

# SOCIAL CREDIT

## For Political and Economic Democracy

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Weekly Twopence

### THE TRUTH ABOUT SPAIN

**Spain has gone mad, just as, at almost any moment, the world may go mad. And to what end? That a policy of compulsory work for all may be imposed.**

**THIS** is the truth behind the struggle: that whichever side wins, the people of Spain will lose such vestiges of freedom as they enjoyed before, for **the policy of Fascism, like that of Socialism and Communism, is—WORK FOR ALL.**

Only the personnel of the dictatorship and, to some extent, the methods will differ; the results will be much the same for the majority of the Spanish people.

#### What Do The People WANT?

If it were possible to make each individual Spaniard forget the struggle for one moment, and ask him or her—"What is it that you want more than anything? Is it not individual freedom and security?"—who can doubt that the overwhelming majority would answer: "Yes, that is what I want"?

But they have been led to believe that they can obtain their desires only at the expense of some at least of their fellows, and by some particular mechanism which few, if any, understand.

The lie at the heart of the party system of government—that one side can benefit only at the expense of another, when really there is plenty for all—that lie has precipitated civil war in Spain.

#### Doomed to Dictatorship

The false democracy which requires people to vote for programmes they do

not understand, instead of demanding results which they do, has made it quite certain that, whatever else happens, Spain is doomed to dictatorship.

#### Sharing an Insufficiency

**How long will it be before similar things happen here? How long will people consent to live half-starved?**

Or will history repeat itself, and the question of who should govern Spain lead to a European war for yet a third time?

These are questions time alone can answer; but should war come between the Fascist and the so-called democratic states, let us be sure of one thing: it will be a war over who should have the larger share of an insufficiency, **although there is plenty for all.**

\* \* \*

#### Atrocities

Since the outbreak of the Spanish civil war the people of all countries have been subjected to a flood of propaganda, the like of which has hardly been seen since the lie factories of the opposing nations in the great war closed down.

All the old atrocity stories of the last war have been dug up, and to them have been added new ones. These atrocities, one paper tells us, are being committed by the Fascist rebels, and those—often strikingly similar—another paper says, are the work of the

red supporters of the Republican Government.

**The truth is that war itself is an atrocity, and "atrocities" are an integral part of it.**

#### Rumours

We are told that if the rebels win, Spain will become a Fascist state, and, by agreement with Italy and Germany, will close the Mediterranean to us, thus cutting off our ships from Irak oil, Egypt and the short route to India—the Suez Canal.

Again, other papers tell us that the success of the Republican Government in suppressing the rebellion means the spread of Bolshevik infection through Europe. Yet other papers warn us that, at all costs, Great Britain must take no part in the dispute, that a policy of splendid isolation is the only one to pursue in a world in which isolation becomes increasingly difficult.

#### Facts

In this welter of latrine rumours, propaganda stories, and inspired suggestions as to the policy that should be adopted, certain facts stand out clear and undeniable.

Towns which are famous for their artistic treasures are, or may be at any time, in ruins. In town and country, north and south, the bodies of those who a few days ago were men and women and children lie about—dead.

Attack and counter-attack, and a town changes hands, a victory is acclaimed or bewailed—but always bewailed, whichever side wins, by fatherless children and the widows.

Above all, the warring factions and suffering civilians, the constant threat

of air bombardment, and the dread that, sooner or later, one side or the other will sink to using that most tempting of all weapons, because most deadly—poison gas.

\* \* \*

Such is the state of Spain today, and such may be the state of this country tomorrow if we do not ACT, for 13½ million people will not be content to suffer slow starvation in silence— indefinitely.

When people have nothing to lose except a degraded existence they are ripe for any madness; and every man and woman in that 13½ millions, and many more besides, are in that condition today.

#### A Message of Hope

We can bring to these people, and, by doing so, to the world, a message of hope.

We can show them how to make their will—that these conditions be abolished—prevail.

Not by bloody revolution, nor by voting for a party label, but by uniting in demanding through their representatives in Parliament—irrespective of party—THE RESULTS THEY WANT.

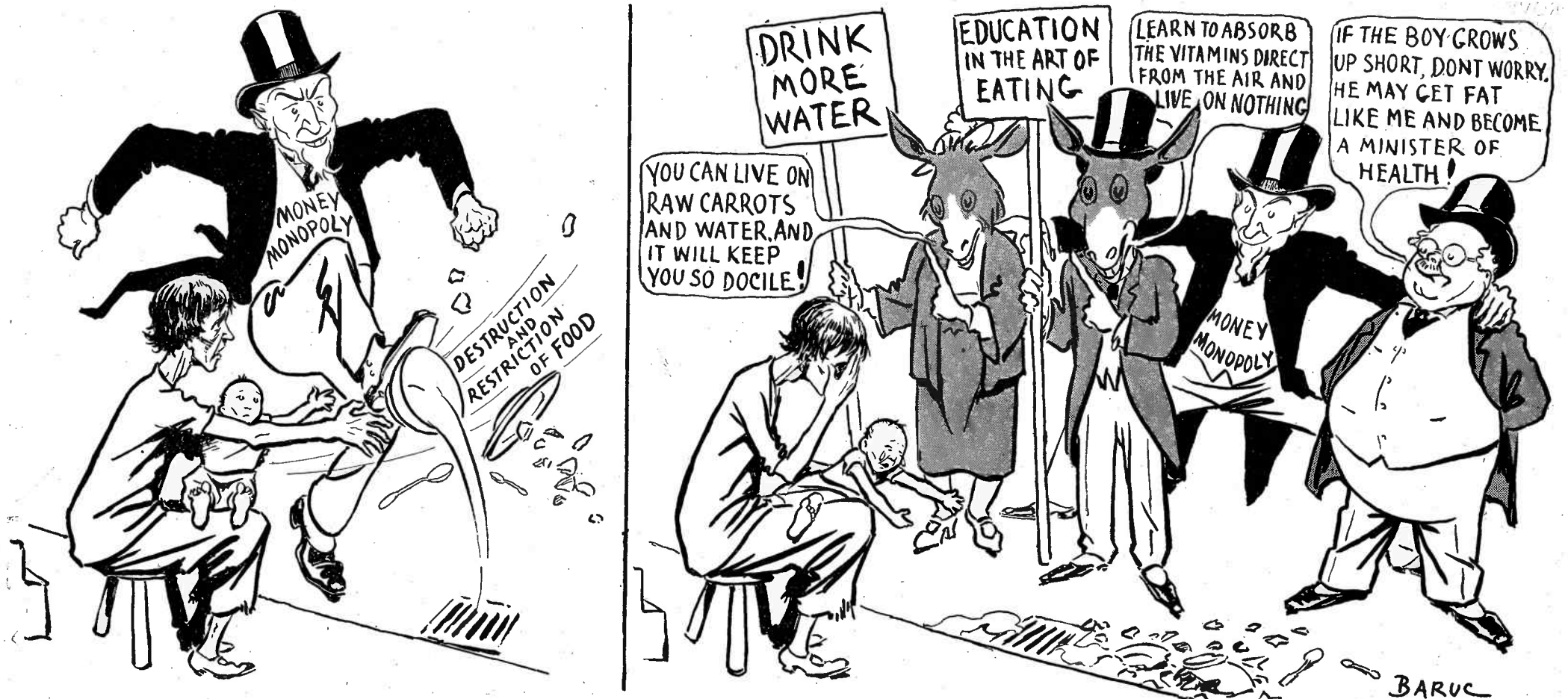
This is our opportunity to bring harmony to a distracted world. This is our responsibility as intelligent men and women.

Should we fail to act and act now, we must accept a share of responsibility for the catastrophe we thus make inevitable.

#### IN THIS ISSUE

Women and Poverty	- - -	3
Fruit Syrup	- - -	3
Wasted Lives	- - -	4
The Power Age	- - -	5
The New Tithe Act	- - -	6
Do You Agree?	- - -	8

### INSULT TO INJURY



## SOCIAL CREDIT

A Journal of Economic Democracy  
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Vol. 5. No. 1 Friday, August 14, 1936

## The Battle Ahead

EVER since the birth of human consciousness, men have dreamed of a day when they would be "free."

Throughout the long ages of human history, men have laboured and climbed and fought in the hope of "a better day."

The faith that was in them moved the mountains of difficulty under their feet as they moved upwards in the climb of endeavour.

The fight in the past was against scarcity of the means of existence, a fight for a sufficiency of food, warmth and shelter.

Today, in an age of applied power, humanity has won the battle against the once dreaded scarcity. THE AGE OF PLENTY IS HERE. The inventors, with machines and dynamos, have given men the key to produce abundance.

BUT—the power to consume fully has not yet been distributed.

Poverty is still widespread, and suffered by many in the midst of plenty!

If Watt had merely theorised over the kettle, he would never have harnessed steam; we are rich to-day because he TOOK ACTION to make his theory work.

If Franklin had been content merely to talk about his ideas of electricity, we should never have harnessed Niagara; but he TRIED OUT HIS IDEAS; and, in spite of the shocks he received, he succeeded by ACTION in founding a new science which has enabled man to make himself not only economically secure, but "free" with the blessings of "leisure" and "culture" added.

There is still a great adventure to be achieved before the "freedom" and "leisure" and "security" that are now possible become a common REALITY for each and every man.

The birthright of our age and time must be "claimed," and CLAIMED BY EACH ONE OF US, the "heirs."

This means a battle. It means action; and because the Social Credit Army forms the vanguard in the march towards freedom and security, a great responsibility rests upon it.

When Major Douglas called for ACTION, he not only defined the direction it should take, but named also those who were responsible for taking it and YOU—reader—were included among them.

## To Arms!

Douglas Cadets must feel a thrill of pride when they see the advertisement we are displaying on page 7.

There is only one thing to be deduced from it — THAT THEY HAVE AGAIN PROVED RIGHT.

Whilst others sneered and jeered and "jawed" when Douglas called for ACTION, Douglas Cadets responded. When so-called Social Credit periodicals spurned his advice and advised others to do so, too, and boasted that they had no policy of ACTION but only one of education and criticism, Douglas Cadets plunged into ACTION with faithful hearts and willing hands.

They were RIGHT, and now the last remaining fragments of the Social Credit Movement acknowledge it, for, as a result of their loyalty, 14 persons see that beyond all doubt, Major Douglas has all along been right; that ACTION is the only thing that can save us.

They now call upon all who, because of this objection or that to existing plans of ACTION, have not yet joined in any Social Credit organisation which is devoted to ACTION, to come to a congress and see what form of ACTION they will consent to pursue.

For our part we cannot commend it too strongly to the notice of all who are as yet—to parody Kipling—fighting bankers only with their mouths.

Perhaps it is not too much to hope that from such people the Electoral Campaign may secure careful, dispassionate comparison with those forms of ACTION recommended by other sections of the movement, but any of them that lead to activity should lead to good.

Major Douglas has again been shown to be

## WORDS TO THE WISE

## We Permit Starvation!

In the House of Commons on July 30, Sir Kingsley Wood, Minister of Health, was asked if he had seen the report of the county medical officer, showing that 93 mothers in every thousand in South-East Lancashire, suffer from under-feeding, and what he proposed to do about it.

Sir Kingsley Wood replied:

"I am considering the possibility of extending the scope of the schemes now in operation for the supply of milk to mothers and young children."

He might as well throw a glass of water on a burning house full of human beings while the firemen are awaiting his orders to deluge the conflagration and save the house and its precious contents.

Why do we, the electors of Great Britain, allow our paid Members of Parliament to tolerate this sort of thing? So long as we do

from Holland to Belgium and margarine from Belgium to Holland. The smuggling of margarine into Holland is encouraged by the demand for a cheap butter substitute, for many Dutch people are too poor to buy Dutch butter. Yet, in spite of the tariff, Dutch butter is often cheaper in Belgium than Holland!

"Incidentally, it is rumoured that almost the whole output of one large margarine factory in Belgium is smuggled into Holland."

The consolation for all this criminal activity is that both countries maintain "sound" financial systems!

## £200 a Year Minimum

Several of our contemporaries have referred to the case of the bank clerk who lost his job because he got married.

## WITH THIS ISSUE

## THE NEW SUPPLEMENT

## Has Been Despatched to Every Known Douglas Cadet

IF you have not received the Supplement given free with this issue, it is because you have not conformed to the qualifications required.

Douglas Cadets are those who

1. Are registered subscribers to the funds of the Social Credit Secretariat Limited under the Revenue Plan, which is available to everyone, *whatever their means*.
2. Are direct subscribers to the journal SOCIAL CREDIT.
3. Have undertaken to treat the Supplement as confidential.

## WHY DON'T WE SUPPLY THE SUPPLEMENT TO EVERYBODY?

- (A) Because our Supplement will not usefully interest those who are not fighting under the direction of Major Douglas—they, being nearly always an army of ONE, usually have a supplement of their own!
- (B) Because we cannot give increased service to those who do not support us at the expense of those who do.
- (C) Because we cannot distribute a limited Confidential Supplement through newsagents, and we cannot add to our costs by posting the Supplement separately.

## A LITTLE DIFFICULTY

Those who have written in pointing out that they have been taking the paper regularly from a newsagent are requested to PASS ON THEIR STANDING ORDER TO A NEW READER.

Our immediate object is to increase the sales of SOCIAL CREDIT over the newsagents' counters, and any Cadet can, for the asking, obtain from "Publicity" at this office suitable forms for transferring existing orders and placing new ones.

The newsagents are our friends, and no existing order ought to be cancelled because a subscription has been made to conform to the requirements of Cadet qualifications: *transfer it instead*.

## THE DOUGLAS RALLY IS STILL SOUNDING

All who wish to become qualified may still do so, by filling in the form on the back page.

## DO IT NOW

nothing about it, starvation will go on, and there will be none to blame but ourselves.

## Are Cows on Strike?

There is no other reason than that given above for mothers and children to go short of milk. There is plenty of milk and still greater quantities could be produced if people could afford to buy all they wanted. The cows have not struck work, nor the farmers, who would be glad to sell more if there were buyers.

All that is lacking is money, and money is only a ticket. But for lack of these tickets millions suffer semi-starvation today, thousands are dying and each day some 15 despairing men and women commit suicide. Someone is to blame. Who?

## "Sound"—or Insane?

A correspondent gives the following sketch of a minor engagement on the economic war front.

"The Dutch Government subsidises the export of butter, and levies duty on margarine imported.

"The Belgian Government encourages the export of margarine and taxes imported butter.

"The result is that butter is smuggled

at least sixteen years ahead of any other leader, tactician, constructive statesman, or economist of his day. The advertisement to which we refer constitutes, after a lapse of over two years, still further evidence of this truth.

BE OF GOOD CHEER, DOUGLAS CADETS, EVERYTHING GOES WELL FOR NOW, EVEN IN THE TALKING SHOPS, THE CRY IS TO ARMS!—TO ACTION!

Mr. Hilaire Belloc points out that—

By all the *theory* upon which the State reposes, the man forbidden to marry was a free citizen. By all the *facts of reality* he was the slave of a capitalist master.

So complete was the power of that master over his slave that he could order him to forego the principal act of choice offered to a free man in the course of his life: the choice of choosing a mate.

The slave could refuse, of course, and take the consequences. So can any slave in any form of slavery.

The slave can always rebel and consequently suffer great physical pain or death or ruin.

One of the points all the references missed was the fact that **the bank, by insisting that its employee must wait until he was earning at least £200 a year before getting married, recognises that an income below that figure is inadequate and liable to have a demoralising effect upon his character.** In other words, he might be tempted to rob the Bank to keep his home going.

A National Dividend would enable a man to marry if he wished to, without begging leave of his tyrannical (and moral!) employer—and he need not suffer great physical pain or death or ruin to obtain it!

Let every bank clerk who wants to be free get on with the Electoral Campaign, which is explained on our back page.

## Dirty Work

When people get what they truly want, namely, the share of the enormous national real wealth that is now being destroyed or restricted, they will be free to choose the kind of work they like to do.

Who will do the dirty work then? Well, when the present artificial restrictions on production are removed, all sorts of new and ingenious labour-saving devices will be

turned out, and before very long much of the dirty work will be abolished by self-cleansing equipment, and, most of what remains will be done by machines.

But who will do the dirty work that still remains to be done after that?

Read on, dear reader!

## The Barnsley Mine Disaster

The answer—the final, clinching human answer—to the question asked in the above note, is provided by the heroic miners who volunteered for rescue work in the Barnsley mine disaster of August 6.

What dirtier work can be imagined than to descend into the bowels of the earth, there to face fire, and the risk of a dreadful death, in the forlorn hope of rescuing their fellow workers?

They didn't have to; no reward was offered. But these men did not hesitate to undertake this terrible task in the service of humanity.

It is in these emergencies, when someone has to do the dirty work, that the divine spark in human nature shines brightest. It is always there. It will be there always.

## "Prosperity" Certificates

This is the name given to the new form of taxation that has been imposed on the people of Alberta by the government elected to introduce Social Credit.

