

SOCIAL CREDIT

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NOTES OF THE WEEK

THE MEANING OF UNEMPLOYMENT

AFTER more than a year of the “New Deal,” the U.S. Government is only able to announce that the unemployment figures are still rising. Over eight million people in that country are wholly unemployed, while another two million are partially engaged on “unremunerative public works.”

Yet the main object of the New Deal is to abolish unemployment.

Now, in spite of the spectacular magnitude of Roosevelt’s plan, his policy is the same as in other countries—namely, to provide work. All governments to-day are asserting that this is their first duty.

Many people are vaguely conscious that there is something funny about this. Mankind, after having tried for centuries to save himself as much labour as possible, has now reached a stage, thanks to mechanical inventions, when in any civilised country, all the strictly necessary work—that is, the adequate provision of the means of subsistence and physical comfort—can be done by a few hours daily work on the part of a small section of the population.

Labour-saving, Labour-making

Yet as fast as inventors devise means of saving labour, governments frantically endeavour to put labour back again.

Superficially, therefore, it might appear that modern governments—to say nothing of the mass of their supporters—are in that state to which a bat in the belfry has been poetically compared.

But to do men, and even governments, justice, they are not so mad as seriously to pretend that work for work’s sake is the first duty of man. Strict moralists have frequently pretended to believe this, but the ordinary sinner knows that if he did, nobody would believe him. Most people of goodwill would agree that, so far from improving character, compulsory and unnecessary work is more likely to encourage laziness than any amount of leisure.

The attitude of the average healthy man towards compulsory work may, indeed, be broadly expressed in the words of J. K. Jerome: “I like work; it fascinates me. I

can sit and look at it for hours. I love to keep it by me: the idea of getting rid of it simply breaks my heart.”

The fact is, of course, that the whole horror of this curious insistence on work, in an age when we know how to make machinery do most of it, is due to the belief that only by work can people get money to spend on the goods the machinery produces.

The Ruling Superstition

We need not enquire into the origins of this quaint superstition. We need only say that it sticks in most people’s mind like an immovable maggot. So that, instead of boasting that our miraculous inventions have succeeded in lifting about ninety per cent. of the curse of Adam, Governments set themselves steadily to counteract the effect of every inventor since Watt, and Ministers crow like cocks whenever they succeed in making twenty men do some useless job which one machine could do twice as well.

Now, it is obvious that there are only two alternative solutions before modern nations: either we must abolish most of our machinery and make inventions illegal, or else we must give people money whether they work or not, and there are signs that society is gradually realising that we cannot escape from this deadlock by inventing unnecessary occupations for people merely to keep them out of mischief. It is for that reason, that the Social Credit proposals are having a steadily growing influence on public opinion.

These proposals offer a means by which the people can be provided with purchasing power, sufficient to purchase all they require of the products of modern industry, irrespective of whether they work or not.

The National Dividend is a money income which would be distributed to every person without borrowing or taxation, and with a price-regulating mechanism which would prevent inflation or other price-raising. It would be issued as Credit, backed by the real wealth of the nation—that is, the nation’s capacity to provide goods and services.

By this means—which are inevitable if civilisation is to be saved—the consumption of production would replace work-finding as the basis of a government’s policy.

MR. A. R. ORAGE

Mr. A. R. Orage died suddenly during Monday night, a few hours after delivering his broadcast address on "Social Credit."

We cannot attempt to estimate the loss to the Social Credit Movement of one whom many justifiably regarded as its most brilliant exponent, nor to those who had the privilege of personal contact with a rare combination of genius and personal integrity. Whether we regard him as friend or as leader, the full weight of this irreparable loss still remains to be felt. But our readers are fully sensible of the honour due to the memory of the man who, as Editor of the "New Age," first enabled Major Douglas to give regular publicity to his new message in 1919.

Our deep sympathy is extended to Mrs. Orage, and to those who, connected with him in the production of "The New English Weekly," have lost a greatly-loved and irreplaceable chief. Himself one of the foremost literary critics of his day, Orage possessed to a unique extent the gift of discovering literary talent, and one need go no further for proof of this than his own journal, the launching of which, less than three years ago, enhanced the quality of modern journalism as greatly as it furthered the cause of Social Credit.

The suddenness of his death has precluded the possibility of paying in this issue an adequate tribute to a remarkable personality, but next week we hope to publish an appreciation of him by the Dean of Canterbury.

ORAGE'S LAST SPEECH

It must have been very gratifying to Mr. Orage last Monday evening, to find that Mrs. Douglas had made the journey to London for the purpose of being present during his address.

For the benefit of those who, on hearing of his death, have additional cause to regret not having heard the speech, we may say that it is our intention to publish a report of it very shortly.

MAJOR DOUGLAS AT OXFORD

The Oxford University New Era Club is to be congratulated on the fine work which has been done in the short space of two terms, culminating in a crowded meeting in the Union Hall, last Friday, when over seven hundred listened to Major C. H. Douglas on "Social Credit and Taxation," the report of which we publish elsewhere in this issue. This was the largest meeting in the Union since the visit of Mr. Winston Churchill.

The meeting was organised by the New Era Club as a joint meeting of the Oxford University Conservative Association, Imperial Club, Liberal Club, and itself; and leaders of all political parties in the University were present, including the Chairwoman of the Oxford University Labour Club who was one of the questioners. The New Era Club should find itself well established as a result of this meeting, and we wish it all success.

SIR JOSIAH STAMP TELLS THE WORLD

Sir Josiah Stamp talks where Sir Otto Niemeyer acts. The latter carried the will of the Bank of England round the world and the cramping of the national life wherever he went remained to show the twin-like connection between poverty and financial "stability."

But something more was required to establish the servitude on a permanent basis. Therefore Sir Josiah, delivering the fourteenth Cust Foundation lecture at Nottingham University on November 2, told the British Empire what to expect, namely, a chain of Central Banks, independent yet co-operative, on which the sun shall never set.

Those who doubt that the banks govern the governments should note his eloquent remarks. Co-operation, he said, between Central Banks, admittedly had limits, and he added the customary fiction that "a Central Bank's primary responsibility is to its own country and its own Government (e.g. a dog's primary responsibility is to its tail). They co-operated, he continued, "for the mutual advantage of

their countries," but, he added, if they did not, "it would in varying degrees be forced upon them."

So much for a bank's "responsibility to its own country." After this threat, he proceeds: "most of the principles agreed upon in July 1933 at the Monetary and Economic Conference would be the more easily carried out by co-operation."

Now we know where we stand. The Central Banks have been established to enforce the subjection of all the countries of the Empire to continued acceptance of the standards of living which are consonant with the principle that the credit value of each country is the private monopoly of the financial interests. And in case one of the governments should attempt to act for the people instead of for the bankers, pressure will be applied by "co-operation."

The British Empire now, we hope, knows its duty. At present we benefit in competition by our depreciated currency. So far we have been successful. But other nations are tending to depreciate their currencies too; the Gold Bloc may come off gold any moment now. So the British Empire is to be ready to make up to the British financial oligarchy any loss of power which may result. "Co-operation," therefore, means making the British Empire an economic unit, in order to establish the debt-creating industry (politely termed the banking system) safely in control and immune from the damage of foreign competition.

LABOUR AND SOCIAL CREDIT

Propos of frequent observations in these pages to the effect that the Labour Party has "swallowed financial conventions whole," a correspondent submits that, on the contrary, the Labour Party programme coincides with Social Credit policy in its intentions regarding finance, and quotes the following statement by Mr. Lansbury in support of it:

"When Parliament has decided to nationalise banks and finance, the men chosen to do the job will be men who believe in the policy and have no motive but the welfare of the nation. We shall transform the City of London. No longer will men be allowed to make huge fortunes out of depreciating or appreciating currency. One pound will be the same value each day. . . . We shall not borrow our own securities any more. We shall be our own bankers and use our own credit without recourse to . . . usurers.

. . . Either the nation settles the financial gamblers or they will settle all our schemes."

The only part of the above which approaches Social Credit is the assertion "we shall use our own credit," and this is the exact contrary to the policy in the official Labour programme. At the last Labour Party Conference it was made quite clear that the next Labour Government will finance its schemes by taxation, thereby showing that they completely accept the conventional financial axiom that there is only a limited quantity of money available, and that therefore no distribution of that limited national income is possible except by taxing one class for the benefit of another. And, as the present national income is utterly inadequate to meet the total prices of the nation's production, that means reducing the whole nation to a dead level of poverty. This policy differs from Tory policy only in the matter of who would be taxed and how much.

Taxation is the exact opposite of Social Credit policy, which would render taxation unnecessary. It is true that Labour men have, like Mr. Lansbury, frequently mentioned the idea of the nation's credit being used for the nation; but Labour policy completely refutes this principle.

A LABOUR LEADER ON "NATIONAL DIVIDENDS"

Having discussed the fundamental difference between Labour policy and Social Credit we may, however, express the hope that in the near future a movement of support for Social Credit will grow within the Labour Party itself.

We express that hope with the more justification since last week in a speech at Glasgow, Mr. Tom Johnston, former member of the Labour Government and one of the most able Press-propagandists the movement has produced said that the Labour Party ought to adopt National Dividends as a part of its policy.

There is no reason to believe that this declaration was any more than a personal opinion. But its importance and significance lie in the extent of Mr. Johnston's own personal influence and his status as a national Party leader. That he should make such a remark means almost certainly that the idea of National Dividends has come to rest in the minds of at least a section of the rank and file.

It is almost a commonplace of political prophecy that at any time within the near future either Party may suddenly and even unexpectedly turn to some form or degree of Social Credit principles as a means of salvation. It is true that at the moment the Labour Party seems determined to commit suicide rather than abandon the principle of taxation and bureaucracy as the only means of distributing the national wealth. But we must allow for the possibility of enlightenment at any moment when the inevitable consequences of such a policy appear in the danger zone. And we must remember that, after all, the heart, if not the official mind, of the Labour Movement, is potentially favourable to Social Credit. It stands primarily for increasing purchasing power amongst the masses; many of its greatest mistakes have been committed with that primary purpose in view. In sentiment, if not in theory and practice, it stands more definitely than any Party in history for the just distribution of national wealth.

