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For Political and Economic Democracy

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Weekly Twopence

FIGURES VERSUS FACTS

A Review of the Existing Monetary System and an Outline of a Social Credit System to Take its Place

By Major C. H. Douglas

IN speaking to an audience* of this size and diversity, although I feel confident of its high level of intelligence, I am not so confident of your knowledge of the actual workings of the existing economic system, and it is difficult at the outset to know how to begin, as it is a very wide subject. It must be a wide subject, because many of its factors enter into all our relations in life. Money governs our physical life—our life in society—to an extent almost unbelievable until you come to examine closely the effect it has even upon our education, opportunities to travel, and our general outlook.

Money has a bearing upon the whole of the organisation of modern civilisation. To put it briefly, it controls nearly all our actions from the cradle to the grave; and it is only by the very strong combination of an outstanding character, generally with great opportunity, that it is possible for individuals to transcend the obstacles that surround us. Because some of us do transcend these difficulties—struggle through them—our outlook is often given a peculiar twist.

What I mean is this. There is a very strong tendency for the more successful amongst us to suppose that if we have to some extent transcended the monetary problem, and have obtained sufficient money to get by with, then it must be a good system. Because it has served us and answered successfully for us, as distinct from the great body of the people, we view our success as being one of those things on which we pride ourselves. We are a little better than the other fellow on the street.

All this is quite natural, and I can have no particular objection to it, unless it stiffens us into a resistance to all change. I am not one of those who regard the banker, for instance, as wilfully malicious. I am always rather inclined to listen to a man who can play a game well, even if it is the wrong game, before I pass judgment.

It is not a bad thing to know the rules of the present game of finance well. The growing interest in this question of finance and its difficulties is by no means confined to the "down and outs." It is a growing interest among those who have no serious quarrel personally with the present system. If the existing system is defective, moreover, it must eventually penalise every class. Hence the great general interest which monetary theory now attracts is by no means confined to any one class.

There is everywhere a strong popular support, and, amongst those who have no serious personal complaint of the present financial system, a growing appreciation, of the idea that, as a mechanism, the system is seriously defective. If it is defective, inevitably it will affect every phase of the lives of the people, and finally even those who think they are at present in control of the system. Because that is so, I would like

to direct my remarks not only to those who are suffering from the present economic system, but to those who think the present system has served their purpose sufficiently well.

When we speak of Social Credit, it is well to make it sufficiently clear what we are talking about. Social Credit may be defined, then, as the balance of the difference between what we have and what we could have if there were no financial limits imposed on consumption. I include in that balance of things that we could have, but have not, as a result of the limitations of our system, many intangible items, such as economic freedom, the absence of worry induced by financial stress, the disappearance of irritating taxation, and of the psychological results of chronic indebtedness to the private issuers and destroyers of money—all these things are involved, and may be obtained, or recovered, by a proper type of monetary reform.

This whole subject is not beyond the intelligence of ordinary people; but as a result of defective education and subtle suggestion we are very much in the position of the political economist who was defined as

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BUSINESS MAN ENDORSES

SOCIAL CREDIT

A PRACTICAL EXPERIMENT

NO REGIMENTATION, NO CONFISCATION

Says J. Crate Larkin

Mr. J. Crate Larkin is Vice-President and Secretary of Larkin Company Incorporated in the U.S.A. This 60-year-old manufacturing and mail order house has been conducting a "dress rehearsal" of the procedure required from a business concern to carry out the accountability of the Price Discounts proposed by Major C. H. Douglas. "The results indicated that it would be much less expensive to maintain these records than to supply tax information as now required." Mr. Larkin's article describing the findings of his Business Research Staff, and reproduced below, was released to American newspapers on January 29.

IN these days of confused experimentation, business men justly fear impractical monetary schemes. The recent findings of the Brookings Institution are therefore gratifying as a foundation for business judgment. These surveys deserve business attention. Significantly they indicate the turn toward an economics of abundance as opposed to the scarcity theories of the past. But they are of even greater importance as footsteps towards a practical solution of the problems of distribution and mass consumption.

Faulty Distributive Mechanism

Dr. Moulton's conclusion that "the trouble with capitalism is the capitalists," requires further explanation. There are two kinds of "capitalists," the industrial capitalist whose business is the production and marketing of

wealth, and the financial capitalist engaged in the supplying of credit which constitutes the monetary mechanism of distribution.

Production cannot continue without correlated consumption. Most thoughtful observers agree that the breakdown in the economic system is not in production, but in the means of distribution. In the light of this distinction, the bulk of "the trouble" lies with the financial capitalist than within the financial system in which he works, since he administers its formulas chiefly as an active agent.

Practical Research Work

As early as 1931 it became apparent that the depression of '29 was primarily due to financial causes. Members of our Business Research Staff undertook a study of money in relation to the deficiency of consumer buying power. In gathering material for this study, they encountered the ideas of Major C. H. Douglas and began an intensive investigation of his Social Credit Proposals. At first sight the proposals seemed almost too good to be true.

Our cost accountants were requested to make an experimental application of the procedure for recording retail discounts. The results indicated that it would be much less expensive to maintain these records than to supply tax information as now required. But it was not until December, 1935, that our checking was completed by a number of other detailed experiments. These investigations indicate that the Douglas Proposals, far from being fantastic, merit the careful consideration of business executives.

We Produce to Consume

Beyond doubt, the purpose of the economic system is to produce and deliver goods and services for consumption. It is also quite generally agreed that the full accomplishment of this purpose is frustrated by a shortage of consumer purchasing power.

For instance the under-consumption found by the Brookings Institution was correctly identified by General Hugh Johnson as due to a shortage of buying power when he stated in 1933, "The ability of the people to buy is not so great as the total cost of what there is to sell."

This corresponds to Major Douglas's view and whether or not one accepts in theory his analysis of the specific causes of the shortage of consumer buying power, to any impartial observer the fact of the shortage is pragmatically verifiable in business experience.

The Supreme Problem

How to finance mass consumption? This is the great economic problem of to-day. The money method designed to finance production does not meet the modern need for financing consumption. Buying power is a

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* Report of an address delivered at Massey Hall, Toronto, June 6, 1935, under the auspices of the Toronto Douglas Social Credit Association.

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Counter Attack

OF the formation of movements there is no end in these dark and troubled times. Yet another is reported in *The Times* of February 19, and the report will repay close examination:

The association, it is announced, will be known for the present as the "Next Five Years" Group. It is not to be a new political party, but will bring pressure to bear upon Government and Opposition alike.

A counter attack, it seems, on our Electoral Campaign. That would be quite agreeable if it were a plain demand for results. "We want work" versus "We want goods" would be a straight fight.

In a statement of objects the group is described as "an association of persons belonging to all political parties and to none, who have found themselves in substantial agreement as to a practical programme of action for the immediate future."

That sounds innocuous enough — but see what follows:

The group, it is added, seeks to form a rallying ground for all those who wish to see democracy retained and reinvigorated, despite the perils that confront it, and to show that people of varying political outlook are readier now than at any previous time to support an attainable programme of far-reaching action, in both domestic and international affairs.

Well, we are sorry, but it cannot be done. Democracy has never been, nor ever will be able to do all that at once. To ask for a plain yes or no to the question, "Have you left off beating your mother-in-law?" is like asking a voter to put his X in favour of a programme of far-reaching what-not.

Sure enough the proposed activities of the group are calculated further to befog the dazed electorate with a maze of plans, schemes, methods, and arguments. They include:

Promotion of the study and discussion of the proposals contained in the book "The Next Five Years," the publication of further literature, and engagement in other forms of propaganda. The group will undertake research into the subjects dealt with in the book, and set up committees which will be available for consultation with other organisations and for Press correspondence. Meetings and lectures will be arranged and speakers and lecturers supplied.

In fact it is to be a first-class demonstration of how to keep everybody too busy arguing about methods to think about demanding results.

A further suggested activity is "to arrange deputations and employ other means of bringing influence to bear upon Ministers, local authorities, political parties, and other organisations. (Our italics).

An "executive" committee has been constituted and offices taken. For those who know and understand the ramifications of central financial control of propaganda, the names of some of the members of the so-called "executive" committee will be illuminating.

They represent planned economy, rationalisation, internationalism, public opposition to Social Credit, financial propaganda for the instruction of children, orthodox economics, Fabian Socialism, and the rule of the expert.

What makes this sort of thing a public menace is that most of these people act from the highest motives, and that, subsequent to a change of the financial system in favour of the individual, there is much to be said for what they put forward.

A proper conservation of our natural resources can be safely planned only after the individual has unrestricted access to the product of industry. A League of Free Peoples, amicably exchanging their surplus products is a probability after the financial power behind the League of Nations has been thwarted in its object of keeping nations in order against their will.

And the expert should be supreme in the sphere of technique and methods, once he has been deprived of any say in "what is good for the people" so far as the results they want are concerned.

Examination of the proposals of the kind of people we are discussing invariably reveals a desire to reform some institution at the expense of the individuals composing it—generally "for their own good."

Brave New World

According to the Industrial Correspondent of the *Daily Express*, no fewer than 2,266,000 children between the ages of 14 and 17 will be coming on the labour market this year, while next year the number will be 2,357,000. "To-day," he says, "the scramble for jobs has become frightening."

However, our professors and officials are rising nobly to the occasion. "Before many years are past it is likely every boy and girl leaving the State schools of Britain will receive vocational guidance from skilled psychologists working together with 'juvenile employment officers.' The psychologist will recommend the calling to which each child is most suited, and the employment officer will know what openings there are in local industries. The whole of this scheme is in its infancy. The Ministry of Labour is not quite certain yet how far the verdict of the psychologists can be depended upon."

What a fearful picture this conjures up! Education becomes nothing but a special conditioning for the needs of commerce; and psychology a hideous process of sorting, like one of those machines which punch holes in cards and index them at the rate of 1,000 an hour. And, of course, the more education succeeds in producing stereotyped boys and girls, the more possible it becomes to do the sorting satisfactorily. Only one other thing remains: to find enough stereotyped jobs.

Too Old at 30

It would be interesting to know whether growing out of their twenties has had such terrors for women of other ages as it has for women of to-day. It has come to such a pass that there actually exists an Over Thirty Association for protecting the interests of women who have passed their thirtieth milestone.

