

# SOCIAL CREDIT

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## NOTES OF THE WEEK

### The Democratic Issue

"LIBERALS' Watch on Liberty;" "Labour's Faith in Democracy"—announces the Press, referring to two recent conferences.

Neither of these gatherings, however, produced any clear definition of democracy, nor, despite their reassertion of belief in Parliamentary government, did they define the function of Parliament.

Discussions on democracy to-day consist mainly of complaints that it is being attacked, without any intimation as to what it should do to defend itself, nor how Parliament should re-establish its power and prestige.

The reason is that people have forgotten what Parliament is for. We cannot repeat too often that Parliament exists to get an expression of the people's will and see that it is carried out. But it never actually does that. What happens is that the heads of the Parties decide on some policy or other—one which suits some particular interest—and get the people to vote on the different ways of doing it.

This is because a confusion exists, in and out of Parliament, between the thing to be done and the ways of doing it. And as we have previously observed, this confusion is ruining democracy.

Parliament exists not to do things, but to order them to be done—a very different thing. Parliament is not a collection of technical experts; it is a legislative body, whose function is to say what shall be done and command experts to do it.

### The Case of the Caterpillar

There was a perfect example of this confusion as to the functions of Parliament some time ago. A member raised the question of the caterpillar blight in Hyde Park. One Member said it should be referred to the Office of Works, another that the Entomological Society should be consulted. Both were right; they were telling the experts to get on with their job. But a third got up and suggested chlorate of lime. This Hon. Member did not know what Parliam-

ent was for; he could not differentiate between a legislative body and a scientific laboratory.

This is no more foolish than what happens at elections. People want better trade and more purchasing power. But they do not vote for that; they vote for such means of getting it as happens to be put before them—such as Free Trade, Protection, the Gold Standard, Quotas, a Stable Pound, all of which are not ends in themselves but technical means to an end, which the people cannot understand because they are not experts.

The *real* issues to-day are quite clear. The people know that there are enough goods available for comfort and security and what they want is sufficient money to buy them. If the politicians who talk about democracy knew what it meant, they would put the following *real* issues before the people:—

- (1) Do you want those goods destroyed or restricted to fit the present shortage of money?
- (2) or do you want those goods distributed to you in such form and quantity as your rulers think fit?
- (3) or do you want to continue relying on higher wages, at a time when machinery is making wages harder and harder to get?
- (4) or do you want a free money income in addition to what you may earn, so that you can always have enough to live on and choose your own way of spending?

Those are the only issues before the people to-day, and they may be labelled (1) Sound finance; (2) Fascism; (3) Labour; (4) Social Credit.

The first two are anti-democratic; they prohibit personal choice and impose a mere subsistence at the price of personal liberty. The third leaves democracy where it is, struggling for expression against economic restrictions and the domination of the State. The fourth is completely democratic; it replaces external domination by personal independence and bases the whole development of social life upon the free choice of the individual.

It is, in short, economic democracy.

### The Australian Elections

The London Press this week has made it clear that the number of votes recorded for the Douglas Credit candidates at the Australian election was unexpectedly high, and that this was, in the words of one paper, "a feature of the election."

Nevertheless readers must be warned against judging the progress of Social Credit in Australia by these election results. While they certainly show the astonishing effect of the mere use of the Social Credit label, it must be remembered that the action taken was not recommended by Major Douglas, and that the platform from which the candidates in question appealed was one which, from a perusal of its features in the Australian Social Credit journals, is seen to be unrecognisable as Social Credit, and was not submitted either to the best informed technicians in Australia or to the Social Credit Secretariat.

The result of this was very seriously to weaken the appeal to the electorate; and while the energy and enthusiasm of its advocates are an earnest of what may be done in the future, the actual results are no indication of the success which may be expected to attend a policy less open to fundamental objections.

### "Sound" Finance on the Defensive

There is one feature of the election which must be emphasised. Mr. Lyons has claimed his victory as "a vote for sound finance," and as a sign that "the Commonwealth will have nothing to do with unsound financial schemes."

This is a very significant admission. It means that the United Australia Party is committed to an increase of prosperity without any alteration of the financial system. In other words, it has been returned to effect an increase of public purchasing power in relation to prices, by means of a financial policy which makes that increase absolutely impossible.

From now on, therefore, the financial system is on the defensive. The supporters of orthodox financial principles have been given what may prove to be their last chance of attempting to show that those principles can bring prosperity to a nation. And, as Social Creditors know, the defenders of those principles are defending the indefensible.

It may be said that the last election in this country was similar in this respect—that the nation put the National Government in power to "save the pound," etc. It is true that in both cases the electorate was influenced almost entirely by its complete and profound ignorance of finance, that its fear of interfering with mysterious forces which it did not understand led it to vote for the *status quo*.

But there the similarity ends. In this country nobody knew what had happened, except that "the pound was in danger"—a phrase which was Greek to practically everybody. The Labour Government was routed by a financial power which it neither saw nor understood, and which did not come out into the open. Whereas in the Australian election, the banking system itself was an election issue, and the people—whatever their ignorance of it—voted for the maintenance of that system, as an expression of their assumption that it will bring them a trade revival. And for that reason there is only one interpretation of the Australian election: it is the beginning and the end of the credit monopoly.

### Armaments do not Cause War

The U.S.A. Government's inquiry into the armament trade has caused a stir in the Press. Unfortunately, however, the very scandals disclosed tend to draw attention from

the real cause of war and encourage the erroneous belief that one of the chief causes is the greed of the armaments manufacturers.

The cause of modern war is the fact that nations are not allowed the financial means of purchasing their own production. Because, under the present financial system, there is never enough purchasing power in the hands of the people to meet the total prices of the goods they produce, there is always a surplus of goods left over which the nation cannot buy.

But because the only money people get is what they earn directly or indirectly by the production and sale of goods, this surplus has to be sold somehow. Therefore producers are forced to try and sell it abroad.

This has given rise to the ancient fallacy that "the nation depends for its existence on the export trade." This is another way of saying that war is inevitable. While nations cannot afford to buy what they want of their own production, they are forced to compete with increasing bitterness for the sale of their surpluses. The financial system makes this antagonism inevitable. So long as the system exists it is useless to talk about disarmament.

The only way of ensuring peace is to enable the people of each country to consume all they want of their own production. By this means foreign trade would no longer be a matter of life and death, but would be limited to a mere exchange of surpluses—that is, an exchange of what a nation does not want for what it does want. Exchange of goods would then be a matter of taste, not of necessity, and nations would no longer have to try and force their surpluses on each other.

### "Parasites" is the Word.

The conflict of interests between the financial system and the rest of the community is well exemplified by a remark of the New York *Financial Chronicle*, which complains of "the absurdly low costs of short-term borrowing of the United States Treasury."

In other words, they are complaining of how little they can charge the nation for borrowing its own credit. And it will occur to very few American business men who read that remark that there is not the slightest reason why the Treasury should pay any rate for it, high or low, or even why it should borrow it at all. We cannot repeat too often that the financial system is based on the destructive fallacy that a nation's wealth is a nation's debt. An individual does not borrow his own wealth; neither need a nation.

### British Investments Abroad

A report has just been issued by Sir Robert Kindersley giving the figures of British investments abroad. The total is £3,355,000,000 the income from which last year was £154,000,000. A large part of these investments (£1,444,000,000) are overseas government and municipal loans. Of these Empire loans account for £1,109,000,000 on which the annual income is £50,000,000.

Two "points of importance" are emphasised in the Press reviews of this report. One is that "British capital is being rapidly diverted from foreign to Empire countries." The other point is that, while government and municipal loans to foreign countries were in default, to the extent of over £31,000,000 since 1931, "there has been no default of Empire loans."

No comment on these "important points" is made; we are left, no doubt, to conclude that these things are signs of increasing Imperial solidity—of the closer welding together, heart to heart, of the Mother Country with her sons across the sea—and what not. But what is the real significance?