Meantime, we may reserve our prophecies and merely ask, "which Party will have the sense to turn to Social Credit first?"

PROOFS OF WHAT?

It is said that the night before Rome fell the papers all announced that Rome had turned the corner.

We can believe this because we know our own Press. In whatever state of poverty millions of British people live, the Press is able to publish convincing proofs that prosperity has arrived. These assertions of our happy condition are accepted because the will-to-believe is stronger than eyesight. They do not bear analysis. Take one at random: "Striking evidence of Britain's trade revival is provided by the motor industry" (*Daily Telegraph*). And the fact that fifty per cent. more cars have been produced this year than last is regarded as a sign of "revival."

Now, an increase in the number of cars is no indication of a rise in the standard of living, even among the people who possess them. To-day a growing number of people regard a car as a necessity and stint themselves of other desirable things—new clothes, house-room, entertainments, etc., in order to keep up the tax and the instalments. Further, cars tend steadily to become smaller and cheaper to run. A far more reliable indication of economic conditions is the general retail trade; and in the same column as the above, a 4.1 per cent. increase in the money value of sales is cited as "another pointer" to increasing prosperity.

It is, on the contrary, merely a proof that the country is still in a state of shameful poverty. With 400,000 more destitute people than there were three years ago; with an average national purchasing power per head of under £2 a week to meet a productive capacity of practically infinite expansion; and with half the population living in squalor surrounded by enormous potential abundance, a mere four per cent. increase in retail sales is a sign, not that prosperity is approaching but that insanity has arrived.

If newspapers had any sense, and politicians any shame, they would not begin to boast until the retail sales of the country had increased by at least 400 per cent.

BELGIUM'S CREDIT—BELGIUM'S DEBT

The nations of the world are being compelled in a variety of ways to utilise their national credit to repair the ravages of the banking system.

In Belgium, the Government has established a National Industrial Credit Company to take over debts of industry, commerce and agriculture up to a total of 2,000 million francs (equal to about £18,000,000), in the form of Government loan at three per cent. We will err on the side of politeness and refrain from calling a scheme like this a swindle, for the men who propose and effect such fatuities are probably honourable men and good husbands and fathers who are merely following their professions of finance in all good faith according to the rules. It is not for them to pause in the middle and question the rules. Nevertheless such a scheme is essentially in the nature of a silly hoax that must be regarded as such but for the fact that scarcely anyone ever questions usual financial practice.

The move is designed to "liquify frozen credits," and by thus giving the appearance of "looser" money, quieten the agitation in favour of leaving the gold standard. But regarded realistically, all it actually does is to extend the principle of instalment buying by throwing the debt forward into the future and saddling it upon the next generation. Obviously, it has no real effect whatsoever upon the persistent shortage

of purchasing power which the present state of the world proves to be the real problem of the age.

When we remember that the credit upon which this money is "lent" to the nation is in reality the nation's and not the financiers' who lend it, the completeness of the hoax is apparent.

SAVING THE HERRING TRADE

The latest development of the Save-the-Herring farce is the presentation to the Government of what are called "Five alternative forms of assistance for the trade." These are:—

(1) A straight subsidy; (2) State guarantees; (3) A grant of £250,000 to buy German marks and overcome the exchange problem; (4) Export credits; (5) The Government to enter the market and purchase herrings to hold until the Russians begin to buy again.

The interesting feature about these "alternatives" is that they are not in effect alternatives at all, but five different ways of getting the nation into debt for its own consumable wealth. Just as prisoners invent different ways of walking round their cells, so do our political and economic leaders confine their "alternative" activities to the narrow limits prescribed for them by the manipulators of the debt-creating system we call Sound Finance.

All these methods involve the Government borrowing money from the banks for the taxpayer to repay by the curtailment of their purchasing power. Further, all of them, No. 5 specifically, rely not upon the people at home, but upon foreigners to buy the fish caught round our shores. The scheme likely to be chosen is the usual world-saver: A National Herring Board will be set up for the purpose of issuing licences (because the fewer traders the better) and "rationalise the industry" by cutting down the fleets. The Government has promised to report on this shortly. This is called "Action in a few days." While the financial maggot continues to eat its way into the brains of our rulers, they will adopt any fantastic idiocy rather than do the one thing needed—give people money to buy herring.

And the herring go on spawning.

ARMS AND THE EXPORTS

The national canvass being conducted by the National Declaration Committee, on the subject of war and disarmament need not concern us too closely, in spite of the obviously anti-militaristic implications of SOCIAL CREDIT. As we have frequently observed in these pages, while sympathising whole-heartedly with all anti-war activities, we regard it as unpractical to endeavour to effect any mitigation whatsoever in the present state of incipient hostility between nations until the financial system, which forces nations to compete with increasing bitterness for shrinking markets, has been completely reformed. And for this reason we regard as equally irrelevant the efforts to arouse public protest against the scandals of the trade in armaments.

As a matter of curiosity, however, we should be interested to know the private thoughts of Cabinet Ministers who, while endorsing public expressions of horror at the increasing trade in weapons, is only too ready to quote, as proof of "trade revival" under the National Government, those "welcome increases" in the exports of "iron and steel," etc., which, as we know, are so largely due to the naval and military requirements of foreign governments.

SOCIAL CREDIT SECRETARIAT

Election of Chairman of Executive Board

Major Douglas has been elected Chairman by a majority of 72 votes.

C. H. DOUGLAS	79
A. L. GIBSON	7

Election of Selection Committee

The five candidates under-named were elected:—

1. A. L. GIBSON.
2. W. L. PARDSLEY.
3. L. D. BYRNE.
4. ARTHUR BRENTON.
5. W. T. SYMONS.

For the Proportional Representation Society,—

A. J. GRAY,

Assistant Secretary and Retiring Officer.

(Full details of the voting will be published at an early date).

"Maldistribution of Income"

A Comment upon the B.B.C. Broadcast by Mr. J. A. Hobson in the "Poverty in Plenty" Series on Monday, 30th October

WITH but a passing reference to the banks' provision of short or long loans to industry, Mr. J. A. Hobson bases the whole of his contribution to the B.B.C. *Poverty in Plenty* series, on the theory that "with every act of production is distributed in wages, rents, interest, profit, a sum of money sufficient to buy what is produced, if utilised without delay by those who receive them."

We always feel that Mr. Hobson has a truth at the back of his mind—but that something vitiates it. In the B.B.C. talk he has shown that *Time* is his downfall. His theory, closely following the statement that "under-consumption is not a theory but a visible fact" ignores altogether the *time* at which the money representing the component parts of the costs in industry, is actually available. He is led to this by leaving altogether out of account the part of price which represents bank loans cancellable on repayment; and by assuming to be available in cash, a further part representing reserves, which cannot be expended without destroying the solvency of the unit of production. These at any rate must be deducted from the "money sufficient to buy what is produced," and it behoves any critic of Mr. Hobson's theory that "maldistribution of the presumably adequate total income as between capitalist and worker accounts for the under-consumption," to make some sort of estimate of the importance of these two factors of price.

Factors That Are Ignored

Figures given by the *Economist* in 1929 showed that of the total of capital subscribed for new issues in Great Britain in that year, the proportion of Loan Capital was forty-six per cent., and that the proportion had risen during the previous ten years from thirteen per cent. to that figure. That is to say, the proportion of 'savings' invested fell from eighty-seven per cent. of new issues to fifty-four per cent. in that period. The balance was new money, repayable by the industries which borrowed it, and cancellable out of existence upon receipt.

The proportion of reserves of all kinds and of undistributed profits has risen to such an extent during the same period that the latter has become something of a public scandal. The withholding of shareholders' profits constantly provokes uneasy protests by the victims at Company meetings. The proportions allocated to reserve in industrial enterprises must in the nature of the case increase as the labour in production is transferred from human effort paid for by wages, to mechanical effort embodied in machines whose "life" has to be carefully estimated and their eventual replacement provided for.

These two large factors make a considerable hole in Mr. Hobson's theory, and one could wish that such a bonnie fighter as he would forget his honourable economic iconoclasm of thirty years ago, and look with new eyes upon his own theory as he then did upon the accepted economic doctrines of that period.

On Mr. Hobson's own showing the 'saving' (which he deprecates) out of the capitalist's part of the whole of "the money sufficient to buy what is produced" has been the financial basis of further production. After allowing for the two large holes in the theory, to which we have referred, the question arises whether what is left of the share genuinely received as *income* by the capitalist, can be expended in further production and serve at the same time for expenditure without delay upon the product from which it was derived. Mr. Hobson of course does not mean that that precise money would be available. But his theory does require, over the range of industries, that money needed to equate the total costs of one lot of products shall at the same time be expended in *creating a fresh cycle of costs in fresh production*.

He Forgets the Banks

What are we to make of an economist who observes that part of the income 'saved' no longer "passes into investment" but "lies idle on deposit" and neglects all reference to the resultant increase of investment by the banks, mostly in Government securities and first charges on industry in the form of Debentures or direct loans, which are the con-

comitant of that situation? Or who tacitly if not explicitly states that 'savings' which cannot be profitably employed in further industrial enterprise "are seen to be the cause of unemployment and depression?"

Mr. Hobson looks to the enhanced taxation of the "excessive incomes" of the rich for further amelioration of the lot of the unemployed; to compulsory enhanced scales of wages to improve the lot of the workers; and to State subsidies to buttress 'depressed' industries. He considers that these three "mitigations" of existing evils amount to "three policies" which "go a considerable way to lessen the inequality of incomes"—to which he attributes all our economic trouble. But increased wages mean increased prices, however restrained by lowered proportionate overhead charges; State subsidies come out of taxation and therefore lessen the amount available for social services, also provided out of the pool of taxation. What reliance can Mr. Hobson really place upon these for any substantial or lasting benefit?

Money as a Limited Quantity

Money is for him a pool. He does not seem in the least aware that its quantity and source are entirely separate from those goods. He never refers to the power of the credit monopoly and the subjection of industry to its dictates. He speaks as though financial policy were not even a factor in the situation. The "rationalisation" of the cotton industry, or of shipbuilding, might never have taken place. The recent Dorman Long sacrifice of shareholders to the Banks passes his notice. He even goes so far as to say that the real difficulty besetting Mussolini, Hitler and Roosevelt in their planning is "profiteering," his explanation of the word being that: "profiteering lies at the heart of that maldistribution of incomes which is the chief present cause of over-production and under-consumption." He comes, by what road of thought is a mystery, to the final statement that economic nationalism is "the most serious obstacle in this path of reform"—meaning by "reform" the three "policies" we have already quoted.