At a meeting held recently in London, one speaker said "Growing old for the majority of women earning their living is a frightening thing. There is the nursery governess, the elderly teacher whose savings have been absorbed in supporting others, the companion, and the elderly domestic—the world appears to hate them all."

Miss Margaret Bondfield read extracts from letters she had received. One ran: "I am 58. I am finding it most difficult to get congenial work. As I have no home, I have to carry on somehow till pension time. Do you think we elderly folk will ever get our pensions at 60? What a blessing it would be. The world outside seems to have no use for us these days."

No, Finance values human beings only according to their profit-making capacity. This means it values women on a lower scale than men—except in so far as their feminine attractions can be exploited and commercialised. Women voters should realise this, and if they don't like it, insist upon something which will value them differently.

Youth Ready for a Lead

"Some time was spent affirming that a Socialist government would keep its word to the people when it attained power." So runs the report of the Youth Conference which we publish on another page.

It is a sad comment on the state of so-called democracy that doubt should be possible as to whether a government will keep its word to the people who elect it. True democracy surely lies in this, that a government should be elected to fulfil the will of the people, to give them what they demand, provided it is physically possible. Methods are for the experts. If the people demand their share of the plenty which is a physical fact, it is for the representatives to implement this wish, to select and discard experts, to try all methods, until the results are obtained.

The doubt expressed by the fact that it took time to make the "affirmation" mentioned above, indicates that the Youth Movement is ready for a lead on the Nature of Democracy.

Patching up the Black Areas

Mr. Malcolm Stewart's report on the Distressed Areas has aroused a feeble week-end flicker of interest in what is now thought to be an insoluble problem, only to be removed by another world war or a special dispensation of providence. One or two M.P.s, interviewed by a *News Chronicle* reporter in search of a "filler," sound the usual notes of alarm. But we have long ago grown used to reading this kind of thing, and it is much more pleasant to read that Britain is in the running for the Ice Hockey championship.

Mr. George Hall says "The Commissioner's work is being confined simply to repairing physical and social conditions, and they are

From a Seat in the Stalls

only a tithe of the damage which is being created by lack of employment."

And Mr. Arthur Jenkins, another M.P., says, "At present industries are drifting to London and the South because of the vastness of the London market. If this drift continues at its present rate there will be a real danger of everything outside London becoming a depressed area."

If this happened it might simplify things for future National Governments. They could lump all England, Scotland and Wales, barring the Metropolis, into one Distressed Area and appoint a Ministry for the Distressed Area (or rather Special Area as it would be soothingly called) which could spend its time transferring men from district to district, like counters in draughts or halma.

We Are Dummies

Last summer the Government guaranteed a loan of £32,000,000 for electric railways in London. The Government has again given its guarantee for a loan, of £27,000,000 this time, for railway development. These sums will be new money, created and lent by the banks at no cost to themselves — yet the people, through their Government, have to guarantee their repayment and interest!

The works that are to be carried out now the money has been made available were all badly wanted long ago, and were all well within the capacity of British industry, i.e., the country could well afford them.

Why have they been delayed? Simply because those to whom we have given the power to create money did not see fit to grant permission for these works to be undertaken.

Meantime machines have been idle and men unemployed. How much longer are we going to suffer to be the dummies of "sound finance"? The remedy is in our own hands.

Warning

A period of prosperity is coming. It will not be the real prosperity of National Dividends, as those who are unemployed will be no better off.

But more will be employed. There will be more money about. How is this?

Because the banks have willed it so. By lending hundreds of millions of new money to the Government and to public companies (armament programmes and railway improvements, for example), they are pumping more money into the community and making it possible for more work to be done, and more things to be bought.

But let no one be deceived. This is prosperity on sufferance, "by kind permission" of the money power. And it is not a gift. Our own prosperity is lent to us, to be repaid later with extortion and misery.

Let the fair face of the false dawn fool no one of us.

Sowing the Seeds of Strife

Yet another example of how Finance sows discord and bitterness between men is provided by the Tithe System, which is now nearing its end. So much ill-feeling has it caused that the Government is to guarantee a loan to buy out the interests of the owners at an agreed figure.

For years past, says the *News Chronicle*, hundreds of country incumbents have suffered from the inability of tithe-payers to meet the demands of the 1925 Tithe Act. Many with large families and expensive houses to maintain have been brought to the poverty line.

Farmers have also suffered. The county courts in the South and East, where tithe is heaviest, have for years been choked with tithe summonses. Some have had as many as 2,000 summonses outstanding at a time. Hundreds of farmers, have had their farms and homes sold up. Thousands of acres of fertile land have been rendered derelict by tithe.

So bitter has been the antagonism that in recent years congregations of innumerable country churches have been reduced to three, four and five people at the Sunday services.

You cannot serve God and Mammon.

Those "Redundant" Spindles

Parliament has been debating the proposal to scrap about ten million spindles in the cotton industry, by the usual method of appointing a Board empowered to borrow the necessary millions of created money from the banks. The justification for this wholesale slaughter is that the spindles are "redundant," as there is no demand for their output. They are therefore to be purchased at the price of five shillings per spindle, which money will enable the mills to pay off some or all of their overdrafts, whilst the Spindles Board is to be empowered to recover the money expended from the remaining spinning concerns at the rate of 1½d. per spindle per year for a period of fifteen years.

The actual effect of this manoeuvre will be that the banks will be enabled to transfer

overdrafts, which at the present time amount to hopeless bad debts, from insolvent concerns to firms which are in a sound position, in such a way that the money withdrawn will be charged down from hand to hand till it reaches the consuming public.

On December 17, 1935, Mr. Walter Runciman, President of the Board of Trade received a deputation from the committee of opposition to the Cotton Spinning Industries Bill (as it is called) which is now before the House. The deputation explained that they represented 113 firms of cotton spinners, owning approximately 11 million spindles, who urged that the Government should withdraw the Bill, on the ground that the majority of the spindles affected are actually obsolete.

Another basis of objection was the claim that the scrapping of these spindles would enable the remainder to run at nearer full capacity. "This claim cannot be substantiated," it was asserted. "Most of the modern financially sound mills are running to-day at full capacity. As further indication of the illusory nature of the proposals, we draw attention to the fact that the statistics which form the basis for the scheme are two years old, and absolutely out of date."

The Bulging Banks

"The banks are bulging with money," says the *Daily Express*. "Aggregate deposits have risen to a new high level of £2,091,313,000, which is £120,000,000 more than a year ago." But the banks' employees have to go on enduring their pay-cuts and losses through regrading arrangements. Lloyds' staff, for instance, according to the Bank Officers' Guild, still suffers from fifteen various cuts and reductions.

Why do they continue playing this heartless joke on the poor, unoffending bank clerk? Everybody, who is not actually under observation, must know by now that the 'Big Five' could pay every single clerk £1,000 a year and not feel it at all. Why, then, do they continue playing the *non possumus* game?

It is a matter of policy, not profits. Finance stands for low wages, because this increases its power. Besides, it would never do for the banks to let on that they did more than play good shepherd to their clients' savings. If they paid higher wages than industrial firms too many people might begin to think.

Generating Power

We hope the article on page 14 entitled "Action Stations" by Mr. E. J. Roberts will be widely read, carefully marked, and inwardly digested. It does not exactly express official views, for we do not believe that mere propaganda can make the mass of the people realise their power. Only seeing their power made manifest—or flouted—will do that, and a certain stage (now being entered on) of the Electoral Campaign is devised to have this effect, and will succeed, given the necessary workers.

But—and herein lies the great value of Mr. Roberts's article—for the Electoral Campaign to succeed within the short time available it *must* be conducted energetically. More workers are needed, and it is the recruiting of these workers, who are the salt of the earth, that Mr. Roberts's suggested method should help to achieve.

The progress of the Campaign, wherever it has been energetically prosecuted, is astonishing—not so much to us as to the workers themselves—and is an earnest of what is to come.

Battersea Wants an Inquiry

The Battersea Chamber of Commerce on February 3 passed a resolution, "That in the opinion of this chamber the Government should forthwith set up a Royal Commission to inquire fully into the economic theory known as 'Social Credit.'" The mover was Mr. W. Ewart Williams.

We congratulate the Battersea Chamber for having anticipated the exhortation of Mr. Crate Larkin (see front page this week). It is our duty to warn them, however, that the path they have chosen ends in a *cul de sac*.

The Southampton Chamber have been very thoroughly into this matter, and their experiences are at least worthy of investigation by their Battersea confrères.

It is clear that in the Battersea Chamber the members are seized with the gravity of the drift toward war of a world which is starving amid plenty.

We ask them to read carefully the Undertaking on the last page of this paper, and consider it at a subsequent meeting.

It is ACTION not inquiry that is wanted—and urgently, *urgently*.

MANCHESTER'S REAL WEALTH

BIG PROGRAMME OF FINANCIAL FRUSTRATION

A SPECIAL committee appointed some months ago to review the financial situation and to discover means of preventing indefinite increases of the rates of Manchester now report (according to *The Times* of February 18) that, even if their present traffic recommendations are adopted in their entirety, an increase of 4d. in the £, to 15s. 6d., in the rates for 1936-37 is unavoidable, and that the plan of stabilising the rates at 15s., which was contemplated in the instruction given to the committee, is not possible without even more drastic cuts than those proposed in services vital to the welfare of the city.

Making Facts Fit Figures

Hence the committee recommend the abandonment of the construction of the eastern and western by-pass roads, and several other important and costly road improvements, an indefinite postponement of the development of Ringway as the new airport for Manchester, the putting off, also indefinitely, of the building of a new city art gallery and of a number of schemes providing additional amenities at Wythenshawe, Manchester's satellite town in Cheshire, **serious cuts in the public health services**, and a reduction from 17,000 to 14,000 in the number of houses to be built by the corporation in the next five years.

Intolerable Burden of Rates

All this seems to the committee to be necessary, in order to meet a financial position of growing difficulty. "While it is impossible for anyone to say with certainty what is the maximum rate a community can afford to pay, **it is common knowledge that the present rate burden is being severely felt by the citizens of Manchester.** In view of the evidence as to empty properties in the city, and the reluctance of new enterprises to enter heavily rated areas, it is not improbable that any advance in the rates beyond 15s. 6d. might bring . . . diminishing returns." The carrying out of the whole five-year programme would have involved an increase of the rates to over 16s. 6d. throughout the period.