Obviously, there has been no default of Empire loans, for Colonial and Dominion finances are still controlled by the Bank of England. When the loans become unrepayable as they inevitably must, the Bank of England steps in and "stabilises" the country in question. In other words, the City forbids the Government of the particular country to default and forces them to accept another loan to pay for the last one. Lack of default, therefore, is nothing to boast about; all it means is the continuation of the country's indebtedness to the banks.

### "Stability" Another Name For "Debt."

The most notorious example of this is Australia. The "path to recovery," the "trade revival" and so forth, which that incurable bankers' sycophant, Mr. Lyons, claims as the result of Australia's adherence to "sound financial principles," is in actual fact nothing but an increase of Australia's indebtedness and a tightening of the grip of the money monopoly upon the entire resources of the nation. And Australia's debt is absolutely unrepayable. When, under the Lang régime, Australia discussed default, the Bank of England sent Sir Otto Niemeyer out to put the Government in its place—incidentally proving that the real government of the British Empire is the Bank. Australia was then "stabilised" by fresh loans, and the evil system perpetuated. No economic progress, no real prosperity has resulted. All that happened is that new loans have been issued to pay for old ones, and the question of debt repayment has been pushed further into the future.

Some appearance of increased trade has resulted because the new loans provide the bond-holders with fresh money to invest in production. But the limited and transient purchasing power which this distributes is quickly absorbed, leaving a further unsaleable surplus of goods, and a new circle of debt has to be started.

The only significance, then, of this "diversion of British capital to Empire countries" is this: The City lives by lending money. Unable to force further loans on foreign countries, it is having to fall back on those countries which it *can* control, with the result that Empire countries have been further mortgaged to the British banks. Let Empire Crusaders sing a song about this if they like.

What Mr. Lyons calls "sound finance" can be more correctly defined as "the creation of a new mortgageable interest." In fact, the last definition of sound finance is simply "Debt."

### The Reason for Food Subsidies.

The enormous sums now being paid to subsidise wheat, beet, sugar, beef, bacon, etc., are ostensibly to help British agriculture. All they actually do is to raise food prices and increase taxation. They afford a striking example of the lunatic practice—essential to a financial system in which all money is issued as a debt—of financing production and leaving consumption to look after itself.

The real reason for subsidies may be partly explained by *The Times'* recent boast about the great amount of money which the Bank has lately put into circulation, the idea being that trade and prosperity have been increased by the bankers' generosity. The fact is, subsidies to industry, paid out of taxation, are one of the many ways in which the Bank forces its loan policy on the nation. They have worked foreign investment for all it is worth, until the foreigners defaulted on their unrepayable loans, and have now turned homewards again to find ways of further mortgaging the national resources. These loans can only be recovered by the raising of prices all round and the increase of the national debt. They do not increase the purchase power of the public; they reduce it. They merely enable the producer to carry on, at the consumer's expense,

by what amounts to nothing but a tax on imported food. They do not solve the agricultural problem; they postpone it.

### Social Credit in New Zealand

Hard on the heels of the Committee which reported to the Legislature of Alberta, Canada, "on the necessity for Social Credit," comes the report of the New Zealand Parliamentary Committee appointed to investigate the monetary system.

The minority report of this Committee, signed by four out of the ten members, recommends that "The State should create credit to close the gap between production and consumption."

We can take off our hats to the Social Credit Movement of New Zealand for having made such remarkable invasions into the strongholds of orthodox economic theory. To the monopolists of that country's credit, who fear this steady advance of economic democracy, the following refrain is offered as appropriate to the situation in which they now find themselves:

"Shut the door. They're coming through the window!  
Shut the window. They're coming through the door!  
Shut the door. They're coming through the window!  
Oh hell! They're coming through the floor."

### Social Credit and the Daily Press

Social Credit has become a world-wide movement for economic democracy. Its supporters have made it so, in the face of opposition, suppression and misrepresentations by the Press—particularly the London Press; and their success may be measured by the fact that Douglas Social Credit has in the last few days forced its way into the columns of every important London daily. As the gossip writer of *The Evening Standard* observes, "Major Douglas's name keeps bobbing up."

His other statements, however, were less correct. His announcement that Major Douglas has "attracted more support" in New Zealand and was "in Canada this Spring" are understatements, in view of the Report of the Alberta Legislative Council, which questioned him, that Social Credit is a necessity, and in view also of the report of the New Zealand Monetary Committee noted on this page.

He further describes Major Douglas's calls at Australian ports this year, on his way to New Zealand, as an "intensive campaign conducted two years ago;" and he ascribes to Major Douglas's personal influence the entirely spontaneous and individual success of Mr. Carruthers as a Social Credit Member of the Tasmanian Parliament.

### Why Don't They Read Douglas?

In the *Morning Post* last week there appeared an article entitled "Douglas Credit," by a Mr. J. C. Johnstone.

This article is a perfect example of the old and rather shameful method of putting up a false argument and knocking it down. This article includes a ludicrous travesty of the A plus B Theorem and then says, "The Theorem offends against common sense." It certainly does; but it doesn't happen to be Douglas's. It calls it "an intellectual error." It certainly is, but the intellectual defect is Mr. Johnstone's.

One cannot reply to these various and repeated misrepresentations, careless or deliberate, of the Social Credit proposals. But it happens that on page 69 of this issue we reproduce a reply published recently by Mr. W. L. Bardsley to a Canadian Professor who had contributed a criticism of the Douglas Proposals for the Canadian Press. This will give our readers an opportunity of comparing some of the characteristic "expert" misreadings of Social Credit with the actual proposals.

## The Labour Party and Finance\*

by W. T. SYMONS.

THE Trade Union Leaders in Congress assembled have no sooner told the Labour Party in Parliament where it steps off—otherwise where the funds come from—and returned to their uncongenial task of agreeing with the employers on wage-reductions and intensification of work, in the interests of export trade, than Mr. Tom Johnston's book "The Financiers and the Nation" appears, beating the big drum for nationalisation of the Bank of England and progressive socialisation of the major industries of the country, whether or not the Trade Unions want that course pursued.

We know for sure that the Trade Union Congress desired to prevent war by limiting armaments, not by lessening the prime cause of war—the competition for export markets. We know that the Unions want to secure higher wages and better conditions for the workers, oblivious of the steady decline in the importance of labour under mechanical development. They have submitted themselves to the self-denying ordinance of "progress" in these two directions, with all the lethargy following the fiery denunciation of Fascism in which the vitality of the Congress was expended.

### An Out-of-date Policy

The Congress applied the brake to the political wing, as though forsooth the fist-shaking at the Old Lady of Threadneedle Street were more than a diversion. But for those who can see that financial principle needs revolution, whether the Administration be called private or public, and that the essential livelihood of men needs to be removed altogether from dependence upon wages, \**"The Financiers and the Nation,"* by the Rt. Hon. Thomas Johnston. Methuen 5s.

the politicians' trumpet and the Trade Union leaders' bass viol have this in common that they are both out of tune with the times.

But the tragedy of the workers is that whilst their political and economic spokesmen quarrel as to the attitude in which they shall stand whilst events push past them, poverty deepens, and no word is spoken on their behalf that indicates any fundamental change in policy from that pursued by the political opponents of the Labour Party, and by the Captains of Industry.

An increase in Exports summarises accurately the main purpose of all political action; and the twin screws of reduction of labour costs and enhancements of prices to home consumers, summarises the efforts of Industry to maintain itself and serve the political purpose, with which it concurs.

To neither of these objectives have the spokesmen of Labour any answer. They have only regrets.

### Perpetuating Capitalist Errors

Consequently the political wing pursues the highly dangerous course of transferring the control of the financial mechanism from private to public responsibility, whilst leaving the main objective to vitiate all its beneficent intentions and fasten upon the protagonists of nationalisation responsibility for the disaster which must ensue. And the Trade Union wing lends itself to every attempt at solution of the modern problem by increasing employment, and thereby perpetuates the major error of the "capitalist system" it intends to oppose. Its error is pursued under circumstances which dilute, by every increase of employment, the effective purchasing power received by the individual.

