

# THE SOCIAL CREDITER

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## ECONOMICS, OR POLITICAL ECONOMY?

(By MAJOR C. H. DOUGLAS)

An Address to the Marshall Society of Cambridge

(October 20th, 1938)

In those far distant days when it was my painful duty to sit for that charming examination known as the "Little-Go" Greek was compulsory. I believe wiser counsels have since prevailed. I knew about as much Greek as some of my critics think I know about economics, so there was only one thing to do, and that was to learn, by heart, the two books which were set for the examination, together with a convenient 'crib.' To dispose of this particular aspect of the crime-wave which overtook me at that time, I obtained 87 per cent in Greek, which shows what a really useful thing some examinations are. I might mention that the feature in the situation which kept me awake at night was whether I should translate several sentences more than the examination paper required, since I was not quite sure where any particular sentence began or ended! However, all went well.

But there is good in everything. The two set books were the Gospel of St. Matthew and a little volume by Xenophon called "Oeconomicus," which, as I feel sure I need not tell you, does not mean "economics" but "household management." You will no doubt be surprised to hear that in my opinion, however, both of these are treatises on political economy, although, no doubt, from widely different points of view.

In regard to the first, it must surely have occurred to many of you that the explanation given of the persecution of early Christianity as having a religious basis, is

incredibly thin, when you consider the tolerance of the Roman Empire of that day in regard to what are so amusingly called "pagan sects" at the present time. Without wishing to trench on a subject which is not mine, it has always been my view (perhaps derived from the intensive study of St. Matthew just mentioned) that the four Gospels contain an economic and political philosophy which was immediately apprehended by the ruling powers of those times, and actively disliked, and I believe that the difficulties and dangers with which the world is faced to-day arise out of exactly the same conflict.

As usual, the issues are not so clearly defined in Great Britain as elsewhere. *Ars est celare artem* is highly developed in this country. We find the real objective disclosed in a cruder form in the totalitarian States, such as Russia, Italy, Germany, in regard to which, in this particular matter, I make no special distinction. Put shortly, it is the exaltation of organizations over individuals. The glorification of the State in the first place, and of such things as Law, or the instruments of State sanctions, such as the Army, etc., is a corollary.

The antithesis to this is the conception that any organization is merely a convenience for collective action which, both to retain its essential nature and its virility, must be based on the assumption that everyone who joins it is free to leave if they find that it is disappointing. I have frequently

suggested that the difference is the difference between compulsory cricket and Saturday afternoon cricket. In no case does it mean that the society holds a committee meeting every five minutes to alter the rules, but in one case it does mean that an individual who does not like the rules can play golf, whereas in the other he has to "grin and bear it."

We are supposed to be a democracy in this country. We are, of course, nothing of the kind. We are a skilful and not very scrupulous oligarchy, tending rapidly to a financial dictatorship, with an administrative dictatorship in the background. We have become

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infected with Oriental ideas, and all the forces of education and propaganda are enlisted in their service.

At this point it may easily occur to anyone to ask "To what does this tend? What is the objective?"

It is not very easy to answer this question concisely, but probably the nearest approximation to a correct short answer would be "The perpetuation of the Slave State." I may shock you by saying that I believe that the Slave State was necessary to enable some people to have leisure to think, but it is not necessary now.

There is, I think, more to it

even than that. Organizations appear to acquire a separate existence and character of their own, even temporary organizations, such as mobs. It is well-known that a mob will commit excesses and endorse sentiments for which no single individual in the mob, if approached separately, would take responsibility. The relations between nations are on an immeasurably lower level than those which would be tolerated between individuals, yet Governmental bodies pretend to impose their policies in the name of morality. A Government Department will act officially in a way which would land an individual in gaol, as

well as incurring for him complete social ostracism, yet we are asked to regard them as the fine flower of Socialist ideals.

It seems, therefore, taking all these matters into consideration, that the problem which the world has to face to-day is only secondarily a problem of economics, but is primarily one of political economy. In other words, an appreciation and rectification of the use which is made of economic realities is required, rather than to modify very seriously the facts of those economic realities themselves.

(To be concluded).

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## A Bank and a Man's Right to Marry

Once again the newspapers are reporting the case of the Scottish bank clerk who was dismissed on his marriage against the regulations of the bank.

The clerk, W. E. Notman, is suing the Bank of Scotland for £5,000 in respect of alleged slander by describing him as inefficient, and the bank claims that the real reason for his dismissal was unsuitability—that he "had not responded properly to training," etc.

One cannot comment on the case itself which is still *sub judice*. But the general fact sticks out a mile—that Mr. Notman's marriage was made the ostensible cause of his dismissal.

Mr. Notman is 31. His salary was £180 per annum, £20 less than the marriageable limit. **As long ago as 1933, his fiancée, after a breakdown, was advised by a nerve specialist that she should marry and have a home of her own.** Mr. Notman's request was refused then, to the further detriment of his fiancée's health. How incredible such a refusal seems to men of feeling!

In 1935, Mr. Notman again asked permission, **intimating that a relative was prepared to make up the salary to the required £200.**

The bank refused! The monetary difficulty was solved in practice—but the bank refused. Mr. Notman had not jumped through the hoop long enough.

Mr. Notman then got married

in August of that year, without permission. The bank at once dismissed him.

Here, briefly told, are such facts about the case as can be obtained from the newspapers. The things that are not told—the anxious years of coping with personal problems, Mr. Notman's state of mind at having to postpone time and again the steps necessary for the improvement of his fiancée's health, can be imagined by any living being except a bank director. Mr. Notman might well have seemed "inefficient" at times in the office—though I do not suggest that he did.

