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NOTES OF THE WEEK

Meditations Upon Shops.

IT is ridiculous that there should be goods in shops which the people want but cannot afford to buy. Yet this is accepted as a natural state of things. It is not; it is an artificial state of things.

It has risen because, owing to the peculiar nature of the financial principles which rule our economic life, there is never enough money in the community at any given moment to meet the total prices of the goods the community produces.

Few people, as yet, can understand why this is, yet all can see that it is so. They do not question it, because they have been educated in the belief that poverty is a natural law, that man cannot have what he wants without continual struggle, and that he cannot have money without working for it.

Yet, he knows that, in these days of labour-saving devices, the goods in the shops are being produced with an ever-decreasing amount of work. Why, then, does he not insist that he has money with an ever-decreasing amount of work?

There is no reason why he should not—unless anyone dare suggest that all the articles in the shops are easier to make than a paper bank-note.

A sign of Perverted Reasoning

An interesting example of the way in which society placidly accepts its own unnecessary poverty was seen during the Trades Union Congress last week.

One of the delegates actually put a resolution demanding a licence for shops because there are too many. He said that the number of shops per head of the population had increased while purchasing power had decreased.

And so, instead of increasing the people's incomes so that they can use the shops, we are to limit the number of shops! And the Trades Union Congress took this fantastic suggestion quite calmly, and nobody laughed.

Such a perversion of commonsense is only possible because society has completely acquiesced in the false principle that

the issue of money must be limited although the production of goods is unlimited.

If people could free themselves from the hypnotism which has been inflicted on them by accepted conventions, they would see that this principle is as silly as it is false.

There is no task which a Government can be called upon to do, more essentially simple than to see that whatever goods are produced there shall be enough money in the community to buy them.

The Credit is Yours

Two statements cannot be too often repeated: that money is only tickets, which cost practically nothing to make; and that wherever there is credit, the Government can issue money upon it.

Now the nation's credit is, too all practical purposes, unlimited. The nation's credit—our "social credit"—consists in the nation's ability to produce and distribute goods. If the country contains, or is capable of producing on demand, a certain number of million pounds' worth of goods, the Government can issue money to exactly that amount.

Social Credit merely proposes that the Government shall do this. It proposes that the nation shall merely be given the benefit of its own credit. This is one of the simplest and most reasonable demands ever made to any Government. It is nothing but a request that the community shall be given enough costless money tickets to enable it to consume what it has already produced. And the means by which it can be done is the issue of a National Dividend to every individual, sufficient to enable him to purchase as much as he wants of the goods that are available.

And in order that there shall be no counteracting effects of inflation or the raising of prices, this will be accompanied by a simple compensating price-mechanism, which will maintain the balance between goods and purchasing power.

There are only two impediments to this being done. One is the present false financial principle by which the banks control the nation's credit and issue money upon it in the form of debt. The result of this absurd principle is that the nation is permanently in debt for its own credit. Social Credit demands that the nation shall, instead, be enabled to use its own credit for its own benefit, not as a debt, but as an asset.

The other impediment to the acceptance of the Social Credit proposals is that people still regard such an idea as the sudden and complete abolition of poverty as too good to be true.

We venture to suggest that this impediment is no more insurmountable than the other, once intelligent people can form the habit of realistically facing simple economic facts which they already know.

"Quarrels Between Governments"

The *Daily Herald*, in a leading article on the possibility of "ending the quarrel" between Ireland and Britain, says: "From the first the quarrel was between Governments, and not between peoples."

If this were not obviously a meaningless platitude, of the sort with which leader-writers of popular dailies are accustomed to drug their readers, it could be interpreted as a serious assertion of the end of democratic government. Since we are assumed to have a representative government, the statement that the Government was quarrelling while the people were not simply means that the Government is not representative and that something had better be done about it. As a matter of fact the same statement was made universally in 1914, and still our representative government does not represent us.

The *Daily Herald* completes the fatuity of its remark by saying that it "hopes these animosities will be forgotten." We definitely do not hope that. We want them to be well advertised, so that the nation shall know precisely what these "quarrels between governments" are about. The fact is that governments *are* representative, but not of the people. They represent their masters—the credit monopoly which dictates and controls all government expenditure. This super-governmental authority, by issuing all money as a debt, to government and people alike—ensures that no nation ever has enough money to buy its own products so that it must compete with increasing bitterness for the sale of it in ever-declining foreign markets, thus forcing nations into conflict. By maintaining a permanent shortage of purchasing power, this credit monopoly, called by courtesy a "central bank"—perpetuates poverty and discontent and brings Governments into conflict with peoples. That is the cause of these "animosities," and they should not be forgotten, but looked at more closely.

