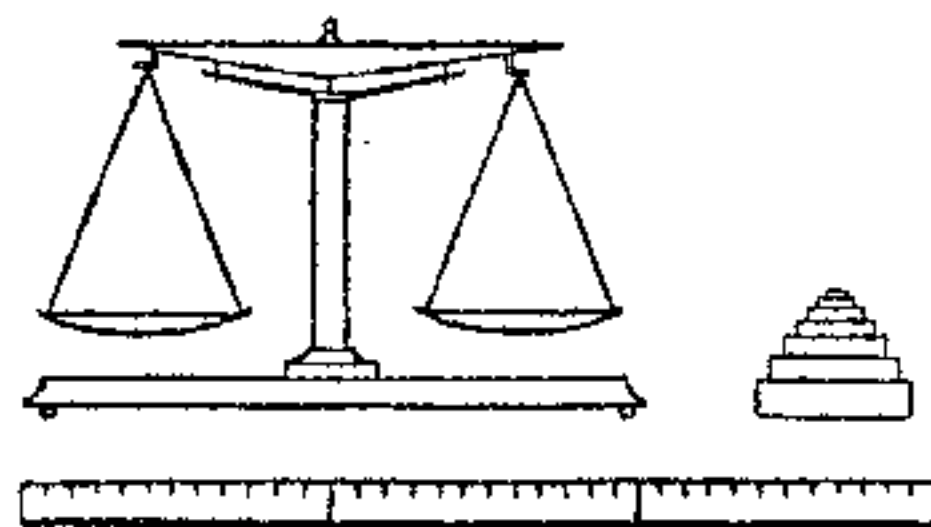
Social Credit will solve this money problem. In doing so it abolishes the exploitation of the Many by the Few, which is the malignant disease of the banker-ridden "capitalist system," by giving everyone a birthright income—the National Dividend—that no one can suspend, stop, nor interfere with in any way. It does not keep Capitalism going. It transforms Capitalism and turns it into Social Credit. Therefore it makes a clean sweep of Capitalism.

61. WHAT WILL HAPPEN TO THE BANK OF ENGLAND AND THE BANKS GENERALLY?

THE BANK OF ENGLAND will become the Credit Issue Department of the National Credit Office, and the Banks will become, in effect, branches of the National Credit Office. They will take up their proper function in a modern Power-Age society as the National Book-keeping Organisation of the whole community. They will be required by law to operate the Social Credit technique under the central authority of the National Credit Office. For this service to the community they will, of course, be paid an agreed service fee.

The actual property-ownership of bank buildings, etc., is of no particular importance. Just as the scales and yard measure of every little retail shop throughout the country must conform to the requirements of the Weights and Measures Act, and does in fact conform without being "nationalised," so the Bank of England and the Banks generally will carry out the requirements of a National Credit (Equation of Consumption to Production) Act.

A Parliamentary Bill setting forth the necessary clauses has already been drafted by the Social Credit Party of Great Britain.



62. WHAT WILL HAPPEN TO THE STOCK EXCHANGE AND INVESTMENTS?

NOTHING, SO FAR as a Social Credit Government is concerned—so long as no attempt is made to create a “scare” or to stampede the public into a “financial panic.” People who own a part of a business must always be entitled to dispose of their share to someone else, but as price levels will be predictable over long periods, the Stock Exchange will lose its attraction for gamblers and will become once again a place where stocks can be exchanged.

As the main incentive to invest money will tend to “evaporate” by the introduction of Social Credit, and as the chief business of the Stock Exchange is the buying and selling of stocks and shares for customers, this institution is certain to become obsolete in the long run. It will not be needed. When everyone is assured of the National Dividend, the incentive to speculate, or gamble, on the Stock Exchange will die out.

As regards foreign dealings, its place will be taken by the Import-Export Clearing House Department of the National Credit Office.

Regarding investments: the dividends drawn from them will, under Social Credit, buy more goods and services, but the inducement to invest—i.e., to secure an unearned income—will gradually die away as financial security becomes the rule and not the exception.

As any new enterprise that is wanted by the community will be financed by new credits from the National Credit Office, the field for ordinary investments will narrow. There will, however, remain spheres in which personal savings can be used to promote new ventures, and people will naturally be free to finance and own businesses created by themselves or their associates.

63. WHAT WILL HAPPEN TO SAVINGS—INCLUDING WAR SAVINGS?

THEY WILL BE quite safe. People only save because they fear that they will not have sufficient money at some later date. This

fear of being left without money, or without enough money, will gradually disappear, because everyone will have the National Dividend as a birthright income. If, however, people wish to save, a Social Credit Government will not interfere. Such saving will be reflected by a rise in the National Dividend, thus making good the amount “saved.” As people get used to the idea that they need have no financial fear of the future, “saving for a rainy day” will gradually die out, and all organisations designed to encourage and assist savings will become obsolete for lack of “savers.”

If you ask, “What will happen to War Savings under Social Credit?” the question is too vague. If you mean: “What will happen to my personal savings—i.e., Savings Certificates, Post-war ‘Nest-Eggs,’ etc.?” the answer is:

A Social Credit Government will honour the obligations entered into by previous Governments who induced you to invest your money.

It is clear that you are asking the above question because you assume that your savings are quite safe under the present system, and that Social Credit might endanger them. In fact, however, the boot is on the other leg. Have a look, and you will find that previous Governments have not defined their obligations. For example, take your “nest-eggs.” When are you going to be paid out? Nobody knows. And, anyhow, a rise in post-war prices could wipe out their buying-power. Then Savings Certificates. It is true you are entitled to cash them out; but if more than a limited number started cashing out you would upset the bankers’ system. They would get into a panic, and would say it was *you* who were in the panic; and they would stampede Parliament into passing “emergency” measures.

Now the National Credit Authority of a Social Credit State could never get into this technical tangle. It would have neither the motive nor the power to pass *measures of default* through the Legislature.

Be sure of one thing. You would get tired of cashing out long before the National Credit Authority got tired of paying out. Its resources are invulnerable because they are based on a correct calculation of Real Wealth as distinct from Financial Debt, and, by that token, your savings are inviolable.

And, better even than that, your economic position will be so secure that in future you won’t even bother to save.

64. WHAT ABOUT TAXATION?

TAXATION IS THE raising of a revenue from members of a community by the imposition of compulsory contributions, usually in the form of money. The term *taxation* covers every conceivable

exaction that a government can make, whether under the name of a tax, or under such names as rates, assessments, duties, imposts, excise, licences, fees, tolls, etc.

The purpose of taxation is to raise a revenue with which to pay for government and other public services, because, under the Bankers' Debt-system, the Government has no money—i.e., the community is deemed to have no power to create its own public credit for these purposes, and can only carry on by (a) taxing itself by taking away a proportion of its buying-power which cannot then be spent on consumer goods, or (b) borrowing its own credit-power from the bankers, which again means taxing itself in order to pay interest and/or pay back the sum borrowed.

A Social Credit Government will not need revenue from taxation (i.e., buying-power taken from your pocket), nor will it have to borrow one farthing from the Bankers, because the money needed for all government and other public services will be public (debt-free) credit issued by the National Credit Office for these purposes, based upon the actual productive capacity of the whole community. *Therefore, under Social Credit, all forms of taxation will tend to fall into disuse, and finally there will be no taxation of any kind.*

Under the ramshackle Heath Robinson mechanism of the Bankers' Debt-system, taxation is a method—a very crude method—of regulating the amount of buying-power in the hands of the community. Under Social Credit this will be automatically regulated by the operation of the Scientific Price Adjustment at the retail end.



*Egyptian peasants seized for non-payment of taxes.
(From an Ancient Egyptian drawing of the Pyramid Age.)*

65. WHAT WILL HAPPEN TO PARLIAMENT?

IT WILL, AT long last, become effective as the instrument implementing the Will of the People. The Will of the People will no longer be thwarted by "financial considerations" and "vested interests."

"And what," you may ask, "will become of the House of Lords?"

