

SOCIAL CREDIT

For Political and Economic Democracy

OFFICIAL ORGAN OF THE SOCIAL CREDIT SECRETARIAT LIMITED

Vol. 3. No. 24 Registered at G.P.O. as a Newspaper

FRIDAY, JANUARY 24, 1936

Weekly Twopence

FINANCE IN A HURRY

THE CANADIAN LOAN COUNCILS

By Major C. H. Douglas

What is intended is that if the individual citizen has enough money to keep himself alive, or to pay taxes, he will be made to pay the taxes.

IN 1919 I was invited to the United States to give certain advice in connection with the taking back of the American railways into private ownership. Being, in those days, somewhat less suspicious than I have, unfortunately, grown to be, I explained at some length my views upon finance to several individuals who were primarily interested in that fascinating pursuit. Perhaps in return for this innocent display of helpfulness, I was furnished, on my intimating that I proposed to revisit Canada before going home, with a number of introductions, amongst which was one to the present Prime Minister of Canada, Mr. Mackenzie King, who at that time was a comparatively unknown politician.

On my enquiring into why I should see Mr. Mackenzie King, I was informed that he was the future Prime Minister of Canada which he, in fact, became about two years afterwards, if my memory serves me correctly. On casually relating this incident a few years later to a well-known Canadian, thoroughly familiar with Canadian politics, he remarked, "Well, none of us here in Canada knew it, anyway."

The smug satisfaction of our financial papers, the scarcely veiled complacency of Mr. R. B. Bennett at the sweeping Liberal victory, which, for a time, enabled him to enjoy a no doubt well-earned rest, and the immediate departure of Mr. Mackenzie King to the United States upon his dramatic success, recalled this incident to my mind. It is a dreadful thing to become suspicious. I thought of it again when I heard that Mr. King, speaking of the Alberta Social Credit Government, was reported to have said in public, "I hope with all my heart they will be successful." I was also reminded of an Indian proverb, "Each for himself, and God for us all, as the elephant said to the partridges."

Fast Workers

It has been my unfortunate and somewhat thankless task to be, on occasions, a mild and deprecating critic of Finance. But in regard to events in Canada subsequent to the election of Mr. King, and his recall of his Minister of Finance, Mr. Dunning, I cannot withhold the most ungrudging admiration.

A reduction in the Canadian tariff in favour of the Eastern U.S. manufacturer has been arranged, a conference in regard to possible methods of revising the British North America Act so as to centralise finance in the Federal Government, with its adviser the Bank of Canada (between which and the U.S. Federal Reserve Bank Mr. Montagu Norman oscillated on his recent holiday), has been held, and, finally, the coping-stone has been, if not laid, at any rate produced,

by which all real autonomy would be taken from the Canadian Provinces, leaving them only the administration of an almost impossible situation imposed upon them, ostensibly from Ottawa, but in fact by those who are acting in the interests of Bond-holders. All this has been done without the formality of consulting Parliament.

Now I may say at once that, at any rate under the existing financial system, I consider the investor, in the sense in which that word is commonly understood, has a perfectly sound claim to consideration. In theory, and, so far as the small investor is concerned, in practice, he invests the proceeds of abstinence from the acquisition of things to which he has a claim, and hands over that claim to those with whom he invests his money.

instructed public supposes is meant by the Bond-holder. But, of course, this is not in any sense a true picture of the situation. Most of the money provided by the City of London and by Wall Street, and now represented *inter alia* by Canadian Provincial Bonds, was created not by hard work or by production, but by book-keeping.

Put into the plainest possible language, what is intended is that, should the alternative arise that the individual citizen of, let us say, Alberta, has enough money either to keep himself alive, or, alternatively, to pay the taxes necessary to provide the interest on bonds which were created mainly by book-keeping methods, he will be made to pay the taxes, most of which will go to Financial Institutions. Or, perhaps, more accurately, he will be made to pay just as many taxes as possible, leaving him only sufficient purchasing power to enable him to keep at work, provided, if necessary, by issuing more Bonds.

The mechanism by which this state of affairs will be operated has already been tested in Australia, with results which are well known. The Premier of Tasmania, speaking in November last, said, in reply to enquiries made of him, "Since my Government came into office, we have attended three Loan Council meetings, and to my mind, the subject matter of the conference is always determined by the Commonwealth Government, the New South Wales Government, and the Commonwealth Bank Board, before the meeting takes place. Before we leave the State to attend the conference, the press is always able to publish the exact amount of the loan which is ultimately raised, the rate of interest, the terms, and the period of the loan." That is one aspect of the matter, and may be compared with the proposed Constitution of the Loan Council in Canada.

A slightly different view in regard to the proposal is provided by the *Financial Times* (January 16) which records that "Probably one of the most important results of the consummation of such a plan would, it is con-

A Banker's Bargain



Too-Smooth Jacob (to Rustic Esau): In return for the GIFT of your Birthright to me, for ever, dear Brother, I LEND you this Mess of Pottage. And to ensure its repayment with interest these gentlemen will take you into their care for life. Thus you may in due course appreciate the truth that the HAND THAT WRITES THE MONEY RULES THE WORLD.

sidered, be the final disposition of Social Credit as a practical possibility for Alberta."

The Issue Is Joined

Fortunately, Mr. Aberhart was warned in regard to this proposal two months ago, and has refused to agree to it. The soundness of the position which he is taking up in this matter is, in my opinion, beyond discussion, and will precipitate what I believe to be inevitable—a break with orthodox finance, on the part of the Alberta Government. It is of course common knowledge that, up to the present, that has not taken place. I had, since it is clearly part of the credit problem, anticipated the situation which would arise in regard to the external debt of Alberta before going out to Canada a year ago, and believe it was then possible to deal with it both without resort to the orthodox methods of finance and without repudiation, although, being without any official information as to the progress of events since Mr. Aberhart's Government came into power, I cannot say if this is still the case.

However this may be, the issue is joined. In view of the experience which has been gained in Australia, it seems desirable that popular opinion in the Canadian Provinces should be mobilised, so that, at any rate, the facts may be before the public and the nature of the proposal be understood. To my mind, this situation affords a test, and, perhaps, not very far from a final test, of democratic government. If the Provinces of

Canada allow their remaining autonomies in regard to the most important factor in their constitution—that of finance—thus to be filched away from them, then I have very little doubt that democracy is doomed.

In conclusion, I should like to direct the attention of anyone interested to every word of the following pre-election statement by Mr. Mackenzie King at Saskatoon on September 21: "Canada is faced with a great battle between the money power and the power of the people, a battle which will be waged in the new Parliament. I plead for a sweeping Liberal victory to carry out my policy of public control of currency and credit. *Until the control of currency and credit is restored to the Government* [my italics] all talk of Sovereignty of Parliament and Democracy is idle and futile." If any one supposes that Democracy knew what it was voting for when it voted for the Policy outlined in these words, then I can only ask him to read this article again.

FORWARD NEW ZEALAND

The following cable was received by Major Douglas on January 21 from New Plymouth, New Zealand:

Douglas Movement in convention at New Plymouth... All members have reason for hoping this Dominion will recognise and implement your great financial discovery during coming year.—Rushworth.

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SOCIAL CREDIT

A Journal of Economic Democracy

The Official Organ of the Social Credit Secretariat Limited.

163A Strand, W.C.2. Tel. TEM 7054.

Subscription Rates, home or abroad, post free: One year 10/-, six months 5/-, three months 2/6 (Canada and U.S.A. 11/-, 5/6 and 2/9)

Vol. 3. No. 24. Friday, January 24, 1936

The Tasmanian Report

THE Report (abstracted on page 187) of the Select Committee appointed by the Parliament of Tasmania to enquire into the working of the financial system is an historic document. The Tasmanian Committee's terms of reference, unlike those of the Macmillan Committee, were not based on the unproved assumption of the necessity of a gold basis for currency, neither were they restricted in scope, nor yet so broad, as to permit of waste of time on irrelevancies; they were in fact to the point. Further, the Committee itself consisted of ordinary men accustomed to deal with the ordinary affairs of everyday life.

The Committee finds that the people of Tasmania are being prevented from benefiting from the actual or potential increase of production over the last 30 years, owing to a shortage of purchasing power. This shortage, it states, can be effectively remedied only by the restoration to the people of effective control over money, and the regular equation of the power to consume with the power to produce.

This is a triumph for the supporters of Major Douglas; most of all, it is a triumph for Major Douglas himself, who, over 17 years ago, unaided by any body of expert witnesses, and lacking personal experience in finance, was able by inductive reasoning from facts to place his finger on the flaw—clearly revealed by this enquiry—in the money system, and to lay down the principles upon which its remedy must be based.

This Report is the Magna Carta of economic freedom. Its significance may be realised from the suppression of reference to it in the London press, whereas that same press gives prominence to the first meeting, on January 16, of the Australian Royal Commission on the money and banking system, which, if all goes as intended, will produce a report wholly favourable to the existing system.

The Tasmanian Report could not have been issued at a better time, for it will prove impossible to suppress it in the Commonwealth. It may transform the Australian Commission from a whitewashers' picnic into a meeting of frightened lickspittles anxious to placate their real masters, the Australian people. Alternatively, if the Commission issues a report of the kind the personnel and terms of reference were intended to secure, it is to be hoped that a prior knowledge of the Tasmanian Report will result in a public outcry for which the Electoral Campaign now proceeding in Western Australia, South Australia, Victoria, and Queensland, will form an effective megaphone.

The members of the Tasmanian House of Assembly, who signed this Report, are brave men, for in doing so they have attacked a hitherto omnipotent power, truly described by Major Douglas as "implacably hostile to the best interests of the human race," and for which "there is no crooked and slimy trick too despicable, no crime too black for it to commit to further its ends." One of the witnesses, Mr. David Robertson, a business man of Melbourne, underlined this aspect of the matter when he told the Committee that he "had offered to come and give evidence because so many business men dare not do so." (Our italics.)

The Report contains extracts from the evidence which raise hopes that the whole will be published and made available to the public. Doubtless, Australian Social Crediters will make their desires known in this respect. Through their efforts the Report and evidence might be turned into "best sellers."

Of the evidence quoted, the most interesting is that of Professor Torleiv Hytten. The Professor (presumably of economics) was very disinclined to admit the statements of McKenna, McLeod and others, that banks create credit, and questioned figures quoted by the Chairman, only to be told that they were from the Macmillan Report. His evidence in full should make good reading, but it is doubtful whether he will like it to be published.

This Report must stand for it is the first issued by a Government in which the obvious fact is admitted that people do not receive sufficient purchasing power to buy the goods produced or producible.