£3,000,000 FOR LEEDS HOUSING

The Leeds Corporation Housing Committee has approved a big building programme for the next 12 months estimated to cost over £3,000,000. This will involve a charge of 4d. on the rates.

Leeds has long been notorious for bad housing conditions, yet it was possible years ago to rebuild the whole place. There have long been materials, equipment, and labour waiting to be used; but they could not be used because those who control the issuing of money said "no." It is high time the people themselves took control.

FIGURES VERSUS FACTS—By Major C. H. Douglas

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being a man who knows a great deal about what "ain't so." The great trouble with most of us in regard to questions of political economy is that we also know a good deal about what "ain't so," and we have been supported in our false ideas by a great many skilful phrases and suggestions inserted into the language for the very purpose of perpetuating our wrong ideas.

Makers of Money

For instance, we are told that Mr. Jones is making money fast. As a matter of fact, there are only three classes in the world who really make money. They are the Master of His Majesty's mint; the gentlemen who write spurious signatures on cheques and get 15 years' hard labour for their troubles, and then those gentlemen who do not get "15 years' hard," but knighthoods and baronetcies because they make so much more money than the other fellows; that is, the bankers.

The bankers make money by making little entries in books. In the words of Mr. Reginald McKenna, of the Midland Bank (the largest bank in the world), who admits it—as most bankers do nowadays—"Every loan creates a deposit." The banks make and destroy money at will, by issuing credits and cancelling the money so created when the loans are repaid. Similarly, by purchase of a security the banks create deposits

and by the sale of the security the banks destroy them.

These three classes are alone in the world as those who actually create money. When you talk about Mr. Jones the manufacturer making money, what you really mean is that he has got a little of the money some other gentleman had the day before, and the gentleman who had it the day before has less to-day than he had. Those people are merely scrambling for the money that *someone else* has made.

I have insisted on this question of the actual making of money in order to emphasise that **the rest of us who really produce wealth just scramble among ourselves to get what we can of the money the bankers create**—all except the forger and counterfeiter who are put in jail as soon as possible for breaking the trade union rules pertaining to the craft.

Wealth is not Money

It is because of this scramble that money becomes confused with wealth. The individual cannot get wealth without money. All of us have heard the argument that "I cannot do this because I have not the money." It is, of course, the other part of the community which makes real *wealth*, grows wheat, spins textiles, builds railways, ships, and performs a hundred and one services which go to make up civilisation and which are paid for by *money*.

Picture the great mass of civilisation which has the job of producing goods and

sense which converts the plain speech of honest men into stammering hyperbole, but, of course, provides silk-lined jobs for "efficiency" experts. He displayed a single sample of the shoe which bore a new gloss, which was handsewn, which was a craftsman's job, with lines of beauty and suppleness for comfort. It was a joy to show—and there was a new gloss on the commission, too.

But the eternal lie defeated him. They were not wanted, he was told.

"No, no, no, I won't touch 'em," said the buyer. "The demand is all for cheap lines."

So Haycroft booked the small order which reduced his commission to small change, and went away, wondering why beauty and good work were being banished from the earth. As he replaced his sample in the travelling case, he balanced it in his hand for a moment, and despite the disappointment like an anguish at the bottom of his mind, he enjoyed the touch and the look of a perfect piece of work, the visible joy of craft.

"The demand is all for cheap lines! The demand is all for cheap lines!" . . . it drummed in his ears like a tune that cannot be forgotten. A truth to the shopkeeper, a truth to him, but a lie before Heaven! For all men with the power of free choice choose the best, the most comely, the most useful; qualities which admit no divorce. Such choice is the half-stifled instinct of civilisation. But the purse is the final arbiter of demand. Cheap lines are the limits not of free choice, nor of "demand," but of the purchasing power of credit from the pawnshop.

(To be continued)

Within, he made short work of salutations, and began his "Sales talk," that solemn non-

THE ETERNAL LIE

By Charles Jones

No. 2—"THE DEMAND IS ALL FOR CHEAP LINES"

THE commercial traveller rose from his breakfast table, folded a letter from the Head Office thoughtfully, put it in his pocket, and bade his wife good-bye with a wistful glance and absent-minded kiss.

Outside, he got into his car, drove a mile, then came to a standstill, and re-read his letter.

"Dear Mr. Haycroft," it ran. "We enclose advance lists of our new lines in first-class footwear which, as the illustrations show, are novelty patterns. The very best material and craftsmanship have been put into these handsewn models, and there should therefore be a good demand for them. National press advertising will pave the way for big sales, and we expect a minimum weekly return of a hundred dozens on your circuit.

Commission on sales of these new models is 10 per cent. Please note that commission on all other sales is reduced to one per cent. as from this date."

He skipped a paragraph or two, and read the curt postscript.

"Noted. Your turnover is down again this month. This must cease. We refer you to Circular S.A. 26 explaining that intensive methods must be used in these days of reviving trade."

Haycroft started his engine, and trod the accelerator like a cinema organist until he came to his first "call." The shop was façaded in black and chromium plate, and the door bore a smart sign, "All qualities stocked."

Within, he made short work of salutations, and began his "Sales talk," that solemn non-

THE COAL INCREASES PLAN TO PASS THEM ON TO THE MINERS

The following authorised statement was issued on Friday on behalf of the colliery owners of Great Britain:

Arrangements are being made in every district for keeping a separate account of the amounts received from voluntary increases in contract prices for coal and the cost of payment of the recent special advances in wages.

It is proposed that the detailed method and procedure to be followed in order to ensure that the whole of the proceeds of such increases in price are utilised for the payment of increased wages shall be agreed between the accountants representing the owners and workmen respectively in each district.—*The Times*, February 15.

It is worth comparing this cumbersome procedure with what Mr. Larkin has to say on the front page about the accountability of Price Discounts. Certainly if this can be undertaken the remarks of the Labour Report on Social Credit about the alleged administrative difficulties of the Price Discount look just silly. As indeed they are.

NEW U.S. FARM BILL SOIL CONSERVATION!

The new Farm Bill which is designed to replace the Agricultural Adjustment Administration, provides for cash benefits to farmers who co-operate in the Government's soil conservation plans, and it is estimated to cost £100,000,000.

The placing of such a burden on the country's finances has led to the debate taking place so soon.—*The Times*, February 15.

It is our business to remember, and to remind our readers of *The Times's* comment on soil conservation on January 13. This is what it said:

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.

By having conservation of soil as its expressed aim the Administration hopes to convince . . . that it has acted truly in the interest of the general welfare, and not merely in the interest of one particular class of people.

which performs services, which alone are the basis of *wealth*. These are paid for in *money*. While all these people make *wealth*, only a relatively few bankers by their fiat make all the *money* with which these goods and services may be claimed. Their money is our only effective demand for the goods we produce and the services we perform.

You do not make money by making goods. Only the separate class, the separate organisation, the monopolists of credit make money. If you have got that idea, you have the beginning of any understanding of this problem, because you realise there cannot be any real relationship between an entirely disconnected organisation which has the monopoly of making money, and the large organisation on the other side of the ledger which is not consulted by the money-making organisation, and has not the same interests, because its interest is to get money from its own constituent parts.

Mr. Jones, and his fellow producers, are primarily concerned with getting from each other the limited amount of money in existence.

I should like just to interpolate a personal remark which I feel sure will receive the sympathy of all here. If the present system worked satisfactorily, there would be on my part, at any rate, no doctrinal objection to the bankers running it. I am always delighted to see another man doing a job that I might have to do myself. My objection to the rule of the financier over the present economic system is that it does not work.

(To be continued)

DANGER FROM 'FLU AND MEASLES BIG RISE IN DEATH RATE

FROM the *Daily Worker* of February 10 we learn that a six-fold increase in deaths from measles and a 60 per cent. rise in deaths from influenza are recorded in the biggest towns of Britain during the early weeks of this year.

The fatal figures follow:

	1936	1935
Measles	247	43
Influenza	511	298

The influenza epidemic is accompanied by many more cases of pneumonia.

Worry, insecurity, fear in one section of society; poverty, under-nourishment, and hopelessness in another; these are what reduce our resistance to disease.

A National Dividend is the urgent need, it would end all this. Oh, make haste! YOU can put it right.

WHEN WILL PEOPLE WAKE UP?

When will people realise that an increase in taxes, whether it be by the town council or by Mr. Hepburn, or by Mr. King, is a tax on every one of them?

The man standing around out of a job throws up his hat and gives a cheer when any tax-imposing body declares for new and higher taxes. Foolish fellow. The few clothes and little food he does get for himself and his family will be still harder for him to get because of these taxes.

And yet a great many people, because they have little, fancy that they should shout for some men, or party, announcing that they propose to take more taxes from those who can pay.

Those who can pay! That means YOU whether YOU have \$10 or \$10,000. And it's time YOU realised this.—*The Ottawa Citizen*.

THE 20th CENTURY LUDDITES

LOOMS TO BE DESTROYED NEXT

A scheme to deal with "redundant" looms in the weaving section of the cotton industry is described in *The Times* of February 18.

The proposals are made by a body of young men who believe that the only method of enabling manufacturers to produce at a profit is to immobilise redundant looms.

It is suggested that the scheme should apply to all looms in Great Britain engaged in weaving cotton, rayon, or mixture piece-goods, and it should be administered by a board of control on the lines of the Surplus Spindles Board.

Compulsion Sought

Redundant looms would be purchased by means of a levy, and loans would be raised on the security of the levies. **The board would have power to buy weaving plant for dismantling, breaking up, or disposing of in this country, but no looms would be exported.** No firm would be allowed to operate looms unless the levy had been paid. Firms breaking this rule would be liable to a heavy fine.

An important proposal is that the board should have the power to license or to prohibit double-shift working.

It is estimated that at the present time there are 120,000 looms in Lancashire which can be considered as redundant.