It is remarkable how utterly irrelevant to the real situation appear all proposals which ignore the separate and dominant position of finance. Even the utterance of so respected a man as Mr. J. A. Hobson reads as empty words on that account.

W. T. SYMONS.

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SMUTS ON FREEDOM*

How the Pretence of Democratic Principles Helps the Money Power

IT is safe to say that had General Smuts's Rectorial Address to the St. Andrew's University students been an ordinary political party speech, opposable by other ordinary political party speeches, without reference to Finance (no party speech is really free from this restriction) it would have been ridiculed mercilessly for its ineptitude.

Even *The Times* would have avoided associating "simplicity" and the "marks of a great mind" in referring to it; and the General's political chiefs would have informed him that such maladroitness of his party's case was inconsistent with further publicity in its cause. There have been many windy transcendentalists on political platforms; but they have usually spoken to a party case that could stand the rough and tumble of party attack, and it is certain that *The Times* never called their performance a "masterly survey" of anything at all, and particularly of the "conditions" of the European world to-day.

The "conditions" of the whole world as well as of Europe to-day are financiers' conditions, and the General merely took them for granted.

It is true that *The Times* report made it unnecessarily hard for most of its readers to detect the grounds of policy, such as they were, behind the Address, as the account since published by Messrs. Wodehouse shows. For example, it omitted from its report two unfavourable references to economic nationalism and one to the great destruction of "capital" by the war. Yet such observations express fundamental economic fallacies. What the war destroyed, in addition to life, was property—chiefly current production in excess of the vital needs of the world's people. The producing units manufacturing for this destruction were finance-capitalised, and what happened to "the money" seems to be a secret shared by bankers and the supporters of Major Douglas.

It is well to remember that the "strength" of propaganda such as that which General Smuts attempted at St. Andrew's does not lie in its cleverness, its impudence, its profundity, its duplicity—not even, strictly-speaking in the simplicity of mind of the future intellectual leaders of Scotland (and England)—but in its immunity from criticism. It is like that best-of-all-kinds of hoax that relies for its effect upon the fact that the hoaxed have to be told and made to believe that they have been hoaxed. Actually it is the worst kind of hoax because it is an unscrupulous deception practised upon the people of the world to keep them poor and bound.

Reliance Upon Public Ignorance

At Buxton last June, Major Douglas said the powerful resistance to change of the financial system which keeps us all poor relied for its effectiveness upon the uninstructed or misinstructed state of the mind of the majority of the people. The motive, he went on to say, was a conscious desire to preserve certain unjustifiable privileges at the expense of the general public.

The particular—the acknowledged—privilege which General Smuts was desirous of preserving at the expense of the public was the privilege of sacrificing "this and the coming generation" to his own idea of "spiritual values." *The Times* calls this—quite correctly—"a challenge to youth." "Men and women," said the General, had "suffered until they were abdicating their rights as individuals. In their misery and helplessness they were surrendering." They must not do that! Particularly, they must not do that in face of the "glorious opportunity" to continue "the age-long battle which has been going forward since the dawn of history."

An apparent note of confusion was introduced when the General complained that (notwithstanding the unseemliness of surrender at all times) the miserable and the helpless were surrendering to the wrong people: to national leaders, dictators, Caesars. These threatened a new tyranny. They threatened to make economic goods "take the place of" spiritual values. Equipped, fed, clothed, housed, fortified by economic goods "mankind can at best only achieve a distorted and stunted growth"—that at a University where considerable attention is paid the ascertainable relationship between feeding and human growth and form! Economic goods were mere Ersatz—substitutes for the real thing. As this ex-soldier, lawyer, amateur philosopher has said else-

where†, the real thing is pain, and "the real defeat for men . . . would be to ease the pain by a cessation of effort."

Particularly since the time of James Watt, engineers have been trying to "ease the pain" by a cessation of the effort demanded of men and women, and despite the severe limitations placed by Finance upon their effectiveness, this has been spectacular. But this according to General Smuts is not success. This is really defeat. The pain is the thing!

Encompassed about by rhetoric as it was, the General's disapproval of the kind of political dictatorship now more or less effective in Europe was evident. It was this that constituted a "new tyranny, disguised in attractive patriotic colours" which had triumphed by "the cult of force." It was made no less clear that he approved of revised methods of government for the safeguarding of "private rights," "civil liberties," the "rights of minorities," the freedom of thought, speech, action, self-expression, the Press and religion—things we have now together with a glut of unsaleable commodities and a "means test." The new methods would confirm the existing power of the people to "influence" their political governments—stroking the Zambesi of finance-inspired policy backwards!

These Phrases Suit the Money Power

There is only one field of political ideas into which these requirements—and all of them—fit. The rise of the money-power to complete control over the nations, states, kings, constitutions, and peoples of the earth has been accomplished by, not in spite of, the ceaseless advocacy of these phrases. They are the political ideas of those who by accident or design have created the Bank of International Settlements at Bâsle, and they envisage a world in which the forces of humanity are split up into little parcels too small to offer the slightest opposition to that "creative freedom" whose goal is "the real defeat for men (or victory for money-lenders) . . . to increase the pain by a perpetuation of effort."

When General Smuts said that freedom was "the most ineradicable craving of human nature," he used the right word—it cannot be rooted out. In the same way, the will that is ultimately the will-to-live is ineradicable while life lasts. The resistance to this will: the resistance of one ten-millionth of the earth's population: is eradicable. It can be rooted out by adding to the force of the people's will enough—and no more—to make the will exceed the resistance.

Helping the Financial Dictatorship

How is it that the personal effectiveness of—say—200 men is now greater than the will-to-live of 2,000,000,000? It is because by various devices the effective force of that will is turned back on itself. Some of those devices are clearly to be seen in the St. Andrew's Address on "Freedom." When the young Boer lawyer, educated in England, was helping to "clean up" the Transvaal, "balanced" budgets had increased in five or six years from one to five millions, and "sound" finance was demanding "rigid scrutiny and radical reform." To receive £5,000,000 in taxes, the pounds have first to be represented in the pockets and bank accounts of the tax-payers. Whether "corruptly" spent or otherwise—but particularly if it is "corruptly"—spent, some of it goes back to those pockets and bank accounts—and may stay there. General Smuts "greatly benefitted" the "administration of justice" at this time. Later, according to "The Milner Papers" he "fought a forlorn hope with infinite ingenuity." During the Boer War, "after riding through the Orange River Colony, he penetrated to within 100 miles of Cape Town itself." "Constantly hunted, but never caught by British Columns, with extraordinary cunning and determination," he maintained himself in "the heart of a British Colony" in war time. It is a revelation of the plight of Finance at the bar of opinion that this man of infinite ingenuity, determination and extraordinary cunning should so ill-defend it with no other weapons but phantasms and "lures." It is a demonstration that Finance cannot win in the open.

DR. TUDOR JONES.

† "Holism and Evolution" (London, 1927) p.353.

*General Smuts's Address, which was delivered on October 18, was referred to in our issue of October 26.

TAXATION AND SOCIAL CREDIT

An Address delivered in the Union, Oxford, November 2, 1934

by C. H. DOUGLAS.

I WANT you to imagine that you had the choice of paying ten pounds per year to one of two telephone systems. The first of them had ten subscribers altogether, and the other had ten million subscribers. You would at once say, I think, that for your ten pounds subscription you would get very much greater value by joining the telephone system which had ten million subscribers.

Or take another case. You were faced with the problem of rolling a heavy stone up a hill, a stone so heavy that, let us say, one man could not move it. You have at your disposal ten men and a rope. Would you use one of the men pushing vainly for five minutes and then substitute another and so forth, thus exhausting your ten men without moving the stone, or would you tie the rope to the stone and put the whole ten men on to pull it up the hill? You would, of course, use the ten men at once, combining their forces with the aid of the rope.

The "Unearned Increment of Association"

Now in these simple instances we have an example of something that in the vocabulary of Social Credit we call "the unearned increment of association." By associating together in an undertaking it is possible to do things which the same persons who, when associating together, are successful, would be unable to do if their endeavours were isolated. It is not too much to say that in this fact lies the whole basis of society from tribal days onwards. People have come to understand that by associating together for various purposes they can achieve results which cannot be achieved without such association.

Now if you were able to measure the creative and productivity capacity of, let us say, the fifteen millions of adults in the British Isles who are estimated to be employable, taking their productive capacity individually and separated out from any assistance either from the rest or from those tools and processes which have developed amongst us as a community, and you added together those fifteen million productive units separately, you would get a figure which it would be fair to call the earned result of their individual efforts. Whatever results they did create, working as units, would be due to their unaided efforts as individuals.

In assessing what each individual could do under these conditions, you would have to assume that he was totally uneducated, because education is a communal inheritance, and does not come to a man by his individual effort. You would have to assume that your fifteen million twentieth century Britons had the intelligence, or less of Australian aboriginals, that they had no tools, no knowledge of organisation, and had at their disposal merely undeveloped territory in the state to which nature unaided had brought it.

Now consider these fifteen millions of employable individuals operating with the best possible tools which are in existence at the present, and operating under the best possible management and directed by the best possible policy towards a well-defined and universally agreed objective.

You will not dispute that the creative output of the fifteen millions under these latter conditions would be enormously greater than that of the fifteen millions acting as units without the assistance of the heritage of civilisation. Now if you subtract the output for one year of the fifteen million units from the fifteen millions acting as a community, you will get the unearned increment of association, and you will probably not need to be assured that the figure under these conditions would be colossal, and in comparison with the first figure—that of the earned result of work, would be thousands of times greater.

This Heritage Belongs To All.

Now it is quite certain that this unearned increment of association, which I have been endeavouring to indicate to you, cannot justly be said to belong to any one person or even one body of persons in the community. It would be just as reasonable to say that education, knowledge, science, or any of the other intangibles which go to make up our modern heritage belong to any person or any section of the community. Of course they do not, and we have come to recognise that education, in particular, is a birthright of every child in this country. I would say at once that I

consider that all the other components of this heritage of civilisation are equally the birthright of every child born in this country.