The House of Lords is the descendant of the *Magnum Concilium*, the Great Council of the King, and is of much greater antiquity than the House of Commons. "The need for two Chambers has been an axiom of political science based on the belief of the innate tendency of an assembly to become lazy, tyrannical, and corrupt, a tendency which can only be checked by the co-existence of another house of equal authority." (*Bryce.*) Since the Parliament Act of 1911, the "equal authority" does not exist.

A Social Credit régime will not interfere with the House of Lords, so long as the House of Lords does not interfere with the proper functioning of Social Credit.



*Parliament in Session.
(From a newspaper heading of 1641.)*

66. WILL SOCIAL CREDIT PROVIDE FULL EMPLOYMENT?

IT PLACES NO obstacle in the way of full employment, if that is the will of the people. It does warn them, however, that such an objective means that men must replace The Machine, which in time means that the output of goods will dwindle towards zero.

Providing employment is not the objective of a sane social-economic system. A sane social-economic system must give economic security with as much individual freedom and leisure as possible. This Social Credit does by means of the National Dividend and Price Adjustment. The object is not "full employment"—but *full enjoyment*. Not at all the same thing, in spite of what moralists tell us.



Dodo, from Bontius.

In a Power Age the idea of "full employment" ought to be extinct like the Dodo—and would be, but for muddled thinking encouraged by the Bankers and their political, economic, and industrial stooges.

67. IF EVERYONE GETS A NATIONAL DIVIDEND WILL ANYONE DO ANY WORK?

IF THEY DON'T, there won't be any National Dividend.

The National Dividend is based upon the production of Real Wealth (goods and services), and will rise and fall with production. *No Production—no Dividend!* That hard fact should be allowed to dawn upon each individual. It is time people became "adult" and faced the hard facts of existence.

No work—no Production. No Production—no National Dividend. Just nothing. No Food, Warmth, Shelter, or so-called Luxuries—but *not* because of artificial poverty due to lack of money-tickets. Just nothing because no one had done any work. That would teach people the first lesson; either to Work by Hand, or Work the Machines. It is high time they came face to face with realities, instead of financial nonsense. People would then begin to work, simply and solely because they wanted to use the goods and services that human labour plus machine-energy can produce. And that is as it should be in a Sane Economic System.

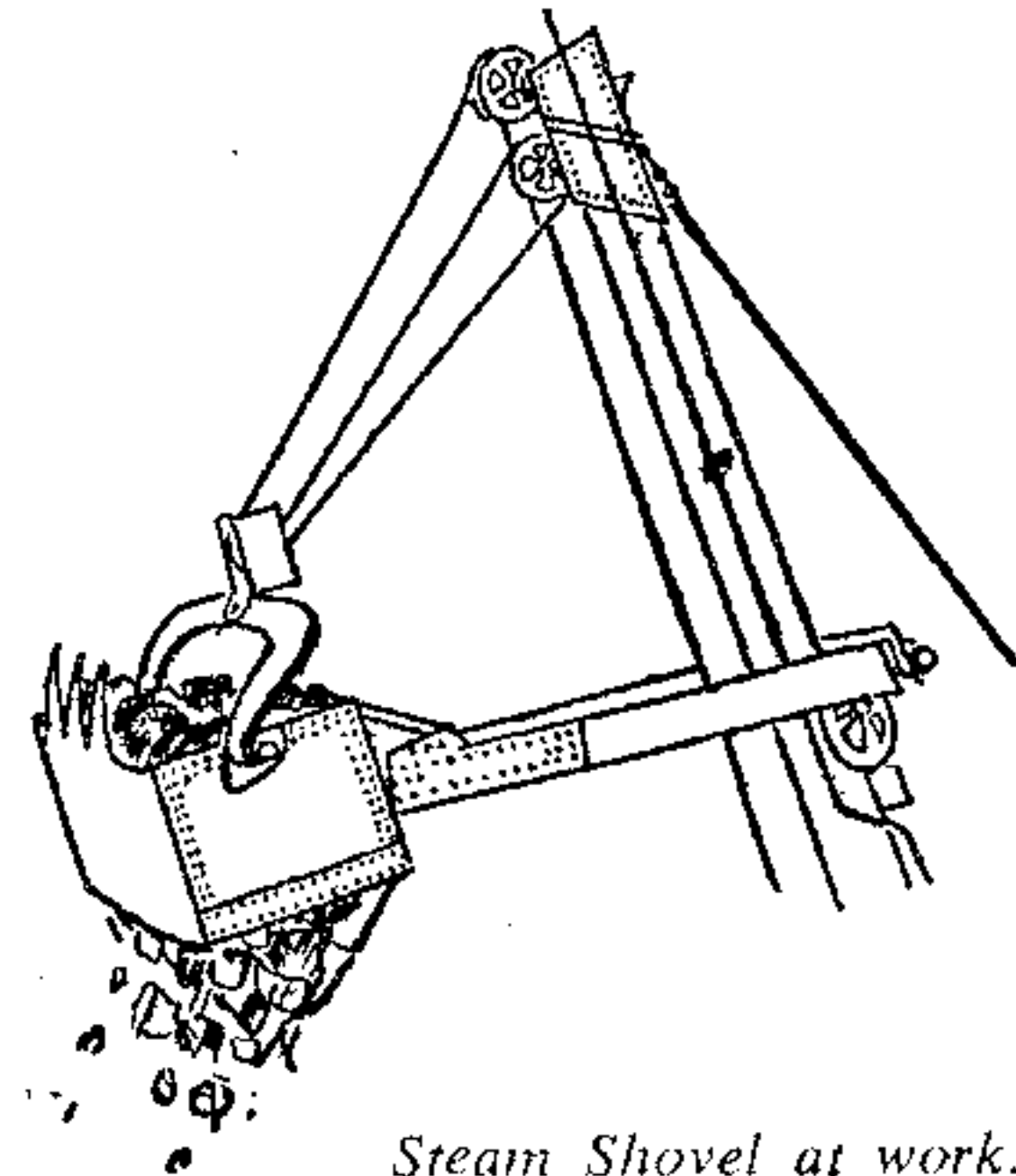
"It is time people became 'adult.'"
(Chick in the egg at 10 days—from an old
Natural History.)



68. SURELY EVERYONE OUGHT TO DO THEIR FAIR SHARE OF WORK?

AN ELECTRIC COAL-CUTTER needs about four men and a boy to attend to it. It displaces a large number of miners. What "fair share of work" are these displaced miners to do in order to fit in with your ethics of Share-the-Work? Are they to go round dusting the electric coal-cutter with feather dusters?—or pat it on the back and say, "Good Coal-cutter! we're helping you to do the work"? You really must face this problem squarely. If you want everyone to work, you must scrap the electric coal-cutter—The Machine—and go back to hand-labour. In which case you should put up a monument to Ned Ludd, the halfwit stocking-frame breaker of Leicestershire (1779), and set about organising a Machine-Smashing Campaign. This suggestion isn't as wide of the mark as you may think. Just listen to this item from *The Canadian Machinery and Manufacturing News*, March 17, 1932:—

"Symbol of the return to 'hand labour' to take the place of mechanical agencies, a toy steam shovel was buried ceremoniously on February 22 near the Canadian National Railway tracks in Montreal. The Quebec Government's future policy, according to a news report of the event, will be to engage manual labourers and scrap machinery, wherever advisable, to provide more employment. A group of public officials and about 100 cheering workmen took part in the 'burial ceremony.'"



Steam Shovel at work.

69. IS IT A FACT THAT MODERN COMMUNITIES ACTUALLY DISCARD OR SCRAP MACHINERY IN ORDER TO "MAKE WORK"?

YES, IT IS TRUE, although it sounds more like the antics of Bedlam, than the policy of sane men. The ceremonial "burial" of the toy steam shovel in Montreal, 1932 (see Answer to Question 68, above), is one example. Here are others:—

Coal instead of oil used on Rumanian railways in order to "make work" (1933).

River barrages constructed in Germany by hand-labour in order to "make work" (1933).