STORM IN A TEA-CUP

In an early edition of the *Daily Telegraph* on February 12 appeared a Reuter message entitled "Major Douglas Raises Storm in Alberta." It ran as follows:

A reported statement by Major C. H. Douglas, adviser to the Social Credit Government in Alberta, has caused strong resentment in the *Legislature*. According to a *local paper*, Major Douglas, giving a warning against the proposed creation of a National Loan Council, said:

"If the provinces of Canada allow their remaining autonomies in regard to the most important factor in their constitution, that of their finances, to be filched away from them, then I have little doubt that democracy is doomed."

Conservative and Liberal leaders in the Province regard the statement as offensive to both the Dominion and Alberta Governments. They protest also against a paid employee making such a statement.

On the motion of the Premier, Mr. Aberhart, the question is to be referred to the Committee of Privileges. [Our italics].

No mention is made of SOCIAL CREDIT, in which Major Douglas's article first appeared, and which has a considerable circulation in Canada.

Conservative and Liberal leaders' jointly lead parties with a total strength in the Alberta Legislature of six out of 63.

Overseas Notes

END OF A NIGHTMARE

NEW ZEALAND

A PART from the obvious fact that at the General Election last November an overwhelming majority of New Zealanders cast their votes for the abolition of poverty, and only secondarily for the Labour Party, the outstanding fact was the electors' remarkable "immunity" to the press campaign. The space devoted to straight banking propaganda and the fact that editors were "requested" not to discuss monetary reform until after the election have already been referred to in this column. What I have since learnt is that only the *Mirror* (an illustrated monthly) and a very few local papers refused to be intimidated. Yet to this almost complete barrage of orthodox gas the public responded with a record turnover of votes *against* the government which was responsible for laying it down.

Distrust of the System

Overnight, when the results were declared, the press turned to friendly criticism or even definite support. It had to. "The people of New Zealand," said the *Christchurch Press*, "are not inclined to take the bankers and the present banking system on trust. A majority of them believe, indeed, that the system is at fault; and there can be no doubt that the Labour Party's promise of monetary reform, vague as it was, contributed largely to its success in the general election." Captain Rushworth's speech at the Auckland reunion of the Social Credit Movement was noteworthy. "There is unquestionably," he said, "from one end of the country to the other, a great intake of the breath, a great lifting of weight from the minds of the people. . . . The result of the election has been the waking from a nightmare."

If the people of New Zealand like, they can ensure that the nightmare never returns; the Social Credit Movement, with its campaign for results, is going to show them how. Without such a campaign the most devoted efforts of the Labour Government's Social Credit wing are likely to be weakened or neutralised. Who can any longer doubt that the financial powers will continue to conduct their Electoral Campaign to get the Government to produce certain anti-social results? And who can doubt that the only effective reply to this is the even greater pressure that can be applied by an electorate united in a demand for results *in its own interest*?

* * *

WESTERN AUSTRALIA

How do you like this one, from the President of a Social Credit group in Western Australia: "We have enough signatures on our Electoral Campaign forms to make the parliamentary representative eat out of our hand, and at the coming election we are going to see that he does it. Two candidates are flirting with Social Credit and we have decided to elect —; he quite understands what *our* policy is. He belongs to what is called the Country Party but that is not going to matter." Describing a meeting in a small "bush" town the same letter says: "Their town hall holds about 500 people. We had it packed full. With a population of about five to the square mile you would wonder where all the people came from. Every seat was occupied, the crowd stood around where there was room and were packed in doorways and out in the vestibule. Such meetings give your campaign the hell of a kick." The English correspondent who sends this adds, "We in a town of 100,000 think we are lucky if we get 200 folks together. 'Wake up England' was never needed more than to-day."

* * *

VICTORIA

The *New Times* reports in a recent issue the "Points of Agreement arrived at by the Select Committee of the Goodwill Group." This is a great deal more important than it sounds. The Goodwill Group in Melbourne consists of a large and representative selection of citizens which meets monthly for the discussion of current problems, and which has been deliberating for the past two years on the subject of monetary reform. Finally a committee was appointed to draw up conclusions which should be acceptable to all the Group's members. The nine clauses, which were unanimously accepted, are very

good Social Credit, and I quote a couple of specimens:

"We believe that Australia can devise and operate its own monetary system for its own needs without reference to or dictation from any outside authority." . . . "We believe that every citizen, as a consumer, is entitled to an equitable monetary claim to consumption goods, to the end that no needed consumable wealth shall waste through lack of claimants."

The conclusions are being submitted to the Commonwealth Royal Commission of inquiry into the monetary and banking system, now sitting.

* * *

SOUTH AFRICAN FARMERS

The Executive Committee of the South African Agricultural Union, says *The S.A. Farmer*, is pressing the Government to appoint the Commission of Inquiry into the financial system which its Congress asked for in 1934. Meanwhile it has appointed the personnel of its own Economic Committee, giving as a reason that "It has long been felt that the S.A.A.U. should lay down an economic policy which shall act as a basis for all its activities and reflect the aims and objects of its existence." Out of six members appointed, I understand that half are reputed to be in favour of Social Credit prin-

WHO CREATES MONEY?

SUPPOSE I want to build a house. I reckon it will cost £1,000. I have more than that in the form of investments, but, as I don't want to sell them, I go to my banker and ask him to lend me £1,000.

He agrees to do so on condition that I hand over to him "as security" rather more than £1,000. This I do and am then allowed to draw cheques up to £1,000.

I proceed to have my house built, paying for it as it goes up. When it is finished my £1,000 is gone.

Suppose, now, my banker demands the repayment of my loan. I have to sell my house for at least what it cost me. I do so, repay the banker, and get back my "securities."

The position now is exactly as it was before I borrowed £1,000 from the bank—except that there is a house in existence that didn't exist before, a house valued at £1,000.

What about that £1,000, though? Where did it come from? Where has it gone to?

It was nothing but figures in bank books, figures endowed with the magic powers of making dreams come true—in this instance my dream of a house. And my dream was shattered because the banker demanded the payment of my debt. *He* had the last word. But why?

Next week I will tell you.

NIKE NOUS

principles, and that there is quite a chance of a majority by the time the committee sits. Another correspondent tells me that the South African Labour Party Conference passed a resolution in favour of "a state bank and Social Credit," but I have no further particulars of this. Such items, to enthusiastic campaigners in this country, may seem to date from a pre-Electoral Campaign era and so not to be worthy of record. Let them have patience; each part of the Empire has its own problems from the Social Credit point of view as from others, and this degree of success in South Africa may (a sobering thought) represent harder work on the part of the comparatively few Social Crediters there than the more advanced results lately achieved in this country, but with many times their numbers.

* * *

NORTH AMERICA

The Gold Bug

There are several more press items of interest to record. Nearly two-thirds of the February issue of *The Instructor*, Gardenvale, Quebec, is taken up with an article by J. J. Harpell entitled "National Currency." He discusses the material wealth of North America, and proceeds to an interesting outline of the methods adopted by such financial houses as the Rothschilds and Sassoons in their attempt to acquire the hegemony of the North American continent, through their control of the world's gold and silver stocks. In common with certain groups in this country, he puts a much higher estimate on Roosevelt's effective independence of financial control than Social Crediters would

think of doing, and he is more than kind to the Canadian Premier, whose past record can offer us little hope for his future, unless pressure can be brought to bear by the people. The author appears to regard National Currency as the key to prosperity, without specifying exactly what he means by it, but the editor refers elsewhere to Social Credit, "which goes one step further than the advocates of National Currency."

Nova Scotia

From Halifax, Nova Scotia, I have a copy of *The Citizen*, described as "An independent weekly devoted to the interests of all workers. Absolutely opposed to Communism." This number contains a front-page report of the speech on Social Credit given by Professor Jackman of St. Mary's College, where he is Professor of Political Economy. The speaker strongly supported Social Credit, and attracted the largest audience of the winter to the Labour Temple. Elsewhere in the paper a correspondent writes to suggest that "as the Social Credit party seems to offer something that will bring about better conditions for the workers," the Co-operative Commonwealth Federation and other left-wing groups in Canadian politics should get behind it as the most practical measure.

Cold Counsel

To the annual sermons of bank presidents there appears to be no end. This time it is the Dominion Bank, whose president, Mr. C. H. Carlisle, said in his peroration: "We cannot maintain everyone on relief on a scale of comfort. The vast masses of people, if kept on a scale of even *spare comfort*, are not sufficiently inclined to get out

occupied with the questions of Interest and State Control of industry, but passages are worthy of note. "A further duty of the collective state is to protect and if necessary supplement by any means the purchasing power of its components, without restricting production, avoiding destruction of goods, machines and livestock, true acts of vandalism unworthy of a civilised epoch, the deplorably evident consequences of a pre-historic organisation, or rather lack of it."

* * *

PRESS ITEMS

M. Paul Elbel, writing in *L'Oeuvre*, discusses the obstacles to "inflationary" measures, both real and imaginary, and comments: "However, quite orthodox financiers assure me that the necessary resources could be found, or, let us say clearly, *created*, without either devaluation or inflation following." (My italics.)

The *East Rand Express* for January 17 prints prominently a long letter in favour of Social Credit, signed W. E. Alistoun. F. H. Sharpe, a Social Creditor from Liverpool now resident in Peru, gets on the principal page of *The South Pacific Mail* (Valparaiso) with a column letter on Social Credit and unemployment, the first signs of life that have reached me from the entire South American continent. I am always very grateful for news of Social Credit breaking new ground in the local press overseas, but more from South America would be especially welcome. J.D.B.

Book Reviews

The Douglas Dragon

In reviewing five anti-Social Credit pamphlets in the *Daily Worker* of February 12, Frank Allaun writes: "Worker after worker streamed into the political bookshops requiring a sound and cheap examination of the Douglas proposals.

"Until this month none existed . . ." "At last there have appeared, one on the heels of the other, two devastating broadsides by the famous Marxist economists, John Strachey and Maurice Dobb . . ."

These particular broadsides apparently appeal to the reviewer, who finishes off with this effort: "Strachey and Dobb in these pamphlets have armed us with such sharp weapons with which to kill the Douglas Dragon that I am convinced if we use them to good purpose we can kill it at last."