1910—1936

Everybody in Great Britain, and indeed in the British Empire, whatever may be his or her political creed or opinions, must join in deep regret at the passing of His Majesty King George V., and in sympathy with all members of the Royal Family for their grievous loss.

A Forward Step

The purchase by the *Social Credit Chronicle*, official organ of the Alberta Social Credit Party, of Alberta's only morning newspaper, the *Albertan*, was announced last week. This purchase carries with it the use of a radio station, and is the first step taken to implement the recommendations of Major Douglas's interim report as Reconstruction Adviser to the Alberta Government.

As Mr. Aberhart, the Premier said: "I am very glad to hear this, and trust that all Social Crediters will avail themselves of the opportunity to establish an organ that will give news from the citizen standpoint. This action will help Social Crediters to implement the requirements of Major Douglas in his interim report regarding a radio station and the Press."

Not Forced to Default

The Premier of Alberta has refused to accept the terms of a Federal loan of £400,000, which involved Federal control. Claiming that these terms violate the rights of the Province, he telegraphed to Ottawa: "Sincerely trust, in best interests of the whole Dominion, no default will be forced on us."

It was subsequently announced that the £400,000 interest on bonds due on Tuesday, January 14, would be paid. Though no details of the arrangements made have been announced, it is stated that the Province has preserved its autonomy as yet.

James Watt

However stupid men may be as the result of education, their instincts remain sound. Bringing their so-called knowledge to bear on daily problems they continue, in America, to pay farmers not to grow crops, and, in England, to raise loans for the purchase and destruction of productive equipment, but in their leisure moments the divine quality of common sense occasionally takes possession of them and makes them do the sane and proper thing.

Thus in this week of grace is celebrated the bicentenary of the birth of James Watt, and, instead of greeting the occasion with groans or curses and visiting upon the Watt memorial tablets, windows, and statues such indignities as might occur to them as a result of "more mature consideration," they are actually celebrating his memory.

The extent of James Watt's misdemeanours against the modern code is not so vast as is popularly imagined. He did not invent the steam engine, though he greatly improved it. The first engines to bring about any considerable unemployment among men and horses were those of Newcomen and it was while repairing a model of one of these at Glasgow University, where he was employed as a mechanic, that Watt saw how to make the steam engine, already displacing men and horses, consume less coal to the ultimate ruin of the coal industry!

Watt was a pioneer, and those of us who know that conservation of natural resources instead of coal salesmanship is the right sort of thrift, and that financial parsimony in an age of plenty is the wrong sort of thrift—we take our hats off too.

On The Causes of War

Once more our ponderous mentors are to play their solemn farce to its bitter boring end. There is now foreshadowed an official inquiry into the effect upon international politics of "the apprehension of monopolies or quasi-monopolies in raw materials to the disadvantage of others."

It is suggested, in short, that one of the causes of war is the fear of a nation that some other nation may monopolise the production of raw materials and refuse to supply them.

Commenting upon this *The Times* of January 13 starts by pointing out, what should now be obvious, that while much has been made of this apprehension, it has received no very definite expression and the grounds for it seem to be slender, the great difficulty at present for the Colonies producing raw materials is to find and extend markets for their produce.

Yet, instead of directing attention to an

From a Seat in the Stalls

enquiry into the struggle for exports as a cause of war, it sagaciously intones that, since the apprehension exists, it will be the part of this country to share any common inquiry directed to ascertaining the facts and to showing what safeguards are needed.

Equality of Insecurity

Japan has withdrawn from the Naval Conference because her claim for "equality of security" was rejected by the four other powers concerned. In effect it was a claim to undisputed control in the Far East, which would permit the undisturbed absorption of China. With a navy equal to that of Great Britain or the U.S.A., Japan could dominate the Western Pacific.

The Western Pacific has now become one of the danger-spots of the world. Japan seems determined to control China, thus securing a market which could be developed by Japanese loans almost indefinitely, and so provide employment for Japanese workers. But Great Britain, the U.S.A., and other countries also need this market for goods unsaleable at home.

In the incident, Italy is busy capturing a market and burying her unemployed. Meanwhile Germany demands the return of her Colonies and talks threateningly of the need for expansion.

There can be no security in a world riven by this bitter struggle for markets to sell goods unsaleable at home. At best it must be equality of insecurity.

Mutual Aid

The *Morning Post* of January 20 contains a report from its Berlin correspondent that a military agreement between Germany and Japan was signed in Tokyo on January 4. Under this agreement, in the event of either Power being attacked, the other will support it. "The aggressor in mind is, it need hardly be said, Russia," states the correspondent.

Such an agreement has been hinted at in the press before, but this is the first definite statement. The report later refers to the rapid rearming of Germany, particularly in the air, and draws attention to the high proportion of long-range bombers being built (bombers are not defensive weapons!).

Tokyo is evidently making sure of at least one friend in Europe—probably two, as Germany has an agreement of unknown implications with Poland—before taking further action in North China that might precipitate a war with Russia.

And what of Germany? She, like Japan, is an outcast from the League of Nations, and again, like Japan, must find markets for an ever-growing export surplus. A slice of Russian territory might ease the German situation temporarily; at least a war with the hated Bolsheviks would stave off trouble at home.

Is it surprising that Russia is more than doubling expenditure on armaments?

Cautionary Tales

In a historical dissertation on the Legal Poor, *The Times* quotes a case to illustrate "the mischief of unconditional relief." This is it. "A number of able-bodied men in receipt of relief made arrangements with a local rag dealer under which they obtained from him the use of old motor-cars fitted with tanks to carry stocks of live goldfish. The men travelled round allotted areas of the country, exchanging the goldfish for rags which they sold to the dealer, and invariably returned home in time to draw their weekly relief."

"Yet in spite of such goings-on," says *The Times*, "which brought their penalty on the ingenious able-bodied (though not on the rag dealer), the training system appears from the latest figures to have declined. About 30,000 men were set to work, trained or instructed during December, 1934, representing a decrease of 3,000 from the corresponding month of the previous year."

From all this it will be seen that men who are drawing relief may be placed in a very awkward position. If they do nothing they will sooner or later be hoiked off to a training camp, where they will be kept so busy "learning" that they have no chance of looking for a job. But if they exercise their wits and start trading goldfish, or something, they must at once give up their relief money and perhaps earn still less.

Pro. and Amateur Tramps

There follows some bright stuff about tramps. "In one way and another," observes *The Times*, breezily, "vagrancy has held its public interest during the year. The most obvious conclusion to be drawn from various tests and talks is that the professional tramp is being relegated more and more strictly to

his proper category, while the amateur or compelled tramp gets wider sympathy."

It goes on to quote from the Gray House, Bicester, committee report, which says that "the average youth who has been any length of time on the road either does not want a job or has become incapable of holding the most suitable and attractive job." Also, "As long as legislation, casual wards, and indiscriminate private charity enable and encourage youths to take to the road there will never be a lack of habitual vagrants and criminals."

Then it alludes to a Ministerial hint on the "danger of lax administration in casual wards." Although it is not stated in so many words, the sentiment behind all this is plain. It is that we ought to make the roads a bit hotter for these amateur tramps who are taking such mean advantage of private and governmental generosity.

But even if we did drive them off the roads, where are they to go, and what are they to do? Would it be any use sending them back to their Depressed Areas?

National Dividends would remove both their destitution and their forced inactivity.

Bogus Clubs

In spite of glaring practical examples before their eyes, the compulsionists never seem to learn that the effect of sectional legislation is nearly always to arouse more opposition than the force which is exercised, and so to move in reverse gear.

Take the drink question, for instance. In 1905 there came into operation the Balfour Act, the object of which was to reduce the number of public houses. In the 30 years which have elapsed, nearly 30,000 pubs have disappeared. "One immediate result of these reductions," says the *Sunday Times*, "was an increase in the number of clubs. Their growth has been so rapid that it is now a popular saying based on undeniable fact, that 'the closing of a pub means the opening of a club.'" In 1905 there were 99,478 pubs and 6,589 clubs. Now there are 75,955 pubs and 15,298 clubs.

As to what many of these clubs are like, the opinion of the Recorder of London is quoted: "At nearly every session of this court crimes are shown to have been committed at premises said to be conducted as clubs, but which the evidence shows are being conducted as drinking dens of the worst class, where all kinds of iniquities are taking place and are encouraged."

Outside the Law

Mr. Cecil Whiteley, K.C., Common Sergeant of the City of London, throws further light on the subject. "It is most unfair," he says. "You or I could open a club to-morrow morning; all one has to do is to collect 25 members, pay a registration fee of a few shillings, and 6d. to the Excise on every pound's worth of liquor purchased for the use of the club. A licensee has to pay heavy duties and the compensation charge; he is bound by many restrictions and is encouraged to spend money on food and accommodation, while he sees these unlicensed public-houses set up in competition with him in his own area. It is wrong, and something should be done to stop it."

The *Sunday Times* explains that these clubs "get away with it" by supplying drink to the members who are supposed to own the club and its stock, and not selling it to them!

The first thought that strikes any reader who is not an aggressive teetotaler is why on earth shouldn't free-born Englishmen have a drink, where, how and when they like; and the second is that if you drive something underground it soon begins to take an unpleasant form.

If there are enough people to patronise 15,298 clubs why reduce the number of pubs?

Poor Rich Norway

In the speech from the Throne at the opening of the Norwegian Parliament on January 13, it was stated that unemployment was still very great, and extraordinary grants to the value of 88,400,000 kroner were proposed to combat "the crisis."

This is typical of every country under "sound finance": A crisis of unemployment and poverty—in the midst of potential plenty.

If anyone suggests that Norway is a poor country, let them ponder that the Norwegian Minister of Agriculture recently pointed out that the uncultivated but cultivable land in Norway was estimated at 800,000 to 1,000,000 hectares, or very much the same area as is at present under cultivation. He said further, according to *Labour Information* (the official organ of the I.L.O.), that agriculture was characterised by unemployment, heavy indebtedness, very low wages and a low standard of living.

TASMANIA'S CHARTER OF FREEDOM

First Government Report to Reveal Shortage of Purchasing Power

A SELECT Committee was appointed on November 28, 1934, and reappointed on July 25, 1935, by the Tasmanian House of Assembly to inquire into and report upon the following matters:—

- (1) Whether the people are being prevented by any removable banking or financial circumstances, factor, law, or condition from possessing, consuming, and/or utilising and enjoying the increase of wealth and/or the actual and potential increase of production over the last thirty years; and, if so, the cause, and what remedial steps should be taken; and
- (2) All matters and things appertaining and incidental thereto.