Contract for a new bridge at Saskatoon limited the amount of machinery to be used in its construction in order to "make work" (1933).

New York State, in granting money for road-making, stipulated that 90 per cent. be allocated to man-work, thus debarring the use of rock-crushers and other labour-saving machinery, in order to "make work" (1933).

Fear of The Machine is fear of Leisure. Fancy grown men and women being afraid of the machines they have invented and made! If it were not tragic, it would be enough to make a cat laugh! Why not master The Machine by taking your Leisure—and using it? Incidentally, there is no other way of mastering The Machine. And there is no way of taking your Leisure, and using it, unless you have the right to draw "The Wages of The Machine." In other words: Social Credit is the only remedy.

70. WHAT WILL SOCIAL CREDIT DO FOR AGRICULTURE?

AGRICULTURE WILL BE given Number One place in the production-system of Great Britain. Food—Warmth—Shelter: these are the Three Essentials, and obviously food-growing comes first. Social Credit will remove all financial hazards from the growing of food as a business proposition. It will not only ensure a remunerative market generally, but will bring markets nearer to the grower. The right to draw the National Dividend enjoyed by everyone will reverse the migration from country to town and enable multitudes of people to live where food grows at their doorsteps, and where they can, if they choose, grow their own food, or take part in food-growing. This will mean fresher food and an open-air life, and therefore a vast improvement in the health of the nation.

As for the farmer: every working farmer knows that in peacetime his only real problem is money—i.e., *prices*. Farming is not his problem, but how to make farming "pay." He cannot, under

the Bankers' Debt-system, get a market price for his products that will cover his costs and leave him enough to live on. He puts his hand to the plough, but there's always a spectre following. He is dogged by debt.

Under Social Credit the farmer will (a) be able to get new debt-free credits for new production, (b) he will get his National Dividend like everyone else, and (c) always find an effective Home Market—i.e., people will be able to buy his produce at the just or scientific price, and the farmer will receive the full price (as now calculated) from the wholesaler or the retailer. (See Question 40, *How will the Price Adjustment work?*)

Therefore, the farmer will flourish. Think it out, and you will soon see why. And don't forget that it was the *farmers* of Alberta—and their wives—who elected a Social Credit Government in that Province in 1935, again in 1940, and again in 1944. They voted for Social Credit because they had been sunk up to their necks in money-debt—i.e., they couldn't get a price for their product (mainly wheat) that would cover their costs.

(See Question 4: *Is it not a fact that Social Credit has been tried in Alberta and failed?*)



Plowmen.

*Inscription reads: "God spede ye plow and send us korne enow."
(From a very ancient Anglo-Saxon MS.)*

71. WHAT ABOUT THE COAL INDUSTRY AND THE COAL MINERS?

SOCIAL CREDIT WILL put a stop to a gross scandal—the dispersal of our irreplaceable coal reserves abroad, and the ridiculous resistance of coal magnates to inflows of coal from abroad.

In 1939 the South Wales Trade Recovery and Expansion Committee (of which Sir Robert Horne was chairman) issued a Report *complaining* that our exports of coal dropped from 7,359,000 tons to 5,951,000 between 1935 and 1936. It asserted that much of this “loss” was due to German subsidies on exports, averaging 12s. a ton; and called for a counter-subsidy.

This policy is peculiarly dangerous to us because we are not well situated for water-power, and we have no forests to provide fuel.

Social Credit will reverse this policy. It will promote the conservation and sparing use (for our own purposes) of our coal resources, and welcome any additions that can be gained by importation. Should this involve (as it may) a lowering of output from our own mines, that will not matter. Managements will be entitled to apply for a revision of their costs (under the provision of their Price-Adjustment agreements with the National Credit Office) and will be authorised to raise prices sufficiently to make good losses in revenue and thus maintain payments of wages, salaries, and dividends on the previously agreed scale.

Coalminers thrown out of work by any such lowering of output will, of course, be able to fall back upon the National Dividend. But in these special circumstances it is a moral certainty that public opinion would spontaneously approve of a supplementary grant to these men—a sort of “stop-gap pension”—continuing until they found alternative work. If so approved, this would be done, for the basic characteristic of a Social Credit Government is summed up in the formula: *The protection of minorities*. In this case you would have (by assumption) the whole body of public opinion in favour of conserving our coal resources in its ultimate interests. Hence common justice demands that local losses arising from that policy shall be universally spread. The effect of this would be an almost imperceptible rise (and even then only temporary) in the price-level, which, however, would not be felt as a rise at all, because the general price-level would be falling all the time.

Now, what about the coalminer himself?

Dirt, darkness, danger, and drudgery—that's coalmining. Therefore, if it has to be done by human beings, it will have to be paid for at high wage-rates. Under Social Credit this will happen, because the National Dividend will enable each individual pitman to

stand out for (1) good wages, and (2) much shorter hours of working. There would be no financial difficulty in halving the hours, engaging double the number of men, and paying each the same rates as before (which would mean doubling the piecework rates), if that were found to be necessary in order to get the work done efficiently by contented workers.

But, of course, Social Credit will have another important effect upon the lives of these underground toilers. Electrical coal-cutters and other modern labour-saving devices and processes will be installed in order to reduce the number of human workers required on this body-racking, and often body-wrecking, job. Less and less human beings will be needed to go down the pits. The National Dividend—the “Wages of the Machine”—will enable our disengaged pitmen to have a well-earned rest, take up other paid work, or make use of their leisure-time in self-employment.

The miners, as I know from first-hand experience in speaking to them on Social Credit at the pithead in Durham and Northumberland, and Staffordshire, are perhaps the most intelligent set of workers in the community. They and their families will not be long in finding out how to employ their new leisure to full advantage. Splendid fellows, our miners, we all agree. Well, then, let them live splendidly. Under Social Credit they will. A new life looms ahead for them, and they deserve it.

It is possible too that coalmining may no longer be needed. Ways are already known of extracting the products from unmined coal; but further still it may be that already in some laboratory is a device for using Solar Energy direct, without using coal. This is speculation, but it is certain that if, under Social Credit, coalmining became obsolete, it would not spell ruin for all concerned as it would now. On the contrary, it would usher in the Sun-Power Age, and a sun-powered life for everyone.

Already Atomic Energy has been applied to war, and could be applied to industrial production. Even before that has been done, we may be able to use direct Solar Energy—power direct from the sun—without any “atom-splitting” at all. Such an advance towards the New Solar Civilisation calls for the introduction of Social Credit *now*, in order to enable research, invention, and discovery to go forward unhampered by financial considerations.

72. WHAT ABOUT LARGE-SCALE MASS-PRODUCERS AND SMALL MANUFACTURERS?

THEY WILL BE in a position to produce those things that can best be made in quantity by mass-production methods, and in doing so

will be able to use (1) new and fully automatic inventions and processes, and (2) less and less human labour.

Under the Bankers' Debt-system, large scale mass-producers cannot perform the proper function of industry, which is to produce and deliver goods and/or services as, when, and where required by the community, but are forced into a fierce catch-as-catch-can for markets; tend not to modernise their plant when new inventions and improvements call for such modernisation; and, when forced to sack workers during "slump" periods in order to cut production costs, make it still more difficult to sell the goods produced—since a cut in wages is a cut in buying-power. This compels mass-producers to scramble for export markets, and this is the chief cause of war to-day.

Under Social Credit large-scale mass-producers will be assured of an effective Home Market, and therefore the beggar-my-neighbour smash-and-grab for markets abroad will not be necessary. New credits for new production, issued via the National Credit Office, will enable them to install up-to-date labour-saving machinery and improved processes, while the release of workers no longer needed will not result in loss of sales due to lack of buying-power. Finally, the Price Adjustment technique will prevent periods of "boom" and "slump" so that those workers really needed for mass-production will be fairly certain of steady work at high rates of pay over and above the National Dividend.