Another Attack

The authors of such works as this pamphlet* attack upon Social Credit, in the course of some paraphrase of their own of the A+B Theorem or its conclusions, almost invariably indicate that they do not understand it. Dr. Thomas is no exception. His paraphrase reads: "Only a part of the costs incurred in the production of goods entails the distribution of purchasing power to consumers." He is entirely unqualified to comment upon the Theorem (which he quotes correctly in full later) if he cannot see that the fact that all costs may be resolved into a payment to a consumer (distribution of purchasing power) is unquestioned. What the Theorem maintains, and what Dr. Thomas says nothing to disprove, is that the rate of flow of purchasing power is slower than the rate of creation of price values, or costs. R.L.N.

For Chartered Accountants

This pamphlet† takes the form of a lecture delivered to the Glasgow Chartered Accountants Students' Society, and is an extremely able exposition of the more fundamental Social Credit axioms.

It is perhaps not the first pamphlet one would give to anyone who knows nothing of Douglas, but nevertheless it contains nothing which cannot be easily comprehended by the ordinary intelligent individual.

The elaboration of the ideas of "value" and "cost" is excellent, and the present antithesis between facts and figures in orthodox economic theory is clearly illustrated.

The pamphlet is primarily an attempt to demesmerise students—who are in danger of regarding the symbols, in the use of which they will get their living, as ends in themselves—and to introduce them to the realistic economic outlook of the engineer.

I can confidently recommend this pamphlet not only to beginners, but to hardened Social Crediters. It is a good illustration of the fact that it is still possible to present Major Douglas's ideas from a new angle. K.M.

* "This Social Credit Business," by S. Evelyn Thomas. London: Simpkin Marshall Ltd. 3d.
† "Social Credit," by A. Hamilton McIntyre. C.A. Edinburgh: William Blackwood. 3d.

SWITZERLAND

I have copies of *L'Economia Franca*, official organ of the "Unione Economia Franca" of Italian Switzerland. Like most European co-operative movements I have heard of, this organisation is somewhat pre-

G. W. L. DAY on THE TIMES'S TOUCH OF SADNESS

IN *The Times* I find a dispatch from the Washington correspondent and a leading article, both tinged with gloom.

The Washington correspondent reports that the American ex-service men's organisation may perhaps join forces with the Townsend Old Age Pension planners, so that between them they may get another £1,000,000,000 of new money put in circulation. To meet this alarming possibility the Treasury is granting licences to export gold so as to make it more difficult!

The Times leader laments that some of the Lancashire cotton spinners are objecting to scrapping another 10,000,000 spindles. It hurts the government as much as it hurts them (as the tearful father said before beating his son), but it has to be done.

So in America a good many misguided people are agitating for more money to spend, and in Britain manufacturers are anxious not to produce less cotton for clothes. Finance is putting the stopper on the money-starved Americans. *The Times* gently reproves the men of Lancashire who would retain their capacity to make us more cotton-piece goods.

It is true there are some Americans who have had the audacity to claim that the payment of a War Veterans' Bonus and the Townsend pensions would provide an enormous stimulant to industry; others have respectfully pointed out that a large proportion of the money would be spent in repaying debts to the banks. But even this last suggestion has fallen on unsympathetic ears. If loans could be repaid by giving people money to repay them, where would the banks be? The whole idea of Finance is that debts should be irrepayable, for this puts the debtor at the mercy of the creditor.

As to Americans having a lot more money to spend, this again is most

undesirable. If they could be trusted to hoard it or invest it in government loans there might be some sense in it; for there is nothing which lays a man more open to terrorisation than a thousand dollars' worth of savings which you can threaten him with losing *in toto* unless he supports Sound Finance. But if the people have more money to spend, why, they will soon be kicking over the traces.

As to the spindles, it is true there are millions of people who would like more blouses and shirts. But most unfortunately they haven't enough money in their pockets to buy what the 10,000,000 spindles could produce. And that, of course, is the end of the matter. The spindles must be scrapped.

These are the views of Finance. Like the voice of the oracle, it speaks, and the priests and acolytes repeat these sentiments in loud, booming tones to the crowds assembled at the temple doors. So well drilled are they in the ritual that they know what to say on practically every occasion without waiting to be told. Money must be kept in short supply, to establish the power of gold, and production must then be cut down to this meagre, arbitrary level of ability to buy.

The crowd of worshippers must be kept in subjection, but at the same time they must be prevented from rebelling. The iron heel of Finance must be concealed. Although the people are sinking into deeper sloughs of servitude they must be made to believe that they are going Up-and-Up-and-Up, On-and-On-and-On.

How is this to be done? By focussing their attention on Means and distracting it from Ends. If the American soldiers and the Townsend pensioners don't get their dollars, this will be announced as a substantial victory for Sounder American Money. If our 10,000,000 spindles are scrapped, that will be called putting our cotton industry on a healthy commercial

basis. And so on, and so on. The priests in the Money Temple never cease bellowing that all is Evolution, Progress, Betterment.

Where shall we finish up? Perhaps like Stephen Leacock's patient, who, having received proper medical treatment, died.

The whole of our vast and complicated system of Finance has long ceased to be a means of distributing the greatest good to the greatest numbers. If it has any conscious aim at all, it is to increase and safeguard the power of its priests. But so completely have they fallen under the power of the System that it is doubtful whether even they act otherwise than mechanically.

It is ideas, not men, we must fight if we wish to alter anything. You cannot use reason and logic on sleep-walkers and automatons. You cannot wave your handkerchief at the driver of an express train and persuade him to stop at your station. He drives under orders, which depend upon fixed ideas of how time-tables should be arranged. If you want the train to stop you must get the system altered, and to do that it may be necessary to get other people, who wish it altered in the same way, to join with you in making a strong demand to the railway company.

Supposing that you wanted a fundamental alteration in the train services of all the railway companies of the Kingdom, you would find the directors exceedingly stubborn, and it is highly probable that you would not have your way unless you could get a large proportion of all the passengers in the Kingdom to stand firm with you and insist upon it.

It is the same with destruction and restriction of plenty with millions in poverty. If we don't like these glaring absurdities we must persuade a large number of people to unite in saying so and demanding something more sensible in its place.

sumption of wealth, Douglas would establish in the U.S. Treasury a National Credit Account in which the whole nation is credited with its total production of wealth and charged with what it consumes.

The surplus of production over consumption shown in this account, representing wealth produced but not purchasable by consumers, would then be monetised in the form of credit. This Social Credit, a monetisation of Real Credit free of debt is backed by real wealth and issued by the Treasury to maintain buying power on the same level with production.

Douglas suggests that this national credit surplus be paid in National Dividends to consumers through a discount on all retail purchases, thus reducing prices by the specific amount that they exceed current consumer buying power. The total credit so issued at any time would exactly equal the difference between buying power and prices.

This conception of monetising Real Credit, combined with its application to the balancing of production and consumption, contains the real heart of the Douglas proposals.

By means of the Price Discount factually determined from the National Credit Account, Douglas would make retail prices reflect the facts of production and consumer buying power. The credit would be drawn upon only as goods are bought by consumers and would be cancelled by consumption. Through lowered prices the controlled issuance of this credit would increase buying power without debt and inflation.

Government subsidies to industries of public importance are not unusual. The Douglas conception of utilising Real Credit to reduce retail prices represents a logical extension of such subsidies, primarily to augment deficient consumer buying power, secondarily as needed life-blood to business.

Would Remove Chief Cause of War

National Dividends in this form would enable American industry and agriculture to sell their total production, recover their costs and keep solvent without being forced to destroy their unsaleable surplus or dump it on foreign nations as now.

By removing the primary cause of war, Social Credit would operate as a most powerful factor for international peace.

The present practice of robbing Peter via taxation to pay Paul, leaves both poor and burdened with debt. Social Credit would reduce debt and taxes providing added wealth and more opportunity for all of us as the first step toward a true American Democracy.

As opposed to Socialism the Social Credit proposals represent a conservative procedure to preserve the values and eliminate the defects of capitalism by removing its chronic shortage of consumer buying power and illegitimate private control over the money supply.

A Challenge to Business Men

Altogether, Douglas offers a most businesslike basis for maintaining economic balance. His Social Credit involves no regimentation, and no confiscation. It would encourage the present efficient organisation of business, preserving and protecting private property and the just reward of profit for service rendered.

Our investigation of Social Credit has resulted in the conviction that it is not a matter upon which judgment may be passed lightly. The Douglas proposal for National Dividends, payable as a reduction in retail prices, deserves the careful study and thoughtful attention of forward-looking business men.

J. CRATE LARKIN

POLITICAL DYNAMITE A POWERFUL LEADING ARTICLE

The *Evening Citizen*, Ottawa's foremost evening paper, published a powerful leading article on January 16, exposing the interests behind the Canadian Loan Council's proposals. The following is extracted from it:

Public debts are never paid off: they are renewed as they mature. Schemes like conversion loans, refunding, new loans to take care of bonds due to be cashed, a variety of ingenious devices are employed; but this extension of terms to the debtor can be made only with the consent of the credit authority above government.

The demand for cash when debts fall due can only be staved off by framing the government's policy to satisfy the private controllers of financial credit policy. Otherwise it is constantly possible to place the government, whether provincial or federal, in the position of being held up before the world as being in default. With this tremendous power in private hands, it is hardly surprising to find harassed provincial ministers submitting to the terms offered through the Dominion minister of finance at the meeting in Ottawa this week, even though they were not ready to agree to the same terms in the public glare of last December's conference at Ottawa.

More than a casual reading of the reported conclusions at Tuesday's meeting may cause some observers to feel that there is political dynamite in this proposed limitation of provincial autonomy in the realm of finance. One constitutional amendment would be "to give the Dominion power to act in the event of default." Naturally some Members of Parliament will want to know more about the meaning of this term. It could have a sinister meaning, but even at best it may be nothing more inspiring than to act as the bailiff for private creditors as the Imperial government is doing at present in Newfoundland.

The outlook for the British herring fishing industry is brighter than it has been for a considerable time. . . . There was an increase in output of 36 per cent., and fears were expressed that there might be difficulty in disposing of the output.—*The Times*, February 14.

That is always the fear nowadays. There is never any fear of difficulty in producing plenty.