The Committee consisted of five members of the House of Assembly: Captain Cameron, a sheep farmer, who served through the last war and was subsequently on the Imperial General Staff; Mr. Dwyer-Gray, Treasurer to the Tasmanian Government; a Member of the Australian Loan Council, Editor of the *Voice*, and Manager of the *Post*; Mr. O'Keefe, a farmer, Speaker of the Tasmanian House of Assembly, Senator, Chairman of Committees, and Deputy Speaker in the Australian Federal Parliament; Mr. Pearsall, a farmer, and Coroner for Tasmania; and the Rev. G. S. Carruthers, who acted as Chairman of the Committee and presented the Report.

The Committee heard evidence from farmers, manufacturers, merchants, bank representatives and others, and came to the following conclusion:—

The people are being prevented from possessing, consuming, and/or utilising and enjoying the increase of wealth and/or the actual or potential increase of production over the past 30 years; that the cause of this is the shortage of purchasing power in the hands of the community as a whole; and that this can be effectively remedied only by—

- (1) Restoration to the sovereign community of effective control over money in all its forms, and
- (2) The establishment by the Commonwealth Parliament of machinery which would secure regular equation between the community's production and the community's purchasing power.

The following is abstracted from the Report:—

The inquiries of the Committee have shown that the benefits of the great advance in scientific and mechanical aids to production have not been passed on to the general community, but instead have been appropriated by a small section of society, while the great bulk of the people have actually suffered a lowering of their living standards.

The following facts appear to be fully substantiated:—

- (1) There has been a great increase in actual production,
- (2) This increased production has been effected with the use of the services of a relatively small number of workers in industry, and the trend is towards greater production with fewer workers,
- (3) The workers dispensed with have been left absolutely without incomes, while the basic wage of those retained in industry has a lower purchasing power,
- (4) The smaller producers, manufacturers, distributors, and retailers have been and are being overwhelmed with debt and driven out of business.
- (5) The place of the interests mentioned in (4) is being taken by organisations of a monopolistic tendency, and
- (6) These monopolistic organisations can be closely identified with the monopoly of finance as represented by the private banks and their subsidiaries.

This points to the fact that production has been and is secondary to finance, whereas finance should obviously be secondary to production, i.e., **finance should be the servant, and not the master, of industry.**

Not only is it evident that our people are not receiving full benefit from our increased production, but a large portion of our potential wealth is being wasted, not because of any shortage of people with the desire to consume, but because those having the desire have not also the purchasing power to procure the goods, and this, in turn, hinders manufacturers and producers.

Industry Not Self-Liquidating

It is rapidly becoming recognised that **shortage of purchasing power is the great cause of the world's difficulties.** Economists and supporters of the present financial system seem particularly desirous of showing that this system will work as long as it is expanding, that is, so long as money lent for future productive and public works is being made available to buy present production.

The economists and bankers thus practically admit that industry is not self-liquidating, that is, that during any one cycle of production enough money is not made available to buy the products, and thus meet the costs, unless further purchasing power is borrowed.

This new money is a debt either to individuals or the community, and the interest on it still further decreases the available purchasing power.

There does not seem to be any way of bridging this gap between prices and purchasing power under our present financial system.

The Committee urges the Commonwealth Monetary Commission to pay the greatest possible attention to the statements in the *Journal of the London Chamber of Commerce* concerning this gap, and the closely related fact that credit is created and issued by the banks as a debt to the community, and that the money to pay interest is not issued except as a further debt, and that it is therefore useless to seek a solution which does not involve community control of credit.

The apparent confusion of opinion about the creation of credit and the origin of money required for interest, stands out very clearly throughout the Committee's inquiry.

Even in the earliest days of banking, it was known that a bank's chief source of profit is in the issue of credit, and, in more recent years, the injustice of this has become apparent to larger numbers of people.

A Policy of Restriction

It is an accusing fact that the recent Commonwealth Census showed that 13.3 per cent. of the male breadwinners had no income and 24.3 per cent. had less than £1 per week.

Among the females, 10.9 per cent. had no income and 40.3 per cent. had less than £1 per week.

That is, 37.6 per cent. of the males and 51.2 per cent. of the females had less than £1 per week.

Those who uphold and administer the present system have failed to discover a way of adequately distributing actual production, and the trend of the policy which they have adopted has been and is towards restricting and destroying a portion of present production rather than developing and distributing the maximum that the people can economically use and enjoy.

The sole object of production should be use or consumption.

There should be no insuperable difficulty in distributing what we can make or produce.

There is an evident attempt on the part of monopolistic organisations to keep the people in ignorance of facts which might lead them to change the system.

Referring to the rapidly growing demand all over the Empire for monetary reform, on the ground that the present system has failed

which industry expands, do no work, and do not provide anything which a national credit board, or a community controlled bank, could not do and provide without taking away the community's assets.

Money for War—Why Not for Peace?

According to press reports of the period, in 1921 a deputation from the Australian unemployed waited upon Sir Denison Miller, Governor of the Commonwealth Bank, owned by the people. A member of the deputation put the following direct question to him:—"In a recent address in London, Sir Denison, you stated that to meet the necessities of the war certain things had been done by you which, before the war, would not have been dreamt of. You advanced Australia over £350,000,000 for war purposes, and you stated that, had the war continued, you would have advanced another £350,000,000. Are you now prepared to advance Australia £350,000,000 for productive purposes?" Sir Denison Miller replied: "Yes, I shall do my best."

As throwing a great light on the attitude of financiers and their economists, the Report quotes the Papal Encyclical, *Quadragesimo Anno* (1931).* It refers to leaders in the Anglican and Free Churches adopting Social Credit views fully, or realising that the present conditions of **poverty and distress are man-made and can certainly be removed, as soon as a sufficiently strong public opinion demands their removal,** irrespective of the desires of the few who now control so much of the community's wealth.

It is realised that the health, morals, and happiness of our people are being needlessly sacrificed, and the inevitable result must be very severe injury to the coming generation. The Committee unanimously agrees that this is unnecessary. It is not satisfied that any real attempt has been made by the financiers, who control the destinies of the nation, to carry out His Majesty's desire of finding a means of distributing our abundant wealth. Probably the reason for this is that the first step necessary in any plan promising success must be control of its own credit by the community. It is not reasonable to suppose that those who now control it, and have controlled it for so long to their own great advantage, will allow this control to pass easily out of their hands.

National Dividends Must Come

It is necessary to recognise that, owing to the great increase of machines and power, large numbers of people can no longer be kept in permanent employment, and a division of the profits of labour and science and power will have to be made on a social or national basis as a right belonging to every member of the community. This matter has gone far beyond the stage of quibbling or arguing over details of administration.

It has been realised from the inception of the Committee that, under Tasmania's insular and restricted conditions and the fact that it was not possible to call as witnesses the heads of financial institutions, since these do not reside in Tasmania, a complete investigation of some matters could not be made.

This Committee considers the Inquiries of the Commonwealth Monetary Commission should not be confined to superficial aspects of the present monetary system, but should be directed firstly to the basic principles on which money, and especially credit, is at present issued and controlled, with particular attention to the manner in which it functions in industrial operations in the creation and liquidation of costs and debts.

Secondly, this Committee considers that the chief factor in judging the success or failure of any financial system should be whether it is or is not assisting industry to function at its maximum rate and at the same time distributing maximum wealth combined with the highest and healthiest standard of living among the people generally. Any monetary system failing in these must be automatically on the defensive.

The Committee's general and unanimous conclusion is that it is obviously possible to find a just and equitable method of distributing any already existing surplus and also potential production without in any way injuring or dispossessing those now enjoying wealth.

Community control of credit and its equitable distribution seems to be the first necessary step towards realising the ideals expressed by His Royal Highness the Prince of Wales in the following memorable words: "The depression and economic disturbance has been largely caused by maladjustment of distribution. The potential output is far greater than ever before. If all employable

THE POPE ON FINANCE

Quoted from the *Tasmanian Report*

The following quotation from the Papal Encyclical, *Quadragesimo Anno* (1931), throws a very great light on the attitude of financiers and their economists:—

"It is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure.

"This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying, so to speak, the life blood to the entire economic body, and grasping, as it were, in their hands the very soul of production, so that no one dare breathe against their will . . .

"This concentration of power has led to a three-fold struggle for domination. First, there is the struggle for dictatorship in the economic sphere itself; then, the fierce battle to acquire control of the State so that its resources and authority may be abused in the economic struggle; finally, the clash between the States themselves . . .

"Unbridled ambition for domination has succeeded the desire for gain; the whole economic life has become hard, cruel, and relentless in a ghastly measure. Furthermore, the intermingling and scandalous confusion of the duties and offices of civil authority and of economics have produced crying evils and have gone so far as to degrade the majesty of the State.

"The State, which should be the supreme arbiter, ruling in kingly fashion, far above all party contentions, intent only upon justice and the common good, has become instead a slave, bound over to the service of human passion and greed.

"As regards the relations of peoples themselves, a double stream has issued forth from this fountain-head: on the one hand, economic nationalism or even economic imperialism; on the other, a not less noxious and detestable internationalism or international imperialism in financial affairs, which holds that where a man's fortune is, there is his country . . ."

labour were employed for a reasonable number of hours per week, the world would have at its disposal a volume of commodities and services which would enable the entire population to live on a higher level of comfort and well-being than has ever been contemplated in the rosiest dreams of the social reformer. Our urgent task is to bring consumption and production into a proper real relationship—not a simple, but a quite possible, task."

A PRINCIPLE OF DISTRIBUTION

That reduced price turns psychological demand into effective demand is proved by the increase in the use of the telephone service since the lowered rates were introduced. 66,000 new telephones were installed last year.

The total number of calls originated in London increased by 72,000,000, and the increase in trunk calls was over 35 per cent. More than 200,000 miles of new lines were installed to handle this increase.

Give the public more purchasing power, and every industry will have the customers it is eager to serve.

LACK OF MONEY LEADS TO CRIME

A boy of 15 has just been arrested and charged with attempted extortion, says a British United Press message from Bayonne, New Jersey.

Stanley Karczewski attempted to extort £100 from a Bayonne shopkeeper by threatening to kidnap and kill his nine-year-old son.

The extortion note was given to the police, who prepared a trap which the boy walked into.

His story revealed that for five years his father had been unemployed. The boy felt desperate, and was anxious for the health of his mother.

He proposed, if he got the money, to give it to her at the rate of about £2 a week, saying that he had obtained temporary work — "*Star*," January 11.

SOCIAL DYNAMICS

Lord Shaftesbury, speaking of the "*Social Evil*" at the *Mansion House, London, on July 10, 1885, said:*

"YOU may depend upon it that no Government undertakes a question of really important and social character until it has been forced on them by the voice of public opinion.

"Consequently it is our duty to bring that voice of public opinion to bear on this question . . . The only thing that defies evasion is a wide-spread and universally extended public opinion.

