

SOCIAL CREDIT

For Political and Economic Democracy

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Weekly Twopence

MAJOR DOUGLAS ON BIGGER AND BETTER TYRANNIES

Taxation System a Device for Exercising Despotic Pressure

AT the inquest on Alfred Morris Baker, aged 52, a solicitor, of Rock Close, Kington, who was found shot, a letter was read in which the deceased had written that "Insomnia has at last got the best of me, and the inspector of taxes at Ludlow has driven me mad with worry . . . Now that the tax people have completely murdered another breadwinner, perhaps they will let my wife and children have peace." It was represented at the inquest that the tax inspector had been scrupulously fair. (*Daily Telegraph*, January 7.)

In a considerable number of the cases of suicide so constantly recorded, a somewhat similar complaint of worrying by the Taxation Authorities may be noted.

Mulcting the Public

When the history of these times comes to be written, it will be regarded as almost incredible that the population of this or any other country making any claims to civilisation should have permitted the continuous levy in favour of financial institutions which now passes under the name of "taxation." To what amount the British public is mulcted per annum is difficult to estimate, since the direct taxation, including rating, in favour of such institutions, which is certainly not less than two hundred and fifty million pounds per annum, by no means tells the whole of the story.

The debts which form the basis of the claim were, of course, created by the loan of bank-manufactured money, just as the interest on them is for the most part payable only in bank-manufactured money. Where taxation is levied upon producing firms they are compelled to include it in the price of articles produced. As a result, either the price level is raised, thus reducing the purchasing power of all incomes, or, alternatively, production is strangled and the unit cost of production is raised by an excessive ratio of overhead charges to direct charges.

Fraudulent Taxation Methods

But the intolerable nature of the modern taxation system is by no means confined to the economic depredation which it now carries on, almost unchecked by Parliament or even by public opinion. The business methods which are employed in connection with the assessment and collection of taxation would, if employed by an ordinary business firm, result either in its rapid liquidation or the appearance of its proprietors before the Court upon a succession of charges of fraud.

No business firm would dare to send in a bill for three or four times the amount owing to it, leaving its clients to prove that it was incorrect. But this is done as a matter of course by officials of the Inland Revenue.

No business firm would consistently charge

three or four times for the same article, but this is the essence of the division of Income Tax into Schedules, so that a charge may be repeated in a disguised form.

No business firm would consistently dare to charge for articles which had never been received.

But there are hundreds of thousands of people in this country who are paying Tax upon an Income which they have never received.

No business firm, while owing large sums to a client, would insist on the payment of smaller sums which he owed to them. But the Inland Revenue Authorities are constantly doing this.

Tyranny of Experts

There is, of course, a sense in which taxation is right and proper. We all obtain certain services which we do not pay for directly and which involve consumption, and this consumption requires to be provided for communally. There is, in my opinion, however, little doubt that the present abominable tyranny of taxation arises not only from the magnitude of the taxation (although that is

wholly inexcusable), but also from the fact that it is arbitrarily imposed in accordance with the ideas of a body of experts, generally anonymous, who provide the Chancellor of the Exchequer with his Budget scheme.

Taxes, of course, under the existing organisation of society must be paid in money, and since practically all money is created by financial institutions it is quite obvious that the ultimate beneficiaries of all taxation must be those institutions, chiefly in the form of invisible and undivided reserves, rather than dividends. They are, in fact, the only institutions which can in no circumstances effectively be taxed, since the greater the monetary taxation imposed upon any country the greater is the necessity for the services of those institutions which alone can make the money with which to pay the taxes.

Attempts to Justify Taxation

The principle which is employed to justify taxation is, I think, twofold. In the first place, the common and general ignorance of monetary matters makes it easy to suggest that taking money off Mr. Jones, who has

five hundred a year, is the only way that a Dole can be paid to that excellent fellow Bill Johnson, who is out of work. There is, of course, not an atom of truth in this. Taking money in taxation off Mr. Jones merely means that Mr. Jones buys less.

If the money were transferred directly to our friend Bill Johnson, which, most certainly, it is not, Bill Johnson would not buy the things which Mr. Jones was prevented from buying; he would merely buy some of the things of which there is already a surplus, and the surplus would be transferred to those articles which Mr. Jones has not bought. But, in fact, at least 30 per cent. of the money which is taken off Mr. Jones goes into sinking funds of various kinds and into reinvestment. In the case of sinking funds, it causes an additional shortage of purchasing power, and in the case of reinvestment it produces a surplus amount of capital production for the output of which there is no market.

The second principle which is involved is the capitalisation of the less attractive emotions of human nature. The peculiar form of sadistic Puritanism, which is humorously called "Temperance," has been used to justify on "moral" grounds the raising of the price of whiskey from about half-a-crown a bottle, which is several times its cost of manufacture, to twelve and sixpence. This provides about ten shillings a bottle directly or indirectly for the Exchequer, of which banks and insurance companies ultimately get about five shillings, directly or indirectly.

Taxation the Instrument of Mammon

Agitation on the Land question, for the most part completely unintelligent, has been made the excuse for punitive taxes frequently paid directly to insurance companies as premiums on insurance against Death Duties. These have transferred the eligible land in this country from the hands of private administrators, who had a sentimental as well as a material incentive to proper administration, into the hands of soulless corporations, whose works are evident by ribbons of jerrybuilt houses punctuated by magnificent corner edifices raised in the honour of the Religion of Mammon, displacing the churches in which, on occasions, unpleasant things were said about the money-changers.

The realities of taxation could, of course, be met by a very small rise in a price level which had been adjusted much below that existing at the present time, taxation in its present sense, with its horde of officials and its worries, being abolished. But that would take away what is called the "power of taxation," and thus remove one of the major obstacles to economic freedom. In other words, the present taxation system is not primarily an economic device, it is a device for exercising despotic pressure. Until we recognise that self-government is better even than good government, just so long shall we have an increasing number of catastrophes similar to that of Mr. Baker. C. H. DOUGLAS.



—From the Chattanooga (Tenn.) Times

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IN THIS ISSUE

Is Paradise Immoral?	- - -	179
Overseas Notes	- - -	180
Brighter Finance	- - -	181
Too Old at Sixty-Four	- - -	182
Frotti's Label Action	- - -	184

SOCIAL CREDIT

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Eyewash

SUPPOSE that the Chancellor of the Exchequer or the Prime Minister or someone, in a speech extolling the achievements of the National Government, drew attention to the very low rate of interest at which the Government was able to borrow money, and put this forward as a proof that the credit of the British Government had never stood so high.

Suppose that in pouring derision upon this flimsy argument *The Times* City Editor were to remark:

The banks are saturated with money which they are unable to use, and they have been compelled to increase their holdings of Government securities, of which they hold the bulk. The amount of credit at present employed in business and speculation is relatively small in proportion to the resources available, and this is the explanation of cheap money and the low rate at which the Government and others can borrow.

Suppose we could be present at the subsequent interview between the Editor of the City Notes and Mr. Montagu Norman, the conversation would doubtless proceed along these lines (if we may be so frivolous about such an august ceremony):

Mr. N. "You can't do that there 'ere,
You can't do that there 'ere,
Anywhere else you can do that there,
But you can't do that there 'ere."

Well, the offending passage actually did appear in *The Times* City Notes of January 8, but we are happy to be able to state that no rules have been broken because it refers to a speech made by President Roosevelt about the credit of his own Government.

So long as newspapers in this country stick to a discreet line of "pie-jaw" about our own financial affairs, it appears that they can occasionally take some latitude about what is happening in other countries. No doubt in other countries the same rule is observed.

That the passage quoted is an accurate description of the financial situation in this country also is shown by the following quotation from the City Notes of the *Observer* of January 12:

For the ten London clearing banks the additional money lent has amounted to only £19,000,000. At the same time deposits have increased by £128,000,000, and in order to employ the funds at their disposal the banks have had to increase their investments in gilt-edged securities, lending what may prove to be an abnormal strength to that market.

See what a different twist is given, how dust is thrown in the eyes of the public. For the increased deposits are due to the investment by the banks in gilt-edged securities. Indeed, they are deliberately buying these to force up deposits until the return on Government securities is so low that the investing public may be tempted to dabble in industrial shares in spite of their reluctance to do so.

Just as we are trying to show the British public that what they are told about their financial affairs is, in the phrase so popular in the last Great War, all "eyewash," *The Times* itself is indulging in a little exposure of the kind of eyewash which is being put over the public in the United States. On January 13 it reports the Administration, which wishes to continue with the work of the exploded A.A.A., as

busy searching for a way to accomplish these ends. And now, with the help of the farm organisations, a way has been found—not a perfect way, perhaps, but at least a stopgap. Tentatively it has been decided to secure restriction of farm output by having the Government rent whatever land it considers necessary to promote the conservation of soil fertility; in other words, to withdraw such land from cultivation.

Its comment on this is charmingly cynical: By having conservation of soil as its expressed aim the Administration hopes to convince the Courts, if it is ever forced to defend its new plan there, that it has acted truly in the interest of the general welfare and not merely in the interest of one particular class of people.

After this we cannot see why anyone should take exception to anything we may have to say, for example, about the official name for the Distressed Areas, or the allegation that the National Government balanced its budgets. What is the use of balancing one set of figures, when in another ledger it has in fact borrowed enough to raise the National Debt by £400,000,000?

Sudden Death Unlimited

The governmental enquiries into the armaments trade in Great Britain and the U.S.A. were resumed last week. These enquiries are really red herrings, for they draw popular attention away from the real issue—why, in a world of plenty, when, as they undoubtedly are, the majority of individuals are at heart pacific, nations should suffer the constant threat of war. Wars to-day are economic in origin—the outcome, not of shortage of real wealth, but of abundance. An abundance that cannot be distributed at home for lack of tickets (money), and so must be exported, even to the point of shooting the foreigner to make him buy, or to prevent him selling his own surplus in such markets as remain. This is what stimulates the market for armaments, and whether they are produced in government or privately-owned factories does not really matter much, probably the former would be less efficient, that is all.

The most interesting point brought out at the American enquiry last week, according to British press reports, was that J. P. Morgan & Co., the American bankers, were able, in 1917, to advise the British Government, whose agents they were, of the content of an American Government note to Germany, six weeks before its dispatch. Evidently Great Britain is not the only country in which a big banker plays Tweedledee to the Tweedledum of a government department.

The Control of Vickers

The British Commission was meanwhile examining the directors of Vickers-Armstrong.