These certificates are issued to pay persons engaged on public works, and are intended to pass as money; but it is a queer form of money, for its value shrinks each week by one-hundredth, unless you buy a special stamp with real money, to stick on it.

It is as if a shilling shrunk to sixpence in a year and to nothing at all in two years. It is, in effect, a tax of something over 104 per cent. in two years.

Of course, this is not Social Credit, which would eventually do away with all taxation—it is politics!

## Yet Another Party

Fired by the success of the use of Social Credit as a vote-catching label in Alberta, twenty candidates adopted it in the recent provincial election in Manitoba. Probably few, if any of them, understood the financial technique of Social Credit; but like those using such labels as Tariff Reform, National Government, Socialism or Nationalisation of the Means of Production, in this country, they thought it good for vote-catching.

They were right to some extent, for five of them were elected, and will now draw salaries as Members of Parliament.

That's party politics, that is! It is a dirty game, which will continue for just so long as the electors permit it, until, in fact, they demand the results they want instead of voting for labels.

## Fire!

When Mr. William Thatcher, a furniture dealer of Upton Park, found his house was on fire, he crawled on his hands and knees to the front room and called to some people outside to force the door so that he could get his wife, a cripple, into safety.

But they stood with their mouths open and did nothing. His wife was burned to death.

The world stands in similar danger today. Whole populations, like this unfortunate cripple, wait to be rescued. We call out to you to force open the door to escape by exerting your united will. Are you going to stand with your mouth open, or will you do something before it is too late?

## Red Herrings

Russia has bought 40,000 tons of herrings. It is the largest quantity ever sold to Soviet Russia in one transaction.

A month ago herrings were being dumped back into the sea by the million at Lerwick, in the Shetlands—no one in Britain having any appetite left—?

## Confidential Supplement

The first issue of the Confidential Supplement for Douglas Cadets only, referred to in the notice on this page, contains the address by Major Douglas at the Social Credit study course for Conservatives held at the Bonar Law Conservative College, Ashridge Park, on July 26—an address which made a profound impression upon the students.

Other contents include a review by Edward Hewlett of the purpose and achievements of the Social Credit Secretariat; the first instalment of M.W.'s review of Social Credit progress overseas; a commentary on the Douglas-Alberta correspondence; articles by R. L. Northridge on Foreign Exchange, and by W. L. Bardsley on Blocked Marks.

# WOMEN AND POVERTY

By Jean Campbell Willett, L.L.A., F.R.G.S.

**"THE** hand that rocks the cradle rules the world."  
(Old Proverb)

**"THEY** who control the credit of the nation direct the policy of governments, and hold in the hollow of their hands the destiny of the people."\*

This is the first instalment of an important new contribution to the literature of Social Credit. It is hoped to publish it in pamphlet form.

**T**ODAY, the emancipation of women is spoken or written of as an accomplished fact. Perhaps it may be admitted that a few positions in life are still closed to them, or, at least, that it is made harder for them than for men in some cases; but, on the whole, women are free; and by comparison with the days of our grandmothers that freedom must have fulfilled the widest hopes of the pioneers.

Yet most of us are conscious of something radically wrong with even this emancipated world of ours. We are free only in a limited sense, and men and women together share in the present bondage to systems which are so out of joint with modern times that it is admitted that they are unable to cope with the greatest of our problems — leisure, or



"unemployment" as it is called, and the problem of poverty in an age of plenty.

It is the latter paradoxical situation which is calling forth serious criticism of a system under which it can exist; nor can the enormity and gross inhumanity of the existence of starving and underfed millions be too greatly or too often stressed in a civilisation which should, and could, inherit an ever-increasing abundance of material goods for the body, and leisure for the needs of the mind and soul. **As Major Douglas points out, "Systems were made for men, and not men for systems."**

It is almost strange that such an obvious fact needs to be stated, but it, too, cannot be reiterated too often in a world which is so seriously in danger of letting a system sap its life-blood until we, who should inherit life, and that more abundantly, are now harassed, anaemic, tormented with fear of the loss of work and therefore livelihood, and bewildered by the endless schemes offered for our salvation, and their inevitable failure.

A system under which poverty, which is manifestly unnecessary, can be allowed to exist; under which, if they do not starve, men are, to quote *The Times*, "permanently hungry," is obviously incompetent to deal with the needs of the day.

\*This oft-reproduced quotation—which is a true statement of fact—is usually attributed to the Rt. Hon. Reginald McKenna, Chairman, Midland Bank Limited, but we have reason to believe he did not use these words. Perhaps some reader can throw light on the source of the quotation.

**Poverty is an anachronism. Its continuance is an offence against humanity and an insult to our intelligence if it is imagined that we, having seen the absurdity, will not strive to the uttermost to find where the fault lies, and then urge the remedy.**

Complete financial control in the hands of the few, and the failure to distribute wealth, have been the main factors in the ruin of one Empire after another, and there is every indication that this Empire of ours is following the same path.

What signs are there that we are failing to distribute our wealth, that financial control is now in the hands of the very few, and that the money power is closing its stranglehold upon us? Poverty, lack of money (as buying power), is cramping all our activities; and upon women in all walks of life, and as mothers and wives, the state of affairs bears heavily and threateningly.

## Slums

We are told by so good an authority as Mr. J. M. Keynes, that Great Britain is "decidedly the most prosperous country in the world today"; yet the extent of slum districts in this same "prosperous" country is appalling.

The word "slum" conjures up a vision of narrow, dirty, sunless streets, with ragged ill-fed children "playing" in the squalor and sunlessness; the houses on each side, if not condemned as unfit for habitation, are at least gaunt, begrimed, dank and dark. A grim enough background for a picture of the world's most prosperous country.

But this is not all, for infinitely more grim than the conventional slum, so described, is the reality. **Whole families living in one room, day and night, are deprived of even the least privacy, let alone the privacy which is a prerequisite of decency. There is no such thing as childhood, in its care-free sense, for children born into such surroundings: theirs is a sordid education with poverty and fear and knowledge pressing down upon them, burdening them with a weight which crushes or distorts life out of all healthy and natural development.**

Not only mentally and morally is life perverted at the start, but physically the oppression is as great. The slums are "areas of filthy kennels swarming with rats, mice, cockroaches, lice, bugs, fleas and other vermin." Under-nourished children are denied even nature's two great comforters and restorers—play and sleep; fear of rats keeps them out of the miserable back yards, and rats and vermin keep them awake at night.

It is beside the point to pursue such arguments as are occasionally raised—mainly by those who, comfortably themselves, yet wish to dismiss a disquieting facing of facts, and urge that such people as the inhabitants of our slums would reduce themselves to poverty and squalor even if given better surroundings. When they, and generations of their children, have been fed and nurtured in healthy, attractive, fear-free surroundings, as for past generations they have lived in slums, then, and then only, will those, now more economically fortunate, be able to pronounce judgment on the point.

If today men spend their free hours in public houses, and the young people in cinemas, or on the streets, where else have they to go? There is no inducement to a man to return to his one or two-roomed hovel to be disturbed or irritated by the cries of the baby and the noise of the children. Nor can the young people go "home"; there is no "parlour," no privacy where they can make love decently.

**As to the mother of the family, hers is, perhaps, the greatest burden of them all, and, as if to add insult to injury, she may know that the milk which her children need, the meat she must go without, the fruit and little luxuries which she cannot afford, the food which would help to build up the resistance of the whole family against that insidious foe of under-nourished humanity—tuberculosis—all these things are being destroyed wholesale, while economists grapple with the problem of over-production, and men, women and children starve, and millions more live on a pitifully bare subsistence level.**

# FRUIT SYRUP

Another Addition to Abundance

**I**T used to be "Eat more fruit." Remember it—the slogan that went round the world! Now it's "Drink more fruit!" Not a slogan yet, but it may easily become one shortly.

Here's why! After years of research work methods have been discovered of using up bulks of that over-ripe fruit—the nasty squashy stuff, you know, that never appears palatable but is just the same good fruit—which hitherto has gone to waste.

Four years ago it began at the Agricultural and Horticultural Research Station, Long Ashton, Bristol. Thousands of pounds were being lost by fruit-growers every year because over-ripe fruit—known technically as ungradeable—was being thrown away. It had to be. There was nothing else to do with it, because there was more than people could afford to buy—not more than they wanted, though.

Now this over-ripe fruit is being made into "liquid fruit products." Whereas it used to be that cider was the only "big sale" drink made from fruit, now, juices, syrups, squashes, wines, liqueurs and even fruit milk shakes are available.

A new industry has been established, and fruit which would otherwise have floated out to sea, is now in demand as liquid refreshment.

In such demand is it in some quarters that the people in charge of research work are

seeking some efficient method of organisation that will enable them to get supplies of over-ripe fruit at reasonably quick notice without having to collect small quantities from a relatively large number of growers.

It is estimated that 100,000 gallons of pure fruit syrups have been on the market this summer. The fruit syrups from this season's strawberries were made by a Suffolk firm, while a large Bristol concern have put up a modern hygienic factory for the purpose of processing tons of over-ripe strawberries a day.

Some surprise might be expressed that liqueurs can be made from fruit. As a matter of fact, two distinct liqueurs are being produced with strawberry wine as a basis. In one instance the additional flavouring is supplied by loganberry syrup and in the other by strawberry syrup. The specific gravity of each is slightly lower than that of Chartreuse and Benedictine.

As for the milk shakes—now so popular at all milk bars—especially attractive drinks are being prepared with strawberry, raspberry, loganberry and black currant syrups. And there is now no danger of the milk curdling, a fact which visitors to the Imperial Fruit Show (to be staged for the first time in Liverpool, from Friday, October 30, until Saturday, November 7) will be able to verify, for the very latest in fruit drinks will be available at the specially installed milk bar.

## THE POLITICS OF HUNGER

What use is it for us to vote in favour of a collective peace system and to support the League if we simultaneously support economic policies which can only lead to impoverishment?—*The New Way*, July-August.

## NEW VERSION OF OLD HYMN

We plough the fields and scatter  
The good seed on the land,  
But it is fed and watered,  
By God's almighty hand;  
And when the harvest ripens  
There's such an awful lot,  
That as there is no money  
We leave it out to rot.

From B.C.

## LABOUR SAVING OR MAKING?

A girl with a machine can make 60,000 razor-blades a day. Unemployed barbers will appreciate how labour-saving machines make more work when they get started in the factories to make machines to make more razor-blades.

## MISERY FROM DEBT SLAVERY

"It is possible that there is more human misery as a result of debt slavery than there is anywhere as the result of domestic slavery."—*From a world review of slavery in all its forms by seven experts appointed by the League of Nations, quoted in the "Contemporary Review."*

## BUT EXPERTS DISAGREE

"In the less fortunate areas the children who are dependent on the scale ration above will be inadequately nourished . . . something firmer than optimism would be required to buy a pint of milk a day (at 1s. 9d. a week) along with adequate maintenance and clothing for a child of four or five on 3s. a week."—*The Lancet*, July, 1936.

## OUT OF THE MOUTHS OF BABES

John and I were looking at Baruc's cartoon "We do not eat on Thursdays." Said John: "Why was the fish being thrown back into the water?"

"Because people haven't enough money to buy them with," I replied.

"Oh!—And why is the field burning?"

"Because people haven't got enough money to buy bread."

"And is the milk going down the drain and those other things too because people haven't enough money?"

"Yes," I replied.

"And don't that poor man and his family

eat on Thursdays 'cause they haven't any money either?" asked John, with a puzzled look on his face.

"That's right," I answered.

"Then why don't they give him some more money or else give them what's being 'chucked' away, dad?"

But then—John is only seven years old.

P. H. G. SMITH

## GENEROUS GROCERS

Something like seven million housewives each week pursue the game of "finding the grocer." Almost every day there is something to be had for nothing in one of the dozen or so shops within reach, and our mothers, wives and daughters prowl from street to street in search of that day's bonus.

Quite a sport in its way, but what of the grocer? He does not look too jubilant. He gives—but does not want to give. He talks of cut-throat competition, too many grocers, chain stores, and so on.

The fact is that giving is one of his weapons of offence in the fight to secure trade. His bonus of butter is as a bomb intended to shatter his neighbour competitors, and they will return his fire with a fusillade of biscuits, prunes and custard powder, rising to a cannonade of soap and breakfast food.

A joke? Yes, in a way—but not to the grocer. This absurd bombardment of goods is his defence against death as a grocer; against extinction in bankruptcy. He gives because he must, and he gives to destroy others. There is something queer here, something twisted away from human nature and common sense. And something which we can help to straighten out.

Readers who agree—and who are grocers or in touch with the trade—are asked to write to X.R., c/o Social Credit Secretariat, 163A, Strand, London, W.C.2.

To D.C. (London): Thanks; but as you have omitted your address I cannot advise you how to use the claw-hammer!—X.R.

## UNFAIR

At the circus the strong man dipped a sponge into a pail of water and then squeezed until every drop of water was out of it. He invited any one who wished to come into the ring and try to squeeze another drop out of the sponge.

Several men tried it without any result.

At last a small man entered, and to the astonishment of all present he squeezed out drop after drop.

A member of the audience recognised the man, and shouted:

"That's not a fair test. This man is an income tax collector."

A National Dividend is money to buy the things that are now destroyed and the production that is restricted.

# WASTED LIVES

By R. L. Duck

VERY few people at the present time are following their vocation. The majority are square pegs in round holes, lives being wasted not only to themselves but to the community also.

How much more could be accomplished if all could work according to their bent, and how much better the work would be done! For our skill develops according to our application, and we all apply ourselves best to that which we enjoy.

There are, of course, jobs that one would think no one could want to do; but humanity is very varied, and anyway there would be few unpleasant tasks when inventors had enjoyed themselves creating new machines and harnessing fresh sources of power to take the place of those which, like coal, are dangerous to procure.

At present so few have the time to think constructively, to bring us to that age of ease which science has made possible for us. Instead we have a world of business; for the immediate urge to obtain the necessities of life forces the majority to take the first job that is vacant whether they like it or not, and whether socially it is useful or wasteful, if not actually harmful.

Only by occupying a niche in this world of industry do they obtain the means to claim a share of the composite production of the community.

Collectively, our ability to produce goods and services, as all scientists and engineers of note substantiate, is almost unlimited, but the return that we *individually* receive for working most of our waking hours is so meagre that on receiving it we are lucky if we can settle outstanding debts.

In expectation that one day we may be able to obtain something more than the bare necessities of life, we look forward continually to next pay day, wishing our lives away.

The monotony of continuous uncongenial work, often under unhealthy conditions, the deferred hope, the everlasting anxiety to make ends meet, as well as the insufficient nourishment obtained by 50 per cent. of the population—all these *take their toll on life*. Many who are sick, not daring to stop work, become chronic invalids, often prematurely dying.

Not only is there physical wastage; there is a wastage of life in every way. People are deprived of hours of leisure, of sun and air and exercise, essential to life, enjoyable as well as beneficial.

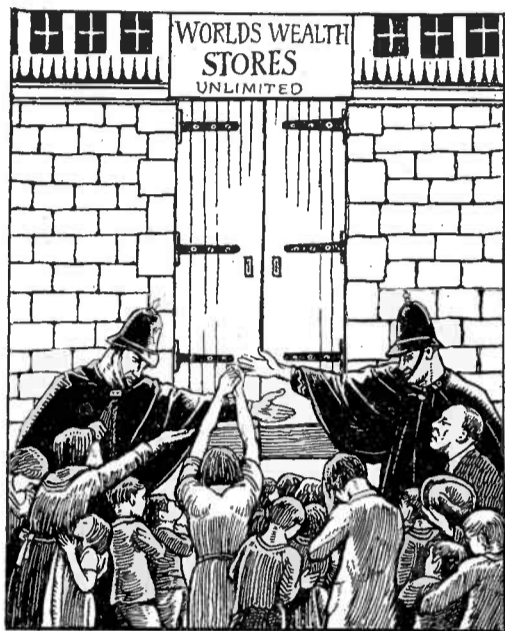
Husbands and wives are despoiled of companionship which they married to enjoy. Many miss the fulness of life that marriage can bestow, for, in the general insecurity,

they fear to marry or, having married, are afraid to have a family.

Possibly still worse, this lack of money debars life partners from having an occasional escape from one another, upon which even the best companionships depend for their continuance, with the result that many marriages end in minor or major tragedies.

The daydreams of youth are frustrated in this nightmare age where everything is inverted, where plenty causes poverty, increasing prosperity in life itself brings worry. This is reflected in the faces we see around us. Where is that spontaneity and life that we see in the faces of "uncivilised" peoples?

Historians say that our nation was noted in the middle ages for its laughter and song.