Social Credit will give consumer control of mass-production. In a community where "cheapness" is not a primary consideration, mass-produced articles will only be used where they are an actual improvement upon hand-made articles, or where it is impossible to supply a sufficient quantity of hand-made articles. Thus, in many directions mass-produced articles will tend to go out of use if they have only been made in order to "make money," and not because they are really wanted. On the other hand, new needs will arise in which mass-production will be essential. We may therefore expect a sorting-out process to take place in which a great natural revival of craftsmanship will oust mass-production in certain spheres, while mass-production will find new fields of development; as, for instance, architectural building units, aircraft, plastics, etc.

So long as mass-production is called for by consumers, mass-production will flourish. And in a modern community mass-production is called for in the making of such articles as vacuum-cleaners, telephones, refrigerators, radio sets, motor cars, etc.

As assured Home Market—expanding to the limits of consumer needs—will enable mass-producers to sell their goods at a fair price—i.e., the Just or Scientific Price that will include an agreed profit, or service-fee for the producer.

When the Home Market—you, and I, and everyone else—is satisfied, mass-producers will be able to manufacture a Real Export Surplus to be shipped abroad in exchange for necessary imports.

As for the small manufacturer: under Social Credit they will increase and flourish. Not being mass-producers they will be better able to satisfy the public demand for *variety* in the kinds and qualities of goods. They will be able to adapt their plant to changes in the tastes and habits of customers. For these reasons they will take over a large proportion of business which is now done by large-scale mass-producers. The latter will not object because they will be chiefly occupied in producing machinery, tools, semi-manufactures; so the small manufacturers will be their customers rather than competitors. Even if both make the same articles and compete in price, the small manufacturer will often be able to quote the lower price. Large plants do not necessarily show lower costs. Again, small plants will often be making tools for large plants. Thus there will be give-and-take in buying and selling between them.

This interplay takes place in a restricted way under the present system, but, as a rule, the small manufacturer finds himself driven out of business by large-scale mass-producers. This is due to the general shortage of consumer buying-power. There will be no shortage under Social Credit. Everything made can be sold provided somebody would like to have it. *It will be up to the producers—large or small—to find out what the public wants.* In other words Social Credit, by empowering the individual to buy, makes consumer control of industry effective.

73. WHAT ABOUT RETAILERS?

UNDER SOCIAL CREDIT every retail shop will sooner or later become a "free house" in the sense in which one speaks of a public house not tied to any brewer or distiller.

The business of a producer is to produce. That of a retailer is to distribute. The duty of a producer is to make what the retailer orders. That of a retailer is to order what his customers want.

Any attempt by a producer to tie a retailer to his factory (whether it turns out beer, boots, or more expensive things like ovens, refrigerators, motor-cars) is an attempt to reverse the proper order, to push the customer around and force him to accept some particular goods, or type of goods. Such attempts are made to-day simply and solely because they "pay," or rather because neglect to do these things is likely to involve loss. They are the phenomena of cut-throat competition arising directly out of the Bankers' Debt-system.

Social Credit will remove the motive for this commercial smash-and-grab.

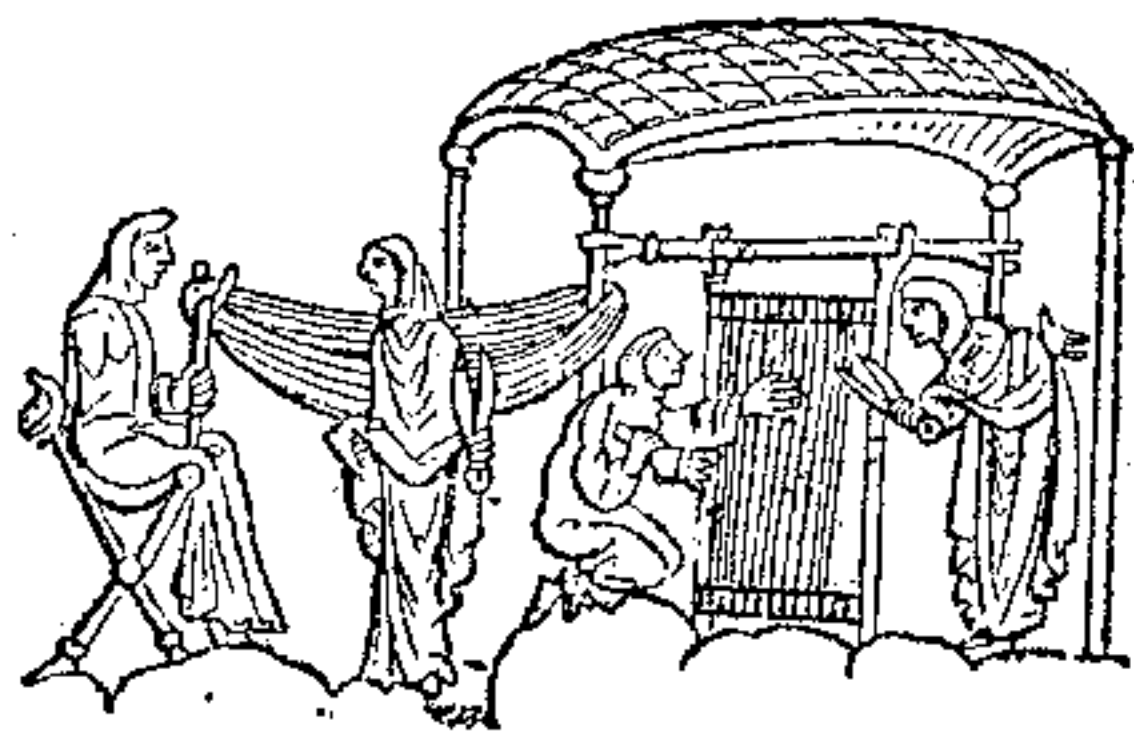
To-day, retailers feel the first shock, after wage-earners, of disemployment. Under Social Credit disemployment won't affect the buying-power of the public because the National Dividend will supplement wages, and gradually supersede them.

With the abolition of Bankers' control, the beggar-my-neighbour driving compulsion of the business world will vanish also. There will be no devil to take the hindmost, and people will be able to deal with each other as human beings instead of as market-snatching gangsters.

74. HOW WILL SOCIAL CREDIT AFFECT THE POSITION OF WOMEN IN GENERAL?

BY GIVING EVERY woman a birthright income—i.e., the National Dividend based on the productive capacity of the community—it will ensure economic independence *and* freedom, for it will release her from being:—

1. Tied to the home when she wishes to live her own life.
2. Treated as a drudge, or as an inferior—i.e., the “chattel” status.
3. Driven to marry for the sake of economic security.
4. Bound to some man who ill-treats her, or is in some other way unsuitable as a person to live with.
5. Driven into work-wage slavery in competition with men in order to keep alive.



*Women of the 12th century
weaving.*

(From Eadwine's Psalter.)

75. WILL WOMEN GET “EQUAL PAY FOR EQUAL WORK”?

YES, THEY WILL. (1) Because a Social Credit Government will naturally stand for fair play for all citizens without distinction; (2) because employers will no longer need “cheap labour”; and (3) because each individual woman will be able to say—

“If I do this job as well as a man could do it, I shall want the same pay as a man.” And if the employer says, “No,” she will be able to say: “Very well, I refuse the job. After all, I can live on my National Dividend.”

This places every woman in a very powerful position.

(It will apply equally, of course, to badly-paid male workers.)

76. WILL PEOPLE KNOW WHAT TO DO WITH THEIR LEISURE?

WELL, WILL YOU know what to do with yours?

After all, there are plenty of things to do in the world, and it will not take most people long to find out what they are—once they have *time* to do so.

(Some people may like to go fishing. It doesn't interest me—but every man to his own choice. . . .)

“What,” you may ask, “will people do with their leisure?”

