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For Political and Economic Democracy

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Weekly Twopence

ELECTORAL CAMPAIGN TRIUMPH in U.S.A.

PEOPLE'S WILL PREVAILS Politicians Yield to Voting Pressure £500,000,000 Demanded and Obtained

ON Monday, January 27, the Soldiers' Bonus Bill became law when the United States Senate defeated the veto of President Roosevelt by 76 votes to 19. This victory for the American Legion, and defeat for the vested interests of finance was briefly and inconspicuously reported in *The Times* of January 28. In more ways than one it carries an exhilarating message to all readers of this paper. The Bill had been passed previously by both the House of Representatives and the Senate. After the President vetoed it, it was passed by both Houses over his veto. Voting in the House of Representatives was 324 to 61.

What the Bonus Act Means

THE curtain fell upon the first act of this epic of American history in 1924, when the Senate—overriding, as it had to even then, President Coolidge's veto—passed an Act conferring upon every American who served in the Great War a bonus certificate, payable in 1945, to the amount of about one dollar for every day of war service.

The present Bonus Act entitles every veteran to cash part of the sum due to him at once, instead of having to wait until 1945; so that a sum estimated at \$2,491,000,000 will be put into immediate circulation, starting on June 15.

Where will the money come from? What will be the effect? How will it be spent? Where will it go? The answer to these questions lies in the future, but some estimates are possible.

How They Will Spend It

A questionnaire organised by the American Legion recently disclosed an interesting statistical estimate of what the veterans will

do with their long-awaited increase of purchasing power.

| | |
|---------------------------------------|--------------|
| To pay old bills | 31 per cent. |
| For house purchase instalments | 11 per cent. |
| For savings and investment | 17 per cent. |
| For building and repairs | 14 per cent. |
| For clothing | 8 per cent. |
| For motor cars | 7 per cent. |
| For home equipment | 2 per cent. |
| Miscellaneous purchases | 10 per cent. |

Over £200,000,000 to pay off debts!

Some Immediate Effects

An examination of these figures shows that only 41 per cent. will be spent on the purchase of goods for consumption—but only 41 per cent. amounts to \$1,021,310,000. So that, besides the veterans themselves, all the manufacturers, wholesalers, transport workers, retailers, and travelling salesmen connected with the building, clothing, automobile, and domestic equipment trades will get a direct look in to the tune of over £200,000,000. That is to say, they will all

get some of the money with which to pay off old bills and instalments, and buy a bit of what they want into the bargain. So that everybody up the line from their retail suppliers will get a look in, too.

So far, so good; none of these people had any strong reason for opposing the passage of the Bill—and they may all be expected to regard the future with some hope—with what the economists call confidence. Their votes count, too, and Congress dances to the music of votes.

What the Public Wants

That the confidence is fairly widespread is indicated by the buoyancy of Wall Street in anticipation of the Senate's decision.

This and the determined voting in New Zealand show how the bogey of inflation and general calamity-howling by the banks is being firmly discounted by an ever more rapidly growing mass of people all over the world.

They are fed up with the banks, and they want to lay hands on the credit that they are rapidly growing to realise is their own.

Fixing Responsibility

In effect they are saying exactly what is said on the Elector's Demand and Undertaking reproduced on our back page—and it amounts to this:

We know there are goods in plenty.
Cash out on the Soldiers' Bonus.
We hold you responsible for any trouble you try to make.
Get on with it or—GET OUT.

And they are not making any mistake at all about who is responsible. There are more stories about bankers in the U.S.A. than there are about Aberdonians in England.

The American citizen knows what plenty is, has had it, and intends to have it again, or a hundred million dollar boys will know the reason why.

How It Was Done

The American people have long known that it is no use asking favours of Congress; there is no nonsense about petitions in their method of lobbying, which is a persistent campaign to bring pressure to bear on politicians, using the vote as a weapon if required.

The American Legion controls the Veterans' Lobby. It is over a million strong, and is estimated to be capable of swaying ten million votes. To this body belongs the credit for having forced the demand for £500,000,000 twice through both Houses of Congress in the face of a veto from the most aggressive and popular President since the War.

They were assisted by the menace of the votes of millions of people who knew that they, too, would benefit at once from the veterans' increased effective demand.

It is significant that none of these people have had to use their votes. They got their way without waiting for an election.

There has been strong criticism of the organised voting power, as a vested interest, emanating from opposing interests. The fact is that THE PEOPLE'S WILL HAS PREVAILED over all sectional interests, for only with the support, active or passive, of the greatest common multiple could the Legion have succeeded.

You Can Do It, Too

This victory has a splendid lesson in it for all the people in every country. It is that **no power on earth can resist the will of the people clearly expressed.**

Demand results, and let the experts find the way to produce them. Fear not; what is physically possible can be done without bringing harm to anyone.

Come on, everybody, on with our Electoral Campaign. Let us show that we, too, can get what we want.

DO NOT MISS THIS PROFITS OF THE COAL INDUSTRY

FINANCE HAS NETTED THE LOT

THE statement of Mr. J. McGurk, president of the Lancashire and Cheshire Miners' Federation, that in the last 12 years £210,000,000 had been paid in profits by the British coal industry was on January 20 described as fantastic by a representative of the colliery owners. According to the summaries issued by the Mines Department, says *The Times* on January 22, the balance of "credits" over "debits" in that period, apart from the subvention in aid of wages in 1925-26, was not £210,000,000, but £27,842,841, or an average of about £2,250,000 a year. **Nor are these "credits" the same as profits, since from them have to be deducted items that are not included in the returns, such as interest on debentures, bank loans, overdrafts, etc., amounting to about 3d. per ton, or £3,000,000 a year on an output of 240,000,000 tons. The net profits paid by the industry during the period were therefore negligible—or a minus quantity.**

Is it not time that the miners and the colliery owners stopped their silly squabbling and joined forces against their common enemy?

When their eyes are opened they will see that they are the coal industry and that the bondholders are aliens.

Stop this wages versus profits folly; keep your eye on those interest payments. Find out where the loans came from. This is your chance—BOTH OF YOU.

CHAMPAGNE IN PLENTY HUGE FRENCH STOCKS AWAIT SALE

Thousands of gallons of champagne are now stored away in the cellars of Rheims and Epernay.

More than a hundred million bottles, states the "Syndicat du Commerce des Vins de Champagne," are now waiting to be sold, while enough wine to fill another 48,000,000 bottles is waiting to be put up.

The average world consumption is something like 30,000,000 bottles yearly.—*Financial Times*, January 27.

Have you done your share of consumption? If not, why not?

CALLOUS HUMANITY

Progress has its own special disadvantages. Groups of workers may become permanently unemployed or condemned to reduced status and wages. Specialised skill and elaborate equipment may be thrown on the scrap-heap, perhaps long before their costs have been recovered from the prices of the goods they have helped to make.

In all this the tragedy is that humanity, which benefits so enormously from inventions and new methods, disregards with apparent complacency those who are sacrificed on the altar of progress.—*From the "Manchester Guardian Commercial,"* January 3.

If the money-monopolists deceive the people once, shame on the monopolists; if they deceive them twice, shame on the people.—*"New Era,"* Sydney, October 10, 1935.

INCOME TAX MAY BE CUT BY SIXPENCE

Arms Expenditure to be over £100,000,000

What is the Answer?

IN its issue of January 27 the *Daily Express* wrote:

It is now believed that some relief of taxation may be included in the Budget to be opened by Mr. Chamberlain in the House of Commons, probably on April 21. Heavy expenditure will be necessary on re-armament and other services, but the Cabinet attach so much importance to the revival of trade and industry that every effort will be made to make a tax cut.

Some financial observers have been talking of a reduction of 6d. in income tax. This would give a great fillip to trade. But it would cost many millions.

Even if it is decided to pay for re-armament out of a loan—this is still under consideration—more money will have to be raised for improvements in health services and education and for a maternity service.

The re-armament programme is almost completed. Embracing increases in the Army, Navy, and Air Force, it will involve an expenditure of more than 100 million pounds.

Taxation Ramp Exposed

There could not be a better example of the complete absence of any real connection between Government expenditure and the alleged necessity for taxation. Expenditure can be financed by a creation of credit without resort to any taxation at all. This has always been our contention. Here is a working model.

But the Government would be a real government if it refused to borrow the nation's credit from the banks, at interest, and on the undertaking to pay it back as if it belonged not to the nation but to the banks.

It would be a real government if it created financial credit on the basis of the nation's real credit, which is nothing less than its collective ability to produce and deliver goods and services. It could then use the money to call upon those who were willing and able to produce and deliver whatever was required. There is no lack of ability to provide medical attention and equipment, educational services and buildings, or even implements of war if they be required.

Taxation is Useless and Bad

Taxation having been proved unnecessary, even under present conditions, let us speedily do away with this outworn device. It does no good, but makes for endless trouble, endless squabbles, irritation, evasion, fraud, petty tyranny, corruption; and is an intolerable interference in the private life of the individual.

Ecrasez l'infame.

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Full Circle

WHERE does money come from? That is a question which has been answered, one would think conclusively, in the past twenty years. It comes from the banks who create it by writing figures in their books.

Major Douglas, writing eighteen years ago, stated it, in his first book, as an obvious fact, not requiring proof. In his second book, he explained the process for the incredulous. It was not news. MacLeod had described it a quarter of a century before.

Since 1920, McKenna, the *Encyclopaedia Britannica*, and the Macmillan Committee have dotted the i's and crossed the t's, and the whole matter has been placed beyond the realm of argument.

But stay! Has it?

The most interesting passage in Mr. Favill Tuke's speech at yesterday's meeting of Barclays Bank was that in which he disposed of the illusion that a bank can create credit out of nothing. He rightly described as a dangerous misconception the idea that a bank could go on indefinitely increasing deposits by making loans of one kind or another . . . it is wholly wrong to assume that because banks when lending money to a customer increase that customer's deposits the increase is created out of nothing. — *"The Times," City Notes, January 24.*

We have some evidence, quoted elsewhere (page 196) that Mr. Tuke was at some pains to put the best complexion on his utterance, which is certainly at variance, yet strangely linked, with that of his illustrious counterpart, Mr. Reginald McKenna.

"The ordinary citizen will not like to know [aye, there's the rub] that banks can create and destroy money . . ."

Mr. Logan, of the Canadian Bank of Commerce, also repudiates the soft impeachment. Banks don't create credit, he pleads, at least not much, and anyway it's their credit!

What, in the name of common-sense, is the use of arguing with these people? Where does it lead us? Right back to where we were 20 years ago if we are content to go on arguing. In another 20 years' time we may well be arguing the same thing again.

If, after reasoning and argument, with the whole weight behind us of orthodox opinion, Government committees, and the obvious fact that money must come from somewhere and no one else but the banks can make it, we still have to argue the toss about a simple straightforward proposition, what on earth have we to expect in regard to the far more subtle elements which go to make the Social Credit analysis and proposals?