Death on the Road—and in the Ledger

"It is an unfortunate defect in our attitude towards human affairs," wrote Major Douglas, "that we place an inordinate value upon human life but a trivial value upon human happiness."

A striking example of this truth is to be found in the manner in which the public is being roused by the increasing death roll from road accidents, by Mr. Hore-Belisha, our "brave new Minister of Transport" as *The Economist* calls him, while it ignores the increasing misery of a growing number of living citizens.

It is difficult to understand why this Minister should be called "brave." His past record gives reason to suspect him of not being so great a humanitarian as his "press" would have us believe; for, prior to his present appointment he was Secretary to the Treasury. This is the Government

Department finally responsible for the financial policy of Great Britain—a policy which has resulted in the increase of the number of totally destitute persons by 400,000 in the past three years and the increase of the suicide rate from 3,582 in 1919 to 6,243 in 1932, the latter increase commencing immediately Mr. Montague Norman became Governor of the Bank of England. Is it this to which Mr. Hore-Belisha was referring when he told the country last May that "the harvest of careful finance is now being reaped"?

Suicides the Result of Banking Policy.

That it is this policy which has brought about these results is demonstrable. Destitution is due, not to any real shortage of goods but only to a shortage of the means to acquire them—money, and the amount of money in circulation, and the method by which it is distributed, is a matter of financial policy. Similarly, suicide is, in nearly every case, due to this same shortage, as will be seen if inquest reports are studied, or if reference is made to the chart of bankruptcies and suicides submitted by Major Douglas to the MacMillan Committee—and suppressed.

We have yet to learn that during his two years as Financial Secretary to the Treasury, Mr. Hore-Belisha made any effort to ameliorate the pressure on the individual of financial policy. Indeed, his period of office was marked by an increase of that pressure. We can only conclude, therefore, that Mr. Hore-Belisha places an inordinate value upon human life only when that life, if lost, results in a claim on the financial system of which he was the servant, and that, to him, human happiness is of no importance.

If this is not so, why did he not insist, when at the Treasury, on some measure to lower what we may call the "death roll of the ledgers?"

The MacMillan Report

The allegation is frequently made, by those who rely more upon authority than upon reasoned argument to demolish Social Credit, that "Major Douglas's proposals were examined and rejected by the MacMillan Committee."

It is quite true to say that Major Douglas submitted evidence, and was verbally interrogated, before the MacMillan Committee.

It is quite untrue to say that his proposals were examined, or discussed, or rejected. Since this completely false statement is being repeated, often by those who should know better and whose unsupported statements carry the prestige of their official or public position, the facts may be usefully recalled at this time.

On page 240 of the MacMillan Committee, in the reservation signed by Sir Thomas Allen and Mr. Ernest Bevin, appears the following passage: "We also desire to point out that the Committee decided to examine monetary policy only on the basis of the gold standard and, therefore, no alternative to the gold standard was examined or discussed; . . ."

Join the Committee and See the World

The Wheat Advisory Committee, representing sixteen nations, "concluded their efforts and formally decided to adjourn until November 20, when they will reassemble at Budapest," says *The Financial Times*.

Apparently their "efforts" were devoted to deciding where and when to meet next. Well, that is a much more pleasant topic of discussion than trying to decide how to sell an increasing wheat supply to a world with decreasing purchasing power. We hope they follow the example of other international conferences and always meet at nice places.

Fascism Defined

A recent remark of Mussolini's is worth reporting. When the Socialist leader, Caldara, said, "I will join your party if you restore liberty," the Duce replied, "I will give you collective liberty; not personal liberty."

"Collective liberty" is either sheer gibberish or a definition of Fascism. Perhaps both. If it means anything, it means the complete subjection of the individual to an impersonal state.

In view of the principles thus enunciated, it was humiliating for British people to observe the recent headline in *The Financial Times*: "Duce's Tribute to Britain. Example to Italy. Fresh Economies Planned."

The example which democratic Britain is setting to the man who hates freedom is not the example of a free democracy, but the example of a Government whose only policy is to make its people poorer in the midst of abundance.

The Work-Complex of Sir James

Two important national conferences were held last week—the annual meeting of the British Association for the Advancement of Science and the Trades Union Congress.