In a written statement it was declared that "no bank or financial house, British or foreign, had any controlling interest in the company, or had any part in the management or direction of the company's affairs." During his examination, Sir Charles Craven, the Chairman of the company, explained that Sir Otto Niemeyer was only on the Board as a representative of Armstrongs, not because he is a director of the Bank of England, which "had no control whatever . . ." This picture of a Bank of England director as a guinea-pig is amusing but not impressive.

The result of the British enquiry may well be the adoption of some form of government control. The Bankers' Government—mislabelled National—seems, like the drunkard who hates delirium tremens but won't give up drinking, hell-bent on another war which, by the profits it would bring, might enable the armaments firms to shake off bank control temporarily, but not if the firms are Government controlled.

Export Loans are War Loans

A leading article in the *Financial Times* for January 6 urges the removal of the embargo on foreign loans imposed in 1931, nominally by the Treasury, actually, of course, by the Bank of England. When the embargo was imposed, a financial panic precipitated by the banks was threatening to get out of hand, and it was thought desirable to prevent further overseas investments for the time being, as the majority of foreign debtor nations were already in default on existing loans.

As a result of the inflationary policy pursued since that time through public works, rearmament, etc., and the wholesale destruction of "burdensome surpluses" and restriction of output at home and abroad, financial conditions have improved somewhat, but the trade revival here, despite rearmament, will tend to sag unless exports are increased. These circumstances make probable a further effort to return to pre-1914 conditions, under which the British people were kept employed by the loan of their own credit, misappropriated by the banks, to foreign countries, for the purchase of British goods. The leading article in question may well be the first step backwards.

Such a policy—the revival of export trade by loans—must fail in the long run, for economic nationalism has come to stay, but it will bring the next war perceptibly nearer by intensifying the already bitter struggle for export markets.

Those who would put a stop to the imposition of such policies with their inherent dangers of war and certain loss of real wealth in exchange for promises to pay, which may never be kept, should insist, by the use of their votes, on the abolition of poverty at home.

Government of Social Murder

Under the above title, *Labour Research* indicts the National Government as a government which made the working class pay for the inherent defects in the Capitalist

From a Seat in the Stalls

System, more especially by starving the unemployed.

It points out that by Order in Council in November, 1931, it cut the fixed rates of standard benefit by ten per cent. At the same time contributions were increased, the workers' more than the employers', and statutory conditions for claiming benefit were tightened up. All workers who ran out of benefit went on the Means Test. Between October, 1931, and March, 1932, no fewer than 411,000 persons were struck off benefit or transitional payments, thereby saving the Exchequer about £20,000,000 a year. In July, 1934, with a great flourish of trumpets, the Government restored the cuts in rates of benefit at a cost of £4,800,000 a year.

But in 1934 a new Unemployment Act was introduced, making it compulsory for men to attend courses of authorised instructional discipline to qualify for benefit. At the same time a new Unemployment Assistance Board, scale of relief came into force which was not only far less than the benefit rate, but far below the subsistence level.

Financial Consciousness

The deficiency of this U.A.B. scale on the minimum cost of food, rent, clothing, etc., is tabulated at from 1s. 2½d. for a man and wife to 13s. 5½d. for man and wife and five children of 1, 7, 11 and 13 years of age. But there was such an outburst of popular indignation against it that these scales were withdrawn. The new U.A.B. scales are to be introduced shortly, and they are not expected to be very generous.

Labour Research goes on to detail the niggardly cheese-paring in Education expenditure and the catchpenny tinkering measures to relieve the Distressed Areas. It is hard to realise that in face of these facts our great-hearted Chancellor of the

THE CANADIAN LOAN COUNCIL

THE proposal for the establishment of a Loan Council to control the borrowings of the Canadian Provinces is now being actively discussed.

This proposal is of such importance that we find it almost impossible to believe that all available advice will not be taken on the bearings of it, whether it be accepted or not, since it affords a clear indication of the policy which is to be pursued to remove from the Canadian Provinces any autonomy in regard to their financial affairs.

The implications of the proposal will be discussed in next week's issue of SOCIAL CREDIT, in an article specially written by Major Douglas.

Exchequer has been claiming a return to Prosperity of so marked a character that he can scarcely believe it!

It must all be a matter of consciousness. A sheep-tick probably sees the whole world in terms of sheep and a mealy bug sees it in terms of mealies. In the same way a Chancellor of the Exchequer sees only Finance, and all else in Heaven and Earth and the Waters under the Earth simply does not exist for him.

Money Hallows All

—even the pulling down of All Hallows Church in the City of London to build a bank, for such is the proposal reported in the *Evening News* of January 11. Times have changed. Once the money-changers were cast out of the temple; to-day they pull the temple down to build a better, in which to worship the golden calf.

The Church of England, under a plan for the union of benefices, proposes to unite the benefice of All Hallows with that of an adjacent church, and, with the money paid for the site, build new churches in a growing suburb. Were there a shortage of labour, or building materials, this course might be justified, for it may be that churches are more needed in the suburbs, and the material of the old church could be used for one or more new ones. But there is no such shortage, there is only a shortage of money with which to pay the labour waiting to be hired and the materials ready to be bought.

Should this scheme go through—we are glad to report that it is arousing opposition—it will be more than just another example of the trickery by which the banks obtain real wealth by writing in books figures representing credit they have filched from the people. It will be, in fact, the replacement of a house of God by a "den of thieves."

The Bank Controls Coal

How the Bank of England controls the Lancashire Coal Industry is clearly described in "Miners' Two Bob." The coal industry is interlocked financially with the steel industry, and both are amalgamated and virtually monopolised by the Lancashire Steel Corporation. This last £4,360,676 concern owns all the shares in Rylands Bros., Ltd., and Whitecross Co., Ltd., of Pearson & Knowles Engineering Co., Ltd.; an interest in the United Kingdom Ferro-Manganese Co., Ltd., and control over the Wigan Coal Corporation, Ltd., which supplies the coal it requires.

The Lancashire Steel Corporation is controlled by the Securities Management Trust, which is controlled by the Bank of England; for on its Board are Montagu Norman, Sir Andrew Rae Duncan and Lord Hyndley, all directors of the Bank of England.

Thus the Bank of England rules the Lancashire miner. It is also known to be one of the sternest opponents of the two shilling rise which the miners are demanding.

America on the Up-and-Up?

After the distinguished record of our own valiant National Government which stoutly resisted abandoning the Gold Standard and then modestly claimed credit for the good effects of the catastrophe, it is hardly surprising that Mr. Roosevelt is staking his claims to the so-called recovery in America.

"To the outsider," says the *Observer's* New York correspondent, "the fact of recovery is more significant than the arguments as to what brought it about."

But perhaps "fact" is the wrong word to use. "A considerable shadow," he says, "prevents the picture from being altogether satisfactory. This is the tremendous volume of unemployment. One in four of the normally employed is out of work, and one out of seven of the entire population is subsisting in some form or other on Government relief."

Unemployment has declined from 15,470,000 in March, 1933, to 11,650,000, yet simultaneously there has been "a mounting increase in persons seeking Government relief." For the first half of the fiscal year, expenditure on relief totalled twice as much as reserves.

What is Malnutrition?

For some time past the Featherstone Education Committee has been worried about the feeding of their necessitous school-children. Some members of the committee thought that too many children were being fed so the West Riding County authorities were asked to have another medical examination with a view to reducing the numbers. This was done, and the result is there are more, not less, children on the meal list. From 270 in October they have increased to 450.

The curious thing is that some of the under-fed children certified as suffering from malnutrition belong to the best families: they are evidently getting the wrong sort of food.

This clearly shows the effects of Finance. If industry were run on rational lines, producers and retailers would provide nothing but food of good quality. But as things are, they provide the sort of food which they think will yield them the highest profits. Thus the initiative does not come from the buying public, nor even from the suppliers of food, but from Finance. And Finance is not interested in the satisfaction of public needs, but only in getting the figures' right.

The Perils of Motherhood

Dr. Eileen M. Warren, of Eastcote, Middlesex, told a conference on maternal mortality in Manchester that nearly half the cases of maternal mortality were believed to be preventable, even under present social conditions. But whereas the death-rate of practically every disease had gone down, the maternal mortality figures had risen steadily for the last four years.

Actual figures, she said, were hard to obtain, but in Liverpool and Glasgow statistics showed that between thirty and thirty-five per cent. of women were suffering from some sort of ill-health after childbirth.

This problem of dying mothers has been confused and obfuscated by medical speculations as to the cause. Obviously it would not be diplomatic to let the public think that these tragedies are almost wholly due to extreme poverty; that is not at all a nice thought. But unfortunately Mrs. Baldwin, by her experiments in the Rhondda Valley, has proved that this is precisely what they are due to. *Among mothers who were given special food and treatment, deaths fell practically to zero.*

IS PARADISE IMMORAL ?

By D. Beamish

IT has been discovered that "the industrial countries need a fuller and richer diet" and that "the agricultural countries are not less in need of raising their standard of living by the use of the manufactured articles which give greater comfort and make labour less exacting . . . It cannot be beyond the capacity of statesmanship to organise the exchange." So said the *Daily Telegraph* not long ago.

If the problem were considered simply as one of providing people with what they want, it would have been solved long ago, but all sorts of irrelevant matters are introduced into it, chief among them being work and morality.

Why Grow Potatoes ?

Work is a means to an end, just as a spade or a fork is a tool for, let us say, digging potatoes. If by some means or other potatoes could be brought to the surface without digging, we should not be so foolish as to go hungry while they rotted on the ground because we held that the chief reason for growing potatoes should be the moral discipline derived from using spades and forks.

If people who desired to buy a house or have electricity installed, had first to furnish satisfactory evidence of unimpeachable moral character, the work of builders and electricians would be hampered, but that would not imply any "building problem" or an "electricity problem."

There is no "problem of food consumption." There is the problem of getting people to realise that, as there is plenty of everything, both actually and potentially, and the labour of the whole population is not needed to produce that plenty, those whose services are not required must receive incomes without working for them.

Murder

Very many people find this quite shocking, and cannot be brought to contemplate with equanimity the terrible risk of wholesale demoralisation if dividends were issued to all to enable them to buy the goods now being destroyed and restricted. They even consider that death would be preferable. They do not, of course, say so, but, as Shakespeare pointed out, "he takes my life who doth take the means whereby I live," and those who deny the right of access to the means of living to those without industrial work, in effect deny them life.

SHOT AND SHELL

Mussolini as Currency Controller. New Department will not allow Italian citizens to decide what purchases to make abroad, but will use foreign trade as a political weapon.—*"Daily Telegraph,"* January 3, 1936.

The staff of Lloyds Bank are still suffering from fifteen wage cuts and reductions. Following the refusal of the chairman to meet the staff guild, the question will be raised by the employees at the annual meeting.—*"Daily Express,"* January 3, 1936.