The answer is simple. We may expect from the man in the street the same slow, halting, hesitant, timid, and half-hearted acceptance of our arguments as we have had in the past; a little faster now perhaps because the repeated hammering of want and insecurity incline him to clutch at what seems, however dimly understood, to promise better things.

We may expect from a small but growing number the same ardent, tense, enthusiastic, painstaking examination and support that we give to it ourselves.

And from those who control or serve the money monopoly we may expect to get exactly what we do get. Bland indifference until things get uncomfortable, and then flat denial, bright red herrings, and intimidation of the public.

Let there be an end to it. We have surely learned our lesson, and need not repeat past errors. It is the policy that counts. Results, not methods, are what we must demand, and teach our suffering fellows to vote for, one and all.

Hope lies here, the vision of something to be accomplished, something to be done.

The lesson of the American Legion who got results by demanding them, with their votes to enforce them, and who left argument and technicalities to the professors, is not difficult to learn.

If we demand the results stated on our Elector's Demand and Undertaking, it does not matter whether the banks think they create credit or not.

Someone will have to.

From a Seat in the Stalls

The Voice of a King and a Friend

This is a time of great change. In the Nineteenth Century men began to harness the sources of power in nature. By the dawn of the Twentieth they already possessed a new force — something of which no civilisation in the past had experienced. Scarcely a year passes now without a new miracle being wrought.

In twenty-five of these years one British King has reigned. He is dead now, and is mourned as no British King has been mourned before, because the people have never before known their King personally, and because when they came to know this King they found — not an awful monarch as they had, perhaps subconsciously, expected — but a friend like a good father. So they grew to love him and to give him a respect beyond that which his function as King commanded.

The people all over the British Empire knew their King as no far-flung people have known one man before — because they have known his voice. They have loved him because that voice has conveyed to them a good man's love and understanding — welcomed in proportion as it was unexpected from one so exalted — naturally reciprocated because it was like the love of a father for his children.

Flogging a Dead Horse

Mr. S. H. Logan, speaking at the Annual Meeting of the Canadian Bank of Commerce, made another attempt to dispute the long established fact that banks have the power to create credit. He gave a new twist to an old trick.

Unlike Mr. Favill Tuke, Chairman of Barclay's Bank, he concedes fully the sequence of events now familiar through the statements of MacLeod, McKenna, and the Macmillan Committee, and then launches forth in this style:

A bank loan is in essence an exchange of the borrower's credit, which is effective only where he is well known, for the credit of the bank . . . which is known and accepted everywhere.

From this he goes on to deny the sequence he has already conceded and ends up with the argument that a bank can lend only its deposits. Just like the chicken and the egg, isn't it?

We need not concern ourselves *practically* with either argument. They merely show that the time for bandying arguments is past.

The Trick Exposed

As a matter of interest, however, we will expose once more this time-worn trick, which relies on a confusion of real and financial credit.

The real credit of an individual is his ability to produce and deliver goods and services, but in a money economy, as opposed to barter, his ability to deliver is limited by the ability of someone else to buy for money. So long as the sole manufacturers of money are the banks, the financial credit of an individual is dependent on the policy of the banks, who nevertheless are unable to produce goods themselves.

In short, when you grow a ton of potatoes you do not grow the money to buy them. The manufacture of money is separately controlled by the banks.

So Mr. Logan is audaciously attempting to unload the banks' responsibility for *lack of buyers* on to the individual who has not the power to create money!

Which Is the Boss?

Governments like to finance their requirements by Treasury Bills, since they afford the easiest and cheapest way in which to "raise the wind." — *"The Times" City Notes, January 21.*

Treasury Bills are Government I.O.U.'s to the banks which *lend* money to the Government.

Did you know that your taxes were used to repay the money your Government borrows from the banks to finance the public services? Do you realise the banks *create* this money on *your* credit and claim it as *their* property?

Five Cows for 28s. 6d.

The Times of January 14 reported the seizure and sale of five cows by Milk Marketing Board officials at Stockport. "They were seized from farms the tenants of which had been fined a total of £35 for either not sending in returns or not registering."

This legalised robbery was defeated as a result of an appeal by the president of the Retail Milk Producers' Association, that bids should not be made against the owners, who,

he said, were unable to pay the unjust levy made by the Milk Marketing Board. As a result of this appeal the cows were knocked down to their owners at prices ranging from 1s. to £1, the total sum produced being £1 8s. 6d.

In its efforts to make the facts of plenty fit the theory of scarcity, upon which our present monetary system is based, the so-called National Government has made it an offence to produce milk, potatoes, hops, pigs or bacon, lacking a permit, and failing compliance with a lot of absurd regulations.

This is planned production, and such planning, under other guises, is now operative or contemplated for cotton, steel, shipbuilding, coal, electricity and transport.

The Menace

The manner in which these restrictions will be enforced in the slave state which we have already entered is grimly foreshadowed in the remarks of Judge Dumas, at the Westminster County Court. He was trying another result of the Milk Marketing Board's tender care, and according to *The Times*, January 14, said:

The moment you become a registered producer you are in the hands of the Milk Marketing Board, and, if they choose, in the exercise of their power, to say you are to be levied upon at a certain rate, there is no court in the kingdom that can interfere with it. They can recover their levy as for debt and all the county court judge can do is to say in what terms it shall be paid.

This is the administrative lawlessness which Lord Hewart denounced in "The New Despotism"; it is the fraudulent system which was exposed by Major Douglas in his article two weeks ago.

Grrr—!

Now is the very witching hour of night, when graveyards yawn, and bankers wail and gibber! New Zealanders need strong nerves these days. On dark nights, they say, the apparitions of bankrupts have been popping up behind grave-stones, and many a peaceful citizen has awakened screaming in the small hours of the morning declaring that he has seen his bank manager come to warn him in a dream about the perils of Unsound Finance. There are even people who swear they have seen fiery portents in the sky, warning depositors of a currency collapse.

Possibly some of the advertisements which have been appearing in the N.Z. newspapers have something to do with it. We have a whole sheaf of them before us.

One of these portrays a noble edifice built on a solid-looking mass of rock which is labelled CONFIDENCE. This building is meant to represent Savings, Insurance and Banks, and underneath in heavy, funereal type, is a warning that any action which disturbed Public Confidence in New Zealand's Financial Structure would endanger these things.

Hollow Turnips

Another bogey-advertisement gives pictures of rooms papered with devaluted marks and roubles, "the final result of Uncontrolled Inflation," and as a reassuring contrast to this, another shows the inhabitants of New Zealand walking over a very solid-looking bridge, to Prosperity, represented by a nice, warm sun. The bays of this bridge are such items as Budgetary Equilibrium and Cost Reductions, Reserve Bank and Mortgage Corporation, Private Enterprise and Taxation Relief, and readers are admonished in letters of fire to Vote National to be Safe.

There are many more illustrated advertisements, such as Lord Snowden's warning, with a flattering photo of that great statesman; a mother and children standing outside a bank which has closed; and a terrible warning by Mr. H. D. Macleod, M.A., who says that credit is like steam, and "its misuse by unskilful hands leads to the most fearful calamities."

In spite of all this mopping and mowing, the reckless New Zealanders have voted for a Government pledged to "Unsound Finance," so perhaps by now the bankers out there have blown out their candles and thrown their hollow turnips to the pigs.

"Markets and Peace"

In a speech to the Japanese Diet, reported in *The Times* of January 22, Mr. Hirota, the Foreign Minister, reviewed his country's foreign policy in all its aspects. He indicated a definite programme for China, based on "effective collaboration," recognition of Manchukuo, and the "liberation of China from the Red menace."

He also dealt with the Naval Conference, and with the strained relations between Manchukuo and Soviet Russia; but the key

to all he said was in his peroration, in which he dwelt on the need of Japan for access to raw materials and markets.

Markets govern policy, and to gain them nations are prepared to go to war, as *The Times* seems to recognise, for it sub-headed this report "Markets and Peace."

Access to raw materials is readily granted, in time of peace, to any country prepared to buy. One can only conclude therefore that, by "access," Mr. Hirota meant "control," which may, in some circumstances, enable the controlling country to buy below world price, thus increasing ability to compete for markets, but which is crucial in time of war.

As we have shown in a previous issue, Japan's naval policy is directed to securing control in the Far East. This is essential if the projected Chinese programme is to be carried into effect, and the Chinese market, to put it bluntly, is to be controlled.

Socialist Government Mothers Banks

According to the *Financial Times* of January 22, the Socialist Government of Denmark is going to the rescue of the poor financiers who are unable to secure repayment of their loans to farmers. Of course the Government's scheme is not described as for the benefit of the bankers. Although they are likely to be the chief beneficiaries, it is, according to *The Times* Copenhagen correspondent, for the "salvation" of Danish farmers.

The scheme is to provide a subsidy to farmers "who are so deeply indebted that they cannot meet their interest payments," and "to finance expenditure incurred by local authorities to combat unemployment." For these purposes money is to be raised by a "forced loan," to which everyone with an income above a certain level will be made to contribute, and by an increase in income and super-tax.

As all money, except a minute fraction, originates as a debt to the banking system, this Socialist scheme of agricultural salvation amounts to nothing less than Government intervention in the interest of a private monopoly — the credit monopoly. The Danish people are to be mulcted for their inability to buy sufficient butter, eggs, milk, and other produce; and the money so obtained is to be handed over to those who are responsible for their plight.

Fish and Chips

The Christmaside Harlequinade of the Potato Marketing Board has roused the anger of the people who supply us with fish and chips. At a lively meeting of the Friers' Section of the S.W. Devon and Cornwall Fish Trade Association it was declared that the P.M.B. had brought about such a shortage of potatoes for human consumption that almost famine prices were ruling; and that pig raisers in the West Country had no difficulty in buying, at a ridiculously low figure, tons of good potatoes which might well be used as food for people.

One speaker pointed out that all commodity prices seemed to be rising. So far as potatoes were concerned, he said, the big merchants seemed to have cornered the supplies. Another said it appeared to be through the restrictive regulations imposed on farmers and growers by the Board that supplies were short; and a third remarked that although farmers in Cornwall had applied for leave to increase their potato acreage, the Marketing Board had refused to permit it. The situation, he said, was intolerable.

Plenty for Pigs!

Another member said that a farmer relative of his had a field in which the crop failed; he would have liked to plant it with potatoes, but under the Board's regulations he would have had to pay a fine of £15 if he had done so.

Somebody else quoted the case of a Devon pig producer, with about 700 animals in his piggeries, who could buy as many potatoes as he liked at £1 a ton. Those potatoes were sound and good and should be used for human food.