"Food! Clothes! Boots! Impossible! All go to feed Bombs and Banks"

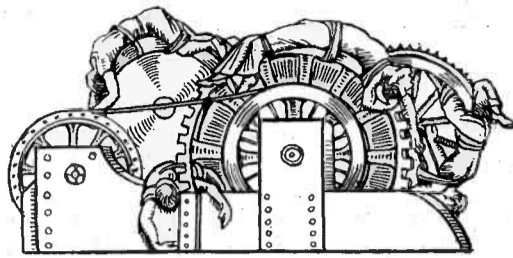
To judge by the average face nowadays, people must have got more out of life then. We have motor cars, cinemas and wireless; but what have we lost? Hours of life in which to enjoy the beauty of the world. In the 14th century our forefathers had about 140 saints' days every year for holidays, and the guilds had a 6-hour working day fixed by law.

What modern trade union would dare demand so few hours of work? Yet the sole object of machinery should be that we might "have life and have it more abundantly."

The late Lord Leverhulme said in 1916 that we could produce all the necessities of life with the population working one hour a week, and this statement is supported by H. L.

Gantt, a prominent U.S.A. engineer, who asserted that the modern industrial machine is but 5 per cent. efficient, that is, 95 out of every 100 lives are being wasted.

Such statements are tremendously important, for they mean that there is a colossal



"Broken on the Wheel-s"

waste of life going on when the population is working as much as 50 hours a week.

Few realise the capacity of the modern machine. One turbine can do work equivalent to that of the whole human and animal population of this country in 1700.

Just think of a whole industry devoted to mining and refining gold so that it can be re-buried in bank vaults!

This touches us all very closely, but the majority will be more concerned with the destruction of food and raw materials which somebody must have given part of his life to produce. Others devote most of their lives preparing advertisements to attract people to buy goods. To the advertiser this may appear useful, for upon the sale of his goods, however harmful they may be socially, depends his ability to obtain the means of life. Communally, however, competitive, as distinct from informative, advertising is a complete waste.

The best advertisement is satisfied customers. A far easier way to obtain them and to overcome that "sales resistance" is to ensure that sufficient to buy the goods produced, is put into the people's pockets. Otherwise the lives of those to whom we owe improved methods of production of all kinds—the inventors, the research workers, the mechanics—are all being wasted, for the machines they create, whether for production or transport, will rust in idleness, or worse still, in wasting lives in the desire to make work, men will be set to scrapping them while they are still efficient.

Producers are wasting their lives endeavouring to keep up prices. They are fighting a losing battle with the inventor, like the politician attempting to cure "unemployment," believing that otherwise taxation will become unbearable; for its results, even now, can be seen in the brief accounts of inquests on suicides from economic causes which are tucked away in odd corners of the newspapers as if it were realised that these are wasted lives of which the world should be ashamed, like those of the unemployed and

their dependents on whom we bestow such miserable pittances.

We do keep them alive, but they are deprived of all the amenities of life, able to look forward to nothing but a hopeless future. Lives cut short in mining or shipping disasters are given prominence because the blame can be laid on the owners for not carrying out regulations framed to prevent such calamities. But is it not rather due to us all for permitting the continuance of a system which does not allow employers sufficient return to put these rules into being?

The general insecurity causes the majority of individuals to take out life insurances, but this whole business of insurance in a world of plenty is a colossal waste of time, and is based on a psychology of fear due to financial insecurity.

Selling flags, holding bazaars, instituting "make-more work" campaigns, or efforts to bolster up a so-called League of Nations are a waste of precious time. First things first.

The King has said that "the urgent task for the world is to introduce the adjustment necessary to bring consumption and production into a proper relationship."

### Exports Lead to War

Our attempts to cure unemployment by exporting the so-called surplus goods which we ourselves cannot buy, and preventing the importation of foreign-produced goods, besides building up tariff-walls and taxation, and employing officials unnecessarily, creates international enmities, leads to this fearful but wasteful increase of armaments, and will eventually culminate in Armageddon.

A general increase in armaments will not ensure peace. It is useless to demand your neighbour's change of heart. A vague desire for peace is not enough. The cause of war remains so long as we waste time curing unemployment.

Unemployment or leisure has come to stay. This should be obvious from the fact of world abundance. Can we not recognise that we have freedom at last within our grasp? All that we must do is to demand that the poverty that accompanies unemployment is banished. In a world of plenty, poverty need not exist.

Help to create a national demand for its abolition. Goods that are now destroyed wholesale could be consumed by individuals if all had more money, and manufacturers selling their produce would create more.

Waste no more of your life! At any moment another world war, compared to which the last will be as a picnic, may break out.

Do you want the lives of those you love wasted as "cannon fodder" or as targets for aerial bombs? Do you want to see them—your children and the old folk, too—put to a cruel death by poison gas? No? Then do not delay, but join in a mass attack on poverty.

G. W. L. DAY says

# KEEP SMILING

MOST men who fought in the War remember to this day their feelings of disgust at the Christmas cracker accounts of it which were disseminated for home consumption.

It was all very well to read in *Gertie's Gazette* about handsome, bemedalled young officers who just loved war, but when it came to finding it in one's morning newspaper, it was a bit too much.

All the horrors of mud and blood were glossed over, while trivial incidents which threw a glamour over the horrid business were enlarged to ridiculous proportions, or deliberately invented.

Even the theatres and music-halls were roped in to assist in the silly business of mass hypnosis. In dozens of fatuous ditties we sang the sawny ritual of war-worship.

Mr. Noel Coward and others have attacked this business of organised debasement with bitter satire, but if another war broke out this year, as it may do, the same sickening process would be carried out even more thoroughly than twenty years ago. I KNOW THIS IS SO BECAUSE IT IS BEING CARRIED OUT NOW.

At risk of wearying you, since you must have read it many a time in this journal already, there are millions of men, women and children in this country who are not getting enough to eat.

Sir John Orr, an expert employed by the Government, in the course of a thorough investigation, found that there are 4,000,000 people who are getting not more than four shillings a week to buy their food with.

Other investigators also in responsible positions have discovered even more terrible things about our unfortunate Hollowshirts.

Things have come to the point where something has got to be done about it. So the Ministry of Health, I hear, is about to appoint a press officer who will presumably feed the press with soothing syrup about the health of our Legionnaires of the Empty Stomach. Already I find, in the *Morning Post*, a leader which ought really to be called a misleader.

It chides that poor old sniper with a boss eye, Major Attlee, for saying:

"A Government which allows half its population to suffer semi-starvation is in no position to give a lead in dealing with the economic discontent which creates the war atmosphere."

The Opposition leader (says the *Morning Post*) was referring to Sir John Orr's report, but what Sir John Orr said was "The tentative conclusion reached is that a diet completely adequate for health, according to modern standards, is reached at an income level above that of 50 per cent. of the population."

"This," says the leader writer, "has been perverted by Mr. Attlee to imply that the other 50 per cent. is living in a state of 'semi-starvation.' Would it be easy to imagine a more unscrupulous abuse of words?"

Oh, monstrous! The *Morning Post* is indignant about it. Why, it says, the consumption of the foods containing the necessary proteins, vitamins, etc., has gone up from 46 to 88 per cent. since the War, and Sir John Orr says that an increase of only some 12 to 25 per cent. is required for full health. "The degree of conscious or unconscious malnutrition is immensely less than it was before the War."

Infant mortality, it goes on, has fallen by nearly half in 25 years. Also, "Let it be further remembered that cheap food for the urban masses may be bought at

the expense of the health of the rural communities." And finally, those who have enough money to buy adequate diets often prefer to spend their money on other things.

The inference is that there is really very little wrong in this country.

**Not a word about the expectant mothers who are suffering from malnutrition, or the millions who according to social workers are getting under three shillings a week each to feed themselves on.**

**Not so much as a hint that women starve themselves so that their husbands and children may get just enough; nor that boys taken from distressed areas and given a square meal have promptly been sick like people in a siege.**

For once the sharpshooter scored a bull's eye, but it must be confessed that the target was shoved right up in front of his face. For many years, you remember, governments denied that there was any serious malnutrition. At last, when it was impossible to deny it any longer, because the accredited experts had given them the lie, the fact was grudgingly admitted.

Now we have got to the stage where the quack doctors say, "Oh, yes, the patient has had a bad go, but he's much better now and will soon be quite well."

Are we really content to be fed with such hog-wash? Plenty more of it is being prepared for our consumption in the official troughs.

And if we refuse it, are we ready to face the facts and assume responsibility for the extensive semi-starvation which exists? There is no need for it to continue, nor will it do so the moment we unite to demand that it shall come to an end.

## A CHANCE FOR DOCTORS

### DRUGS UNLIMITED—MONEY LIMITED

Chemists are being placed in a very unfair position, said Mr. A. Cook to the Devon County Insurance Committee recently.

They are allowed 2s. 11d. a head of the insured population, and any excess due to extravagant prescribing by doctors falls on the chemists. The time has arrived, he declared, when the Government should be brought to realise that the chemists ought to be adequately paid.

The Chairman (Mr. Rowsell) said he had always advocated that insured persons should have everything necessary for their treatment, but just payment should be made to the chemists. The cost of insulin for each Devon patient for whom it had been prescribed was £12 13s. What ordinary insured person would have been able to afford that amount of insulin per annum?

#### Figures versus Facts

Dr. H. C. Jonas pointed out that while no limit was placed upon what could be given to a patient so long as it was necessary, the doctor, nevertheless, was expected to exercise reasonable care. **There was only a limited sum of money available for an unlimited supply of drugs, and that point should be pressed home on every occasion, especially on medical men who were responsible.**

#### Unfair, Shameful, Ridiculous

Not only is this imposition on chemists unfair to them, it is little short of murderous to patients, and the spectacle of unlimited drugs being withheld from those who need them because of a limited supply of money (tickets) is the height of absurdity.

Doctors should write about this to the *Pharmaceutical Journal*, which reports the proceedings on page 686 of its June 20 issue.

# THE POWER AGE

We Now Live in an Economy of Abundance

The Result of Technological Development

**T**ECHNOLOGY means the study of ways to do things and especially the systematic knowledge or science of the industrial arts, the more important manufactures.

Technology made the movies talk. It has made possible a road-making machine which in sixty seconds lays as much hard surface roads as formerly took a crew of men many hours. It is responsible for a brick-making machine which will cut 400,000 bricks per man per day whereas the former rate of production was around 1,000. It has created in the United States machine power equal to the possession by every person in the country of one hundred slaves to do his bidding.

The prefabricated house is an excellent example of one instance of technological development. One of the reasons why it has

the establishment of new industries decreases as a nation becomes pretty thoroughly industrialised as it the United States, and because even in new industries the rate of technological development has increased so that they are able to discard man power faster than formerly. And there are no more frontiers for men to go to whom industry can no longer use.

### A Permanent Pauper Class?

What is the conclusion to be drawn from all this? It is that we are faced, under our present economic system, with a permanent class of unemployed who either will have to be supported eternally by the government or liquidated in some manner such as allowing them to starve, or, more humanely, placing

# WHO GOVERNS THE GOVERNMENT?

**T**HE Premier of Portugal is reported by the *Daily Telegraph* to have said:

"WE KNOW THAT IN GREAT BRITAIN PARLIAMENT DOES NOT GOVERN."

Dr. Salazar, who is Finance Minister as well as Premier, should know what he is talking about, since he also represents the Central Bank. But he did not say who *does* govern our Government.

Nevertheless his statement clearly implied that it is the "hidden hand" in the City that governs our Government, be it Tory fish, Liberal flesh, National fowl or good red Labour.

No wonder that Dr. Salazar is acclaimed to be "perhaps the most successful of the world's present dictators." Indeed, his words imply further that Mr. Montagu Norman is the virtual dictator of the United

Kingdom, the Governor of our Government as well as of his Bank of England—for our Government has to borrow from the Bank!

The lender can give orders to the borrower—and does!

Social Crediters have often been doubted when pointing out that the City governs our Government, but here is confirmation from the mouth of one in such high authority as the Dictator of Portugal.

His honest admission provides another instance of public events and pronouncements from men in key positions happening "as if they were in the pay of the Douglas movement."

It exposes once again the silly pretence that a Parliament, as at present manipulated by the City, can exercise any adequate financial power over a Government whose Treasury is the Tweedledum to the Tweedledee of the Bank of England, as Mr. Norman himself has defined the relationship.

It will not be long now before even dyed-in-the-wool electors of all party colours will realise the truth of the Portuguese Dictator's affirmation.

Then there will be such an influx of disillusioned voters to the Electoral Campaign as will awake the sleepers at Westminster to an understanding of who their *real* masters are.

WILLIAM BELL

### LIVE AND LET LIVE

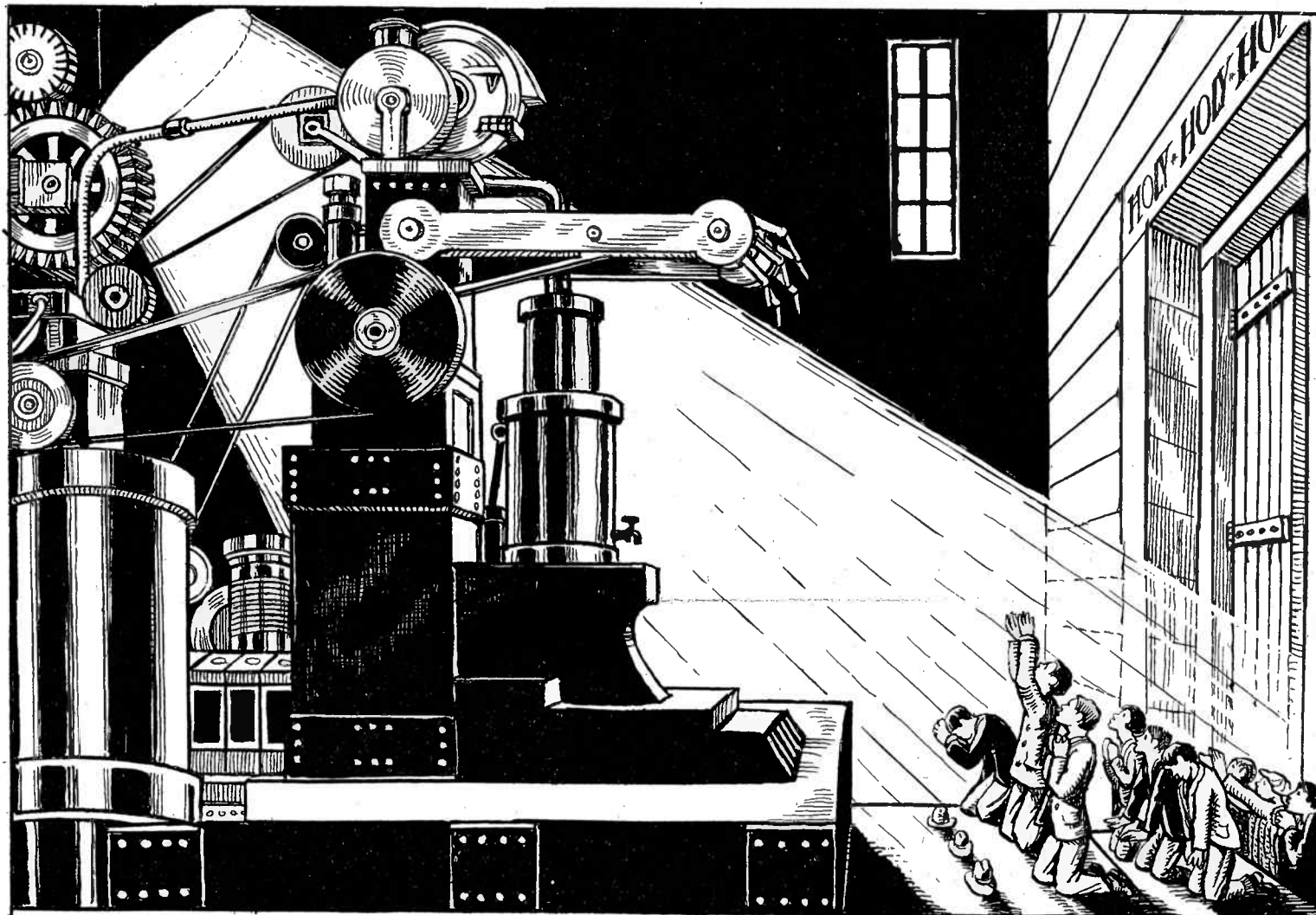
**W**E don't expect to create a perfect State, or anything near it. We want everyone to have the chance of having a shot for themselves at making a perfect State. We don't necessarily think that Man was born good—but he would have much more chance of being good if he had a National Dividend.

We don't claim that Man has "the unalienable right to life, liberty and the pursuit of happiness"—we don't know whether he has or not; but we are next door to certain that he is intended to do his best to follow his own highest standard, and to enjoy the fruits of the earth. We offer you the chance to do both.

You will be doing your best to follow your highest standard if you are devoting yourself to other people besides yourself—and there are a good many million people who badly need some devotion. Furthermore, we think we can promise that you will *thoroughly* enjoy the fruits of the earth if you help everybody else as well as yourself to get the means of enjoying them.

ANITA BENNETT.