B.B.C.—TAX COLLECTOR

The report of the British Broadcasting Corporation for 1935 shows that the number of licences increased from 6,780,569 at December 31, 1934, to 7,403,109 at December 31, 1935. During the year the Post Office collected £3,680,000 in licence fees. The B.B.C.'s net licence income was £2,038,262, out of which was provided £120,108 for income-tax, leaving £1,918,154 available for the broadcasting service. This is equivalent to 5s. 2d. out of each licence fee of 10s.

Where did the remaining 4s. 10d. go?

FORBIDDEN MACHINERY

HUNGARY RETURNS TO DARK AGES

The Hungarian Government has issued a decree forbidding farmers to use any form of agricultural machinery in the harvesting of crops this year, according to the *Daily Worker* of February 11.

The poverty due to unemployment is so acute that terrible stories are being told of children eating candles, families without mattresses to sleep on, and the usual grim crop of suicides.

If these stories are true they form a further indictment of the financial canon that lets no man eat unless he can sell his services for money in a world where he has to compete with the machine.

The *Daily Worker* thinks Communism is the only remedy, but none of its readers would complain at receiving a National Dividend so that they could buy the product of the machine. Better far for everybody than refusing the heritage of civilisation.

GIVE 'EM A BISCUIT

The British banking system is wonderful.—*The "South Western Star"*

I have heard it said that the older girls in the schools refrained from drinking milk because they thought it interfered with slimming.—*Mr. Ramsbottom, M.P.*

High income tax and indirect taxes make the money circulate like water in a whirlpool. . . . The greater the velocity of money the more widely spread the prosperity.—*Mr. Brompton Fellowes in the "Daily Mail"*

Luxury Trades Needed.—*"The Times"*
[What for?—Oh, to provide work for unemployed girls in Kent.]

BUSINESS MAN ENDORSES SOCIAL CREDIT

(Continued from page 9)

matter of money and money has become the title to life in modern society.

The fact is well established that the bulk of our medium of exchange is bank-credit, so called cheque-book money. It is equally generally understood that banks create and destroy this credit in their book-keeping, thus influencing directly the volume of money available to business and affecting the movement of prices.

Control of the nation's money supply involves the paramount single responsibility in our national life. In the interest of business stability, recent banking legislation plainly admits the need for the exercise of governmental supervision over the volume of money in circulation.

A large part of the New Deal efforts toward increasing purchasing power is based on government borrowing to finance public works projects. Although this pyramids debt, the programme recognises that it is the responsibility of government to maintain purchasing power on a level with mass production. But making the useful real wealth of the nation available for consumption is more vitally important than the debt-formulas of its banking system.

Real and Financial Credit

The present monetising of wealth by the banking system in the business of extending credit, involves increasing outstanding debt. In ordinary financial phraseology credit does not include the meaning of Real Credit as defined by Douglas.

Superficial critics have condemned Social Credit without consideration of Douglas's fundamental distinction between Financial Credit and Real Credit. Similarly, the Alberta Aberhart dividends-by-taxation programme has been widely confused with the Douglas proposals. **Major Douglas aims at immediate tax-reduction and his proposals would gradually eliminate taxation in the form we now know it.**

But the practical value of Douglas's contribution to economic thinking is in his precise method for correlating the money supply of a nation with its needs for the production and consumption of goods and services. He would avoid both inflation and deflation to bring about a progressive balance between productive capacity and mass consumption.

Obviously, anything physically possible is financially possible. To reflect the physical facts of the national production and con-

TO "PUBLICITY," SOCIAL CREDIT,
163A, STRAND, W.C.2.
Send me particulars of the little TASK OF
HONOUR referred to overleaf. I want
to help.

SEE
1/4d.
STAMP
REVERSE

CUT ROUND THIS BORDER

"ACTION STATIONS!"

THE INVINCIBLE POWER OF DEMOCRACY

AN ARTICLE FOR EVERY SOCIAL CREDITER

By E. J. Roberts

SO far, in the running fights with the enemy, we have not done so badly; but as has happened before, we must pause and review our progress and position preparatory to entering into a closer battle.

Most people will agree that success in almost any venture largely depends upon ability to take advantage of changing circumstances. The man who refuses to alter his tactics simply and solely for the reason that he has embarked upon a set line of action, formulated previously to the present situation, makes himself an easy opponent. Adaptability is of paramount importance in the struggle for existence.

Before we blaze away with the heavy guns of our campaign, would it not be advisable to examine critically our actual position? It will be of little value to us if we allow our fighting ships to be silhouetted by the setting sun, and a wise manoeuvre undertaken now will very probably be a decisive factor in the action.

I think that, despite considerable "bolstering up," there exists in the minds of many Social Crediters a sub-conscious lack of faith in the certainty of the methods adopted by the Electoral Campaign, for one basic reason.

Not that any air of despondency and futility pervades the work of the Campaign. Far from it. As a matter of fact, few movements have such an infusion of enthusiasm; but when you coldly analyse the position, you find yourself repeatedly up against that lack of invincible positiveness. The reason to my mind lies in the widely held opinion that the public at large "can't be trusted."

A Finance Press Failure

One feels so often that the public has not got a mind of its own, if such a phrase might be used in this connection. Every day, every week, every year, fresh evidence is brought forward that democracy is the echo of yesterday's newspapers—that, at any rate, is what the press magnates would have us believe. And yet, what of the failure of the press to "swing" public opinion in the recent elections in Alberta and New Zealand? These two instances give grounds for optimism.

I feel that it is absolutely essential for us all to realise that democracy has infinite possibilities, and that at present it is merely lying in a drugged stupor. Every conceivable method is employed to keep democracy in its present state—to prevent an awakening.

Consider for a moment a few of the many opiates: the press, B.B.C. party politics, "trivial international situations"—critical in the extreme; "prosperity returning" leaders; and so on, right down to films and football. Anything is good enough to keep people from pausing in the mad struggle, even to consider why they should struggle.

The latent strength of democracy, is real enough, for the feverish prescribing of additional "drugs" from time to time shows a fear of what might happen should there be a return to consciousness. The effect of all this "drugging" is that people in general are unconscious of their own democratic power. Once it is realised by the public

that democracy is something more than an ornament—that it is a weapon with very definite potentialities—then there will be no opposing the will of the people.

Once people know and realise their power and understand broadly what that power can do, then there remains for them only the decision of what is most urgently desired.

We have found out what that is, and are daily collecting further evidence, but our weakness lies in the fact that people at large do not understand that by asking for their desire they can attain it, and we have not yet found the quickest way to generate the will to ask.

Mass Movement Must Be Started

Note carefully what I have said. I am concerned with generating the will to ask with the confidence that success will result. Do not confuse this with the task of mobilising the expression of that will once it has been aroused. Perhaps it would be clearer put this way: The problem I have in mind is that of starting up the dynamo rather than that of harnessing the energy resulting from the running of the dynamo.

The harnessing of the energy output is being done as fast as possible by the Campaigners, and in this direction all that is required is an increase in the number of workers.

But what of the primary task—that of starting up the dynamo—that of generating or awakening the knowledge of the power of democracy?

Is it important? In my opinion it is. After serious consideration I have come to the conclusion that in this problem lies the core of that lack of invincible faith in the Campaign. If only people were alive to what democracy could do—if only people would realise that their will is supreme—then would the sub-conscious doubters see their fears dispersed.

Wanted—a New Type of Orator

A new type of speaker has got to be developed. The theme is to be the dynamics of democracy. Rather a formidable title, but put into simple language, it is simply this—We must make the public "democracy conscious"—not in a mere clap-trap, ornamental way as at present, but in an awakened, grim and determined mood.

The technique of speaking from this angle is far from easy. Most speakers, I think, would rather give half-a-dozen talks on the details of Social Credit methods, than one on this urgent problem. Tact, understanding and definite skill are essential, and to many of us it means starting from bedrock once again.

To all speakers, past, present and potential, I make this sincere and urgent appeal: consider how you are going to "put the stuff over" with the sole objective of making people conscious of the REAL power of democracy.

Personally, I think that a week-end school might have its uses. What about Easter? At any rate, all I ask is this: if you are not actually campaigning, for heaven's and humanity's sakes cease this "masterly inactivity" and bring your brains to bear on this problem. The Electoral campaigners are busy enough as it is and it would be fatal to leave them short-handed.

You know if this appeal is addressed to you. It means back to the old game again: church clubs, welfare centres, mothers' unions—anywhere and everywhere to push the new idea. The country is getting to recognise the cry of "National Dividends," and it is up to us to make people fully conscious of their power to get them.

This job must be got under way now—not next winter. Stand by for "Action Stations!" and let's hear from you.

(See editorial comment on page 10)

UNEMPLOYMENT
is a Sign of
PROSPERITY
PAY IT DIVIDENDS

YOUTH AT THE HELM

CONFERENCE SHOWED NEED OF A CLEAR LEAD

At a Communist Youth Conference held in Bermondsey on February 8 and 9 more than 200 delegates from Youth Leagues, the Student Christian Movement, the National Union of Clerks, University Peace Committees and other organisations discussed the position of youth in the world to-day.

From the Manchester delegate came some pertinent facts about working girls brought to the factories from Bradford. They receive 18s. a week in wages and pay 17s. 6d. a week for board and lodging. They live in hostels, sometimes sleeping two together in a single camp bed. During the day the same beds may be used by night workers.

In the mining districts of Lanarkshire 14-year-old boys work nine and a half hours, nominally seven and a half hours, a day, and are paid 12s. 7d. a week.

Both individually and collectively the delegates expressed their concern at the condition and prospects of young men and women and at the threat of war manifest in the present economic situation of the world. Various methods were proposed for relief and for remedy. Most of those present believed Socialism to be the way out.

Some time was spent affirming that a Socialist Government would keep its word to the people when it attained power.

Mr. John Strachey urged the working classes to study Socialism again with a clearer consciousness of its political implication, and to equip themselves with a knowledge of Socialist economics.

A "united front" was resolved upon, the banding together of all Socialist youth to assert its rights, to agitate for legislation on such subjects as the school-leaving age, juvenile unemployment, blind alley occupations, and to demonstrate a wish for peace. In Manchester 60 organisations are already affiliated with this aim, and the delegate spoke cheerfully of a demonstration procession one and a half miles long composed chiefly of boy scouts. But he said that the breadth of the organisation limited its activity.