The last speaker declared that all the Marketing Boards were a "ramp" and that the Government's policy during the past few years seemed to have been to hand over all commodities to the monopolists.

The Government, in fact, is like the Magic Mill in the fairy story which grinds whatever sort of material it is ordered to. The monopolists have ordered it to grind Marketing Boards, so it is obediently grinding them. And it will go on grinding them until somebody else tells it to stop doing so and grind something else.

COAL TRUCE STRIKE POSTPONED

IN a week of gloom the one bright spot to many must have been the report in the press on January 25 that the country was to be spared a coal strike. The arrangement between the miners and the owners is described as a "settlement," but, at best, it can be only temporary. The strike in fact has been postponed.

The miners have obtained less than half the increase of wages they sought. If the cost of living continues to rise, as is probable in view of the rearmament programme, assisted incidentally by the increased price of coal, they are likely to grow impatient if the balance of their very reasonable demand is not soon forthcoming.

For the miners' leaders the most important outcome is the renewed recognition of the National Federation. Speaking after the conference, Mr. J. J. Jones, the president, said: "Every development within the industry in recent years provides a powerful reason for adopting a national, as opposed to a district, conception of the industry's problems, and we are delighted to think that the coalowners are at last showing signs of appreciating our point of view."

Mr. Jones apparently believes that if only the problem is made big enough it becomes easy of solution. But, the real problem is the inability of consumers to pay prices that will give a fair return to both owners and miners, plus "overheads"; and it cannot be solved either on a district or a national basis. The fetish of "recognition" of the national union by the owners is likely to lead only to bigger and better conferences; better, that is, from the point of view of those who wish the two parties to remain in ignorance of the fact that—in those who control the system responsible for the lack of money in the hands of consumers—they have a common enemy.

FIGURES AND FLOODS

Drought in the summer, floods in the winter; warnings from Government authorities in July not to water our lawns or wash our cars lest we thirst; warning in the winter of floods lest we drown.

Yet all the risks of flood and drought can be banished for ever—when we give the right order to the authorities instead of merely submitting to their warnings.

What is physically possible is financially possible. We have the men, the equipment and the skill to provide water supplies enough for all our needs anywhere in Britain, even in the worst drought. We lack nothing material to make the country safe from future floods.

All that is required is the "democracy-conscious" will capable of freeing itself from the spell-binding hypnotism of bankers' figures called money; the awakening of the common sense that says, "No longer will we tolerate the witchcraft of figures governing things and us, figures—even bankers' figures—must reflect facts. We regard human life as too sacred to be sacrificed on the altar of 'sound finance.'"

National Dividends are money to buy things that are now destroyed and production restricted.

HIS MAJESTY

A GOOD King is dead, and a new idea is born. The requital for such a death is a pause in which to think; when the mind can move softly, as on velvet, towards the delicate, new idea. It is in the unmolested hour when a universal sorrow is sovereign over workaday distraction that a creative idea works its slow wonder of spiritual alchemy. Such an hour has visited the people of our own race.

There have been kings in plenty, and gods in plenty. Kings were born on battlefields, where gods were most urgently invoked. The king was a man mighty in battle, the great fighter who slew for fame and power. His prestige waxed with his valour and declined with his conquests. And the god of battles, who led his chosen to victory and destroyed their enemies was the Mighty God whose shrines were crowded, and whose acceptable sacrifices were many. But in the slow and awkward deeps of men's minds, from time to time, came flushes of healthier understandings, and lesser prophets of a growing truth led up to the great Revealer who proclaimed a wider empire than race, and a Father God of all. So, too, in the long tale of kings there have been many falterers in the old tradition; nevertheless tyrant, oppressor, and conqueror have passed away in a march of generations. But the revealer of the new kingship, the man now mourned, has said with his own voice, "If I may, in some way, be regarded as the father of my people..."

and so a new idea was given for a sorry world to ponder.

Once uttered, words of such moment are the irrevocable precedent. They point onward to a burden future kings must bear that is heavier than the crown, and more unwieldy than the sword. The king of the future is the father in the household of empire; the lord of the roof-tree, the giver of bread in the economy of the State.

The idea of exalted fatherhood is not thoughtless rhetoric. The King who has passed said in his wisdom to a people deprived and defeated in the scramble for bread, those words, not yet heeded, which will be a ghostly whisper at every Economic Conference of the future. "It cannot be beyond the power of man so to use the vast resources of the world as to ensure the material advance of civilisation. No diminution in these resources has taken place. On the contrary, discovery, invention, and organisation have multiplied their possibilities to such an extent that abundance of production has itself created new problems."

Such words wear the purple of true royalty; they speak the deep concern of a father for his people. If they ask for bread, such a father would not offer them a stone.

A good King is dead, and as he passes the way is prepared for the King and Father of a happier household, living at peace in a Land of Plenty.

CHARLES JONES.

HE lacks no honour to his name,
Easy to mourn the wise
When they are dead;
To raise lamenting voices to the skies,
To praise their virtue and nobility,
And swiftly to forget what they have said:
"There is no scarcity of wealth, instead
We are embarrassed by its overflow;
Our vast resources do not shrink, but grow;
Surely it cannot be beyond the power
Of man to master and to use them so
As to ensure to us prosperity!"
Let us remember in this mournful hour
He never spoke without sincerity;
And though these words were uttered years ago,
Yet still the tides of plenty ebb and flow,
And still their highest breakers seldom reach
The human wreckage rotting on the beach.
His voice is hushed but he has done his part,
Our duty is to take his words to heart,
And, casting out this needless want and misery,
So raise a fit memorial to his memory.

C.G.D.

THE VOICE THAT WAS HEARD

"The year that is passing—the twenty-fifth since my Accession—has been to me most memorable. It called forth a spontaneous offering of loyalty—and may I say of love?—which the Queen and I can never forget. . . . It is this personal link between me and my people which I value more than I can say. It binds us together in all our common joys and sorrows. . . . I feel this link now as I speak to you. For I am thinking not so much of the Empire itself as of the individual men, women, and children who live within it, whether they are dwelling here at home or in some distant outpost of the Empire."—*The fifth and last Christmas broadcast.*

"It cannot be beyond the power of men so to use the vast resources of the world as to assure the material progress of civilisation. No diminution of these resources has taken place, while on the contrary discovery, invention, and organisation have multiplied these possibilities to such an extent that abundance of production has itself created new problems."—*At the opening of the World Monetary and Economic Conference in London on June 12, 1933.*

PRISON FOR DEBT

TAX VICTIMS IN KENYA

Great Britain has recently amended the law relating to imprisonment for debt, so that this punishment for the crime of poverty will become less common in this country. It is time for the same legislation to be extended to the Crown Colonies; for according to reports in *The Times* of January 15 and 16, 8,000 natives were sent to detention camps in 1934, and many more in 1935, for the crime of not paying taxes.

It appears that taxation is used in the Colonies as a means of government quite openly. The Kenya natives are taxed not merely to raise revenue, but to provide workers for the White Settlers. Only by working for Europeans can the natives obtain the money to pay their taxes.

Impose a money tax on natives and they are the slaves of those who can pay them. In Great Britain the natives are white, instead of black.

Healthy Revolt

Resistance to the taxes is increasing among the Kenya natives.

One of the reasons (says *The Times*) is the breakdown of the tribal system, under which young men accepted responsibility for the taxation of their parents and elderly relatives. Half-educated youths now prefer to spend money made in the towns and on the farms on themselves and on their women friends.

One wonders what these young fellows, whose motto seems to be "Kenya's never will be slaves," would do if they once learned that all taxation is a racket—an unnecessary device, used to coerce people into doing things they do not want to do, without their realising what has hit them.

One day perhaps the people of this country will see through this cruel hoax.

SLAVERY IN THE EMPIRE

British people often plume themselves on being the first to have abolished slavery throughout their territories. In actual fact, however, slavery persists, but in new forms.

In Cassell's New English Dictionary, a slave is defined as "One who is the property of and bound in obedience to another; one who is entirely under the influence (of) or a helpless victim (to)." Slavery exists in the British Empire in all three senses of the word.

In Hong-Kong, a committee appointed by the Governor, has just made its report on Mui Tsai, under which girl children are sold into bondage. The following are two points from the report as recorded in a letter from Lt.-Comm. H. L. Haslewood, R.N., in the *Manchester Guardian* for January 21:

5. That buying and selling of girls continues in various forms.

6. That lack of inspectors and lack of sufficient official action, coupled with poverty and reluctance to vote the money necessary for dealing with the question are the principal reasons for the continuance of the system. [Our italics].

Throughout the British colonies in varying degrees, and in the Union of South Africa, the natives are taxed, not only to pay for the white administration, but to force them to work in the mines and other enterprises. The South African gold-mining industry, for example, relies entirely on such forced labour.

"Britons never shall be slaves," but a money system which fails to distribute the wealth available makes slaves of them all, the wage slave of industry, the girl slaves of Hong-Kong and the tax slaves of the colonies.

TWENTY-FIVE YEARS OF "SOUND" FINANCE

(Table reproduced from the "Financial Times," January 21, 1936.)