But the point that I wish to make for the moment is that it is obvious, I think, beyond any dispute, that association brings with it gifts, some of them intangible, but some of them wholly material, because our productive capacity in regard to material things is also largely a question of this unearned increment of association. So far from taxation being a natural and inevitable state of affairs, it is an inversion of the facts. The State should give, not take away.

Aliens In Our Country

But curiously enough, and I say "curiously" because I believe it will be a puzzle to succeeding generations as to how it was that we allowed this to be so, we look at the privilege of belonging to a community which has this enormously valuable heritage as something to be paid for by the individuals composing it. Within a few days after we are born our parents pay a fee for registering the fact. Since our advent into this world probably means that they require a larger house, they pay additional rates, because of our existence. If we improve our house, we pay higher rates for having done so. If we happen to be born into what is called the "well-to-do" classes, our parents pay assiduously, heavily, and increasingly, until we reach maturity, in order that we may attain our share of these privileges which have descended to us. Finally, when we ourselves become self-supporting, we are taxed to educate others, and for many other purposes which will be only too familiar to many of you here, either now or at a later date.

The point that I am, of course, trying to make, is that we are in the position of aliens in our own country in that we have to pay for those privileges which we, to some extent, and our forebears to a greater extent, have created, and we have become so used to this that a great many people find it almost impossible to realise that there is anything unreasonable in such a situation.

I feel sure that at this point someone will be anxious to protest that we obtain the unearned increment of association by merely existing in an improved world. The answer is fairly simple, and we can obtain it by considering the position of an individual who is in the position described by the Police as "having no visible means of subsistence." I think you would agree, without much elaboration on my part, that such an individual does not obtain very much of the unearned increment of association, except, perhaps, the benefit of a jail or a casual ward.

Now if I have made this point clear, you ought not to have much difficulty in grasping the fact that such a situation could only come about on the assumption, by some body outside the general community, of the ownership of the unearned increment of association to which I have been referring.

Real Wealth and Financial Power

I have little doubt of the fact that it is quite impossible to reach any satisfactory solution of the world's present difficulties without a grasp of the fundamental idea which is contained in what I have just been saying. So long as history affords us any information, the question of the ownership of property has at bottom been the question on which all politics turn. Because land in its natural state provided for the requirements of humanity until a few hundred years ago, by supplying grain for bread, fodder for herds and flocks, and stone for dwellings, land occupied the centre of the stage in regard to poverty, and even now is spoken of as "real property" as distinct from other forms.

But with the advent of the Industrial Age, it is not too much to say that the products of land form a very small proportion of the requirements of the modern individual if they are considered as finished products without industrial processes being added to them. Consequently, although it is possible to live upon a scale not dissimilar to that of the Middle Ages by being in possession of land, any modern standard of life requires the possession of something quite different from land. I refer, of course, to money, and

money is, increasingly, an effective claim upon the unearned increment of association.

If you grasp this, you will agree once again with the French verdict upon history "Plus ca change, plus que c'est la même chose." We are witnessing in the world to-day a battle about the ownership of property, but it is no longer tangible property, because it is not tangible property which nowadays confers the greatest benefits, it is intangible property represented by money, and money is actually made by one body of persons alone—financiers.

Taxation Implies Dispossession of Common Property

Now the very fact of taxation as a general principle is an assertion of the fact that we are dispossessed of our share of the common property. You do not pay for permission to enjoy privileges which belong to you. In putting forward for your consideration a contention of this description, I realise the great danger of misapprehension, a misapprehension which, in general, arises from a failure to distinguish between proprietorial rights, administrative rights, and beneficial rights.

Perhaps you will let me enlarge a little on each of these before proceeding further. Proprietorial rights include both administrative rights and beneficial rights. A man who owns a large estate, which we must for the purposes of this examination assume to be exempt from taxation, is assumed to have the power to appoint or remove the managers of his estate, to instruct them as to the ends to be achieved, and to enjoy or dispose of the results of their activities, just as he pleases. Administrative rights are, of course, much narrower. They involve the decision as to methods to be employed in the work upon the estate and include all matters of organisation and the adjustment of personnel to organisation. They do not of themselves, however, include a share in the wealth accruing from such organisation, which is a perquisite of beneficial ownership.

Having made these eventual differences clear to yourselves, you will be in a position, first of all, to consider the actual state of affairs which has been brought about in the world by the development of the money system, on the one hand, and, on the other hand, to consider various proposals which are made to rectify the obvious defect of the present state of affairs. By the devices of Death Duties, excessive taxation, and actual powers of confiscation for so-called public purposes, all powers have been taken away from the land owner, as such.

It is a broadly accurate statement to-day that it is quite impossible to own any considerable quantity of land over a period of even two generations without having some source from which money is derived which does not arise out of the mere ownership of the land itself. So that the money system, having first transferred to itself from the titular owner of land the beneficial ownership of land, has, whether it originally wanted it or not, and I think that it probably did not want it, perforce assumed the administrative control of property and thus, except perhaps in name, combined in itself full proprietorial rights of practically the majority of the property of this and other industrialised country.

Finance, an Irresponsible Power

Now the old systems of property ownership, whatever may have been their defects, and I am not suggesting that they were not considerable, did carry with them a sense of responsibility. To see that this is not an empty statement you have only to visit the districts in which the influence of the large land owner still persists, notably, let us say, the Dukeries, or the Cotswolds, and you will find architectural evidence of a desire to create a countryside which, having in mind the fact that modern scientific progress had no part in it, was a great deal more creditable to those who were responsible for it than is most of the land development at the present day.

But the modern financial control of the country acknowledges no obligation except to itself, and at various monetary committees and investigations with which I have been connected, bankers have specifically said that they were business men concerned only with the interests of their share holders and depositors, who in turn can only be expected to be interested in the monetary results of their participation in the banking system.

The results of this combination of power and irresponsibility are in evidence all around us. We see housing schemes which are constructed with the single eye to spending the least amount of money and getting the greatest return for

it, as witnessed by the ribbon-building schemes which are a disgrace to our countryside. We see the same idea in the persistent effort to restrict production for the purpose of raising prices, while at the same time large quantities of the population cannot obtain the necessities, and certainly not the decencies of life, because they cannot pay the prices which exist.

Looking at all of the facts dispassionately, I think it is a moderate statement to make that we are to-day living under a monopolistic proprietorship of the world's property, which is more powerful and, at the same time, more irresponsible than any which has previously existed.

At the present time this monopoly of monetary credit has, so far as I can observe, no policy which is not primarily directed to the perpetuation and strengthening of its own position. Furthermore, it has, during a period of almost unchallenged power, given no evidence of possessing qualities or of attracting personnel either willing or capable of taking human values into consideration in its administration of the world's affairs, and I think that this statement is conclusively proved by the startling correspondence between the figures of suicides and the statistics of financial distress, commonly known as bankruptcies, if we observe them over the period associated with the supreme control of British finance by the present Governor of the Bank of England, Mr. Montagu Norman.

The uniquely extraordinary feature in this situation is to be found in the widely differing influences which seem to combine to maintain and enhance it. In the first place we have, of course, the ignorance of the nature and meaning of money on the part of all but the very smallest fraction of the world's population, an ignorance which is all the more remarkable when we consider the immense and almost reverential importance which the average individual places on money itself.

But, in addition, we have numbers of psychological factors which at first sight appear to be unconnected with money or the money interest. We have, for instance, the recent pronouncement of President Roosevelt, who is one of the richest men in the United States, and whose riches are almost entirely derived from the automatic rise in the value of the property of the portions of the United States which descended to him from his forefathers, that prosperity must come as a result of honest toil. We find, in fact, the very individuals who are spending great thought and ability in finding methods of reducing the output, both of nature and of the industrial arts, are almost unanimous in insisting that what production there is, shall not be attained by individuals unless they work for it. It is at one and the same time an insistence on economic slavery accompanied by active efforts to make even economic slavery a practical impossibility.

While the recognition of the facts of the situation is obviously the first stage to the rectification of them, I should be the first to agree that it is only the first stage. But, nevertheless, it is one of great importance. So long as the average individual is content to believe that it is in the nature of things that he should have to struggle for a livelihood, even though surrounded by plenty, and that it is a reasonable proposition that when he has attained a precarious livelihood a quarter of the claims upon this livelihood should be taken from him by means of taxation and probably not less than another quarter by further taxes which appear in prices, he is not likely to combine to rectify the position.

The Obvious Need Of Purchasing Power

I would ask you, therefore, to consider seriously one or two observable phenomena and then to make up your minds in regard to their desirability. Go out into the streets of Oxford, either in fact or in imagination, and give a shilling to the first poor man whom you find.

Assuming that he really is a poor man, and there are plenty of them about, it will not be very long before he has spent this, and it is a reasonable assumption that he will be the happier for the goods which he obtains in return for your shilling. If possible, ask the shopkeeper who exchanged goods for the shilling whether the transaction pleased him. I think you will have an affirmative answer to this also. I have very little doubt that if you could trace the train of events set in motion by your gift of the shilling, you would find that each one of the stages of its journey was a source of satisfaction to those who were concerned with it.

(Continued on page 160)

A Labour View of Social Credit

I READ with great interest the article entitled "Social Credit and the Labour Party" by Mr. H. Norman Smith, prospective Labour Candidate for Faversham, in a recent issue of SOCIAL CREDIT.

As I am also a prospective Labour Candidate, perhaps my views on this same subject might interest some of your readers.

Taxation of the Rich

I agree that in this age of plenty it would be possible, with a proper financial system, to increase the purchasing power of the poorer members of the community to a very large extent without taking anything from the rich by taxation or otherwise.

In spite of this I would like to see the very rich taxed much more heavily than at present. My reason is that I consider that no matter how small or how great the purchasing power of the community may be, it should *in justice* be far more evenly distributed.

I do not suggest that everyone should get the same income, but my opinion is that no man should have more than four times the income of any other man. (Of course I agree that men in certain positions may require, in addition to their personal salary, a special allowance for travelling expenses or some other special expense of that nature).