The Presidential address of Sir James Jeans, for Science, and that of Mr. Conley, for organised Labour, were of equal value in that neither contained a single idea that was of use to anybody, nor gave any answer to the problems that beset their generation.

So far from "advancing Science," Sir James Jeans seemed to be wondering what it was for. His social and economic philosophy might be estimated by the fact that he regarded unemployment as the greatest social evil, and the finding of work as the first duty of the community. He was apparently unable to make up his mind whether science had done right in inventing labour-saving devices and as an expression of his pitiful confusion of mind on a fundamental social problem, this great scientist offered the fatuous argument that if science created unemployment, it balanced it by industry—making discoveries!

So the powerful brain of the great physicist is obscured by a simple work-complex. The wisdom of the scientist is nullified by the most elementary moral and sociological prejudice. If it be said that we are ignoring the value of Sir James' work in the realms of physics we agree most heartily. His powerful intellect is not worth two-pence to the community; it can give us nothing but a feeble pessimism and a picture of man gripped for ever in a paralysing paradox from which he can see no escape.

Such futility renders his purely scientific activities both useless and suspect: if such is his outlook on problems of practical social life, how can we trust the workings of such a mind in other objective or imaginative spheres? We can't.

His philosophy is, in fact, the natural product of two generations in which science has been reduced to the status of servant of the money monopoly, to do its dirty work. Setting out to explore the Universe to the advancement of scientific truth, he has succumbed to the false theories of finance which make toil the eternal price of man's physical existence. He has accepted the postulate of a limited amount of money as readily as any savage accepts any other ridiculous superstition.

The Australian Elections

In the course of an announcement regarding the Australian Federal elections, *The Times* correspondent stated that the Douglas Social Credit candidates were expected to fail everywhere.

The Times correspondent is unlikely to have committed himself to so emphatic a statement unless he had considerable reason for believing it to be correct. If the

prophesy is fulfilled, Social Creditors in this country must not allow their disappointment to obscure the importance of the fact that forty Douglas Social Credit candidates have found an enormous and rapidly increased support throughout Australia. And if the result should be as *The Times* anticipates, it will only be what must be expected when a new party makes its first attempt to oppose those old-established parties whose platforms are based on the acceptance of the ruling principles of orthodox finance.

Nevertheless, Social Creditors in this country must remember that events in Australia are not to be taken as precedents to the form of developments here. We are not proposing to form a new party, but to mobilise the will of the people irrespective of party divisions. And to this end we shall utilise to the full the obvious advantages of non-party organization. Our experiment will be an entirely novel one: it is an attempt to utilise political conditions which already exist.

We sincerely hope that *The Times* prophesy may prove wrong; but if it is not, we shall have a sufficient explanation of the sudden blaze of publicity given by *The Times* to the forty Douglas Social Credit candidates a few weeks ago. Such publicity would hardly have been given without the knowledge that all available powers would be opposed to those candidates whose principles offered such a serious challenge to the power of orthodox finance.

The Logic of "Foreign Trade"

Three Lancashire mill girls and nine men have arrived in Shanghai to teach Chinese youths and girls the latest processes of British cotton mills and the best old-fashioned practices of their craft.

"Great hopes," says the press report, "for the future of British mills are held because of the increase in skill and efficiency expected to result from the importation of these twelve skilled Lancashire operatives."

And what of the "great hopes" of the Lancashire operatives who are still in Lancashire, while their twelve colleagues are abroad digging the economic graves of the workers at home? At the moment they can look forward to the benevolence of the Means Test. They are suffering from the logical effects of economic "progress." When the cotton industry no longer pays in Britain, because the British people cannot buy their own product and because younger foreigners beat us in the fight to sell our unsaleable surplus, the industrialists move to China, land and labour are cheaper. Meantime the cotton machinery-making industry, set up to provide the home cotton mills with their needs, sells its machinery to foreign competitors with benevolent impartiality.

So Lancashire industry steadily stops, and even the banks, into whose hands most of the mills have fallen, cannot keep it going.

With a National Dividend the idle Lancashire operatives would find plenty of occupation, even if they let Chinese labour go on making their cotton goods for them. As it is, they will be lucky with half an old shirt apiece and a ruined mill to gaze at.

Thanks to the progress of orthodox economics, we are now witnessing Lancashire's reward for its enterprise and inventive genius.