" . . . The plague . . . is too deep, too wide, and there are too many persons interested in the continuance of it, to enable us easily to wipe it out.

"Uncommon energy will be necessary, and I hope we shall raise such an amount of popular indignation that the effect will be irresistible."

and cannot distribute available goods and services, the Report quotes the King's speech at the opening of the World Monetary and Economic Conference in London on June 12, 1933; the Prince of Wales; a resolution of the Thirteenth Congress of the Federation of Chambers of Commerce of the British Empire; the special report of the Southampton Chamber of Commerce; and the Judgment of the Commonwealth Full Court of Conciliation and Arbitration, delivered on January 22, 1931.

A statement was given to the Committee by the Deputy-Statistician that during the past 25 years the assets of the Australian trading banks increased by a total increase of £298.9 millions, and further indicates that the faster industry functions the faster the total debts to the banking system increase.

The wealth of the community should be reckoned by its freedom and security and well-being and not, as at present, by its debts.

The banks, in providing the credit by

* Quotation reproduced on this page.

Overseas Notes

Australia and New Zealand

North and South

IN SOCIAL CREDIT for November 1, "Overseas Notes" reported the probability of the Queensland Douglas Social Credit Association undertaking an Electoral Campaign in the near future. News has since reached me of the inaugural meeting held in Brisbane on November 25, as the result of which the "Queensland Abolition of Poverty Campaign" was definitely launched. A telegram was received at the meeting from the South Australian Association, which was holding its own meeting to inaugurate the Abolition of Poverty Campaign on the very same evening.

Assuming that, as in the case of Western Australia and of Queensland, the "Abolition of Poverty Campaign" in South Australia is the equivalent of our Electoral Campaign, the whole of the mainland States of Australia are now getting behind the demand for results that the genius of Douglas saw to be not only the way of saving democracy but also its proper function. Unless Australians are fundamentally different beings from ourselves the results we want from the economic system are the results they want too, and unless Australian politicians are so rich, ruthless and remote as to be totally insensitive to pressure from the electors, then those electors are going to achieve the abolition of poverty for an absolute certainty if they demand it.

Western Australia

Sometimes, when I have been writing to correspondents overseas who express doubts and objections of every conceivable kind to an Electoral Campaign in their own part of the world, ("of course our conditions are so different from yours"), I have had the temerity to suggest that if they will only try it, they are likely to be surprised and delighted by the result. Point has been added to this advice during recent months by the experience of such an area as Western Australia; not, I hasten to add, that this was one of those which needed any urging. I suppose conditions in that State are about as different from those in Great Britain as they could very well be, given that both are inhabited by the same racial stock. The population is largely agricultural, the distances immense, good roads infrequent, and there is a mere handful of people with leisure time. The obstacles to starting an Electoral Campaign might appal any but the very stoutest hearts, yet the report in a recent issue of *The New Times* speaks for itself.

Attention Mr. Collier

"The applications for literature and for enlightenment regarding the Campaign continue to come from all quarters," the report says. "On his return from the Denmark district Mr. Butler [the State Secretary] stated that everywhere he went he discovered a remarkable unanimity of opinion that the policy of the Campaign offered the weapon which for so long electors had been wanting. 'I have returned and make a frank admission that the enthusiasm of our country people somewhat terrifies me.' Mr. Butler added: 'In the districts where I have been, the conditions are such that there can be no question, if this Campaign does not succeed, and if the objective we aim at is not reached, we are going to be faced with troubles which I predict will be without precedent in this country. It is no exaggeration to say that in all districts primary producers are reaching the end of their patience and endurance. . . . Personally I am of the opinion that at long last the wisdom of C. H. Douglas has offered us a forward pathway which is destined to lead us to economic emancipation.'"

That temper of determination about which Mr. Butler speaks so vividly is the very best guarantee that the objective will be reached, combined as it is with a remand for results which is the absolute safeguard against trickery. While for any M.P. to hope that in such a case electors will not honour their pledges would be to imitate the actions of the ostrich. Such a spirit as Western Australia is showing, moreover, makes it likely that success will be achieved without an electoral "showdown" at all. Politicians are sensitive to pressure, and pressure is felt between elections as well as at them.

Sidelights on N.Z. Elections

I am grateful to many correspondents who have sent me specimens of campaign literature used in the recent New Zealand elections. The efforts of the banks, in particular, to defend an indefensible position reveals how far public opinion is roused in the Dominion, for unlike the banks of Australia,

which have been squirting a dense cloud of ink for some years past, those of New Zealand have not before found it necessary to issue propaganda on a big scale.

The keynote appears to have been, "Remember Germany," with the implication that if the Government were not returned Labour would inflate with the same sort of results for the pound that the mark showed in 1923. Instructions were issued to the press not to mention monetary reform until after the election. Pictures of rooms papered with million-mark notes alternated in the advertisements with those of tearful families gazing at "Bank Closed" notices, and the caption, "It actually happened in New South Wales, don't let it happen here," or else, "Worthless Money: Labour's real policy exposed"; or "Currency reformers . . . experiment with your savings and with the financial organisations to which your money and your life insurance policies are entrusted."

Labour's Objectives

From the usual spate of post-election interviews, the following further points of interest emerge regarding the expressed objectives of Mr. Savage and his Government. "It is Labour's intention," he said, "to put Parliament on the air. Those who are interested will be able to listen to their elected representatives discussing national affairs." Three-year parliaments will be restored (the Coalition Government extended its own term without reference to the people). Pension and wage cuts to be restored. Each Labour member, according to his special knowledge, will assist and co-operate with the appropriate Minister, and will also be a member of one or more of the standing Parliamentary committees. "Mr. Savage's proposal," says the *Auckland Star*, "in effect, is to make all members of his party participants in the work of government, and therefore co-operators rather than critics," and it notes that ministerial salaries are being pooled as an earnest of the new Government's "sincerity and idealism."

The general impression gained from the press is that the Labour victory has been

greeted with enthusiasm by the country at large, without undue disquiet by business interests, which regard the Premier's reputation for caution and steadiness as reassuring, and with superficial calm by the banks, which are uncomfortably aware that he means what he says, and will not hesitate to enforce Government control of the Reserve Bank if it shows any disposition to block reforms. The next steps are up to the Social Credit Movement of New Zealand, whose support at the election was admittedly important and possibly decisive, and whose growing pressure for results can now curb the old-fashioned "nationalisers" in the Labour Party, and enable the Premier and the more progressive wing to attack the real problem, that is to say the abolition of poverty and the preservation of individual liberty. The responsibility of every New Zealander who has grasped the tremendous implications of Douglas's Buxton speech is a heavy one; he knows that his own personal action may be decisive for the future of his country.

Australian Notes

The biennial conference of the Commonwealth Public Service Clerical Association, held in Melbourne last month, passed a unanimous motion that all public servants should be urged to make a close study of the subject of money, and "the actual causes of the so-called depression and the reasons for the continuance of such unsatisfactory conditions." (*New Times*).

A correspondent quotes this opinion from a member of the Australian Federal House, who has held office in a Labour Government: "You have a good friend in me, but as a Social Creditor candidate opposed me at the last General Election I have had publicly to denounce Social Credit." Comment superfluous.

The Tasmanian Monetary report, which has been practically ignored by the press of the mainland, has stirred Mr. Lyons to a fresh denunciation of Social Credit. *The New Times* suggests that this may be connected with the fact that one of the signatories was the Nationalist member for the same district in Tasmania which Mr. Lyons

"represents" in the Federal House, and a man of the highest standing in the neighbourhood who could not possibly be accused of being a "crank." Very awkward for Mr. Lyons.

A new series of radio talks, "The story of the banks," is announced as "an historical treatment of the romantic growth of Australia's main trading banks." Perhaps the first two adjectives have got misplaced?

Canada and U.S.

A Detroit message to the *Edmonton Journal* says that if Father Coughlin receives "one million votes of confidence within three weeks" he intends to launch a national newspaper "which shall dare print the unprinted truths which have been withheld from the people."

The Junior National Dividend Association of British Columbia, which is applying Electoral Campaign methods on the Pacific Coast, issued in December the first number of *The New Voice*, a monthly bulletin which includes among its features a "Shot and Shell" column on the model of that in this paper. At the other end of Canada the second number of *Douglas Social Credit*, C. V. Kerslake's excellently-produced paper, includes a reprint of the Statement of Policy of the Secretariat, together with much interesting technical matter.

The Social Credit column in the *Peekskill Daily Union* continues its good work, and an article entitled "Results v. Methods," just before Christmas, shows conclusively that its writer knows what is essential and what is not.

J. D. B.

TAX GATHERERS

MR. F. J. PALMER, Managing Director of a leading Sydney firm of men's outfitters, states that taxation accounted for almost 70 per cent. of dividends paid to the shareholders of his company, and that the Government was really the largest shareholder in the business!

As the proportion received by shareholders is subject to further taxation, it may soon pay the firm to hand the business over to the Government. Businesses to-day are rapidly developing into registered tax gatherers for the Credit Monopoly.—*The New Era*.

G. W. L. DAY on

THE PAMPERED POOR!

I HAVE before me a letter which, I think, expresses clearly the doubts and objections which many people have for the idea of National Dividends.

"As a matter of fact," says the writer, "National Dividends are being used on an enormous scale to lessen the poverty of the nation, but they are being paid to those who need them. There has never been a time when those who are out of work were so generously supplied with the means of life. If a man has a large family he is often better off than the man who works and gets wages."

"The unemployed are not starving by any means. If coffee is burned in Brazil it is because more coffee is being produced than the working class man wishes to use. He prefers tea, and coffee is regarded as a luxury . . ."

"Milk is being given in schools at greatly reduced rates, and if some is produced and not used I do not think it is because our working classes cannot afford to buy it, but because they prefer to spend their money on cinemas, sweets, tobacco and other things."

The first thought that strikes me on reading this letter (and others like it) is, "If only the writers could exchange places with an unemployed breadwinner, or his wife, just for one week!"

This, I feel sure, would cut short any need for discussing the generosity of National Governments. Facts and figures have constantly been quoted in this journal — scales of relief and unemployment benefit whittled down and down below even the B.M.A. minimum standard; 20,000,000 people suffering from malnutrition; mothers dying in child-birth because of too little nourishing food; half the children in some districts suffering from deficiency diseases; high medical evidence of wholesale deterioration of health in Distressed Areas; and so on, *ad nauseam*.

But what is a ton of facts and figures compared with an ounce of personal

experience? Do the unemployed really demonstrate (heavily escorted by the police) just because they are spoilt, ungrateful and perverse?

