The Government continues to try and provide the whole population with all it requires, and operate the schemes; but they go on doing them just as they happen in Britain to-day." And everyone agrees that they are not accidental; they are the logical and inevitable results of the financial system, and so long as the incomes of the people depend on payment by quotas, restrictions, or State control, must inevitably fail.

The financial system—that is, the way money is created and issued—operates in such a way that there is never enough purchasing power circulating in the hands of the people in the form of incomes, to meet the total prices of the goods the nation produces or imports.

While this gap between total prices and total incomes remains, producers will continue to be unable to sell their produce, and they and those whom they employ will go on getting poorer.

The productive system, agricultural and industrial, is so efficient that without any further improvement it could produce less; as less work is done, less money than ever will be earned; production will go on chasing consumption down and down until they both reach hell or the end of all business.

Now, few people would object to being paid not to produce. The desire to obtain money for jam is amongst the most common of the secret yearnings of the human heart. Many of us, seeking an easy and profitable line of business, are always open to consider financial offers for not growing hops. For a slight additional remuneration we would extend our activities to the non-production of coal, and for a merely nominal fee we would bind ourselves to a rigid and determined refusal to carry pigs.

To be paid for not working does not, however, sound reasonable. Yet, in another sense, something like that will have to be done.

Consumers Must Be Paid To Buy

Instead of producers being paid for not selling goods, consumers will have to be paid to buy them.

So long as the incomes of the people depend on payment for work goods will remain unsold and production will decline. For in this scientific age, when the need of human labour decreases while productive capacity increases, the income could be provided immediately by the National Dividend. Based on the nation's credit (that is, on the nation's ability to provide goods and services), and accompanied by the Price Discount to prevent fluctuations in buying-power, it could be issued to every individual, irrespective of any other incomes and without further taxation or other sacrifice.

And by maintaining a permanent adjustment between incomes and prices, it would put an end to the present insane practice of restricting wealth to the inadequate incomes of the people.
MAJOR DOUGLAS'S BROADCAST

To those who did not have the privilege of listening to Major Douglas’s broadcast last Monday, we would point out that it is published in the current issue of The Listener, under the title "Is Our Money System To Blame?", accompanied by the reproduction of the chart, familiar to most Social Creditors, showing the relation between bankruptcies and suicides in this country since 1910.

Stressing the fact that military war is an intensification of economic war, and emphasising the inevitability of the latter, he pointed out that the Government's policy was denounced variously as Fascism, Socialism, and "State aid for capitalism." Not a voice was raised to urge the increase of the home market by increasing the money supply. Major Douglas explained how the issue of the National Dividend, by securing a steady home market for home production, would remove the economic necessity for capturing foreign markets, which is the prime motive for war; and provide an irresistible object-lesson by the spectacle of a contented and prosperous Britain.

The address, characteristically concise, will prove a valuable addition to the short statements of Social Credit policy for which Major Douglas is personally responsible. It will shortly be added to Social Credit publications.

THE LIBERTY OF THE SUBJECT

We have persistently maintained that the present steady encroachment upon public liberty is due to the economic theories upon which political administration is based.

Mr. Elliot, Minister of Agriculture, defending the Government's policy of extended interference in trade, made this admission in Parliament last week. He said:

"It is impossible for this country to make itself into a place where all the surpluses all over the world can be sent to find a market. Unemployment was rising to levels that highlighted the fact that it is impossible in these days to continue as we did when this country was the only industrial power in the world."

The occasion was the Liberal Amendment to the King's Speech, denouncing the encroachment upon the "personal and economic liberty of the subject." In the debate, the Government's policy was denounced variously as Fascism, Socialism, and "the regimentation in the economic sphere." Mr. Addision raised this question that the Government is in no position to continue its interference in trade, but it is impossible in these days to continue as we did when this country was the only industrial power in the world.

Though Mr. Addision shares the Labour Party's mistaken belief that power lies in the administration, and not in the principles, of the money system, he did at least advance the suggestion that the Government is the buying power of the consumer, and that the cause of the economic dilemma is the money system alone. After so much talk of tariffs, quotas and other devices by which the life of the nation is trimmed down to a money shortage, and the whole trade of the country, home and foreign, accommodated to the lack of internal purchasing power, it was refreshing to hear the blank statement that this shortage is the real problem.

A HOPEFUL SIGN

The debate further served the useful purpose of providing a survey of the extent to which Statutory Rules and Orders by Ministers and Departments are being substituted for the law-making which was formerly the carefully-guarded prerogative of the House of Commons. The danger to liberty inherent in this slow destruction of Parliamentary authority, and the regimentation in the economic sphere consequent upon the incessant restrictions on private enterprise, were trenchantly expressed.

Advocates of Social Credit are well aware that all these phenomena must follow upon monetary restriction. Not one, but every class of the community is involved in the shortage of purchasing power. And in every sphere of encroachment upon liberty it is the same irresponsible financial monopoly which dictates the policy. At every point the citizen must be, progress. He has cramped to the ludicrous limitations of a "sane" money system which cannot even provide enough costless money to distribute a minimum. And in every sphere of encroachment upon liberty it is the same irresponsible financial monopoly which dictates the policy. At every point the citizen must be, progress. He has cramped to the ludicrous limitations of a "sane" money system which cannot even provide enough costless money to distribute a 

We may thus observe in the Liberal Party Amendment upon which we commented last week, that the essential problem of the day—artificial financial restriction—can no longer be wholly obscured. It is a hopeful sign. Whatever return to tradi-

To them the Social Credit Movement continues to offer the only solution: distribution of personal income to the whole population. The Liberal Party's sincere and genuine dread of encroaching regimentation should, in all reason, impel the readers who have read this file to join with them in a National Dividend. For until the direct distribution of purchasing-power is associated with the Party's denunciation of the present trend, they are beating the air. At the best, they only make a moral gesture; at the worst, they express a hopeless desire for the irrevocable past when the foreigner and "the Colonies" could be induced to buy all the goods which we could—not afford to buy ourselves.

He who sincerely cherishes the love of liberty will find, in extending to others the principle of his own country the means to enjoy its wealth, both the realisation of his ideal and the solution of the economic deadlock.

THE SCARCITY COMPLEX

The clearest proof of the complete domination of false monetary principles over the minds of the people, is the degree to which, although every day brings further evidence of available super-abundance, everyone can think only in terms of the strict limitation of the inevitability of scarcity.

A case in point is an article in the News-Chronicle of December 4 by Miss M. E. Green, Secretary of the Children's Minimum Campaign. To begin with, the very fact that an organisation is in existence to prove that the standard of living of children are beyond all question—should exist for the purpose of achieving a "minimum" is an example of the defeatist spirit to which we refer. The article itself is characteristic. Having enumerated the scandalous conditions of malnutrition throughout the country, it concludes with an appeal for the adoption of the proposals of the B. M. A. Committee and the Ministry of Health's Advisory Committee on Nutrition.

The object of these Committees was to determine how little a person can exist on, so that no more money need be spent on them than is absolutely necessary.

Such an object is not philanthropic; it is merely insulting. It shows a complete, the financial dictatorship in whose interests the nation's wealth is withheld from the nation.

Some people may excuse this miserable demand on the grounds of the chance of its immediate concession. To that we would reply that demands for the bare minimum are the surest way of maintaining the present rule of shortage.

There is little to choose between a system which lets people starve amidst plenty and one which just allows them to exist. And so long as people refrain from making the only sane and effective demand—for the complete reform of the financial system—the money monopolist won't be particular as to the precise degree of destruction the nation chooses to live in.

FACTS ABOUT HUNGER

Though we object to such demands as little-as-possible, the article referred to above did perform the service of exposing conditions of which the public is largely ignorant.

In spite of all the official bragging of the Government's schemes for feeding poor children, it may surprise many readers to learn that only 100 of the 330 local education authorities use their powers to provide free meals and, or, free milk for necessitous children, and that only 4 per cent. of all the school-children in England receive anything at all in the way of free food. Further, even official health returns are shown to be quite unreliable by reason of the fact that medical officers differ as to their official definitions of what constitutes under-nourishment. Some will not report malnutrition unless a child shows signs of semi-starvation. Others will look for the slightest evidence of deficiency. The school doctor is told to classify children as "normal," "sub-normal" and so forth, but he is not given any standard of normality. So he uses his own judgment, and his report presumably depends on the degree of his own personal view of the inevitability of the money shortage.

Clearly the whole subject has scarcely yet been touched, and while such conditions exist, the over-stocked with food, the less politicians boast of their achievements in child welfare the better for their reputation.
WHAT PRICE DICTATORSHIP?