Wimbledon electricity department will return £23,000 to their consumers, by a 25 per cent. discount to prompt payers.—*"Daily Express,"* January 2, 1936.

The total of cheque clearances for the whole country for 1935 is given as £37,559,751,000, an increase on last year of £2,075,594,000, or 5.8 per cent.—*"Daily Express,"* January 2, 1936.

Whisky is being produced in Japan at 1s. 8d. per bottle, for sale in Ceylon. Ceylon is accordingly producing a prohibitive duty on Japanese whisky.—*"Daily Express,"* January 1, 1936.

Doses of caviare daily for a month have cured 17 babies out of 20 of rickets.—*"Daily Express,"* January 1, 1936.

The new Money Payments Act is intended to reduce the number of people — about 20,000 a year—at present imprisoned for debt.—*"Daily Express,"* January 1, 1936.

Covent Garden Properties are about to issue £2,500,000 First Debenture stock of four per cent. Of this, one million will repay the five per cent. Debentures, the second million will repay the four and a half per cent. Debentures, and the balance of £500,000 will be used to repay a bank loan.—*"Daily Telegraph,"* January 2, 1936.

Paradise or Hell ?

There is an island in the Tasman Sea where two hours work a week provides everybody with a living, and where poverty is unknown. Its name is Lord Howe Island, but it has been called "An Island Paradise." But why not "An Island Hell"? Surely a land where there is so little work must be a terrible place, a hotbed of vice, and Satan must find plenty of mischief for so many idle hands to do?

But no, it appears, quite the contrary. The palm seed (the island provides palms for practically the entire world) is a public monopoly and the income from its sale maintains the entire population in a *unique communal life of unusual charm*. The people are healthy and live very harmoniously together; social life is simple and pleasant, hospitality and friendliness universal. Rats constitute the only problem.

The people of this halcyon place, although they are practically unemployed—for what is two hours' work a week?—appear to compare favourably with our own unemployed, who are often morose, unsociable and unhealthy, and even appear quite frequently in the police courts on charges of petty larceny, wife beating, cruelty to children, and even attempted suicide and murder.

The Road To Heaven

What then is the difference between the people of this happy island and the unemployed people of London, Birmingham, Manchester and Tolpuddle? Well, the outstanding difference between them appears to be that the healthy, happy, harmonious and law-abiding folk of Lord Howe Island have incomes, and that the unhealthy, unhappy, quarrelsome and criminal people of London and Manchester have not.

Human nature is probably very much the same in both places, but the inhabitants of the island paradise have the means of translating friendly feelings into friendly actions, while the unemployed and poverty-stricken of this industrialised island of ours are condemned to irritate, torment and oppress each other because they lack the means to live decently and well.

National Dividends would supply those means and make them as healthy, happy and care-free as the idyllic dwellers by the Tasman Sea.

Over 40 million pounds have now been invested in Fixed Trust securities. This amount has been utilised mainly to purchase prominent industrial securities.—*"Daily Telegraph,"* January 2, 1936.

Loans sanctioned by the Ministry of Health from April, 1935, total nearly 26 million pounds, as against 19 millions last year.—*"Daily Telegraph,"* January 3, 1936.

LITTLE MAN—WHAT NOW ?

Along tattered gaudiness of Strand wander man with bundle clutched to breast, woman pushing skeleton of pram.

Bundle is sickly child, dough-faced; woman's stockings cluster round feet, remnants of boa encircle neck. Both pause irresolutely now and then for alms. Push pram quickly when policeman comes in sight. Woman has matches. Seems hard on the baby keeping parents at its age.

Furtive couple. No sympathy wasted on them. But they stare up at Christmas trees lit on St. Martin's steps. And in their faces—wistful, puzzled—is that which makes you shrug your shoulders, shake your head. Something wrong with a world spawning beggars like that. Not fair.—*Gordon Beckles in "Daily Express,"* January 1, 1936.

World visible supplies of wheat at the close of 1935 stood at the lowest figure in eight years, ending the year on a satisfactory note . . .

In Canada, though her visible supply remains higher than in any previous year, the margin between the current total and those of earlier years is now rapidly disappearing as the dominion situation emerges from the cloud which has encompassed it so long . . .

The New Year opens with signs of a broadening of demand coinciding with the prospect of the smallest Argentine crop in many years.—*"Financial Times,"* January 3.

For New Readers

THE BASIS OF NATIONAL DIVIDENDS

SOCIAL Credit is the credit which society builds up when its individual members co-operate in industrial activity.

If people were all to work independently to gain their own food, clothing and shelter, as they did in primitive times, there would be no social credit, only individual credit.

The first necessity of man for mere existence is to consume. To keep body and soul together he must eat. To do more than that, "to live," as distinct from merely "to exist," he must consume more than food. He must have clothing, shelter, and other things. In order that his energy, which is renewed daily, may be used up, he must be active, mentally or physically, or both.

Man is different from the beasts in having reasoning power and conscious intelligence. To use his energy to the best advantage, therefore, he wants continually to see new sights and participate in new experiences.

He therefore co-operates with his fellow men to provide these. Men differ from one another in tastes and abilities. There is an almost infinite diversity, which, organised in industrial civilisation, can produce an almost infinite variety and quantity of things that can be used, not only for the satisfaction of their producers, but of those who want to use or consume them.

Working together in close association, men can produce far more and diverse things than working in isolation from one another. One man can make what another cannot. One man can do what would be impossible without the aid of a thousand others—as, for instance, the driver of a railway locomotive.

Think, for a moment, what an engine

driver can do, and why he can do it! He could not make an engine from its raw materials of ore and coal. It has taken generations of men working in association to evolve the modern railway locomotive.

WHAT IS SOCIAL CREDIT ?

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

It is this willing association of men that has produced the abundance which men themselves are now trying to destroy instead of to enjoy! Was it not Mr. Cordell Hull, the American Secretary of State, who talked about "burdensome surpluses"?

What has produced these surpluses — this abundance? To whom do they belong?

They are the "unearned increment of association"; the profit that comes from organised activity; and they are burdensome only because they are not got rid of. They are the result of social credit, and they can be passed on, to the individuals that make up society, by means of National Dividends.

The basis of National Dividends is Social Credit; and National Dividends should be money to buy the surpluses which, when there is still poverty, are wrongly called burdensome.

Mr. Geoffrey Crowther Broadcasts

I

MR. CROWTHER is probably familiar to most Social Crediters through his attacks on Major Douglas in the *News-Chronicle* of May, 1934. I do not know whether that *opera-bouffe* performance constitutes Mr. Crowther's sole claim as an economist, but evidently his views are the kind which are considered by Authority to be good for us since he has been enabled to broadcast ten lengthy talks on "Ways and Means," subsequently printed in the *Listener* of October 9 to December 11, 1935.

Mr. Crowther starts by assuring us that he will not enter into controversy about defects in the economic machine, but will explain to us how the machine works. In effect, he says to us: "Gather round, children, and Uncle Geoffrey will tell you a nice story about E-CO-NOM-ICS, so that you can understand that everything is for the BEST."

His first talk deals with the National Income and the purpose of an industrial system. He defines the former as "the products of British industry, together with the services of British labour," and later (Talk No. 6) varies his definition to read: "The National Income really consists of all goods and services available for the citizens of the nation in a year." What he fails to point out is that there is a vast difference between our actual and our potential production. The former depends on what industry can sell in existing circumstances, which is obviously conditioned by the purchasing power of the consumer; the latter is limited only by the wants of the public on the one hand and

(To be continued)

the practically unlimited producing capacity of modern power-machinery on the other.

He considers that the first object of our industrial system is "to produce as many as possible of the goods and services we require." In other words he thinks that production is still a problem. It is nothing of the kind. We have solved that problem, though we have not yet decided to distribute the glut.

That I am not misrepresenting Mr. Crowther is, I think, shown by the assertion in his second talk that production has increased only two per cent. each year for the last 50 years, and in his seventh talk that "there is no basis in fact for saying we could have leisure and luxury for all if we used the potentialities of the machine to the full." What he should have said is that, whilst our standard of living may have doubled in the past half century, our power to produce has increased at least 50 times, or in other words that the individual Briton has been defrauded of over 90 per cent. of the possible increase. The core of his confusion is perhaps shown by the following gem: "If machines are on the whole displacing men, we would find the production of goods going up while employment went down. But in point of fact they both go up or down together."

I should have thought that even the village idiot would see that industry produces goods only if it sees a reasonable chance of selling them; that selling depends on the public having adequate incomes to buy the goods; and that when purchasing power shrinks (e.g., by reason of unemployment) production necessarily contracts. K.M.

ABUNDANCE THREATENS DISTRESS

National Dividends the Way Out

In 1890 there were 7,964 looms in Calcutta. . . . To-day there are 60,397 . . . Foreign countries which used to be our customers . . . have established mills and factories of their own. The position at the moment is that the machinery in Calcutta is more than sufficient on a 40 hours per week basis to provide for the present export requirements of the world . . . There appears to be no limit to the increase in production which may arise.

The Indian Jute Mills Association has since 1921 regulated production . . . the association realises that the only way to prevent a still further expansion is to endeavour to make the industry less profitable.

The direct result of an outpouring of production will stimulate a demand for the raw material, and this, on a crop which is for the second year in succession being restricted, will surely result in a rise in price.

The position is undoubtedly a serious one . . . but I can hardly conceive of our Government failing to take resolute measures to

protect us . . . Surely there are sufficient distressed areas as it is without adding any more to their number.

We have replaced a large part of our machinery by the very latest equipment.—*Mr. J. E. Cox, chairman, at the annual meeting in London on January 13 of Jute Industries Limited (Dundee).*

A CHRISTIAN'S RESOLUTIONS

Reprints of the Dean of Canterbury's Message

We have received a number of requests to reprint the whole page of SOCIAL CREDIT of January 10, containing the article on New Resolutions by the Dean, Shot and Shell, and the measures against the French Wine Glut. We are prepared to consider this provided we receive sufficient orders to make the printing cost economic. Readers are requested to send a postcard stating how many reprints they would like. See letter on page 183.

Overseas Notes

The Empire and the Octopus

[These notes were written before the appearance of two consecutive articles on the proposed Canadian Loan Council, published in "The Times" on January 13 and 14.]

IMPROVED processes lead to unemployment, which leads to a progressive decrease in buying power on the part of the public, which in its turn leads to the eventual necessity for governments to increase the burden of taxation wherever it will not be actively resented. This increase in taxation is excused partly on the grounds that interest on past loans must be maintained at all costs, but also because it is agreed that those unfortunate people who can no longer find paid work in the industrial system cannot be allowed to starve.