They say that Mr. Notman suffered from "an inability to fit into the scheme of things." Well for him if he did, when the scheme of things is one that twists and tortures human lives to force them into the arbitrary mould of figures in a ledger.

The case came to an end on Saturday—subject to an appeal. A ten to one majority of the jury gave the verdict to Mr. Notman, awarding him £1,000 damages.

In his summing up, Lord Justice Keith said that the statement of the bank to the Minister was privileged and an action for slander could not lie. But one for malice against the bank might. "If you think that the real or chief motive was his intention to marry ... if the plaintiff has established malice, then you must

find for the plaintiff," Lord Keith added. The jury found as stated.

On the question of damages, Lord Keith directed, "You are entitled to award the plaintiff damage for injury to his feelings, suffering and anxiety, and injury to his business reputation?" — M. H.

### For Example

The phrase "a committee of *disinterested* people" is constantly cropping up. Would a child prefer a "disinterested" parent, a wife a "disinterested" husband, a shopkeeper a "disinterested" customer?

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# COMMENTARY

I believe I have expressed my devotion for Mr. Nathaniel Gubbins before—the newspaper gentleman who wrote “Dear Sir, Unless.....” a book all about Mr. Bloodsucker, the taxgatherer.

\* \* \* \*

Mr. Gubbins has been reading—at least he HASN'T been reading—a letter sent to an Editor. OUR Editor received two exactly the same (and both from London, the home of....., etc., etc., etc.):

\* \* \* \*

“Sir, As a plain man in the street who tries to read between the news lines.....”

Mr. Gubbins read a little more than that; but only a little more. Now listen to what Mr. Gubbins says:—

“I have no interest ... except to point out the futility of plain men in the street trying to read between the lines...For one thing there is nothing between the lines ...Moreover, if there were hidden meanings between the lines the last person in the world to discover them would be the plain man in the street. The poor chap has been fooled since the beginning of time. He was in the streets of ancient Egypt and ancient Rome offering his worthless opinions. He always thought he knew everything, but knew nothing. His belief in his own astuteness, combined with his complete ignorance of State affairs, has made him the willing tool of all Governments. He has been tricked throughout the centuries, and he will be led up the garden of eternity. All because he thinks he knows everything and can read between the lines.”

\* \* \* \*

“And he will be led up the garden of eternity”...well, perhaps!

Apart from that, only Major Douglas could have put it better! “A trap set by knaves to catch simpletons.” How's that?

\* \* \* \*

And it seems that even Social

Crediters (but are they?) are not immune.

\* \* \* \*

But why does the Truth appear in the funny columns, while the funny bits appear in the leading articles and solemn articles by Cabinet Ministers?

\* \* \* \*

(See “Are We Awake?” by C. H. Douglas, The Social Crediter, Vol. 1. No. 5: “Perhaps one of the most crippling defects of the conventional English man and woman—so widespread in ‘educated’ circles as almost to excuse generalisation—is the catalogue mind—the delusion that labelling something is the same as understanding it. It is a defect ... fostered by our rulers.”)

\* \* \* \*

“Opinions are powerless, so long as they only confuse the brain, without arming the hand. Scepticism and free-thinking, as long as they occupied only the minds of the INDOLENT AND PHILOSOPHICAL, have caused the ruin of no throne.....”

\* \* \* \*

Douglas? ... Oh! No!, Why should Douglas write of ruining anything, much less a throne? No, Joseph von Hammer. Now, PLEASE don't go out and buy it, or I shall think that Robespierre was right when he said: “Writers must be proscribed as the most dangerous enemies of the people.” But of course they are.

\* \* \* \*

A literary person is a person who can't see anything until it's in print ... and then it's black and white to him: grey if he stands far enough away from it. And most of them stand quite close to what they've written themselves, and a long way from anything anyone else has written ... and farther still from what Douglas (who isn't a literary person) has written, and farthest of all from what he is writing.

\* \* \* \*

“If in reality, Socialism is a rising of the ‘have-nots’ against the

‘haves’, how is it that most of the money seems to be on the side of the ‘have-nots’? For whilst organisations working for law and order are hampered at every turn for funds, no financial considerations ever seem to interfere with the activities of the so-called ‘Labour movement.’ Socialism, in fact, appears to be a thoroughly ‘paying concern,’ into which a young man enters as he might go into the City, with the reasonable expectation of ‘doing well.’ It is only necessary to glance at the history of the past hundred years to realize that ‘agitation’ has provided a pleasant and remunerative career for hundreds of middle-class authors, journalists, speakers, organisers, and dilettantes of all kinds who would otherwise have been condemned to pass their lives on office-stools or at schoolmasters’ desks. And when we read the accounts of the delightful treats provided for these ‘devoted workers’ in the cause of the proletariat as given in the records of the First Internationale or the pages of Mrs. Snowden [“A Political Pilgrim in Europe.”] we begin to understand the attractions of Socialism as a profession.”

\* \* \* \*

Then the author (N. H. Webster) asks: “Who provides the funds?” ... “It seems unlikely,” she says, “that it can be derived from the British owners of wealth and property whom the Socialists are openly out to dispossess; the only body of financiers which can therefore be suspected of contributing towards this end is the body known as ‘International Finance.’... (Well, never mind about what comes next!)