## A Social Creditor's Diary

AS every Council schoolboy is rightly taught, it is utterly impossible to solve any problem until you see it in the shape in which it can be solved. A blank refusal to do so in the case of the economic problem is evident in the discourses of the entire crew of experts and editors who profess to educate the adult general public. Take the so-called "labour troubles." From Paris and Amsterdam to the length and breadth of the U.S.A. this description has been almost universally applied to the riots which have taken place this year. The only excuse for the label is the fact that the working-classes have mainly, though not exclusively, done the rioting.

For any mind not defective, subject to *force majeure*, or what seems to be still more, force of habit, the starting point in the quest for industrial peace and the loyal service of labour is the actual existence of Plenty for All, without using all the labour available. So much agreed, there are no "labour troubles," but only a labour protest at society's failure to distribute efficiently and with reasonable justice industry's abundant output. To continue, since the distribution of purchasing power is the basis and vehicle for the distribution of goods, there are only financial troubles. The inauguration of the National Dividend would give labour such an incentive to loyal and voluntary service that "labour troubles" would very soon be an extinct phrase, to be found only in glossaries to historical novels.

### Wanted in War; Unwanted in Peace.

Here is a rare and refreshing bit of plum and apple from U.S.A. Dr. Raymond Pearl, of John Hopkins, in an exhaustive study for the Millbank Foundation, and in the lamentable jargon commonly met with in exhaustive studies, says that U.S.A.'s "national policy of prohibiting the free dissemination of accurate scientific information about birth-control methods is adding definitely and measurably to the difficulty of the problem of poverty and unemployment with which our children and grandchildren will have to deal." It surely behoves all of us to acquiescence with this profound assertion: that we must not leave the problem of poverty in the midst of abundance, and unemployment because dead inventors do the work, to our children and grandchildren, especially when, also by means of scientific knowledge, we need not have either children or grandchildren.

It is a nice reflection on our financial methods that in time of peace people, including children, are reckoned by the controllers of public money and their sycophantic experts as national liabilities to be got rid of; whereas in time of war the same people are reckoned as national assets.

### Housed by Mortgage.

According to the *Observer* which exhausts its readers' brains with its cross-words and puts them to sleep with its politics, the heavy demand for houses is caused by the increased number of families. How limp is this explanation in terms of population statistics compared with the explanation in terms of finance! Effective demand for (*i.e.*, inability to afford) houses for the working-class is so low in proportion to the need that very many municipalities have been compelled to get neck deep in debt and to subsidise rents in order to keep physical overcrowding within the bounds of scandal. Except at the expense of municipal debt, demand for houses for working people is practically non-existent. For houses for the middle-classes demand has been rendered effective only by a vast extension of the system of mortgage-finance, made acceptable to the financiers by the slightly greater security of the incomes, wretched as they are, at this level of society. In both cases, therefore, the houses have been built only out of drafts on the future, which have already unquestionably reduced purchasing-power to the standard of living of the people in spheres other than housing. People starve to pay their rents. The demand, on the other hand, for banking-houses, effected out of the bank-reserves accumulated at the expense of the people, has been so colossal that new banks dominate every village marketplace from John o' Groats to Land's End, temples in a land where the people are sacrificed to Finance.

### The Supreme Court.

The Court of the Bank of England is the supreme tribunal by which Governments are tried if suspect of encouraging their people to consume. The sentence of the Court is invariable. The offending Government is bound over to economise, cut the people's standard of living and balance its Budget by increased taxation. The penalty for contempt of Court is the sack. International Bankers' Bailiffs are then appointed with the title of National Government.

A.N.

## Poison Gas

### The Logical Outcome of "Orthodox" Economics

by DARAN.

**A** DOZEN times within the past few days, photographs have been published showing the civilian gas-drill that is becoming a part of the normal routine in different parts of Europe. Britain has already been advised to provide gas-protection and gas-drill to protect our civilian population against the apparently inevitable future invasion.

Before such symptoms it becomes difficult to write in a restrained manner of the disease which has been diagnosed for so long by Social Credit, and to point once more to the degrading barbarism of such exhibitions. With the Social Credit remedy in their hands, with the immediate possibility of a new age of security and leisure made known to them, the rulers of civilisation are prepared, as part of the function of leadership, to behave like murderous savages, submitting women and children to a horrible death; and to represent their actions as scientific patriotism.

*Yet the cause of modern war is economic.* The proofs of this are so numerous that the economic blindness of those in authority is beyond belief. Their criminal avoidance of economic realities may be exposed by the briefest of notes.

Our census of 1931 has not even yet been fully analysed for publication. But even when completed, the lessons already taught by Social Credit will be ignored unless the growing body of impartial observers takes immediate action.

The fact is, the world is being suffocated by its riches, which cannot be distributed because of the absurd inhibitions of financial policy. The census figures disclose one important aspect of this fact: that a decreasing fraction of the population is engaged on the actual production of economic utilities. The exact proof of a continual displacement of manual labour is there. Even Sir James Jeans, forsaking the cold reason of outer space for a while to talk about the misty unrealities of economics, tried, in vain, to show that Science could create new industries to absorb the people displaced by scientific rationalisation of the existing industries. But why try?

#### Unemployment a Sign of Scientific Progress

*Why is it not realised that the flood of machine production is evidence of unlimited wealth; that unemployment is a sign of scientific progress? Why will our economists not admit that the wage system of economic distribution has broken down, and cannot be repaired?*

Because of the fatal struggle to maintain the wage and work-complex at the dictation of financial policy, most astounding results are tolerated as normal economic symptoms. The only effect of scientific discoveries so far, has been to create a new class of society which can be called "scientific pauperdom." Social Credit has produced overwhelming evidence that in Britain, even if our unemployed were increased to eight or ten millions, we could sell many times more goods than we do now.

But, in a despairing effort to maintain, in a "scientific" civilisation, an economic system based on the principle of finding work for everybody, we continue to perfect the "science" of advertising, which claims to sell goods, produced by machines, to workless men who have no money.

#### Distribution Left To Look After Itself

While we decrease the number of producers and "rationalise" the machinery of production, we increase the number of advertisers and salesmen for the goods we cannot afford to buy. So, in Manchester, where the number of factories is decreasing, there is one retail shop for each forty persons. The statistics of the other cities range from forty-five to seventy persons for each retail unit. In this department of "employment" there are at least five millions of workers who, in the process of production, would be considered redundant and "rationalised" out of employment. We are becoming veritably a nation of shop-keepers: one man and an electric button controlling a hundred machines, but a hundred people selling, or trying to sell the goods. Yet we do not "rationalise" the shops. Their

elimination is left to the normal process of competition and bankruptcy. Perhaps this is because, in our economic insanity, we attend only to production and leave distribution to look after itself.

As an insane alternative to enabling our own people to buy from these shops, we send all our unsaleable wealth abroad, thus removing temptation from the eyes of our pauper population.

Japan is a case in point. Trade, we say, follows the flag. But Japan cannot colonise the Western World, as we did the East. She, however, has placed the yoke of western economania upon a primitive people, and pushed some of its fatal absurdities to their logical and farcical limit. So, many hundreds of Japanese factories are equipped with the marvels of Western machine science. They are organised with ruthless efficiency. Yet a high proportion of the workers *are bond slaves, receiving no wages*, and the average wage of the remaining workers, outside a few "model" show-places, is on an unthinkable low figure, about one-twentieth of the British standard.

#### Japan Exposes Our False Economic Theories

This is a tremendous world-fact that has exposed the false economy of the West with disastrous clarity. Japan, with an island "courage" worthy of the pioneering days of British world-domination, has flooded the Earth with desirable commodities at purely nominal prices, the product of slave labour. Her export trade has been multiplied three hundred times in a short period. But the Western nations, who would each one like to do the same thing, who are free traders everywhere but at home, have raised a most uneconomic din about this very efficient, very logical, interpretation and practice of their own economic wisdom. They have placed embargoes upon, or raised prohibitive tariffs against Japanese goods. Ships are returning to Japan from all parts of the world, laden with real wealth rejected by the Western nations already "pauperised" by their own surplus wealth. Japan will not use that wealth; she has learned too much from us, and has adopted our tactics of economic warfare backed by war-science. Her people are economic slaves, but traditional soldiers. And so, there are in Japan one hundred societies financed for economic ends, whose function is to inspire a primitive and receptive people with the fire of aggressive patriotism, the ambition to die for Fatherland, the belief, (as actually published with authority) that Japan has a mission to conquer the world at the point of the bayonet. Or, perhaps, of the gas-projector.