## THE WORSHIP OF THE MACHINE



A drawing by Bernard Sleight, R.B.S.A.

not already become a familiar feature of our landscape is the powerful opposition put up against it by the manufacturers of building materials and the various unions of the building trades. If the prefabricated house catches the public fancy as it seems bound to do for reasons of economy, convenience and style, a lot of lumber mills and brick kilns and thousands of carpenters and masons are going to have even less to do than at present. So much for the effect of technology on one industrial field of major importance.

### Industry Can Absorb Unemployed

If a boom similar to the one that preceded the 1929 debacle comes, will the 13,000,000 or even 10,000,000 unemployed, allowing 3,000,000 for normal unemployment, although one doesn't know what's normal about it, be absorbed by private industry? Technology answers no.

Why? For these reasons:

Industry, during the depression, has become more efficient. Forced to co-operate with a reduced staff, many businesses found they could get along as well or better with fewer men handled in a more efficient manner.

Technological development and scientific discovery have gone on throughout the depression. At present there is a rayon factory in New Jersey which operates without a single man on the floor of the factory. Automatic machinery operated from a central control room does the work.

The old argument that technological unemployment always solves itself by the happy circumstances of new industries starting up when old ones have reached a point where they can discard much of their man power is **no longer valid**.

It is no longer valid because the rate of

them all in a large lethal chamber and turning on the gas.

Disregarding the last measure as unthinkable except by certain savages, we are faced with the alternatives of having a permanent pauper class thinly disguised as government employees, or changing our economic system in some manner so that these people can work, live comfortably and in security, and pursue happiness to the extent of their capabilities for capturing that elusive blue bird.

### We Have Left the Machine Age

Why has our present system, which has worked after a fashion for 150 years, broken down? Why has the purchasing power of the consumer decreased to the place where industry is at a standstill? Because of technological development. Because we no longer live in the machine age, but **in the power age**. Because, to use a much battered term, we now live in an economy of abundance instead of an economy of scarcity.

The problem is no longer one of production but of distribution. That it is an extremely thorny problem which is yet to be solved is evidenced by the efforts of the New Dealers to restore mass purchasing power by regulation of business, new taxation, work projects.

### Shall We Retrogress?

**If we do not keep pace with our technological development, our new economists have warned us, and establish a real economy of abundance, we shall return to the old economy of scarcity, pain and blundering.**

Perhaps we shall not merely return but retrogress. Fascism is a cloud on the horizon of every civilised country. — "Pulse of the Nation," N.Y., quoted in the "News Digest," September 23-29, 1935.

## OVERSEAS PARAGRAPHS

Mr. Bernard Baruch lunched with President Roosevelt recently. *Social Justice*, Father Coughlin's paper, states, "From unassailable sources it is learned that Baruch, guarding the stake of Wall Street in American finance, dictated to Roosevelt just what the democratic policy on money would be. . . . Furthermore, *Social Justice* is informed that Mr. Baruch is on his way to make a deal with Montagu Norman of the Bank of England, whereby American banking will be continued safely in control of the International Banks."

"The new announcement was unexpected. An independent party will injure the cause of social justice by splitting forces of progress and liberalism when all liberal groups should be united."—Mr. William Green, President of the American Federation of Labour, referring to the announcement of the formation of the Union Party in support of Mr. Lemke's candidature for the Presidency of the U.S.

The cost of crime to the U.S. in 1934 (the most recent year for which reliable figures are available) was \$13,000,000,000. The average age of all inmates in prisons and correctional institutions was 23 years. A careful study of the annual report on crime shows that there is an economic basis for it.—*The Answer*.

Mr. H. L. Menken, the well-known American author, describes Mr. Roosevelt as the "greatest President since Mr. Hoover." None will deny it!

The *New York Times* for July 7 reports the purchase by an American mill of 1,000

bales of Brazilian cotton. Mr. Roosevelt can now claim at least one success when soliciting votes—his cotton-growing restriction scheme. Now he had better start a coffee plantation scheme. Brazil may want some.

In the last four presidential elections in the U.S. an average of only 53 per cent. of those entitled to vote did so. Apparently many Americans already realise the futility of voting for platforms and party labels.

A "straw vote" on the result of the forthcoming presidential election, organised by the *Herald-Tribune*, indicates that although Mr. Roosevelt will secure a majority of votes, he will be defeated by the Republican candidate, Mr. Landon. Should this actually happen, it will be the result of the peculiar system under which the election is conducted. The fact that it is possible would seem to make the devising of a method of exerting pressure on the President, irrespective of party, essential. The American war veterans found a way to do it. Who is going to take the lead in showing the whole of the American people how to make their will prevail?

### OFFICIALLY

When it rains on the home of Mrs. Hunt in West Hartlepool, it comes through the roof. Rent three shillings a week, and another baby expected. In East-lane, Bermondsey, the *Daily Express* reporter finds seven folks living in a one-room garret. Officially there is no "overcrowding."—*Daily Express*, July 7, 1936.

# MANICURE—THEN AND NOW

By Frotti

**H**ONEST Sir, Latterly have I been favoured recipient of most distressful reportings from Bromsgrove. A fellow-chappy there has sent me following extractions from the *Bromsgrove, Droitwich and Redditch Weekly Messenger*, which herewith I append:

**BROMSGROVE: DEPRESSED STATE OF THE NAIL TRADE.**—A meeting of the operatives was held at the bottom of Church Street on Monday morning last, when one of the principal speakers advocated strongly the inhabitants raising a fund to purchase nails, at a low rate, and sell them when the trade revives. This step must be apparent to all as very injudicious, inasmuch that it would be the means of increasing the already large stock of unsold nails which would only tend to further prolong the present unfortunate state of things. A plan similar to the above, it must be in the recollection of many of our readers, was adopted previous to the formation of the Union, when a considerable loss to the parish was the result; setting aside the undesirability of interfering with the staple trade of the town, the scheme could not be carried out by the parish authorities.

Well, sire, that was indeed a pretty scuttle of fizz, if you like. I was overborne with grievings at the unworking states of these poor, idyll operatives, and promptly sent postcard to my correspondent, asking, "Please, what is now doing in Bromsgrove?" To which he returned me further cut-outs from the paper:

After considerable discussion one of their number advocated a general application for relief, when about 200 of those present forthwith proceeded to the workhouse, to apply for relief. On reaching the entrance gates the applicants were reduced to about forty, most of these being young and able-bodied of both sexes, who appeared to revel in the idea of having nothing to do, and wholly indifferent as to seeking other employment. Notes of admission to the house were offered, and received by several who seemed resolved to become inmates; eventually, however, only three of the number entered, two of whom left in about an hour, and the other the following morning. The best and wisest course, we

consider, that the unemployed nailers can adopt is that of obtaining out-door work, which there is little doubt may, in most cases, be got; such a step as this will assist the masters in reducing their stock on hand, and will better enable them to find work during the winter months, before which we trust the trade will have revived.

Almost, when reading this, I lost all sympathy for these disgusting fellows, sirrah! Revel in ideals of nothing to do, indeed! But I am noting with pleasure that workhouse authorities soon altered these sentiments—and I even felt slightly sorrow for poor bloke-boy who did not leave until the following morning!

And better feelings soon prevailed. I sent telegrams demanding, "How can Frotti help?"—to which responses came back "You can't help. They are all dead now. Look at the date, you cuckoo."

Which I did, sire—and the cutting was dated July 6, 1861!

Well, well, we do things better now. As the Hard Labour Party would say, Progress has been Gradual but Steady. Nowadays we should firstly destroy half the machines in nail-factory, and throw all surplus nails into river. Then we should tax Bromsgrove citizen-coves to pay for these doings, and also for appointment of Mean Toast—Inspectors, to come round and search trousers-pockets of unemployed for more nails. If found, such nails would be thrown away at the public expense, and the chappy might then qualify for relief. That is, unless he had employed relative in Droitwich or Redditch, who must in such case keep him able-bodied and idyll without costings to the Public Ass. Committees.

We are privileged, Sire, to live in truly comforting times of 1936.

Ever thine,  
FROTTI

# THE NEW TITHE ACT

Elizabeth Edwards briefly explains the Act about which there has been so much heated controversy.

**T**HE early church included all forms of approach to the unknown. All delicate ideas of God, along with all intellectual revolt, reached fulfilment through the church.

In a simple community living directly from the land, such a relation was expressed by spontaneous gifts to the pastor, personal gifts of corn or eggs or horse-shoes from their land or craft, and so the custom arose of devoting a tenth part of the increase of the land or labour to the church.

Three sorts of tithe were recognised arising from the land, from livestock and from personal labour respectively. For the first two classes of tithe this custom was later codified into a law, but the third remained a custom, with the result that on the growth of cities with large productive populations the payment of tithe began to fall out of use for the latter class.

At first tithes were paid in kind, but later it was customary to substitute money payments. In 1836 this was enforced by Act of Parliament, and lately tithes have been paid as a rent per acre of land, the rent varying from year to year with the price of corn.

It is to be observed that tithes have been progressively dehumanised, from a spontaneous gift to a financial liability.

By the new Act which takes effect from October 2, all tithes (but not arrears) will be extinguished; but for the next 60 years landowners liable to tithes will pay redemption annuities (based on the amount of tithe) to the Government, which will issue to the owners of the tithes guaranteed transferable 3 per cent. redemption stock.

A Tithe Redemption Commission (which may be merged in the Inland Revenue after 1943) will organise and control the annuities received instead of tithes, and also the stock distributed to the titheowners. Queen Anne's bounty will hold all stock on account of benefices or ecclesiastical corporations, and distribute the proceeds appropriately.

It is significant that the payment of the annuities involves the mechanism of the compensated price (but financed ultimately, of course, by the taxpayers).

The redemption annuity on land, no part of which is agricultural, will amount to £105, and that on agricultural land to about £92 per £100 tithes charge. The Government will provide a sum representing the capital value of the yearly excess of the first over the second rate of payment. It will also add another £2,000,000.

The loss to the benefices through this scheme would be about 18½ per cent. of their income from tithes. However, provision has been made for supplementing the incomes of the present incumbents up to

the present level, using some of the money from the funds.

This will reduce the income of their successors by a further sum, so that the incomes of benefices from this source will eventually be about 23 per cent. less than at present.

For an incumbent now receiving tithes of commuted value £400, which would amount normally to £376 (calculated on the income of £94 in £100 tithes), his successor will receive £288.

No existing pensions will be reduced by the scheme, but the annual loss to the church is estimated at about £500,000.

\* \* \*

Tithes have outgrown their environment.

With the passing of the middle ages the church ceased to contain all cultural conventions; systems of thought emerged which it did not absorb, and a man had a choice of fulfilment.

Simultaneously the industrial classes multiplied with the introduction of mass manufacturing, until they far outnumbered the agricultural population. The tithe remained attached to the land.

Financial support of an institution should reflect the moral support, but it could scarcely be supposed that the heritage of spiritual enlightenment lay exclusively with the farmers and landowners.

A free interaction between the church and the people is necessary for its vitality, and this is restricted by an arbitrary dependence on one section of the community, irrespective of spiritual belief.

In an age of large tolerance a church can remain valid only through its integrity of spirit. In 60 years (unless we obtain National Dividends before then) the church will reach freedom to develop spontaneously.

## Starving Amidst Plenty

**W**E resemble men possessed of a reservoir at one end and a parched multitude at the other, with only a small-bore pipe connecting the two and utterly inadequate to convey the abundance to the need. Every conceivable thing is tried **save altering the distributive pipe.** We pump water into the reservoir until it overflows. We dam up the springs. Our learned economists prove by all the laws of hydraulics that the pipe can carry no more water, but that, with time and patience, each particular drop of water will at length flow through the pipe: in the meantime, of course, people must die.

**That connecting pipe is the monetary system, and the monetary system must be altered.**—The Dean of Canterbury.

## WORLD FOOD SHORTAGE

### GREAT SLUMP IN AMERICAN PRODUCTION

The possibility of a world food shortage next year, says the *News-Chronicle*, is emphasised by the slump in America's maize production owing to the great drought, which is now in its third month.

This year's American maize crop, it is estimated, will be 900 million bushels below the five-year average—and the crop is declining at the rate of 20 million bushels a day.

The United States, once the chief exporter of the world's maize, is now importing heavily, ranking second to Great Britain and Northern Ireland.

The *News-Chronicle* then proceeds to give figures showing the shrinkage in production:

YEAR'S TOTAL PRODUCTION	
1934	2,325,000,000 bushels
1935	(estimated) 1,572,000,000 bushels

### ACREAGE IN MAIZE

1934	93,500,000
1935	98,500,000

Despite this increase in acreage, however, the estimated yield per acre for 1935 will be 15 7-10 bushels as against 16 bushels in the drought year of 1934.

Barley, on which stock-feeders rely when maize is scarce, also shows a serious decline, while the hay crop is 7,000,000 tons below the five-year average.

Already there is some prospect that wheat crops will not meet the world's normal demand for bread. The shortage of feed crops for cattle indicates that the food scarcity will also extend to meat.

Yet for years the principal aim and object has been how to decrease agricultural production. How can we be surprised at famines when we are trying to produce famines artificially?

## SOCIAL CREDIT LITERATURE

The earnest enquirer who is bent on the solution of the supreme problem of this age—the paradox of poverty amid plenty—must read the famous Buxton speech of Major Douglas entitled "The Nature of Democracy." Also "How to Get What You Want" should be read by every voter in every democratic country.

### FOR BEGINNERS

Every Social Crediter should have his favourite introduction to Social Credit which he carries about with him, ready to pass on wherever a gleam of commonsense is observed in revolt against the madhouse we live in.

Some pin their faith on Colbourne's "Meaning of Social Credit" or Holter's "A.B.C."; others prefer smaller doses administered through the "Introduction," by H.M.M. and "The Nation's Credit," by C.G.M.

Greatly daring we will express our own preference for Douglas's "The Use of Money" in conjunction with Orage's "B.B.C. Speech and Essay on the Fear of Leisure"—and retire hastily before the charge of all the partisans of The Dean of Canterbury, Lord Tankerville, and Messrs. Galloway, Day, Gibson and Gordon Cumming—and what have you?

Get all your Social Credit books and pamphlets from the address below. Send 1½d. for list and guide.

Postage extra.

### The Works of Major C. H. Douglas

Economic Democracy (4th Edition, 1934) ... ..	3s. 6d.
<i>The original statement of the philosophy and proposals of Major Douglas.</i>	
Credit-Power and Democracy (4th Edition, 1934) ... ..	3s. 6d.
<i>One of these two books is essential for the serious student.</i>	
Social Credit (3rd Edition, 1933) ... ..	3s. 6d.
<i>Contains the philosophical background of the subject and includes the Draft Scheme for Scotland.</i>	
The Control and Distribution of Production (2nd Edn., 1934) ... ..	3s. 6d.
Warning Democracy (2nd Edition, 1934) ... ..	3s. 6d.
<i>Two collections of speeches and articles treating the subject from different angles.</i>	
The Monopoly of Credit ... ..	3s. 6d.
<i>The latest technical exposition, and includes the Statement of Evidence before the Macmillan Committee.</i>	
These Present Discontents: The Labour Party and Social Credit ... ..	1s. 0d.
The Nature of Democracy ... ..	6d.
<i>The Buxton Speech.</i>	
The Use of Money ... ..	6d.
<i>The Christchurch Speech.</i>	
Money and the Price System ... ..	3d.
<i>The Oslo Speech (reduced price for quantities).</i>	
Social Credit Principles ... ..	1d.
Send for lists of Pamphlets and books by other writers. Postage extra.	
Douglas Tartan Ties ... ..	2s. 6d., post free
" " Scarves ... ..	4s. 6d. "
Lapel Emblems (Badges) ... ..	4½d. "

### FOR STUDENTS

No one can claim to be a Social Crediter, in the full sense of the term, who has not read Major Douglas's classic, "Economic Democracy."

This may seem a hard saying but it needs to be said. For while Economic Democracy has long been miscalled Social Credit, of which it is but the economic and financial section, in this first book of Major Douglas all the first principles of the new democracies are well and truly founded.

A careful reading of this book, and of his latest work "The Monopoly of Credit" which contains an appendix his statement of evidence before the Macmillan Committee, will provide a solid basis for consideration of the only consistently realistic and objective study of economics and social dynamics ever proposed.

"Social Credit" is the book in which this larger philosophical background is developed, and it has as an appendix the draft Social Credit Scheme for Scotland.

No one who has studied these three books will leave unread the remaining works of this profound, original and dynamic mind.

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

# CORRESPONDENCE

## A Means of Recruiting

I live in a new district, and, as it is rather difficult to get to know people, I sent my copy of SOCIAL CREDIT each week by post to the next consecutive number. I intend to do one side of the road twice. I hope this meets with your approval, as I have no time for canvassing.

Harborne D.M.E.  
[Yes. In the circumstances this is an excellent way of recruiting. It is at least ACTION.—Ed.]