| | Dead weight debt ^b | Income-tax in the £ | Super-tax in the £ | Combined yield | Customs and Excise receipts | Total revenue | Expenditure | Imports | Exports and re-exports | Total external trade | Adverse visible balance | Price levels (1913=100) | Bankers' clearings | i Active note circulation |
|------|-------------------------------|----------------------|------------------------------|-------------------------|-----------------------------|---------------|---------------|---------------|------------------------|----------------------|-------------------------|-------------------------|--------------------|---------------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | | £ | £ |
| 1911 | 685,232,000 | 1s. 2d. | 6d. | 61,946,000 ^a | 73,160,000 | 203,861,000 | 171,996,000 | 680,158,000 | 556,878,000 | 1,237,036,000 | 123,280,000 | 91.2 | 14,613,777,000 | 29,193,000 |
| 1912 | 668,344,000 | 1s. 2d. | 6d. | 44,804,000 | 72,029,000 | 185,090,000 | 178,545,000 | 744,641,000 | 598,961,000 | 1,343,602,000 | 145,680,000 | 93.6 | 15,961,773,000 | 29,273,000 |
| 1913 | 656,474,000 | 1s. 2d. | 6d. | 44,806,000 | 71,485,000 | 188,802,000 | 188,622,000 | 768,735,000 | 634,820,000 | 1,403,555,000 | 133,915,000 | 100 | 16,436,404,000 | 29,361,000 |
| 1914 | 649,770,000 | 1s. 2d. | 6d. | 47,249,000 | 75,040,000 | 198,243,000 | 197,493,000 | 696,635,000 | 526,196,000 | 1,222,831,000 | 170,439,000 | 96.0 | 14,665,048,000 | 74,617,000 |
| 1915 | 1,104,967,000 | 1s. 3d. ^c | 5d. to 1s. 4d. ^c | 69,399,000 | 80,975,000 | 226,694,000 | 560,474,000 | 851,893,000 | 483,931,000 | 1,335,824,000 | 367,962,000 | 122.1 | 13,407,725,000 | 138,434,000 |
| 1916 | 2,133,148,000 | 2s. 6d. ^d | 10d. to 2s. 8d. ^e | 128,320,000 | 120,816,000 | 336,767,000 | 1,559,158,000 | 948,506,000 | 603,846,000 | 1,552,352,000 | 344,660,000 | 158.5 | 15,275,046,000 | 189,820,000 |
| 1917 | 4,011,446,000 | 5s. | 10d. to 3s. 6d. | 205,033,000 | 126,941,000 | 573,428,000 | 2,198,113,000 | 1,064,165,000 | 596,757,000 | 1,660,922,000 | 467,408,000 | 198.5 | 19,121,196,000 | 258,726,000 |
| 1918 | 5,871,851,000 | 5s. | 10d. to 3s. 6d. | 239,509,000 | 110,033,000 | 707,235,000 | 2,696,221,000 | 1,316,151,000 | 532,364,000 | 1,848,515,000 | 783,787,000 | 218.7 | 21,197,512,000 | 393,431,000 |
| 1919 | 7,434,949,000 | 6s. | 1s. to 4s. 6d. | 291,186,000 | 162,220,000 | 889,021,000 | 2,579,301,000 | 1,626,156,000 | 963,385,000 | 2,589,541,000 | 662,771,000 | 228.8 | 28,415,382,000 | 447,502,000 |
| 1920 | 7,831,744,000 | 6s. | 1s. to 4s. 6d. | 359,099,000 | 203,023,000 | 1,339,571,000 | 1,665,773,000 | 1,932,649,000 | 1,557,223,000 | 3,489,872,000 | 375,426,000 | 307.8 | 39,018,903,000 | 500,477,000 |
| 1921 | 7,585,410,000 | 6s. | 1s. 6d. to 6s. | 394,146,000 | 333,785,000 | 1,425,985,000 | 1,195,428,000 | 1,085,500,000 | 810,319,000 | 1,895,819,000 | 275,181,000 | 197.2 | 34,930,559,000 | 452,104,000 |
| 1922 | 7,676,295,000 | 6s. | 1s. 6d. to 6s. | 398,757,000 | 324,343,000 | 1,124,880,000 | 1,079,187,000 | 1,003,099,000 | 823,202,000 | 1,826,301,000 | 179,897,000 | 158.8 | 37,161,461,000 | 426,214,000 |
| 1923 | 7,772,397,000 | 6s. | 1s. 6d. to 6s. | 379,045,000 | 280,318,000 | 914,012,000 | 812,497,000 | 1,096,226,000 | 885,802,000 | 1,982,028,000 | 210,424,000 | 158.9 | 36,627,592,000 | 427,213,000 |
| 1924 | 7,680,623,000 | 4s. 6d. | 1s. 6d. to 6s. | 329,971,000 | 267,928,000 | 837,169,000 | 788,840,000 | 1,277,439,000 | 940,937,000 | 2,218,376,000 | 336,502,000 | 166.2 | 39,532,864,000 | 424,677,000 |
| 1925 | 7,646,372,000 | 4s. 6d. | 1s. 6d. to 6s. | 336,516,000 | 234,472,000 | 799,436,000 | 795,777,000 | 1,320,715,000 | 927,418,000 | 2,248,133,000 | 393,297,000 | 159.7 | 40,437,119,000 | 441,508,000 |
| 1926 | 7,615,916,000 | 4s. | 9d. to 6s. | 327,921,000 | 238,047,000 | 812,062,000 | 826,100,000 | 1,241,361,000 | 778,542,000 | 2,019,903,000 | 462,819,000 | 148.1 | 39,825,064,000 | 437,246,000 |
| 1927 | 7,622,946,000 | 4s. | 9d. to 6s. | 300,627,000 | 240,493,000 | 805,701,000 | 842,395,000 | 1,218,341,000 | 832,034,000 | 2,050,375,000 | 386,307,000 | 141.6 | 41,550,541,000 | 438,502,000 |
| 1928 | 7,610,929,000 | 4s. | 9d. to 6s. | 311,183,000 | 250,820,000 | 842,824,000 | 838,585,000 | 1,195,598,000 | 843,862,000 | 2,039,460,000 | 351,736,000 | 140.3 | 44,204,729,000 | 388,243,000 |
| 1929 | 7,595,508,000 | 4s. | 9d. to 6s. | 293,770,000 | 252,972,000 | 836,435,000 | 818,041,000 | 1,220,765,000 | 839,051,000 | 2,059,816,000 | 381,714,000 | 136.5 | 44,896,677,000 | 379,574,000 |
| 1930 | 7,573,447,000 | 4s. | 9d. to 6s. ^f | 293,816,000 | 247,388,000 | 814,970,000 | 829,493,000 | 1,043,975,000 | 657,591,000 | 1,701,566,000 | 386,384,000 | 119.5 | 43,558,354,000 | 368,802,000 |
| 1931 | 7,529,672,000 | 4s. 6d. | 1s. to 7s. 6d. | 323,877,000 | 245,410,000 | 857,761,000 | 881,037,000 | 861,253,000 | 454,489,000 | 1,315,742,000 | 406,764,000 | 104.2 | 36,235,869,000 | 364,150,000 |
| 1932 | 7,557,406,000 | 5s. 0d. | g1s. to 7s. 6d. | 364,067,000 | 256,052,000 | 851,482,000 | 851,118,000 | 701,670,000 | 416,045,000 | 1,117,715,000 | 285,625,000 | 101.6 | 32,111,959,000 | 371,193,000 |
| 1933 | 7,767,811,000 | 5s. 0d. | h1s. to 7s. 6d. | 312,189,000 | 288,135,000 | 827,031,000 | 859,310,000 | 675,016,000 | 416,990,000 | 1,092,006,000 | 258,026,000 | 100.9 | 32,137,626,000 | 391,982,000 |
| 1934 | 7,945,194,000 | 5s. 0d. | h1s. to 7s. 6d. | 281,522,000 | 286,177,000 | 809,379,000 | 778,231,000 | 731,414,000 | 447,229,000 | 1,178,643,000 | 284,185,000 | 104.1 | 35,484,157,000 | 405,164,000 |
| 1935 | 7,922,124,000 | 4s. 6d. | h1s. to 7s. 6d. | 280,042,000 | 289,696,000 | 804,629,000 | 797,067,000 | 756,936,000 | 481,187,000 | 1,238,123,000 | 275,749,000 | 104.8 | 37,559,751,000 | 424,507,000 |

^a Included arrears from 1909-10.

^b At end of financial year.

^c Doubled for last four months.

^d Increased to 3s. 6d. for second half-year.

^e Scale extended to 3s. 6d.

^f Known henceforward as Surtax.

^g 10 per cent. extra imposed by supplementary Budget.

^h Plus 10 per cent.

ⁱ End-year—includes currency notes 1914 to 1927 inclusive.

MAJOR DOUGLAS'S ALBERTA REPORT

THE following extracts from Major Douglas's First Interim Report on the Possibilities of the Application of Social Credit Principles to the Province of Alberta are taken from SOCIAL CREDIT of June 21, 1935, in which the whole Report was printed.

ANY attempt to deal with the situation, which does not recognise its fundamental cause, must discredit the Administration and eventually result either in an abolition of organised forms of government in favour of a pure financial hegemony, or in a continuous disintegration of social morale, possibly ending in something approaching anarchy. Both Europe and America, under the Bank of England and the Federal Reserve System respectively, have been subjected to almost a complete financial hegemony for the past fifteen years, with results which are evident.

If this aspect of the matter were that alone requiring consideration, it does not appear probable that any government could hesitate in immediately instituting modifications designed to rectify the situation. Unfortunately, however, this monopoly of the creation of effective demand, which has been allowed to pass for the most part into the hands of the banking system, from its very nature constitutes a formidable power, having objectives of its own not those of the general population, and it is therefore entirely proper that the consequences of challenging its interests should be examined.

THE NATURE OF THE PRELIMINARY ENQUIRY

1.—At the outset it must again be emphasised that a distinction should be drawn between any particular plan for the utilisation of the public credit, when control of it has been acquired, and a strategy for acquiring the power to deal with the public credit. If this distinction be understood, it will be realised that plans for dealing with the public credit are wholly premature, while the power to deal with it has not been attained. For this reason I propose to confine myself in this preliminary report to possible methods and strategy in regard to the preliminary objective, that of obtaining access to the public credit.

2.—It does not require much consideration to realise that it is not very probable that an effective strategy can be pursued to a successful conclusion with the whole-hearted co-operation of those operating a financial system which already possesses the monopoly of credit, with all the powers and privileges which that situation implies. To put the matter concretely, every step in this direction will be opposed, and must inevitably be opposed, by, e.g., the Bank of Canada, acting for the International Bankers. It is not so certain that, under the changed conditions, the same remark applies wholly to the Chartered Banks, as, for instance, in Great Britain, a sharp cleavage is developing between the Joint Stock Banks and the Bank of England. It is perhaps, however, safer to assume that the banking system of Canada would unite against any steps in this direction.

5.—It is clear, and all experience confirms this view, that if credit instruments can be issued under the sanction of the constituted legal authority, in this case the Province, no

difficulty arises in obtaining their universal acceptance within the range of the jurisdiction of the governing body. . . . No difficulty might be expected, therefore, if certain cheques were made legal tender.

6.—A difficulty does arise, however, where a considerable portion of the commodities required have to be imported from outside the credit area over which the Government has jurisdiction, and it is essential for the practical solution of this that a considerable amount of what may be considered as foreign currency or credit should be accumulated.

I have given considerable attention to this aspect of the matter, and I do not believe that it is insuperable in regard to Alberta, more particularly since the fear of repudiation has raised in the mind of the external bond-holder a recognition that the debtor has claims upon his consideration, particularly if no suggestion of fundamental repudiation is contemplated.

7.—The sanctions therefore that can be applied to penalise action against the existing monopoly of credit, so far as Alberta is concerned, do not appear to be legal, and do not appear to extend so far as to render an internal credit system unworkable. They appear to be more formidable in connection with the exchange problem which is raised as between Alberta production and imports to be exchanged for the surplus of it, but even so they are not novel, and methods for dealing with them have been successfully applied both in Russia and Germany.