**“THE FIG TREE”**

**NOTICE.**

A claim has recently been put forward by the Social Credit Secretariat LIMITED to be the owners of this periodical. Major C. H. Douglas and Mr. Miles Hyatt, the Editor and Associate-Editor of the periodical since its inception, wish it to be known by subscribers and readers that they have now no connection with that Company.

*Mrs. Palmer's Page*

## To Those Who Say: "I May Be Wrong"

I have had a very happy week with some friends who can only visit London at long intervals. One night we made up a theatre party to see Charles Morgan's "The Flashing Stream."

To me it was a thoroughly enjoyable evening. But I was nearly as interested in the reactions of the audience as in the play. I cannot afford either the money or the time to visit the theatre frequently, and have no pretensions as a dramatic critic, but it must have been plain to anyone that the usual West-end theatre-crowd was, somehow, different. It seemed to me that the actors were not merely playing to an audience, but that the audience were part of the show, were identifying themselves with the emotions of the characters in the drama. Why else that curious sense of expectancy, and the applause that broke out at these words, "What is the use of saving the lives of people who don't know how to live?"

The subject of the play is appropriate to the mood of the moment. A mathematician has invented an aerial torpedo which will bring down any aeroplane against which it is launched. He claims that this will make aerial warfare impossible. The necessary dramatic material is provided by the appointment of a woman to the research department, and by the inevitable struggle between the "official" minds at the War Office and the man of genius.

The fact that you cannot achieve peace by preparing for war, or even by merely desisting from preparation for war is perceived by Mr. Charles Morgan. His is a play with a purpose, and he is not ashamed to avow it. An extract from the preface to the play is printed in the programme, presenting the view that what we need to-day is a renewal of the quality which has been called "singleness of heart."

The same theme is elaborated by the inventor when he speaks of the discipline of the laboratory.

Once having taken his place in the team, the scientist is one of a body of men who are moved by no other consideration than the perfection of an aerial torpedo. This means a complete acceptance of facts as they are made manifest. Nothing is more difficult to men of imagination.

Mr. Morgan calls this accomplishment "singleness of heart," or "impersonal passion."

I think a good many Social Crediters have already learned this lesson. I think what Charles Morgan is giving us is another sidelight on Social Credit, a picture of people associating together to attain a specific objective, and, during the period of their association, allowing no other consideration whatever, personal or idealistic, to mar that association. And this discipline must be maintained until the end is achieved.

The inventor did not think that women were capable of such discipline. "A woman is a personal animal, that's her strength," he says. At first he opposes her appointment. One of the grand things about Social Credit is that, women can take their place in the team.

Charles Morgan believes that when everyone is willing to live his life with "singleness of heart," most of our troubles will be over.

I believe he is feeling his way towards the truth, but the trouble is that at present we are not all blest, as is the hero in his play, with a definite purpose in life worthy of this "impersonal passion." Judging from another passage in the play, he believes it is our duty to find one, and almost infers that any aim is better than no aim at all. Nothing is more damning than those words which we hear on every side to-day—"I may be wrong"—they are the words of people with no firmness of character, and no purpose in life. They do not arise from modesty but from indifference: not from respect

for truth but from contempt for it.

And so the play closes—if only it had said just a little more to that highly stimulated and receptive audience!

Realistically speaking, the right is always ascertainable, Major Douglas made this clear in the first number of the "Fig Tree."

"There is a third factor, however, to which I have on occasion referred as the Canon. Probably none of us knows what it is, but nearly all of us recognise it when we meet it. Adam, the architect, had it, as anyone who knew the disappearing Adelphi Terrace would admit. The bungaloid growths which disfigure our South Coast, emphatically have not got it, nor the newspapers whose circulation is based on trials of murder and divorce cases.

"The new Bank of England, which is a calculating machine-fortress inside and a Sir John Soane Classical Façade outside, has not got it. An apt phrase, a racing yacht, the Quebec Bridge, all in their special way may have it. They are Right in the sense that the engineer speaks of having got it Right—because they are as nearly as possible the embodiment of the ideal in the mind of their creators, and they do their job.

"Probably few of those who have had the patience to read the foregoing words would deny that civilisation has departed from the Canon. We believe that the major reason for this is quite simply that a financial criterion rather than a realistic standard of Rightness has become its guide, and that, in consequence, the world is given over to the Father of Lies—the Enemy of Truth—and that the money system is his chief tool."

Those to whom "I may be wrong," is an oft quoted sentiment, are temporising, hoping that, some day, (by no effort of their own) they may be able to say, "I know I am right!" They will not have to wait much longer, for the choice is at hand. We may either, as a

nation, depart entirely from the Canon and merge all sense of personal responsibility in some form of totalitarian state (note that "singleness of heart" would only make this disaster more complete), or we may, painfully, step by step, build up a new civilisation, founded on realities, one of which is that the only object of production is consumption.

I realise that new readers of this paper may read those words without understanding their significance. It is so widely accepted that a fundamental truth must be something transcendental, abstract and vague, as for example, the "service of humanity," or "the establishment of christian community."

The founder of Christianity fed and healed the people before he preached to them.

— B. M. PALMER.

### MAYONNAISE.

Mrs. Palmer will be glad to have contributions for this corner. Recipes should be worthy of the Age of Plenty, and will be published with the name and address of the sender, who, it is understood, is willing to accept the responsibility of having tested the recipe in her own kitchen.

This **Mayonnaise** is made with lemon-juice in place of vinegar.