## You and 2,000 Posters

Following is result of appeal under above heading:

Subscriptions and/or donations to National Dividend Club.  
10 @ 2s. 6d. from E.E.R., A.B.F., C.J.T., R.D.B., C.R.W., C.H.B., M.O.C., K.M.G., M.B., E.S.D. ... £1 5 0  
P.L. 3s., F.W. 3s. 6d., W.L.R. 5s., F.W. 5s., J.C.S. 10s. ... 1 6 6  
B.E.W., H.V.G. and T. @ £1, R.G. ... 12 0 0  
£4, T.H.S. £5 ... 14 11 6

Anyone who still cares to send a donation to see this matter through, or the scheme extended, is invited to do so.

Meantime the reproduction of Baruc's cartoons in poster form will be put in hand.

G.R.T.,  
E.C. Supervisor, National Dividend Club  
14, Richmond Gardens, N.W.4

## A Suggestion

I am looking forward with great interest to receiving the first number of the new Supplement to SOCIAL CREDIT next Friday.

One reason why it seems to me such a good move is that there is bound to be more room for essential teaching in the public issue.

I hope it is in your programme of extension to carry out the instruction of Major Douglas in his Buxton speech, viz.:—

That we should show as clearly as possible the improved life that would inevitably follow under Social Credit principles. (I forget the exact words.)

Today I have been reading that delightful little book "Adventures in Contentment," by David Grayson. At the end of the first chapter he writes:—

"... and I make this confession in answer to the inner and truthful demand of the soul that we are not, after all, the slaves of things, whether corn or banknotes or spindles; that we are not the used but the users; that life is more than profit and loss."

The middle-class successful shopkeeper has well-nigh forgotten all that, if he ever thought it, and I feel we must appeal to him along that avenue in addition to the sabotage argument.

Please forgive my presumption in writing thus.

I admire the constant freshness of your editorials, but I would like to see a greater proportion of imaginative anticipation of the new life to counteract the sarcastic criticism of the old.

E. EDGAR RIX  
(Parkstone Group)  
Dorset

[The words used by Major Douglas were "One section of the Movement, the largest, has been charged with the task of purifying the desires of the general population, by which I mean the integration of popular will to a UNITED OBJECTIVE without specification of the mechanism. One of the most effective methods is by explaining what would be the results of Social Credit as compared with those we know to arise out of the present system." Who will volunteer a few articles along the lines suggested?—Ed.]

the plenty (which is now dammed up by the money barrier) to the people who need it.

The herd of tame giants mumble and roar . . . all day, all night . . . stamp together, hum together, thump together . . . they feed, pound, shred, mould, cut, press, pack and deposit . . . they sing and drone like monster humming tops . . . they had flung Jenny and George out of the factory . . . unemployed, on the dole.

All along the Bath Road, Watling Street, the Great North Road, the big lorries stood, their lamps staring, their drivers asleep, snoring.

How can anyone keep decent?  
Not even a bedstead for young Ernie:

"But they are not starving," Lady Jordans protested.

"Thank you; ten shillings—ten shillings for six of the finest heifers in the country! You know what they are worth, gentlemen—let's all be friends and get it over quickly; what advance on ten shillings?"

"One pound!" said Prescott.

"One pound bid! That's the way, gentlemen—bid up, who's next?"

Silence.

"Come, I can't accept one pound!"

"Well, go to hell, then!" shouted Overton.

"Now, gentlemen, please! You know I'm not here because I like it—"

"Go back to London, then!"

"Gentlemen, I appeal to you to—"

"Dookbooger in pond!" shouted Overton . . .

"Tar and feather 'im!" yelled Danks from Stuart Annis.

"No!" bellowed Overton. "Dookbooger in pond!"

A great novel. J.C.

## BOOK REVIEW

### Summer Time Ends\*

The author of this long novel of nearly 900 pages is a well-known protagonist against the damnable tragedy of poverty in the midst of plenty, and by taking a cross section of society he has given an accurate picture of the lives, loves, hates, frustrations, bewilderments, despairs and hopes of a multitude of characters, all real and recognisable as types living in England to-day.

A review cannot do justice to this book, it's far too big in its scope, for there are in it half a dozen story-sequences interwoven, whilst the book is packed with vignettes of amazing perception, pictures of the inside of a factory workshop, the poverty-stricken home in the back street, the farmyard, the parson's mothers' meeting, the industrialist's breakfast table, the heath at night under the stars with a lady and lust. Meanwhile throughout, Mr. Hargrave is ruthless in his photography, he refuses to paint in pretty colours that are not there; he paints his magnificent canvas with a purpose to show the naked truth, and well he has done it, for just as he has painted it, there is no escape from the menace of the machine in an age of Power, except the distribution of

\*Summer Time Ends, by John Hargrave. London, Constable and Co. 10s. od.

## Miscellaneous Notices

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All sizes to 3½in. x 2½in.; 1s. Od. post free  
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**Unemployed active Social Crediter** desires commence business own account. Would anyone consider financing? Box L.X., this paper.

**Birmingham and Midlands.** For your popular functions, why not engage a Social Credit artiste? B.B.C., Town Hall concerts, Haydn Heard's Band. Irene Hinsley, soprano, 1818, Bristol Road South, Rednal. Tel.: Rubery 31.

**Scarborough.** Will lady (animal lover) join another, sunny bungalow with garden, permanent, only 10s. weekly, board and attend self. 18, Cross Lane.

**Scrutineers** are wanted for the following: *News of the World, Nottingham Guardian, Observer, Sunday Times, Yorkshire Post, Financial News.*  
Please write to T. L. Mawson, Sea Breeze, La Moye, Jersey.

**Wanted,** more of our readers to advertise in this column. A single line notice will be accepted, costing only a shilling a week! This offer is good value. Write to "Publicity," SOCIAL CREDIT, 163A, STRAND, W.C.2.

**"NETHERWOOD" The Ridge Hastings**  
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all bedrooms. From 7s. 6d. a day inclusive.  
Illustrated brochure. Phone: Baldslow 19.

## Announcements & Meetings

Notices will be accepted in this column from affiliated Groups 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.  
Supplies of the pamphlet "Social Credit Restated," a rejoinder to the Rev. Prof. Corkey, and other literature, can be obtained.

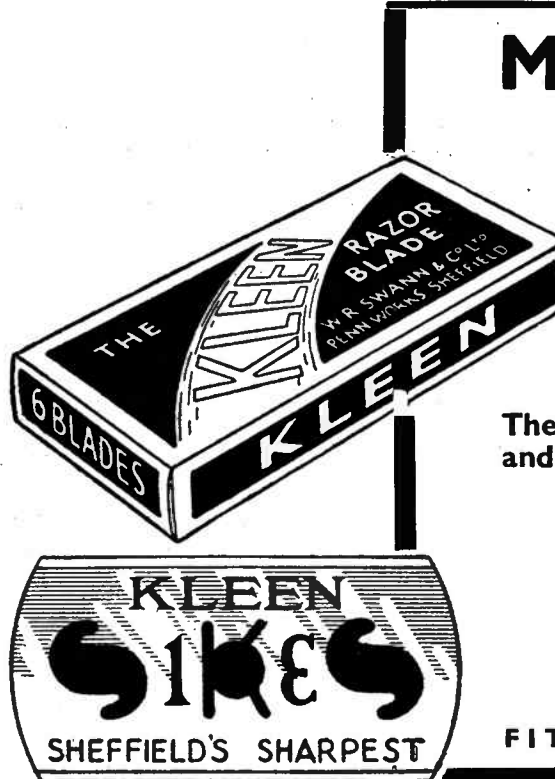
**Liverpool Social Credit Association**  
PLEASE NOTICE that the date of the next meeting, which will be open to the public, will be AUGUST 28 instead of September 4. An address will be given on "The Nature of Social Credit." Meeting place at the Common Hall, Hackins Hey. Hon. Sec., Miss D. M. Roberts, 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.

There will be an Open-Air Meeting at 8 p.m. on Monday, August 17, at St. Leonard Street, S.W.1, near Victoria Station. Please support.  
All enquiries should be addressed to the Honorary Secretary: Capt. T. H. Story, 28, Ashburnham Gardens, Upminster, Essex.

**The United Democrats**  
WALLASEY DIVISIONAL GROUP CAMPAIGNERS WANTED  
Members and enquirers meet 1st and 3rd Wednesdays, 8 p.m., at 48, Church Street, Egremont.

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AUGUST 17th.

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### A NATIONAL CONFERENCE on ACTION

for the forwarding of the  
**DOUGLAS SOCIAL CREDIT PROPOSALS**  
will be held at  
**YORK**  
(from Friday evening, October 9 till Sunday evening, October 11, 1936.)

While the nucleus of the Conference will be formed by representatives of existing Groups, all those not satisfied by existing opportunities of action, and wishing to take part in discussion of the most effective forms of propaganda and action at the present stage in development of the Social Credit Movement in Britain, and the most useful forms of association between those so engaged, are invited to apply for particulars of the Conference to the Hon. Conference Secretary,

(Mrs.) G. McLEAN,  
28, Primley Park Grove,  
Moortown, Leeds.

The following subjects for discussion will provide the basis of the main Sessions of the Conference:—  
Propaganda. Methods of Federal Relationship between Groups.  
Parliamentary Action. Practical Steps.  
Prospects of the Social Credit Movement. Practical Steps.

As the accommodation is limited, those who wish to attend are asked to furnish their qualifications, of experience or otherwise, for contributing to the proceedings.

CONFERENCE COMMITTEE:

S. P. ABRAMS (Birmingham)	C. B. MURGATROYD (Bradford)
F. H. AUGER (Liverpool)	FRANCES PREWETT (London)
R. M. BLACK (Edinburgh)	EWART J. PURVES (London)
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J. MITCHISON (Newcastle)	FRED TAIT (Gateshead)

THE FORM BELOW CAN BE USED TO RECRUIT A NEW READER  
GET THAT FRIEND OF YOURS TO SIGN ONE OF THEM

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FOR NEW READERS

# DO YOU AGREE?

## Why this paper supports the United Democrats

**YOU, like the rest of us, have hopes and ambitions. You want to live a full life—and your efforts are all directed to this end.**

You feel that to do these things happily you need, first of all, security for yourself and your family, and then to be free to live your life as you want to live it; not as some budding dictator thinks you should live it.

You know that, although we are not being allowed to enjoy it, we live in an age of plenty. For science, applied power and organisation have made it possible to produce enough for every person's wants.

Personal security and personal freedom are therefore physically possible for you and everybody else in Britain. If this plenty were to be produced and properly distributed, not only would poverty be ended, but everyone could have unconditional security without depriving anyone. This would confer freedom on all.

The production which would achieve this is now being restricted and destroyed. Only you—personally—with your fellow citizens can put a stop to this and get what you want—security and freedom.

All electors in Great Britain and Northern Ireland should insist that the country be governed in accordance with their will.

### A Free People

That is real democracy; and you will get what you want if you ask for it clearly and unitedly with others—if, for instance, you persist in your demand that a claim (monetary or otherwise) on the production now being restricted and destroyed shall be recognised and allotted to all the people of this country who want it. You can call this claim a NATIONAL DIVIDEND because it will be a national dividing up of this great unused wealth which is available to end poverty, give us all security, and make us all the free people we should be by right.

Thus you will remove not only most of your personal problems—but most of our national problems. War is threatening because all nations are already fighting each other for markets. These markets exist at home—but manufacturers cannot get rid of their production.

Demand and get a National Dividend, and you will solve this problem, and thereby remove the chief cause of war.

If you want to soak the rich, forget it. One thing at a time! Demand more for all, not less for some—it's there, waiting to be enjoyed—and everyone will be on your side.

Your demand will not mean taking from those who have. There is no need for that, and you must insist it does not. We can all make claims on production already being restricted and destroyed without a soul being the loser.

How will it be done?

This is a natural question. Let us suppose no method or scheme exists to give us these results which we want. If that were so it would mean that the experts who should devise a method for doing what is possible were shirking their responsibility—for these results are undoubtedly possible. Nobody can dispute that goods and services now being restricted and destroyed could be produced and distributed. Therefore these experts must be brought to task. They can be brought to task only by the Government

telling them to get down to the job of giving us these results, and if they cannot or will not, then other experts must be secured by the Government to do a job which we know is possible and which we insist must be done.

But the Government will not act unless you and the other electors of the country instruct Members of Parliament to see that your wishes are carried out. That is what Members of Parliament are for. Your Member of Parliament is your servant—irrespective of any party questions. You must see that he understands what you want and that he carries out your wishes.

A national campaign to get action by the electors of this country for the abolition of poverty and the issue of National Dividends to everyone is being organised by the United Democrats. The United Democrats are non-party, non-sectarian. They are not advocating any particular scheme or supporting any particular political organisation. To gain a united and effective demand from the electors of the country for security and freedom for all is their single objective. They are far from being a body of nothing but Social Crediters; indeed they none of them care how their objective is achieved, so long as it is achieved.

Major C. H. Douglas initiated the principles of the campaign of the United Democrats, and he, like them, is completely indifferent as to the means adopted for securing to everyone a sufficiency in freedom.

### A Worthy Cause

This paper, which is the official organ of the Social Credit Secretariat Limited, is the only publication in this country so far giving wholehearted support to this campaign of the United Democrats.

We, ourselves, believe that the technique of Social Credit alone will yield the results we know that everyone wants. For any persons who wish to satisfy themselves on this there is a wealth of literature available both for and against these technical proposals. However, most persons are neither experts nor desirous of becoming experts in these highly technical questions. Their attitude, very rightly, is: "If these Social Credit people have the right technique, then it will be adopted." It is not their pigeon. Their responsibility lies elsewhere, and grows daily greater and more urgent.

For it is democracy's function, to demand the results it wants and thus ensure "democratic government"—i.e., government in accordance with the will of the people.

The immediately urgent task of democracy in this country is to act quickly to put an end to the growing insecurity and loss of personal freedom. It must demand the results it wants before all else. The campaign of the United Democrats is designed to achieve this.

If the experts whom the Government commands succeed in giving to democracy what it wants—if they can abolish poverty and issue National Dividends without lessening the existing security of anyone—by a method other than Social Credit, everyone will be satisfied. It is the results that matter—but we want them quickly.

AS AN ELECTOR, YOU HAVE THE FUTURE IN YOUR HANDS—YOU HAVE THE POWER—YOU MUST ACT NOW.

## 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 United 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 Member of Parliament here won't undertake this, I will vote to defeat him and his successors until this my policy prevails.

Signed.....

Address.....

(Signatures will be treated confidentially.)

# DOUGLAS IS RIGHT!

By Ernest J. Atter of California

**D**URING his famous speech at Buxton in June, 1934, Major Douglas said, "The outstanding feature of a mob is that it does not reason, or certainly does not reason effectively. Its conclusions as based upon reason can be stated, with confidence, to be almost invariably wrong. A mob feels, it does not think, and consequently by whatever mechanism we represent a mob we can represent only a desire, not a technique."

Those familiar with the splendid progress of the Electoral Campaign in Britain need no further confirmation that yet again, in outlining the Electoral Campaign with regard to the idea expressed in the above quotation, Douglas was right.

But a few Social Crediters persistently hold to the queer notion that human mob psychology is somehow divided by geographical or national boundaries. They ignore the long ages and countless generations of mankind's existence and seem to believe that a few generations in say America or Australia have changed the fundamental psychology of these peoples! They will say, referring to the Electoral Campaign in Britain, "Oh, yes! that's all right in England but in Australia (or the U.S.A., etc.) it's different. Our people are too intelligent merely to express their will in regard to objectives; we have a smart population and many countries have copied our advanced social legislation (although we are still in the mud). Our virile people must satisfy themselves as to the detailed methods of social and economic change."

Confirmation that Douglas's conclusions as to mob psychology are as sound overseas as they are at home is supplied by an experiment carried out in Pennsylvania where, the *Literary Digest* reports, a test was made to decide whether voters can be swayed more by an appeal to their emotion or by an appeal to their reason.

Prof. Geo. W. Hartmann, psychologist of Pennsylvania State College, has just

reported to the New York Academy of Science how a group of serious thinkers in a Pennsylvania city carried out the test.

They teamed up with a minority party, and prepared two different campaign pamphlets. One was written with a rational appeal: a series of suggestions for social and economic change. The other was a sentimental letter to voters that wrung the hearts of parents.

In certain wards, 5,000 of the rational pamphlet were handed personally to voters. In other wards the same number of emotional pamphlets were given out. The remaining wards received neither pamphlet.

When the votes were counted, the party ballots were compared with a previous year's return. By far the greatest increase was in the wards where the emotional appeal was used. The emotional appeal was twice as effective as the rational one.

Doing the job thoroughly, the psychologists went back for a check-up of voters two weeks later. Three times as many people recalled the emotional leaflet as remembered the factual one.

"... by whatever mechanism we represent the people we can represent only a desire (as to objectives, results), not a technique."

### ELECTORS' LEAFLETS

#### Demand National Dividends

Leaflet No. 4 (revised)

**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. (Post free) 4s. 6d. for 1,000 (in lots of 1,000); smaller quantities at 1s. 6d. for 250.