It is to be hoped that the conference as a whole will not find, with Manchester, that the breadth of its organisation limits its activity. In Manchester, with 60 leagues and movements believing sincerely in the objects of the federation, it would be sad if a diversity of methods were to limit or frustrate them.

But a national movement would be wider still. By the time all opposing codes of method—such as those of the young Communists and the Boy Scouts—have been pruned by mutual agreement, the final equilibrium will resemble closely that of the "United Democrats." It will consist of a directing motive, and the primary expressions springing from it. E.S.E.

A CALL TO ACTION

The *New Era* of Sydney published in two instalments, in its issues of October 31 and November 7, the full text of Mr. Denis L. Byrne's article, "On the Eve of Battle" from SOCIAL CREDIT of September 6, under the title "A Clarion Call to United Action."

Dr. Brandes from Washington, U.S.A., advises those who take sugarless tea to burn some sugar on the plate just to keep up the consumption.—"New Era," Sydney, October 10, 1935.

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HAVE YOU APPLIED YET? Please read the notice below addressed to EVERY READER. It applies specially to you.

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.

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 racyly 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.

A Christian's Resolutions for 1936.—Reprints of page 171 of SOCIAL CREDIT for January 10, containing the Dean of Canterbury's New Year article is available at 1s. 2d. a hundred, postage extra.

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

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Stamps in two and three colours in this attractive design are now available at 1d. and 6d. each, or in sheets of twenty-five at 2s. and 12s. a sheet respectively, post free. The penny stamps are in two shades of green and white and the six-penny stamps in two shades of green and yellow.

SOCIAL CREDIT, 163A, Strand, London, W.C.2.

GET TO KNOW ABOUT THEM

UPSIDE DOWN

It was not the printer's fault that the notice addressed TO EVERY READER appeared upside down last week.

The object was to attract YOUR attention to an important little task which you can do for SOCIAL CREDIT—if it means anything to you?

This week the notice is right way up, but don't ignore it on that account.

The response has been good, but there are some thousands of you who failed to volunteer. This is to remind you that YOUR little task is still waiting to be done. Apply for it to-day. "Twice blessed is he who acts quickly."

The first names qualifying for the Roll of Honour will be published next week.

DO YOU BUY YOUR TEA—

at the keenest prices and yet help the Secretariat? If not, do you know that we pay part of your purchase price as a donation to the funds? Is not a lack of funds holding up progress?

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A simple easy little job which will have far-reaching effects of great importance to the Movement.

FIVE MINUTES EACH DAY FOR A WEEK WILL SEE IT THROUGH.

Will you try it?

If you mean business—volunteer NOW for the TASK OF HONOUR—contribute freely and willingly a little time and effort towards laying the foundations of the SOCIAL CREDIT STATE in which the rule of fear and want will be banished for ever.

Don't delay—fill in your name and address overleaf, fix a 1/2d. stamp, cut out and post in an unsealed envelope bearing 1/2d. stamp to "PUBLICITY," SOCIAL CREDIT, 163A, STRAND, W.C.2.

CORRESPONDENCE

Send Him a Biscuit

My attention was called to an announcement in the *Daily Mail* to the effect that Major Carver (C., Howdenshire) is to ask in the House of Commons if the Minister of Agriculture will take steps to curb the practice of buying milch cows on the hire-purchase system "in view of the difficulty of obtaining a remunerative price for milk and in consequence of the excess of supply over demand."

I immediately sent this M.P. a biscuit, and I suggest others may like to do the same as soon as they notice some public man making a statement deserving of the gift. My biscuit was unwrapped. Just a hard one with a hole bored through it, and an addressed label recounting the deed for which it was given. I also suggested that if any expectant mothers in this constituency had to go without milk because of the excess of supply over demand, I hoped they would give him the "bird" at the next election.

Upminster

T. H. STORY

Economics and Defence

Our derelict areas are the coal-producing centres. To anyone of sound mind it would appear incredible that the British Navy and 45 per cent. of our Mercantile Marine has been put on alien oil not produced in the British Empire.

In case of trouble our position would be grave indeed. Agriculture has been allowed to wither, and we only produce in these islands about eight-ten weeks of food supplies per year.

Capt. B. Acworth, D.S.O., R.N., has recently published his latest book on this oil business entitled "The Restoration of England's Sea Power," a book, I venture to add, every Social Creditor should read.

London, S.W.3

JOHN MORICE

Softly, Softly, Catchee Mousee

I note with horror a paragraph in *SOCIAL CREDIT* of February 7, under the heading "Open Spaces in London."

The tenants in the slums quite definitely do not want to live in flats—modern or otherwise. A great majority of them want their own house and garden. All of them want a National Dividend by which they would be able to live away "in the country" to enjoy their leisure hours.

Proper and cheaper transport could easily be provided as you well know.

I venture to prophesy that in the days of National Dividends the flats now being built by the L.C.C. will become derelict for want of tenants.

I speak as a result of 12 years intimate property management in East London—backed by my father's 55 years experience.

London, E.18

KEITH G. CATMAN

[We quite agree. But we try to make one point at a time. Better to live in a modern flat than a slum—no difficulty about building modern flats. If we really let ourselves go about what England will be like when every one has a National Dividend it would read like a pipe dream. As the horrified stockbroker remarked, when the truth of Social Credit dawned on him, "But, good heavens, all investments would be gilt-edged!"—Ed.]

Wells and Stamp

The following is an extract from the "Outline of History" by H. G. Wells, in which he admirably voices the sentiments of your valuable paper:

"And here we come upon one of the chief problems of our lives at the present time, the problem of the deflection of the profits of progress. For two hundred years there has been, mainly under the influence of the spirit of science and inquiry, a steady improvement in the methods of production of almost everything that humanity requires. If our sense of community and our social science were equal to the tasks required of them, there can be little question that this great increment in production would have benefited the whole community, would have given everyone an amount of education, leisure and freedom such as mankind had never dreamt of before. But though the common standard of living has risen, the rise has been on a scale disproportionately small. The rich have developed a freedom and luxury unknown in the world hitherto, and there has been an increase in the proportion of nice people and stagnantly prosperous and unproductive people in the community: but that also fails to account for the full benefit. There has been much sheer waste. Vast accumulations of material and energy have gone into warlike preparations and warfare. Much has been devoted to the futile efforts of unsuccessful business competition. Huge possibilities have remained undeveloped because of the opposition of owners, forestallers and speculators to their economical exploitation.

"The good things that science and organ-

isation have been bringing within the reach of mankind have not been taken methodically and used to their utmost but they have been scrambled for, snatched at, seized upon by gambling adventurers and employed upon selfish and vain ends."

Glasgow

A.B.F.

[We can hardly agree with our correspondent that Mr. Wells in the passage quoted voices the sentiments of this journal. The last paragraph, particularly, betrays an unscientific mind. If what has preceded it is true, then what matters is waste, sabotage and restriction. What also matters is the distribution of that which is not being distributed. So that what has been distributed to the gambler and the selfish is one step in the right direction. As for not taking the good things methodically in the midst of plenty — who cares except Wells and Stamp?—Ed.]

Half-Hearted?

It seems to me a pity that your correspondent who signs himself "Lone Wolf" should needs "doubt the sincerity of those old Social Crediters" and even suggest that Social Credit may be "perhaps, after all, only a mild hobby to them," merely because they are not apparently whole-hearted in regard to everything that is contained in *SOCIAL CREDIT*.

Why not convince these old (and new) sluggards by giving them authentic facts which are surely known?

In the three Social Credit candidates who put up at the last election what proportion of votes did they receive as a direct result of the number of pledges signed in each respective electorate through the magnificent efforts and enthusiasm of the Electoral Campaigners?

Such information would surely be the best method of rousing all the old and new sluggards into action and it would most certainly be better than estranging them by doubting their sincerity in the cause.

Glasgow

R. ERNEST WAY

[Our correspondent has not read "Lone Wolf's" letter very carefully, or he would have seen that it was not a criticism of those who do not read Electoral Campaign articles, but of those who have not bothered to read Social Credit articles and yet complain that the paper concentrates too much on the Campaign. The efforts of Electoral Campaigners are directed to obtaining support for a policy, not for individual candidates and most certainly not for Social Credit candidates.—Ed.]

The Fear of War

May I suggest that the present time is particularly opportune for all Electoral Campaigners to stress the vital solution which the Campaign has for the Causes of War?

I have recently addressed the local League of Nations Union, interlocking a Campaign speech with the Causes of War. Considerable interest was aroused and a group will be formed. I am in contact with two other branches, and my experience is that the smaller, at any rate, of the League of Nations Union branches are only too pleased to hear of a speaker on this subject and to accept his offer to address them.

The hundreds of branches of the League of Nations Union throughout Great Britain form an ideal hunting-ground for Campaign recruits and especially for starting new groups in areas not yet covered, because many of the most public spirited, energetic, and influential local people belong to them; and they contain capable persons, who have only recently organised and carried out a great canvass.

Besides, owing to the publicity at present being given to it, the subject, The Causes of War, is very topical.

In addition to the speech a certain amount of organisation is absolutely essential if valuable contacts are not to be lost. As well as the speaker one or more Campaigners should attend the meeting to engage people in conversation, give away, sell or take subscriptions to *SOCIAL CREDIT*, to sell "How to Get What you Want," and if possible to lend groups of people books like "Economic Nationalism." Most people become only very interested, but not convinced by introductory speeches of this nature.

If all groups co-operated in this matter I am confident that the Campaign could be extended into a much wider area in quite a short time.

Bordon, Hants.

"CAMPAIGNER"

[With the proviso that the argument should not introduce controversial matters, such as financial technique, a shortage of purchasing power (which immediately produces the red herring of maldistribution) or anything about the "favourable balance of trade" theory — this suggestion should prove fruitful in experiment.—Ed.]

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

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Announcements & Meetings

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

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.

Cardiff Social Credit Association
Meeting at 10, Park Place, on Monday, March 2, at 8 p.m. Mr. W. J. White will speak on "Social Credit is not Utopian." Chairman: Mr. R. Fowler. Members are reminded that many subscriptions are still outstanding. Subscriptions and donations should be sent to the Hon. Treasurer, 59, Heol-y-nant, Rhiwbina, Cardiff.