Alberta Is Not Alone In Revolt

8.—On the other hand it is important to realise that the sanctions are not wholly upon one side. To use the vernacular, the whole world is becoming "money-conscious." While revolt against financial mismanagement appears to be for the moment more vocal in the Western Provinces of Canada, it is by no means non-existent in the East. It has grown rapidly, and is powerfully represented in the Senate and Congress of the United States, and is becoming a popular movement

on the Pacific Coast. It is highly probable that the next Government of New Zealand will be committed to some form of Social Credit, and in the State Governments of Australia, as distinguished from the Federal Government, its power is growing so rapidly that it is not easy to state the present position. There is much discussion on the subject in South Africa. In Great Britain the position is probably even more important, though less apparent to casual observation, in view of the closely-knit Press organisation and the monopoly of broadcasting, which is intimately associated with the Bank of England.

The World is Watching

9.—The practical importance of this in regard to Alberta is that vindictive action by the financial authorities could be pilloried through the agency of Press and broadcasting to an audience which is already sufficiently instructed all over the world to grasp the questions that are at stake, and has a pronounced bias against the banking system as it exists at the present time.

10.—Further, sanctions, which do not contemplate essential repudiation, exist in the external debt of the Province, and in the circumstance that the producing organisations external to Alberta are just as anxious to receive orders upon any terms which will enable them to meet their financial commitments as Alberta could be to receive their product.

11.—It may not be out of place to comment at this point upon the rise of the idea of secession. In this connection it should be noticed that disintegrating influences are evident, not merely all over the British Empire, but in such countries as Spain, Southern Germany, and the Western States of America. In every case with which I am acquainted the disintegrating influence is financial and so far from a modified financial system tending towards a secessionist policy, any informed examination of the question seems to indicate that it is the existing financial system which is the seed-bed of disintegration, and that a modification of it, if successful, could not fail to spread with immense rapidity, would be the shortest method of disposing of such disintegrating influences. That, in fact, it is only insistence upon an ineffective financial system which raises the question of secession into the sphere of practical politics. The real secessionists, therefore, are those who insist upon an orthodox financial policy, regardless of its consequences to the population affected.

The Cross Roads

12.—To summarise the position, therefore, the alternatives lie between a surrender to interests whose legal position is doubtful, and whose power, though admittedly great, is neither impregnable nor free from serious attack in quarters outside Alberta, on the one hand, and measures designed to free the Province from external financial control. The result of the former line of action can be judged from past experience, and in my opinion must involve failure to solve the so-called unemployment problem, a stationary or only very slowly increasing population in this Province, inability to develop the resources of the country, and political and social disintegration. Orthodox financial assistance, would, however, be available, by the adoption of this policy, although accompanied by a rise in the public debt, and a continuous drain on individual financial resources through rising taxation. If this policy is adopted all experience tends to show that preparations for severely repressive measures, through increased police organisation, are essential.

13.—The consequences of the adoption of the second policy, if properly conducted, might mean temporary difficulties in regard to the import of articles not produced in the Province, a certain amount of political conflict with the Dominion Government, and a good deal of misrepresentation as to the actions and policies which accompanied this general attitude.

The First Steps

14.—On the other hand, it would be possible, within a very short period of time, to minimise the unemployment problem in the Province, to increase the general standard of living of the whole population without decreasing that of any of its members, and to embark upon a systematic development of the resources of the Provinces on a scale otherwise unattainable.

15.—In general, and without at the moment going into too much detail, the preliminary steps to be taken in this direction are, in my opinion:—

1.—The systematic provision of a News circulation system under the unchallengeable control of the Province, particularly in regard to radio facilities of sufficient power to cover a wide geographical area.

2.—The organisation of some Credit Institution, either under the Dominion Bank Act or otherwise, which will give access to the creation of effective demand through the credit system, on principles already well recognised and established.

3.—Systematic organisation directed to the accumulation of what, for the purposes of this report, may be termed "foreign exchange," i.e., effective demand not subject to attack as being recognisable as having been created within the Province.

LOST MONEY

"UPWARDS of £15,000,000 in all may be said to have been lost in the Oldham area in recent years."

This is from the annual report of the Oldham Master Cotton Spinners' Association and refers to the decline in the cotton industry. The italics are mine, though I wish it had not been necessary for me to stress those words.

£15,000,000 may be said to have been lost. Why "may be said"? Has this amount of money *not* really been lost? What is meant by "losing" money? The word "lost" would not have been used without qualification if the money had merely been transferred from one pocket to another—if the cotton industry's loss had been someone else's gain.

But it has not been so, for at the same time as the cotton industry was "losing" money, practically every other big industry in the country was also "losing" money.

Where did it go?

What has become of the £7,000,000,000 the war cost us?

Think that out.

I will give the answer next week.

NIKE NOUS

BANKER'S SECOND THOUGHTS

It was an interesting speech that Mr. W. Favill Tuke, Chairman of Barclays Bank Ltd., and the first of the Big Five Chairmen to address his shareholders, made at the annual meeting of the bank yesterday.

But I think it would have been even more interesting if given as originally drafted, and without certain last-minute amendments upon which Mr. Tuke, presumably on second thoughts decided.

These amendments have, it appears to me, a significance which justifies comment in view of the public interest in banking policy, and the attention paid to the pronouncements on that policy made by Bank chairmen as the only day in the year in which they break their traditional silence.

They occur in a passage in which Mr Tuke sets out to explain the business of banking and they consist of a deletion of every reference to the "creation" of deposits and credits which appeared in the original draft and the substitution for that revealing word "create" of such phrases as "increase" deposits, "add to" deposits, and "grant" credits.

Now much of the political controversy

regarding the need for greater national control of the joint stock banking system hangs on the argument supported by the Macmillan Report, that the joint stock banks are in a position to create deposits, and thus in effect to create money, although not, of course, to an unlimited extent. It is, therefore, to say the least, interesting that Mr. Tuke should have used that word "create" no less than six times in the original draft of his speech, and that the word should have been in each case carefully removed in the draft he actually delivered.—"The Daily Herald," January 24.

It is also interesting that the Financial Editor of the *Daily Herald* should be in a position to make such disclosures.

STATE DEBT OF SWEDEN

The State debt of Sweden at the turn of the year amounted to 2,380,000,000 kronor (£125,263,000), against 2,430,000,000kr. at the end of November and 2,487,000,000kr. at the beginning of the present Budget year. Of this amount only 86,500,000kr. was floating debt, 60,000,000kr. of which are covered by Treasury notes.—"The Times," January 23.

SOUND FINANCE IS UNSOUND NONSENSE

The key to present-day commerce is not barter of goods, but export of goods against bonds or promises to pay carrying a small rate of interest. Thus the *Daily Telegraph* of January 24 reports as follows:—

Holland will build 18 submarines for Poland on condition that Poland increases her imports from Holland.

Not, be it noted, on condition that Holland increases her imports from Poland by a quantity of goods equal in money value to that of the submarines which she sends to Poland.

WOOLWORTHS—TRADE BAROMETER?

Mr. W. L. Stephenson, chairman of F. W. Woolworth & Co. Ltd., described the company's business at the annual meeting as a "sure barometer of conditions." The growth of sales and profits last year was, he said, in the main a reflection of the general recovery in trade throughout the country. An encouraging feature was the widespread nature of this advance, the depressed areas showing a very decided improvement. Given continued "peace among nations and

peace in industry," Mr. Stephenson thinks the company will show even better results for the current year.

Some people attribute the success of these remarkable shops to the fact that 3d. and 6d. is about all anyone can afford to spend nowadays.

MAJOR DOUGLAS AT AUTHORS' CLUB

Major C. H. Douglas will be the guest of honour at dinner at the Authors' Club on February 24, at 6.45 for 7 p.m. He will speak on "War, an Aspect of the Social Credit Problem." Proceedings end about 9.30. The dinner is private for members and their friends.

Growing Wealth

THE miner was affected principally by the reduction of employment since 1913, of 320,000 men. Machinery, too, had resulted in an increase of output per man shift, from 17.8 cwt. in 1923 to 22.9 cwt. in 1934.—Sir Frank Smith, Secretary, Department of Scientific and Industrial Research, December 13, 1935.

G. W. L. DAY on A LAND FIT FOR DICTATORS

AFTER folding our arms for ten years and idly watching successive governments introducing facilities for compulsive legislation, we are now going to enjoy a taste of practical Fascism. Already we have a series of semi-military boards which can do most of the things which the sergeant-major did to us when we were privates in the War. Nor are they tied by any bothersome King's Regulations. No, no, they are given wide and vague powers which might mean anything. England is at last becoming a Land Fit For Dictators.

Not long ago the bus drivers of Northamptonshire went on strike, and a great many well-meaning people tried to settle the dispute. Then the chairman of the Traffic Commissioners for the East Midlands leapt into the arena and cracked his whip. "He is a man of authority with thunderbolts in his hand," says *The Times*. "If he and his fellow-Commissioners do not quite possess power of life and death over transport undertakings and transport workers, they can dispossess men of their livelihood."

The chairman sent a wire to the bus company warning them that unless their road services were operated as licensed, at once, the Commissioners would be compelled to consider their powers of revoking the licence. Then he sent another wire to the strikers' committee, "as abruptly as an ultimatum." Both the company and the strikers were peremptorily summoned to an inquiry.

When the inquiry was held the Commissioners hinted in the plainest possible manner that if the strike were not settled at once, the strikers would lose their jobs and the service would be handed over to another company! In other words, the Commissioners used their licensing power to compel a settlement. "That," says *The Times*, "is conciliation at the pistol's mouth."

If we don't like this sort of thing we have only ourselves to blame. For while we solved our cross word puzzles and

listened to the wireless programmes, some government department was busily making England safe for Ministers of Transport. *The Times* says that nobody on earth *does* know the limits of the Traffic Commissioners' duties or the extent of the Minister's control. For example, the Commissioners may hold public sittings to hear applications for licences and "for any other purpose if they so think fit."

"What," asks *The Times*, "is the scope of the authority conveyed in the words 'any other purpose'?" In Northamptonshire the clause has been constructed as giving authority to compel the settlement of a strike under pain of forfeiting licences and livelihoods. It is pertinent to inquire where the authority ends."

It is difficult to say where the authority does end. In this case, although admittedly the Commissioners can say they were acting in the public interest, they were using a Fascist club to bludgeon the two parties to the dispute. Certainly the disputants were inconveniencing the local inhabitants by stopping the bus service, but the law does not declare this illegal. Strikers may hold up various public services if they wish, and the law allows it.

But the Traffic Commissioners set the law aside and threatened dire penalties if the strikers and the company did not reach an agreement. And the weapon they used was the powerful one of economic compulsion—a weapon which becomes incomparably more powerful in an Age of Plenty, where the supply of goods and services and consequently, of remunerative employment is in surplus, through lack of money demand.

Many another company is awaiting the opportunity to carry passengers so that the Commissioners can threaten to revoke licences and give away the plums to the good boys. Any number of bus drivers are kicking their heels in compulsory idleness, and these the Commissioners can hold over the heads of the drivers who are in work. Thus the effect of acute

shortage of money-for-spending is to make both worker and entrepreneur at the mercy of those who can dictate who is to be allowed to serve the public.