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.

**The Dean of Canterbury's Forms.** Combined letter and pledge form. 7s. 6d. a thousand, post free.

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Balance of second "let" of cottage	82	11	9
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	£	92	0
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Read

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Founded by

G. K. CHESTERTON

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"The Restoration of Property," by Hilaire Belloc, is now on sale. The book is a new study of the problems affecting ownership in this country. The price is 1s. (postage 2d.). Orders should be sent to the Manager.

G.K.'s WEEKLY

7/8 ROLL PASSAGE, LONDON, E.C.4

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I wish to receive the Special Confidential Supplement to SOCIAL CREDIT, and if I am not already qualified for this I wish to become so. I hereby undertake to treat the contents of the Supplement as strictly confidential.

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Address.....

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# SOCIAL CREDIT

## Confidential Supplement

PUBLISHED BY THE SOCIAL CREDIT SECRETARIAT LIMITED

163A Strand, London, W.C. 2

No. 1

AUGUST 14, 1936

# DOUGLAS TRIUMPHS AGAIN

## Conservatives at Ashridge Marvel at the Simplicity of Genius

### "You could have heard a pin drop"

#### Douglas a Conserver

THESE are at least two reasons for the special pleasure I am afforded by the opportunity to address you.

Perhaps the lesser of these is that, to the extremely small extent that I can be said to have any party politics, I am a Conservative. In my opinion this is a conservative country, although it has been for many years, and is, governed by Whig policies. If I can do even a little to awaken you to a consciousness of what I mean by that, I shall be especially gratified.

#### ENGLAND'S Best Prime Minister a Canadian

And the second reason is that this institution is a memorial to probably the only Prime Minister we have had in this country for many years who gave any public evidence of competence or understanding of the problems with which Great Britain and the world are faced. It was a misfortune the extent of which it is difficult to estimate that he was prevented from longer service to us. We might be in a very different situation now if Mr. Bonar Law had been Prime Minister during the past 15 years.

You will gather from what I have just said that so far from coming to you as a propagandist of subversive doctrine (an idea which financiers are most anxious to convey) I am, in my own opinion at least, asking you to consider whether conservative opinion in this country has not yet been betrayed into the support of policies which are traditionally alien to it and to the vast majority of us, and which genuine conservative opinion would repudiate if it were conscious of its true implications.

#### Whig Policies Hypocritical

A minute or so ago I said that the policy of this country was and is a Whig policy. Now I should like you to place this statement side by side with the accusation which is universal on the Continent, both in regard to British and United States policy, that it is hypocritical. Because the keynote of Whig policy, which is predominantly a policy based upon orthodox finance, is hypocrisy—the justification, on some allegedly moral ground, of policies which are in fact not merely narrowly selfish, but pragmatically disastrous.

I should like to emphasise at once that Social Credit is not an artificially concocted plan either of my own or of any one else's. That is exactly what its opponents wish to argue about. While I am satisfied that the technical proposals which have been associated with it are reasonably sound (and I must add that that conviction is only strengthened by the complete failure of its opponents, either here or elsewhere, to establish their criticisms), the fundamental idea is simply the antithesis of Whiggism, namely, that the first essential of a stable, peaceful and successful society is to get at the truth and to present—not misrepresent—the truth to everyone concerned. "Credit is the substance of things hoped for,

the evidence of things not seen," and no stable society can endure on false evidence.

You will at once wish to observe that I have so far not brought forward any evidence in support of my suggestion that we are carrying on our national business on a basis of false information. I agree; and I will endeavour, however inadequately, to make this essential point.

#### None Can Live Without Money

To take the general proposition first. You will agree that we live in a money economy—that no one can live nowadays without money. Now if the distinguished economist who is my critic here—Mr. Hawtrey—had no other claim to consideration (and he has many such) he would have rendered a signal public service by enshrining in the "Encyclopedia Britannica" the words "Banks create the means of payment out of nothing."

Now the whole of our civilisation rests on the possession of the means of payment. It need not so rest, but it does in fact so rest. Taxation in money, fines as a punishment for legal offences, and other devices, quite apart from the use of money as a medium of exchange, are all devised with a view to make the power of the creation of money the fundamental power of civilisation. This power is fraudulent both in fact and ownership; but I would ask you to realise the absurdity of a complaint against the private ownership of say minerals, when there is an international private ownership of credit.

#### History of Money a Fraud

The history of money is one long unbroken history of fraud, and the acquisition of this power of money-creation by the banks is the final chapter. Without attempting to cover the historical aspect of the matter, one phase of it seems to me to be useful as indicating the basis of modern banking. Originally, just as a railway issues its own tickets, the wealth producers of the world, thousands of years ago, produced their own tickets. In those days the ownership of beasts of various kinds was the chief form of wealth, and of course the cattle had to be fed. Very often the rich man, the man who owned a lot of cattle, had not sufficient corn or fodder, so he exchanged some of his cattle for grain or fodder to feed the rest. The merchant of grain and fodder was generally an itinerant, and it was not always convenient for him to take away the cattle; so he took from the cattle owner a leather disc which represented one head of cattle. Sometimes it had on it a rude engraving of the cow's head, or something of that sort, and sometimes it hadn't. Indeed, most of you know as well as I do that the Latin word for cattle is *pecus*, and our modern word pecuniary derived from it is historical proof, if any were necessary, of the derivation of the first money.

Now, in that simple arrangement there is one point of immense importance to be noticed, and that is that the owner of the wealth, that is to say the owner of the cattle, actually,

Notes for Major Douglas's speech on July 26 at the Social Credit study course for Conservatives at the Bonar Law College, Ashridge. Owing to indisposition Major Douglas could not attend and his place was taken, at very short notice, by Dr. Tudor Jones, who read the notes and made a short comment. The preceding speaker was Mr. R. G. Hawtrey, Assistant Secretary to H.M. Treasury, who spoke on "The Case Against Social Credit." It should be noted that the occasion was not a debate, but a study course.

literally, in truth, *made*—not metaphorically but actually—*made* money representing his wealth, in the same sense that the railway makes tickets—not in the sense that the modern businessman "makes" money when he says he makes money. It is so long ago since he made any money that he has forgotten probably that he ever did say it, but when he did say it he was mistaken; he never made a cent in his life. If he had he would have been in jail for counterfeiting. All he did was to get money that somebody else had, but the original man about whom I am talking for the moment, the owner of cattle, actually *made* money. He made his leather discs as the owner of the wealth; they were token of wealth which existed, those discs, and the issuer of the token and the owner of the wealth were the same person.

#### Origin of Banknotes

Now—to carry our minds back a considerable distance through history—in the fifteenth and sixteenth centuries, when Europe was rent with various kinds of wars, and the chief owners of wealth were the feudal nobles, a great deal of their wealth was in the form of gold and silver plate. This was made by people who were called goldsmiths, and, because of the supposed great value of these metals, the goldsmiths had very good safes for those days to take deposits, and it got to be the habit of the feudal nobles not merely to have their gold plate made by the goldsmiths, but to deposit or leave it with the goldsmiths for safe keeping, and the goldsmiths gave a receipt for this gold plate, signed on parchment. It became a great convenience, for the owner of one of these receipts, should he want to buy, say, a piece of land—instead of drawing out the gold plate or gold coins deposited with the goldsmiths—to hand over the receipt. Instead of actually drawing out the wealth, he handed over the *so-called* wealth, and these receipts on parchment signed by the goldsmith were the direct lineal ancestors of your modern bank notes.

At this point something happened which was not present in the original conception of money as issued by the owner of cattle. The right of issuing money was transferred from the creator or the owner of wealth to the custodian of wealth. Not the man who produced wealth, nor the man who owned it, but the

man who took care of it issued the receipts which, as I say, was the lineal ancestor of your modern bank note.

That was one of the most epoch-making things, and probably unnoticed until the present time, that has taken place in the history of the world in the last two or three thousand years; because it was the goldsmith's signature upon this parchment receipt which made it pass from hand to hand—not the name of the owner of the wealth—so that this power of creating money which is so important, passed to a third party who was neither the owner nor the creator of wealth, but merely its custodian.

#### Start of Dishonest Money

There is no doubt that at this point some dishonest goldsmith found that a large number of his clients left their values in his care almost indefinitely. They were safer with him than elsewhere, perhaps even in the castle of the owner, so that there was always a tremendous amount of wealth in the actual custody of the goldsmiths which apparently was never drawn out. Our dishonest goldsmith had the bright idea of issuing several receipts for one piece of wealth, on the assumption that those receipts would not all be presented at the same time. It was particularly easy where merely gold coins had been deposited, for if by any chance an owner of wealth did ask for his gold crowns, he would get them, because they need not be the same gold crowns that had been deposited. So it was found quite safe in a general way to issue more receipts for wealth than the wealth which had been deposited.

#### Inflation: Money Regardless of Existing Prices

That, without doubt, was the first inflation, and of course it gave the goldsmith the value of all the receipts in excess of those which represented wealth actually deposited. That process, beginning undoubtedly in fraud, grew so common that it became the convention amongst bankers, who were the descendants of the goldsmiths, to do this thing; and they have always for the past several hundred years been in the habit of issuing more receipts for wealth than the actual wealth which was deposited with them. At the present time it is a well-known convention, not denied by bankers themselves, that for every dollar of legal tender which they have, they issue nine dollars of credit money which they actually create themselves; just as the goldsmith, not by exactly the same process, created those false receipts representing deposited wealth which was not there. Now, no scheme of that kind so obviously fraudulent, in its beginnings at any rate, could have proceeded so long as it did, and for that matter does at the present day, if it had not served a very useful purpose. In fact the additional receipts were passed as money, facilitated trade, kept goods moving and were in every way an advantage, even to the general population. They were of the greatest advantage, of

course, to the banker, but they were also of great advantage to the public as they provided it with money.

#### Further Hypocrisy

Still a third thing has happened to the money system. Until a very short time ago, practically up to the beginning of the European War, the convention was that either a banknote or a cheque on a deposit—which was simply an order to a goldsmith to pay so much to somebody else, which is exactly what was done in the old days—both of those things, the banknote or the cheque, were supposedly cashable at any time in tangible wealth at the bank—in golden sovereigns in fact.

The idea was that the bank was a custodian of a certain amount of tangible wealth, and that could be drawn out by means either of a banknote which was payable on demand, or by a cheque, and the actual tangible wealth could be taken away. That was the convention.

There is an idea put forward by people, who ought to know better, at the present time, that banking is that sort of thing now. It is nothing like that, as I propose to show you. There used to be, of course, a lot of bank failures, even in Great Britain, and those banks failed because people suddenly decided, all at once, to draw out the things for which they had orders on the bank in the form of banknotes or cheques, and when they all tried to draw out at once, they found that what they wanted was not there.

#### Banks Lend the Non-Existent

It never was there; it never has been there for at least a hundred years. The bank has never consisted, in the last hundred years, of merely handing out at one end of the counter what was put in at the other. No bank ever paid a dividend in the last hundred years on the process of merely lending that which it took in. There is no possible doubt at all about this thing. I sometimes wonder why it is that certain protagonists—certain defenders—of the present banking system go on arguing about this matter. There is no possible doubt about it. And since the war the convention that you could get golden sovereigns in return for your cheque or banknote has not even had a plausible foundation. All you can get for a banknote is another banknote. There is no longer any obligation to hand over anything more tangible than some printed paper.

In brief, the creation of money, once performed by the producer of wealth, then by the custodian of wealth, who fraudulently issued more paper than the wealth he guarded, passed to a set of people who neither produce, nor own, nor guard the wealth, but are merely book-keepers.

#### A Thing Apart

The great thing to notice about this situation is that the creation of wealth—the real creation of goods and services which go to make a standard of living, the thing which makes the difference between starvation and comfort, and makes all

## MAJOR DOUGLAS'S ASHRIDGE SPEECH

(Continued from page 1)

those things that we call civilisation—the actual making of these things is carried on by one organisation, but the making of money, by which alone these things can be transferred from the producers of wealth to those who wish to consume it, is carried on by an entirely separate organisation, having no real connection with the production of wealth at all, not even as its custodian.

It is exactly the same position as if you had a railway in which one set of people were providing trains, rolling stock, permanent way, signals and railway stations—everything in fact, including both men and material, necessary to operate the railway—and you had a totally separate organisation, not fundamentally connected with the railway system at all, which had got control of the ticket office and was making its own terms in regard to the tickets, and was saying, "We don't care how many seats in the train there may be; we don't care how many people want to travel on the train. We will alter the number of tickets, restrict them, increase them, destroy them, or do anything that we like with the tickets just to suit our conception of the best policy from our point of view, and if your population wants to travel on those trains, even if there is sufficient accommodation on those trains, well, that is just their bad luck. They may or they may not, according to our policy." That is not an exaggeration and it is not intended to be even a condemnation of any organisation in particular. It is just a plain statement of fact, of the conditions which obtain at the present time. I am certainly not here as a moralist; but as an engineer I have an appreciation of the importance of foundations. I find it incredible that a stable society can persist founded on the most colossal lucrative fraud that has ever been perpetrated on society.

### Bankers' Hypnosis

It is one of the tragedies of this fraud upon society that the control of credit and the control of information in all its forms—education, publicity, etc., are concentric and interdependent, and it is obvious that the primary use which is made by the financial hierarchy of this control of information is to mould public opinion into channels which will buttress the usurped authority and hypnotise whole communities into asking for what they do not want. A commonplace instance of this is that of referring to the "unemployment problem" when the achievement of leisure is meant. I have even heard it stated that the proper object of labour-saving machinery is to increase work; but it is not normally put so crudely. I trust that it is not necessary to emphasise that the idea in the mind of the inventor of a labour-saving device is to save labour and therefore to achieve leisure.

The mechanism by which finance moulds economic thought is well exemplified in the London School of Economics, whose chairs were endowed by Sir Ernest Cassel, on whose behalf we fought the Egyptian War of 1882 with its present repercussions. So successful is this hypnotic process that, so far as I can judge, a thorough academic training in economics—so-called—is nearly a fatal handicap to a commonsense apprehension of the subject. Only a brilliant economist like Mr. Hawtrey, with all the orthodox training, familiar with the thought of other brilliant economists, and steeped in the tradition of the Treasury—which is the Tweedledee to the Bank of England's Tweedledum—would suggest, for instance, that a country like Great Britain, with a National Debt of £8,000 million, which is increasing daily, has on the average paid for, and is paying for what it produced.

### The Justice of our Plea

If I manage to live by increasing the mortgage on my house, it seems

to me a misuse of language to say that I am paying my way. Might I add that despite his heavy handicaps, I perceive signs that Mr. Hawtrey will join other economists who are becoming and have become realists! He was good enough to send me an advance copy of his remarks, which I have read with interest. I do not propose to deal with them in detail here because I do not consider this occasion as a debate, but as an invitation to state my views. If he should desire it, however, I will see that his objections, which are not new, are again answered categorically.

The core of the technical accusation made by us against the present financial system is that prices contain items not represented by money anywhere, and that these unmonetised items are represented by debt which is increasing and which cannot be liquidated. Mr. Hawtrey has not in my opinion dealt with this core of our charge, and, as it is a patent fact, he cannot possibly deal with it. It is from this fact that the major evils of civilisation arise, including war.

The Social Credit technique is simply a method of dealing with the defects disclosed by the analysis. I believe it to be logical, sound and practical, but I am willing to discard it tomorrow in favour of anything which is based on an admission of the analysis and which achieves effective distribution and, at the same time, release from regimentation.

For those who wish to pursue the matter into technical detail there is now a large bibliography available, and in my opinion the matter is better pursued in this way. The principles involved are simply that (a) provision shall be made for the purchase of all consumable goods at the rate at which they are produced; (b) that the debts created by the inevitable creation of capital assets (which Mr. Hawtrey calls fixed assets) shall be distributed and not annexed by a predatory banking system, thus providing the population with the economic security they have earned, and abolishing "the struggle for markets."

While we hypocritically claim that the employment system is a moral system and that man must be kept at work, rather than choose work, we are sealing the doom of this civilisation.

\* \* \*

### DR. TUDOR JONES

At this point Dr. Tudor Jones concluded the reading of Major Douglas's notes and added:—

I may safely say that there is no completely satisfactory way of representing the words let alone the thought and personality of Major Douglas, and, in discussing with him on Thursday the means whereby I might best discharge the obligation I then undertook, various courses were suggested to me.

### "Douglas" Students Fit to Hand on THE TORCH

Some of you may more than imagine, you may actually experience, the kind of shock that I experienced when I heard Major Douglas say: "Say to them, 'I have told you what Major Douglas was going to say: now this is what I am going to say.'" I did not imagine until this moment that that was, after all, the best way of securing the objective that was in his mind and was entrusted to me to secure.

At several points Major Douglas would have elaborated the notes which have been read to you this afternoon. I do know what those points are and equally I know what those points are not.