To begin with, of course, there will not be much leisure, because there is such an enormous amount of reconstruction to be done. For ten years at least, after this war, there will be work for all. We have to re-shape our world. But, all the same, we must re-shape it in such a way as to establish a Leisure State in a Power Age. If we don't, we shall be heading straight for World War III. Quite gradually people will come to value their leisure because it will allow them time to “work” at work of their own choosing. It will give them *freedom to work at work worth doing*. No more “square pegs in round holes.” Released from a great deal of industrial drudgery, people will begin to take up a thousand and one activities, and in a Leisure State we shall find the majority of people *working harder than ever!* but at work they have chosen, want to do, and enjoy. Have no fear: a Social Credit Government will usher in the Leisure State gradually and smoothly, giving people time to readjust and re-educate themselves. And the rising generation—those born into a Leisure State—will shed the last vestiges of the “fear of leisure,” and live a life of intense activity and awareness such as their parents never knew. That is because they will have *time* to live, and to live splendidly.

"The world is so full of a number of things,
I'm sure we should all be as happy as kings."
(Happier, no doubt.)



*And why not time to
PLAY? All work
and no play makes
John Citizen a very
dull dog indeed.*

*Amusements of the
17th century.
(From an old
woodcut.)*

77. SURELY PEOPLE ARE ALWAYS MUCH HAPPIER AT WORK ?

IT DEPENDS ENTIRELY on what you mean by "happiness" and by "work." If by "work" you mean some activity they have chosen to do of their own accord, and without being driven to "find a job" in order to keep alive, you are right—and under Social Credit that would be possible for everyone. But if by "work" you mean needless toil—monotonous drudgery that could be done by automatic machinery, or, maybe, not done at all—then you are wrong, and you are preaching Work for the sake of Work, which can have but one result: Mass Ignorance and a Low-Grade Culture. That is what we have at the moment, and it is due to this perverted idea

that "people are always much happier at work." They aren't. It depends on what *kind* of work—and whether they have chosen to do it of their own free will, and can give it up, or change to another kind, when they desire to do so.



*Chessmen carved in walrus-tusk ivory.
(Iceland, 12th century, now in British Museum.)
Perhaps carving these was someone's hobby? . . .*

78. WON'T PEOPLE TAKE TO DRINK—AND ALL THAT SORT OF THING ?

A FEW MAY, as they do now, but they will soon find themselves in "clink" if they become a public nuisance. Most people are about the same as you are—decent and law-abiding. This fear that other people will "go wrong" if they have time to live is really nonsense. To live and to enjoy life is the only sane objective, and people must be given the time and opportunity to do so, even if a few scallywags and ne'er-do-wells are unable to stand the strain of real individual freedom.



*The Great Drinkers of the North.
(From a woodcut, Antwerp, 1560.)*

79. WON'T PEOPLE GET TIRED OF DOING NOTHING?

THAT REMINDS ME of the little boy who came upon a real work-shy Weary Willie sitting under a haystack smoking a pipe.

"Don't you never get tired, doing nothin', Mister?" asked the little boy. To which the tramp replied:

"Ah, we all 'ave our troubles."

I once told that to a meeting organised by the Bank Officers' Guild in London. It was to illustrate a point I was making about Work and Leisure. The bank managers and bank clerks present didn't smile. There wasn't a titter. Dead silence. It was before the Hitler-war, and it wasn't at all funny to them. They wanted work—"full employment"—and couldn't see themselves with plenty of leisure time.

And that is the whole thing. People who are used to plenty of leisure—men like the old hunting squires, artists, poets, musicians, the real old *Romanitshel* gipsies, inventive engineers, scholars devoted to some special study, such as philology, archæology, ethnology, and craftsmen who have time to sit and think and dream—do not "get tired of doing nothing," because, when they find themselves (if they ever do) in that sad state, they always know what they want to do and have a hundred and one things to turn to.

No, no, people will not "get tired of doing nothing." They, or their children, will very quickly learn to live a good life. And in this connection we may remind ourselves of Jasper's words from Borrow's *Lavengro*:

"Life is sweet, brother."

"Do you think so?"

"Think so! There's night and day, brother, both sweet things; sun, moon, and stars, brother, all sweet things; there's likewise a wind on the heath. . . ."

Those words have been over-quoted, and sneering weevil-intellectuals have eaten out the heart of them and turned them to dust. But the truth of them remains, and the lilting chant in which they are set is part of that truth.

Only conditioned slaves, machine-minders, robots, mechanical men, work-or-starve serfs fear leisure which, to them, means "doing nothing." To the free man "life is sweet"—and even to breathe God's fresh air with a good pair of lungs is a joyful thing.

Nothing suits the Bankers quite so well as a herd of would-be workers clamouring for *WORK*! Don't you want time to live, to

enjoy life? If not, what is your idea of Progress, of Civilisation—an ant-heap?

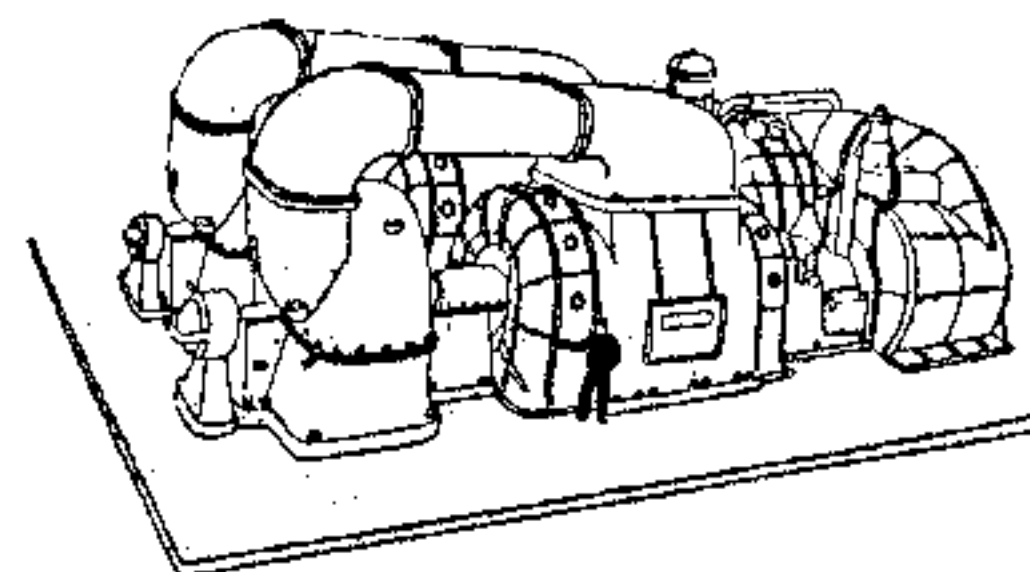
Science gives us the possibility of an Age of Leisure and Abundance—*now*. Even the ravages of war have not destroyed it. On the contrary, war organisation and war production have actually increased this possibility. What are you going to do—drag us back to the old Work-or-Starve Slavery by your fear of leisure?

If "sun, moon, and stars" are not good enough for you, then, of course, there is nothing for it but to scrap the mechanical bull-dozers, grabs, and scoops, and start digging holes with a saltspoon and filling them in again. But before you go off "genuinely seeking work," you might give this question of Work and Leisure another thought? It happens to be the fundamental question of our age.

80. SURELY IT IS RIGHT THAT "IF A MAN WILL NOT WORK, NEITHER SHOULD HE EAT"?

THAT IS A popular misquotation from Saint Paul. The correct wording is: "This we commanded you, that if any would not work, neither should he eat." (Thessalonians II, ch. 3, x). He was addressing a small body of Christian converts in Thessalonica, some of whom were evidently making rather a nuisance of themselves; since in the very next verse he writes: "For we hear there are some which walk among you disorderly working not at all, but are busy-bodies." He was giving instructions to a persecuted religious minority in an Age of Hand-Labour. He was telling them to "watch their step." Saint Paul had never seen a modern power-station, an automatic lathe, nor a power-driven loom, and it is quite ridiculous to quote his words as though they were addressed to the 20th century.

To apply to modern man the text would have to read: "If people cannot get money to buy, it is no use producing food to eat." A very different state of affairs, brought about by the Mechanical Revolution of about a hundred years ago plus the inventions and improvements that have followed since.



Saint Paul had never seen a modern power-generating unit.