If, as a result of the Social Credit system, the purchasing power of the community was doubled, I would still consider that no one should have more than four times the income of any other person, e.g. that no one should receive more than £2,000 per annum until the lowest paid worker gets at least £500.

The Attitude to Work

I also believe that even if Social Credit were in operation "Work" should still be a condition of receiving an income, for no matter how many labour-saving devices are invented there will always be *some* work to be done.

Even if labour-saving machinery made it possible to reduce the eight-hour day to four, I would still hold that every man should do his four hours work per day as a condition of receiving an income.

I would still think it very unjust that any man should be given no work to do while others were given even four hours work per day. Whatever work has to be done, let it be fairly distributed.

On the other hand, I am not one of those who consider that it is desirable to find work in order to keep men out of mischief.

I would welcome the reduction of hours from eight to six (without any reduction in purchasing power, of course),

and I believe that the vast majority of men would make good use of this extra leisure.

The Labour Party also want shorter hours together with an increase in the workers' purchasing power. I consider that the present financial and banking system is the chief obstacle, and that more and more Labour men are coming to this conclusion.

Nationalisation and Workers' Control

I believe in the Nationalisation of essential industries and services, and in workers' control. But I also believe that in addition to these things it is essential to the establishment of a just social order that we should have a financial system which will enable us to consume what we are able to produce and which will not compel us (as the present system does) to starve in a world of plenty.

Like Mr. Norman Smith, I believe strongly in slum clearance, municipal housing, raising the school age, free school meals and books, and earlier pensions, in addition to higher wages and shorter hours. And I agree that the present artificial shortage of money is the principal obstacle to the accomplishment of these things.

Inflation

It is often said, "What benefit would it be to a man if his wages were doubled if the cost of living were at the same time also doubled?" I agree that it would be little benefit, but merely a form of inflation. We must aim at higher wages without an increase in the cost of living, and it is my opinion that this can best be accomplished by putting more new money into circulation and at the same time controlling prices and thus giving us just sufficient purchasing power to enable us to consume all that we can produce. This would not be inflation.

Producers and Consumers

Both producers and consumers would benefit together, for under a just social order all consumers would also be producers (in the widest sense of the word) as well as all producers being consumers.

I believe that the aim of production should be consumption, that every one should do a fair share in the work of production, and then have sufficient purchasing power to enable them to consume a fair share of the total produced.

If any of your readers who do not agree with me on these matters like to express their opinions in your journal I will be very glad to consider them.

ROBERT M. BURKE,

(Irish Labour Party Candidate for Co. Galway at the 1933 General Election.)

TAXATION AND SOCIAL CREDIT *cont. from p.159*

Now imagine yourself to be a coiner of such consummate skill that your forgeries were undetectable, which is very much the position of the Banker. Can you indicate to me any stage at which your forged coin would not produce the same excellent results as that which is produced by what we call a "good" coin? I feel sure at once that some economist in the audience would say "Oh, yes, but if you did very much of this, prices would rise." I am not here to-night to give you a highly technical address on the mechanism of money, and I will, therefore, merely agree with the economist but ask him to assume, for the sake of this argument, that prices did not rise. Under these conditions, every fresh shilling that you distributed to those who had not already got so many shillings that they had no use for the goods they could buy with them, would mean that goods could be bought and that the economic paradox of poverty amidst plenty would rapidly be resolved.

Now what I want you to consider is, do you want this to happen? Be clear about it. Supposing, for the sake of argument, that there are enough goods to go round in such quantities that everyone could have a high standard of bed, board, and clothes in the world without risk, and so far as, let us say seventy-five per cent. of the population is concerned, without working in an economic sense. Do you want that, or do you want to make people work whether their work is necessary or not? Do you regard the economic system as a device for meeting man's material needs with

the minimum amount of trouble to everyone, or do you regard it as a moral discipline?

Shall Financiers Determine Our Standard of Life?

Secondly, are you willing that an entirely self-appointed set of international money-makers shall dictate to you the terms on which you may obtain the benefits which are available through the progress of the industrial arts? Since it is, I think beyond question that economic dictatorship is the major predisposing cause of war, are you willing to fight in the modern type of war to uphold a monopoly of financial credit? If you are not, I assure you that there is only one alternative before you, and that is to fight in another type of war, which fortunately, need not be so diabolical in its manifestations.

There are in this country at the present time two organisations which have the conscious aim of attacking the monopoly of credit and forcing the institution of the National Dividend, the inversion of taxation. The issue at stake is perhaps the greatest with which humanity has ever been faced, because its successful outcome means at least three major victories. It means that poverty and economic insecurity will vanish for ever from earth, it means the removal of war from the status of a business proposition, however horrible, and it means the release of the human spirit, through material leisure, for far greater conquests than have so far been achieved.

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THE JUST PRICE

THE Just Price is the logical corrective of ascertained defects, replacing a fraudulent gold standard, by a mathematical standard as a currency basis, and eliminating the deficiency of purchasing-power so that the amount of effective demand (money) in the hands of individuals should always equal the financial values to be charged against them, in the price of consumable goods.

The *minimum* price of goods sold is built up from all the stages of production. The cost of every economic process must be charged into the price of goods made for use. This "price" is the financial value of a material commodity, but its value in exchange is again governed by the fluctuating value of money as a commodity, based upon the gold basis of currency held by the Central Bank: the over-riding "quantity law" of money, operated by the fictitious gold standard.

Therefore when we buy bread we are paying not only for the bread itself, but for the machines that made it, the factory housing those machines, the train that carried them to the factory, the bridge over which the train runs. All capital goods are charged into the price of consumable goods.

Why not? it is asked. Is it not equitable that consumption should pay for production? Yes; by all means pay, liquidate the total price, *if you can*; but surely, a strictly scientific productive process must be balanced by a scientific distributive process. The question ignores the obvious fact, that the bread is consumed *to-day*, whereas the machines and the factory and the train and the bridge *and the prices representing them* will exist for years.

Production is Increased Communal Wealth

In other words, the productive process inevitably leads, in any specified period, to an increase of the communal wealth. More goods are produced (including imports) than are consumed or exported. Production must exceed consumption.

The surplus production is increased wealth, the financial value of which is expressed by its cost price. The units of wealth thus created are carried forward to be used over a variable term of years: they are the "future goods" of the A + B Theorem. Therefore, their *price* must be carried forward to be liquidated in the final price of consumable goods over the same period. The accounting method of doing so is a matter of elementary knowledge; Capital *goods* are "depreciated,"—that is, their price is charged by percentage allocations into the accounts of succeeding years; Capital *debts* are met by such payments as Imperial taxes, municipal rates, or commercial sinking-funds, the yearly payments forming part of the "cost" of that year's production of goods, *although it is obviously impossible to distribute effective demand (money) in that year to meet the price thus created.*

Major Douglas, therefore, simply proposes that the effective demand issued in respect of Capital production shall be eliminated from the current price of consumable goods, and carried forward to balance the capital charge when it appears in later years. In other words, that the total price payments in any period of time shall be equal only to the consumption of the period.

What Price Should Consist Of

The price of goods to the consumer should represent only the real benefit received by him *as an individual*, and should contain nothing to cover the increased real credit accruing to the community in general, until that credit reaches him by the depreciation of use over a term of years.

How can this be done? So far from being an abstract conception; the Just Price depends upon precise statistical proof. The terms "production" and "consumption" in practical economic life, do not refer to goods, but to *financial values*, prices. The Social Credit proposition of a production surplus, therefore, may be ascertained definitely by a summary of the prices of all production, and of all consumption, during a specified period.

A System Easily Effected

The steps to be taken based on the proposals of Major Douglas, might be tentatively outlined:

1. To compile statistics of the goods produced, and the goods sold *for consumption*, by every business and undertaking during the first six months of 1935. These particulars could be obtained without difficulty through

the Board of Trade or the Inland Revenue Department assisted by the accountancy profession; if necessary extending the audit clauses of Companies to all businesses or undertakings of every kind.

The necessary organisation would be much less difficult than that undertaken by Britain or America during the War.

2. The completed statistics, proving the precise accounting values of production and consumption during the period, would show the *real income* of consumption, and the surplus wealth-production or "future goods" carried forward. The statistics, be it remembered, would be price-summaries; and, reducing them to the normal form, the Social Credit proposition as explained above would be mathematically expressed:—

$$\text{Just Price} = \frac{\text{Total National Consumption}}{\text{Total National Production}} = \text{Price-Factor.}$$

3. The price-factor thus *practically* and *precisely* ascertained would be applied to all economic transactions during the succeeding six months of 1935, by applying it to retail sales. Thus, if in the census period production be assumed as £100 and consumption as £50, then the price-factor of half (*i.e.* sale at half-price) would be applied to all retail sales in the succeeding period.

4. The statistical record would be repeated each six months, and the necessary adjustment made to the price-factor.

5. Finally, be it noted that no change of any kind would be apparent in practical economic life, excepting the application of the price-factor to transactions between individual consumers and the retail distributors. It cannot be emphasised too strongly that the method of applying the Just Price is simply a matter of organisation and practical convenience. Various methods are equally suitable, but the use of the discount-voucher, a familiar commercial operation, is particularly efficient.

Thus, a retailer would sell his stock, under a price-factor of half, at half price; the remaining half would be, simply, a consumer's discount of fifty per cent. This discount would be made up to the retailer by a voucher issued from a special Treasury account; a special form of "discount-currency" issued by the Government. These discount-vouchers would be available for all bulk payments from the retailer back through the stages of production,—that is, for all payments between organisations, cancelled out by a proper use of the Bankers' Clearing House system, and not affecting individual consumers in any way. The vouchers would be in effect "cheques" with specific attributes.

Purchasing Power Would Equal Prices

It should be noted that *such discount vouchers do not represent an inflationary issue of currency. They are issued against goods already in existence*, and to cover sales of those goods for consumption. They are subject to the inter-unit cancellations now actually operating by the cheque system. If the Government were finally responsible for a new currency issue, that issue must be limited to the profit included in the discount, while the gross total of the National Treasury Account operating the discount, cannot exceed the amount of currency released to remain in the hands of consumers, when making their purchases.