He would not, for example, have elaborated the technical accusations made by us against the present financial system: that prices contain items which are not represented by money, and that these unmonetised items are represented by debt which

is increasing and which cannot be liquidated. Nor would he have speculated concerning what passes in Mr. Hawtrey's mind when he transfers his attention from the evidence of mounting debt and taxation to the details of pure arithmetic alleged, but falsely alleged in the outcome, to be associated with the means of payment. The creation of the means of payment is a function discharged by banks, not a function discharged by industrialists nor, as certainly, by accountants and economists.

### What Results do Conservatives Want?

Major Douglas would I am sure have preferred to leave it in your minds as a question, and a very big and important question, to yourselves whether the solution—and not so much the solution either but rather the discussion; and not so much the discussion either but the mere proposing and inventing of arithmetical puzzles, which some of you may find as difficult of solution as Mr. Hawtrey appears to find them—whether such matters are truly the objective of yourselves, the reason why you are associated together in a great political party, rather than the conservation of human culture and human liberty, and particularly the conservation of British culture and the freedom of British institutions, and still more particularly (since the primary motives of individuals even in association must concern individuals) the conservation of your culture and the security of your liberty.

### Ask Yourself

He has asked you to question yourselves concerning your own objective: Is it the conservation of

### BEWARE

If anyone tries to induce you to break your word by divulging the contents of this supplement he is no friend of yours or of "DOUGLAS"

civilisation, or is it the doom of civilisation? And he has asked you in his own inimitable way whether you are satisfied that economic warfare, turning before our present eyes to military warfare, is any more favourable to the attainment of your objective than (let me suggest) the curious methods and resources of that curious body of mysterious affiliations, the Economic League, are favourable to true public (or private) enlightenment?

In his paper, Major Douglas has left it very much to yourselves to consider whether speculative and, as for us today, courteous exchanges of opinion suffice for the attainment of any human objective amid the vast forces at work in our time.

### WHAT ARE YOU GOING TO DO ABOUT IT?

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### Why a Secretariat?

(Continued from page 3, column 5) selves created their own distinction.

To all concerned it is important to keep these differences clearly defined. Neither those who reject action, nor those who support other action, would wish to be identified with a policy with which they disagree. Neither would any Social Creditor admit the need, or wish for the existence of antagonism. All will agree that it is always the common enemy against whom we should direct attack.

It is fitting that this rehabilitation of democracy which will accomplish the release of imprisoned sanity, should grow of its own natural strength. It may be that to some it is astringent, whereas to others the sting of directive action is vivid as new life itself.

There is no ordinance; each must sum up and take his own decision. Let each assure himself that the factors which form the basis of his judgment are informed, aloof, distinct—and let these factors be illuminated by the strength of his own desire for, in the widest sense, the result of his beliefs—and by his confidence in their originator.

## BLOCKED MARKS

### OR MAKING THE BEST OF A BAD JOB

By W. L. Bardsley

"THE next time I win a war, I shall insist on paying an indemnity," cried Prince von Bismarck on a famous occasion. He had discovered that a creditor nation must accept payment from the debtor in goods and services, and this, in a world turned upside down by a crazy financial system, spells disaster—because if a nation accepts goods from another nation it will not have the trouble of making them at home. It means unemployment.

There can be advantages, then, in being a debtor nation; and, since it is natural to try to make the best of a bad job, Germany since the war has vigorously explored all the possibilities of exploiting her debts.

Because the world has been persuaded that money is more important and more desirable than the goods and services to which it is a claim, the problem is how to get rid of goods in exchange for money—and what is required from a national point of view, to use the last words of Major Douglas's Alberta Report, is "systematic organisation directed to the accumulation of what . . . may be termed 'foreign exchange,' i.e., effective demand not subject to attack as being recognisable as having been created within the Province."

### Rules of a Crazy Game

Dr. Schacht has recognised the nature of his task from the outset, and has lost no opportunity of emphasising the "problem of transfer" to his creditors. His proposition that the only way in which Germany can pay her debts is by accumulating an export surplus, is now accepted as axiomatic by the "economists" who drew up the plans for squeezing Germany till the pips squeaked.

Nevertheless, the one thing few of the creditor nations are prepared to do is to jeopardise their own employment market by having an unfavourable balance of trade with Germany. A typical financial stalemate; for by the rules of the game Germany must not default on her reparation debts—that is "unthinkable." By a proper "business" arrangement, such as the Dawes and the Young Plans, the debts may be scaled down by the creditors, but not by the debtor.

And above all payment in kind is not allowed; foreign exchange must be accumulated.

### Making It More Difficult

So complicated has the financial situation in Germany become that no expert seems ready to attempt a description of it. The index to *The Economist*, for example, reveals no article on "blocked marks."

The term "blocked marks" is used loosely to cover more than 30 different devices for achieving centralised control of the foreign exchange resources of the Reichsbank, which is in a position now to grant exporting facilities to selected exporters and deny them to others, and to earmark exchange for particular purposes—e.g., tourists' travelling expenses.

The different kinds of "blocked marks," "Aski marks," "compensation marks," "registered marks," "sonder marks," which appear and disappear according to taste, make confusion worse confounded. And the bureaucratic rules and regulations that have to be complied with before an exporter can obtain permission to sell, or an importer to buy something the manufacture of which becomes easier and more efficient every month, are sufficient to daunt anyone who had not the desperate pricking of the need to acquire money somehow as a spur. Taxation sees to that.

Subject, however, to the proviso that the situation in Germany is inextricably confused, and that she is selecting her imports as well as her exports, and is up to all sorts of tricks to try and escape her obliga-

tions under the Young and Dawes Plans, and transfer them to the more amenable countries of Central Europe and South America, nevertheless, it is possible to give a brief description, highly simplified, of what is meant by "blocked marks."

### They Just Grewed, Like Topsy

Literally "blocked marks" are marks paid into a "blocked account." The process arose out of the various manoeuvres between committees of bankers representing German debtors on the one hand and their foreign creditors on the other, which are known as the Standstill Agreements.

Under the Third Standstill Agreement the sums to be repaid had to be deposited with the Reichsbank and inscribed in a special register. The registered marks, which were "blocked" for five years, might either be held as credits bearing no interest, or invested. The Reichsbank was given the right to require creditors holding large balances to invest them in Germany in certain ways, subject to the approval of the Reichsbank.

Of course the process did not stop there, and was to develop into an ingenious instrument in the hands of Dr. Schacht for initiating a selective depreciation of German exchange for the stimulation of her export trade.

Before long it was discovered that foreign creditors holding "blocked marks" were willing to sell their claims at a discount against "free" foreign exchange; and this tendency was exploited in order to stimulate exports.

The discount operated to the detriment of the creditors, and was an exploitation of their anxiety about the German political situation. It is interesting to compare the premium advised by Major Douglas in respect of the "blocked Alberta dollars" as compensation to the creditor for leaving his dollars in Alberta to act as "foreign exchange," as defined above.

### Bread or Work

The discount operated to assist exports in this manner. The foreign importer of German goods was permitted to pay for them partly in free exchange and partly in blocked marks purchased from the holder at a discount. This meant that the foreign importer paid a sum which was less than the selling price of the German exporter, but the German got his full price in marks, which of course were not depreciated on the home market. The convention was that the export was an "additional" export, i.e., an export that would not otherwise have taken place as the German selling price was higher than the world market price.

The premium proposed by Major Douglas would have operated to induce the accumulation of "foreign" exchange, but it had the sane objective of giving Alberta power to import. The objective, in short, of raising the standard of living, instead of making work.

The practical basis for the premium, of course, was that the Alberta debt was payable in dollars, having currency all over Canada, whereas an inducement had to be given to creditors to spend their "blocked dollars" in Alberta only, and to fall in with the terms of the proposed Alberta version of a Standstill Agreement.

### IT CAN BE DONE

The Electoral Campaign Supervisor for Newcastle-on-Tyne reports: "Mrs. Denny represents, probably, the outstanding solo effort for canvassing in this country, having obtained—up to the period of the General Election—over 7,000 signatures, with only the occasional help of Mr. Steedman. She is still going strong."

Now don't say, "It can't be done."

# WHY A SECRETARIAT?

By Edward Hewlett

THE Secretariat was formed, in the autumn of 1933, as the result of the continuous pressure towards action of the groups and discussion circles then in existence. It was an authoritative successor to the National Credit Association, and in its first state consisted of a committee which dealt with the correspondence and affairs of the Movement. During most of that period Major Douglas was absent on a world tour, and it was on his return, in June, 1934, that he proposed that the Movement should be changed from one of discussion and propaganda to one of action with a definite objective: the abolition of poverty—and all which that entails to one who understands social credit. Argument and exposition, however forceful and lucid, will never overcome the vast and insidious power of the money monopoly; some stronger force, still more pervading, must be found. No stronger force exists save one: the united will of the people, which, once roused to action, will have mastery. The task which the Movement accepted at Buxton was to arouse this will by appropriate action. From that date, the Secretariat became an instrument whereby the Chairman, Major Douglas, might put that policy into effect.

## Why Affiliation?

Affiliation is close, responsible association for action, as contrasted to the loose relation so suitable for general propaganda. It is certain that, although discussed in "Economic Democracy," by many this distinction is still not clearly recognised. If the action proposed is only the construction of a garage, someone must decide where it is to go; whether it is to be of brick, concrete or timber, its size, type of doors, and so on. While these are still under discussion, no effective action is possible. It also follows that somebody must take instructions as to where to put it, how to build it, and so on. If no one can be found to do this, then nothing will be done.

Central design and direction follow any decision to take combined action to a definite end; must follow—there is no other way. In industry or business this is taken as a matter of course. Habit has made it easy; the background of "wages, salaries and dividends" leads us to give and receive instructions without qualm or thought of dispute. Discipline gives a different incentive—in the army the receipt and execution of orders is the accepted procedure.

Neither of these accustomed backgrounds exists in our case; some other motive must, and does, take their place. The incentive is the desire, many-sided, mixed and compounded, for results; from the wish to have the dividend in pocket, to the unceasing urge to get this tragic mess of civilisation straightened out; this vitalised by confidence, whether reasoned or instinctively gained by experience, in Major Douglas. For affiliation, in essence, is an undertaking to act in line with the central design delineated at Buxton—and since Buxton—by Major Douglas. None that has this objective, whether Group, Club, or individual, is refused this privilege.

## In Outline

In the autumn of 1934 the Secretariat was, therefore, reorganised; and the Movement brought into the close association required, by the definite affiliation of groups. The system of committee management, with its tendency to debate and division of obligation, was abandoned in favour of a vertical line of responsibility extending from the Chairman, through director and supervisor, to the worker. To ensure complete understanding of the position—the paid staff consists of a secretary, and the clerical and publishing staff. Otherwise, the work is voluntary; no one, from the Chairman to workers, is in receipt of any payment or allowance.

## Repercussion

The precipitation of this clear-cut organisation of workers from the former loose association of students and propagandists, is being—for the most part has been—successfully accomplished.

In many cases the personal adjust-

ment is difficult; to abandon the independent attitude of the exponent for that of the operative in a plan of action prepared by others—this was no easy change. It is, indeed, quite certain that few of those at Buxton realised the fundamental effort then required of them; but most survived the shock, and recorded the fact in the succeeding elections.

## To One End

It is not uncommon to assume that affiliated groups are a collection of study groups with the Electoral Campaign somehow grafted on. That is a mistake. The action propounded by each director, whether to his supervisors or otherwise, is convergent to the same end.

SOCIAL CREDIT reflects this convergence, the overseas drive to "demand results," the ridicule corrosive to the credit of the "economicalists," the Electoral Campaign, the exposure of the futility and scandal of taxation; these are not fortuitous moves, but

designed action to secure their ends to be regarded as out of place, in view of the march of world events towards disaster? Is Douglas right or wrong in his appraisal of the situation? None will deny that these are questions deserving weighty consideration.

Secondly, there are those who desire action, but who consider it should take some other form.

Here the position is simple. The only reason for the existence of a Secretariat is to help the Movement to bring Social Credit into being. The Movement is responsible for the selection of the policy to which the Secretariat is working, and is free to choose another policy and another executive chief. Should this be the general wish, Major Douglas would, of course, resign the Chairmanship. In the meantime it is hardly necessary to say that the Secretariat cannot work to several policies.

But a realistic review of the facts must be a challenge to any who

from the Secretariat, but from the Movement.

In some respects it is unfortunate that debate needs an audience. For of all the instinctive alibis which such agility will find, the easiest is criticism of those poor misguided souls who blunderingly move forward into action.

## Mistakes

No director is infallible; all will admit mistakes—proper understanding of the causes of which could be gained only by exposition of the weight and difficulty of each task. This appears to be well understood by those who are qualified to complain, as it is not from them that complaint is usually received. Those most concerned act first, leave criticism until later, and rarely make it. If, based on continued endeavour, improvement can be suggested, corners rounded off, such comment and suggestion is welcomed, because it means something—a possible improvement in action.

# EVERYONE CAN HELP!

UNDER Major Douglas's personal guidance, the Secretariat is directing a WAR against the root cause of the decay of civilisation.

Without an adequate income—which it has not yet got—the whole army of Douglas Cadets is hampered in this fight. The Secretariat Revenue Plan (which will be sent to anyone upon application) calls for a minimum subscription to the funds of the Secretariat of 1s. a month (less than 3d. a week!) from those who have more than 6s. a week to spend on food. Anyone with less is exempt.

For this contribution special services are rendered by the various departments of the Secretariat. Without an income consistent service cannot be rendered, because the Secretariat—like everyone else—has to pay bills for taxes, rent, light, printing, postage, clerical service, and so on.

None of the directors receives any payment whatever.

To make our paper, SOCIAL CREDIT—a means of communication with the outside world—strong and influential, it must have a wide circulation among the general public. The man in the street is not interested in "movements," nor does he like to be offered, as reading matter, a lot of stuff that is above his head.

Therefore it has been decided to publish this Confidential-Supplement to convey, to those Social Crediters who want it, inside news of the fight.

It is made confidential for reasons which must be obvious to all who realise that we are AT WAR.

This service costs money, just as all the services rendered by the Secretariat cost money.

Everyone can help in this war for individual freedom without which civilisation cannot be saved. Everyone can help by contributing to the funds or by personal service—or both.

are embodiments of a definite policy to awaken the public to facts—the elector to his power, and to rouse him to act upon it.

## The Argument

The real desire of the electorate is for the conditions and consequences which Social Credit is designed to supply. Therefore, if the electorate is given an effective channel to express this demand, nothing can resist it—the effect must be to force the Social Credit financial technique on those who, otherwise, will never introduce it.

In 1934 this was a thesis. Since then progress has been made; the campaign has proved that the diagnosis of the people's wishes is correct, and that the channel provided is effective to move the Member of Parliament. This is one of the results attained by the action of the Movement as organised by the Secretariat. And this is the action from which Social Crediters who are not affiliated remain apart.

## Those Who Dissent

Regarded—as Social Crediters, above all, expect to be regarded—as individuals, those who dissent must fall into one of several classes.

First there are those who wish to continue the pre-Buxton independence of study and propaganda, regarding combined action as either premature or unnecessary.

This is a logical attitude, and anyone convinced of its truth will be well persuaded to adhere to that point of view. Such Social Crediters do not require directional organisation. Their natural position is to remain without responsibility to, or direction from, any central organisation.

It is suggested, however, that the time is opportune for their considered review of the situation. Is

agree with the need for action. The electoral campaign has proved that nothing stands between us and the results which we desire but steady work on lines already laid down and tested. How near to this position has the pursuit of their own policy brought these dissentients?

Again, if catastrophe is unavoidable, the problem then will be to pick up and remould the fragments of chaos and disorder. Is their own policy so likely to accomplish this as the Campaign, whose function is the establishment in each man's mind of the upspringing will towards freedom?

## Debate Preferred

There is a third class. Those who excel at debate, argument and discussion have a difficulty which is constitutional in accepting any decision which means united action.

To them perhaps more than to others this brings sacrifice; for it means a shelving of personality to act in key with some general policy. Social Credit has been fortunate in attracting many such adherents, for in the preparatory, pre-action days, it was precisely such skill that was needed.

Many, in domination, as it were, of their own personalities, have turned towards this disciplined endeavour—a notable achievement. For those who are not able to do this, the decision to act in unity contained some risk to personal integrity, for the natural rejoinder of such agile minds is to find some escape from the real issue. Discussion postpones action—and any discussion will do it. In following this line they may lay about them so ably and so well as to obscure the issue, and delay the response which others otherwise would make—not to any call

Irresponsible criticism made by those who have not tried out the measures enjoined means nothing; it constitutes, in fact, betrayal of our common cause. That is a hard word, but it must stand. Argument and discussion would meet, in business life, with dismissal; and on the battlefield would be treated as treachery—AND WE ARE AT WAR. Let all dissentients carry on, on their own lines, and that without rancour; but where criticism saps resolution—let its character be recognised.