Western civilisation cannot object to such a policy. It is their own. By the facts of armaments; by the acceptance of false economic principles; by the declarations of statesmen and world-leaders, the nations of the West have based their relations upon ruthless economic warfare, backed by a fearsome and scientific war-machine; a betrayal of the essential humanity.

#### Social Credit the Only Prevention of War

Yet Social Credit provides the method of scientific wealth-distribution that is capable of endowing each individual of all communities with his inheritance of real wealth, bequeathed by centuries of progress. Under the mechanism of the Just Price and the National Dividend, poverty within nations is banished for ever, the impetus to, and necessity for, economic warfare is removed, and the exchange between nations of legitimate surpluses of real wealth is at last made possible. An immediate Conference to consider the application of such principles would have the power to usher in the scientific age: Economic security; human dignity; leisure.

The alternative appears to be a return to a modern cave-manship; creating elaborate gas shelters wherein we may exist beneath the kindly shelter of earth, wherein at last we all find peace. Lest, having conquered the realms of air, we must rain death so that we may mutually conquer the "foreign" markets of the world; and export our wealth to countries of the dead.

## A Call to Action

ADDRESS BY AN OLD SOCIAL CREDITOR TO THE 1930 CLUB

THE present year of 1934 is so far the most critical in the short history of the Social Credit Movement, for it marks the turning point from mere propaganda to action.

The publication of "Economic Democracy" in 1920 inaugurated the Movement. There had been voices crying in the wilderness before, but "Economic Democracy" was an authoritative statement completely explaining the unhappy condition of the civilisation in which we live. It propounded a philosophy of life which could be translated into practical politics by a mechanism designed to take advantage of the development of applied science, so that, for the first time in the recorded history of mankind, the curse of Adam could be lifted.

In the previous century the world had been suffering the birth throes of this new and most potent of all civilisations, and by 1918 the agony had reached a climax. Only a few had sight keen enough then to detect the beam of light that came through the dark clouds which "Economic Democracy" had pierced.

### A Light on Economic Darkness

What did that light reveal? We had been aware of a new problem in the world, a problem which caused an inversion of values, a problem which was a paradox. It arose because the great discoveries of the means to harness solar energy were not recognised as necessarily tending to lift the burden of toil off men's bent bodies, so that for the first time they could look up from the ground and see new sights, and experience new sensations.

What the inventors and practical scientists had done was not merely to create the great new factor of leisure, distorted by a faulty financial system into "unemployment," with its concomitants of acute distress and insecurity. To mankind in the mass, distress and insecurity were, of course, no new experience. The risk of war and famine has been ever present over wide areas of the earth, and the present insecurity is nothing new. To-day, however, it is preposterous because it is unnecessary.

But what the progress of applied science had done in the nineteenth century was to cause large masses of men to suffer together, to become aware of their suffering, and to recognise that opportunities of a fuller life were being lost, that the general standard of living was now needlessly low and could be raised. They still failed to understand why it was that, with the ever increasing machine energy available, the plight of the people was not appreciably—if at all—alleviated, and thought it must be due to the greed of the employers who controlled both industry and the workers within industry.

### Men did not see their Real Enemy

They thought they could bring these rich authorities to their knees by withdrawing their labour, but, with the steady improvement of machinery, it is slowly being recognised that this cannot be done. The time is fast approaching when the mere withdrawal of labour will not in itself be a serious menace to production. It will have to be accompanied by sabotage, in order to withdraw the labour-replacing power of machinery.

In the whole century preceding 1918 there was never a suggestion that it should be desirable to remove the burden of compulsory work. In the sweat of his brow should man earn his bread, and if he did not so earn it, he should not eat. The idea underlying the uneasy stirring of the talkers and writers—the so-called agitators—was that there were too many who were escaping from this compulsion, and appeared to be escaping at the expense of the toiling masses whose lot was in no way eased. It was thought indeed, that life might be made easier all round, but only by forcing everyone to work, and having none free to pursue the vocations of leisure.

Such an idea, almost universally held, was due to a philosophy of life based upon the Pauline doctrines. Douglas in his memorable speech at Swanwick in 1924, since republished as a pamphlet under the title "Principles of Social Credit," briefly and clearly defined this philosophy of life and its only practical alternative, which is that, although the ultimate aim of man is unknown, it is some-

thing towards which most rapid progress can be made by the free expansion of individuality.

Now that implies that man's wants should be satisfied in the easiest manner possible, and that reliance for restraint and good order should be upon self-control only. It is therefore desirable to release man altogether from work which is compulsorily inflicted upon him by others who, not knowing all the circumstances, are incapable of justly assessing his needs, and to give him sufficient leisure to pursue the paths of activity that appeal to him most.

### A Practical Philosophy of Social Life

Douglas showed how this could be done. He recognised that it was now possible to devise machines to do all the work which man did not want to do himself, so that a free choice of work could be thrown open to everyone, without anyone being asked to make sacrifices. He saw that what had always hitherto been called the problem of unemployment was really the solution of the problem of all the ages.

We of the Social Credit Movement all believe in that philosophy of life as a practical proposition. Having recognised the practicability of the philosophy of leisure, we have its implementation as our single aim.

We know the mechanism by which the age of leisure may be introduced. It is a simple arithmetical financial system which will automatically ensure that what is produced shall be available for consumption.

From 1920 until this year we have looked at the plans of this system without knowing how to translate them into a machine. We have concentrated on explaining the philosophy which the mechanism was intended to achieve. Many of us have been urgently calling for something to be done about constructing the mechanism. We wanted to be told what to do, for we saw what a desperate condition the world was drifting into.

The man who drew the plan held the leash. He was watching events to be sure of the opportune moment to let go, and to be sure that the immediate objective was clear. He knew the time was ripening, and that, to achieve an objective, organised effort would be necessary.

For the mere dissemination of the truth, organisation was not necessary—it was, indeed, to be avoided. It is no use organising unless there is a clearly defined and quickly achievable objective. Only when that possibility comes within the range of practical politics can organisation be successful. As Douglas has graphically put it: It is no use having an organisation to paint the virtues of Pear's Soap unless Pear's Soap is for sale. You can discuss the virtues of Pears Soap, and urge the desirability of the use of such a soap, knowing the recipe for it, but also that it is not on the market, and with the object of getting people to create a demand for it. But it is dangerous to try to organise people to demand it unless you know that the machinery for manufacturing it is in working order. At the same time, it is useless to oil up the machinery for production until you are pretty sure its products will be in demand.

### The Moment for Organisation

Now the Social Credit Movement has reached the stage when there is a widespread *potential* demand for a National Dividend. The National Dividend is not yet on the market, but the machinery to produce it is ready and could be put into operation as soon as the demand is clearly expressed. The channel into which that expression of demand can be directed in order to become effective is available.

The whole machinery is that of democracy, as defined by Major Douglas in his speech at Buxton on June 9, and reproduced in SOCIAL CREDIT for August 24. In that speech Major Douglas reviewed the world situation and pointed to the position in it of the Social Credit Movement. He explained the nature of democracy, showed how its machinery was ready for the purpose of implementing Social Credit, and expressed his opinion that the Movement had grown large enough to make full use of this machinery.

The response to Major Douglas's call for action was almost unanimous by the large and representative gathering

of supporters of the Movement at Buxton. It must have been evident to Major Douglas for some time past that the time was fast approaching for action by the Movement, for the Secretariat which he formed about a year ago was an embryo organising body, and at Buxton Major Douglas referred to it as the General Staff.