81. DO PEOPLE REALLY WANT FREEDOM ?

I SOMETIMES WONDER myself. Nevertheless, we must either allow economic freedom and security—or face the complete break-up of our civilisation. We have reached the stage where, willy-nilly, people must have freedom and shoulder the responsibilities of fully adult individuals, or plunge headlong into a New Dark Age of want, misery, and confusion. It seems almost as though people must have freedom thrust upon them—for their own good (and mine—and yours). However, it is more than likely that they will take to it quite easily, as a duck takes to water, once they are given the chance.

82. DON'T YOU RATHER GIVE THE IMPRESSION THAT LIFE CAN BE A SORT OF "PARADISE ON EARTH" —AND DO YOU REALLY BELIEVE IT ?

THAT DEPENDS ENTIRELY upon what you mean by "paradise," but, taking the question by and large, I would say: Yes, I do believe it.

In the 13th year of Mohammed's mission, a number of disciples came to Mecca from Medina offering their services. Mohammed was then in great need of such help, for his enemies had become so powerful that his life was in imminent danger. He therefore accepted this offer from "the faithful," and met them secretly one night at Al Akaba. But he was not, it seems, quite sure of their absolute faithfulness to himself and to the cause. Through the mouth of his uncle, Al Abbas, the matter was put squarely to them: "As Mohammed is obliged to quit his native city and seek refuge elsewhere, and as you have offered your protection, you will do well not to deceive him. If you are not firmly resolved to defend him, if need be with your lives, you had better say so outright, and let him make other plans for his safety."

They thereupon protested their sincerity, and Mohammed swore to be faithful to them, on condition that they protected him against all threats and insults. They then asked what recompense they might expect if they should be killed in carrying out these duties. Mohammed answered with one word: "*Paradise!*"

At that they pledged their faith to him, and went about their task.

They were content to fight for the Prophet of Islam, knowing that paradise awaited them should they be killed in his service.

Personally, I would rather fight for "paradise on earth" than drift into the stagnant sump of cynicism that begins with the popular notion—"Human nature being what it is"—and ends with the frenzied disbelief in "the perfectibility of man" that generates a fanatical enthusiasm for making "hell on earth" only equalled, if it

ever was, by the 11th century Assassins of Hassan Sabah in Syria and Persia, whose motto was: "Nothing is true, everything is permitted."

I believe that the Kingdom of Heaven (Paradise) on Earth is perfectly possible, and that most people secretly believe this—or wish they could. I believe that Social Credit is the key that will open the door to what may seem "paradise" to us, but will seem no more than a free and normal life to those born into a debt-free community.

"These things shall be: a loftier race
That e'er the world hath known shall rise,
With flame of freedom in their souls
And light of knowledge in their eyes.

New arts shall bloom of loftier mould,
And mightier music thrill the skies,
And every life shall be a song,
When all the earth is paradise."

—John Addington Symonds (1840-1893).

Little tin-pot intellectuals, with more brain-weariness than sense, may sneer at these lines. Yet the fact remains that without such a vision the people perish—including the so-called "intellectuals." If you will not fight for Paradise-on-Earth, you are compelled to assist those forces that make for Hell-on-Earth. There is no middle course for anyone.



Heavenly Vision.
(Tailpiece by Dalziel, from "*Pilgrim's Progress.*")

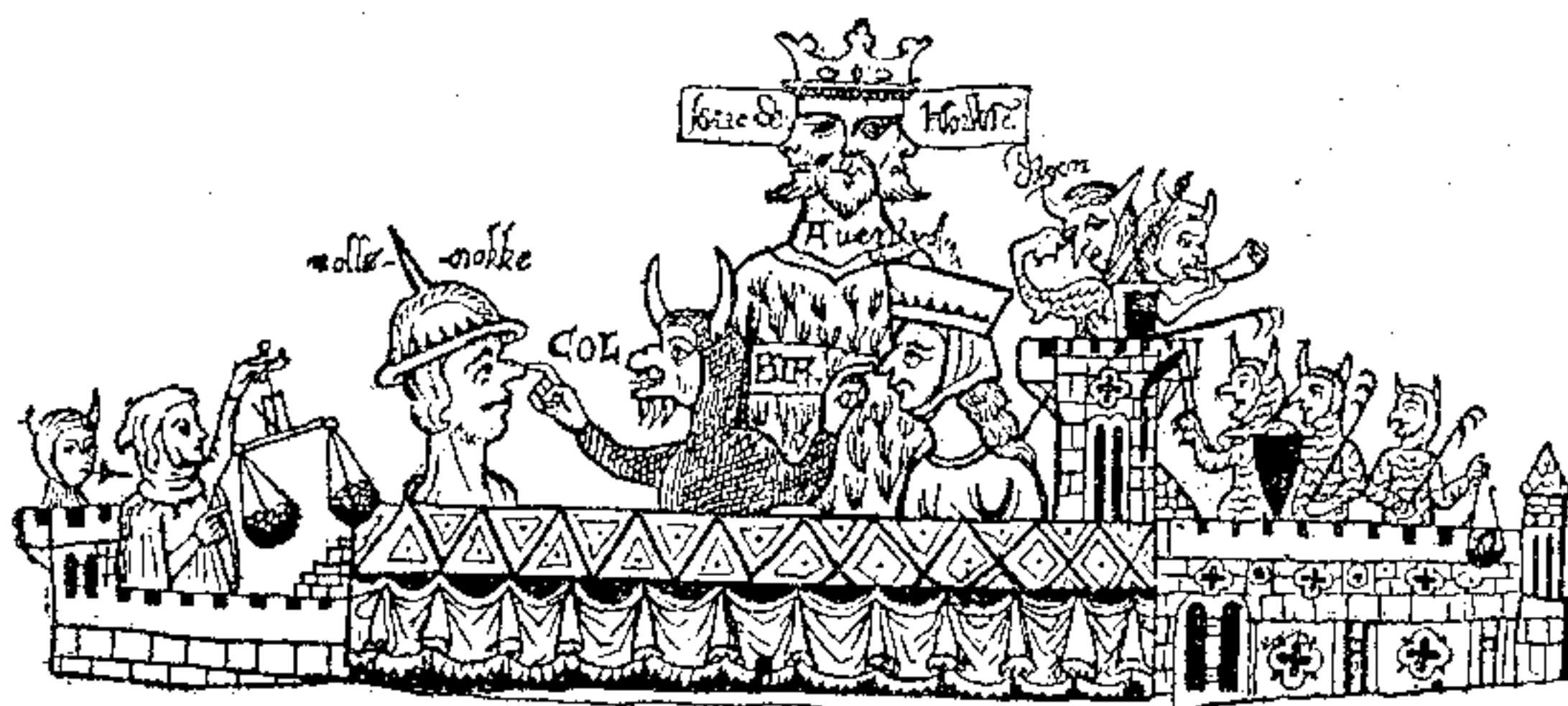
PART IV

WHY IS SOCIAL CREDIT THE ONLY REMEDY?

83. AREN'T THE JEWS THE MAIN CAUSE OF ALL THE TROUBLE?

THAT IS WHAT Hitler told the Germans. For centuries the Jews have been a convenient scapegoat. But, in fact, the social-economic troubles of this country and the world to-day have nothing to do with any particular race. The present economic-financial system could not be run satisfactorily by a Company of Angels and Arch-angels from Heaven. The system is unsound and unworkable by anyone. It is mathematically incorrect in its methods of calculating Financial Credit and Financial Debt. To embark upon a campaign of Jew-hating and Jew-baiting will not establish a sane and workable monetary system; it will merely drive us towards this or that form of Hitlerism.

Social Credit is the only remedy.



A 13th-century cartoon against the Jews of Norwich.
(From the Jews' Roll in the Public Record Office.)

84. ISN'T NATIONALISATION OF THE BANKS THE FIRST STEP TO SOCIAL CREDIT?

NATIONALISING THE BANKS will not, in itself, make any difference to anything, and the Bankers know it. "Nationalisation? I welcome it!" said Montagu Norman, some time before the Hitler-war began. It's the method of credit issue and withdrawal used in the books of the banks that has to be changed. It's not the *ownership* of the banks that matters, but the *technique* of banking. Calling a

bank "national" does not alter the technique used. You don't change raspberry jam by sticking a label "National Jam" on the pot. It's still raspberry.