Well whisk one yolk of egg with a dessertspoonful of lemon-juice and salt and pepper to taste. Add, slowly, whisking all the time, one gill of olive oil. If too thick, a little boiled water, or more lemon-juice can be added.

This recipe is a boon when you are in a hurry, as it is far less likely to curdle in the mixing. But it needs to be stored in a refrigerator.

— B. M. P.

## OVERSEAS NEWS--By Miles Hyatt

### Alberta Credit Houses

On Friday, September 30, the Alberta Government opened five "credit houses" at Granda Prairie, Andrew, St. Paul, Rocky Mountain House and Killam. For the present, these credit houses are to accept deposits, and act as clearing houses for vouchers issued to people who are "working off" their taxes. Of these vouchers, only two-thirds are to off-set taxation; the extra third is in the form of credits for goods and services with such business houses as have agreed to accept them.

The credit house at Andrew was opened by Mr. Glen MacLachlan, Chairman of the Alberta Social Credit Board, and it will interest readers over here to know that he was accompanied by Mr. L. D. Byrne. Here 18 stores are co-operating with the Government, and many depositors entered to open accounts as soon as Mr. MacLachlan had turned the key.

At Killam, Mr. J. A. Neety, the Mayor, said: "We have got along very nicely without the Bank of Montreal since it left—and also before it came." \$1,000 were subscribed here in half an hour.

The Hon. Solon E. Low, Provincial Treasurer, stated that all

**the resources of Alberta were behind these "treasury branches."** "These branches," he said, "will give benefits to Alberta people rather than to shareholders in Ontario and elsewhere."

Mr. Manning showed that, while the third stage of the movement had not yet been reached (owing, as Mr. Aberhart had previously pointed out, to the "unwarranted and vicious opposition to our attempts to perform or to legislate toward the fulfilment of our promises") yet, in five different ways, the interim plan for the credit houses would increase purchasing power and make the obtaining of goods and services easier, by:

(1) The general use of the peoples credit as far as possible in all transactions. There was to be no circulating medium (money). The peoples' credit would be transferred by means of non-negotiable credit-vouchers or certificates.

(2) The attainment of the benefits of association on an extensive scale. It was hoped to demonstrate the real meaning of the increment of association.

(3) Encouragement of industries within the Provinces.

(4) Greater benefits from co-

operative buying.

(5) Bonuses to the people in so far as co-operation is successful in development of the Province.

Later, Mr. Manning announced that the opening of treasury branches would be extended to meet the large demand for them at numbers of districts all over the Province.

It is obviously early to comment on this far-reaching scheme, especially at this distance. But certain features are especially praiseworthy. This is co-operation, but, unlike orthodox co-operative movements elsewhere, it begins with the means of payment as the mechanism of prior importance. Then it is not a "plan" imposed upon the Province. Machinery is presented, by utilising which, every individual citizen and trader may facilitate the exchange of goods and services if he wishes. So the credit houses are essentially democratic.

Finally, their present functions and arrangements are "interim." When the final battle against the stranglehold of "absentee" financiers is won—as it will be won, and not only in Alberta but all over Canada—there is little doubt that this amazing Province will have achieved the working out of a mechanism which Canada, and perhaps the whole world, will study as the model, tried and proved by experiment for a democratic economy.

### Colonel Lindbergh

Miss Ellen Wilkinson in a quarter-page article in the "Sunday Referee" (Oct. 23) asks whether Lindbergh's "great reputation with the ordinary people of the world" is "being used for political and financial tie-ups"? Another question is: "has Charles Lindbergh become the Colonel Lawrence of the U.S.A.?"

Lindbergh married Anne Morrow in 1929, "daughter," says Miss Wilkinson "of the J. P. Morgan partner his father fought."

Apparently the objective of Miss Wilkinson's article is to show that Lindbergh knows more about General Goering's opinions than about Russian aviation. There is a curious mention of Mr. Tom Jones "who knew all the Cabinet secrets during the war."

## THE SOCIAL CREDITER

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## What Is A Social Crediter?

In the first place, a Social Crediter is one who is aware of a fact, namely the fact that people associate in order to reap an advantage from their association. This is called the 'increment of association' and it takes many forms, e.g., the safe handling of a fishing boat of which the sails and the rudder cannot be conveniently controlled by one man, or the defence of a city which cannot be safely or successfully conducted according to two divergent plans.

The Social Crediter knows that, although 'manipulation' of such associations can be carried on unfairly and unprofitably to those associating (or many, or most of them,) such pervertions are not inherently necessary and WILL be prevented whenever it is possible to prevent them, by the breaking up of the association. What can and does happen whenever possible

shows the Social Crediter what is *natural* as opposed to artificial in associations (or 'Societies').

A Social Crediter foresees certain results which would ensue from additions to the freedom of individuals to enter into or escape from associations. An important result which he foresees is that naturally such freedom would be controlled by the advantage of the individuals concerned—the purpose for which associations exist.

Social Crediters accept this 'verdict of experience' in preference to 'propagandist' or 'ideal' verdicts of any kind: they would be willing to 'try and see what is good for us' rather than to accept 'authority' which says 'this is good for you.' They think that 'results' are, generally speaking, the 'right' check.

This general outlook of Social Crediters is strongly supported by

observed facts of the vast 'association' which is called Society with a capital S. They definitely take the view that wars, famines of 'trade' origin, poverty, are not 'good' for people, because all people of sound mind try to escape from wars, famines, poverty and even work which is dictated to them by other people, whenever escape is possible.