"Passing the Buck"

In Canada, "relief" is paid either by municipalities, by Provinces, or by the Federal Government. Since under a system of artificially restricted credit the smallest unit feels the draught first, the municipalities have been putting what pressure they can on the Provincial Governments, either to take on a larger share of relief charges, or else to turn over the revenue from increased taxation to the municipalities themselves to administer. As in any case there is now practically nothing fresh left to tax, the assumption is that existing taxes will be increased. But beyond a certain point this course has notoriously the opposite effect to that intended, and results in smaller receipts together with increased unemployment. Faced, therefore, with the impossibility of increasing taxes and the necessity of obtaining larger revenues, the Provinces have had no option but to ask in their turn for an increased appropriation from Ottawa.

Since the man who pays the piper calls the tune, the Federal Government has shown a disposition, in this case as in others, to exact a quid pro quo. It takes the form of further encroachment on Provincial rights, which were insufficiently defined by the British North America Act at the time when Canada became a Confederation, nearly seventy years ago. As a result of the recent Premiers' Conference in Ottawa, "75 per cent. increased grants in aid for direct relief by the Federal Government to the Provinces" were announced as an interim measure by the Prime Minister. "The Premier," reports the *Edmonton Journal*, "laid stress on the fact that at the conference all the nine Provinces agreed to the appointment of a national commission on employment and relief on the distinct understanding that the Provinces and municipalities will submit to careful and complete supervision of all relief expenditures by this new commission." (My italics.)

Goats

As for the central government, it is a goat on a similar but slightly longer chain than the provincial goat, which in its turn is allowed a few more inches of liberty than the municipal kid. Under the present system Ottawa has no option but to make increased supervision of provincial government the condition of every new grant or loan, since it stands itself in the same relation to the Bank of Canada (and through it to the Bank of England) as the municipality does to the province and the province to Ottawa. I have confined these remarks to the question of relief, but this subject is outstanding at the moment only in proportion as destitute men in the middle of a Canadian winter are apt to grow careless of the financial conventions and make active trouble. The loan system with its absurdities embraces every side of national and local government, and serves to underline the fact that finance is self-centralising, oblivious of human values, utterly ruthless.

Relief problems were uppermost at the Premiers' conference, then, because starving men are no respecters of persons, and because the use of machine-guns, as opposed to their manufacture and sale, is still unpopular in "democratic" countries. This does not mean that the larger question of a "national finance council," on the model of the Australian Loan Council, has been or will be by any means neglected. Far from it. The proposal was made in last year's Budget speech. Not long ago Sir Charles Gordon of the Bank of Montreal said, speaking at the annual meeting, "The situation has become so serious that it is now imperative that some form of control and supervision shall be set up over the financing commitments both of Provinces and municipalities, since these are no longer of local but of national concern" (*Ottawa Citizen*). What this means in plain English is that the debt system, under which

both we and Canadians live, will before long render it "imperative" for the Provinces to lose their few remaining scraps of genuine self-government, with the national government acting as policemen for the finance council, itself the extension of the super-national central bank. "Those who control the credit of the nation direct the policy of governments, and hold in the hollow of their hands the destiny of the people."

The Choice

If Canadians like the prospect of mounting debts and taxes, increased rioting of unemployed, loss of personal liberty, and regimentation of their daily lives "for their own good" by an alien power, the whole culminating in civil or foreign war, or both, they need not do a thing about it, for it will come of its own accord. If they don't want these things they will have to demand what they do want, and stop arguing about methods; otherwise they are lost. "No argument," says the *Western Producer*, "can dissipate the prime fact that if the Provinces yield to the Dominion suzerainty over financial matters, then they will have sacrificed the last vestige of power that remains with them which is of any consequence at all. The voice which suggests this drastic change may be the voice of the Federal Government, but the hand behind it is the bankers."

Puppets

As for Australia, which is a step nearer perfection from the point of view of finance, the Loan Council allocates the grants to States as it chooses, although it goes through the motions of letting the Premiers debate the size of their respective scraps. If only the total were fixed beforehand that would be bad enough, but as it is the depths of humiliation are plumbed annually by the State Premiers, who have not even the melancholy satisfaction of doing each other down.

The Melbourne correspondent of *The Times* discusses the grievances likely to be raised at the conference of Premiers to be held shortly at Hobart, and continues: "The length to which Western Australia went in an attempt to force secession was a reflex of acute hostility towards the Commonwealth. It is not widely appreciated that some of the other States are almost as hostile, although they see no hope of a solution by breaking up the Federation. The Tasmanian Government has just issued its own 'case' against the Commonwealth. In this it declares that, unless there is a thorough overhaul of the financial relations between the Commonwealth and the States, it will be impossible to prevent the disintegration of the Federation." He concludes: "By deciding to meet in Hobart in January and not to invite representatives of the Federal Government, the State Governments give the appearance of being ready to force the issue. The Commonwealth, however, is in a strong position (my italics) and has a good case."

The Way Out

If a government has "a good case," why is it necessary to add that it is in "a strong position"? The answer is, of course, that behind the Commonwealth is the money monopoly with its usurped powers, both financial and, in the last resort, physical. Until the Australian people impose their will (as they quite certainly can through a campaign to demand results) on those who should be their servants but are at present their masters, they will remain a lap ahead of the Canadian people in the race for the slave state. Their hopes of better things depend for their realisation on the courage and determination of a few individuals such as the Tasmanian Premier, combined with the pressure on them for results of a united and determined electorate. Latest reports of the Electoral Campaign in Western Australia show that "the response of the electors to the elector's demand is better than the most optimistic expectations." It's results that count.

Toronto

In addition to the four States of Australia which are either carrying on with, or about to undertake the Electoral Campaign, the Canadian Provinces of British Columbia and Ontario must be added to the roll of honour. The former's campaign was referred to in Overseas Notes for July 12, 1935; I have since then received the "Elector's demand and undertaking" of the Douglas Social Credit Association of Toronto, together with particulars of its method of canvassing. This is known as the "panel" system, and has been partly developed from that in use in British

Columbia and partly from this country. Essentially it consists in a "snowball" method of small meetings in private houses, developing from each other until a large area is adequately covered, together with the obtaining of signed pledge forms on the spot. Those who are prepared in their turn to act as "panel leaders" are enrolled at the same time, and the work should go on without the necessity for more than a very occasional public meeting to rouse or maintain interest. It will be interesting to know how this method, which is held to be the most suitable to local conditions, compares with our own in the rate of obtaining signed pledges.

New Zealand

The only item of news of general interest from New Zealand since the elections is to the effect that six of the new cabinet ministers have reaffirmed their support of "the control of credit by a national authority," and also "the equation of production and consumption." The report suggests that there is bound to be considerable pressure on the party leaders by the "left" wing, which is still attached to the idea of nationalisation of industry.

Father Coughlin

A Detroit message says: "The Rev. Charles E. Coughlin announced that 40,000 volunteer unpaid organisers were working in communities throughout the United States organising groups of 100 to 250 supporters of congressional candidates who will support the nationalisation of the currency." Pending confirmation of this message, it seems likely that nationalisation of credit is the phrase intended, since Father Coughlin has often used it, rather than the other. In any case 40,000 is a figure to make our mouths water from the point of view of the Electoral Campaign. We may or may not have a Father Coughlin among us; what is certain is that the B.B.C. would never be allowed to grant him such facilities for broadcasting.

This is a free country, thank heaven, where people are preserved from hearing a whisper of financially unorthodox opinions over the air, unless closely followed by a sterilising counterblast from the big bellows of finance.

Press Items

Random items from the press. Three long and impartial articles on Social Credit in Alberta by a staff correspondent of the *Christian Science Monitor*. A single article, including list of recommended literature, in the *South African Farmer*, a bilingual fortnightly from Pretoria, Transvaal. An irreverent article on Roger Babson making a syndicated fool of himself over Social Credit, in the *Llano Colonist*, Louisiana.

J.D.B.

AN ECONOMIC RIDDLE

I VENERATE economists
As very learned blokes,
But when in paradox they speak
Their meaning oft I vainly seek,
Suspecting subtle jokes.
They say the whole world's down and out;
But here's what I can't see:
If every land, beyond all doubt,
In all the earth is up the spout—
Then who's the mortgagee?

Do we owe money in the moon,
Or some celestial land?
Or have we creditors in Mars,
Or other fixed and unfixed stars,
Who hold our notes of hand?
If not, why all the fuss and fret?
I've conned it o'er and o'er,
And find no clear solution yet.
If all the earth is deep in debt,
Who IS the creditor?

When men go into bankruptcy
The case is plain as day:
What is not in the dear wife's name,
Grim creditors will promptly claim,
And assets melt away.
But when a whole wide world's in soak,
And cannot raise the tin,
Here's where I half suspect a joke:
When all the earth goes stoney broke,
Who puts the bailiffs in?

Farming First.

SOVIET FINANCE

IT has been stated that "the eyes of the fool are on the ends of the earth"; whether this is true or not, it is unquestionably the fact that every financial government to-day concentrates its attention on its relations with the rest of the world, and subordinates its duty at home to its affairs abroad. So long as a foreigner can be induced to take its goods, it is of small moment whether the home consumer gets an adequate supply. The sale of British coal abroad at subsidised prices far below those charged to the home consumer, is a notorious example.

The altruistic appearance of this procedure is spoilt when we remember that the foreigner would rather not have the goods, since to him, under the present arrangements, they spell unemployment and an "unfavourable" trade balance.

This tendency is so general that it might almost be made a test of the financial orthodoxy of any government—a test which it is interesting to apply to the affairs of the U.S.S.R. Many people are still inclined to believe that the Russian experiment is an enlightened attempt at democracy, and that Communism, as there interpreted, involves new methods of finance and a square deal for the individual Russian. The prevailing low standard of living they attribute, with some success, to the undeveloped state of the country, and insist that, as development proceeds, the new arrangements will produce an earthly Paradise.

Orthodox Methods

In so far as foreign trade goes, Russian finance is strictly orthodox. The People's Commissar for Foreign Trade, Mr. A. P. Rosengoltz, announces with satisfaction that, "while in 1931 there was an unfavourable trade balance of 293 million roubles, in 1933 this was converted into a favourable trade balance of 147 million roubles, in 1934 of 186 million roubles, and in the first nine months of the current year [1935] the favourable trade balance was eighty-four million roubles." During the same period, foreign indebtedness has decreased from 1,400 million roubles to 139 million roubles.

This is quite praiseworthy, but is the process going to stop when Russia acquires a small floating credit abroad for emergencies? It may, but there is no indication of such intentions, and indeed it all depends upon whether Russians are enabled to purchase all they can produce. That we will consider later.