Dr. Goerdeler, "Price Commissioner" of Germany has been invested with "complete and dictatorial power over the control of prices" to fix prices and impose heavy fines if not obeyed. The object of his appointment is to "ensure that the cost of necessary food did not rise during the winter months." That is one piece of policy for which the most violent anti-Fascist cannot blame the Germans as originators. Orthodoxy in all countries is content to attend to prices and leave incomes untouched. It is part of the curious habit economists have, of completely ignoring the consumer, presumably on the theory that prices are fixed by the amount of money in the public's pockets.

Incidentally, we may observe that the people who say, on some occasions, that prices must be kept low so that goods can be bought, will say, on other occasions, that prices must be raised to improve trade. We have not yet discovered the rule by which one judges when to change from one process to another. When we do, we will publish it in these pages.

Meantime, the fixing of prices without the use of the Just Price formula is a ticklish business, even for a Dictator. Either the price is too high to the consumer, and more in the aggregate than the total available purchasing-power, or else it is too low to the producer to make production pay. In either case the consumer goes short; in the first case amidst plenty; in the second, amidst real scarcity. Anyhow, it will be interesting to see how the situation will be dealt with by a dictator who can dictate prices but cannot dictate incomes.

ONE FAMILY THE WIDE WORLD O'ER

Whatever difference in custom, outlook and mentality may result from those rational barriers which international貨物 practise, they all have exactly the same way of "inquiring into the banking system." They all appoint the same sort of tame Committee, imbued beforehand with the same religious awe of the banking system, and they all come to the same conclusion: that there's nothing really wrong with it. Under the banner of sound finance, all men are brothers.

And so, the Committee which has been enquiring into the German banking system for over a year has now finished its white-washing and Dr. Schacht, its chairman (naturally, for he is financial dictator and head of the Reichsbank) has submitted the report to Herr Hitler, doubtless much with the same spirit as an officer delivers orders to his batman. As was to be expected, the report finds "that the defects of the German credit system were not inherent in its structure or methods, but due to faulty economic and political leadership during the period preceding the dawn of National-Socialism" (The Times). This laying of blame upon political action is familial as finance is familial with politics. When the countries intends to continue to control the Government, it is natural that they should advertise the defects of State interference. And the pretense that the most important field of inquiry was the nationalisation of banks is an equally familiar red herring.

But in view of the fact that the financial principles observed by the present German Government are exactly the same as they were in the pre-Nazi period (namely, the maintenance of the monopoly of national credit in the hands of the banks) it is difficult to see what difference "the dawn" will make—except the difference of even shorter wait-lines.

THE FAMINE—MAKERS

Among many others, we will choose for special mention two of the urgent and important questions to which the best brains in the commercial world are now being bent.

The shipowners of the world still await the fixing of the rates. Between January and February, the railways of the U.S.A spent 183 lbs. in 1920, 4,345,000 gross ton-miles of freight moved. The improvement in efficiency over the period from 1920 to 1933 was practically continuous and was indicated by the fact that the savings due to decreased unit consumption of fuel in 1933 compared with 1920, was equivalent to 4,345,000 more tons. At the 1933 prices this would have cost over 8,500,000 dollars.

The money was saved, but where did it go to and who benefited by the saving? The real wealth of the country was increased by the improvements of the railways, but the citizens were not allowed to benefit by that improvement; for the saved money was only so much income lost to the people who formerly provided the saved fuel. In short, poverty resulted from the increase in the nation's wealth.

And this will be the result of all such developments until by means of a National Dividend, the nation's money income is increased in proportion to its real wealths.

THE CROP—SPOILING CONFERENCE

The World Wheat Conference, now showing at Budapest, is not getting on at all well. The benevolent intention of the majority of the delegates to agree smoothly and amicably upon the further restriction or destruction of the world's food has been spoilt by the unwarrantable and unfriendly attitude of the representative of the Argentine. This person it is supposed will be able to buy all the surplus wheat in his country. Ominous of his responsibility for human progress, he insists that it is in the interests of his country to go on producing food for human beings.

This truculent attitude is not only a lamentable impediment to the growing spirit of international co-operation; it is also a menace to the world's economic progress. For, if people continue to work for abundant harvests instead of a profitable famine, how can the world maintain those sound economic principles and benefits by that production on which the financial stability of every nation depends?
TODAY when we want to do anything we have to ask, "Have we the money?" We are all so accustomed to this state of things that few of us go on to ask the next question, "What do we mean by money?"

Money means on the one hand coins and banknotes, which are called "cash," and on the other hand bills of exchange and cheques, which are called "credit instruments." The total amount of "cash" in our country is about £500,000,000. This may seem a large sum of money, but it is completely dwarfed by the £400,000,000,000 representing cheques which have been cleared through the Clearing House in a single year. So the bulk of our "money" is "credit," money, and cash is only the small change of the money system.

It is a mistake to think of credit money as something tangible like cash. It is simply figures in books kept at the banks. It is made by the banking system of granting loans. Even the bulk of bank deposits are created not by savings, but overdrafts or loans given by the banks against securities.

The Private Monopoly of Credit

The banks have the monopoly of credit and we depend on them for the bulk of the money we use. Mr. R. McKenna in his Monetary Policy says: "The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. Every change in the quantity of money is effected primarily through the action of the banks, and ultimately through the action of the Bank of England." When a bank buys Government securities, it writes a cheque on itself, creating "money" by a book entry, crediting the ordinary bank with so much "cash." On this "cash" foundation the bank can now increase its deposits from nine to ten.

The banks not only create money. They destroy money at will. It takes the Government stock it has bought to the Bank of England, which treats it as cash and makes another book entry, crediting the ordinary bank with so much "cash." On this "cash" foundation the bank can now increase its deposits from nine to ten.

The Absolute Power of the Banks

We see that the banks make and destroy money at their own sweet will. Industrialists and agriculturalists can in no way control the supply of the money necessary to buy their products. This is in the hands of banks, who now control most of our industrial and agricultural businesses.

The banks claim "this money" as theirs, for they make it. It is left to them to decide, if they shall lend, how much they shall lend and for how long. Mr. R. G. Hawtrey in Credit and Currency writes: "The grant of credit rests in the bankers' absolute discretion." The same authority reminds us that it will make this problem much easier to understand if the banker says "credit" we think of "debt," for when he grants us a "credit" we contract a debt.

Our present financial system, therefore, is nothing but a debt system, for most of our money comes into existence as a debt to the banks. Or we might describe it as a system of promises to pay, promises that the banks know they cannot meet, for they promise ten times what they have. The fact that they obtain the borrower's securities, his title to real wealth for their false promises, is no justification, but an added wrong. The moment they are justifications, but an added wrong. The moment they are

promises to pay, they go to the Government for a moratorium, as in 1921, and in 1932. The banks control the economic life of the nation, making and unmaking even its Governments. Money, to-day, is a licence to live, and they who own and regulate the supply of money hold the economic life of the people in their hands. The Control of a nation's money means the control of all the nation's assets and its life, and must not be left as a private monopoly. As Major Douglas has said, "Under the present conditions any country is as prosperous as its banking system allows it to be." Mr. McNair Wilson, in his "Monarchy and Money Power," expresses the same truth: "Money is seated on the throne. For he who can, at will, bestow plenty or starvation, holds a power that is like to God's.

Money is scarce, to-day, because the supply is regulated to suit the needs and continuance of an obsolete nineteenth century financial system, although our productive powers have been enormously expanded by twentieth century science. Mr. McKenna says: "In a community like ours with a steadily growing population and production power, unless there is a corresponding growth in the supply of money we cannot avoid deflation with its inevitable accompaniment of trade losses and unemployment. The purpose of monetisation is to facilitate the production and distribution of goods and services. It is a means of exchange. It comes into existence to enable production to be financed and should go out of existence in purchasing commodities. For money to perform its work there must be sufficient to buy the amount of goods produced if they are needed. It is this financial question everyone shirks. The problem was to have been tackled at Lausanne. Again at the Ottawa Conference, when Mr. Bennett said: "International finance has broken down." Again at the World Economic Conference, which only tried to revive the Gold Standard.

Our monetary system is a system of exchange and can only work when people are employed and, therefore, in a position to get money.

The Scientific Revolution

But to-day trades are being revolutionised in a way that is making them more and more independent of labour. For all inventors and scientists have been striving to lift the burden of toil off man's shoulders and put it on to the machine.

Social Credit would take the monopoly of credit away from the banks and so restore to the nation its right to control its own money supply. The nation would then empower the Government to create the money without waiting on the goodwill of the banks. It would be the Government's business to see that the money in circulation in the country was based on the real wealth produced in the country in the form of goods and services. The control of the amount of credit money would be vested in the Government. The Post Office would issue Notes of the People's Bank, paying interest at the rate of the Bank's credit rate at the time the note was issued. The maximum credit would be based on the real wealth of the country during the current year. The debt on the national offices would be wiped out. All existing debts to the Government would be paid off. A National Dividend would be paid to each citizen. Each citizen would receive in dividends his share of the nation's assets. This change would give the country a democratic money system, without which democratic government of any kind is a farce and delusion.