The writer even attempts to shift the blame for the destruction of "surplus" coffee and milk on to the working-class family's preference for tea, cinemas, sweets, tobacco, etc. They prefer tea to coffee, he says. How does he know? Because they buy tea and not coffee. Then do they prefer slum hovels to service flats, tinned milk to fresh milk, bully beef to rump steak and low-grade marga to best butter? So long as they have practically no money to spend, we can't tell.

The sums they receive if they are not in work are so meagre that there is no need to seek further reasons for our "surplus" milk. But even assuming that unemployed families do spend part of their doles on cinemas, sweets and tobacco, who has the right to judge them for it?

How to get the best value for money is a personal matter, anyway, and has to be learnt by personal experience. Wise spending (with apologies to the authors of that sumptuous phrase) comes only through having something to spend. If you want your child to learn how to build, you don't give him just one brick and deny him any more lest he should break the golden rules of architecture; you give him bricks by the boxful and let him work it out for himself. So, surely, it should be with money. Only when people have had reasonable amounts of money to spend for a reasonably long period will they learn how best to use it.

The writer, whom I am venturing to criticise, says that National Dividends are already being used on an enormous scale to lessen poverty. Does he mean by this the £40,000,000 which is distributed each year in Poor Law Relief to provide our million-odd paupers with 6s. 1½d. a week? Or the further pitiable sums meted out by those great-hearted gentlemen of the Unemployment Assistance Board?

As Einstein said to the gibbering Darwinian professor, it is all a question of relativity. If I realise that I have to help pay for it, I begin to think that the unemployed are not to be trusted with money and that their scales of relief are scandalously large; but if I exchange places with one of the recipients, the "relief" seems to shrink almost to vanishing point.

In any case, something which is taken from Peter to pay Paul is most certainly not a National Dividend. On the contrary, it is a piece of legalised robbery, which is calculated to make the victim regard the beneficiary with anything but Christian feelings. Even Christ, although He once advised an enquirer in exceptional circumstances to sell his goods and give them to the poor, did not suggest that he should allow this unpleasant process to be perpetrated on him by force.

If bands of public-spirited brigands broke into our homes by night, carried off our loose cash, and distributed it to the inhabitants of Hoxton, we should probably entertain almost Italian feelings towards them. But because this business of brigandage is carried out by unimpeachable gentlemen of the highest standing in public life, we tend to vent our injured feelings on the unoffending recipients. So we say they are certainly not starving by any means; that they are often better off than those who work; that they squander their money—our money!—on cinemas, sweets and tobacco.

I must admit I have great sympathy for people who feel sore about being robbed by unctuous Robin Hoods. I feel especially so whenever I have a letter from the Inland Revenue Department or the local Rating Authority. But instead of being angry with the unemployed I am indignant with those who pretend that the only source of money-tickets is the private incomes of Britain's citizens.

Why not monetise the enormous surpluses of production and have done with this Shylock business?

CANADIAN LOAN COUNCILS

AN INFAMOUS BARGAIN

THE Federal and Provincial Ministers in conference at Ottawa have approved constitutional amendments to facilitate the establishment of separate Loan Councils for each of the Provinces, each consisting of the Dominion Minister of Finance and the Treasurer of the Province, with the Governor of the Bank of Canada as adviser. Also of a National Finance Council composed of the Dominion Minister of Finance, the Treasurers of all Provinces, again with the Governor of the Bank of Canada as adviser.

Permanent Bondage

Mr. Dunning, Dominion Minister of Finance, announced that the conference agreed that the British North America Act should be amended.

Any Province whose bonds are to be guaranteed would secure the Dominion against loss by pledging Dominion subsidies, and other Revenue.

Before the Dominion guarantee would be given a Province must accept the principle of the Loan Council's approval of any refunding plan and of all future borrowing.

It was also agreed that the Dominion should be "empowered to act" in the event of Provincial default.

Who Benefits?

The National Finance Council would eliminate the duplication of taxation on cor-

porations, such as railways and banks. Under the existing system the Federal and Provincial Government had been "grabbing revenues here and there, with resultant chaos."

An amendment to the British North America Act was requested by the Provinces to clarify and extend Provincial powers of taxation of petrol, amusements, fuel oil, retail sales, etc.

"The first result of these decisions was a rise in Canadian Bank Shares on the London Stock Exchange.

Cat Out of the Bag

"The chief and immediate result of the Ottawa finance proposals will be the rescue of certain Western Provinces, chiefly Alberta, from the possibility of default.

Probably one of the most important results of such a plan would, it is considered, be the final disposition of Social Credit as a practical possibility for Alberta."—*Financial Times*, January 15. [Our italics.]

Hasty Denial

"Mr. Dunning declined to comment about the merits of Social Credit, but it is known that he regards it as unsound. The Dominion Government's policy respecting future loans to the Provinces is not dictated by opposition to Social Credit."—*Financial Times*, January 16.

GERMANY'S YEAR'S GOOD TRADE EXPORTS SURPLUS

GERMANY'S POVERTY DR. GOEBBELS DEFENDS STREET COLLECTIONS

Berlin, Jan. 19. "We are paupers, while the rest of the world is swimming in wealth," said Dr. Goebbels, the Minister of Propaganda, according to the official version of his speech of Friday last.

"We are confronted with difficulties," he went on, "which we cannot master from within, because a higher power stands above us.

Defending the continual street collections, Dr. Goebbels remarked that if nothing was done against poverty the poor would one day rise in despair.

"This means," he added, "that our pennies are the premium against internal unrest. We pay our premium for the stability of the National Socialist regime."

All the above is from the *Financial Times* of January 20, the first two headlines being merely on a different page from the rest.

SOVIET PREPARES FOR WAR

HUGE INCREASES IN ARMS

The U.S.S.R. has decided to budget for more than double last year's expenditure on armaments. These comparative figures are interesting—arresting:

	Budget Estimate	Actual Expenditure
1934	1,665,000,000	5,000,000,000
1935	6,500,000,000	8,200,000,000
1936	14,800,000,000	?

[*The Times*, January 17].

RECORD BRITISH STEEL OUTPUT EXCEEDS WARTIME PEAK

The year 1935 was a record one for the British steel industry, the production reaching a record level.

At 9,842,400 tons the output of steel ingots and castings was 11.2 per cent. above that of 1934 and exceeded by 126,400 tons that of the war year 1917, the previous highest. — *Financial Times*, January 14.

WHAT ARE TUNNELS MADE OF?

A scheme for a tunnel under the Thames between Dartford and Purfleet has been under discussion for over five years. Finance has held it up, but new plans have been submitted, offering a considerable reduction on the estimated cost of £3,000,000.

The revenue of the Mersey road tunnel has been over £250,000 a year. Who gets the money? Is it divided up amongst the citizens of Liverpool as a reflection of the increased wealth represented by the tunnel? If not, why not? And should not the people of Dartford and Purfleet look into this?

TAX VICTIM

Clarence Johnstone, the coloured music hall artist, well known as one half of the Layton and Johnstone turn, was adjudged bankrupt on January 6.

According to the *Evening Standard* of January 20, "Practically the only liability was £16,081 in respect of income and super-tax arrears, which had gradually accumulated, and of which, Johnstone alleged, he was not informed at the time."

Hard lines, black man. This white man's magic is a very powerful magic; it holds the world in thrall.

WHAT IS PROGRESS?

Mechanization at the present moment looks like being the most important means of progress—of producing human food with less human toil. — *Professor Scott Watson* (reported in *The Times*, January 13). Quite right, and so all improvements in process are progress, and should be made to pay dividends to society.

Book Reviews

Lord Peter Wimsey on Politics*

In these later days I do not dare reflect on my old friend "Sherlock Holmes." How are the mighty diminished by their mightier offspring. Wimsey surpasses himself in this latest record. The mystery to be resolved is a thread which is woven into something much more than a detective novel.

Incidentally to the story, Wimsey has been helping diplomacy to avert war. This is his racy way of putting it:

"I thought—at one point we all thought—something might be going to happen. All the old, filthy uproar. I got as far as saying to Bunter one night: 'It's coming; it's here; back again to the Army, sergeant...' But in the end, you know, it made a noise like a hoop and rolled away—for the moment."

"Thanks to the comic cross-talk?"

"Oh, no. Great Scott, no. Mine was a very trivial affair. Slight frontier skirmish. Don't get it into your head that I'm the man who saved the Empire."

"Then who did?"

"Dunno. Nobody knows. Nobody ever does know, for certain. The old bus wobbles one way, and you think, 'That's done it!' And then it wobbles the other way and you think 'All serene'; and then, one day, it wobbles over too far and you're in the soup and can't remember how you got there."

"That's what we are all afraid of, inside ourselves."

"Yes—God! How I loathe haste and violence and all that ghastly, slippery cleverness. Unsound, unscholarly, insincere—nothing but propaganda and special pleading and 'what do we get out of this?'"

Lord Peter is off his beat there, and knows it; for later he states his creed. "Now we have found common ground to stand on. Establish the facts, no matter what comes of it."

Establish the facts—

Then what is wrong with our old bus of civilisation? Is it the machine which is at fault? No. Listen to the engine—sound as a bell. But one glance at our government driver is enough. Look at that vacant eye, that shaky hand on the wheel; he scarcely seems to know whether his foot is on the break or the accelerator!

The fellow's crazy—simply "not all there." No wonder we mount the kerb and go zig-zagging along, faster and faster. It's sure a crash must come unless—unless we put sense and firm purpose into his head.

Unless the will of democracy becomes a driving force which will keep him to that

* "Gaudy Night," by Dorothy L. Sayers. London: Victor Gollancz. 7s. 6d.

purpose. Unless our social dynamic—the active complement of our social credit—is released to endow him with sanity.

EDWARD HEWLETT.

New Pamphlet by G. W. L. Day

Mr. Day continues to present the case for Social Credit in a very lively, simple and clear manner. It is all here in these 90 pages—the A + B Theorem, the National Dividend and the Just Price. Mr. Day even finds space at the end for an essay on Social Dynamics.

The book shows clearly how the flaw in the Price System causes the evils of Poverty, Debt and War. It demonstrates that Social Credit would remedy the conditions; while some space is devoted to examining various objections to Social Credit. The growth of the Banking and Debt system is traced, and the Social Credit propagandist is provided with the kind of figures relating to public debt and the money system for which he is always searching.

The tendency of all propagandists is towards overstatement, and it is possible that Mr. Day has not altogether escaped it. There is a suggestion on page 89, for example, that the Unemployment Assistance Board deliberately framed its proposals of last winter with the object of lowering the standard of living of the unemployed. I happen to know, from a personal friend on the Board, that its members were horrified at the way in which their proposals worked out in practice.

Still, these are small points, and this little book will be a great help to the Social Credit propagandist.