So tremble in your shoes, all you managers of bus companies and hearken to the voice of the Traffic Commissioner who will tell you exactly how you are to run your business and see that you do it. And listen, you busmen—the Minister of Transport speaking—get it into your heads that from now onwards it is no good your going on strike. The strike weapon is as obsolete, in these days of surplus labour, as the cross-bow and the arquebus. Your services are a drug on the market!

And all you who raise food, manufacture goods, own shops, wash clothes, dig for minerals, or perform any other of the myriad of jobs which support this enlightened civilisation, don't you think for a moment that you can afford to sigh with relief that you are not a busman; but say "There, but for the Grace of God, go I."

Your turn will come soon. Even though you own your business it will come, for they who control the nation's credit can put it across you good and proper. Before long you will have to take out a licence before you can grow potatoes or manufacture a gent's suiting. Stern-eyed officials will swoop down on you with drills and tape-measures to see whether your potatoes and suitings comply with official regulations. And if your workmen go on strike, God help you! And them!

Mr. Elliot, the Minister for Agriculture, is said to have told a Continental reporter that Fascism has made greater strides in this country than most people realise, and that nobody minds what new things you introduce provided you call them by the old familiar names.

What do you think about this? Is the trend of events to your liking? If not, have you said anything about it to your M.P.? So long as you say nothing he probably thinks you are satisfied.

ROTTERDAM BANKING DIVIDEND RAISED SURPRISE DECISION ROTTERDAM SHORT OF CASH

STATE AID REFUSED

The City of Rotterdam is in serious financial difficulties, and it is greatly doubted whether it can meet its February financial obligations.

The city is attempting to obtain cash advances from the banks, but no bank has been willing to lend money to the city, the more so as the city's overdraft has already assumed considerable dimensions.

All the above is from the *Financial Times* of January 27, the first two headlines being merely on a different page from the rest. Last week we published a similar contradiction from the same paper, the headlines being—

GERMANY'S YEAR'S GOOD TRADE
EXPORTS SURPLUS
GERMANY'S POVERTY
DR. GOEBBELS DEFENDS STREET
COLLECTIONS

Readers are invited to submit similar examples of the contradictions produced by our fantastic money system, preferably in the same issue of one paper.

ROTTERDAM LIKELY TO GIVE WAY

STATE DEMANDS ECONOMY

The City Council refuses to effect the economies required by the Government. The conflict between the City and the Government is now at its height. Well-informed circles, nevertheless, believe that at the eleventh hour, that is, before February 1, the City Council will yield to the Government's demand, as the Government has now threatened to appoint a Commissar to the City with full authority to override all the City Council's decisions.

Strong-arm footnote to the previous item supplied by the *Financial Times* of January 28!

UNEMPLOYMENT IN HOLLAND

According to figures published by the Dutch Central Statistical Office, the total registered number of unemployed at December 31 was 471,924, as against 414,342 in December, 1934. The number registered as out of work now amounts to 5.8 per cent. of the entire population. Moreover, not all those out of work in Holland are officially registered at the labour exchanges.

The *Railway Gazette* recently reported that improved operating methods on the Netherlands Railways had resulted in a reduction of the wages bill from 125,708,000 florins in 1921 to 75,255,000 in 1934.

CORRECTION

Owing to a typographical error the date of the *Financial Times* quoted last week in Major Douglas's article, "Finance in a Hurry," was shown as January 16, whereas it should have been January 15.

ELECTORS' LEAFLETS Demand National Dividends

Leaflet No. 4

For Recruiting.—Contains a space for address of local group or supervisor. For distribution at meetings, or delivery by post or from door to door after collecting signed demand forms.

6s. for 1,000 (postage 9d.); 3s. for 500 (postage 9d.); 1s. 6d. for 250 (postage 4d.); 7d. for 100 (postage 2d.).

Leaflet No. 5

Elector's Demand and Undertaking.—The instrument of the Electoral Campaign, in purple on orange or purple on white.

(Post free) 7s. 6d. for 1,000; 4s. for 500; 1s. for 100.

Leaflet No. 6

For Personal and Business Friends.—Not suitable for the household-house canvass, but for use in offices, factories, or by travellers, or at parties. Space for 24 signatures.

(Carriage extra) 27s. 6d. for 1,000; 3s. for 100; 1s. 6d. for 50; 9d. for 25.

Leaflet No. 7

For Getting Workers and Funds. A cheap give-away leaflet which should attract buyers of the 2d. pamphlet "How to Get What You Want." (Post free) 3s. for 1,000 (in lots of 1,000); smaller quantities at 1s. 6d. for 250.

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

Obtainable from the offices of SOCIAL CREDIT, 163A, Strand, London, W.C.2.

PLANNING FOR FUTILITY HITLER'S CONFESSION

The Opposite of Social Credit

In the course of a two-hour speech reported in *The Times* of January 28 the German Chancellor referred to the present policy of centralisation in Germany.

The old German Emperors (he said) welded the country together at the cost of tribal and regional independence. We are doing the same to-day. Many people ask why we are abolishing the German States. I can only answer: "I do not know why we are doing this. I only know that I must do it. You lose the past and gain the future."

This barren cult of organisation for the sake of organisation was put in its proper perspective alongside of the principle of organisation for a definite objective, by Major Douglas sixteen years ago in his first book, "Economic Democracy."

"It may be emphasised" (he wrote) "that a centralised or pyramid form of control may be, and is in certain conditions, the ideal organisation for the attainment of one specific and material end. The only effective force by which any objective can be attained is in the last analysis the human will, and if an organisation of this character can keep the will of all its component members focussed on the objective to be attained, the collective power available is clearly greater than can be provided by any other form of association. . . . But every particle of available evidence goes to show that it is totally unsuitable as a system of administration for the purposes of governing the conditions under which whole peoples live their lives; that it is in opposition to every real interest of the individual when so used, and for this reason it is vital to devise methods by which technical co-ordination can be combined with individual freedom."

SOCIAL CREDIT is the credit of society. In a machine age it is enough to provide plenty for all. Do you want it? If so, say so. (See back page.)

For New Readers

WE ARE THE GOVERNMENT

YEAR by year and even month by month manufacturing processes are improved, new scientific discoveries are made and new machines invented. We should all, therefore, be getting richer as time goes on, for the result of these improvements is always an increased output of goods with less expenditure of energy—less labour. You and I and all of us should be better off in goods and opportunities with each succeeding year.

Yet most of us are becoming poorer, and those who have work—and who usually consider themselves fortunate to have it no matter how arduous or uncongenial it may be—often have to do the work of two because the firm for which they work is not paying very well and has to cut down costs to the utmost limit.

A Wealthy World

What is the reason for this strange situation in which abundance and marvellous machinery for producing more abundance is not reflected in universal well-being, but in

TO EVERY READER

YOU CAN do something to help the cause for which this paper stands, if you will. Unless you live alone on a desert island, there is at this moment a special little task that only YOU can do—waiting to be done.

A simple easy little job, not beyond your capacity, but one which, if done, will have far-reaching effects of great importance to the Movement.

FIVE MINUTES EACH DAY FOR A WEEK WILL SEE IT THROUGH. Will you try it?

If you mean business—write your name and address on an envelope, place a ½d. stamp inside it, put it inside another envelope bearing ½d. stamp and post it to "Publications," SOCIAL CREDIT, 163A, Strand, London, W.C.2. LEAVE BOTH ENVELOPES UNSEALED.

its opposite? Ask a child to define what wealth is and he will probably say, "plenty of everything," and he will be right. Every industrialised country in the world is wealthy, and the governments of all industrialised countries are using every effort, not to distribute the plenty but to get rid of it, preferably by exporting it to some other country, but if this is not feasible, by burning it or dumping it in the sea.

Wake Up!

There is, of course, a reason for it, but it is not a good one. It is said that the price

of freedom is eternal vigilance. We have not been vigilant in guarding and keeping the inheritance our forefathers won for us by fighting for it, in some cases dying for it, with the result that although we can produce both necessities and luxuries more than sufficient for the needs of all, we have allowed the money which is necessary to ensure its distribution and use to be controlled by individuals who are the heads of the banking system, and who decide how much money there shall be and what it shall be used for.

Now if there is one thing that should be quite clear to everyone it is that the amount of money in existence should be determined only by the quantity of goods we are able to produce. It should also be clear that as all have the right to live, all should be provided with money, since in a civilised community they cannot live without it.

Give Your Mandate

A certain French king said, "l'état c'est moi" ("I am the state"). We, the people of

Britain, can truthfully say that we are the government. It is useless blaming the government for its misdeeds, for we have never yet told our Members of Parliament what it is we want. They have told us that free trade, tariffs, stabilised currency or what not would result in plenty of work for all. This is their idea of what we ought to want, suggested to them by their financial paymasters with such damnable iteration that it has at last hypnotised nearly everybody into believing it against the grain of every natural instinct which tells us that we really want more freedom and leisure. D. BEAMISH.

Overseas Notes

Ireland, Canada, and Others

Irish Free State

In "Overseas Notes" for January 10 I reported the formation of a Social Credit Party in the Irish Free State, with a programme which, I suggested, laid itself open to criticism on the grounds that it tended to demand methods rather than concentrating on results. Following hard on this comes the news of the "National Dividend League," with headquarters at 43, Dawson Street, Dublin, and a programme of action which closely parallels our own Electoral Campaign.

"We do not specify any particular method, such as Social Credit," says the announcement, and it mentions that the League is willing "to co-operate as far as possible with the Irish Social Credit Party." The Elector's Demand and Undertaking varies only in small details from our own. While not formally affiliated with the Secretariat, the National Dividend League recognises it "not only as the headquarters of the Social Credit Movement in Great Britain, but also as a consultant and clearing-house of information for the rest of the world." This makes nine distinct territories within our commonwealth of nations, exclusive of Great Britain and Northern Ireland, where electors have heard and understood that fateful pronouncement by Major Douglas at Buxton, a pronouncement which is already beginning to purify democracy under the very noses of its poisoners. All good wishes to the work of the National Dividend League; who will be the one to bring up double figures?

Western Australia

The campaign for the forthcoming State elections in Western Australia has broken out, according to a *Times* message from Perth. Mr. Collier, the Premier, said the Government were proud of their record . . . confidence revived . . . financial equilibrium . . . full-time loan works . . . marketing legislation. The leader of the Country Party condemned the Government . . . lack of assistance to primary industries . . . constructive policy . . . controlled scientific marketing of products . . . relief payments to farmers. The leader of the National

Party favoured a more equitable distribution of the burden of taxation . . . root problem of unemployment . . . if finances permitted, etc., etc.