85. WHAT DO SOCIAL CREDIT ADVOCATES MEAN WHEN THEY SAY THAT "OWNERSHIP OF THE MEANS OF PRODUCTION DOES NOT GIVE CONTROL"?

THEY MEAN that control of credit is control of production, and that merely taking over the "ownership" of the means of production—land, buildings, raw materials, plant etc.—leaves the control in the hands of the Bankers' Credit Monopoly. In other words: *Finance Capital controls Industrial Capital*.

Now listen to Lenin: "In running the current account of a certain number of capitalists, the bank may seem to be undertaking only a technical process; but when these operations assume extensive proportions, the result is that a handful of monopolists control all the operations, both commercial and industrial, of capitalist society. They can, by means of their banking connections, by means of knowing the state of current accounts, by means of knowing financial operations, first *ascertain* exactly the position of isolated capitalists, then *control* them, act on them by restricting their credits or, on the contrary, by extending them; at length they can *entirely determine their fate*, deprive them of capital, or, on the other hand, permit them to increase their capital to enormous proportions." (*Imperialism: The Last Stage*, Chapter II, pp. 27-28, English Edition, 1927).

Lenin recognised that Finance Capital controls Industrial Capital. It follows logically, that "ownership of the means of production does not give control." Such control depends upon a fundamental change in the technique of banking-accountancy. Neither Socialism nor Communism state what this fundamental change in financial technique must be in order to ensure that total consumer incomes always equal total retail prices. Social Credit is this New Technique.

86. DIDN'T HITLER INTRODUCE SOME KIND OF "SOCIAL CREDIT" IN GERMANY?

No. All he did was to grasp the fact that a man with a Tommy-gun need not pay in money for what he demands and/or grabs from someone who has only a pea-shooter. Hitler did not make his Home Market effective. All he did was to "solve" his unemployment problem (*sic*) by first of all preparing for war, and then going to war.

Any fool can do that, and Hitler was a fool. (But not the only one.)

87. WHY DIDN'T HITLER PUT IN SOCIAL CREDIT?

BECAUSE HE WANTED to be a Dictator, and you cannot be a Dictator if people have a birthright income (National Dividend) that does not depend upon "earning a living." How can a Dictator get people to click heels and do what they are told, if they can "cock a snook" at him and get food, warmth, and shelter without obeying his orders? *Social Credit is fatal to any form of dictatorship.*

88. IN ORDER TO SHARE-THE-WEALTH, ISN'T "REDISTRIBUTION OF INCOMES" THE PROPER SOLUTION?

NO, IT ISN'T. You cannot turn Scarcity into Plenty by redistributing an insufficiency of buying-power. You can't make one pound of butter into two by spreading it more thinly.

Professor A. L. Bowley (in *The Distribution of the National Income*) referring to the period just before 1914, calculated Great Britain's total annual income, over and above £150 per family, at £250,000,000. This, divided by the 10,000,000 families to be considered, would benefit each of them by £25. That would give every family an annual income of no more than £175. The whole idea is absurd! The extra £25 would be spent in a few weeks and the poor would be as poor as before, with this difference—everyone would be on this £175 poverty-line. A little later on, everyone would be poorer still, because no one would be able to afford the things industry could produce—cars, telephones, refrigerators, vacuum-cleaners, new and well-designed houses, and a thousand and one other things. Industry would droop for lack of orders, the factories and workshops would sack their workpeople, and mass unemployment would engulf the nation.

89. IF WE ARE TO HELP THE POOR, ISN'T IT NECESSARY TO "SOAK THE RICH"?

NO. That is like a man amputating his feet to cure his corns. *Not less for some, but more for all*, is the right line of approach in a community that can produce enough and to spare for all its citizens.

90. WASN'T ROOSEVELT'S "NEW DEAL" A KIND OF SOCIAL CREDIT?

NO, IT WAS *not*. It was a kind of State Socialist—i.e., State Capitalist—Industrial Planning Scheme. It did not change the technique of banking and finance. It was an attempt to plan industry *within the limits of the financial system*. It was exactly like rats in a trap.

planning a "New Deal" for themselves within the limits of the trap. It did not plan to get out of the trap, nor has it enabled anyone to do so. State Planning of Industry is no solution to the problem, which is not a problem of Production, but of Consumer Buying-Power.

91. WOULDN'T "FAMILY ALLOWANCES" HELP?

NO, THEY would not. The Social Credit National Dividend does away with the need for "family allowances." And the best of it is, it doesn't have to come out of your pocket—nor do you have to take it out of someone else's pocket. Every "family allowance" scheme is a taxation-and-redistribution-of-income scheme—i.e., robbing Peter to pay Paul. But the S.C. National Dividend is everyone's birthright income, everyone's fair share of the nation's wealth based upon the community's total productive power.

The unconditional nature of the Social Credit Dividend places it in a class by itself. Family "allowances," payments made with insulting conditions attached, would have no place under Social Credit.

92. WOULDN'T "COMMON OWNERSHIP" SOLVE THE PROBLEM?

NO, IT WOULD not, because the problem has nothing to do with the ownership of anything. It is a problem of consumer markets—i.e., the buying-power of money in your pocket, and mine.

Ownership does not give control over markets. If you and I, and everyone else, owned everything, everywhere, it would not, of itself, add one penny to our buying-power.

For example, it is of no advantage to be able to say, "I, and 40,000,000 other people, *own* the railways." The only question that matters is, "Have I the money to buy a ticket so that I can *use* the railways?"

Ownership and Use are two quite different things, and what people want in a modern community is not to own things, *but to be able to use them*. Social Credit empowers them to do so by means of the National Dividend and Price Adjustment.

93. WASN'T THE "BEVERIDGE PLAN" A MOVE IN THE RIGHT DIRECTION?

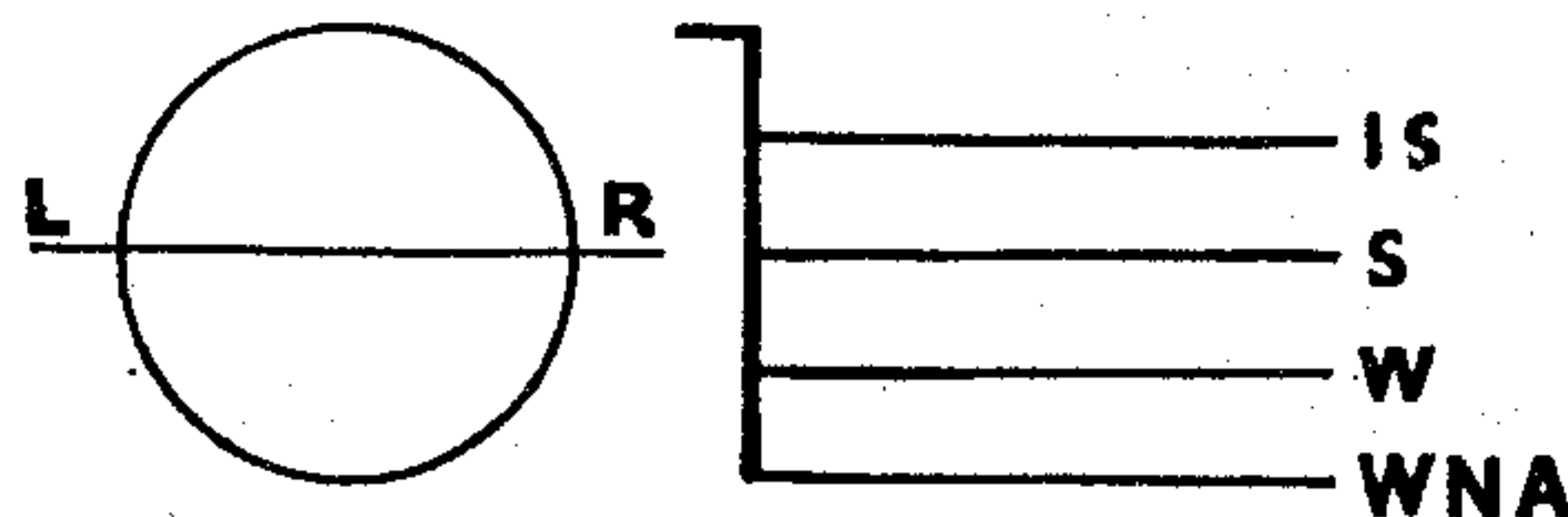
NO, THE "Beveridge Plan" was a move in the wrong direction. It was a move in the direction of compulsory all-in insurance—i.e., a move towards Totalitarianism, the Ant-heap State, the Servile State. No freedom-loving people would tolerate such a plan.