IN BIRMINGHAM TO-NIGHT

A PUBLIC MEETING will be addressed by

MAJOR C. H. DOUGLAS,
M.I.Mech.E., M.I.E.E.

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IT is now a few weeks since Mr. Runciman, President of the Board of Trade, addressed a meeting at Lincoln. It is true that the best jokes will not bear indefinite repetition, but he made one or two that deserve a wider public, so no apology is necessary for rescuing a few from the oblivion of the newspaper files.

"Surely there is no department of life where the element of confidence counts for so much as it does in banking," he begins, according to The Times report. (He must have forgotten the gentlemen who, for a consideration, will give you a certainty for so much as it does in banking.)

"Is it not true that industry was not able to get the necessary credits?" asked Mr. Runciman. "It could borrow money a good deal cheaper as a result of the Government's policy than it had been able to borrow for two generations.

Now, isn't that nice! If you were a manufacturer desperately trying to sell off the stocks of goods you had already made, and at your wits' end for markets, wouldn't you be delighted to think how cheaply you could borrow if only you wanted to make more goods? What a weight would roll off your mind!

Keep Governments in their Place!

"Governments had better have nothing whatever to do with the overdraft business," went on Mr. Runciman. "I would not trust the management of the overdrafts to either the Liberal, Labour or Conservative Party offices. They are not set up for it.

There is democracy for you! Parliament, supposed to represent the sovereign will of the people, is not fit to be trusted with the nation's credit. Money, the life-blood of trade and industry, must remain under the private control of the banks. It would be a whole lot safer to hand over control of the Army and Navy to the Russian Embassy and keep our money system in our own hands; if the Russians gave our Forces any orders we didn't like we could soon put an end to their obedience by stopping their pay.

A Warning

From an Eminent Economist to a Member of the Proletariat, whatever that is

The economic system's aim is not by any means the same as that anticipated—that they really intended to transform these great financial, commercial institutions into messengers of political principle or practice, I, for one, should feel very nervous. The day after the change was made I should go to my bank with a cheque made out to myself, and it would cover every penny I had there.

Well, the Bank of England has the power (on formal application to Parliament) to increase the fiduciary issue to any amount, so no doubt Mr. Runciman's requirements would be promptly met. The real question is: Can we, as a nation, be so unskilled as to make Mr. Runciman very nervous? That is unthinkable! No doubt many of us will prefer to starve.

R. L. Northridge.
THE CIRCULATION OF MONEY

An Analysis of Orthodox Fallacies.

THE general contention of the New Economists that the root of the trouble to-day is the shortage of purchasing power—that there is not enough money in consumers' pockets to meet the prices in the shops—is frequently countered by the argument that the quantity of money existing at any moment is not the only factor in the problem; the speed at which that quantity is circulating must be taken into account.

What do supporters of this argument mean when they speak of the circulation of money? Many consider that money is circulating whenever it is changing hands; Mr. Graham Hutton seemed to be under that impression in the commentary he gave following the late Mr. A. R. Orage's broadcast on "Poverty in Plenty." Is not what the New Economists understand by circulation.

The Two Functions of Industry.

It may perhaps help the student if he will consider Industry (with a capital I) as a huge and complicated organisation which performs simultaneously two simple functions. Firstly, it produces ultimate goods and services with prices attached to them; secondly, it distributes incomes to consumers, either directly or at one or more removes, where-with they may pay these prices.

Two things should be noted carefully:—first, that, on the productive side, the end and aim of Industry is to provide ultimate goods and services; the provision of intermediate products and capital equipment is merely a means to this end; it is not an end in itself. Secondly, on the distributive side, all our incomes are derived, directly or indirectly, from the industrial system; there are no other incomes.

So the picture we get consists of two streams—a stream of incomes into consumers' hands, and a stream of industrial costs, including profits, on to markets. Only the incomes can defray the costs, and the costs cannot be defrayed until they reach the boundaries of the Industrial organisation and meet individual consumers at shop counters or ticket offices, or other points of contact with incomes.

Now, take the first stream—the incomes. This is a stream of money, having a beginning, a path or circuit, and an end.

The Complete Circuit—and the Short Circuit

The complete circuit is as follows:—Starting from a bank, either as new money lent to a producer, or current money depleting a producer's current account, the money will be paid out by a producer to some employee in return for service, and the employee, in his capacity of consumer, will spend it in purchasing goods or services, and the producer (retailer or other) who receives it will pay it into a bank where it will suffer actual extinction if used to repay a loan, or virtual temporary extinction if used to restate a depleted current account.

That is a complete circuit. But money may be short circuited. For instance, the money, on reaching the first producer, may be spent by him in buying raw materials from another producer who, on receiving it, will pay it straight into his bank, thus completing a short circuit. This is an instance of what is called a B payment, and, as will be seen, no consumer handles a B payment.

That is why B payments are not available for defraying costs—they can only transfer these costs within the Industrial organisation.

Or, again, the money on reaching the employee—the consumer—may be "invested" by him; which means, from our point of view here, that he will barge into the Industrial organisation and purchase capital equipment. This will not defray an industrial cost—it will only move it along within the organisation. The producer of the said capital equipment will pay the money into a bank and so complete a short circuit.

Speed Is Not Quantity

However, we are concerned here with the full circuit, and the main thing to note is that whenever a producer pays money out to a consumer (as a wage or salary) it is booked in some industrial ledger as a cost of that amount, and whenever the consumer pays it back to a producer (in return for ultimate goods, etc.) a cost of that amount is defrayed. If then, this circular process is speeded up, all that happens is that costs are generated more quickly and are defrayed more quickly.

Many people seem to imagine that if consumers spend their money more quickly they will reduce the total of industrial costs. Nothing of the sort. If they are to spend money faster, they must earn it faster and that means that it will be booked up as costs against them faster. By no possible magic can money, on this circuit, defray costs faster than it generates them.

So it will be seen that it is not velocity of circulation which matters. What does matter is the volume of income, week by week, relatively to the volume of costs coming upon the market during the same period.

A Rolling Stone Gathereth No Moss

But another thing may happen to the money whilst on this circuit. The consumer who first receives it may use it in various ways, apart from investing it. He may transfer it to another consumer in return for personal and private services. He may transfer it to another consumer in the course of playing shove-ha'penny, or of backing a gee—whether on the race-course or the Stock Exchange. He may transfer it to another consumer in exchange for some second-hand goods—goods whose industrial costs have already been defrayed.

So we see that as soon as any given sum of money reaches a consumer, as income, it may change hands scores of times without ever defraying an industrial cost. Sooner or later, however, unless invested, it must do so.

But the New Economist is not interested in the gyrations of consumer income so long as it is not defraying costs. That is why he is not interested in Mr. Graham Hutton's illustration of Tom and Bill with their gallon of beer and their sixpence. He is not interested in the beer because, being already the property of a consumer, it must have been purchased and its costs defrayed. And he is not interested in their silly antics with the sixpence, during the process of lowering the beer, because none of these antics does anything towards defraying an industrial cost.

A. W. COLEMAN.

*Commenting on Mr. Orage's address, Mr. Hutton repeated the story of the two men who had an 8-pint barrel of beer, and a 6d. When one wanted a drink he took the beer while the other held the 6d. By this means the 8 pints were drunk and the 6d. changed hands 8 times.

"Agricultural policy is only one of the many branches of policy which can contribute to the ultimate ideal of enabling more people to earn their living."

Note: The earning is the ideal, not the living. And as people must not have a living unless they earn it, one of the other branches of policy is machinery-breaking.

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SOCIAL CREDIT MOTIFS—VII.

The Place of Equality

"The human individual contains either in a latent or active form, every function and attribute, although on a minute scale, which can be imagined to reside in a world society."—C. H. DOUGLAS.

Social Credit is the statement that Equality is the basis of all right relationship in human affairs, but the basis only. Upon that basis, a fruitful and acceptable inequality can exist. Without that basis, privilege on one side and imbuit on the other destroy creative and happy living.

Equality exists in two aspects: human need and the cultural inheritance by which that need is met. The one aspect is found in the depths of consciousness, where "I" is lost in community or the whole. The other rises from those common depths, whence the "I" returns, not lost but only the more truly "I" that the genius of the race moves in the individual. That genius flows perpetually, in substantial contribution of thought and thing, filling the earth with wealth. The intake and outflow of breath are not more completely interdependent than the cycle of being and doing. In the one aspect, man descends to draw upon the whole life for his sustenance; in the other, being thus sustained, he acts. Moreover, the needs of the "I" move in harmony with every successive addition to the richness of human possibility. The range of consciousness which creates new wealth in the whole realm of living, constantly extends the range of need, but in quality rather than in quantity.