"I could whistle it," said Mr. Ogilvie, Premier of Tasmania, on a famous occasion. The Social Credit Movement in Western Australia is going to do better than that, judging from its Electoral Campaign; it is going to drown out the whole silly symphony in a united, stentorian demand for results. The campaign may not have developed far enough for it to happen at these elections, but elections are only an incident in an Electoral Campaign. Mr. Collier, Mr. Latham, and Mr. Keenan might all stop talking for a moment, while there is yet time, and listen to the voice of their employers, the people of Western Australia.

Nova Scotia

The *Halifax Chronicle* reports the formation of the North Sydney Branch of the newly organised Nova Scotia Social Credit Union, and other branches are being formed in the neighbouring towns. The beginnings of the movement in Halifax were recorded here only three weeks ago, and this rate of progress seems to justify the opinion of a correspondent who wrote in the early autumn, "The whole of the Maritime Provinces are just ripe for Social Credit."

It is probably too much to expect that Quebec should show an equal enthusiasm in the near future. For all its "liberal" label in party politics, that province in fact remains predominantly conservative in the way that the French peasant is conservative, that is to say that they have worked so hard and saved so determinedly that any financial reform which can be misrepresented to them as an attack on their savings will barely get even an unsympathetic hearing. As yet the French-Canadian press shows very few signs of trying to find out what it is all about, and it is possible that the sort of approach used by M. Henri Bouhaben in "Le Nationalisme Economique" (reviewed on page 199) may be necessary for New as well as Old France. It is equally possible that the only way to get action from the French-speaking world may be to help them to

demand results, with emphatic safeguards against the ever-present bogey of inflation and confiscation of savings.

Albertans at Ottawa

The seventeen Social Credit members from Alberta and Saskatchewan in the Federal House recently held their caucus at Edmonton. Mr. J. H. Blackmore, the leader, denied rumours that a social credit motion would be introduced early in the coming session; there is a general feeling among our members," he said, "that this would be to invite defeat and ridicule." The question of private or public ownership of the Central Bank was also discussed, and in this connection it is worth recalling Mr. Montagu Norman's dictum to the effect that he would welcome nationalisation of the Bank of England, as an indication of how far such a change is likely to embarrass the money monopoly, unless the equation of costs and purchasing power has first been taken out of the political arena altogether and made an automatic process.

It may be significant that in *The Western Producer* for January 9 an Ottawa despatch states that the Governor of the Bank of Canada, the Prime Minister, and the Finance Minister have lately held a conference on this very subject. It was, of course, a plank in the Liberal Party's platform at the Federal elections, and the despatch continues, "Legislation will be required to amend the Bank of Canada act and it is assumed that this will be one of the features of the legislative forecast in the speech from the throne."

Prize Pupil

Mr. Graham Ford Towers, the Governor, is a product of the Bank of England, and in an address recently in Toronto, the first since his appointment, he said, "I think it is permissible to say that in any central bank worthy of the name you have an organisation which has no axe to grind, no personal or selfish motives for its actions. Its interest is the public interest." Speaking of the establishment of twenty-two central banks since the war, he said, "One can be sure that a widespread movement of this kind is not accidental." Copying Mr. Towers's shy little trick of speaking the third person, one may add that one is sure that that last remark is a simple statement of fact.

What the romantic left-wing organisations in Canada refer to as her "fifty big shots" continue their eminent antics in defence of a financial system which suits them well enough at the expense of their neighbours. Sir Edward Beatty, President of the Canadian Pacific Railway, has been addressing the annual dinner of the Commercial Travellers Association of Canada in Toronto. He wished to warn them, he said, against "the hope of prosperity produced by ingenious tricks of currency, or credit, or legislation," and referred to the necessity for recovering "the simple faith that the production of primary needs is the surest way to increase the wealth of the world." In other words, as Major Douglas did not say, when you grow a ton of potatoes you simultaneously grow the money to pay for them. The monthly letter of the Canadian Bank of Commerce goes one better in its January issue, with an article entitled "The Supply and Velocity of Money in Canada," in which it trots out for an airing the old fallacy suggested in the title. Mr. Beaudry Leman, President of the Banque Canadienne Nationale, comes out best of all in *Maclean's Magazine* for January 1, with the unintentionally equivocal remark, "The urgent necessity of balancing Dominion, provincial and municipal budgets . . . was no more pressing yesterday than it will be to-morrow."

Alberta

The lack of unorthodox experiments in Alberta so far does not do much to stem the flood of press comment, good, bad, and indifferent. This, from *Canada's Weekly* in an interview with the manager in Great Britain of the Imperial Life Assurance Company, who has just returned from the Dominion, underlines neatly the quotations from the *Financial Times* given in last week's SOCIAL CREDIT: "One of the principal factors governing the extent to which Social Credit may be put into operation will be the new Loan Council. It may well be that conditions imposed by the Council for financial assistance to the Province may serve to defer for a considerable period the operation of the scheme." The last two issues of *Maclean's* have contained a competent but not very sympathetic article, "What of Social Credit?" which gives some detailed personal impres-

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.

TO DEMOCRATS OF WAVERTREE

Any democrat wishing to help in the campaign for the establishment of Political Democracy in the Wavertree Division of Liverpool can communicate with the following:—

Miss D. M. Robert,
Campaign Supervisor of the United Democrats, Woolton ("Fern Lee," Halewood Road, Gateacre).

Mr. A. Ferguson,
Campaign Supervisor of the United Democrats, Childwall (28, Childwall Crescent, Liverpool, 15).

Mr. J. F. Monk,
Campaign Supervisor of the United Democrats, Wavertree East (61, Barrington Road, Liverpool, 15).

Mr. R. S. Hughes,
Campaign Supervisor of the United Democrats, Wavertree West (41, Glanville Road, Liverpool, 15).

Mr. A. Cooney,
Campaign Supervisor of the United Democrats, Allerton and Garston (44, McBride Street, Liverpool, 19).

A. COONEY,
Divisional Supervisor.

sions of Mr. Aberhart, and suggests at one point that if he had never taken up Social Credit, "had he been elected on a conventional platform, it is altogether likely that at this moment he would be regarded by the most conservative of people as having made a good, sound beginning."

Finally, the *Toronto Telegram*, in a special despatch from Edmonton, quotes some very interesting remarks by anonymous business men. There is, according to this message, "considerable criticism of the course being followed by R. J. Magor, financial adviser to the Aberhart Government in its efforts to balance the budget. This criticism comes from financiers and bond dealers, despite the fact that Mr. Magor is looked upon as a product and champion of the present system." It quotes a broker as follows: "The credit of the province will be damaged seriously by the course being followed by Mr. Magor. He is treating the province exactly as he would a private company whose budget must be balanced [my italics]. Alberta is not a private corporation that can be dealt with that way . . . It is impossible to live within the income of the province at present, and the only way the balancing of the budget can be achieved is by defaulting on our obligations." J.D.B.

LA GRANDE RELEVÉ

La Grande Relève, the Paris fortnightly which was referred to in "Overseas Notes" for January 10, includes in its last issue a long notice of Social Credit in general and its recent political progress. It refers to the Alberta and New Zealand elections and the Tasmanian Monetary Report, quotes Douglas's basic principles, gives a short book list and a welcome to SOCIAL CREDIT and concludes that beneath the surface "men of good will throughout the world speak the same language and make progress towards the same goal; the liberation of man from his ancient bonds." *La Grande Relève's* own attitude towards the new age is summed up in a sentence from the front page article by Jacques Dubois, "One distributes plenty, one does not exchange it."

SOUTH AFRICA

The *Social Credit News* for Johannesburg announces that with its next issue it will become *The New Outlook*. While retaining its present point of view "on all matters of public policy," it proposes to "extend its scope beyond the advocacy of Social Credit to a broader cultural province."

SHOT AND SHELL

Pigs Marketing Board require 750,000 more pigs, to enable them to make up 72 per cent. of the requirements of curers for next year. — *"Daily Express,"* December 7, 1935.

Increased efficiency in electrical, gas, iron and steel production has reduced coal consumption by 31,500,000 tons per year since 1910, for the same output. — *"Daily Dispatch,"* November 29, 1935.

No increase in the output quota of copper is likely before the middle of next year, in spite of the fact that the present output is already sold for some months ahead. — *"Daily Express,"* December 12, 1935.

The Agricultural Mortgage Company of Palestine, Ltd., recently formed, is to provide long term finance, as distinct from the short term business of a bank. £50,000 of its capital was provided by Barclays Bank (Dominion, Colonial and Overseas), who act as agents for the Palestine Currency Board. — Chairman's Report. — *"Daily Express,"* December 13, 1935.

Crittall's capital is to be reduced, the present £1 ordinary shares are to become 5s. shares. "That, however, is merely a book entry, and does not affect their real value." — *"Sunday Pictorial,"* December 1, 1935.

Deliveries of Armstrong Siddeley cars showed a twenty-five per cent. increase for the past twelve months. — *"Daily Express,"* December 13, 1935.

The record number of 16,850 cattle were slaughtered in one day last week in Buenos Aires, sufficient for 280,000 tins of beef. — *"Daily Express,"* December 12, 1935.

Even gold mines are introducing modern improvements. Nickel alloy skips, for carrying ore, are now being used; the new skips are stronger, twenty per cent. lighter, and almost rust-proof, whilst their daily capacity is fifteen per cent. greater. — *"Financial Times,"* December 5, 1935.

Somerset Catchment Board need £545,000 to promote a scheme to prevent the flooding of large areas of land, and provide an adequate water supply. — *"Daily Express,"* December 12, 1935.

Ontario Government's Hydro-Electric Power Commission Act, 1935, proclaimed on December 6, cancelled certain contracts for purchase of power from four Quebec concerns. The Premier stated that the power companies had made no offer "possible of acceptance," and that arrangements had now been made to cut off half the supply from one company. The other three companies "are expected to return with an offer . . . this week." — *"Financial Times,"* December 20, 1935.

"The British War Office supplied over eighty million pairs of footwear for our own and allied armies during the war, the whole, except 9,000 pairs, being produced in English and Scottish factories." — Sir E. Penton, K.B.E., in *"Nineteenth Century Magazine,"* December, 1935.

"We are living through a revolution . . . which may be briefly summarised as over-production—too many men; too much money; too many goods. Economists, as usual, are useless; it is for the statesmen to find the key." — A. Wyatt Tilby, in *"Nineteenth Century Magazine,"* December, 1935.

Australian wool production for 1934/5 was up by 154,748 bales on the previous year; the present year, however, is estimated to show a reduction of 267,854 bales. — *"Daily Telegraph,"* December 13, 1935.

National Bank of Scotland paid sixteen per cent. dividend, and, in addition, wrote down bank buildings and property by £80,000. — *"The Times,"* December 5, 1935.

In 1926, Britain imported 1,098,000 lb. of tobacco from Rhodesia. In 1934, this figure had risen to 9,300,000 lb. — *"Daily Express,"* November 12, 1935.