In acknowledging with gratification the welcome given to this journal's birth by our valuable contemporary *The New English Weekly*, we would correct the slight misconception which may arise from its description of SOCIAL CREDIT as the "personal organ of Major Douglas. It is actually the official organ of the Social Credit Secretariat, and is only connected with Major Douglas in so far as he is the acknowledged leader of the Movement.

Towards Economic Democracy

The Policy of the Social Credit Secretariat

THE Social Credit Secretariat exists in order to implement the policy of Social Credit. The primary objective of this policy is to increase the economic power of the individual. The possibility and, indeed, the necessity of achieving this end rests fundamentally upon the demonstrable fact that the individual is a tenant-for-life of the heritage of civilisation, and if this heritage is not destroyed by misuse it is capable of assuring to him complete economic security.

The first necessity is that he shall be presented with a true balance sheet representing the condition of his assets and liabilities. No such balance sheet exists, because of demonstrated defects in the monetary system which is employed in the denomination of the assets, on the one hand, and the claims upon them on the other.

Certain sustainable claims arising out of the replacement of the labour of the individual by machines employing solar energy have not, so far, received recognition.

Many factors which are irrelevant to the presentation of an economic balance sheet, such as the insistence upon so-called moral qualities as a condition of participation in the assets, have further obscured the account.

It is considered that the steps to the rectification of this situation are as follows, and broadly in the order made:—

1. The regulation of prices, *i.e.*, the balancing of claims against assets.
2. The National Dividend, *i.e.*, the recognition of the tenants-for-life.
3. The separation of the Governmental or moral system from the economic system. This involves the abolition of differential taxation, *e.g.*, beer taxes.

It is a fundamental conception of the Social Credit Movement that group relationships, such as the State, are of importance only in so far as they conduce to the well-being and progress of every individual composing them. In consequence, the objective of the Movement is not to construct a Utopia, but to enable every member of the community to utilize his interest in the group inheritance that he may construct for himself an existence according to his own ideas. Social Credit is the escape from Utopia.

W. L. BARDSLEY, *Secretary.*

The Primary Object of the Movement

"To increase the economic power of the individual," is the primary objective of the Social Credit Movement, and distinguishes it at once and essentially from all other movements, political or economic, not one of which has such an aim.

Owing to the development of applied science, which has made possible the harnessing of solar energy to drive machines, the productive capacity of industrial communities has increased at an enormously greater rate than the increase in man-power. If this were recognised and monetised, the whole output of the productive system could be bought and consumed; whereas at present not even all the available produce can be bought*, and production is kept down, so far as possible†, to available purchasing power.

To Give People Sufficient Purchasing Power

Production need not and should not be so restricted, and the Social Credit Movement aims at increasing the economic power of the individual by giving him enough purchasing power to buy as much of the available product as he wants.

Social Credit shares with other movements the belief that a community can supply its own wants better by co-operation than if each individual were to produce and consume independently. But it differs from others in that it distinguishes between necessary co-operation in the production of communal wealth, and free individual choice in the use and enjoyment of that wealth.

**e.g.*, the throwing of fish and fruit into the sea, the destruction of coffee and other crops, etc.

†Restriction of crop-sowing, breaking up of shipyards, factories closed and working short time, etc.

The present vast productive capacity has been made possible, not by the genius or industry of any one individual or group of individuals of any particular generation, but by the co-operation of individuals throughout the period of the industrial civilisation. The present generation has inherited the results of the labours of previous generations, and is virtually tenant-for-life of this heritage, which is capable of assuring complete economic security to every individual.

There is, however, a risk that, by misuse, the heritage may be destroyed. If, for example, the people do not soon recognise this heritage for what it is, and begin to enjoy it, they may unwittingly permit its destruction, not only by wars and revolutions, but by so-called "rationalisation," which is already destroying ships and machinery. Thus, the possibility of increasing the economic power of the individual rests upon this recognition, and it is vitally necessary that it should be recognised in time to prevent its destruction.

The first essential step to bring home the real position to the individuals constituting the community, is to insist upon the drawing up of a true balance sheet representing the conditions of their assets on the one hand, and the claims upon them on the other. This is what a monetary system should be—a correct reflection of facts; but demonstrable defects in the existing monetary system obscure the truth.

Displacement of Labour should be a Benefit

The replacement of human labour by machines would be shown on a true economic balance sheet as an increase of assets and therefore of claims which can be distributed to the human being displaced.

In a purely economic statement of conditions, any mention of moral qualities as giving weight for or against claims is, of course, irrelevant, and may be misleading.