Closer inspection of the operation of our Society shows Social Crediters that much greater increments would result from association unless artificial checks were in operation. They call such checks 'wrong' not in the sense that they are contrary to some self-appointed 'moral' authority, but in the sense that they don't work 'right.' This canon of rightness is important to Social Crediters, who, as individuals, desire the associations into which they enter to yield the maximum of 'good' for themselves with the minimum of effort. They wish to be free to choose such associations and, necessarily, concede the 'right' to do the same to all other people who might associate with them.

Social Crediters might be called Political and Economic Realists. They do not know of any evidence supporting the claims of some individuals to *know* what results *ought* to ensue from life in society and would set aside such claims when practical experience shows the results to be contrary to the desires of the individuals concerned.

## DEMOCRACY

Democracy is frequently and falsely defined as the rule of the majority—a definition quite sufficient to account for its unpopularity with many persons whose opinion is not unworthy of consideration. As so defined, it is a mere trap, set by knaves to catch simpletons; the *rule* of the majority never has existed, and, fortunately never will exist. If such a thing were possible, it would be the ultimate Terror, beside which, the worst individual despot would seem a kindly patriarch. It is under cover of this definition, however, that unscrupulous men in every country are enabled to evade the consequences which anti-social intriguing would bring upon them, by working up a spurious, because uninformed, public opinion, which is the greatest

barrier to effective and rapid progress known to the hidden hands of finance and politics. Real democracy is something different, and is the expression of the *policy* of the majority, and, so far as that policy is concerned with economics, is the freedom of an increasing majority of individuals to make use of the facilities provided for them, in the first place, by a number of persons who will always be, as they have always been, in the minority.

Any other conception of democracy simply does not take cognisance of the facts, does not believe in human nature as it is, and consequently, taking its stand on the doctrine of original sin, requires as a first postulate of improvement a change of heart which is expected to make all men and women over

again, so that a standardised world will be uniformly attractive to all of them. A standardised world requires someone to set the standards, and it is to this authoritative democracy that the capitalistic governments of the world are willing, if they must, to resign the sceptre of Kaiserism and plutocracy, knowing quite well that it will avail nothing that Labour has its administrative councils, its shop committees, its constituent assemblies, or even its Soviets, so long as the control of credit enables the real policy of the world—the policy which controls the conditions under which mankind obtains board and clothing, without which the mightiest genius is more helpless than a well-fed idiot—to be dictated from the sources out of which it now proceeds. — C. H. DOUGLAS in

"Credit Power and Democracy."

## CAKCLE AND 'OSSSES

To the man who has a job to do, all words except those which further the completion of his work are superfluous. He hasn't time for elegant English or abstract philosophies.

The carpenter to his mate: "Throw the chisel, Bill..." "No—the big one..." "Here, hold this..." "Two more screws..." "Is the glue hot?" Few words, but all helping the job along.

Put the same two men before pots of beer in the local and they will expound for an hour on the way old Muggins mucked up his fowl-pen, how Swedish pine isn't what it used to be, what they would have done with the vicarage fence if they had been the vicar. Many words to no purpose.

A blind townsman listening to the two talkers while at work, while

over their pints, would undoubtedly find the second series of words more amusing, probably more instructive than the first series. For two reasons; because he is blind and because he can never be a carpenter anyway.

But notice Bill's ten-year-old son, the one who dreams of becoming the best woodworker in the village when he grows up. He hangs around during working hours and watches the carpenter's hands. To him, any words spoken are merely aids to those hands. See him race his Dad to the glue-pot to see whether it is hot.

\* \* \* \*

We have a great and exacting work to do. We are actually engaged on the job. It is extremely urgent. We must work overtime. The pint of beer must wait.

Words to us are useful only insofar as they define and develop action. Newcomers who need instruction will get as much as they can immediately assimilate by watching (and, if it pleases them, helping in) the work. If they feel the need for more technical knowledge our Studies Section is at their disposal.

You will have noticed that whenever any conflict has arisen in the ranks of the social credit movement the underlying issue has always been "Shall it be cackle or 'osses?" Are we in existence to amuse blind men or to show willing learners? Can we progress by slapping each others backs or by driving screws?

Which course will YOU put your money on? W. WILSON.

### *The Study of Social Credit*

#### (Pointers from the Authorised Course)

**The true cost of a given programme of production is the consumption of all production over an equivalent period of time.**

As everybody knows, a standard method is in use of evaluating cost in terms of money. Before we try to discover the correctness or otherwise of the use which is made of this method, let us try to see what is involved.

It is always better to take very simple cases whenever the objective is to discover fundamental principles. The modern industrial system is complicated, and it is easy to lose track of the events occurring within it and their real meanings.

Suppose we go to that paradise of economists, an island. Let it be an island where cocoanut palms grow, and where a small population subsists entirely upon the fruit. The pulp, let us say, provides the

people with food, the shells with houses, the fibre with clothes. If the island did not produce enough for a large population, the excess of population would die, so we need not concern ourselves with the sufficiency of production. If the population of the island cared to concern themselves with this matter, they might increase production and increase their own numbers though doubtless not indefinitely in these simple conditions. In this case the cost of production of all the cocoanuts of the island would be all the cocoanuts of the island, or the cost of a cocoanut would be a cocoanut. But suppose the islanders to be able and willing to produce more cocoanuts than sufficed for their needs, let us say twice as many, then the production of the island would be twice the consumption, and the "penalty" exacted for making two cocoanuts available would be one cocoanut. It is never possible for the mean consumption

rate to be greater than the mean production rate in any period without there being a source of goods not revealed in the production figures—that is to say without extending the period considered to cover an excess of production of goods which could be stored.