### The Appeal to the Electorate

There is now no ambiguity about what is to be done. Major Douglas is prepared to accept the leadership and direct the organisation of the Movement for the National Dividend. The line to be taken is to get a majority of the electorate to pledge themselves to vote only for the Parliamentary candidate who will make it his first business to demand that the Government shall distribute a National Dividend. The pledge the electors will be asked to give and to honour is as follows:—

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

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

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

Now, to get that pledge signed and honoured in sufficient numbers is not going to be a light task. But it is by no means an appalling task, and it presents no other problem of achievement than that of efficient organisation and steady, loyal support of the leader.

Those who genuinely believe that it cannot bring about Social Credit, doubtless equally believe that it cannot retard progress to that end. There are such persons, of course, but as they have no practical alternative, it may be expected that they will have sufficient faith in the man who first enunciated the philosophy of Social Credit, and outlined its practical implications, loyally to follow his lead.

Those who embrace the Social Credit philosophy have at their hand a more powerful weapon to achieve their objective than the believers in the alternative philosophy of compulsory work for the sake of discipline. That philosophy has for its mechanism a system of rewards and punishments administered by judges. Our philosophy lays it down that each man shall be his own judge, and it points to the potentiality of physical abundance to bring about a state in which that will be possible—in which for the first time in the history of the race the Christian command—"judge not"—will be practicable.

### Leadership and Executive

So far as the internal economy of the Movement is concerned, we have a clearly expressed demand, which is that Major Douglas and his Secretariat shall so organise the Movement as to achieve the limited objective defined at Buxton. We are to be given the opportunity, by means of an election, to appoint Major Douglas as our leader, and to approve his choice of an executive. Such a step is of course, essential; for a voluntary executive, undertaking the burdens of this campaign, cannot hope to bring it to a successful conclusion without the confidence and active support of the Movement as a whole. When the election is over, we must give Major Douglas and his executive—or Secretariat or whatever it is called—time to produce results.

The executive will be chosen because of its fitness for its job, and no one will be able helpfully to criticise its execution. After a specified time its achievements will be reviewed, and if they have fallen short, the Movement will have an opportunity to express its condemnation and to take steps to replace the faulty executive.

If, however, Major Douglas's sight does not fail to maintain its characteristic clarity, that eventuality will not mature. Meantime any internal friction, especially if the heat generated is dissipated in public, can only be an encouragement to the enemy, and a diffusion of energy which ought to be expended in the direction of our single objective.

One-sided complaints and destructive criticisms should be recognised as insufficient evidence upon which to form a judgment, and should not be allowed to divert attention from the main issue. It may seem that the qualities of certain persons are wrongly assessed by the executive, but Major Douglas has chosen that executive and anyone

criticising it is criticising him without the possibility of knowing all the facts.

### The Common enemy and the Common aim

Above all, we must never let our eyes be diverted from the real enemy. The achievement of Social Credit is our one and common aim. Those who have wholly embraced the Social Credit faith will get on with the immediate task before us, which is to ask every elector for a pledge to vote only for the Parliamentary Candidates who will make the National Dividend their first concern.

For that task a leaflet has been drawn up by the Secretariat, the contents of which are reprinted on another page in this issue. Trial canvasses with this leaflet have in some districts given as high as 80 per cent. successful results.

The organisation of the canvassing campaign will not be a light task. It presents no great problems, but will call for much tiring spade work. It will be decentralised to the greatest possible degree, *i.e.* groups will be responsible for work within their allotted areas and will merely be asked to report results to headquarters and to accept rulings on principle.

The main task of Social Creditors will not be canvassing so much as organising the canvassing and training volunteers. The first task will be the enrolment of volunteers, by recruiting meetings, and during the course of actual canvassing. Funds will have to be raised, both locally and for headquarters.

The new two-penny weekly SOCIAL CREDIT is designed to be the organ of the Secretariat by which it can direct the campaign, as well as to provide in readable form a running exposition of Social Credit for those members of the public whose interest and curiosity can be aroused.

### The Historic Opportunity of Social Credit

Towards the end of his book, "Social Credit," published ten years ago, Major Douglas wrote of the current squabbling between the political parties, that there seemed then to be no sound justification for optimism; but he went on, "it is difficult to believe that the whole world is so bereft of sanity that a pause for reflection is too much to hope for, pending a final resignation to utter catastrophe."

"When that pause occurs mankind will have reached one of those crises which no doubt have frequently been reached before, but which so far have failed to avert the fall of humanity back into an era of barbarism out of which new civilisations have slowly and painfully risen.

"The position will be tremendous in its importance. A comparatively short period will probably serve to decide whether we are to master the mighty economic and social machine that we have created, or whether it is to master us; and during that period a small impetus from a body of men who know what to do and how to do it, may make the difference between yet one more retreat into the Dark Ages, or the emergence into the full light of a day of such splendour as we can at present only envisage dimly."

That pause has occurred; only a small impetus is needed; we are that body of persons who know what to do and how to do it. Great is our responsibility. We must not fail. *We shall not fail.*

### Efficiency Bad for Us.

The tendency to employ fewer men may spell greater efficiency and economy in production, but it is deplorable on national grounds.—*The Times.*

### Body-Line Xmas Presents.

A campaign was opened in Australia yesterday to encourage the sending of Australian lamb to England as a suitable Christmas present to friends at home. . . . *The Times.*

### The Calamity of Plenty.

It was generally agreed by the delegates that . . . it must be realised that any abandonment of international collaboration to adjust the supply of wheat to effective demand would, in the event of normal yields in 1935, lead only to the accumulation of new burdensome surpluses. One of the main objectives of the International Wheat Agreement is to prevent such a calamity.—*The Times.*

# The Housing Muddle

The Only Solution: Higher Incomes for the People

by HILDERIC COUSENS

**“FIVE YEARS PLAN!”** This catch phrase, imported from Russia, together with butter and flax and a lot of other things the Russians would have done much better to keep for home consumption, has for several years exercised the same blighting influence as did “Business as Usual” at the beginning of the late War. It merely serves to divert half our alleged leaders from a fundamental consideration of national problems.

Witness, for example, the President of the Amalgamated Union of Building Trade Workers. Mr. Fawcett, addressing his conference, declared that his union was suffering from “the whirling tide of innovation which has flooded the industry during recent years. Changes in building, in the kinds of building materials, in the methods of erection, and the use of new labour-saving devices, have added enormously to the employment and unemployment problems of our members.” The Government, also, first went in for “economy” and shut down subsidised building in 1931; now it is promoting a building boom.

Therefore Mr. Fawcett, so as to iron out the ups and downs of the complicated building industry, is led to propose planning and rationalisation. The 56,000 building employers, for instance, must be regulated more thoroughly by Government than they are already by the laws and by-laws under which they work.

## Maximum Work—Minimum Workers

But would his rationalisation much assist his union's members? He suggests that building should be made into a Public Service or something like that. But, as we have them at present, Public Service Corporations, such as the London Passenger Transport, have one chief aim: to get the minimum of workers to do the maximum of work. As one result they tend to produce an increase in the ratio of overhead costs to direct labour costs.

Now this, considered *in vacuo*, appears, within limits, to be excellent policy. And under Social Credit it might actually prove an excellent policy. For Social Credit would (a) maximise the demand for “work to be done,” (b) get it paid for through the Compensated Price, (c) quickly transform unemployment into vacation, and (d) put Mr. Fawcett's members in a sound position to demand satisfactory conditions of remuneration, hours, and equipment, in which to work. Rationalisation in various directions would make its way as far as its technical merits warranted, and not because it was expected, as now, to shrink out-size suits of production into bodies of consumption kept slim by financial banting.

But we live neither in a vacuum nor under Social Credit. Hence, when Mr. Fawcett laments that many of his mason members are on the streets to-day because of the new methods of stone-cutting, he omits to say that Planning and Rationalisation will mean that new methods of stone-cutting and so on will be made general.

For if Planning and Rationalisation mean anything at all, they will certainly not bolster up old methods. They will also concentrate operations, after the best model of National Shipbuilding Securities, and out will go more of the masons.