Glasgow Social Credit Group
Meetings each Wednesday in the Rooms, 200, Buchanan Street. February 26: I. D. MacIntyre, "The Evolution of Money."

Liverpool Social Credit Association
Meetings held in Reece's Café, 14, Castle Street, first Friday each month, 7.45 p.m.
Hon. Sec.: Miss D. M. Roberts, "Fern Lee," Halewood Road, Gateacre, Liverpool.

National Dividend Club
Electoral Campaign.
At all meetings time will be set aside for comments, discussion, questions and answers, for our mutual assistance in the Campaign. Whether yet members or not, all are welcomed. The Campaign Supervisor invites enquiries from all.

Next Meeting: Thursday, February 27, 6.15 p.m., at Capella's Restaurant, 11, High Holborn, W.C. Mr. H. Dixon will speak on "Campaigning in the Suburbs."

Volunteers are wanted to act as stewards at a meeting to be addressed by Major C. H. Douglas on Saturday, March 7. Names to be sent to the Hon. Sec.

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

Urgently needed for CAMPAIGN work—the gift or loan of an old typewriter. Reply c/o Editor.

Stranraer Douglas Social Credit Group
A Douglas dinner will be held in the Auld King's Arms Hotel, Stranraer, on Friday, February 28, 7.30 for 8 p.m. Guest: Lt.-Col. J. Creagh Scott, D.S.O. Tickets 5s. Hon. Sec., H. Thomson, Strand House, Stranraer.

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.
Ten per cent. of revenue will be donated to Secretariat funds.

Nottingham Douglas Social Credit Group
Public Meeting, Elite Picture Theatre, 8 p.m., Friday, February 28. Speaker: C. Marshall Hattersley, Esq., M.A., LL.B. Subject: "A Common Sense Demand." Discussion. Enquiries specially invited. Coffee.

A Demand For Government Typists

Qualify now. Rapid courses. Fees moderate. Miss Kate Taylor, 524, Grand Buildings, London, W.C.2.

Demand Results

INSTEAD of running the industrial system to produce a rigid financial result... we are now demanding that the financial system shall be adjusted to produce a desired distributive result. That is all there is to it.—Major C. H. Douglas in "Social Credit" (First Edition, 1924, page 211.)

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.

FROTTI'S VOLUNTARY CONVERSION

SIR, What a cheek! What impudence, indeed! The low-down consistents of my districts have presented me with demand that if elected I support National Dividends! Have you ever heard such presumptions upon the part of humble folk-mobs towards persons of high-mighty Member of Parliament (I hope). Well, of course, I have refused these idiocies; but one of my remaining rivals, unscrupled fellow, adopts these things and gains at once large measure of supportings.

However, all is not yet abandoned. It is astonishing how speedily other rivals have at once retired to create the strait fight, and with what unanimity all the Sound Elementals in consistency have rallied to my course—everything that makes any sound at all, in fact, including local wireless stations. Then party funds have received unexpected donation of £50,000 from "A Fiend in the City"—at least, paper on which it is written says it is £50,000, and naturally it would not be in gold blocks, would it? Also certain City fellows have published potation asking for my elections as they require me as M.P. to open new All Hallows Church in Lombard Street.

It is about this that I am wishing to write this week. As you are aware, dear Bard, I am not myself Xtians, being devout worshipper of Tahiti ju-ju thing in far-flung island home. But I am sufficiently cognizants of your hysteric accidental religions to know that Xtians are followers of two jolly deities, God and Mammon respectively. By the rules of their order they are inhibited from serving both at once, I have heard, but they come to some arrangements whereby certain hours a days belong to one, and the other times to the other. This is only right and proper, it seems, like the two kings of Sparter.

Now it eventuates that Xtian authorities with splendid sense of fairplay, realised that for many years All Hallows had served God

alone, and especially of late when, as the Student Church, it has been the home of so many fine people, and has seen the inception of works so noble and far-reaching in consequences. Therefore it was felt to be more than time, if they hoped to secure Balances, that Mammon had a look-in. It had long been his turn and he was anxious to come into residence.

What to do? Well, the only logical steps is, I understand, to be followed as soon as possible. A Bank will take places of a church.

ALL HALLOWS WILL BE DE-CONSECRATED.

A TEMPLE OF MAMMON WILL BE EXSECRATED IN ITS PLACE.

Certain aspects of religions will remain the same, Sir, at least by word of expression. There will still be conversion, for instance, though of five-per-cents nowadays; and what is lent will still be received back an hundred-fold; or in times of War a thousandfold. The word Creed will be abolished, perhaps, but only because its place is taken by more modern form of Credit. It is all very joyous prospects.

Such striking evidences of fairplay on the part of your Xtian peoples, dear buoy, putting old Mammon in to bat in his turn, for instance, and showing no fears or favours, is almost too much for me, I am almost inclined, Editor-friend, to give up worship of Tahiti ju-ju thing and open an account with Xtianity. Do you think this wise? I am in some turmoils of honest doubt about it; for while I know that Mammon is as "safe of the Bank," as you express it, would there be any financial collapses if the other One came back?

Yours dubiously,

FROTTI.

P.S.—Old Testament Query. Why were the Ancient Profits so unbusinesslike? They could easily have secured Unity by taking Basle into partnerships with G. Hoover.

Address by Major Douglas to Social Crediters

Central Hall, Westminster, March 7, at 6 p.m.

There will be an opportunity for Social Crediters to meet one another in the library, where tea (1s.) may be obtained, between 4 p.m. and 5.45 p.m. Admission to the address by ticket only, 1s. Accommodation is limited. Application for tickets should be made at once to the Hon. Secretary of the National Dividend Club, Capt. T. H. Story, 28, Ashburnham Gardens, Upminster, Essex, or to the office of SOCIAL CREDIT. Tickets for tea, 1s. od. each, should also be obtained in advance.

BRITAIN AND THE CAULIFLOWER

Customs authorities, yesterday, seized 783 crates of cauliflowers, which they were said to have come from Italy, from a ferry train at Bishops-gate goods yard.

This is the second important seizure under the Sanctions embargo. About a week ago 400 cases of lemons were seized.—"Sunday Times," February 16.

What a dignified procedure! No doubt Mussolini is hoping that Anthony Eden's rabbits will die.

BLOCKED BRITISH FUNDS IN ROUMANIA

Mining and exporting gold from Roumania as a means of clearing up commercial debts to England has met with keen opposition on the part of the Roumanian National Bank.

After interested British and Roumanian authorities had been to the trouble of inspect-

ing established and prospective gold mines in Transylvania, it was learned that the bank officials opposed the plan because the bank of issue has its own scheme for encouraging the production of gold, the whole of which is to be retained by the bank.

The matter is being discussed by directors of the National Bank and a committee from the Ministry of Commerce and Industry. The bank directors apparently have the final word [sic]. —"Birmingham Post," February 15.

WHY SALFORD TRADERS ARE RATE DEFAULTERS

Inability to pay through slackness of trade was pleaded by a large proportion of nearly 400 tradesmen, professional men, and others who were summoned at Salford yesterday for non-payment of rates.—"Daily Dispatch," February 11.

Slackness of trade is due to customers' inability to buy. National Dividends will be money to buy what now you cannot sell.

ELECTORAL CAMPAIGN

BELOW is the form Parliamentary electors are being asked to sign. Please read it carefully, sign (if you have not done so already) and send it (½d. stamp) to The Only Democrats, 163A, Strand, London, W.C.2. Volunteers to help in the Campaign are wanted.

We Will Abolish Poverty

Elector's Demand and Undertaking

- I know that there are goods in plenty, so that poverty is quite unnecessary.
- I want, before anything else, poverty abolished.
- I want, too, national dividends distributed to me and every Briton so that we can buy all we want of the goods that are now destroyed and the production that is restricted.
- These dividends must not increase prices or taxes or deprive owners of their property or decrease its relative value.
- In a democracy like Great Britain Parliament exists to make the will of the people prevail.
- So I pledge myself to vote for any candidate who will undertake to support the abolition of poverty and the issue of national dividends and to vote consistently against any party trying to put any other law-making before this.
- If the present M.P. here won't undertake this I will vote for some other party and keep on changing until my policy has been achieved.

Signed.....

Address.....

(Signatures will be treated confidentially)

What to Read

THE WORKS OF MAJOR C. H. DOUGLAS:—

- Economic Democracy (4th Edition) 1934) 3s. 6d.
The original statement of the philosophy and proposals of Major Douglas.
Credit-Power and Democracy (4th Edition, 1934) 3s. 6d.
One of these two books is essential for the serious student.
Social Credit (3rd Edition, 1933) ... 3s. 6d.
Contains the philosophical background of the subject and includes the Draft Scheme for Scotland.
The Control and Distribution of Production (2nd Edn., 1934) ... 3s. 6d.
Warning Democracy (2nd Edition, 1934) 3s. 6d.
Two collections of speeches and articles treating the subject from different angles.
The Monopoly of Credit 3s. 6d.
The latest technical exposition, and includes the Statement of Evidence before the Macmillan Committee.
The New and the Old Economics 1s. od.
Contains an exposition of the A + B Theorem.
These Present Discontents: The Labour Party and Social Credit 1s. od.
The Nature of Democracy ... 6d.
The Buxton Speech.
The Use of Money 6d.
The Christchurch Speech.
Money and the Price System ... 3d.
The Oslo Speech (reduced price for quantities).
Social Credit Principles 1d.

BY OTHER WRITERS:—

- The Douglas Manual, by Philip Mairet 5s. od.
Economic Nationalism (3rd Edition, 1935), by Maurice Colbourne ... 3s. 6d.
The Social Credit Pamphleteer ... 3s. 6d.
Money in Industry, by M. Gordon Cumming 3s. 6d.
Promise To Pay, by R. McNair Wilson 3s. 6d.
The A.B.C. of Social Credit, by E. Sage Holter 2s. 6d.
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A Simple Outline of Douglas Social Credit, by R. S. J. Rands ... 1½d.
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False Prophets and False Profits, by W. Adams 1d.
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