Now this is a very remarkable result, which must surprise some of us, who have so firmly in our minds notions of equity that we recoil from the plain fact that it is possible for the true cost of a volume of goods to be a fraction of the goods. We are in the habit of thinking that since one cocoanut is as good as another, more or less, no exchange is equitable that is not on the basis of cocoanut for cocoanut. Yet it is evident that in certain circumstances, namely a higher mean rate of production than of consumption, the true cost of production is a fraction of itself.

To quote from C. H. Douglas: "The true cost of a programme of production is in general not the money cost, but considerably less than the money cost, and a given programme of production can only be distributed to the buying public if sold at its true cost."

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BY:

**THE UNITED RATEPAYERS'  
ADVISORY ASSOCIATION**

SECRETARY:  
JOHN MITCHELL.

# AN ORGAN FOR POPULAR DEMANDS

**Public Demand No. 1  
LOWER RATES.**

It is an inevitable consequence of the bankers debt system that out of it should come increasing discontent. The incidence of high rates and the revolt against it is one example of this discontent. The Rates Campaign is the agency through which ratepayers are enabled to associate in making specific demands for relief from this unnecessary burden. The result of the campaign will be at least threefold: The ratepayer will—

- (1) Gain his objective.
- (2) Gain a knowledge of important FACTS about money.
- (3) Learn a sense of power and associate that with a definite line of action.

He will thus be equipped to join in a bigger campaign for a better objective.

The Rates Campaign is in an advanced stage in at least ten towns

and is progressing satisfactorily in many others.

**Popular Demand No. 2**

**NO BILLETING AND  
ADEQUATE EVACUATION  
SHELTERS.**

The unpreparedness of this country for war is a result of the bankers debt system, with its artificial financial restrictions on the development of our resources. This unpreparedness involved many thousands of people in rural areas during the recent crisis in the dangers and discomforts connected with the billeting of refugees. Hence it is that a new campaign has commenced in districts not to the fore in the Rates Campaign. The U.R.A.A., is also acting in an advisory capacity to this campaign. Specific demands are being made on Local Authorities for a prevention of a recurrence of such billeting action and for the provision of effective evacuation shelters.

Particulars of this campaign

are set out on this page. The ratepayer will:—

- (1) Gain his objective **and, as in the Rates Campaign** will,
- (2) Gain a knowledge of important FACTS about money.
- (3) Learn a sense of power and associate that with a definite line of action.

The two campaigns will, in no way, conflict, but will be of benefit to each other. Each is directed against the enemy entrenched behind the Monopoly of Credit.

Other Campaigns will follow later. The operation of these Campaigns will be greatly facilitated if the U.R.A.A., has the wholehearted co-operation of readers of this journal. Experience and knowledge are valuable both in their launching and in their guidance, locally and centrally. It is up to everyone who desires freedom in security, to lend a hand so as to relieve the relatively few now engaged in **organising** action, upon whom the burden is bearing heavily.

— J. M.

Pass this on from house to house.

Please read and pass on quickly.

## NO BILLETING CAMPAIGN

### Campaign for the Prevention of Refugee Billeting and the Provision of Adequate Evacuation Shelters

The recent billeting of thousands of children on the rural population has awakened people throughout the countryside to the appalling unpreparedness of this country for war. Had war come, hundreds of thousands of other children and parents would have been billeted on people in country districts.

Doctors know, and everyone is now realising, the serious dangers which would have resulted from only a few weeks of such billeting. Overcrowding and insanitation would have caused epidemic disease throughout the country.

The people of this country are humane and willing to do their best in any emergency, **but they have a right to demand that commonsense measures**

**should be taken by the authorities to relieve them of unnecessary dangers and discomforts.**

Such measures should be taken **AT ONCE, BEFORE** engaging on dangerous foreign policies, such as that in Palestine, which is causing the many millions of Arabs in the Near East to hate England—a situation which will bring us the gravest peril in the event of war.

## THE REMEDY

Professor A. E. Richardson, A.R.A., Vice-President of the Royal Institute of British Architects



has described in a national newspaper how easily the evacuation question can be solved.

The North Downs, the South Downs, the Mendips, the Chilterns, the Peak Districts and many other suitable places can quite easily be tunnelled for air-raid shelters, and adequate living shelters built externally.

**THE LABOUR AND MATERIAL TO DO THIS THING CAN QUITE EASILY BE FOUND.**

Sound commonsense says, therefore, that these shelters should be built. **The money can be found.**

Where did the money come from to finance the Great War?

Where will the money come from to finance another war? Where is the money coming from to finance rearmament? Where CAN the money come from to finance adequate evacuation shelters?

The money **DOES** come from the **BANKS**, and **CAN** and **MUST** be provided in increasing quantities to enable the abundant and now idle labour and material to be used in the construction of proper evacuation shelters. It is money created practically costlessly, as explained in the opposite column, **so taxpayers need not pay heavy loan charges on it.**

The Morale of the people is all important in war time. Is there anything more calculated to destroy that morale than the invasion and commandeering of their own homes for millions of refugees? There is a vast difference between billeting disciplined troops and hapless, bewildered multitudes.