## Which Do They Want: More Labour or Less Labour?

There are, to take a parallel case, plenty of expert colliers now out of work, but that does not mean that those engaged are any more secure. The *Daily Telegraph*, September 7, reports a Robot Miner. “A mechanical coal-cutter and loader, which in the opinion of experts, may revolutionise the coal-mining industry. . . . It not only cuts the coal, but loads it for conveyance and enables six men to carry out the work formerly done by 100 experienced colliers.” A collier can shovel from 8 to 15 tons a day, but the cutter-loader can load two tons a minute.

Now, if drastic rehousing is pursued by Government fiat, novel methods of construction will be extended, and, within financial limits, the results of the investigations of

the Building Research Board will be carried out, partly because they get results quicker, and partly because they will cut financial costs.

The Building Research Station, near Watford, is already said to be able to cut costs 20 per cent. An architect has just presented me with a plan of a building, constructed mainly of glass, steel and asbestos, which is claimed to be not much more than half as expensive, both in construction and *maintenance*, as a building for the same purpose constructed by the methods and with the materials usually employed.

Building, of course, is peculiarly attractive to Planners. Large numbers of people are scandalously housed, and in the main because of their wretched incomes past and present. The current hope for getting them re-housed is for Government to run them up accommodation of a sort, which is of indifferent quality when judged by the real capacity of the building industry.

## The Individual Has No Choice

This accommodation naturally excites the compassion of those who hate to see their fellows living in rabbit-hutches, and hence comes the National Crusading against Slums. But though you must have a general idea where to put masses of new houses, and though it is an obvious scandal that so many people live where they do, and though a good deal of the building done for the middle-classes in recent years is badly conceived and poorly executed, it is clear that this Town-Planning and Housing movement has hold of the wrong end of the stick.

One set of reasons is aesthetic and technical. Anyone who travels round the country or even reads the papers, can see that the most enthusiastic Town-Planners and Re-housers do not go for pleasure to Garden Suburbs and new building estates. They make for those towns, districts and parts of towns which have *grown* up without any serious consideration of modern needs as commonly defined, such as Hampstead and Highgate, Oxford, Cambridge, York, Rye, Canterbury, Cornish fishing villages and Cotswold hamlets. None of these conform with the views of the average planner. And when a rumour goes round that some fine-looking but antiquated house is to be pulled down to make way for 1934 housing, these people are the first to protest. For when it comes to practice, they approve of the *general effect of the individual taste*. Hence, I would say that, subject to a minimum of restraint, the joint product of architect and citizen is likely to yield the best results.

## Finance is the Crux of the Matter

But this brings the matter back to the financial problem. A number of housing schemes, despite subsidy and meagre building standards, demand such a rent that the tenants cannot afford it; to pay it they must go without things, such as food, which are of more importance than what passes for housing. In Slum Clearance Schemes this is often found. I have been assured by local people that this applies to Rotherhithe (S. E. London) and Southampton. The rents and other inevitabilities such as tram and bus fares cut into the family incomes to such an extent that the “improved” are worse off and more wretched than they were previously. Adequate food, boots and clothing are primary, and housing secondary.

On whatever level we choose to consider housing and building, whether that of providing a minimum of shelter or that of developing a high standard of architecture and comfort, the key to the problems is not grandiose and mostly inferior planning but the provision of higher personal incomes to the citizens who will then demand a higher standard of comfort and design.

The prosperity of the building trade, whether on its constructional, repair, or decoration side, is wrapped up with the incomes of the citizens, and it is to this *potential demand* that Mr. Fawcett should first address himself, not to schemes for increasing the efficiency of an industry which is already too efficient for the purses of the people.

## Social Credit and the Professors

### The A plus B Theorem, and How Experts Distort It\*

by W. L. BARDSLEY.

**T**HE objective of Social Credit is to make the financial system reflect the facts, which are facts of abundance, by giving everyone without distinction access to the heritage of civilisation.

In the early days of controversy about Douglas Social Credit its opponents took the easy course of travestying the argument before demolishing it. With the immense growth of public support for the proposals, however, they found these tactics unpopular, and it has become the fashion of the professionals to go through the motions of quoting Douglas accurately, and then, usually on the alleged ground that they cannot understand his "very obscure wording," to remould it nearer their heart's desire.

In his first article Professor McQueen correctly quotes the A plus B theorem as under:

"In any manufacturing undertaking the payments made may be divided into two groups: Group A—Payments made to individuals, wages, salaries and dividends; Group B—Payments made to other organisations, raw materials, bank charges and other external costs. The rate of distribution of purchasing power to individuals is represented by A, but since all payments go into prices, the rate of generation of prices cannot be less than A plus B. Since A will not purchase A plus B, a proportion of the product at least equivalent to B must be distributed by a form of purchasing power which is not comprised in the description grouped under A."

#### The Professor's Distortion

Later he starts all over again in his own words, thus: "Briefly, then, following Douglas, the payments made in the course of industry must be divided into two kinds—payments made to individuals which are available for purchasing power and payments which are not made to individuals and are therefore not available for purchasing power. Typical of the first kind of payments are wages, profits, salaries; of the second kind, raw material charges. Prices are made up of the sum of both kinds of payments, purchasing power is made up only of payments to individuals. Prices must therefore always be too high for existing purchasing power to clear the market and we inevitably starve in the midst of plenty."

Douglas does not say that "payments to individuals are available for purchasing power and that payments not made to individuals are therefore not available for purchasing power;" but he does define the rate at which purchasing power is distributed to individuals.

He does not say that "prices are made up of the sum of both kinds of payments," but he does say that the rate of generation of prices cannot be less than A plus B. Douglas emphasises the word "rate," that is to say the time factor. The Professor leaves this out completely. Douglas does not say that "purchasing power is made up only of payments to individuals," but points out that the rate of flow of purchasing power to individuals is represented by A. Douglas does not say that "prices must therefore always be too high for existing purchasing power to clear the market," but that a proportion of the product at least equivalent to B must be distributed by a form of purchasing power not included in A.

#### Purchasing Power Always Short of Prices

At this point it is worth explaining the devices by which, in fact, in the past, a proportion of the product equivalent to B has been distributed. It has been distributed by means of purchasing power paid out in respect of new capital production the product of which would only subsequently appear upon the market; since, however, this creates costs which must appear subsequently in prices in respect of which purchasing power has already been absorbed, thus accentuating the discrepancy between A and A plus B, this device requires an accelerated expansion of industry, such as took place on a large scale during the latter half of the 19th century. Acceleration has long since fallen off and, in fact, much of the capital equipment is now regarded by the professionals as redundant, and schemes are being put forward for its elimination, on the grounds

that there is no market for the product; actually because the rate of flow of purchasing power has become insufficient to provide a market.

#### The Effect of Export Credits

The second main device for distribution of a proportion of the available product has been the purchasing power paid out in respect of the export of goods on credit, *i.e.*, in return for purchasing power and not in return for goods. The leading article in *The Times* for March 5, 1934, is explicit on this point:

"The American economic system has been built up on a great and expanding foreign market for both its agricultural and its industrial products. Exports have shrunk in the depression to less than half of what they were in 1929, ruining farmers and spreading unemployment in the cities. In return for these exports, which were largely financed out of American loans, America received comparatively little in the way of imports. But the wages and profits earned enabled those engaged in them to purchase and consume the products of other American industries. Now that they have been halved in volume and reduced to little more than a third of their former money value, the home market also has been ruined."

With the increasing ability of countries to supply their own requirements, an acceleration of this process of determined exportation, coupled with reluctance to import, must culminate in war.

There is another side to this picture only too well known, namely, the sale of goods at prices which are less than A plus B, as a result of bankruptcies and sales below cost at the expense of the seller. A notable and vital feature of the Douglas proposals is the use of the credit of the community to enable goods to be sold at less than financial cost without loss to the seller.

#### A statement of Social Credit

The sole object of production is consumption, and it is a fact that the problem of production has been solved while, on the other hand, the consumption of goods falls short of even the most moderate requirements.