Meantime, what is the official Russian attitude towards gold, the use of which in a money system has been described by one of our own (perfectly orthodox) economists as "a barbarous relic."

"In addition to the favourable trade

balance, the U.S.S.R. has witnessed a huge increase in the production of gold, which amounts to more than one hundred million roubles a year, and which has raised the U.S.S.R. to the second place in the world as a gold-producing country" (A. P. Rosengoltz). According to the *Financial Times*, "more than 300,000 independent prospectors, including many part-time amateurs, have been allowed to search for gold, and have been granted food, housing and other privileges." And Russia has stubbornly insisted that her currency "has remained 'on the gold standard,'" though the facts prove the contrary.

The *Financial Times* also quotes extensive figures to show that the cost of food in Russia is considerably higher than in this country. Since the average yearly money wage in Russia is 2,050 roubles, equivalent at the new rate to £85, or 33/- weekly, the standard of living of millions of workers must be low indeed. However, Russians are accustomed to such conditions, which are at any rate partially due to lack of economic development; the real question is, whether they are in a position to purchase all they can produce and thus become progressively better off as their country improves economically.

All Is Not Well

No evidence has been published as yet to show that the Soviet economists are using the national credit to supplement consumer incomes in order to liquidate the otherwise irrecoverable portion of cost—a portion that must grow steadily as the country becomes more industrialised. If they are subsidising the consumer at all—a fact which is difficult to determine owing to lack of information as to their costing processes—they must be adding the amount to their internal debt and merely postponing the evil day of reckoning by taxation and forced contributions to State loans. Indeed, the fact that further development is partly financed by more or less compulsory private savings is evidence that the money system must shortly give trouble.

The Communist theory notwithstanding, there are few signs that the State is being run for the individual; most of the available evidence points the other way. And if it be urged that this is due to the economic exigencies of the situation, what of the Marxist dictum that no party will give up power unless forced to do so? It looks as if the Russian has yet another revolution to look forward to; in any case, unless his money system is altered he will find himself — after all his efforts and Five Year Plans — in the same predicament as the Western nations, starving in the midst of plenty.

R. L. NORTHRIDGE.

G. W. L. DAY on:

BRIGHTER FINANCE

EVERY temporal kingdom in history has taken care to stage occasional displays of pomp and pageantry. Conquering Caesars made triumphal entries into their captured cities. Monarchs had their Fields of the Cloth of Gold. The Nazis, Soviets and Fascists have their mass rallies and semi-military displays.

But Finance usually wields its power and manifests its glory in secret. Its High Priests flit mysteriously from capital to capital, cloaked under assumed names and wearing false beards and whiskers. All is dark and inscrutable. Some, there are, who swear they have been bank directors flying to hold their witches' sabbath on broomsticks . . .

But although these horrors cast a salutary effect on income-tax defaulters and monetary reformers, it is not quite enough. A more public display is sometimes necessary to impress the vulgar crowd, some stately ceremonial to dazzle the popular mind and fill it with awe.

So it is that the bankers in America are staging a noble piece of pageantry this summer, which will long be recited in saga and song. No less than £600,000,000 worth of gold is to be moved from New York and Philadelphia to a vault which is now being cut out of solid rock at Fort Knox, Kentucky.

No effort will be spared to make the show a popular success. The trains which carry the precious metal in loads of £10,000,000 or £15,000,000 worth will be heavily armoured. Each train will consist of three coaches for the bullion and two Pullman cars for the heavily armed guards.

They will run to a special time-table at a slow and stately speed, to avoid the rocks and charges of dynamite which the devout people of America will no doubt

place on the rails as votive offerings. Not only will the entire police force of every place along the route turn out to guard the triumphal procession, but all the most fanatical followers of gold in each area traversed, namely the under-world characters, will be placed under temporary arrest.

News is not yet to hand whether the Air Force will patrol the railway line, but it is unlikely that the American Fleet will play any considerable part or that leave in the Army will be stopped.

Meanwhile the Bank of England has been advertising its new fortifications which have taken three years to complete, while the Bank of France has been burying its gold in vaults under a subterranean lake, which can be supercharged with high-pressure steam or poison-gas at a few minutes' notice.

If after all this anyone doesn't know when questioned that gold is the most precious thing on earth, he will be classified as "M.D." and removed in a closed van.

Seeing that money (on a sound basis of gold) is the only thing in the world that really counts now, it is surprising what a lot of time we waste in pursuits which have no monetary value. Why can't the popular Press start a campaign to make us more Pound-minded?

Take sport, for instance. Footballers have given us a sound lead by selling their services to the highest bidder and claiming so many pounds per goal. But cricketers and others still cling to the quaint, old-world notion that a game should be played for the fun of the thing. Yet it is absurd to think there is any advantage even in winning a Test Match. Does it reduce Income-tax? Does it help British Trade?

But suppose cricket were monetised.

Think of the thrill of pride in reading that Larwood had bowled the Australian captain for only two pounds, ten, or that England had hit up a magnificent fortune of £10,000!

Even the 'Varsity Boat Race might be worth Front Page space if we could read that the Cambridge Crew were about to distribute a 100 per cent. bonus, or that Oxford was to be granted a loan by the Bank of England on the understanding that Sir Otto Niemeyer was to act as coach.

Think, too, of the amount of space which the Press devotes so needlessly to religious subjects. How can religion help to balance our Budget? It needs putting on a proper commercial basis. Even the sickliest of our Sunday papers might be worth reading if they informed us that the Pope had agreed to form a merger with the Anglo-Catholics and to break up all redundant churches; or that a financial commission appointed by Mr. Montagu Norman was to rationalise religion in Scotland.

If these possibilities seem to you fantastic, I say that our money-steeped newspapers of to-day would seem no less fantastic to a citizen of the Middle Ages. Trainloads of gold might dazzle him as the raw material for 10,000 goldsmiths, but not as money. His idea of the important things of life was good craftsmanship, plenty of rollicking holidays, a square deal for the customer and a reasonable standard of living for the worker. The complexities of modern Finance would strike him as mere mumbo-jumbo.

If we have travelled so far since the Middle Ages, where shall we be in another fifty years? Impossible to say. But if we don't like the direction in which we are going we ought to say so.

The Inexorable Sequence

ONE writer has recorded the *inexorable sequence of events* in the following order:—depression, poverty, peace, prosperity, pride, war, waste, boom, crisis, panic, and so back to depression and repeat *ad infinitum*. A theory which in some respects reduces life to a futile and depressing business, but, since fortunately we are only called upon to live a day at a time, need not be taken too literally." (My italics.)

This quotation is from a brochure on American share market prospects issued by an investors' advisory bureau. The writer considers that America is due for a period of prosperity and that share values will rise in consequence; he may be right, for there's nothing like war preparations, except war itself, to produce prosperity.

The quotation is of particular interest for two reasons: one, the description of this tragic sequence as inexorable, and the other, the introduction of a moral factor "pride" into the chain of effects.

Gathering Speed

There are no such things as "inexorable economic laws," the economic system is man-made, and its so-called laws are but conventions which can and will be changed, when the demand for a change is sufficiently insistent.

These effects are inexorable within the framework of that system, and the period of this cycle of effects constantly tends to shorten.

Increasing productivity due to mechanisation and improved process, constantly increases the inability of the peoples of all countries to buy the products of their industries, and it is this inability, inevitable under the present system, which induces these tragic consequences. As a result of this intensification the risk of war is introduced into the sequence at a second and earlier point, that where depression and poverty rule, for if these be sufficiently severe, revolution may threaten, and a foreign war actually for export markets, nominally for "national honour," "security of frontiers" or what you will, may be chosen in preference. The Italian attack on Abyssinia is an example of such a war, for it is beyond question that it followed a period of intense and growing depression.

Pride or Productivity?

Pride has little or nothing to do with such wars and only those deceived by talk of "national honour" would regard it as a factor of importance; this is true also of wars following periods of prosperity. During boom periods productive capacity increases rapidly until a point is reached where capital works—the building of roads, new factories, houses, and in due course of armaments—slow up, and in consequence consumer demand shrinks rapidly, a slump threatens, and results in an intensification of the fight for export markets in which to sell the ever-increasing quantity of goods unsaleable at home.

This is the danger-point, and armed war, which is but the logical extension of the economic war that goes on all the time, may break out. Such a war may well come when the rearmament programmes now being undertaken by all nations near completion; alternatively it may be an outcome of the present Abyssinian conflict, of Japan's attempt to monopolise the Chinese market, or of an attempt by Germany to expand eastwards to secure new markets and divert attention from increasing misery at home. The permutations and combinations of circumstances which might precipitate war are innumerable, but the circumstances are not primary causes, for they in turn are the product of a financial system, which, by failing to distribute sufficient purchasing power in the home market to buy the goods produced, makes wars inevitable.

Before It Is Too Late

The sequence of events in the trade cycle culminating in war can be broken; alternating boom and slump, peace with destitution and war with prosperity, are the evil products of an outworn system. We can have lasting prosperity for all without the sacrifice of men's lives; it is in our power as voters. God grant we use our power ere it be taken away from us, as has happened elsewhere.

J. DESBOROUGH.

STAMP on PLENTY

This is the last instalment of a commentary by W. L. Bardsley on Sir Josiah Stamp's paper before the British Science Guild, under the title "The Calculus of Plenty." (Passages in small type are quotations from Sir Josiah Stamp.)

WE do not know enough of the basic laws of society to say with confidence, for an individualistic community, that it could ever proceed upon an unvarying economic course, upon an eternal even keel.

Nobody in their senses would ever have such an objective, so why introduce it at all, unless with the intention of confusing the issue?

Something in collective psychology, especially given a predisposing accidental variation from without, like a good or bad harvest or an invention, starts up a rhythm of less and more, a cycle of boom and depression.

Let us have three guesses at what that "something" is. Is it the mysterious influence of the periodical variation in the spots on the sun? Is it a wave of pure cussedness which overcomes all mortals except good and wise bankers? Or is it just an out-of-date financial system?

The 'cycle of less and more' is reminiscent of Wordsworth's 'High heaven rejects the lore of nicely calculated less or more.' Does Sir Josiah Stamp know better?

Let it be supposed that this rhythm is natural and essential to ultimate progress . . . that at the peak 100 machines of a particular type are needed, but at the valley only 90 . . . What is the fair point from which to measure . . . unused "plenty"? Clearly not 100, but 95 at most.

Measure, measure, count your treasure, Calculation's such a pleasure,

Count your blessings to make sure, In delay there lies no plenty, Stop and count from one to twenty, That's the stuff to keep us pure.