T. D.

* "This Leads to War," by G. W. L. Day. London: Figurehead Press. 1s.

Economies? Devaluation? or What?*

In this booklet the author deals with certain proposals for Kenya put forward by Major Grogan and The Economic Development Committee, consisting primarily of economies and the devaluation of the currency.

Before setting out a Social Credit scheme suitable for Kenya as an alternative, the author has some good sections on Value, Price, and the Money Power. Value is well treated on the lines of his recent work, "Property, Its Substance and Value" (Figurehead Press, 2s. 6d.).

It is a pity that the question of the regulation of profits is omitted from an otherwise excellent summary of remedial proposals.

A. W. COLEMAN.

* By Count W. G. Serra. Nairobi: W. Boyd & Co. Ltd. 50 cents.

Mr. Geoffrey Crowther Broadcasts

(SECOND INSTALMENT)

HAVING established to his own satisfaction, if not to ours, that the world in general and this country in particular are really quite poor, and that the important problem is one of employment, Mr. Crowther proceeds to discuss how the products of industry get to the consumer.

He starts quite hopefully in his fifth talk by saying that "industry comes back in the end to the individual consumer; . . . all the effort has one purpose only—to supply more of his wishes and desires." (Incidentally that is at variance with Mr. Crowther's definition of the purpose of an industrial system in talk No. 1, where he insists that production is the objective.)

Again, he raises our hopes by saying (later in the fifth talk): "On the one hand you have this vast complicated system turning out goods and services. On the other hand you have the consumer. The two meet in the shop." Having got so far one might expect him to discuss whether we can or cannot push the goods over the counter in exchange for money. But no; his argument tails off into a futile examination of whether the organisation of physical distribution could be improved.

However, in his last three talks he at length introduces the money factor. Here, I fear, Crowther, the patient expositor of economic "facts," becomes (doubtless quite unconsciously) Crowther the propagandist of the view of "sound finance." The fundamental purpose of money, he tells us, is "to see that everybody gets out of the pool goods and services of the same value as those he puts in"; and again: "The only practicable way of securing that consumption is equal to production is to value each individual's contribution to the pool, to give a ticket for the value of the contribution, and then let him take goods out of the pool to the value of the ticket he has been given."

This is, of course, equivalent to saying

that the only costs in the prices of current consumable goods are labour costs; that these costs are represented during the same period of time by incomes in the hands of the public; and that therefore we can buy all we produce. As, however, prices contain a large number of other costs beside those represented by human labour, since, in short, prices are greater than incomes, Mr. Crowther's fundamental hypothesis about money flops badly.

After this it would be tedious to follow him through his maze of monetary errors. Most of our old friends are there. "Money is a medium of exchange"; "A bank is an institution that borrows from one set of people—its depositors—and lends to another set of people" (though later he admits that banks create money!); "the Bank of England is limited by Acts of Parliament which define its powers" (rather clever, that one!); the Velocity of Circulation argument; old Uncle Tom Cobby and all.

He ends pessimistically by assuring us that the present rate of taxation must continue, since we cannot further reduce the interest payments to bondholders of the National Debt. He forgets to inform us why the holders of 80 per cent. of these bonds (the banks and insurance companies) having obtained them for nothing, should be thus favoured.

The real question is: What was the purpose of Mr. Crowther's broadcast talks? They may, of course, be merely a collection of solemn nonsense misguidedly, but sincerely, produced for our edification. But I fear, having in view the interests which control the B.B.C. in common with most of our other national institutions, that they are more likely to have been written as a reply to the Electoral Campaign. Because, if you can persuade people that poverty is unavoidable, they will not inconveniently demand its abolition. K.M.

MARVELS OF MODERN CHEMISTRY

WHERE WILL THEY END?

In a lecture to the Chartered Institute of Secretaries last week, Mr. L. A. Munro said:

"It is not very long since one read about the marvels of making beautiful colours from coal and turning the atmosphere into fertilisers. In these days, when plastic materials for the manufacture of an infinite variety of household articles are made by combining two disinfectants—carbolic acid and formalin—or by synthesising a natural product like urea and combining that with formalin; when motor-car parts are about to be made on a large scale from soya beans; when transparent paper, paint, and nail polish are made from Canadian and Scandinavian forests; when vinegar is made from calcium carbide and anti-knock materials for doping petrol from seawater, one is tempted to let one's imagination run riot with regard to future developments.

"When carbon dioxide gas, the same gas as is exhaled by animal life, is used not only for refrigeration but for the preservation of fresh food, and the rare gases of the atmosphere which were laboratory specimens a few years ago, and rare metals, only recently discovered, are used for the manufacture of electric lamps, gas mantles, and radio valves; when varnishes and explosives are made from soap lye, and toilet soap from whales, how can we begin to put any limit to what will be done in the future?"

"The primary necessities of life—food, clothing, and shelter—have been almost revolutionised by advances made in the chemical industries, or at any rate by the application of science in general and chemistry in particular to industry, and chemistry is playing an important part in providing us with the luxuries of life, our transport, and our recreation."—*Manchester Guardian*, January 12.

And yet we can't get 'em.

Active Service

The Electoral Campaign to Abolish Poverty

How to help to end the misery of poverty and insecurity. There is a part for everyone to play.

WE have to obtain from every elector an agreement with a definite policy which embodies his immediate desires, and a signed pledge from him that he will not vote for any candidate who does not undertake to see that that policy is carried out.

We do not say to the elector that if he will elect us we will give him what he wants; in fact, we do not care who is elected. What we are offering is to put forward to whoever will be elected the electorate's demand that he shall arrange to give them what they want. We repudiate the qualifications of elected representatives of the people to act as experts—to tell existing experts how to do their jobs—but we demand that they shall tell those experts to do what the people want them to do. This differentiates our campaign from any other political action, since we are not asking to be put into power in order to give people what we think is good for them. We simply ask people for their agreement on what they themselves think is

good for them, and to elect only those members who will see that this is done.

It is not necessary, therefore, and it is in fact undesirable, when talking to the electors to discuss any technical matter, but simply to stress the facts of physical abundance in order to show that it is possible for people to have what they want without calling for sacrifices from anybody else, and to ask them to demand a higher personal income with complete security by means of the National Dividend.

It will be seen that this traverses the idea of party politics which, as Major Douglas explained in his Buxton speech, is a subtle distortion of real democracy.

There is evidence of a belief amongst Members of Parliament that, once they have been elected, they do not have to do what their constituents want them to do, but to decide for themselves what they think is good for their constituents.

SHOT AND SHELL

Thin Stock Shows now! Smithfield Club Council propose to limit weight of "fat" cattle at next year's show to 10 cwt. Some South Devons in the last show weighed over 17 cwt.—*"Daily Express," January 7, 1936.*

During the war, Allied purchases in U.S.A. exceeded £6,000,000,000, which were financed by loans raised in America. The Senate Munitions Committee is endeavouring to show that these loans were permitted as the result of the persuasion of New York bankers.—*"Daily Telegraph," January 7, 1936.*

Wartime loans to the Allies by American financiers are alleged to have built up a vested interest, through which America was drawn into the war, to prevent the bankers' loans becoming a total loss.—*"Daily Express," January 6, 1936.*

Rapidly growing number of unemployed causes concern in Holland. Record of 415,180 registered at end of November, but actual number far greater, as many are not registered. In proportion to total population, figure is higher than in England and Germany, and far exceeds Belgian percentage.—*"Financial Times," December 30, 1935.*

Powell Duffryn Colliery has cancelled £1,500 rent arrears owed by employees who are tenants of the Company's houses in the Pontypridd area.—*"Daily Telegraph," January 7, 1936.*

POTATO PIE

Steady rise in potato prices. Cause is decreased yield and acreage. Acreage is down because bad prices of last year have discouraged potato production. To say that price is high because "Potato Board is limiting production is fantastically untrue."—*"Daily Telegraph," January 10, 1936.*

Devon and Cornwall have lost more than 50 per cent. of their potato acreage during the last sixty years. In 1875, 23,000 acres; in 1935, 11,100. Reasons: Change in public taste and Potato Marketing Board restrictions.—*"Daily Express," January 7, 1936.*

Doncaster farmer applied to Board for 12 acres of potatoes, for 1934, and planted 10; planted 10 acres again for 1935. In June, 1935, Board allotted him five acres, and fined him £5 per acre on the remainder—£25 in all.—*"Daily Express," January 11, 1936.*

Potato Marketing Board have decided not to repeat experiment of selling cheap potatoes to unemployed, as "owing to shortage in home production we feel it would be inadvisable."—*"Daily Express," January 8, 1936.*

Ministry of Agriculture's preliminary agricultural report on 1935 crops states estimated potato yield is 6.3 tons per acre, as against a ten years' average of 6.4 tons. The actual acreage "declined slightly."—*"Daily Telegraph," January 8, 1936.*

Mechanisation might be one way of keeping land under cultivation, even a way of paying higher wages, higher profit interest, and higher rents to a few fortunate labourers, farmers, and landowners, but it was a method which could not recommend itself either to the urban electorate or to the displaced rural population.—*Mr. Dunstan Skilbeck (School of Rural Economy), "Daily Telegraph," January 9, 1936.*

New ships built for export in 1934 totalled £1,500,000; this contrasts with £11,000,000 in 1913, and £20,000,000 in 1930.—*"Daily Telegraph," January 2, 1936.*

The cycle of trade depression accounted for the closing of a great number of businesses, and England, as a result, is "littered with skeletons of disused factory buildings."—*"The Times," December 27, 1935.*

Seventy-year-old piano tuner stole two medals whilst tuning piano at Brighton. In court, pleaded for as long a sentence as possible, as he was tired of the struggle. Said "I would be better by far in prison. It is doing me a real kindness. I shall have some food and a bed."—*"Daily Telegraph," January 4, 1936.*

Two hundred South Wales coal pits have been closed since the War, and most of the other mining areas were similarly affected.—*"The Times," December 27, 1935.*

Farmer sued by Milk Marketing Board for arrears of contributions stated that he had saved the Board over £89 by keeping his surplus milk at home. If he had sold it to a manufacturer at 4d. or 5d. a gallon, the Board would have had to pay him the full price of 1s.—*"Daily Telegraph," January 7, 1936.*

Still less sugar! Present production has been fixed at 50 per cent. of the 1931 level, but, if a surplus is again shown at end of year, next year's production will be further curtailed.—*"Evening Standard," December 17, 1935.*

There are rumours of a loan of £10,500,000 to Russia by France, which will be used to finance Russian purchases in France.—*"Daily Express," January 7, 1936.*

The "Delmac Frog" is a mechanical road ram, which jumps fifty times a minute, and exerts a pressure of half a ton.—*"The Sphere," December 28, 1935.*

Theory and Practice

Major-General Lord Loch: "I defy anyone to tell of a better scheme than one which says to a young man: If you give up your dole we will find you a job."