PART V

HOW CAN WE GET SOCIAL CREDIT?

94. WILL IT BE POSSIBLE TO MAKE THE BANKERS CONFORM TO THE SOCIAL CREDIT TECHNIQUE?

YES, QUITE EASILY. In order to enforce the Plimsoll Line, painted on the hulls of merchant vessels, all that was necessary was the Merchant Shipping Act of 1876, that made this load-line technique compulsory.



THE PLIMSOLL LINE

LR—Load Register

IS—Indian Summer

S—Summer

W—Winter

WNA—Winter North Atlantic

All that is needed to make the Bankers conform to the Social Credit technique is a National Credit (Equation of Consumption to Production) Act.

You may say, "Oh, but Social Credit isn't a 'Plimsoll Line'—I mean, it isn't a simple device like that."

But it *is* a simple device like that. It is, in fact, an economic load-line—a balance between Production and Consumption—and might very well be called the "Douglas Line." Moreover, the Social Credit Device can be set down just as simply as the Plimsoll Line—and perhaps it ought to be painted on the wall of every bank building, just as the Plimsoll Line is painted on the hull of every merchant vessel. Here it is:—

Just Price (in £)=

$$\text{cost (in £)} \times \frac{\text{cost of ultimate products consumed (in £) + depreciation of real capital in £}}{\text{credit created (in £) + cost of total production (£)}}$$

If you say you can't understand that Simple Device, that is not the fault of the Simple Device, nor of those who can understand it. Whether you happen to understand it or not, it is the only calculation-method that indicates correctly the Just or Scientific Price of any article—i.e., the load-line of cost that any article must carry in its retail price, *if all articles ready for sale to the final consumer are to be sold.*

95. WHAT WILL YOU DO IF THE BANKERS REFUSE TO OPERATE SOCIAL CREDIT—OR, WITHOUT REFUSING, QUIETLY SABOTAGE THE WHOLE SCHEME?

REPEAL THE Bank Charter Act of 1844—empower the Treasury to carry out all necessary transactions—employ Chartered Accountants instead of Bankers—use the Post Offices everywhere as local Credit Offices (leaving the banks out of it altogether)—keep the public fully informed of what is taking place, and why, by radio and Press—and, if necessary, forbid any bank to operate without a Government licence.

Whatever happens, a Social Credit Government will see that (1) the National Credit Authority is properly established, (2) the National Dividend is made available to everyone, and (3) the Price Adjustment is applied at the retail end. It must be remembered that these "Three Demands" will be embodied in legal enactments and will become the law of the land. The Bankers will have to comply with the law of the land, or go out of business. You will find that they will comply.

It will not be possible to "quietly sabotage the whole scheme." The establishment of Social Credit will be carried out in the full glare of high-powered publicity by a properly constituted Government acting in accordance with the direct mandate of the people, and wielding sovereign power. Moreover, every citizen will know whether or not he or she is, in fact, receiving the National Dividend, and whether Retail Prices have been lowered. There can be nothing secret, underhand, or hidden about any of it.

The short answer to the question is: *a Social Credit Government will enforce the law.*

96. WHY DON'T WE HEAR MORE ABOUT SOCIAL CREDIT IN THE PRESS AND ON THE RADIO—FOR INSTANCE, THE B.B.C. "BRAINS TRUST"?

YOU HARDLY EVER read about Social Credit in the newspapers because there is a "Press boycott," due to the fact that almost every paper is under financial control.

Many editors declare that there is no such boycott, and that the only reason why they do not publish anything about Social Credit is that their readers "are not interested in the subject" Just how they know this—since their readers have never had a chance of discovering whether they are interested or not!—remains a mystery.

However, one editor at least has been quite frank about it. Mr. H. Norman Smith, M.P. for South Nottingham (1945), and one-time editor of *The Illustrated Carpenter and Builder*, wrote in his paper, October 9, 1942:—

"So complete has been the boycott of Social Credit ideas by Press, radio and political parties in this country that the general public knows hardly anything about them."

As for the radio: the B.B.C is under financial control, and, naturally, does not want the idea of Social Credit made known. It is no use giving the excuse that it is "political," and barred on that account, for Social Credit, in itself, is an economic theory—a technique of National Accountancy—and is no more political than Einstein's Relativity Theory.

97. WHY DOESN'T THE LABOUR PARTY BACK SOCIAL CREDIT?

BECAUSE THE Labour Party is in the pockets of the Trade Unions, and the Trade Union leaders are too muddled in their minds to know whether to back Social Credit or not. Naturally, as specialists in the organising of labour, they do not like the idea of a system that will make their services unnecessary. Yet they see that events are doing this in any case. They know that they cannot force employers to hire all the labour available, nor force them to pay stipulated rates of wages to hired labour. Directly they try they find themselves up against something called "limits of costs." Sooner or later they will challenge that obstacle or get out—and when that happens, Social Credit will back *them*.

98. CAN WE GET SOCIAL CREDIT THROUGH PARLIAMENT?

YES, IF A sufficient number of people vote for Social Credit Party candidates pledged to the Three Demands.

99. WOULD IT NOT BE POSSIBLE FOR THE BANKERS TO SET UP A "BOGUS" SOCIAL CREDIT REGIME?

YES, IT WOULD—and they may try to do so. That is why it is vitally important that everyone should have a clear understanding of Social Credit.

100. HOW WILL YOU GET THE POWER TO PUT IN SOCIAL CREDIT?

FIRST OF ALL, by convincing *you* that Social Credit is desirable and workable.

Power to "put in" anything depends upon certain well understood factors, of which the most important are:

- (a) The emotional appeal of the idea itself plus its commonsense appeal.
- (b) The number of individuals who respond to the idea.
- (c) The building up of a powerful propaganda.
- (d) The will-to-release-power of the movement and its supporters.
- (e) The inability of other movements and/or parties to stand against the "magic" of the idea.
- (f) The development of a steady agitation inside Parliament carried on by M.P.s pledged to the Three Demands.
- (g) The development of mass pressure carried on by demonstrations outside Parliament, backing up the agitation inside Parliament.
- (h) The ability to take full advantage from day to day of events outside the control of the movement and its supporters—i.e., the swift link-up to circumstances arising out of the social-economic breakdown of the old form of civilisation.
- (i) The "jump" into position.
- (j) The ability to hold the position.

We shall "get the power to put in Social Credit" when the above factors begin to converge. It is not, however, a matter of sitting still and waiting for that to happen. It has to be *made* to happen, and each one of us can do something to help. For example, you can help by getting your friends to read this little book—or by using it as a textbook for a Social Credit "Brains Trust" in your own locality. Why not organise one right away?

It is clear that the general line of action throughout the British Isles should be:

- (1) A nation-wide Social Credit Crusade, or Evangel, carried out by trained full-time "missioners," followed up by:
- (2) A well-planned and efficiently carried out Parliamentary Campaign.

101. IS THERE A SOCIAL CREDIT PARTY IN THIS COUNTRY?

YES, AND it is very active. The address is:

The Social Credit Party,
33, Craven Terrace, Lancaster Gate, London, W.2.

SOCIAL CREDIT CLEARLY EXPLAINED

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