Fourth-Form Economics

Demand may run in classes, e.g., considerable wealth standing against and supporting the production of some luxury like expensive china. A mere increase of mass purchasing power for the unemployed or a rise in wages for the employed might hardly touch this demand schedule.

The same remarks, of course, apply to diamonds, pearls and caviare. It is at best fourth-form economics to suggest that this well-known obvious phenomenon of maldistribution has anything important to do with the problem of poverty in the midst of plenty. If everyone has a National Dividend, they will buy what they like with it, and some new ones will probably like caviare.

Demand even by the million may be very inelastic so far as it comes from existing wage-owners, and depend for its increase entirely on re-employment.

Why should it depend entirely on re-employment? If Sir Josiah Stamp does not know the answer, he is not qualified to give an address on the subject of plenty to

anyone at all, let alone The British Science Guild. If he does know the answer, this is the devil's advocacy.

The answer is that unemployment is a sign of progress and should be paid dividends.

It may be demonstrated that another million people would travel if rail fares were reduced one-half, and that indeed, filling the trains involves very little extra cost . . . But if the existing ten million travellers have to be given the same reduction of fares, the gross receipts are greatly reduced, and the net profit too.

The device known as the Compensated Price which completely solves the difficulty quoted here has been before the public for some eighteen years.

To produce an extra million pairs of boots now is a very easy matter, and there are many tempting inducements to do so, but to get them used on top of the normal production is extremely difficult.

Well now, isn't that extraordinary? It is quite true, what he says. What is the use of plenty, if you can't sell it?

In accumulated stocks, viewed as plenty, there seems at first to be no problem of measurement or analysis—a plain physical fact, so many bushels or tons. But stocks "carried over" have not all the same quality. A glut of plums in Worcestershire, not worth the cost of picking and getting to market, is not effectively "plenty."

To be sure it is not, and will not be until the people are supplied with effective demand, which is money; and what a poisonous use for the word 'quality'!

Not Science But Salesmanship

I think that I have quoted from a wealth of material of this nature sufficient to show that the detached scientific attitude adopted by Sir Josiah Stamp in his Norman Lockyer Lecture is a bogus detachment.

My copy of his speech is heavily marked in the margin, and I have used only a limited number of marked passages. Even on the evidence of the quotations so far brought forward, we may take it that whenever Sir Josiah Stamp speaks in public, he is, whatever he may claim to be doing, actually disseminating propaganda in favour of the present financial system, and the policy of domination of the masses by a privileged class which has no responsibility. I will now stand aside and allow the great man to bow himself out. (The italics are mine.)

Apart from these differentials, surplus of produced plenty has little problem of measurement on the supply side, but it shares much the same difficulties as unused capacity on the demand side. I do not intend to survey the wide range of surplus diamonds, tin, rubber and other com-

modities, of cotton ploughed in to the land, and goods destroyed. Two cases must suffice. They show the necessity for relating surpluses to total normal consumption in discussions of Plenty.

Perhaps the best known example of the actual destruction of plenty is the recent burning of coffee in Brazil. Between 1931 and March, 1934, some 27 million bags of coffee, equivalent to nearly two years' requirements, were destroyed. Not everybody realised that the probable cause of the whole episode was an attempt on the part of the producers, not merely to maintain prices, but to raise them. The Brazilian Coffee Valorisation Scheme had the effect of encouraging new planting, and was responsible for the excess of supply over demand at that price. The remedy was wholesale destruction. With a smaller harvest in 1934-5 it was thought that a gradual readjustment between supply and demand would be brought about, and a more remunerative level of price.

The excess supply of wheat of late years seems enormous when stated absolutely in bushels. But if it is measured in relation to the total consumption it becomes more reasonable.

But if it is measured in relation to the total consumption it becomes more reasonable!

(Concluded)

ELECTORS' LEAFLETS

Demand National Dividends

Leaflet No. 4

For Recruiting.—Contains a space for address of local group or supervisor. For distribution at meetings, or delivery by post or from door to door after collecting signed demand forms.

6s. for 1,000 (postage 9d.); 3s. for 500 (postage 9d.); 1s. 6d. for 250 (postage 4d.); 7d. for 100 (postage 2d.).

Leaflet No. 5

Elector's Demand and Undertaking.—The instrument of the Electoral Campaign, in purple on orange or purple on white.

(Post free) 7s. 6d. for 1,000; 4s. for 500; 1s. for 100.

Leaflet No. 6

For Personal and Business Friends.—Not suitable for the house-to-house canvass, but for use in offices, factories, or by travellers, or at parties. Space for 24 signatures.

(Carriage extra) 27s. 6d. for 1,000; 3s. for 100; 1s. 6d. for 50; 9d. for 25.

Leaflet No. 7

For Getting Workers and Funds. A cheap give-away leaflet which should attract buyers of the 2d. pamphlet "How to Get What You Want." (Post free) 3s. for 1,000 (in lots of 1,000); smaller quantities at 1s. 6d. for 250.

The Dean of Canterbury's Forms. Combined letter and pledge form. 6s. 6d. a thousand, post free.

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

National Dividends
Would
Abolish Poverty

TOO OLD AT SIXTY-FOUR

MY sixty-fourth birthday falls next Tuesday. I feel about thirty-four, yet a little over nine months ago I had the unpleasant shock of hearing myself referred to as "an old dodderer." Like many other men in my station of life I received a small pension at sixty and left the office where I had worked for some forty years. I felt that life lay ahead of me and that at last the bonds of restriction were broken.

Of course, the actual parting with my old colleagues was rather painful to me. I confess that there was more than a lump in my throat, and for a few days I felt quite lost. There were compensations, however. One of the most enjoyable was that of being able to lie in bed in the morning—it happened to be January at that particular time—and lazily contemplate the chill and unpleasantness of hurrying off to business, which was still the lot of my former colleagues.

At the time I was staying with my married daughter, Anne, whose husband was kindness and consideration itself.

A Shock

At the end of the first week of my retirement I had an unexpected shock. It was a very trifling thing, but it made quite an impression upon me. On the Saturday afternoon I was returning home, walking along the pleasant avenue leading from the station, when I met an old friend of mine.

"Hallo, you lucky blighter," was his greeting. I should mention the fact that he always envied me my position and retirement, for he had been rather a rolling stone and was not in the running, as it were, for a pension.

"Hallo, George, whither away?"
"Oh, just going home to enjoy my Saturday afternoon. By heavens, Harry, there's something wonderful about a Saturday afternoon—the delightful feeling of ease and freedom—all day Sunday to-morrow—nothing to worry about—just a really lazy week-end is my ticket."

Monotony

It was then that I realised I had lost something. Saturday afternoon to me was just the same as any other afternoon. Now that I had all my time as leisure it had no sweetness.

You may not believe me when I say it, but it is the absolute truth. From that first Saturday afternoon my retirement began in dead earnest. I was "retired"—put on the shelf—withdrawn from circulation or anything else you like. Monday mornings soon lost their touch of Lucretian pleasure. Day followed day with such monotony that I wondered what had happened to me.

Towards the end of the first month I paid

a surprise visit to the office. I was greeted with affection, but everyone was busy, and beyond a casual word or so I found myself unable to have a real chat with anyone. There was a new junior clerk. Harrison now had my old desk. It was no good; I was out of it. I had left their world. I realised it all too plainly when I heard remarks about a new contract and found that I was indeed a complete stranger. I went back again about six months later, and then gave it up.

Unwanted

Have you ever had to kill time? Is there any torture worse than drab monotony? In the morning I would stroll round to the park, aimlessly wandering up this path and down that. I might chat with the old habitués of the shelter, but I wasn't ready for their vegetative existence. God! How I hated that park—its trim proper paths—every one an emblem of respectable monotony. As for that public library with its crowds round the sporting pages and employment columns of the daily press! Heaven spare me from such an existence again.

The fact that I was in legitimate retirement and not unemployed seemed to be a signal for old friends to express their envy whenever they met me. Not one ever sympathised with me.

When I look back it all seems like a ghastly nightmare. I confess now that I was like a lost soul. I tried the local church, but the inane youths and silly giggling girls on the one hand and the narrow-minded old stick-in-the-muds on the other made me shun the place after a few months. I sampled Spiritualism but was not interested. I tried to revive my old hobby of radio, but always I had the feeling of futility.

Empty Days

What was the use of it all? Here was I, wasting these valuable hours, days and years. Energy was bubbling up within me and yet the only outlet I could find for it was trivial futility. I looked back on my life many a time in the still night hours and tried to find what I had done worthy of a man's life. Nothing! nothing! nothing! In my youth I had aspired to the medical profession, but family circumstances made this impossible. How I burned with the urge to do something worth doing in those distant days, and now what was I to do—now that I was free at last?

Study courses were attempted, but what was the use other than academic interest at my time of life?

I began to lie in bed in the morning and day-dream. This began a further phase in my decline. I would not bother to put on a

collar for dinner. Then I caught a heavy cold and began to pamper and coddle myself. It was then that I overheard my son-in-law speaking to his brother, evidently in reply to an enquiry as to my health. "Oh, the old dodderer's mooning about somewhere. I take no notice of him. He's all right, you know, but he's finished. Personally, I'm sorry for the old lad."

Despair

I crept upstairs to my bedroom and frankly gave myself up to a bout of self-pity. Suicide? Had I the courage? Anyway, what a mess for them all. One thing I did resolve to do and that was to go and stay with my son for a few weeks. Anything was preferable to this monotony.

I had been there about a week when one of my son's friends called when I was alone in the house. I asked the young fellow in and began the usual small talk about the weather and so on. He asked me what I thought of the present situation and of course I replied in a paraphrase of the local editorial.

Happy Vocation

It was half-past eleven when he left. I went to bed aglow with excitement. *You know what he had been talking about.*

The following morning I called round at his home for the promised pamphlets and sat up that night until my daughter-in-law threatened to turn off the lights at the main! On the Wednesday evening I was present at the local group meeting and by excellent good fortune happened to hear an explanation of the Electoral Campaign. Help was urgently needed.

We began with those first white forms—Remember them? I teamed up with two unemployed fitters—two of the best men I could ever wish to meet, and I don't care if they can guess who is writing this!

We worked nearly every day, stopping only for heavy rain. Did I enjoy my dinner and tea when I got home? Did I not! My personal appearance altered so much that I had to endure a great deal of good-natured chaff from my son and his wife.

Well, I look like going on for ever, but I feel that I must write and let every man who has found himself in the depths of soul-destroying "retirement" know that there is a way out.