BOOK REVIEWS

The Rebuilding of Britain*

The author is a director of companies which develop housing estates. His book is written to show that housing needs can never be served adequately by municipal efforts, even with Government subsidies, but that "All new building can be entrusted to private enterprise." "I am satisfied that the work of the so-called speculative builder is in no way inferior to the work of contractors." "I am convinced, I say, that we can rely entirely on private enterprise to supply the necessary houses, provided the Government will set up the machinery to enable housing to finance itself." There is nothing like leather, of course, but it would be interesting to have the opinion of the Royal Institute of British Architects as to the relative merits of a speculative house and one built to the R.I.B.A. form of contract.

However, our immediate concern, shared with the author, is with money. His scheme, briefly, is this: (1) All buildings to be licensed for eighty years and then be pulled down, unless exceptional circumstances call for a further license for not more than ten years. (2) Parliament to cause a National Mortgage Bank to be set up with statutory authority, and free from "political influence and association." This bank to finance all housing through the building societies which would be amalgamated into twelve units. (3) Loans from the National Mortgage Bank to house purchasers to be repaid by way of rent at 3½ per cent. over a period of eighty years.

Thus: a builder builds a house by means of short term credit from his private bank. A purchaser buys it for, say, £500 on an eighty years mortgage (ninety per cent. of the purchase price) through the building society for his area, depositing the title deeds of the house with the society, which passes them on to the National Mortgage Bank. This bank then creates a credit in the tangible form of a draft upon itself for £450 which it hands to the building society, which in turn hands it to the purchaser. He passes it on to the builder, plus £50 cash, who pays the draft into his bank as repayment for his short term loan. Then, "the builder's bank would deposit the draft with the central bank and the central bank would thereupon have a claim upon the National Mortgage Bank for £450." Apart from the fact that the private banks appear to do rather well out of it, the purchaser—or consumer—is no better off than if he borrowed privately for he would pay in rent altogether £280 for every £100 borrowed.

The author states wages in the building industry to be 85 per cent. of total costs. If that is so the just price of a £500 house should be £425 and not £1,260 + £50 cash which would be the total paid for it under the author's scheme.

It seems curious that Mr. Craven-Ellis should be so familiar with facts as to use expressions such as, "if the country's consuming power continues to be insufficient to enable the available goods to be absorbed at a satisfactory price level" and "The balance [of war loans] the remaining seven-tenths, was created out of nothing," and "With a reserve of £100 in cash, the banks find they can safely grant a credit of about £1,000..." without realising the necessity for a National Credit Office instead of his proposed National Mortgage Bank.

ARTHUR WELFORD.

* By W. Craven-Ellis, M.P. London: Allen & Unwin. 2s. 6d.

The First Essentials of Nationalism

Spiritual integration and spiritual vocation constitute the basic principles of nationhood. The rise and fall of nations in the past give abundant proof of this foundation fact and, in "Wales and the World,"* the writer does some very clear thinking, both analytical and at the same time constructional, unfortunately a somewhat rare combination in these days.

Although written mainly for Welsh

* "Wales and the World. An essay mainly for Welsh Churchfolk," by the Rev. R. David. Newport, Mon.: Joyce and Sons (Newport) Ltd., 51/52, High Street. 1s.

Bravo, Tasmania!

Down under, Tasmania is known to the common herd as "The Speck." Apparently there is more real courage there to the square mile than anywhere else in the world, as they have dared to do what our pompous and garrulous representatives (save the word) dare not do, that is, just a plain facing up to facts. It strikes me as poetic justice that the first real knock that our brutal and archaic financial system has had comes from the descendants of people that suffered the tortures of the damned in the cause of "sound

Churchfolk, there is hardly a line that will not give food for really constructive thinking for folk of all classes and creeds, and indeed for those of no creed at all.

In Wales, the writer says, there can be neither noble thinking nor noble living without vigorous reaction to the denominational and industrial environment which is the joint creation of competitive denominational religion and competitive industry and commerce. When coal, iron and other material things came into the Welshman's hand it never occurred to him that they were to serve any other purpose than that of financial profit. Cannot this be said of Englishmen and all other folk, too?

Of unemployment, the writer charges Welsh Churchmen with the task of creating a leisured Wales; but to fulfil this task they have to get rid of the slave-mindedness which persists in thinking that leisure is for one class and laborious toil for others.

It is a monstrous position. But why do we remain in it? Because we are too slavish to question the right of the banking system to create and regulate that with which alone the consumer can purchase the fruits of production. A National Dividend for each and for all must be the basis of secured leisure and of creative activity.

If the Church has nothing to do with these things, it has nothing to do with anything. It is out of business; it is bankrupt. The Church cannot pray and work corporately for the hallowing of God's name and for the coming of His Kingdom on earth without coming face to face with the two supreme and allied facts of our modern life — our bread and our debts. These constitute the riddle of the modern sphinx. The continuance of our civilisation depends upon its capacity to solve them. If it fails it will be either starved by the want of bread or strangled by its debts.

This is a most useful booklet, and all Social Crediters will be missing something really good if they miss the reading of it.

ARTHUR S. BEREY.

Social Credit in French

The appearance of M. Henri Bouhaben's pamphlet, "Le Nationalisme Economique: ses principes"* is of very great interest because it is the first printed exposition of Social Credit to be issued in France. Its importance is not seriously diminished by certain peculiarly national characteristics. It would scarcely be possible to find a French exponent of Douglas who did not lay stress on the peasant factor—the agricultural population of France is large and important and must be indulged because it is the backbone of the country and knows it.

This fact leads M. Bouhaben into supporting the need for savings as, apparently, a factor in moral salvation. It also makes him stress the moral importance of "work." In the same way the writer's view of financiers must be coloured by the present popular prejudice in France—a fact that is scarcely surprising. In view of recent events he would find it hard to make his people believe that it is the system that makes tools — and fools—of many of the "financiers" and all of the financed. Social Crediters in this country might well suppose that this insistence would sour the pure milk of the word. But the writer is quite clear about National Discounts and Dividends, though he emphasises, it is true, the six months' duration of the price discount, lest he might risk discouraging thrift by seeming to debase the value of money.

The pamphlet contains a great many statistics relating to output of machines and the potential riches of the population in the United States compared with those in France; family income and consuming capacity to be expected under Social Credit; and so on. The author's argument here might have been more effective if he had quoted his sources, but once again, if it is done to make contact with an audience which would be unmoved by an entirely academic exposition it is surely justified.

A.B.

* Privately printed. Two francs. (Order through the Social Credit Secretariat Limited. 1s.)

finance." I take off my hat to them; they have what our aggressive salesmen call "guts."

Northampton. E. K. ALLEN.

Getting New Readers

Regarding your suggestion that readers should expand the sales of SOCIAL CREDIT, I have been doing this methodically by passing each copy on to someone who does not already read it.

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Announcements & Meetings

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

Belfast Douglas Social Credit Group
Group Headquarters: 72, Ann Street
Office Hours: 2.30 to 5.30 and 7 to 10 p.m.
Public Lecture each Thursday at 7.45 p.m.
Bring or send that new "enquirer." Questions and discussion invited.
Group Monthly Meeting in H.Q., Tuesday, February 4, at 7.45 p.m. Please produce Membership Card.

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 Cafe, The Square, St. Anne's. 3rd Thurs. in month—Dickenson's Cafe, 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.

Erdington Douglas Social Credit Group
The next Group meeting will be held at 7.30 p.m. on Wednesday, February 5, at the Regent Cafe, Salford Bridge, Erdington.
Subject: Group Business (important). New members invited.

Glasgow Douglas Social Credit Association
Meetings each Wednesday in the Rooms, 200, Buchanan Street, 8 p.m. February 5: Ex-Bailie P. McDewitt (Clydebank), "Social Credit and the Business Man."

Newcastle-on-Tyne D.S.C. Group
All future communications to the above group to be addressed: The Secretary, Douglas Social Credit Movement, 31, Oxford Street, Newcastle-on-Tyne 2.

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.

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.

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FAIR PLAY says "FROTTI"

DEREST Mister Chappy, Hast indeed read jolly adventurings of Mr. Maurice Higgins, of the County of Dorsetshire, who set fire to four valuable ricks and tried to destroy expensive dairy-places? You have not read these things? Goodness gracious, sirrah, what do you read, if at all in fact?

Well, then, he was apprehensioned by scullions of the law and brought up before a most virtuous Justice Excellency. It was indeed completely clear cases. Prisoner admitted all things and defence counsel stated that he was 'keen student of economics' and acted on impulse.

Now, what do you consider that he receives? A nighhood? A Barrenry? A county? No, sir, not one of these. To my great surprisings I have read that he was sent to prisons for two years! Sent to prisons! "And all because he acted like a Lady of Threadneedle Street," as your Mr. A. P. Evoe writes in whitty book of versage.

Here we have affair of studious young man getting London School grasplings on terrible questions of ecomics. All at once dawn breaks—he sees the trees for the wood, all of a coop, as the Frongsies say—and realises that it is his duty as practical comicalist to restrict, destroy and reconstruct. So, noble

fellow as he is, he sets busily to work burning rickxes and diaries and things, and trying to win academic distinctions in most approved and energetic fashions. But does he get 'em, mon ammy? He does not. Instead there is these frightful unjustnesses: the backside of hand across the face to most loyal follower of L.S.E. and N.B.G. Insults is added to injuriousness. Counsel actually suggests Mr. Higgins ought to see cycleologist!

Sir, this is too much. I scoot the very idea. Are we to send jolly old Canes, Coals, Professor Groggery, Lashkey and all the others to see a cycleologist—except, perhaps, a trade one—in the presumptions that they are afflicted with sunspots before the eyes? What nonsense!

My indignance, friend, is the more confounded because I was hoping to get this sage youth on platforms in support of my elections as M.P. for Bedlam. And now that I cannot, unless N.B.G. will release him especially, my only consolation is that rivals have been reduced by disposal of Mr. Roundoff Churchill (restriction) and snowballing in the eye of Mr. Mudcome Macdonald (destruction). Still, I sigh for Higgins, oh grievous.

Sincerely yours,
FROTTI.



DID MONEY COME BEFORE BREAD OR BREAD BEFORE MONEY?

Adam (faced with the problem of earning his bread with the sweat of his brow, projects himself into modern financial thought):—"Well, there's Work to do and there's Me to do it, but there's no Money to do it with, so I must starve!"

ELECTORAL CAMPAIGN

BELOW is the form Parliamentary electors are being asked to sign. Please read it carefully, sign (if you have not done so already) and send it (1/2d. stamp) to The Only Democrats, 163A, Strand, London, W.C.2. Volunteers to help in the Campaign are wanted.

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

Signed.....
Address.....
(Signatures will be treated confidentially)

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