These two aspects are expressed with great economy of words in the statement of Major Douglas that, "latent or active," the world is contained in microcosm in every man, and every man is potentially an expression of the whole world.

Man the Creator

Thus the activities we have separated off as "material," because the spirit in man wrought in substance, prove to have the divine quality of art: they are creations. For by transmutation of the heavy substances of the earth into mobility and service, men have taken upon themselves the process of the world, and have fulfilled in a subtle manner the dream of the alchemists that baser metals could be transmuted into gold. Man the creator is every man, and every man is united, in perpetual relation, with the things created, for he and all men had part in them. These are the basis of Equality; and equality has lain in the depths of the heart, as the fruit in the seed. Idealism has despairingly waited it to distain heavens of compensation, but the eyes of those who live to-day are blest to behold the coming of equality on earth, in light that has always in the depths of the heart, as the fruit in the seed. But so immeasurably rich is the universe in which we dwell, that the tale of its glory is but half told in its Equality. Upon that basis, and upon no other, may Inequality inhere in everything the moment it has been accomplished. But the "I" which has plunged so deep in the common wealth of creative power that it has filled the earth with plenty, and added surplus of power with a prodigality like that of nature's own seeding, has lost its life only to find it. Man returns in joy from the age-long sacrifice, to utter himself, the unequal, the unique, in his magical variety. Freedom is his—true for the first time because it is equally another's.

The Individual's Worth

But the worth of what he shall do is unpredictable, and its acceptability to his contemporaries unknowable. In the kingdom of freedom there are no rights but those of opportunity. No man's life depends upon material reward for his contribution; nor can his gift be denied by the punishment of material deprivation. Material security is already under his feet. The individual contribution is subject at any moment to the verdict of contemporary society upon its worth. That verdict may be wrong; succeeding generations may prove it so. But the realm of conflict is now that of quality and choice, and by this conflict the life of the world is kept in continuous stimulation, though necessity no longer holds men bound in toil. Inequality thus arises, sanely based upon equal access to the world's accumulated wealth.

In these depths the foundations of Social Credit are laid. Need, and the power to meet the need, are established by Social Credit in a self-adjusting balance. Thus simplicity has, at last, emerged out of the complexity of human effort, and the Kingdom of Necessity yields to the Kingdom of Freedom. The creative power of men, released by its triumphs over material, conceives a New Age, in which the truth of Equality in the Kingdom of Necessity will be given full expression. A new order of human living will emerge, a totally new experience. The world's stories of dungeoned prisoners released in the light of the sun are parables of our estate.

Demos.

A FINANCIAL SEPTAIN

"Give not stones for daily bread. To the unemployed, who need, Give not stones for daily bread. To a land of milk and honey, All the workless shall be led By the Social Credit creed, When from FINANCE freed, Industry be fed With cheap Money."

HELENA ADDIS.

"Several leading farmers spoke appreciatively of the assistance which the banks had given in enabling arable farming to pull through the difficulties of the past three years."—The Times.

But what they said later on, when they couldn't repay the bank loans, and the banks foreclosed on their farms, is not polite enough to be reported in—The Times.
BALANCE sheets must be included amongst those devices of every kind which are essential to the advancement of civilisation. Maps, guages of all kinds, measuring instruments and even mathematical formulae are, like balance sheets, pictorial or symbolical representations of a physical aspect or condition, or "state of things." A spectrometer on a motor car is a "balance sheet" of speed; a watch is a "balance sheet" of time.

It is safe to say that without these various devices for presenting facts, production could not possibly go on, and that the rate of progress on the producing side cannot be greater than its development.

Now, there is one characteristic above all others which we expect from every guage or record—it must be accurate within the limits of accuracy desired or possible. An untruthful representation is worse than none at all.

It is customary for auditors to make a statement above their signatures, "In our opinion such balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company."

The Budget Is Not A True Balance Sheet

Having established the main principle—that all forms of representation must be truthful, that faulty representation of a serious order can be detected by fantastic contradictions between the known facts and the representation and finally that in everyday life we expect the use of reason or logic in checking the devices we use: we can now consider the question of the national balance sheet.

The Budget is the nearest thing we have to a balance sheet at present; and though it is nothing more than an estimate of the following year's income and expenditure, we are taught to regard it as a balance sheet. It has been compared to the "petty cash" account in the affairs of a company. The "petty cash" account is of so trivial a nature that it does not appear by name in a balance sheet. But suppose we let the imagination run riot and taking a firm and its affairs away to Bedlam, gradually increase the status and importance of the "petty cash" account, and reduce and finally eliminate the main balance sheet altogether; we shall then have got that firm into the same ridiculous position that we are in nationally.

Wealth Is Called Poverty

Suppose we try the "fantastic contradiction" test on the national balance sheet. We have been assured from time to time that we are a poor nation, and yet anyone not mesmerised into intellectual stupor must know that the exact human misery and distress which cannot be measured but which is so evident in the Scotland, for Example

Major Douglas, in his "Scheme for Scotland" has indicated the obvious and only method of drawing up a national balance sheet which shall truly represent what it is supposed to represent.

On one side of the Account all real assets are "moneitized"—that is, sums of money are entered to represent the value of land, roads, bridges, railways, buildings, drainage and water schemes, minerals, semi-manufactured materials and also a sum representing the commercial capitalized value of the population—a figure known to insurance companies who require this valuation. The sum of all these items will give a grand total which is the figure representing the price value of the Scottish Capital Account.

From this total, entries are periodically made on the other side of the account, as the national credit is drawn upon, for payment of the national dividend, the just price discounts, and the total money value of exports during the period of the assets. The assets side of the account will be credited with the money value of all increases of real wealth, including imports.

There would be a great similarity between such a true national balance sheet and the ordinary company's balance sheet. But there would be one important exception. The company balance sheet usually includes among the assets an item "cash at banks." In a national balance sheet all money or credit in hand must appear on the opposite side to assets. If it is realized that cash at banks can be changed by a company into real assets at any moment and that a company is operating within a money system while a national balance sheet should be an integral part of the money system, the difference will be clear.

It will be observed that if our imports were greater than our exports our total assets would be increased and the corresponding amount of extra money represented by the difference in values would be created and distributed. This could be regarded as a "favourable" trade balance in flat contradiction to the present use of that term. To-day it is considered "favourable" to dump goods, made by British labour, on the foreigner virtually for nothing. No wonder Mr. Hodgson, in his book "The Great God Waste," describes this as "voiding our wealth."

The Present False Accountancy

Another test can be applied to our Real National Balance Sheet. It is known to those who care to find out such well hidden facts that three-quarters of the National debt is owned by the banks. According to Professor Soddy at least £100,000,000 of our taxes every year is cancelled out of existence in repayment of the part of the debt owed to the banks. It literally disappears into the blue, which is the normal fate of all money which is the repayment of a loan to a bank. This is a ridiculous state of affairs, for we could cancel that part of the debt with no loss to anyone and no injustice to the banks, who used our credit to create this money during the war. Such a position could not arise with a Real National Balance Sheet in operation.

Those who are new to Social Credit will have wondered where the money is to come from? This is a real difficulty at first but perhaps two statements may help:

1. There would not be a single pound of money or credit in existence if it had not been made or created by someone; i.e., there is no such thing as a "natural" money.

2. There is no more wrong in creating or cancelling money than there is in printing and cancelling railway tickets, or for the foreman to write out orders which the storekeeper in a works cancels as he supplies the worker with the goods. But if the storekeeper wishes to hold his job, it is very important that the cancelled orders should balance the goods issued!!

P. R. MAISON.
A Few Words About Law

A

S one of the laymen for whom he has written "The Citizen and the Law" (Routledge, 7s. 6d.), I congratulate "Solicitor" with providing a good measure of instruction and entertainment.

The first moral of the book is to keep clear of litigation, for it is more often than not the occasion of spending more money, time, and labour than any results are worth. And the second moral is to keep out of "Police Courts" or Courts of Summary Jurisdiction, for they are infested with magistrates stupid, incompetent, and unjust. The third, superfluous to readers of this paper, is to keep out of the Divorce Division, where the sole means of salvation appears to be cunning lies.

The author makes a good defence of solicitors and barristers in the matter of legal expensiveness, on the grounds that a chief source of the expense is the collection of facts, and that law costs are "taxed," i.e., scaled according to certain rules and sometimes at the sweet will and pleasure of the taxing master.