It is not possible to say from what source the more pernicious of these criticisms emanate; but it is interesting to note that this is exactly what might be expected in reference to the organisation which, to the common enemy, shows signs of being really dangerous.

There is one way, and only one, by which you may call this bluff. Qualify yourself for judgment. Make, for a short six months, the whole effort of your life centre in this extraordinary move to upset tyranny. Accept without defeat the staggering buffets which—as these rumours have it—the Secretariat will deal out to you. Perform, with countenance still unabashed, the ridiculous instructions given you; and, at the end—"You'll be a man!"—at all events you will have acquired some real knowledge of the facts.

The normal picture to be conveyed is a director with twenty things to do and time for only five of them. His ruling consideration is the result—in action to the point. Priority becomes his primary concern.

If one invented, put on the market, and sold, a new type of triple-plated pneumatic drill (a poor image of the Campaign's efficiency) in the spare time of a twelvemonth, one would have done something, even though the negotiations for its sale were conducted in the language of business rather than of diplomacy. And those who use the drill appreciate this.

## Distinction

The Movement, now organised for action, has grave reason for regret that it has not the added strength of these minorities. But no Social Creditor would refuse to others the "ability to accept or reject alternatives as they arise." Further, no Social Creditor will lack courage to assess the reality that, in the rejection of the alternative extended at Buxton, the dissentients have them-

(Continued on page 2, column 3)

# FOREIGN EXCHANGE

By R. L. Northridge

The purpose of exports should be to obtain claims upon foreign goods we cannot, or prefer not, to produce at home. It should not be, as under present conditions it is, regarded as a means of creating work. In this article Mr. Northridge assumes that foreign exchange policy should aim at obtaining claims upon foreign products with the least expenditure of energy.

THE principle underlying the theory of foreign exchange is simple enough, although the subject is in practice hedged about with many technicalities. In brief, the rate at which one currency will exchange for another depends upon the relative strength of the demand for each currency. This depends largely upon the course of trade between the two countries, which in turn depends upon their internal price-levels.

## The Gold Standard

When the gold standard was supposed to be in free operation and currencies of both countries were convertible into gold on demand at a fixed rate, exchange fluctuations were comparatively slight. If, owing to excessive exports, the demand for a country's currency caused its exchange value abroad to rise, it shortly became cheaper for the debtor to claim gold for his own currency and to send the metal in payment of the debt. The fluctuation of the exchange between any two gold standard countries, therefore, was limited to a point above

and a point below par determined by the cost of transmitting gold. Once this "specie point" was passed, it became cheaper for the debtor to pay in gold: the demand for the currency of the creditor ceased, and the movement of the exchange was arrested.

The loss of gold, however, was followed by a contraction in the amount of the debtor's currency, since that currency was convertible on demand. This caused a calling-in of loans and a shrinkage of deposits, stagnant trade and falling prices. When prices had fallen sufficiently to be competitive in the international market, exports were automatically stimulated and imports discouraged, thereby appreciating the currency abroad and eventually causing an inflow of gold to make good the former loss.

This at all events was the theory. In practice, many expedients were used to check a loss of gold and a consequent slump. For example, the excessive imports were sometimes corrected by increased duties; sometimes the creditor was induced to fund the outstanding balance; sometimes an embargo was placed on the export of gold and the exchange left to find its own level.

## Purchasing Power Parity

With the passing of the gold standard, the exchanges became more directly dependent upon the internal purchasing power of the respective currencies. For example, if a certain quantity of representative goods can be bought in the U.S.A. for \$5, and in England for

(Continued on page 4, column 3)

## PROGRESS OVERSEAS

### 1—Australia

IN a review such as this it is impossible to do more than indicate, very briefly, the present situation in each country. As in the United Kingdom, so overseas, the most important consideration today is not the number calling themselves by the proud title of Douglas Social Crediters, but what they are doing to justify their use of it; what action they are taking to secure the freedom of choice which, as Social Crediters, they know to be increasingly possible for all. In a world threatened by war and starvation, lip service counts for nothing, and mere accretions of members, unless they are willing to act, are useless. It is from this angle that these notes are written.

News from the Commonwealth is encouraging, and indicates that, despite a time lag of nearly two years in answering the Buxton call to action, this Dominion may yet "show the world." The Electoral Campaign which was reported in Overseas Notes for July 17 to be getting under way in every state, is still, according to more recent reports, only being talked about in Tasmania.

The following reports on the various states indicate that, as at home, so in Australia, there are those who think they know better than Douglas, and who unfortunately seem less inclined to get on with the job in the way they think better, than to harry those who accept his leadership.

It is the fate of every dynamic movement that some of the early supporters cannot develop with it, and become the unwitting servants of the enemy they enlisted to fight; the best of them awake to what they are doing eventually; the others serve to keep us on our toes.

#### New South Wales

The organisation of the United Democrats, under which name the Electoral Campaign is being carried out, is proceeding apace. Canvassing is in progress in certain constituencies and will start shortly in others.

Unfortunately, immediate prospects are marred by a division of opinion between the two Social Credit organisations. To endeavour to allocate blame for this situation is futile; more, it is impossible from this distance. Those who "keep on sawing wood" by getting on with the Campaign and avoiding recriminations, are setting an example which all true followers of Douglas will accept eventually.

#### Queensland

This is the only state in which Social Crediters have so far failed to profit by experience as still to be definitely committed to the bankers' game of party politics. The party, which uses the title Douglas Social Credit Party, while repudiating the leadership of Douglas, has fought two by-elections this year unsuccessfully. The results of one, at Keppel, were commented upon under the heading of "What Might Have Been" in SOCIAL CREDIT for June 26, and again by the Electoral Campaign Director on July 3. By Electoral Campaign methods Social Crediters in Keppel could have held the balance of power at the General Election in 1935 and again in the by-election of 1936. Figures for the Bowen constituency, have not yet been received.

How many more defeats will be necessary to convince those concerned that the party method is both slow and dangerous, is yet to be seen? Evidence of its slowness is already available, but evidence of its dangers will become obvious only should it succeed, when it is probable that some of those who have proved to be the most able politicians, will be found to be the least reliable Social Crediters.

Party politics are not the only activity in Queensland, however, for the Electoral Campaign is making headway, and is destined eventually

to secure the support of all those who place the achievement of Social Credit before personal ambitions for political prominence. Workers in the Campaign at present represent only a small proportion of those calling themselves Douglas Social Crediters; but they have earned the title.

#### South Australia

The organisation of the Campaign is proceeding slowly, but in those districts in which canvassing is taking place, it is producing good results. There appears to be a tendency to overstress the need for technical exposition, as opposed to demanding results, according to some reports; in fact, the two are complementary, although it is essential that they be kept absolutely separate and distinct. Education in the technique of Social Credit can be given with advantage only to a small minority, but all can demand results, which should always be demanded entirely, irrespective of methods.

Here, as in other states, Social Credit may be used at the next election for vote catching, for at a recent conference of the state Country and Labour Party, a resolution urging the embodiment of the Social Credit proposals in the party platform was passed by a small majority. This testifies to the great spread of Social Credit ideas in the state, and is evidence of the need to press on with the Campaign if the people are not to be deceived by the label.

#### Tasmania

This is the only state in the Commonwealth in which the Electoral Campaign is still a matter of discussion. Mr. Carruthers, the first Social Credit Member of Parliament, is a member of the Tasmanian Parliament and has done great work, more particularly by his chairmanship of the Financial Enquiry Committee\* appointed by the Labour Government. But one swallow does not make a summer, and Mr. Carruthers's election can by no means be taken as indicating that a Social Credit party, if formed, would achieve power; nor, for that matter, if it did, that it would introduce Social Credit.

The Labour Party is toying with Social Credit, but only pressure will make it face up to finance and demand such reform as may be necessary to produce the results the people want.

#### Victoria

This state has been a slow starter, but is now getting down to the Campaign. The late start may well be made up for by the fact that Social Crediters are united in the work.

John Hogan, the famous boycottor, has recently done invaluable work at a series of meetings in the state. John, as he is affectionately called, is all for results. His tour is to wind up with a mass meeting in Melbourne in September, which should do much to put the Demand Results campaign in the limelight, and, provided it is made clear that this is not a demand for any specific method, to bring in recruits for canvassing.

#### Western Australia

This state was recently clamouring for separation from the Commonwealth. It is now being shown how it can get all it hoped for from separation—and more—by demanding results instead. The Campaign received a set-back earlier in the year by taking on a party colour in the eyes of the public, a mistake which can be overcome only by hard work. The work is being put in, and the mistake will be of value as demonstrating to all workers in the Commonwealth the necessity of avoiding any action which may be taken by the public to mean that

\*The report of the Committee was summarised serially in SOCIAL CREDIT, beginning January 24, 1936.

the Campaign favours any particular party.

#### The "New Era"

Any report on Australia would be incomplete which failed to refer to the action of Mr. Barclay-Smith in placing his paper, the *New Era*, at the disposal of Major Douglas, as reported in SOCIAL CREDIT for July 10. The *New Era* now becomes, first and foremost, a paper supporting the Campaign demanding the results which Social Crediters believe can be achieved, only by the Douglas technique. Its wide circulation and great influence will be invaluable in spreading a knowledge of the real democracy which must be achieved to secure economic democracy.

M.J.

### Correspondence

#### "Friends"

I have been a subscriber to SOCIAL CREDIT from the first number, but I do not propose to renew my subscription, since it appears that all news of the movement from the Secretariat angle is to be secretly conveyed to private subscribers, and ordinary readers are to be offered nothing but a succession of elementary propaganda articles. Having been a Social Creditor for 16 years, I do not require this sort of thing, and SOCIAL CREDIT is obviously of no further interest or value to me.

MAURICE B. RECKITT  
St. Merryn, Cornwall

[Just because we take steps to broadcast widely the Douglas philosophy, and in addition give, to those who are usefully interested, a most helpful free supplement, Mr. Reckitt (considering nobody's requirements but his own) withdraws his support (!) What about a few coppers for those who do require SOCIAL CREDIT and its Supplement?—Ed.]

**This Confidential Supplement will appear monthly or oftener if necessary for efficiency. It will not necessarily always have four pages.**

#### Foreign Exchange

(Continued from page 3)

£1, then the rate of exchange between the two countries will be \$5 to the £. If it is not, then the international merchant is in a position to make a profit simply by moving goods, and he does so until the exchanges assume their "purchasing power parity."

This tendency was first perceived by Ricardo and since the war was developed by Professor Cassel. In "A Tract on Monetary Reform," Mr. J. M. Keynes states the theory of purchasing power parity as follows: "The rate of exchange between the home-currency and the foreign-currency must tend in equilibrium to be the ratio between the purchasing powers of the home-currency at home and of the foreign-currency in the foreign country. This ratio between the respective home purchasing powers of the two currencies is designated their 'purchasing power parity.'"

Thus the rate of exchange of an inconvertible currency abroad varies directly as its purchasing power at home, allowance being made for transport charges, import and export taxes, and the effect of commodities and services which are not exported.

#### Effect of the Price Factor

It should therefore be plain that the effect of the Compensated Price, in so far as it was allowed to apply to goods for export, must be to appreciate abroad the currency of the Social Credit country. Foreign exchange operators might attempt to give the impression of a fall in the exchange of the Social Credit country by marking down the price at which they were prepared to buy its currency; such an action could of course have only a propaganda value among the uninstructed public as they would receive no offers of currency at their artificial price, while if they agreed to sell at a price below the purchasing power parity they would be faced with a ruinous loss when buying to cover their requirements.

## DOUGLAS—ABERHART—ALBERTA

### A Commentary—I

#### A Curious Insistence

Third, the emphatic statement in clause 1 of the body of the Report: "At the outset it must again be emphasised that a distinction should be drawn between any particular plan for the utilisation of the public credit, when control of it has been acquired, and a strategy for acquiring the power to deal with the public credit. If this distinction be understood, it will be realised that plans for dealing with the public credit are wholly premature, while the power to deal with it has not been attained."

In the face of this, and the reiteration of it in his letters, Mr. Aberhart repeatedly ignored Major Douglas's advice on the strategy for acquiring power to deal with the public credit, but on the contrary pressed him repeatedly to produce a detailed Social Credit plan.

This pressure for a plan, coupled with the appointment of Mr. Magor, are susceptible of extremely damaging interpretation, and certainly require more explanation than Mr. Aberhart has yet given.

#### Actions Speak Louder Than Words

Apart from the correspondence itself, it should be noted that no single step has been taken by Mr. Aberhart which accords with the philosophy and aims of Social Credit as propounded for many years by Major Douglas. On the contrary there has been an increase in taxation, increased Government interference in industry and in the private lives of citizens, and the one issue of credit so far announced has been in the nature of the stamp scrip or "disappearing money" associated with the name of Silvio Gesell—which has been described as the most ruthless and complete taxation device ever invented.

It should be noted that throughout the correspondence, both before and after Mr. Aberhart's actions compelled Major Douglas to resign his official appointment, he held himself in readiness to proceed to Alberta, and offered all the advice and assistance that might be wanted.

(To be continued)

### THE NATURE OF SOCIAL CREDIT

THE address of Mr. L. D. Byrne to the National Dividend Club on June 24, entitled "The Nature of Social Credit," will shortly be issued as a cheap pamphlet.

Mr. Byrne is the Director of Information to the Secretariat, and in this pamphlet he gives a very broad, simple and readable outline of the main principles of Major Douglas's works.

In discussing the money monopoly, Mr. Byrne makes it very clear how completely money dominates the life of all peoples in all so-called civilised countries, and explains how extraordinarily mistaken are the general ideas on this all-important subject, as also on the measures necessary for remedying the present state of affairs.

He points out the state of revolt which is so rapidly increasing amongst the unemployed and the dispossessed, and shows how that spirit of insurrection can be utilised to bring to a head the WILL OF THE PEOPLE; in other words, to create a Dynamic Democracy.

Without going into any technical details he explains the general tenor of Major Douglas's proposals, and the extreme urgency of getting all members of Social Credit Groups to realise that "the right of sovereignty over their own social life exists in every democratic country."

In order to exercise this sovereignty the people must be shown how to bring pressure to bear on their representatives in the legislature.

This pamphlet should be read by every member of every group, and it should be in the pocket of every supervisor.

Major Douglas's First Interim Report was published in SOCIAL CREDIT for June 21, 1935, and the full text of all letters and cables between Major Douglas and the Alberta government from August 24, 1935, to March 24, 1936, was published in SOCIAL CREDIT, beginning on June 5 and ending on July 24, 1936.

CAREFUL examination of the correspondence between Major Douglas and the Government of Alberta in the light of Major Douglas's First Interim Report reveals three major trends of events in the relationship of the parties.

First, the very definite strategical recommendations contained in the Report itself, which were consistently emphasised and elaborated in Major Douglas's letters—and in contrast the almost complete failure of Mr. Aberhart to carry these recommendations into effect, and his repeated dismissal of them as "matters of detail."

#### The Mess of Pottage

The exceptions, in order of importance, were (a) Resistance to the Loan Council proposals. It may be noted that this resistance was stiffened and supported by a powerful article by Major Douglas which was published in SOCIAL CREDIT for January 24, 1936, warning all Canadian Provinces against these proposals. Had Alberta accepted them she would have been alone.

Two comments on this are relevant. (a) In a letter dated September 24, 1935, Mr. Aberhart wrote: "The suggestion of Prime Minister Bennett to form a Loan Council was a matter of small moment when you bear in mind that the provinces have full autonomy of their own credit [sic], and no action that the federal government could take can remove that right from them. I can quite understand how the federal government might want to organise the loans for the provinces in such a way that there would be some uniformity of issue of bonds. It would keep the market from being glutted at certain times of the year and having no sale at other times. However, this is a matter of little importance to us just now." And Mr. Aberhart publicly took exception to Major Douglas's article—which received considerable publicity in Canada and undoubtedly was a major factor in the breakdown of the Loan Council negotiations.

(b) The acquisition of the newspaper *The Albertan*, together with its radio facilities. It cannot be said that this instrument has been put to the use envisaged by Major Douglas.

#### A Warning and Its Sequel

Second the emphatic warning contained in the Report, and elaborated in Major Douglas's letters, of the comprehensive and fundamental nature of the task Mr. Aberhart was elected to perform, and of the hostility to be expected from financial interests, contrasted with the frequent assertions by Mr. Aberhart that he was on friendly terms with the banks and expected assistance from them.

The most startling manifestation of this trend was contained in the very specific warning given by Major Douglas in his letter of September 10 that the bankers intended to separate Aberhart from Douglas and "urge him bit by bit into co-operation with the banks, and then put in Banking Committees to control the finance of the Province as in Newfoundland," and its sequel. On October 10 Mr. Aberhart announced that the province had secured the services of Mr. Robert James Magor, who was formerly Relief Controller in Newfoundland and on whose recommendation the administration of Newfoundland was superseded and replaced by a Commission Government.

Major Douglas could scarcely have been more specific a month in advance. Yet in spite of this warning, and without consulting Major Douglas, Mr. Aberhart chose this particular man.