Englishmen have had their **FIRST** taste of **CONSCRIPTION** of property—**ONLY A TASTE.**

The practice of billeting was declared to be illegal by the Petition of Right, 1627. Can it be that this elementary and fundamental protection given to the subject has now been forgotten? In earlier days billeting was considered an abuse and was dealt with by Parliament accordingly.

Nothing else but a **UNITED DEMAND** will give your governments (local or national) the power to act—to make banks provide credit on reasonable terms. Unless this is done much higher taxation, resulting from increased and wholly unnecessary loan charges, will bring ruin to this country.

**DEMAND**

Organise NOW, before it is too late; make this demand on your Local Authority:—

“We, electors and ratepayers, emphatically protest against the billeting of children and other refugees on rural populations; and demand that no such measures shall be adopted again in the future.

“We also demand that immediate steps be taken to provide adequate shelters in suitable districts

for all those evacuated from large towns; and that such shelters should be built **without an increase in rates or taxes.**”

Write to the publishers of this broadsheet for advice on how to organise a local campaign:—

**The United Ratepayers' Advisory Association,**  
(T. H. Story, J. Mitchell)

**Sentinel House, Southampton Row, London, W.C.1.**

**COSTLESS MONEY**

From 1914 to 1918 the National Debt increased from £650 millions to nearly £8,000 millions. **It multiplied twelve times.**

The British people would have had to have **SAVED** nearly all they earned during the War to equal this increase in debt.

It is, therefore, a preposterous lie to say that they invested it out of their **SAVINGS.**

The bankers, themselves have told us in a report which they prepared for the Government in 1918, exactly how they created the **great bulk** of this War Debt practically costlessly by book-entries in ledgers. This is the Cunliffe Report which was prepared by eight bankers, two Treasury officials and an economist, presided over by the then Governor of the Bank of England.

These **FACTS** have been carefully concealed from the British public. This has only been possible because nearly all organisations in this country rely on the credit created by banks for their finance, including newspapers and the advertisers who give newspapers their income.

The cost to the bankers of creating the War Debt was merely that of making the ledger entries. But since 1918, the British Taxpayer has paid loan charges totalling £6,000 millions—nearly as much as the Debt itself—**AND THEY STILL OWE THE DEBT.**

**Instead of these colossal loan charges, one payment of ½ per cent would have been ample remuneration to pay the banks for their book-keeping service.**

**Bankers can provide COSTLESS money to enable the available labour and material to build adequate evacuation shelters. This can be done without increase in rates or taxes, and without, in any way, interfering with the investments of private individuals.**

**DEMAND THAT IT BE DONE!**

## SALVO MEETING

Lt. Col. J. Creagh Scott, D.S.O.,  
O.B.E., in Newcastle.

A meeting organised by the Newcastle L.R.D.A., was addressed by Lt. Col. Creagh Scott, on Wednesday, October 19th, in the Church Institute.

The meeting represented a remarkable achievement by the campaigners in Newcastle. Great credit is due to them and their Campaign Manager, Mr. C. R. Preston, and the U.R.A.A., District Agent, Mr. W. A. Barratt.

The Campaign was started in Newcastle in the face of unusual apathy, and has been attacked in every possible way. There is no doubt that a very carefully planned boycott was instituted against it in various ways during the last few weeks. Notwithstanding all this, the campaign is making fine headway.

The following is a report from Mr. W. A. Barratt:

"In spite of the significant silence of the press—they have not given any reference to the Lower Rates Campaign for a few weeks now—over 350 ratepayers attended. They all showed much appreciation of the FACTS concerning the costless creation of credit—financial credit, as Colonel Scott was careful

to explain, because the banks do not want to create any real credit whatever, the ratepayers themselves create the real physical assets by their work, knowledge, skill and organisation.

Many questions were asked by members of the audience and much enthusiasm was shown, several people asking what they could do to remedy this artificial burden of debt which was increasing at such an alarming rate.

Dr. Smart read out the following resolution to the meeting:—

**The money paid in interest and repayment of loan charges imposes an intolerable burden upon all of us. We therefore, demand a drastic reduction in rates and assessments with no decrease in social services.**

The resolution was carried unanimously.

12 to 15 volunteers gave their names in on specially prepared cards which were given to all on entry to the hall.

With regard to the above mentioned cards it was the C.M.'s objective to obtain volunteers for each street in the City. Some one who would take on the responsibility to see after the safe circulation of A.C., and to give out leaflets and other material when called upon. The idea is a brilliant one and

could be used, ultimately, for a speedy distribution of any information required.

Dr. Smart, in response to several requests gave a short outline of the working of the Automatic Canvasser as a means of letting the Ratepayers tell their representatives what are their requirements.

### QUESTIONS

Gentleman wanted to know what would happen if the banks refused to lend this money if the demand was proceeded with.

Col. Creagh Scott:

"Let them try and then we shall know who manipulates Public Policy."

In one of his replies Col. Scott made the cryptic statement "The Banks have never lent anybody anything, because they have no credit of their own."

Another reply included the statement:—

that Banks produce nothing. What do they produce? Come up here anyone and tell us what the Banks produce in the way of Real Credit. None tried.

Gentleman: "If we have paid to the Banks £6,000 millions in interest charges on the War Debt, does it not mean that we have been swindled out of the equivalent in goods and services?"

Col. Creagh Scott:

"The money which is represented by Municipal debt was loaned to you and enabled you to build your public buildings, Market Halls, Town Halls, and public services. These, you will admit are all real credit and are distinct assets, but instead of being credited to you as assets you are burdened with a debt in respect of them. In short, the Banks have appropriated your own credit through the operation of lending you this costlessly."