Constable at Willesden Police Court: "When I told the prisoner he would be charged he said: 'That means I shall lose my dole!'"

These two items are from the *Evening News* of January 2. Lord Loch has a theory that people want work, but the prisoner—with the prospect of a safe job—knows he prefers an income. Would Lord Loch give up his income provided some nice person would "cure his unemployment"?

Taking the Decision An Island Story

A GREEN Austin, plucked at and thrust at by the gusty clutches of a strong south-wester hummed through a gale on the coast road of the neat little Island which hangs in the blue Channel like a jade-green pendant to the county of Hampshire. The road ran for miles under the black cover of rolling downs, then climbed the scarp of a bleak hill, threaded the home-lights of a village, and twisted onward between dry walls taut with age and lichen with the slow growth of a century. On one hand lay a tumbled cliff with the glinting waters of the Channel beyond; on the other the winter wreckage of a luxuriant, wooded undercliff.

It was the beginning of a new year. Three men sat in the wind-raked little car, which had threaded many miles of such rural ways in the last three years on missions which were now to be crowned.

It stopped in the quiet of a hidden lane and three men joined another four in a lighted house that overlooked the sombre sea under a moonless sky. They were seven men who, because of the undeniable urge in them, had undertaken to organise the Electoral Campaign in a constituency as difficult, surely, as any in England. Seven men living with twenty miles of countryside between them were foregathered in a conference (not, by the grace of Douglas, a committee) to give an account of stewardship and fix zero hour.

They were faced with seven townships and dozens of villages as well as scattered hamlets nursed in a tumble of hills, with here and there a lonely farm squat in its plaid of fields as though it had grown there, all scattered over the broad face of the island. To some of them, whose daily business is to canvass orders for goods and services against the neighbours who give them "Good morning!" in the village streets, the word canvass is harsh and intolerable. Would there were a more blessed word for the gathering in of a people's mandate! But the will to be doing was there; plans were morticed, and the hour set.

It could not be too lighthearted, for an island people, withdrawn from the psychic stream of crowded communities, are divided between the apathy of the comfortably retired and the stoic inertia of the villager hobbled body and soul to his acre. Yet the

SECRETARIAT NOTICES

Reprints of Dr. Hewlett Johnson's article which appeared in SOCIAL CREDIT, January 10, will shortly be available. Readers requiring copies are requested to write in at once, as the price will be considerably reduced for a large order. See footnote to letter in correspondence columns.

Back Numbers of "Social Credit"—Use these in propaganda work. Fifty assorted copies, post free, 1s.

Attention is drawn to the revised list of literature in the "What to Read" column of the back page.

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

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

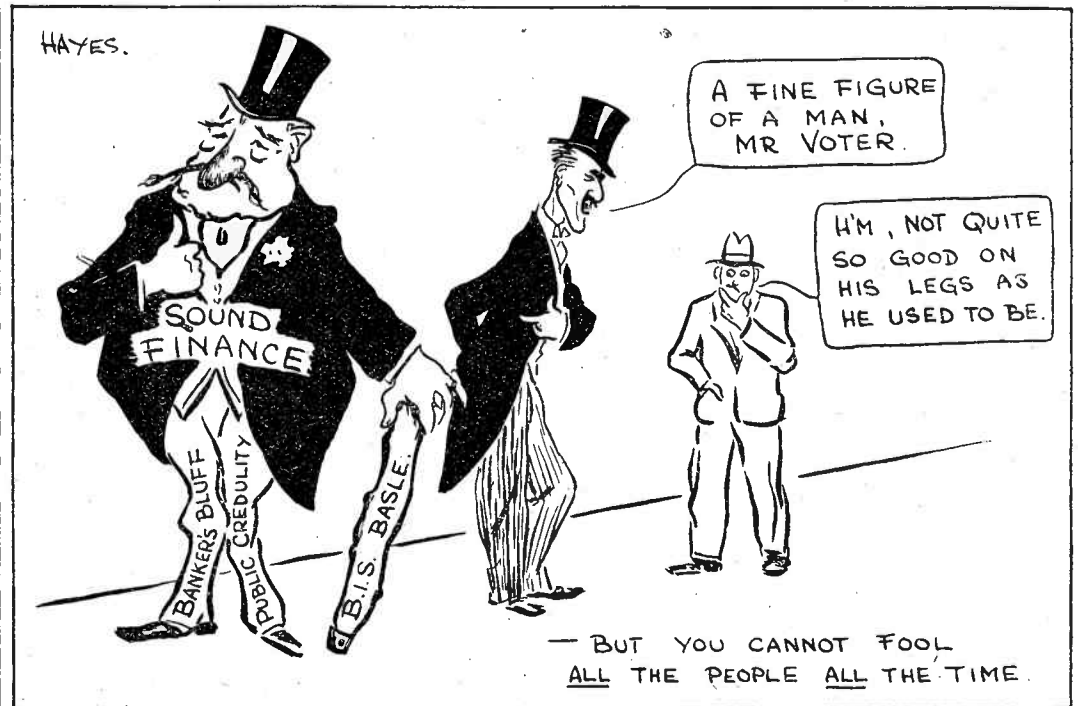
light breaks here and there, and reveals the possibilities of brave response to the Supervisor of Propaganda. As elsewhere the needy times press hardly upon the islanders, who wonder why, and suspect little of the alien tyranny that makes survival a scramble, and failure a deadening distress. Here are no stagnant pools of human misery, no black areas where despair is a common lot. But within the little homes there is the common tragedy of wracked nerves, and desperate strain to make ends meet. And the tradesmen make their tempting and ineffectual show.

So, in good time the issue became clear. The campaign will begin.

The green Austin chugged valiantly back through the screaming wind, and three men within rejoiced in a fulfilled discipleship. In the snug dark of the car, as it slid down the lee of a hill, and the howl of the wind was hushed, a voice said, "Have you read Shaw's definition of genius? 'A man of genius is not a man who can do more things, or who knows more things than ordinary men; there has never been a man of genius yet who has not been surpassed in both respects in his own generation by quite a large number of hopeless fools. He is simply a man who sees the importance of things.'"

There, made clear and certain, is the great claim of Douglas. Therein is the justification of those who follow him, and those who answer his call to the campaign that shall shatter the impregnable, and bring civilisation to the civilised. He is simply a man who sees the importance of things.

DEMOCRAT



THE MODERN HAMLET

"Whether 'tis nobler of the mind to talk . . ."

To do, or not to do: that is the question: Whether 'tis nobler of the mind to talk of The slings and arrows of outrageous Finance,

Or to take arms against a sea of troubles And by campaigning end them? From door, to door;

No more; and, with a form to say we end The heartache and the thousand natural shocks

That flesh is heir to, that is the decision We each of us must make. To talk, to talk, To talk; or just to dream what hope is there

That we may shuffle off this mortal curse, So do not pause. There's the campaign That marks calamity for Montagu.

For who would bear the whips and scorns of time, The oppressor's wrong, the proud man's contumely,

The pangs of hunger hard, and the spurns That patient merit of the unworthy takes, When he himself can the solution find Through Major Douglas? Who would fardels bear

To grunt and sweat under a weary life, But that the curse of apathy in some, The love of discourse as to ways and means,

The A + B that puzzles still the will, And makes us rather bear those ills we have

Than take the road and be a canvasser. Thus laziness makes cowards of us all, And thus the native hue of resolution Is sicklied o'er with the pale cast of thought,

And enterprises of great pith and moment With this regard their current turn awry. So now's the time for ACTION. Start in NOW.

B.B. (With profuse apologies to Shakespeare.)

CORRESPONDENCE

Two Kinds of Vote

I am engaged in the marketing of a certain radio product. For many years wireless dealers refused to sell or even display it. They knew that each one sold would rob them of a constant income from the sale of the products it displaced, which latter were a permanently recurring expenditure on the part of the user.

Gradually, listeners learned that the new product gave better results quite apart from economy considerations. In time their incessant demands forced dealers to procure the new article for them.

In just the same way, the electorate can demand—and get—what they want.

Bingley. ALFRED T. FLEMING, M.I.W.T.
P.S.—The following is from the *Children's Newspaper* for November 23:—

The election has been a magnificent personal triumph for Mr. Baldwin, and a magnificent tribute to the steadiness and determination of our people to have nothing to do with new-fangled ways, but to stick together and face whatever storms may come with that spirit which has made us what we are.

Catch 'em young and treat 'em to bluff!

A Christian's Resolutions

I am in full accord with the letter from Mr. W. Willoughby Price as given in your issue of January 17.

I would take 1,000 copies. I suggest the leaflet should be well printed and on good paper; also that we keep a few dozen copies always on our desks and enclose one with every letter written or account or receipt sent.

Reading. WALTER M. DIMBLEBY.

[We have had enough enquiries for the reprinting of page 171 of SOCIAL CREDIT for January 10, to be able to supply these at 1s. 8d. a 100, postage 2d. This price could be reduced materially if we were enabled to place a larger order. The page referred to contains the Dean of Canterbury's New Year resolutions, supported by many quotations of the results of "Sound Finance."—Ed.]

Bank Charges

On looking through my bank pass book recently, I noticed a small debit for "charges." As I have never before been subjected to bank charges on my business account, and as the average balance, last year was not essentially different from other years, I went to complain. The manager was very pleasant; he told me that the banks were having a hard time; that money was cheap, and there were not many borrowers; that they performed a great deal of gratuitous service, and that they had great expenses to meet.

It was therefore necessary to make charges on those accounts "which would stand them." He and the assistant manager had gone through the books at the end of the year, and had charged 1/8 per cent. on the total of the cheques drawn on my account during the year; he did not think I should consider that too much. I told him that the charge was a new one; that I had not been informed about it in advance, and that no statement had been sent me; the bank's affairs were no business of mine, but it had paid 16 per cent. last year; that I could not agree to the charges and should be obliged if he would withdraw them. With that I got up to go, and he agreed to refund the money, and has confirmed this by letter.

Bank charges are, of course, quite different from interest on an overdraft; they are levied on those accounts which habitually keep a credit balance, and are a sort of private and unauthorised income tax, deducted by the banks for their own use. I do not know whether they stand upon a legal basis, but in my case the manager was just "trying it on." I strongly advise Social Creditors to scrutinise their pass books, and if they find bank charges, do not argue with the manager; just insist on their being withdrawn. Money recovered in this way might well be sent to the Secretariat.

Norwich JOHN CHESTER.

£800,000,000 GIVEN TO DESTRUCTION AND WHO CARES?