The problem before the peoples of every industrialised country is not the planning of production, nor is it the restriction of production to the capacity of an artificially limited market, it is the expansion of the market by means of additional purchasing power up to the full capacity of production, or to the full requirements of the individual.

Since the science of both mechanisation and organisation has made it possible for goods to be produced in ever increasing quantities with less and less demand upon the expenditure of human energy, it is against reason to insist that the distribution of purchasing power, that is to say, of claims upon products, shall be exclusively dependent upon employment. A method must be found of distributing to all individuals without discrimination the wealth which is now available.

The first requirement of a policy directed towards the raising of the economic power of the individual to choose or refuse his share of the cultural inheritance of mankind is some form of a dividend in money.

If it is objected that the payment of such a dividend will cause a breakdown of the financial system in the form of inflation, or otherwise, then it is the financial system which is at fault and must be rectified.

The fault in the financial system and a method of rectification are clearly set forth in the writings of Major Douglas; and, except in the academic regions, it is realised that, unless some such solution of the problem of poverty in the midst of plenty is found and applied in the very near future, we are fated to experience calamities before which the wars and disasters of the past pale into insignificance.

\*Published by kind permission of "The Southern Newspapers of Canada." Part of an article replying to a criticism of the Douglas proposals by Prof. McQueen, which appeared in "The Ottawa Citizen," "The Winnipeg Tribune," "The Hamilton Spectator" and other papers.

## Correspondence

### The Austrian Experiment.

TO THE EDITOR OF SOCIAL CREDIT,

Sir,—In his article on *Austria* in your issue of August 31 "National Creditor" says: "the new money required was not, according to reports, circulated in the customary way as bank loans. It was given outright to the merchants on condition that they reduced the prices of their goods proportionately."

I would ask, where did the money come from? If from the banks, it had to be repaid; and if it had to be repaid, it must be repaid by the people of Austria. If not from the banks, as "National Creditor" suggests, was it created by the Austrian State? And, if so, have we here an experiment in the creation and issue by a State of National Credit to its consumers, which was made abortive by the bankers? I think not. I think it was a "gift" that had to be "repaid," and on which bank usury had meanwhile to be paid. If I am right, it was not "new money," nor National Credit, nor consumer credit, nor a gift, and "even a Rothschild," (assuming his Austrian citizenship), was *not* "paid therefore fifty-one kronen by the State for every loaf he eats."

I should like your contributor's comments, or your own. Meanwhile, welcome and good wishes to SOCIAL CREDIT.

Yours faithfully,

38, Sandford Road, Dublin. H. NEVILLE ROBERTS.  
September 5, 1934.

(The Austrian experiment was not, of course, Social Credit, though it might have become that had the Austrian Government been allowed to continue. It was actually money which would have had to be repaid by the State to the Austrian banking system; but its importance lies in the fact that it was a pioneer attempt to finance consumption instead of production, and as such it might have proved a step towards Social Credit—that is, the financing of consumption not as a debt, but as a gift to consumers based on the nation's credit.—Ed. SOCIAL CREDIT.)

### Social Credit and the Labour Party

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—I suggest the giving away or selling of Social Credit literature at the Labour Party Conference, which will be held in the first week of October at Southport, accompanied by a special appeal to members of the Labour Party to examine the proposals of Major Douglas. I know how near the rank and file are to feeling that our present Labour programme is "ploughing the sands." Hence your opportunity.

An appeal to Social Creditors to subscribe to any loss on such a venture would, I am sure, be worth while.

Yours faithfully,

"ALDERMAN."

Nottingham, September 17, 1934.

## OBITUARY

We regret to record the death of two well-known and highly respected members of the Social Credit Movement, Mr. C. R. Allen and Mr. George G. Peirce.

Mr. Allen, who may be regarded as one of the pioneers of the Movement, died at Torquay, in which town he lived after retiring from business, and where he carried out effective propaganda within the Co-Operative Movement, in which he was interested. He will be remembered for his genial and entertaining personality and his death is regretted by a very large number of friends.

Mr. Peirce was another Social Creditor of many years' standing and had been earlier connected with the Socialist Movement. He was indefatigable in the cause of Social Credit, for which he never spared himself in effort nor in expense. He had the ear of many influential people and made valuable converts from whom the Movement considerably benefitted. Social Credit has lost a great force by his early death.

## What to Read

The literature inspired by the idea of Social Credit throughout the world is voluminous. It is our aim eventually to give the readers of SOCIAL CREDIT news of all publications in support of the Movement.

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

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

### BOOKS:

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

### PAMPHLETS:

These Present Discontents: The Labour Party and Social Credit .. ..	rs. od.
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The following are books and pamphlets expounding and supporting the Proposals of Major C. H. Douglas from various points of view:—

Real Wealth and Financial Poverty, by W. Adams ... ..	6s. od.
Economic Nationalism, by Maurice Colbourne	3s. 6d.
<i>This book introduces the subject in easily assimilated form for readers of no previous knowledge of the subject.</i>	
The Douglas Manual, by Phillippe Mairat	5s. od.
<i>This is in the nature of a concordance of the works of Major Douglas, and is a most valuable book of reference.</i>	
The Deadlock in Finance, by A. E. Powell ...	5s. od.
Ordeal by Banking, by Allen Young ...	2s. od.
Social Credit in Summary, by Arthur Brenton	1d.
Through Consumption to Prosperity, by Arthur Brenton ... ..	2d.
The Veil of Finance, by Arthur Brenton ...	6d.
Introduction to Social Credit, by M. Gordon Cumming ... ..	6d.
Poverty Amidst Plenty, by C. F. J. Galloway	6d.
The Nation's Credit, by C. G. M. ... ..	4d.
An Outline of Social Credit, by H. M. M. ...	6d.
The Abolition of Poverty: A Brief Explanation of the Proposals of Major C. H. Douglas, by R. S. J. Rands ... ..	4d.
Outside Eldorado, by J. E. Tuke ... ..	3d.

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

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

Report of the Economic Crisis Committee of the Southampton Chamber of Commerce 6d.

Though not falling into any of the above categories this document will repay the study of our readers. It is a masterly analysis of the present economic situation.

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

## Social Credit Secretariat

### List of Affiliated Groups

THE following groups affiliated to the Secretariat may be approached by individuals who wish to exercise their votes in the forthcoming election, with a view to establishing their claims to vote. All such individuals, together with all individuals who are directly affiliated have the option of voting with one of these groups or of forming new groups of not less than ten members as explained in Clause 2c of the election proposals published in last week's issue.

All groups not yet formally affiliated who wish to elect a member to the Council of Representatives are invited to apply at once to the Secretariat.