I am now a hard-working supervisor, giving morning, noon and night to the cause. I am alive—I am enjoying myself as I have never done in my life before, for I know that I am building a new world. This is a task worthy of my energy—I could not possibly find more important work. I am *somebody* instead of being an old worn-out piece of scrap. I have friends in the Movement whose company is a source of constant joy to me—ask them if I am

AN OLD DODDERER!

SECRETARIAT NOTICES

Back Numbers of "Social Credit."—There is still a quantity of back numbers of SOCIAL CREDIT available in bundles of fifty assorted copies, suitable for free distribution as specimen copies, at 1s. for fifty, carriage free.

Press Cuttings.—Readers are requested when sending in press cuttings, to indicate the name and date of the paper in which they appeared, as well as in the case of photographs, cartoons or sketches.

Public Libraries.—Readers are requested to forward the name and address of the librarian of any public library where a copy of SOCIAL CREDIT is not available.

How To Get What You Want.—Specially written by G. W. L. Day and G. F. Powell to bring home to electors their responsibilities and their powers. This 2d. pamphlet will serve as a very powerful education in Social Dynamics, simply and racy written.

Price to Affiliated Groups in minimum lots of one gross (144): one penny each, smaller orders at 1s 6d. a dozen, carriage paid. Retail price of single copies, 2d.

Volunteers Wanted.—Speakers on the Electoral Campaign are wanted. The Secretariat is receiving constant enquiries for them.

Will those qualified, or willing to work in order to become so, please send in their names and addresses to The Secretariat, 163A, Strand, W.C.2? Please state whether available in the afternoon, or evening, or both.

PORTRAIT OF MAJOR DOUGLAS

Reproductions of the portrait of Major Douglas which appeared in SOCIAL CREDIT for November 29 issue are now ready.

Prices are as follow:-

Postcards	...	2d. each, postage	1d.
Cabinet size, unmounted	1s.	"	1d.
"	mounted	1s.6d.	" 2d.

Quantities of one dozen or more post free. Orders already placed will be supplied at the prices previously advertised, i.e., 6d. for unmounted and 1s. for mounted cabinets.

Group Revenue Supervisors and overseas readers may obtain supplies for re-sale at a special discount of twenty-five per cent. on all orders for one dozen or more of any one size.

A few copies of this photograph are available, specially mounted, size 10 in. x 14 in. at 2/6 each, postage 3d.

Orders accompanied by remittances should be sent to SOCIAL CREDIT, 163A, Strand, London, W.C.2.

THE GOOD WORK

THE following letter, dated December 30, 1935, has been addressed by Mr. J. E. Tuke, the Acting Treasurer of the Social Credit Secretariat Limited, to all subscribers to the Secretariat funds:

DEAR Friend,—In this interval between the Christmas festival of Goodwill and the New Year with its responsibilities for the future, I, as Treasurer to the Social Credit Secretariat Limited, along with my most excellent colleague, Mr. F. C. Luxton, send you our greetings and our great appreciation of all the financial help accorded to us in our year of office.

We believe that 1936 will be a crucial year in the history of civilisation. The transient improvement in our national well-being, due almost entirely to the increased expenditure for armaments, and the creation of large sums of new credits for speculative building, at the cost of an ever-increasing burden of debt, will most certainly lead either to War, or to the slump, which under our modern economic and financial system, are alternately recurrent. 1936 may stand out in history either in transcending the horrors of 1914 or as the year when the world may enter upon its progress towards the promised land.

You, and we, realise the inevitability of these alternatives.

1936 opens with renewed hopes in Canada, Tasmania, New Zealand, and Australia, and in this country the Electoral Campaign, backed by our weekly journal SOCIAL CREDIT, is month by month gathering momentum and strength. Truth and sanity must, and will, prevail; falsehood and lunacy always carry the seeds of destruction and oblivion within themselves.

Those of our friends who are so loyally and regularly supporting us financially are asked to take from this letter just an expression of goodwill and thanks; others amongst our friends who, for one reason or another, have not of late contributed to the fund, we add to our good wishes an appeal for renewed support. To all we say, we intend to go forward with all our strength and resources, with no dissensions or friction, to ensure, that before 1936 draws to a close, the world will have seen the light of a great hope and a great deliverance by the fact that Social Credit is in being. It matters little where the first experiment is made, it will light a flame which will blaze a trail of well-being and security around the world.

Yours sincerely,

JAS. EDW. TUKE,
Acting Treasurer.

A Common Question and its Answer

Where the Money Comes From

ELECTORS are being asked to sign a pledge that they will vote at the next election only for the candidates who undertake to demand payment of a National Dividend and to defer all other legislation till this has been accomplished.

Sometimes the immediate reaction of the average elector is to ask where the money is coming from, and the reply of the more successful canvassers is simply to point out that knowledge of the nature of money and the working of the financial system is not relevant to any intelligent person's giving a direct reply to the canvasser's question.

If, however, the elector presses for enlightenment on this particular matter, the canvasser might politely say that the money will presumably come from the same source as it comes from now. Does the questioner know where that is? Does he refuse what money he now gets because he doesn't know where it comes from? If the questioner shows a genuine interest, however, he may be referred to the literature of the Social Credit Movement, in which he will find a full explanation. He is, however, urged not to defer expressing his will as to whether or not he desires the abolition of poverty, but to sign the pledge* first, and afterwards, if he is interested, to study the mechanism by which it may be translated into fact.

If all such questions and objections are courteously dealt with in a similar manner, experience shows that few electors will refuse to express their will by signing the pledge.

On the other hand, if the canvasser stops and tries to explain the technicalities, he not only wastes precious time, but he raises so many doubts and difficulties in the mind of the elector that he becomes too bewildered to sign the pledge form.

* Reproduced on the back page.

THE ELECTORAL CAMPAIGN IN WESTERN AUSTRALIA

THE *New Era* (Sydney, N.S.W.) of October 10 publishes an account of the inaugural meeting of the Electoral Campaign in Western Australia in the Perth town hall. The town hall and also an overflow hall were packed with people, and large numbers were unable to gain admission.

The speakers were: Archbishop Le Fanu, Professor Walter Murdoch, Professor Cameron, Messrs. Richard Rushton, C. F. J. North, M.L.A., R. J. C. Butler, Miss Gwen Wynne, and Mr. F. A. Law.

The keynote of Professor Murdoch's speech was the following:

Since nobody can say there is a shortage of goods, we are absolutely convinced that the abolition of poverty is perfectly possible.

We know that it can be done, we know also that it must be done, and done quickly.

None of us has much power or influence as an individual, but if a sufficient number of us will

unite . . . we shall have plenty of power if we know how to use it.

After explaining the function of the politicians and the expert, Professor Murdoch remarked:

I like those old stories in which the king summoned his wise men and told them to read a riddle; if they couldn't read it right they were taken out and beheaded. I wish we could apply some stimulus to our experts to-day. It might imply a few executions; a few experts might disappear, much regretted by their families and friends; but I don't think it would be long before a plan would be found.

As a matter of fact, several plans have been devised already; but this meeting has not been called to champion any one of them.

Further points made by speakers were:

We won't stand being told that the thing is impossible when mere common sense tells us that it is perfectly possible. It is much better that these things should be dealt with now while we can consider them rationally and temperately, than that they should be left to be dealt with later by men who have grown desperate.

START TO-DAY!

THE Electoral System has not yet been made *useless* in the hands of British men and women as an instrument of political democracy.

But the time in which they may so use it may well be short.—"YOU and Parliament," by Dr. Tudor Jones.

We need MORE readers—MORE sales!

EXPAND THE CIRCULATION OF "SOCIAL CREDIT"

The new battalions of Campaign workers can be raised only if its existence—and the *reason* for its existence—is continually being brought to the attention of New readers!

Propagating SOCIAL CREDIT is quite a different matter from theorising about technicalities.

FIND SUBSCRIBERS — SELL THE PRINTED WORD

EXPAND THE SALES

DOUBLE THE CIRCULATION IN YOUR DISTRICT!

CORRESPONDENCE

An Economist's Glimpse of the Obvious

In case no other reader has brought to your notice the fact, I should like to see it put on record that a week ago from to-day Prof. J. A. Scott Watson (Professor of Rural Economy in the University of Oxford) in the weekly "For Farmers Only" talk gave it out as his considered opinion that the only salvation for British agriculture lay in the adoption by the government of the policy advocated some time ago by Sir John Orr, namely, the subsidising of the poorer consumer to enable him to buy humane quantities of that health-giving but dear milk, of fresh meat and vegetables and other products that the British farmer can produce in such prime abundance and which he, the needy consumer, is urged on all sides for the sake of his own well-being to "eat more" of. Then, he continued, the present problems of farming would solve themselves. "We want to see agriculture become prosperous not through the creation of scarcity but through the increasing of consumption"—these were his own words. Not a bad start for the New Year!

Parkstone, January 8.

E.R.

Spare Our Blushes

Congratulations on your new heading, which I think is at last worthy of the spirit and policy of your publication—undoubtedly the best twopennorth in the world.

As a mark of appreciation, I intend to canvass a few subscriptions, together with a few more newsagents' weekly orders.

BROCK.

Distinguished Propaganda

May I repeat a suggestion which I recently made to the National Dividends Club, namely, that a list should be kept of the names and addresses of all people whose efforts appear in print in any of the London papers, whether (a) as writers of articles, or (b) writers of "letters to the Editor."

These people might then be treated to a free six weeks' supply of SOCIAL CREDIT, the effect of which would tend so far as (a) is concerned, to influence the views of leader writers who in turn influence public opinion to some degree, and so far as (b) to bring our

movement to the notice of people who, at least, have some form of public spirit.

It appears to me that if Groups throughout the country adopted this method, we should at very small cost be breaking down the publicity ban and encouraging more under our banner.

I have yet to find anyone whose ideas have not been shaken up after a few doses of SOCIAL CREDIT.

G.R.T.,

E.C. Supervisor, N.W. London.

The National Dividend Club

In the letter written by Col. Creagh Scott, published in SOCIAL CREDIT of January 3, he made several references to the National Dividend Club. This letter, appearing without editorial contradiction, gave me the impression that a condition of membership, as printed in a previous article on the Club, has been withdrawn or that the aims of the Club have been widened to include all Social Credit supporters. The clause referred to stated that membership was conditional on participating in the Electoral Campaign. I should be glad to know if my supposition is correct.

London.

MRS. SUSAN CARDEN.

[The Secretary of the National Dividend Club asks us to state that membership of the Club is conditional upon signing the Elector's Demand and Undertaking, as reproduced on our back page. Any individual may become an associate member of the Club for a period of twelve months by signing the first four clauses of the Undertaking. At any time within the twelve months they may become full members by signing the complete Undertaking. It will be seen, therefore, that anybody who subscribes to Social Credit principles as expounded by Major Douglas can become a member of the Club.—Ed.]