There is no doubt that the benches of unpaid magistrates are in very many places a scandal, and our author says that in the present贿 Duty, i.e., separation, maintenance, and affiliation cases, "the magistrates are usually old men originally appointed for political reasons, almost invariably prejudiced one way or the other, and generally in a hurry," and he refers to their deafness and self-importance, which favours the deferential humbug against the man or woman smarting under a sense of wrong. Then why is this in-

of facts, and that law costs are "taxed,"

of Divorce Division, where the sole means of salvation appears to be cunning lies.

affiliation cases, "the magistrates are usually old men

are

in the Appeal Courts. We may instance the Waterlow

noble country is too hard up, financially, to do the paying.

afforded to the taxpayer by the local commissioners is in

protection which is supposed by some newspapers to be

It

the linseed oil market. The market turned sour on him,

Leeds which advanced

In mining districts you may hear stories of workings

companies, high salaries to all sorts of people, the acquisition

has been found to be in the wrong.

renewal of plant and buildings were the most popular.

the three on the other side." "Solicitor" suggests that

a Court of Appeal had supported him, the House of Lords

and Hill . . . , there can be little doubt that the six judges

the courts of appeal, which have the added disadvantage that one

party to a suit can often blackmail the other by threatening to

continue appeals from one court to another.

The Bank-Note Case Absurdity

That the Law is an Ass is perhaps most clearly shown in the Appeal Courts. We may instance the Waterlow Bank-note cases, where three different courts came to three different conclusions about sundry pieces of tough, oblong, printed paper. "Solicitor" discusses at some length the even more scandalous case of Russell v. Russell, in which Mr. Justice Hill started off by taking what any sensible person would have to be the second view and admitting certain evidence. But the upshot was that, after a Court of Appeal had supported him, the House of Lords by a bare majority did not, hence "the result was to settle the law in accordance with the view of Lords Birkenhead, Finlay, and Dunlop against that of Lords Justice, Cawker, and Sterndale, and Lords Justices Warrington, Scrutton, and Hill . . . , there can be little doubt that the six judges were generally held to be more learned in the law than the three on the other side." "Solicitor" suggests that when a decision is upset on appeal, the State should pay the costs of the appeal, as it is a servant of the State who has been found to be in the wrong.

Among other interesting passages there is one on dodging the Excess Profits Duty. "Immense ingenuity was shown by lawyers and accountants in devising methods of evasion, of which concealment of profits by means of subsidiary companies, high salaries to all sorts of people, the acquisition of derelict businesses with potential future value and the renewal of plant and buildings were the most popular. In mining districts you may hear stories of workings carried up to the beginning of profitable seams and then abandoned unless taxation was taken off."

This last example of patriotism reminds me of the tale in Addison's Diary of the World War, of the bank

was advanced

£800,000

to enable a man to corner

in Addison's Diary of the World War, of the bank

bank threatened to foreclose, and the Ministry of Munici-

had to intervene to stop a harvest of bankruptcies.

But I must end with one more quotation from this excellent book: In connection with income-tax—"the protection which is supposed by some newspapers to be afforded to the taxpayer by the local commissioners is in most districts farcical."—HILDERIC COWENS.

THE SOCIAL CREDIT MOVEMENT

Supporters of the Social Credit Movement assert that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is generated as borrowed from them, and therefore, in order that it may be repaid, it is charged into the price of consumers' goods. It is a vital failure to tax new money thus created by the banks as a loan, without crediting the community with the value of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity; and bringing it face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in the writings of Major C. H. Douglas.

The adoption of this scheme would result in an unprecedented improvement in the standard of living of the population by the absorption at home of the present unsaleable output, and would, therefore, eliminate the dangerous struggle for foreign markets.

Unlike other suggested remedies, these proposals do not call for financial sacrifice on the part of any section of the community, while, on the other hand, they widen the scope for individual enterprise.
By the Way

"T"he sound and prudent financial policy which they (the banks) have maintained," says a Times leader, "has enabled the country to enjoy the full benefits of the policy of cheap money steadily pursued by the Bank of England." Hands up any gouger who hasn't enjoyed it.

The builders of the Zambezi Bridge have not had a single case of malaria among the European employees during the three and a half years of construction. This, says The Times, is a wonderful record, and "an example of what might be done for tropical Africa, given time, organisation and finance."

Well, we've all the organisation and any amount of time. What are we waiting for?

"The word 'saturation' that had of recent years crept into industry is a horrible word," says the First Lord of the Admiralty. And it is all the more horrible because it isn't true. What is meant by it is that after the public has spent all it can afford, goods are still unsold. "High and dry is a better phrase than saturation."

"We could substitute co-operation for competition, and by the power of our finance would be enabled to provide our Dominions with all those loans upon which their development and prosperity had been built up."

And in the vain effort to repay which their development and prosperity is being gradually destroyed again. And by the way the author of the above fairy tale was not Hans Andersen, but Sir Robert Horne.

"The scheme fell into three parts:— Work to-day; work to-morrow; and work in the future."—Sir John Jarvis, on his scheme for the distressed areas.

Hence the phrase "The Relief of Distress." We are, however, officially informed that there will be pie in the sky when they die.

"The outcome of this unorganised expansion is that, from time to time, but with greatly increasing frequency, there is considerable over-production of most kinds of vegetables, at any rate relatively to the purchasing power of the public, resulting in prices utterly below the lowest possible cost of production."—The Times.

There are two alternative ways out of this difficulty. One is to sell the food below cost by means of the Douglas Price Discount. The other is to stop eating. At present the latter is in favour; but dressmakers say the fuller figure is returning.

"A Labour victory would be followed by a deliberate precipitation both of a constitutional and of a financial crisis."

In other words, the banks would tell the people, through their tame ("independent") Press, that any attempt to tamper with the ticket monopoly would ruin them. "Deliberate" is the right word.

"Four boat-loads of sprats brought into Southend on Saturday by fishermen who had been out all night failed to find a market, and a large portion of the catch was dumped back into the sea."—Daily Telegraph.


Set a sprat to catch a herring, and then throw them both away. Object: To increase employment.

"The most urgent need of the industry is new markets overseas to take the place of what has been lost on the Continent."—Mr. J. Henderson Stewart, M. P., on the herring problem.

At present the only market undersea. But what matter, so long as the people at home don't get any?

What to Read

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

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

Books:

Economic Democracy
This book, the original statement of the philosophy of Major Douglas, is temporarily out of print. It will be re-issued about December 31. 6d.

Social Credit (new edition)
This book continues the philosophical background of the subject and includes the Draft Scheme for Scotland as an Appendix. 31. 6d.

The Control and Distribution of Production Temporarily out of print. It will be re-issued about December 31. 6d.

Credit Power and Democracy
Will be re-issued shortly at 31. 6d.

Warning Democracy
Will be re-issued shortly at 31. 6d.

The Monopoly of Credit

Pamphlets:

These Present Discontents: The Labour Party and Social Credit 15. od.

The Use of Money 6d.

The Nature of Democracy 6d.

The following are books and pamphlets expounding and supporting the Proposals of Major C. H. Douglas from various points of view:—

The Douglas Manual, by Phillippe Maire 51. 0d.

This is in the nature of a concordance of the works of Major Douglas, and is a most valuable book of reference.

Economic Nationalism, by Maurice Colbourne
31. 6d.

This book introduces the subject in easily assimilated form for readers of no previous knowledge of the subject.

The A.B.C. of Social Credit, by E. Sage Holter 31. 6d.

Ordeal by Banking, by Allen Young 25. 0d.

Introduction to Social Credit, by M. Gordon Cumming 6d.

Poverty Amidst Plenty, by C. F. J. Galloway 6d.

An Outline of Social Credit, by H. M. 6d.

Poverty Amidst Plenty, by the Earl of Tankerville 6d.

Short Papers on Money, by the Marquis of Tavistock 6d.

The Nation's Credit, by C. G. M. 29. 6d.

The Abolition of Poverty: A Brief Explanation of the Proposals of Major C. H. Douglas, by R. S. J. Rands 40. 6d.


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

The Coming of Community, by W. T. Symons 7s. 6d.

This Age of Plenty, by C. Marshall Hattersley 35. 6d., and 6d.

Perhaps the most popular exposition of the paradox of shortage amidst plenty. This book has done much to spread the conception of potential plenty held up by financial restriction.

Life and Money, by Einar O'Duffy 5s. od.

Community Credit, by C. Marshall Hattersley 15. 0d.


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

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

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

Major Douglas on Mr. Hawtrey and Others

To the Editor of Social Credit.

Dear Sir,—I have addressed the following letter to a correspondent, and it may possibly interest your readers.

Yours faithfully,

C. H. DOUGLAS.

Dear Sir,—I am interested to hear that Mr. Hawtrey at the meeting of the Engineers Study Circle characterised the Douglas Theory as "peurile." This appears to be a relapse into the manner of an article he wrote about 1933 in The Pilgrim, which was unadulterated Billingsgate, and was accompanied by a statement of his belief that the correct object of the money system was a stable price level. I have never, myself, been able to find sense to that which Mr. Robertson evidently expected. At the opening statement of my case, and demolished this deal with these matters, and as I agree with you that they could open a Social Credit Shop at an average cost of £6 and a few hours per week.