Under the watchful eyes of the United States Treasury officials workmen are now engaged on the destruction of about 4,000,000,000 dollars worth of gold certificates. The job will take some time.

These certificates were once in circulation or available for circulation as money, but now they are useless.

Three years ago the certificates were called in for redemption in non-gold bills and their retention by any person was unlawful and subject to penalty.

It was first mooted to keep them in storage buildings, for they are of the finest paper and represent the most expensive type of engraving.

Now a combination of macerators, lime solution, and revolving knives are daily turning yellow bills into a grey pulp.

Actually only some of the certificates were in circulation. The rest were in the Federal Reserve banks and represented gold held for them by the Treasury.—*Belfast Telegraph*, January 13.

PLENTY TO STAMP ON

The Japanese Export Cotton Traders' Association claims that Japan is now supplying more than half the world cloth exports.

For 1935 the total Japanese exports were 2,711,265,000 square yards, worth 491,458,000 yen. This compares with 1934 exports of 2,567,630,000 square yards valued at 490,622,000 yen.

The association predicts that world-wide restrictions are likely to prevent any further large expansion.

The Japan Rayon Association claims that the country is now the world's leading producer. It asserts that the 1935 output was 224,042,000 lbs., thus exceeding the American 1935 total, which is estimated at 210,000,000 lbs. Japan's 1934 production was 137,795,000 lbs.

The country's productive capacity is now 390 metric tons daily, but before July next it is expected that there will be an advance to 530 metric tons daily. This is due to the expansion of old plants and the building of new works.—*Financial Times*, January 9.

It is already known that the world output of rayon in 1935 constituted another record and that the thousand million lbs. level was easily passed. Preliminary estimates show a total production of rayon yarn and staple fibre of 1,087,650,000 lbs., against 836,625,000 lbs. in 1934.—*Financial Times*, December 24, 1935.

Net profit on trading account [of the Lancashire Cotton Corporation, the Bank of

England concern] amounts to £51,100. This is over £20,000 more than for the preceding 12 months, which, in turn, compared with a loss of £69,800 for 1932-33, so that the improvement has been both sustained and, in the aggregate, very substantial. Earnings admittedly are not large, especially in relation to the £12,245,000 of debenture and share capital, but few, if any, of its competitors have fared any better, or even as well. And in the face of such a practical example of the benefits of rationalisation—80 mills out of the 143 taken over by the combine have been or are being scrapped—the opposition to the Redundancy Bill becomes the more inexplicable.—*Financial Times*, January 10.

A NEW FEATURE

WE announce with pleasure that NIKE NOUS will contribute a series of short, common-sense explanations of everyday facts that few understand, but that are of supreme importance to everybody. The first will appear in our next issue.

"BALANCING" THE BUDGET

We have been brought up on a diet of pinch-penny economy, double-entry bookkeeping and the balanced budget—all of which were good in their day, but not necessarily in our day. When there was an actual shortage of goods, thrift was a virtue and a necessity. To-day it has well nigh become a vice, even though it is still a necessity for most of us. Before the era of industrial and governmental expansion (and before interest became the chief budget item of every government), the balanced budget was a desirable and a necessary thing. To-day it simply isn't done, though figures are sometimes juggled to make it appear as though it had been done. By this we mean that it is possible to have a book-keeping balance by "capitalising" huge sums, but a balanced budget in the sense of actually balancing expenditures with revenue is definitely a thing of the past.—*The Social Credit Gazette*, Edmonton, Alberta, November 29.

That was written in Alberta. In England during five years of 'National' Government and 'balanced' budgets, the total deadweight National Debt increased by approximately £400,000,000!

G.K.'s WEEKLY

Edited by

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- 1935 Austin 12/4 Ascot Saloon de Luxe, Blue with Brown trimming, £125.
- 1935 S.S.1. 20 h.p. Tourer, 7,000 miles, £195.
- 1935 Austin 10 h.p., 3,000 miles Saloon de Luxe, Blue, £120.
- 1931 Vauxhall Cadet 6-light sunshine Saloon, 16,000 miles, 4 brand new tyres. £65.
- 1935 Vauxhall 14 h.p. Saloon de Luxe, 6,000 miles. £155.
- 1934 Austin 10 h.p. Tourer, faultless condition. £89.
- 1935 Morris 10/4 Saloon de Luxe, 9,000 miles. £115.
- 1935 Morris 12/4 Saloon de Luxe, 7,000 miles. £125.
- 1935 Humber Snipe 6-light Saloon, 2,000 miles, like new, £315.
- 1933 Austin heavy 12/4 Saloon, faultless condition, £95.
- 1935 (March) Ford V.8 Cabriolet, Blue, mileage 9,000, £145.

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Announcements & Meetings

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

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

Blackpool and Lytham St. Anne's Social Credit Group Holds meetings at 8 p.m. Thursdays. Open to Public. 1st Thurs. in month—44, Reads Ave., Blackpool. 2nd Thurs. in month—Kiosk Café, The Square, St. Anne's. 3rd Thurs. in month—Dickenson's Café, The Square, Lytham.

Cardiff Social Credit Association Meeting at 10, Park Place on Monday, February 3, at 8 p.m. Mr. W. E. Curran will speak on "The So-called Problem of Unemployment." Chairman: Capt. A. O. Cooper.

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

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

The next meeting of the Club will be at the Cora Hotel, Upper Woburn Place, W.C.1, on January 30, at 6.15 p.m. Subject: Club Business. All enquiries should be addressed to the Honorary Secretary: Capt. T. H. Story, 28, Ashburnham Gardens, Upminster, Essex.

1930 Club The next meeting will be held at 6 p.m. on Tuesday, February 4, in Prince Henry's Room, 17, Fleet Street, London, E.C.4. Speaker: Mr. J. E. Tuke on the 1930 Club.

News from Bedlam

FROTTI and the FLOODS

DEAR Old Creditor, Have you seen reportings in Evening Standards of Monday 13? I mean, addresses of Lord Desborough, Chairman of Thames Conservative Board, which he has made directly in supportings of my candidateship to election.

His message to my consistency was "Frotti for Floods!"—an expiring thought indeed!

The speaker said that talking of floods "there was a scheme, a drastic scheme, to improve the carrying capacity of the river, which in 1914 would have cost 3 million pounds, the cost to-day being double that figure."

"That scheme was sent round to all the authorities concerned, and they unanimously replied that

THEY WOULD PREFER A FLOOD VISITATION, SAY ONCE IN FOUR YEARS."

And, sonny-chap, so say all of us, I think. Four years! My consistent, sire, would prefer one a day, or two, if it can be managed, rather than do anything on which, as Lord Desborough says, "we are not likely to obtain value for our money." More than that, dere old bloke, I would say we are not even likely to obtain money for our value.

The very idea of turning rusty, disused machinery and dusty, ill-used unemployed on the job of saving future generations (of Unemployed) from drowning is almost revolting, old fellow, isn't it? Think of the number of things we could accomplish with

6 million pounds, apart, I mean, from letting the Unemployed buy tobacco and tea, which is restricted anyway, so they can't have it. We could fit out a fleet of bombers without having to borrow from Lady Houston for the purpose, and drop bombs, on Unemployed, on Moscow, Omsk, Tomsk and New York City. There's values for money, if you like, exportation without imports, emigration without fear of returns.

But to go back to flooding question. My own plank, sir, on which I confidently expect Mr. Baldhead's support, in spite of candidatures of Mr. Malcolm Macdonald, Mr. Ramsay Macdonald, Mr. Roundoff Churchill and other also-ran-people, is to pull down existing wall-protections of rivers, so as to make more floodings. To do this we could utilise Unemployed fellows, especially during actual floods. (We need not tell the Unemployed there is a flood on. Let them find out for themselves when they pull down the wall).

These projects ought to mean a saving to the Treasury of some millions of pounds starling, and, a thought, my dere sire, nearer to my heart, it would also help the insurance firms to get out of their difficulties, even perhaps to move into better premises. I cannot bear thinking of them cooped up in their poky little offices in Holborn and elsewhere without qualmings, you see, and the silent tear.

Yours earnestly, FROTTI, M.P. (P.S., D.V.).

What to Read

- THE WORKS OF MAJOR C. H. DOUGLAS:— Economic Democracy (4th Edition) 1934) ... 3s. 6d. The original statement of the philosophy and proposals of Major Douglas. Credit-Power and Democracy (4th Edition, 1934) ... 3s. 6d. One of these two books is essential for the serious student. Social Credit (3rd Edition, 1933) ... 3s. 6d. Contains the philosophical background of the subject and includes the Draft Scheme for Scotland. The Control and Distribution of Production (2nd Edn., 1934) ... 3s. 6d. Warning Democracy (2nd Edition, 1934) ... 3s. 6d. Two collections of speeches and articles treating the subject from different angles. The Monopoly of Credit ... 3s. 6d. The latest technical exposition, and includes the Statement of Evidence before the Macmillan Committee. The New and the Old Economics 1s. 0d. Contains an exposition of the A + B Theorem. These Present Discontents: The Labour Party and Social Credit 1s. 0d. The Nature of Democracy ... 6d. The Use of Money ... 6d. The Christchurch Speech. Money and the Price System ... 3d. The Oslo Speech (reduced price for quantities). Social Credit Principles ... 1d.

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THE TAX EATER TO-DAY there is an invisible guest who sits at the table of every family in this country. He is the invisible tax eater that collects the hidden taxes. When the housewife purchases three pork chops the butcher weighs them out but only wraps up two. The third he gives to this invisible guest.—Lewis H. Brown, President, Johns-Manville Corporation. The Hair Shirts To the Black Shirts of Italy, the Brown Shirts of Germany, the Silver Shirts of the United States may now be added the Green Shirts of Great Britain. These last are the followers of the Social Credit scheme, who have assumed "the fairies' fatal green." But everywhere there is one individual whose group has not found it necessary to adopt a distinctive shirt. This is the taxpayer. He has a shirt. It has been forced on him. It is the hair shirt, and as yet he has found no means to get out of it.—San Francisco "Chronicle," November 25, 1935. A Danger Averted We have received a report from a source which we cannot disclose and for whose reliability we cannot vouch that a goose has been born in Languedoc which, to the consternation of official circles, was found to be laying golden eggs. Luckily this awkward bird was run over by a lorry which was carrying vines to the destructor.

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Published by the Social Credit Secretariat, Limited, 163A, Strand, London, W.C.2. Tel. TEM. 4154 (Secretariat), TEM. 7054 (Editorial and Publishing). Printed by The Blackfriars Press, Ltd., 1a Middle Temple Lane, E.C.4; and at Leicester. Sole Agents for Canada: The Imperial News Co.