How is that currency balanced?—Obviously, by the prices carried forward from surplus production, as disclosed by the price-factor. Therefore, the money or effective demand in the hands of individuals would always be equal to the prices or financial values of *all unconsumed goods and capital assets* in existence; and the increasing total of the National Treasury Account would be in effect the Capital Account of those individuals, representing the total Communal wealth, to be increased when that wealth increases, to be reduced *when that wealth is consumed.*

As a logical effect, the ascertained price-factor becomes the standard of value based upon productive-power, *replacing gold.* Greater relative production must mean a reduced price factor; the *first* price-factor may be likened to the precise standard against which all future fluctuations are to be measured, not according to the absurd and archaic regulations of the Gold Standard, but by the power of human genius in production, and human enjoyment of that genius in consumption, to which the real purpose of economic "justice" must tend.

DARAN.

SOCIAL CREDIT MOTIFS

V. The Time Element as Dividend

"The individual only possesses inalienable property of one description; potential effort over a definite period of time It follows that the real unit of the world's currency is effort into time"

Now, time is an easily measurable factor . . . , and for a given process, the number of human time-energy units required for a given output is quite definite. And it is vital that improved process must decrease the time-energy units demanded from the community, or to put the matter another way, all improvements in process should be made to pay a dividend to the community."

C. H. DOUGLAS.

We have examined the money-mind in its expression as will to power. We have seen how it has broken to its purpose the rhythm natural to any effective money system. We have seen the dam it has erected across the stream of human energy by this device. We have found the malignity of that Will so strong that it desires power without responsibility—it spurns alike the responsibility of ownership and of labour. So inflexible is it in the pursuit of mere power, that it will destroy even itself in a common ruin, rather than allow power to be diffused throughout the congregations of men. We well understand that such a course is the inevitable path of the Will when it opposes the unfolding genius of the human race.

But now we turn away from the ill-timed dealings of the money-mind, and feel the invigoration of the actual achievements of men. A strong rhythm marks their course. It is not for nothing they have subdued the world to their proper purposes. The dark picture of The Element of Time as Will to Power is offset by the bright vision of that other power, of the sane mind and vigorous body: the power caught by the Sun itself, whether of to-day's radiance, in its flowing airs and waters and its immediate translation to utility as electricity, or of the unmeasured past in the imprisoned fire of oil and coal. Nor can we omit to class with these natural forces the equally natural mental activity, subtlety and tensile strength of men, whose interior en-

lightenment has captured the primary power of the Sun through these many channels.

Intelligence and labour have brought into men's service the speed of light, and energy illimitable. Time, linked with human purposes, performs in the space of minutes, tasks which the direct labour of years could not accomplish. Energy of gigantic volume is focussed by means of their devising. These "improvements in process should be made to pay a dividend to the community." This is time genuinely saved; human labour genuinely lightened.

The real world is thus the source of the Dividend due by natural right to everyone born to-day. It is not something for nothing: not only are we surrounded by the achievements of ages, but we carry in our quickened sensitiveness the effort of mind that laid the natural forces under contribution. We have other than toilsome work to perform; the works of freedom and of joy await our devotion. And the standing-ground of our contribution is the common wealth.

No one should have power to dictate what shall be done upon that standing-ground nor the speed of life's unfolding. For men's proper acts are a living growth and cannot be revealed before they appear in the course of nature; the world's accumulated power is gathered to a focus in them. And in those acts human need and the will to meet it move in rhythmic accord.

The money mind opposes these vital forces. The blasphemy of checking the rhythm of need and power, of preventing the emergence of the new in all its surprising quality, must be laid at the door of Finance. And the responsibility for effectively repudiating that blasphemy must be laid at the door of every man and woman.

We leave method to the cleverness which never fails. It is ours to assemble the will and give cleverness the congenial task of redemption from its hated service of the will to power. The task of this moment is to establish, by massed common sense, that "the real unit of the world's currency is effort into time."

DEMOS.

The Stones

Breaking the stones was once a penalty meted out to criminals and paupers; "getting the stones" was its familiar name. The phrase may well be used to typify useless labour; work-for-its-own-sake.

"If his son ask for bread, will he give him a stone?"

Yes; our fatherly economic system will; plenty of stones; piles and piles of them, till they lie like a mountain upon the earth, crushing the grain beneath, while all civilisation echoes with the sound of the hammering. A little bread, too, perhaps; aye, there's the subtlety, of the thing; but it is the "bread of carefulness," just enough to help a man to deal with the stones.

"It is but lost labour that ye rise up early, and so late take rest and eat the *bread of carefulness*."

"Command these stones that they be made bread!" suggests the voice of the Tempter.

No! You cannot change a false idea into a true one by miracles and palliatives applied at the wrong end,—that is, to the accomplished result. You must clear the stones right away from their very foundation and say quite clearly that you will have no more of them. The work-for-its-own-sake superstition cannot be transmuted into a fruitful idea; it is a mere encumbrance, and the only perverted use the stones can serve is to be cast at the heads of those who have discovered the truth.

"Ho! everyone that thirsteth; come ye to the waters, and he that hath no money, come ye, buy and eat, yea come, buy wine and milk without money and without price. Wherefore do ye spend . . . your labour for that which satisfieth not? Eat that which is good, and let your soul delight in the fatness." (Isaiah, Chap. LV., v.1.22.).

DOROTHY DUDLEY SHORT.

RELIEF OR DIVIDEND?

According to a report on the U.S.A. Federal relief by Mr. D. R. Richberg, since the average family in the U.S.A. consists of rather more than four persons, it is estimated that well over twenty million people, or about one-sixth of the population, will be on relief rolls before the coming winter is ended.

And when the total increases to one-half, the people may discover, what we knew all along, that America is a very rich country. And then perhaps they'll raise their relief several times and call it a National Dividend.

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FOOD RIOTS AMIDST ABUNDANCE

THE prospect of starvation and want during the coming winter has become so alarmingly apparent in Germany, that the people are, at last, demonstrating against the lack of money which is imposing hardships and distress upon them.

Rioting has occurred in several industrial areas and protest meetings have been staged in market places and food shops. On October 18, the *News-Chronicle*, reporting the situation, commented upon the fact that "supplies of most articles continue to be abundant, but soaring prices are putting them beyond the reach of working-class households."

Of course supplies are abundant—the goods we want are abundant in every country—but until the German people realise that they are only being withheld from them because finance is restricting their money incomes, they will continue to starve in the midst of plenty, and see the goods they are in desperate need of being destroyed or rotting in the factories and warehouses.

Not Germany Alone, but all Countries

The German situation may appear more dramatic, but the problem of "Poverty amidst Plenty" is not peculiar to Germany; it is the major problem facing all industrialised nations at the present time.

The word "industrialised" needs emphasis: it means that these countries possess efficient mechanical means of production which make human labour increasingly unnecessary in industry. The machine is shouldering man's toil, yet instead of welcoming it with gratitude, man is forced to resent its growing power.

In face of the obvious abundance of goods which machinery can produce it is not surprising to learn that the increase in our productive capacity since the Industrial Revolution is estimated at about 4,000 per cent. And the distribution of this abundance is by far the most important issue before the people of this country to-day.

It is the general custom to blame the productive system for our failure in consuming its output. The only methods for improving trade put forward by politicians of all parties are schemes of "Planned Production." Apart from the fact that most of these schemes are designed still further to reduce the peoples' purchasing power, they would carry with them no benefits whatever, as they aim merely at the re-organisation of an already highly organised and efficient part of the economic system.

It cannot be too often repeated that the problem of production has been solved. Industry has triumphed over the age of scarcity and is ready and able to provide us with all we require to satisfy our material needs. What then is preventing us from participating in this abundance? The goods are there and the need exists, and it should be the function of the economic system to satisfy that need and to deliver those goods as they are wanted, when they are wanted, *and in the exact form in which they are wanted.*

It does not do so. The economic system is prevented from fulfilling that function because of a defect in one of its component parts—finance. The purpose of a financial system should be to enable industry to deliver the goods. It *should* be, but it certainly *is not*.

In this situation it is ridiculous to argue that the financial system has not broken down. There is abundance, and there is poverty; industry is able to deliver the goods, the goods are not being delivered. The financial system has therefore virtually collapsed.

We have seen that the situation in Germany is directly due to the lack of purchasing power of effective demand in the hands of the people. The wages system as we know it to-day is obsolete in so far as it makes no provision for the progress made by science in the field of labour-saving inventions. The position may be summed up simply as follows:—

More machines, less work—less work, less purchasing power—less purchasing power, less consumption—less consumption, less production—less production, less work—less work, less purchasing power . . .

This deadlock will continue until some attention is paid to the consumer. Wages alone cannot absorb the output of production as they are in themselves merely a fraction of the cost of production. Unless some additional means of purchasing power is found, the very purpose of industry becomes meaningless.

The Social Credit Movement offers an effective and straightforward method of placing in consumers' hands sufficient money to absorb the goods as they appear upon the market. The technical method of accomplishing this has been afforded the deepest consideration and it is now agreed by a daily increasing number of people that it is indeed quite reasonable and possible to increase the nation's money income without any fear of inflation and with reduced taxation.

The movement realises also that Great Britain is, nominally, a democratic country in which Government should express the will of the people and it therefore proposes to place before the Electorate of the country a clear-cut proposition requesting them to bring pressure to bear upon their Parliamentary Representatives, and to insist upon the abolition of poverty.

Never before in the history of this country has democracy had such an opportunity of asserting itself and proving its supremacy over Dictatorships, be they open as in Germany, or hidden upon the Financial Olympus, as in Britain.

Reproduced below is the Electoral Campaign Leaflet upon which the canvass of the Electorate will be based. Its object is to place before the people as clearly and simply as possible the arguments for a National Dividend to abolish poverty, the function of democracy, and the method by which it can be made to work.

M. C. BOND.

Electoral Campaign Leaflet No. 1

DEMAND A NATIONAL DIVIDEND

You are a Citizen of a Rich Country

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

Poverty To-day is only Lack of Money

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

Wages are payment for human work.

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

But the Goods are There

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

An Extra Money Income for All apart from Earnings

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

This is a Democratic Country

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

A National Dividend Now.

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

Arrest These Horticulturists !