Yours faithfully,

Leeds Douglas Social Credit Society, W. TOWNSEND.

"Newholme," Church Lane,
Leeds, 6.
November 24, 1934.

Social Credit and the Labour Party

To the Editor of Social Credit.

Dear Sir,—I see the letter from the Rev. H. Edwards advocating an official approach to the Labour Party, with the keenest appreciation.

A quick communication to the public on a really comprehensive scale of Douglas Social Credit ideas is not only desirable, but in all probability, vitally essential.

Whatever the short-comings of Labour policy, I think that all will agree that of all existing organisations of formidable size, this is definitely the only one which sincerely aims at the betterment of conditions for the oppressed.

This aim is paramount with both the rank and file, and also, most of the leaders and officers.

With the executive convinced and converted, who could estimate the millions of votes secured for Douglas Social Credit in one dramatic deal?

Economy of effort demands that at least an attempt is made.

If we cannot graft to Labour, the Fascists may graft to us, and their "support" might prove an uncomfortable crutch.

Yours faithfully,

B. CUNNINGHAM.

11, Queen's Road, Bournemouth.
November 30, 1934.

"A Labour View of Social Credit"

To the Editor of Social Credit.

Sir,—I read with interest the letter by Mr. Maurice Colbourne on the above subject in your issue of November 16th.

In my article on this subject which appeared in your issue of November 9th, I mentioned that it was my personal opinion that no matter how great the purchasing power of the community might be, no man should have more than four times the income of any other man, apart from items such as travelling expenses, etc.

Mr. Maurice Colbourne says "Why not?" So I will, if I may, endeavour to explain my reasons more clearly.

First of all, however, I would like to emphasise that this is only my personal opinion, and I quite realise that some may not agree.

Some people would say that "five times" would be fairer. Others would say "three times" or even "twice." The exact figure is merely a matter of personal opinion. The principle underlying these various opinions is that there should be some limit to the differences between the incomes of individuals other than what Mr. Maurice Colbourne describes as "the open market of human supply and demand."

Mr. Maurice Colbourne again asks "Why?" My reply is that I consider that the uncontrolled open market of human supply and demand results in great injustices, for under this system a small number of persons (some as a result of ability and some for other reasons) are able to obtain enormous incomes which give them very great power over the lives of their fellow men.

Mr. Maurice Colbourne suggests that a man of ability, if he did not get a very large income would refuse to con-
continue to do useful work for the community. This seems to imply that his only object in doing useful work is to enable him to earn an enormous income.

If this is so he must be a very selfish man. His main object in doing useful work should surely be to benefit his fellow men. Certainly he should get a fair remuneration, and I agree that the exact amount which he should get is debatable. Personally I think that £1,000 per annum at present prices (plus travelling expenses, etc.) is enough for any man at the present time.

I have every sympathy in certain circumstances for workers earning £2 a week who go on strike in order to try to get £2 10s. a week, but I would have no sympathy with a man with an income of £1,000 per annum if he said that he would go on strike and do no more work until his income was increased to £2,000 or £3,000 per annum. I agree, however, that the limitation of very large incomes is of far less importance than our main task of abolishing unnecessary poverty.

Yours, etc.

ROBERT M. BOREK.
(Irish Labour Party Candidate for Co. Galway at the 1933 General Election.)
Toghermore Poultry Farm, Tuam.
November 30, 1934.

"Made In Japan"

To THE EDITOR OF SOCIAL CREDIT.

Sir,—No one, it seems to me, but the willfully blind or mentally defective could read the admirable and illuminating article, "Made In Japan" in your current issue, without profit to his own mind. The matter related therein has particular interest for me, for while in Bombay recently for a considerable period, and coming into immediate contact with people closely connected with that mill-industry of which Bombay is the centre in India, I heard at first-hand many things that English people, drugged and doped by the most venial and corrupt press that exists, are not allowed to know.

First of all, no one, I found, in Bombay believed the legend scurrilously propagated by financial and banking persons in this country 
im its tools and creatures, that the reason for Japan's shattering and devastating competition—a competition as a result of which, at one fell swoop a group of no less than fifty-three mills closed down at one and the same moment—is due to the conditions of Japanese labour, long hours, low wages and all the rest of the bunk beloved by our journalists. An article was, indeed, published in a leading Bombay daily exposing the complete untruth of this, but I cannot for the moment recall the name of the author or which of the dailies. The author was, however, an Englishman.

Next, leading Bombay mill-owners were quoted to me, by the gentleman in direct touch with them, as declaring that if they got their raw material for nothing and their labour for nothing it would still be impossible for them to compete with the Japanese, and from occasional remarks let drop it would appear that the Bombay mill-owner is not quite so abysmally blind as to the true inwardness of Japanese competition, and the financial methods whereby it is made possible, as most people here. But, of course, the hand of Sir George Schuster (is it?) is as heavy upon India as that of Mr. Montagu Norman is upon England.

Yours, etc.

T. KATKHODA SHAPIRYO SORABJI
175, Clarence Gate Gardens, N.W.1.
November 25, 1934.

Economics and Birth Control

To THE EDITOR OF SOCIAL CREDIT.

MORAL FREEDOM

Dear Sir,—With regard to Mr. R. A. Brown's letter on freedom of a person to practice what is expressly forbidden by our Creator and His natural law, does he not imply that we are "free" to commit murder, robbery, etc.? Those only are free who see the truth and follow it, but error only leaves us "free" to fall to our own destruction. I am sorry Mr. Beamish withdrew his remarks, as no amount of finesse will budge the truth, once established. Will Social Creditors please settle what they mean by Freedom, economic or otherwise? If Mr. Brown does not need the "comforts of religion," will he please say whether Society is "free" to commit malnutrition, sabotage, slavery, and other monstrosities.

Yours faithfully,
J. DOYLE.
December 1, 1934.

Social Credit and Farmers

To THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—I have been interested in reading J. W. Saul's letter on the proposed Social Credit experiment in Hertfordshire. It has long seemed to me that something of the nature was wanted, in which members of the general community could participate. The day when our monetary system will be altered by Act of Parliament may be far distant. Can nothing be done in the meantime? Various experiments in the use of substitutes for the present monetary system are being carried out in other countries, but they are being carried out by what one might call close communities; i.e., by groups who come together to work, pool and share their products amongst their number. But something practical is needed in which anyone could join without necessarily changing his job or abode.

It seems to me as a farmer that it is amongst the agricultural community that the need is greatest for some substitute or alternative to our present monetary system. The position of the farmer under our present monetary laws is far worse than that of the manufacturer or merchant.

Besides being liable to distraint for rent or for tithe, the farmer is far more liable to the operation of the bankruptcy law. He is, generally speaking, not in a position to evade it. The safeguard of the law allowing the formation of limited liability companies, which is open to others, is of little help to the agriculturalist. By the very nature of his calling, he cannot as a rule avail himself of this means of escape from ruin through bankruptcy.

He, upon whom manufacturer, merchant and banker ultimately depend for their existence is the most insecure. Under our present system there is a vicious inversion of security, the banker being the most secure, the agriculturalist the least. The risk of financial ruin is greatest of all in his case.

Farmers, together with their workmen, need more than most other sections of the community, some practical alternative that would provide escape from the present monetary system. Can a Social Credit experiment be devised, which beginning, however tentatively, might grow, and ultimately spread from agriculturists to others? I should be very glad to get into touch with anybody who has ideas upon this important matter.

Yours faithfully,
PHILIP J. BUTLER.
Barking Road, Needham Market, Suffolk.
November 29, 1934.

"Can Produce but Cannot Sell"

To THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—Reference is made in a letter to Engineering of November 23, 1934, to the following contract:—

A control instrument equipment was required for a Finnish cellulose mill. Fourteen firms, in all, from different countries competed, and the order went to a German firm at a price approximately £5 lower than the English tender—10% to be paid in cash, the balance in cellulose.

I thought you may be interested in this as another pathetic illustration of "can produce but cannot sell"—this time referring to capital goods.

Yours faithfully,
S. TOWNSEND.
28, Farm Hill, Leeds 7.
November 30, 1934.

The Electoral Canvass

To THE EDITOR OF SOCIAL CREDIT.