The Great majority of those people who attended this meeting were entirely new contacts and this fact was most encouraging to us all showing that the Campaign is gathering momentum.

C. R. PRESTON.

## Circular Letter to Publicans

This circular was sent to 4,000 publicans in the Home Counties:—  
Dear Sir,

### NO BILLETING CAMPAIGN.

Will you be good enough to pin up this notice where all your customers can see it? The notice concerns, not only the private rights of householders, but also the safety of thousands of refugees in the event of war.

### DO THIS, AND EVERYBODY WILL BE GRATEFUL TO YOU.

Your House is a social centre. By putting the message on display, you are helping to spread the news as quickly as possible. You will realise that the question is **extremely** urgent.

Please render your patrons this

service so that they may know that there is a solution to the problem of the wholesale billeting of civilians.

Thank you.

Yours faithfully,  
JOHN MITCHELL,  
Secretary and Organiser.

\* \* \* \*

### WORDING OF POSTER.

### NO BILLETING CAMPAIGN

Prevent a Repetition of  
Refugee Billeting.

Insist that Proper Evacuation  
Shelters be Provided.

JOIN IN THE UNITED DEMAND  
NOW.

Full particulars from.....

## Another Antiquated Rates Theory

Lord Howard de Walden, Chairman of the National Union of Ratepayers' Associations, speaking at the annual meeting in London on October 19, said that the dead-weight debt of local authorities was now a thousand million pounds.

"The total cost per head of local government—that is, to ratepayers and taxpayers—was £7 4s. 3d. per head in 1931. It was £7 6s. 3d., in 1936, and though official figures are lacking, we can estimate that it is not less than £7 10s. 0d., now, without taking into account the cost of the recent emergency."

Curiously enough Lord de Walden advocates the old-fashioned remedy of doing without swimming pools to pay for defence, or doing without defence to pay for swimming pools.

**READY NOW!**

**IMPORTANT PAMPHLET.**

**IMPORTANT PAMPHLET.**

# LOWER RATES

Published and issued by  
U.R.A.A.

This pamphlet contains a masterly statement of the **FACTS** upon which the demands for lower rates and assessments with **no** decrease in social services chiefly rests

It will be an invaluable aid for informing new workers, councillors, and all those who, lacking a knowledge of the **FACTS**, support "economy" campaigns.

There will be a discount of 33/1-3% on quantities of 50 and over to all Quota Associations.

Price 3d. each.

U.R.A.A., Sentinel House,  
Southampton Row, London, W.C.1  
Phone Chancery 7248.

## CARDIFF LOANS QUESTION OF DIVULGING NAMES OF LENDERS

Sir,—With reference to the statement recently made by the Cardiff City Treasurer, Mr. E. W. Barker, that to divulge the names of the holders of Cardiff's £9,000,000 debt would be a breach of confidence, ratepayers will be interested to learn that such an attitude on the part of local authorities is not general.

Chelmsford Borough Council and the East Barnet Rural District Council have both allowed the ratepayers to inspect their registers. Less than 10 per cent., of the debt of these two councils is held by private individuals, the balance being held by financial institutions or the Public Works Loans Board.

Surely Mr. Barker is aware that the public can inspect the list of shareholders of any business undertaking, with the exception of the Bank of England. No one is charged with breach of confidence in such cases.

Mr. Barker may rest assured that this association is not concerned with the private affairs of individual lenders, but is intent on disclosing the creators of costless credit. £500,000 of the rate-payers' money is paid to them annually.

—Yours, &c., R. W. HANNAGEN,  
Hon. Sec., Cardiff Lower Rates Demand Association.  
The Grove, Groveland-road,  
Birchgrove, Cardiff.

### For THE TRUTH IN ALBERTA

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Send your sub. to TODAY AND TOMORROW  
1016-118th Street, Edmonton, Alberta  
Subscriptions \$1.50 a year  
(at the present rate of exchange about 6s.)  
You can subscribe by International Money Order, obtainable at any Post Office.

## The NEW ERA

Australia's Social Credit Weekly  
24 Pages. Illustrated. 12 months, 12s.

The New Era, Radio House,  
296 Pitt Street, Sydney, Australia.

## Lord Austin's "Demand Results!"

Speaking at the Austin Motor Co., banquet in London, Lord Austin said: "If I were to make a suggestion it would be that the Government departments concerned quickly make their decisions and tell industry frankly and exactly what they want and when they want it. Industry without any mobilisation will see that they get it and get it without delay."

The most suitable people to organise industry were the industrialists themselves, and the less Government control they experienced the more expeditiously and economically the job would be done.

## New Leaflet

A Leaflet entitled "Bankers Admit They Create Credit," records the fact that, in the face of widespread presentation of facts in regard to the creation of credit by banks, those people who received these assertions with incredulity and denied their truth, have had to "eat their own words." It is a moral victory for all Lower Rates Associations, and will not be lost on those hundreds of thousands of ratepayers who are joining in the lower rates campaign.

This leaflet is deserving of a very wide distribution; every councillor should receive one, everyone who attends a rates meeting and everyone who is lending support to an economy campaign.

This leaflet can take the place of the "Ratepayers' Money Spent Wrongly" leaflet on the automatic canvassers.  
Price 2/6 per 100; 11/- for 500;  
£1 per 1,000.

Quota Discount 50 per cent.

From U.R.A.A., Sentinel House,  
Southampton Row, London, W.C.1  
Phone Chancery 7248.