SCIENTISTS will not leave ill alone. In spite of the gluts of fruits and vegetables, they keep curing plant diseases.

In June, 1933 (see Circular No. 7, of the Experimental Research Station, Cheshunt), they turned their attention to Spotted Wilt disease of Tomatoes. They traced the spreading of this disease to the thrip insect "a minute, grey-coloured sucking insect" one twenty-fifth of an inch long, and they used the ordered modern methods of crime suppression, with plenty of calcium cyanide, and Grade 16 Napthalene.

Selfishly, they gave no thought to anyone's work but their own. They ignored the practical result to producers and distributors of their successful round-up. Mark the sequel.

Middlesex is London's vegetable garden, and growers there this year have shown what courage they had in difficult circumstances. They are faced with the financial loss and moral responsibility of a glut—and the good summer did nothing to help them.

They grew, gathered and graded tomatoes; and then they wondered what to do with them next. A good many people resisted the temptation merely to let the tomatoes rot. This needs moral courage. When you cannot eat a thing yourself, and cannot sell it, nor pay to have it thrown into the sea, you are tempted to give it away.

And of course to give things away is to say goodbye to business morality, and to ruin the sturdy British independence which has enabled us to grow tomatoes on the best scientific principles, and watch them rot on the best business principles.

Passing from the vegetable to the fruit garden we find things even worse.

Cydia funebrana, who sounds like a prima donna but is really the red plum maggot, was given an arsenical wash, and the season's reports on the condition of fruit crops make

discouraging reading. "Plums are bearing good crops of large clean fruits . . ." "Plums . . . are fruiting heavily. Apricots shed a quantity of fruits at the stoning period but plums held on."

In Kent the plums are damaging the trees. They are also damaging the morals of some of the local inhabitants. The growers are not picking them, it being cheaper just to let them fall. Nor are they guarding their fruit crops, and small boys, imperfectly educated in the principles of Sound Finance, are picking up plums and eating them.

This is bad for small boys, and dangerous for other people. I have even heard a resident say she thought it was "a good thing" that the children were getting the fruit. This remark was made by a woman, quite untrained in business principles, and admittedly sentimental about children. Still, it just shows . . .

This is one of the deplorable results of what the "Times," speaking of the necessary restriction of wheat, calls "accumulation of . . . burdensome surpluses."

In the interests of public morality one of two things should be done. Either the plums should be gathered at the public expense and destroyed, or, if the ratepayer produces evidence that he cannot find the money to pay for this, a volunteer guard should be enlisted to protect our plums and principles. They could wear armlets or badges with an encouraging slogan, such as "Honour and the System," which would give them some authority and foster their pride in public service.

But there is much to be said against this dependence on the good feeling of the public. They have many other calls upon their patriotism. It would really be better to take reasonable measures to restrict the activities of the experimentalists who league with Nature to produce this embarrassing plenty.

Will someone inform us what grade of naphthalene should be used to discourage Research Workers?

F.K.W.

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"Open Letter to Teachers"

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—“Historian’s” confidence that his “views meet with the approval of most experienced and thinking members of the profession” makes it imperative that I, as a member of the same profession, should hasten to destroy that confidence.

I beg to express my disagreement in the following statements.

1. That the duty of a teacher is not to develop and cultivate the minds of children along any path, but to give them the confidence and power of discrimination which will enable them to choose their own paths.

2. That only last week the daily newspapers printed convincing facts concerning the prevalence of the continued use of condemned schools.

3. That our stock requisites are largely governed by the “necessity to economise.”

4. That for the children of many schools in large cities, a blade of grass is almost a phenomenon and a visit to the playing field a treat and privilege rather than a custom.

5. That numbers of teachers still eat their midday meal in classrooms and boil kettles of water to wash in.

6. That any “giant strides” made in improving the conditions for teachers and scholars have always been made by increasing rates or neglecting other necessary improvements.

7. That large classes still obtain, and that many teachers realise that education of real value can only be possible with classes of twenty or twenty-five.

8. That I, together with many others, flatly refuse to agree that ANY “degree of economy” is necessary other than an economy in the criminal waste of human health and happiness at present being allowed.

9. That the “competitive world” in which we live is wrongly competitive as a result of the false economic system controlling it.

10. That the rising generation will thank no one for allowing the present system of economic enslavement to continue, and that it is criminal to allow the same generation to grow up with the belief that economic freedom is neither possible nor desirable.

Poverty and its attendant evils, in this age of abundance, IS a crime, and if teachers would have their profession recognised as either honest or noble, they must face the facts and take the lead in abolishing this money system which threatens to precipitate and foster war, to enslave the minds of the masses increasingly and to make dreams of culture and freedom mere phantoms retreating into an ever thickening fog of fear.

Yours faithfully,

D. M. ROBERTS.

“Fern Lee,” Halewood Road, Gatacre, Liverpool.

"A Social Credit Combine or Trust"

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—While the above matter must, of course, be of absorbing interest to all Social Crediters, I feel that there is a danger here of dissipating our very limited energy upon a task which is, at present, remote from the responsibility laid upon the Movement by Major Douglas in the form of the execution of the Electoral Campaign.

Let us first concentrate, and throw all our energy into the successful launching of the Campaign—we have not yet made sufficient progress to have gained the impetus with which it will grow. We have been told again and again that unless we can complete the canvass in a limited time we shall fail completely in saving civilisation from the disaster which is threatening it. Personally I support this view and charge every other Social Crediter to realise that we *simply cannot afford* to deviate one jot from our clear cut line of attack—the Electoral Campaign—especially as this is obviously the most effective line of attack.

Yours faithfully,

Southampton.

“CANVASSER.”

Has Anyone a Duplicator?

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—It is possible that there are some Social Crediters in the Glasgow Area who do not wish to assist openly in the work of the Movement. If any such is in the possession of

a duplicating machine, he would render a valuable service by turning out circulars and notices of meetings for the Association. At present, such work can be done only by the tedious process of turning out a few duplicates a time on the typewriter, or by the expensive method of sending such work to a professional agency. If anyone is able to undertake such work, will he please communicate with the undersigned? The Secretary will deal with the matter in strict confidence, and will not divulge the identity of any volunteer to anyone, outside or inside the Association.

Yours faithfully,

H. C. MUNRO,

Hon. Sec., Glasgow Douglas Social Credit Association,
6, Greenlodge Terrace, Glasgow, S.E.

November 1, 1934.

Increasing the Sale of SOCIAL CREDIT

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—By the following device I have got my newsagent to consent, quite readily, to display “SOCIAL CREDIT”—namely, a promise to buy, in addition to my own copy, any number, up to five, unsold at the end of the week, provided these were in view all the time.

The most I can be “caught for” is 10d. a week, for which the compensation is a clean copy to file and five others to give to friends, leave in clubrooms, etc., I shall be surprised if I am left so much as one copy.

May I appeal to fellow readers—even direct subscribers—to give a guarantee of this nature to some newsagent they know who is not as yet displaying our paper?

Yours faithfully,

74, Haydon Park Road, S.W.19.

N. R. BROWN.

November 1, 1934.

"Disarmament is Irrelevant"

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—With reference to your paragraph headed “Disarmament is Irrelevant” might I suggest that there are *two* main causes of war. One is the logical and reasoned cause, an inefficient money system resulting in the struggle for foreign markets, etc. The other cause is illogical and often irrational, such as the desire for excitement, change, and adventure, which is roused by such slogans as “Your Country Needs You,” the brass band, the uniform, and the avenging of a weaker nation.

This second cause is liable at any moment to precipitate us into another war *before the change has been effected*. Disarmament is the only cure for the latter cause as assuring the inability to fight on a moment’s impulse (always remembering that armed or disarmed there is no effective defence from the air).

It would seem that these two adjustments, Monetary Reform and Disarmament should go hand in hand, as dealing with two aspects of the same thing and not as being in opposition to each other as they are in grave danger of becoming.

Yours faithfully,

DOROTHY R. PUGH MORGAN,

Mollman’s Farm, Magdalen Laver, Ongar, Essex.

October 23, 1934.

"To Certain Humanitarians"

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—In reply to Mr. R. A. Brown, I should like to state that it was not my intention to attack birth control when practised for reasons of *health*, only when practised as a substitute for economic justice and sanity. The issue of the National Dividend would banish poverty and permit people to have children if they wished.

I would not, however, agree that there must be an optimum population “which must alter with man’s views as to the ultimate aim and object of human existence.” The question arises—“which men’s views?” Surely views as to the number of people who should be allowed to be born upon the earth would be widely divergent, and “planning” of the population is contrary to the whole spirit and philosophy of Social Credit.

My view is that such matters can be safely left to God or Nature, and that there is not the slightest danger that the world will ever be seriously overcrowded. Such a contingency has been provided against by the physiological law

that low feeding favours breeding, and that comfort and plentiful food tend towards decreased fertility.

To plan how many people should be born and decide what is the object of human existence, would at once open the door to that tyranny which is the aim of Social Credit to overthrow. As Major Douglas has stated, it is not known to what end man exists. Therefore, every individual should have the utmost possible freedom to develop along his own lines.

The fact that most women in these days do not desire to spend the greater part of their lives in bearing and rearing children, would, I think, be a very effective deterrent to the production of out-sized families.

No doubt knowledge of birth control should not be withheld from women who are not strong enough to bear children, whether poor or rich. What is happening, however, is that the poor are constantly being urged to limit the number of their children on the false plea of economic necessity, although they may be young and healthy and perfectly fit to be parents.

Yours faithfully,
D. BEAMISH.

"Kenythorn," The Bridle Path, Parkstone, Dorset.
November 2, 1934.

The Election of Chairman

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—May I, by your courtesy, inform the members of the Council of Representatives, of the Social Credit Movement, that the nominations of myself for the Chairmanship were made without my knowledge or consent. I would not have accepted nomination. There is only one Chairman thinkable, as the election now completed will show.

Yours faithfully,
A. L. GIBSON.

2, Paradise Square, Sheffield.
November 5, 1934.

"The Cistern and the Fountain"

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—In the article by the Rev. Dixon. in your issue of November 2, I much regret the inclusion of many rash and partial statements, evidently the outcome of religious bitterness rather than a well-balanced interpretation of history, having little scientific value in a paper devoted to a logical and impartial consideration of present day difficulties and their scientific solution.