Dear Sir,—Your paper is good reading and Yaffe deserves 100% increase in his National Dividend. Mr. W. L. Barside’s article, however, is not helpful. The inhabitants of these islands are not divided into the two classes mentioned by Mr. Barside, and the point of view of the lady, quoted in your issue of November 16, and
referred to by Mr. Bardsley in his article, is a sane, and
communistic point of view, and a very common one.
I personally first had Social Credit brought to my attention
in 1925, and it has never been out of my thoughts, but
until recently, although I could accept the principles, I
could not see daylight as far as the carrying out was con-
cerned, and I, as a voter and a citizen, have had many
"gold bricks" offered to me, and like the lady, I wanted to
know more before I adopted it.
There is, if you will pardon my saying so, a subtle arrogation
in Mr. Bardsley's point of view which is calcu-
culated to put the British back up, regardless of the merits
of the cause he is pleading, and it is easier to modify the
line of approach than to modify the British people.
Good as the Douglas cause is, it will not go over if put forward
in Mr. Bardsley's fashion.
Reading Major Douglas's speeches, shows that the founder
of the movement can talk in simple language, under-
standable to the multitude, and that is what is required from
his helpers.
K. W. WILLANS.
November 24, 1934.

[The above letter was submitted to Mr. Bardsley who
replies: Mr. Willans finds me not helpful. I wonder
whether he is really helpful, or just one of the armchair
brigade. However, we shall see. I challenge Mr.
Willans to a contest, twenty a side, each combatant to be
armed with 1000 National Dividend Leaflets No. 1, and
each team to tackle one constituency in the London area.
His team to work in the way he advocates, my team to
work on the lines laid down by Major Douglas at Buxton
(because, of course, my article was merely a marginal note
on the Buxton speech). With subtle arrogance I now
challenge London Social Creditors to come along and do
some work.
I call for volunteers for Willans and volunteers for
Bardsley. But I must add one word of warning: Major
Douglas's Electoral Campaign is a stroke of genius; it is
very simple, and therefore not easy to understand. Mr.
Willans does not yet understand; so, until he has proved
his team to work in the way he advocates, my team to
work on the lines laid down by Major Douglas at Buxton
(by reason of his article being a marginal note on the
Buxton speech).]

"The Church and Money Power"
To THE EDITOR OF SOCIAL CREDIT.
Dear Sir,—I notice with regret that you are allowing
the Christian religion to be mixed up with S. C., which is,
I consider, a very great mistake.
The Social Credit movement is distinctly not a religious
movement. The Christian religion is a supernatural
religion built up upon ignorance, superstition and fear,
the two are poles apart. The D. S. C. movement, as I
understand it, is a scientific readjustment of the National
Credit by the Nation for the Nation. It stands or falls
entirely on its own merits.
This week's Social Credit Journal contains an article :
"The Church and Money Power" by J. S. Kirkbridge, which
will not carry the S. C. movement very far.
The chief and object of the S. C. movement is to
do away with poverty. The poor, and poverty are the
Church's raison d'être. Lip service, yes, they will give
you plenty of that. One of the central doctrines of the
Christian religion is for its members to cultivate a
delight in a state of poverty. Religion in the past has
always retarded progress.
The D. S. C. movement is concerned with the economic
condition of the people, which, to-day, is far from what
it should be, and of course is.
The Christian religion, as such, is to make the people
satisfied with those conditions, any other definition of the
Christian religion would be contrary to the Bible definition.
The Douglas Social Credit Scheme is crystal clear, why
must they do so by pouring dirty water into it?
Yours faithfully,
MARTIN TIGEC.
November 26, 1934.

FURTHER CORRESPONDENCE HAS BEEN UNAVOIDABLY HELD OVER UNTIL NEXT WEEK.

NOTICES OF DOUGLAS SOCIAL CREDIT MEETINGS

NOTICES OF DOUGLAS SOCIAL CREDIT MEETINGS

December 7, 1934

Birmingham Douglas Social Credit Group
Dec. 12th, 6.30 p.m.—Queen's College, Paradise Street.—

Bradford Douglas Social Credit Group
Dec. 12th, 7.30 p.m.—County Restaurant. C. Marshall
Hattersley, M.A., L.I.B., will speak on "Foreign Debt
and Export Trade."

Erdington (B'Ham) Douglas Social Credit Group
Dec. 14th, 8 p.m.—At the Red Lion Hotel, Station Road.
F. R. Masson, Esq., on "A National Balance Sheet."

Liverpool Social Credit Association
Dec. 14th, 7.45 p.m.—Bank Café, 14, Castle Street.—
"The Basis of the National Dividend." Speaker: Dr. Tudor
Jones, M. B., Ch. B., F.R.S.E.

The London Social Credit Club
Blewthom Room, Caxton Street, S.W.
Dec. 7th, 7.45 p.m.—"Organisation," by John Hargraves.
Dec. 14th, 7.45 p.m.—League to Abolish Poverty.
Speakers: Marquis of Tavistock, Mr. William Ward,
Mr. J. E. Tuke.
A short statement of Social Credit is made at the
beginning of every meeting. Visitors are welcome.

SOCIAL CREDIT STILL AND LIBRARY

Manchester Douglas Social Credit Association
Dec. 12th, 7.15 p.m.—At the Milton Hall, Deansgate,
Manchester.—Public Meeting. Address by Miss F.
Bunce, M.A.: "The World in Debt. Douglas Social
Credit the Way Out."

Newcastle-on-Tyne Douglas Social Credit Group
Until further notice all meetings will be held at 7.30 p.m.
alternate Wednesdays in Lockharts Café, Nun Street.
Required, to rent, small room for Group office.
Central position. Information to Mrs. J. W. Coward,
Deepdale, Holly Avenue, Fawdon, Newcastle 3.

Solihull Douglas Social Credit Group
Monday, Dec. 10th, 8 p.m.—At Tree Schools, Warwick
Road, Solihull.—"The Case for Social Credit." Speaker:
Clive Kenrick, Esq. Visitors cordially invited.

South Shields Social Credit Group
Thursday, Dec. 13th, 7.30 p.m.—Public Meeting. Mecca
Café, Ocean Road.—"Social Credit." Speaker:
P. R. Pearson, Esq., of Newcastle-on-Tyne. Questions
invited. Everybody welcome. Hon. Sec.: M. Petry,
3, Woodlands Terrace, South Shields.

Subscription Rates.
SOCIAL CREDIT may be obtained through newsagents,
or direct from the Publisher, 9, Regent Square, London,
W.C.1. The subscription rates, post free, both home and
abroad, are:

One Year ........... £1 10s. 0d.
Six Months ........... 7s. 6d.
Three Months ........... 5s. 6d.

Display Advertisement Rates.
Per Page ........... £2 0s. 0d.
" Half page ........... £1 10s. 0d.
" Quarter page ....... 10s. 0d.
" Eighth page ....... 5s. 0d.
Series discount five per cent. for three and ten per cent.
for six insertions. If it is desired to see proofs, advertisements
should reach the Advertisement Manager, 9 Regent Square,
W.C.1., not later than Friday morning for insertion in the
issue of the following week, and final proofs should be
returned by Tuesday of the week of issue. Size of advertise-
ment page eleven inches by seven inches.

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

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The Electoral Campaign

NATIONAL DIVIDEND LEAFLETS
THE ELECTOR’S PLEDGE

I believe that, in this age of abundance, poverty can be abolished.
It is my will that I, together with all others, shall enjoy the plenty, freedom and security that modern progress can provide.
I therefore pledge myself at the next election to vote only for the candidate who undertakes to demand payment of a NATIONAL DIVIDEND to every citizen, and to defer all other legislation till this is done.

Leaflet No. 1.
“Demand a National Dividend” with elector’s pledge. This is the essential leaflet, all others are subsidiary.

4s. 6d. per 1,000, postage 1s. 3d.
2s. 3d. per 500, postage 1s. 0d.
Stereos for local printing, 12s. 6d.

Leaflet No. 2.
Pledge only, with space for twenty-nine signatures.

12s. 6d. per 1,000, postage 1s. 3d.
5s. 0d. per 400, postage 9d.
2s. 6d. per 200, postage 8d.
1s. 3d. per 100, postage 4d.
Stereos for local printing, 6s. 9d.

Leaflet No. 3.

“What the National Dividend will do for Everybody.” Can be used in conjunction with No. 1.

4s. 6d. per 1,000, postage 9d.
2s. 3d. per 500, postage 9d.
1s. 2d. per 250, postage 4d.
6d. per 100, postage 2d.
Stereos for local printing, 5s. 9d.

One sample of each of the above leaflets will be sent in return for 1d. stamp. The supply of cheap reprints of Major Douglas’s Buxton speech (introducing the Electoral Campaign), available for distribution with simples, is now exhausted, the balance being required by the Secretariat.
The speech has, however, been subsequently reprinted by Stanley Nott as a 6d. pamphlet entitled “The Nature of Democracy,” and is obtainable from the Social Credit Press, 9, Regent Square, W.C.1., Orders for leaflets and other literature should be sent to this address.

Special Note

Groups are recommended to obtain quotations from local printers to print the leaflets from stereos as advertised. Leaflets No. 1 and 2 should be on white paper suitable to be written on in ink. This will enable the address of local headquarters to be printed on the leaflets, and should result in some saving on the above prices, which represent no profit to the Secretariat.