A Christian's Resolutions

Can we have some reprints of "A Christian's Resolutions for 1936," by Dr. Hewlett Johnson, with portrait, from SOCIAL CREDIT January 10? I would take 1,000 of them if others come forward to try to make them cheap enough.

Congratulations on an excellent number of SOCIAL CREDIT this week.

Ringwood.

W. WILLOUGHBY PRICE.

BOOK REVIEW

Zaharoff the Armaments King*

On the dust wrapper of this work, Ernst Toller is quoted as follows:—"This book which reads like a first-class detective story, is the horrible truth. This book concerns the world." Horrible indeed it is, and even if only one-half of its contents were true, the armaments trade would stand condemned.

But this trade, and Zaharoff himself, are the products of a system, and it is to be hoped that those who read these pages will not overlook this fact, and be tempted to believe that because the goods sold are of so evil a nature, the methods adopted are much worse than those of "big business" in general.

Given a financial system that fails to distribute sufficient purchasing power in the home markets of the world to buy the goods produced or producible, then the struggle for export markets and sources of cheap raw materials, of which war is the logical outcome, is inevitable.

With war an ever-present possibility, armaments become a necessity and hence the armaments trade, which, in common with every other trade, must fight for export markets; but with this difference: that its success in obtaining them may result in arms produced in a particular country being used to kill the very people who made them. The Turks had Vickers guns at Gallipoli, and the British fleet used German gun-sights at Jutland.

Unfortunately, the German author, Robert Neumann, weakens his case by the bitter prejudice he displays against his subject, and by a horrible yellow press style for which, however, his translator, R. T. Clark, may be partly to blame.

The first 70 pages are devoted to an account of the author's effort to trace Zaharoff's antecedents and early life. The results are neither very convincing nor important. Thence onwards Zaharoff's rise to world-wide influence is recorded until, in the last chapter, the author reverts to the style of a keyhole-peeping reporter and gives an account, largely apocryphal one suspects, of the events leading up to Zaharoff's marriage to the Duchess of Villafranca, and of his life subsequently.

Zaharoff's career as a "merchant of death" began with his appointment as agent for the

* "Zaharoff the Armaments King," by Robert Neumann. London: George Allen and Unwin Ltd. 10s. 6d.

ALBERTA SOCIAL CREDIT CHRONICLE

A weekly newspaper published every Friday. Official organ of the Alberta Social Credit League.

Single copy five cents. Subscriptions:—
Three months, \$0.65. Six months, \$1.25.
One year, \$2.25 British Empire. \$2.75 U.S.A.

From 815A, First Street East, Calgary, Alberta, CANADA.

Balkans—a fruitful field—for the Nordenfeldt Guns and Ammunition Co., Ltd., in 1877, a position he is said to have obtained through the influence of Skuludis, the Greek politician. From this beginning he rose to a directorship of Vickers, and control of, or interest in, armament firms in every important country in the world, so that wherever a war occurred he would be able to profit by it. For details of the methods by which his success was achieved, and of the assistance rendered by Sir Vincent Caillard in securing loans for potential customers, the reader must refer to the book.

Light is thrown on many events both leading up to and subsequent to the last war. Oftimes it is a flickering and uncertain light, cast by witnesses whose names are suppressed, but the story as a whole is antecedently probable, and considerable parts of it are supported by evidence, documentary or otherwise.

The story of the Greek campaign in Asia Minor, which terminated in the bloody *débauché* at Smyrna on September 9, 1922, is particularly interesting. This war led to the death of several hundred thousand combatants and civilians, the forced transfer of large populations, the execution of six members of the Greek Cabinet, the overthrow of the Greek throne, and of Mr. Lloyd George. Yet it was apparently only an oil war in which Greece and Turkey were the powers and, according to Mr. Neumann, Sir Basil Zaharoff one of the players.

It is a grim record, and the moral is to be found in the last line: "The Zaharoffs are immortal." They are, but only in a sick world. They are "something nasty that has been vomited up," and it is futile to blame them; they are but a symptom of the disease diagnosed by Major Douglas 17 years ago.

J.D.



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Fellow "Social Crediters,"

Will you please compare the prices of these cars with anything offering elsewhere. It is in your own interest to do so:—

- 1935 S.S.1. 16 h.p. 2-door Saloon, Black, 4,000 miles, price £195.
- 1935 Austin 12/4 Ascot Saloon de Luxe, Blue with Brown trimming, £125.
- 1935 S.S.1. 20 h.p. Tourer, 7,000 miles, £195.
- 1935 Austin 10 h.p., 3,000 miles Saloon de Luxe, Blue, £120.
- 1931 Vauxhall Cadet 6-light sunshine Saloon, 16,000 miles, 4 brand new tyres. £65.
- 1935 Vauxhall 14 h.p. Saloon de Luxe, 6,000 miles. £155.
- 1934 Austin 10 h.p. Tourer, faultless condition. £89.
- 1935 Morris 12/4 Saloon de Luxe, 9,000 miles. £115.
- 1935 Morris 10/4 Saloon de Luxe, 9,000 miles. £115.
- 1935 Morris 12/4 Saloon de Luxe, 7,000 miles. £125.

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Announcements & Meetings

Notices will be accepted for this column at 6d. a line, minimum three lines. Notices must reach the publishing office with remittance by the Monday morning before the date of issue.

Belfast Douglas Social Credit Group
Group Headquarters: 72, Ann Street
Office Hours: 2.30 to 5.30 and 7 to 10 p.m.
Public Lecture each Thursday at 7.45 p.m.
Bring or send that new "enquirer." Questions and discussion invited.

Blackpool and Lytham St. Anne's Social Credit Group
Holds meetings at 8 p.m. Thursdays. Open to Public.

1st Thurs. in month—44, Reads Ave., Blackpool.
2nd Thurs. in month—Kiosk Café, The Square, St. Anne's.
3rd Thurs. in month—Dickenson's Café, The Square, Lytham.

Glasgow Douglas Social Credit Association
Change of Secretary.
Future communications to: Mr. James Bain, 2, Stobcross Street, Glasgow, C.3. Meetings each Wednesday in the Rooms, 200, Buchanan Street, 8 p.m.

N.W. London Social Credit Association
A public meeting on Monday, January 20, at St. Alban's Hall, West Heath Drive (one minute from Golders Green Tube Station), at 8.15 p.m.
Speaker: Mr. Norman Smith, "A Labour View of Social Credit." Admission free. Questions invited.

Woking Douglas Social Credit Group
Meetings will no longer be held at "Barnsbury." Will friends please communicate with the Hon. Sec., Mr. G. M. Runnacles, c/o Sycamore Ho., Chobham Road, Woking 1096, Surrey.

Week-End School
A Week-end School and Social for Social Crediters will be held at "Netherwood," The Ridge, Hastings, opening February 29. S.C. Speakers. Dancing. First-class accommodation. C heat, h. & c. throughout. Four acres of lovely grounds. Cuisine for all diets. Inclusive charge for two days from 15s.

National Dividend Club
All enquiries should be addressed to the Honorary Secretary: Capt. T. H. Story, 28, Ashburnham Gardens, Upminster, Essex.

Frotti's Label Action

BEFORE Mr. Justice Fairboy to-day, in the King's Bench Division, an action for libel brought by the Rev. Fergus M'Binochle against Mr. Annotti Frotti, described as a Bachelor of Music in the University of Tahiti and a teacher of the ukelele.

Counsel for the Defence: M'lud and gentlemen of the jury, m'learned friend, pleading this very special case of the plaintiff, of this very special and peculiar plaintiff, if I may say so, whom we have not seen in court and who apparently is not to be produced, has told you that the Rev. Fergus M'Binochle, preferring not to give evidence in person, has taken the odd course of entering a sworn affidavit to the alleged facts.

And what facts they are!—for it is no part of our case, m'lud, to deny the very significant statements put forward by the other side. It appears that at one period of his life, for reasons purely of a private and harmless nature — harmless, mark you, and, of course, private—this reverend gentleman travelled extensively in America under the name of Professor Clarence Skinner. Not a collar, not a suitcase, not, we must infer, a pant or sock, which was not marked with the letters C.S., or the simple inscription "Clarence." This we are asked to accept, without any explanation or excuse, as a normal interlude in the life of a Clerk in Holy Orders.

It is alleged that the defendant, knowing of this, we had almost said pious, escapade, and trading upon his knowledge of it, uttered and caused to be printed in an allegedly subversive journal, certain statements about Professor Clarence Skinner liable to bring scorn and contumely upon the name. That, m'lud, is m'learned friend's case, and I submit that it is no case at all.

It is possible in truth to imagine that an action for libel might lie upon these facts. Indeed, I can imagine three separate actions. Academic circles might well move a strong case against Mr. M'Binochle for casting into disrepute the honourable title of Professor. People named Clarence, and others with the

surname of Skinner, might, to paraphrase the poet, contend in this court that to call some other substance by the name of rose does not ensure the sweetness of its smell. These actions might lie, m'lud, and I venture to say that the gentlemen of this jury before me would not lightly dismiss them. But to plead that one can at will take a name that is not one's own, I will not say an alias, and then succeed in an action for libel upon that name, is a species of frivolity liable to undermine the whole basis of British justice.

His Lordship: I want to see this Mr. M'Binochle. Why isn't he here?
Counsel for the Plaintiff: M'lud, he preferred not to appear.

His Lordship: Oh, he did, did he? Well, I prefer him to appear. Of what church is he a minister?

Counsel for the Plaintiff: M'lud—er—I understand, humph, of no particular church. A minister without portfolio, if I may so describe it.

His Lordship (sternly): You may not so describe it, sir. Are you even sure his name and calling are as they are stated to be?

Counsel for the Plaintiff: In a sense, m'lud, I am sure.

His Lordship: In what sense?
Counsel for the Plaintiff: In the sense, if I may so express myself, that they are not.

His Lordship: Ah, they are not, are they? He is neither M'Binochle nor a Reverend?

Counsel for the Plaintiff: He is, as you say, m'lud, not.

His Lordship (with some anger): I perceive something behind all this, one of those instances, perhaps, which our very distinguished Lord Chief Justice has pointed out recently in so forceful a manner, of attempts to pervert the course of justice to the ends of powerful, hidden and unscrupulous interests. I shall dismiss this case with costs against the plaintiff; and if I could see my way to do so, I would commit him for contempt of court of a most malign description.

Mr. Frotti: Please, y'Excellency, are you meaning that my label cases is all over?

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