- Aberdeen Douglas Social Credit Group: Hon. Sec. W. J. Sim, 12, Broad Street, Aberdeen.
- Ballymena Douglas Social Credit Association: Hon. Sec., Mrs. Butterworth, Rostherne, Ballymena, Co. Antrim.
- Belfast Douglas Social Credit Association: Hon. Sec., James A. Crothers, 17, Cregagh Road, Belfast.
- Birmingham Douglas Social Credit Central Group: Hon. Sec., G. Kay, "Marchmont," Old Croft Lane, Castle Bromwich, Birmingham.
- Birmingham Erdington Social Credit Group: Hon. Sec., A. G. Barnsley, 294, Perry Common Road, Erdington, Birmingham.
- Birmingham Hall Green Douglas Social Credit Group: Hon. Sec., J. G. Tarrant, 29, Blackburn Road, Hall Green, Birmingham.
- Birmingham Solihull Douglas Social Credit Group: Acting Sec., Mrs. H. R. Purchase, "Bedruthen," Park Avenue, Solihull, Birmingham.
- Blackpool Douglas Social Credit Group: Joint Hon. Sec., A. Davies, 73, Manor Road, Blackpool.
- Bradford Douglas Social Credit Group: Hon. Sec., John Earnshaw, 8, Ashfield Road, Moorhead, Shipley, Yorks.
- Brighouse Douglas Social Credit Group: Hon. Sec., Reginald Dewhurst, 15, Portland Street, Elland, Yorks.
- Brighton and Hove Douglas Social Credit Association: Hon. Sec., Miss Bradish, 8, Powis Villas, Brighton.
- Cardiff Social Credit Association: Hon. Sec., H. Shead, Haslemere, Lavernock Road, Glamorgan.
- Chesham and District Social Credit Study Group: Hon. Sec., Victor G. Moon, "Audmarie," Lowndes Avenue, Chesham, Bucks.
- Coventry Douglas Social Credit Association: Hon. Sec., S. C. Adey, 22, Allesley Old Road, Coventry.
- Coventry Douglas Social Credit Group: Hon. Sec., W. B. Bruges, 51, Cross Cheaping, Coventry.
- Credit Study Group: Hon. Sec., Mrs. F. M. Watt, 46, Bernard Street, London, W.C.1.
- Croydon (South) Douglas Social Credit Group, Hon. Sec., Miss Jessie Williams, 91, Avondale Road, South Croydon.
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- Manchester Douglas Social Credit Association: Hon. Sec., T. C. Wrycroft, 88, Heathbank Road, Cheadle Hulme, Cheshire.
- Newcastle-on-Tyne Douglas Social Credit Group: Hon. Sec., J. W. Coward, "Deepdale," Holly Avenue, Fawdon, Newcastle-on-Tyne.
- Nottingham Douglas Social Credit Group: Hon. Sec., Miss E. Raistrick, 18, Corporation Oaks, Nottingham.
- Parkstone and Poole Douglas Social Credit Study Group: Acting Sec., Mrs. Morris, "Kenythorn," Bridle Path, Parkstone, Dorset.
- Prosperity Campaign Headquarters, Coventry: General Organising Sec., Robert J. Scrutton, St. Peter's Vicarage, Paynes Lane, Coventry.
- Reeth and Low Row Douglas Social Credit Group: Hon. Sec., Mrs. E. M. Clarkson, Roleth End, Richmond, Yorks.
- Richmond (Surrey) Social Credit Group: Hon. Sec., Dudley Short, 32, Marlborough Road, Richmond.
- Rotherham Social Credit Society: Organising Sec., R. G. S. Dalkin, 41, Wellgate, Rotherham.
- Ruislip Douglas Social Credit Association: Hon. Sec., Hewlett Edwards, "Hill Farm," Ruislip, Middlesex.
- Sheffield Douglas Social Credit Group: Hon. Sec., H. P. Smith, 13, Hemsworth Road, Sheffield 8.
- Smethwick (St. Chad's) Social Credit Group: Hon. Sec., Miss Edith A. Boothby, 63, Edgbaston Road, Smethwick, Staffs.
- Southampton Douglas Social Credit Association: Hon. Sec., L. D. Byrne, 342, Winchester Road, Southampton.
- South Shields Douglas Social Credit Group: Hon. Sec., M. Petry, 3, Woodlands Terrace, South Shields.
- Stockton-on-Tees Social Credit Association: Hon. Sec., J. J. Stout, 5, Springholme, Stockton-on-Tees.
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- Stranraer Douglas Social Credit Group: Hon. Sec., Miss M. Parker, c/o Messrs. Thompson & Son, Strand House, 2-4, George Street, Stranraer.
- Teddington and District Douglas Social Credit Group: Hon. Sec., Arthur Hall, 59, Twickenham Road, Teddington, Middlesex.
- Dartington, Totnes Douglas Social Credit Group: Hon. Sec., Mrs. Frances Turvey, Cott Cross, Totnes, Devon.
- Wallsend Douglas Social Credit Group: Hon. Sec., Geo. M. Masson, 53, The Avenue, Wallsend-on-Tyne.
- Wanstead Douglas Social Credit Group: Hon. Sec., E. Dineley, 9, Mornington Villas, Blake Hall Road, Wanstead, E.11.
- Watford Social Credit Study Group: Hon. Sec., W. Coles, 18, The Crescent, Watford.
- West Wight Douglas Social Credit Association: Hon. Sec., Stanley Burton, Shirley House, Freshwater, Isle of Wight.
- West Norwood Division of the National Movement for Social Credit: Hon. Sec., Wilfrid Platt, 119, Auckland Hill, West Norwood, S.E.27.
- Widnes Social Credit Association: Hon. Sec., S. G. Lawrence, B.Sc., 45a, Norlands Lane, Widnes.
- Wolverhampton Douglas Social Credit Group: Hon. Sec., B. G. LaBarre, 14, Leighton Road, Penn, Wolverhampton.
- The 1930 Club: Hon. Sec., Miss M. T. Grace, "Meadows," Doves Lane, Potters Bar.

W. L. BARDSLEY,

Secretary.

## Electoral Campaign Leaflet No. 1

Issued for the Social Credit Secretariat. Appearing above the Pledge printed on Page 67.

### DEMAND A NATIONAL DIVIDEND

#### You are a Citizen of a Rich Country

Shops and warehouses are full. There are machines and materials to ensure plenty, comfort and security for all. In spite of this there is poverty.

#### Poverty To-day is only Lack of Money

Poverty means worry and despair for millions. Yet money is only a ticket. Goods are the real wealth. More money must be distributed, but wages alone are not enough.

Wages are payment for human work.

Modern methods mean more goods, less human work and therefore less wages.

#### But the Goods are There

So all must have money whether working or not, if they are to live, and be customers of industry.

#### An Extra Money Income for All apart from Earnings

This is what the National Dividend will be. It can and must be issued without inflation and with reduced taxation. A secure, independent, personal income will remove the fear of poverty, offer a fuller life to every man and woman, and preserve liberty of speech and action.

#### This is a Democratic Country

Governments exist to carry out the people's will, but they must be told what that will is. Poverty can be abolished, taxation reduced, and plenty distributed. If you wish poverty abolished, sign this pledge and make the next election turn on one issue:—

#### A National Dividend Now.

Use *your* vote for what *you* want. Election scares are designed to capture votes. Be on your guard.

### Election Campaign Leaflets

Copies of the No. 1 Campaign Leaflet, as revised for the Economic Democracy Committee of the Social Credit Secretariat are now ready for distribution to groups. The price is 4s. 6d. per 1,000, plus cost of dispatch. Postage on 1,000 leaflets is 1s. 6d. Will Group Secretaries please notify their requirements?

### Social Credit Circulation

The support for the first issues of SOCIAL CREDIT has been very good, and the subscribers list rises steadily. We must keep in mind the fact that this paper has a purpose other than increasing its own revenue.

We do not only desire a large circulation for the paper, we sincerely desire to reach the Social Credit objective. To do this quickly the number of our supporters must be increased quickly. Will you help us to put the unanswerable arguments of Social Credit *regularly* before a greater number of people each week.

To the receipt sent out to each new subscriber we shall attach a further subscription form, and we hope that each reader will try to secure another, remembering that each new supporter brings the Social Credit objective nearer. Will Group Secretaries please let the Manager of SOCIAL CREDIT have the number of their regular weekly orders as distinguished from sales.

If you have asked for SOCIAL CREDIT through your local newsagent, and have difficulty in obtaining it, please send us his name and address, so that we may remove that difficulty.

### Display Advertisement Rates.

A rate of £2 per page, and *pro rata*, down to one-eighth page, has been fixed for advertising space in SOCIAL CREDIT. Series discounts: five per cent. for three, and ten per cent. for six insertions. If it is desired to see proofs advertisements should reach the Advertisement Manager, 9 Regent Square, W.C.1., not later than Friday morning for insertion in the issue of the following week, and final proofs should be returned by Tuesday of the week of issue. Size of advertisement page eleven inches by seven inches. Illustration by line block.

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

### Group Notices

#### Bloomsbury Social Credit Study Group.

The Group meets weekly on Monday evenings at 8 o'clock, at 2, Gordon Square, W.C.1.

On alternate weeks commencing October 1, an Instructional Course will be held.

For particulars apply:

Miss M. CULPIN, 2, Gordon Square, W.C.1.

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