Social Crediters are attacking the error in national accountancy. It is surely a mistake to blame commerce for our present plight, or the Protestant Church of the Reformation for encouraging an industrial system which has only recently shown serious defects, on the grounds that the system was based on a defective accountancy method only discovered in 1918. Nor must we, in our enthusiasm exposing and ridiculing the follies and injustices of the past and present, glibly suppose the rectification of an accountancy error and the breaking of the credit monopoly will dissipate the evils of selfishness.

As our movement exists to do something concrete and not merely to generate more talk, may I plead for silence on all irrelevant matters, and if history must be mentioned, let it be with magnanimity to the point of error even, lest through foolish discord we play into the hands of the "Cistern."

Yours faithfully,

19, Hylda Rd, Handsworth, Birmingham, 20. A. M. WADE.
November 5, 1934. (Member of the B'ham Central Group).

TO THE EDITOR OF SOCIAL CREDIT.

Sir,—Please accept my congratulations on the last number of SOCIAL CREDIT and most particularly on the brilliant article "The Cistern and the Fountain," which I have read not merely with enjoyment, but with deep satisfaction. The quality of this article, instinct with the philosophy generally referred to by the derogatory label of "Catholicity," is enhanced through being written by a clergyman; and although he shows only too clearly the resistance which the policy of Economic Democracy must receive from the enemies of life and laughter, we may take heart from the thought that we cannot but have the last laugh, and that it will be the best.

Yours faithfully,
W. L. BARDSLEY.

NOTICES OF DOUGLAS SOCIAL CREDIT MEETINGS

Notices of Social Credit Meetings will be accepted for this column. Six lines 1s., seven to twelve lines 2s.

Belfast Social Credit Group

A Course of six weekly lectures, each followed by a discussion, will take place in the Grand Central Hotel, Belfast on Thursdays.—First lecture November 15th. 7.30 p.m. for 7.45 p.m. Admission 2s. 6d. for the course. Single lectures 6d. Group members free. Hon. Sec., J. A. Crothers, 17, Cregagh Road, Belfast.

Birmingham Douglas Social Credit Group

Nov. 14th, 6.30 p.m.—Queen's College, Paradise St., Birmingham.—Before Social Credit and After. Speaker J. G. Milne, Esq.

Erdington (B'ham) Douglas Social Credit Group

Nov. 15th, 8 p.m.— at Wesley Hall, Station Road, Public Meeting to be addressed by S. P. Abrams, Esq., B.A., on "The Way to Prosperity through the National Dividend." Hon. Sec., W. H. Hawkes, 54, Marsh Lane, Erdington, Birmingham.

Manchester Douglas Social Credit Association

Nov. 13th, 7.15 p.m.—At the Milton Hall, Deansgate, Manchester.— Social Credit: The Way to Prosperity. Speaker A. H. Blackman, Esq.

Solihull Douglas Social Credit Group

Nov. 12th at 8 p.m.—At Tree Schools, Warwick Road, Solihull.—Mr. Abrams on "Your Part in Poverty." VISITORS CORDIALLY INVITED.

South Croydon Douglas Social Credit Group

Nov. 14th, 8 p.m.—Public Meeting in Lecture Room, Public Hall, George St., Croydon.—Speakers Dr. J. Ewart Purves, Robert Scrutton, Esq.—Group Meeting at 91, Avondale Road, South Croydon, every first Monday at 8.30 p.m.—Open Meeting at same address every third Monday, 8 p.m.

The London Social Credit Club

Blewcoat Room, Caxton Street, S.W.

- Nov. 9th, 7.45 p.m.—The Meaning of Social Credit. Speaker H. Best, Esq.
- Nov. 16th, 7.45 p.m.—Class Distinction in a Social Credit State. Speaker Mrs. C. Marshall Hattersley (Vice-President, West Riding Social Credit Association).
- Nov. 23rd, 7.45 p.m.—Foreign Trade and Social Credit. Speaker Ewart Purves, Esq.
- Nov. 30th, 7.45 p.m.—What is Social Credit. Speaker A. L. Gibson, Esq., F.C.A., of Sheffield.

Visitors are welcome. A short explanation of Social Credit is given at the beginning of every meeting. Hon. Sec. Dr. Mitchell, 2, Bromley Common, Kent.

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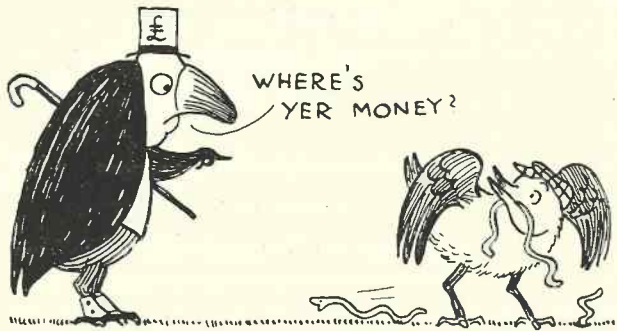
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WHO KILLED COCK ROBIN?

WHO, it has been repeatedly asked, killed Cock Robin?

The question is one of some diplomatic importance as involving the prestige of political authority. No one really believes for a moment that it was the sparrow with his bow and arrow. Archery is a pastime confined exclusively to the better classes and no sparrow is likely to have been sufficiently adept at the sport to have hit anything.

Their method of aggression, similarly, are those of the lower orders, and if in the event of any difference of



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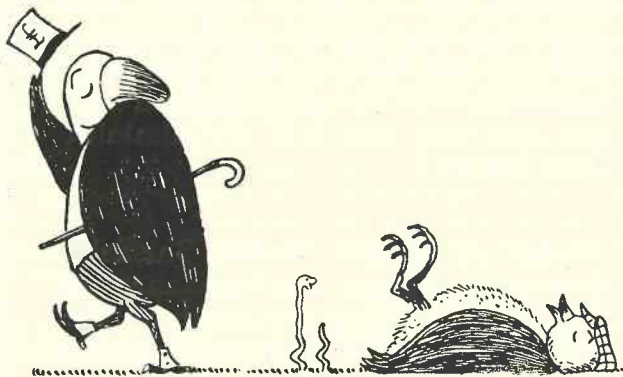
opinion or *casus belli*, a sparrow would have expressed himself in the terms of his class, and either summoned his gang and thrown things, or gone round at night and put dead beetles through the robin's letter-box, or else, if the robin was small enough, given him a sock on the beak.

Nevertheless, as we have been reminded by the Third Reading of the Disaffection Bill, discipline must be maintained even if we have to exercise careful control over the free discussion of political and economic theories.

And we are bound to ask; whom else could we possibly have blamed without offending susceptibilities of more important and respectable birds?

Actually, as we now know, Cock Robin (pronounced "Co-Robin" by the Kensington branch of the family) wasn't killed at all. He died, on sound economic principles of under-consumption, vulgarly termed "starvation," owing to the unprecedented surplus of crumbs.

Clearly, this is a matter the open discussion of which is not in the interests of the nation or of the bird-sanctuaries.



Nobody. He died of under-consumption owing to a glut of edible commodities.

For there are, unhappily, only too many strange birds who are so indifferent to the need of maintaining our national financial stability that they would not hesitate to suggest increasing pecking-power to meet the production of crumbs. And then what would happen to the price of wheat?

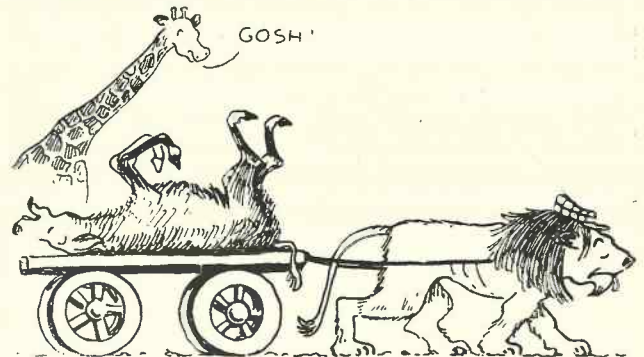
It is, I trust, unnecessary for me to explain why I have drawn attention to the identity of the moral, economic and political laws governing human beings, with those govern-

ing other creatures. It is obviously necessary to treat them all alike, to allay disaffection. If the mass of human beings, for example, were to become aware that other birds and beasts were able to consume their total available production, and eat all they required of the food there was to eat, the peace might be disturbed.

The fact is, the application of the same principles of government to all creatures is about to become a general practice. In the House of Commons last week, on the day when members were engaged in discussing the causes, effects and incidence of human disaffection, a member took the opportunity of asking the Colonial Secretary whether he was in a position to make an announcement with regard to the ratification by this country of the convention concluded at the International Conference in November last year for the protection of the fauna and flora of Africa.

We may therefore conclude that the fauna and flora of Africa are for it. We may surmise the nature of the care and protection which will be afforded to the four, two and no-footed natives of Africa, for we have had considerable practice in furthering the welfare of the inhabitants of the (up till then) dark Continent.

The general procedure is to approach some benighted species which, enveloped in heathen darkness, is following the economically unsound and morally deplorable practice of consuming its own produce *ad lib*, tax it for the use of



He must not be allowed to ignore the Quota Agreements.

its own land, and in order that it shall be enabled, in the name of justice, to pay what it now owes, make it stop working for itself and work for its betters.

It is only to be presumed that the same civilising process will be applied to the fauna and, if possible, the flora. There must be literally millions of beasts, of all shapes and sizes, which are permanently engaged in violating all the laws known to the School of Economics.

After all, why should the brindled gnu or the sprightly springbok be permitted to range freely over miles of vegetarian diet, in the production of which they have not invested a penny, without lifting a hoof to maintain prices?

Why, again, should the leopard, on the plausible but irrelevant excuse that he cannot change his spots, be allowed to help himself to several hundred different kinds of meat without the least reference to its effect on the Quota Agreements?

Clearly, these irregular practices cannot be longer permitted. In return for their privileges as humble units of the Empire, these animals must play their part in the maintenance of that economic stability on which their Empire depends.

I hope to hear very shortly that no lion is allowed his daily ration of two rats and an elephant's tail until he has carried a dozen fat bullocks to the public incinerator.

YAFFLE.