Manual for Electoral Campaign Workers

A comprehensive Manual for the guidance of Electoral Campaign Workers has been specially prepared for and approved by the Social Credit Secretariat.
It will save time and cut waste of effort for Campaign organizers and workers. Paper-bound, duplicated copies 1s. 3d. post free from SOCIAL CREDIT office, 9, Regent Square London, W.C.1.

DOUGLAS TARTAN TIES
Ties in the Douglas Tartan can be supplied for 2s. 6d. post free. Apply Social Credit, 9, Regent Square, W.C.1.

A LINOCUT PORTRAIT
OF MAJOR DOUGLAS

Last week we reproduced a linocut portrait of Major Douglas, by Mr. H. R. Purchase. The original is 5½ ins. by 4 ins. All genuine prints are autographed in lead pencil by the artist.
Recommended sizes of mounting are: 9 ins. by 11½ ins. or, if that is too large, 7 ins. by 9½ ins.
Price: Unmounted print, post free, ... ... £1 0 0
Mounted print, 9 ins. by 11½ ins., Signed by Major Douglas (limited number only), post free ... ... £2 2 0
Proceeds will all go to the Secretariat.
(Nota: Orders may take 3 or 4 weeks to complete.)

Newcastle-on-Tyne Douglas Social Credit Group

“Money Leaflet as reproduced in SOCIAL CREDIT of November 30th, can be supplied at the following rates:—
7s. 9d. per 1,000 (including postage).
4s. 6d. “ 500 “
2s. 6d. “ 250 “
1s. 3d. “ 100 “
Orders to Secretary, Deepdale, Holly Avenue, Fawdon, Newcastle-on-Tyne.

Co-operation in Electoral Campaign by other Organisations

The three possible ways in which other organisations can co-operate in the Electoral Campaign are:—
(1) By adopting the pledge leaflet issued by the Secretariat, canvassing for signatures to the specific pledge which has been adopted and placing signed pledges at our disposal as they are collected.
(2) By inviting their individual members to join the Social Credit Campaign Groups and collect signatures for those Groups.
(3) By refraining from collecting any signatures and confining their operations to propaganda in favour of the National Dividend.

A Merry Xmas and a Happy New Year

Is what we enclose with our Boxes of Tea dispatched to your order from

3 lb. "CHEST" of delicious Tea ... 7/-
6 lb. do. do. ... 13/-
9 lb. do. do. ... 19/-

All packed in handsome Plywood "CHESTS". High-Grade Indian and Ceylon Blend Tea. Post Paid (in Great Britain)

JUST DROP US A LINE GIVING FULL POSTAL ADDRESSES OF FRIENDS TO WHOM YOU WISH A BOX TO BE SENT.

CASH WITH ORDER TO
WILSON BROS. & Co.,
(Wholesale Tea Merchants)
5, South Castle Street,
Liverpool, 1.

Note: When requested a current copy of "Social Credit" will be enclosed with Parcel.

A DRAWING COURSE
FOR HALF-A-CROWN

By T. H. PEDDIE

THE ANALYSIS OF FORM

PUBLISHED BY THE AUTHOR AT 10, MAIN ST., PERTH, SCOTLAND.

The analysis of form is science and can be taught. Selection and arrangement of form is art. Art cannot be taught by any

No. 2s. 7d.

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By T. H. PEDDIE

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“Funds for the Cause.”
I will give One per cent. of all Sales to Social Creditors to the funds of the Social Credit Secretariat.

Signed ERNEST SUTTON, M.I.M.T.
Director, Ernest Sutton, Ltd.

Unrivalled for small mileage

Immaculate
USED CARS

Examples:

Please get on my Mailing List.
INSTALMENTS, EXCHANGES, REPURCHASE.

ERNEST SUTTON, LTD., Automobiles,
79, DAVIES ST., LONDON, W.1
MAYFAIR 4748/9

Make your Christmas Gifts useful as well as attractive

Mr. WHITTON is pleased to announce he is holding a SHOW during the Christmas Shopping Season, of his High-Class

SCOTCH HANDWOVEN TWEEDS
RUGS, SCARVES, ETC.
in the
KNIGHTSBRIDGE HOTEL, LONDON, S. W. 7
(163, Knightsbridge, near Knightsbridge Tube Station)
On the 10th, 11th, 12th and 13th December, 1934

Ground Floor Hours: 10.30 a.m. to 6.30 p.m.

Handwoven Tweeds for Ladies’ and Gents’ Wear.
Handwoven Lightweight Tweeds. — Sports’ Skirt Lengths.
Travelling Rugs. — Knee Rugs. — Pram Rugs.
Motoring Scarves. — Small Scarves. — ”Kiddies” Scarves
Bedjackets. — Fashionable Tweed Bags.

JAMES F. WHITTON Woollen Manufacturer
CALDER GLEN MILLS LOCHWINNOCH SCOTLAND
A CRISIS has arisen in the British Empire. At present it is only felt in one of the outposts, but it may spread to the very middle of the thing. Under the heading, "Financial Crisis in the Jungle," The Times publishes an account of the Zoological Expedition in the British Cameroons led by Mr. Ivan T. Sanderson. The staple industry, I read, was formerly palm oil, for which the native once received 12d. for the same amount. This, Mr. Sanderson says, in the British Cameroons led by Mr. Ivan T. Sanderson.

"One morning the head chief . . . presented himself in company with 14 sub-chiefs and a cloud of retainers. After they had seated themselves solidly and complete silence had been established . . . they humbly asked, through an interpreter, for an explanation of the 'financial crisis.'"

"The question," the explorer adds, "was so unexpected in the heart of an African jungle, that we were quite taken aback." "Why doan' yo' eat yo' dinner, boss!"

He might have less respect for the intelligence of his white rulers.

That was only natural. The same question in the heart of the City of London, would take even economic experts so completely aback that they would probably stammer incoherently about things that have no connection with the case, such as cyclones and blizzards and cycles. It was a critical moment. As Mr. Sanderson says, "to explain further that the absence of money among the Africans was not due to a greatly decreased supply being coined by the Whites, appeared to be quite unbelievable to them."

Without being an African chief, I don't mind saying that it is also quite unbelievable to me. In view of the enormous masses of unsaleable necessities lying about all over the British Empire, I am unable to rid myself of the belief that the Whites have coined a very inadequate, if not decreased, supply of money.

I am, however, sufficiently patriotic not to endanger the prestige of the Empire by asking awkward questions. It is not only a matter of explaining things to the heathen Blacks, though that is embarrassing. It is necessary for their proper control to represent the Whites as being superior in intelligence to the Blacks, but it is not going to be easy if they ask us why we can't produce enough money to buy the things we have got ready for sale.

The heathen, in his blindness, consumes all he wants of his own goods. He would ask the white man why he didn't eat his own dinner, and the white man would say he hadn't any money because he hadn't any work, and that he hadn't any work because he'd already done it by producing the stuff he couldn't buy, and that he couldn't buy it because he hadn't any money. They would go round that circle a few times and then the savage would say, "then why didn't he make some money," and the white man would get fed up and say, "Oh, eat yer dam banana," and the black man would go away with less respect for the intelligence of his white rulers and slightly more for his own ju-ju.

This crisis in Imperial affairs can, of course, be temporarily avoided by the Foreign Office preparing adequate formulae for the use of explorers.

What I am concerned with is a far greater danger. Is it possible that at any time the whites may be moved by the same economic curiosity as the blacks? Is there any fear that the intellectual upheaval which the explorer in question discovered in the heart of the jungle will spread to the heart of the Empire?

These fears are disquieting. One cannot stop the spread of ideas. I am informed that a white man has very much the same sort of brain as a black man, and he is mentally quite capable of conceiving the question, "Why isn't there enough money?" Such things, I say, are possible.

I am haunted by fears of what might happen (to the Budget) if one morning the chiefs and sub-chiefs of the tribes of producers and consumers should present themselves to the Government and humbly ask for an explanation of the financial situation.

Supposing the natives of these islands should ask a great white chief for the explanation of the financial situation?

In the case of the savages, the brave explorer was able to deal with the situation with the presence of mind that is characteristic of the Englishman (What? Oh, all right—and Scotsman) in moments of danger. He says:

"The arguments that followed had such a soporific effect on the older members of the council that I resorted to playing jazz records on the gramophone."

That proves once more, of course, that the British are at their best in a crisis. But, as Mr. Sanderson explains, "as none of those present had seen or heard of a gramophone before, the debate ended in a complete win for us."

Clearly gramophones would not help us here, for many producers and consumers have seen or heard of them.

If a crowd of white men should go and sit solidly in front of Parliament and ask why they can't have money to buy the food and clothes that are lying around in heaps, how could we distract them? What inventions have they not yet seen or heard of?

The only thing I can think of, would be a new kind of gas.