In order to rectify the present faulty situation, the three steps enumerated in the Statement above are necessary. The first will assure that money creation and issue shall serve its only proper function of distributing goods and services to consumers. It will prevent rises of price which cancel the effect of increases in money for buying, *i.e.* it will prevent what is called inflation.

The second step will assure a personal income, by way of the National Dividend, to every individual, apart from any income received in other ways. It will be the inheritance due to him from the accumulation of real wealth (*i.e.*, producing capacity) by past generations, and will be his right, just as at present certain individuals inherit legacies from their forebears who have accumulated wealth, or monetary claims to wealth.

It is not the business of the money system but of governments to govern. The money system should reflect facts and assist the distribution of goods. Taxation of beer, theatre tickets, petrol, etc., hampers distribution, and represents ignorant misuse of the money system as a system of penalties.

The Only True Function of the State

Finally, the Social Credit Movement insists that the well-being of the State is of importance only as it ministers to the well-being of the individual members of the population.

As Major Douglas has said:—

"Any other conception, besides being pharisaical and sentimental, is an invitation to all those influences which stand ready to exploit the individual under cover of such phrases as "Public Interest," and "National Duty." But it is equally true, so far as we can see, that the expansion of the human unit is dependent upon the progress of society." ("Social Credit," Chapter VI.)

Social Credit can ensure the economic freedom of the individual so that he may live and let live. Its introduction will provide the only way of escape from Utopias, which aim at the standardisation of individual life according to a preconceived pattern.

The Machine: Blessing or Curse?

Modern Inventions Can abolish Poverty but Men Cannot Yet Believe It

by the VERY REV. HEWLITT JOHNSON, B.Sc., D.D, DEAN OF CANTERBURY

"It is too good to be true!"
"Where is the snag?"
How often, I wonder, have these words been flung at Social Creditors? Inevitably they follow any conversation culminating in the possibility and necessity of the National Discount and the National Dividend.

"The Nation can't afford it." "The thing simply can't be done." "Where is the money to come from?" These are sayings which tumble from men who think in terms of scarcity; and reckon there must be a shortage of things, just because the talk which gives access to things is short.

So the mind has to be switched off from money and concentrated on commodities.

For there is confessedly no shortage of real things. Factories which can produce them stand idle. The industrial machine runs at a fraction of its possible pace. We resemble men possessed of a Rolls Royce car, travelling at four instead of seventy miles an hour.

And even then, despite the slowing down of the machine, things are so abundant that we destroy six million dairy cows, and two million pigs, in the United States; pour forty million gallons of milk down drains in England, and consign twenty-six million bags of Brazilian coffee, as big as you or me, into the waves.

How Men Refuse Their Bounty

And after that we restrict the machine more severely still and give orders that Europe in 1934 must produce thirty million bushels less of wheat, and India, Ceylon and the Dutch Indies 121 million pounds less of tea.

Unfortunate machine! We invented it to reduce labour and produce plenty. It has done both and receives curses where it hoped for blessings.

Could we but once let the machine run "all out," there need be no lack of sheets, shirts, woollen cloth, beef, wheat, milk, oranges, rubber, or what not besides. The farmers in Canada, Australia, Spain and Brazil, and the mills in Yorkshire and Lancashire, would soon see to that.

Things, in short, are actually there. They are there in such abundance as will warrant at once a large Discount and large Dividends. Their potentiality is greater still. Once we remove the present handicaps to production and give invention its full and proper play, then the machine will make both Discount and Dividend increase beyond all present dreams.

The Fear of Leisure and Abundance

When, in our discussion, we have got so far as that, our friends grow reluctantly convinced that there is perhaps something in it after all; something terribly true and possible.

For curiously enough the novice mind now undergoes a singular change. As the possibility of universal riches replacing inevitable poverty dawns, a new fear arises. The terror of plenty succeeds the terror of scarcity. "Too good to be true" changes into "Too true to be good." "What in the world will happen to us at all? Demoralisation will sweep over men like a flood. Idleness will reign. Discipline of work will yield to indolence of life. We shall all sink in a sea of luxury."

Yet this fear of the machine and of the plenty which it misplaces, and the greater plenty which it promises, is utterly misplaced. I believe it to be utterly dishonouring to man. And further, and more serious still, I believe it to be utterly ungrateful to God; and none the less dangerous because it springs to our lips so naturally and is uttered by the best of men.

To a subsequent paper I shall leave the question of demoralization: there is much that can and much that must be said about it.

Here and now I am concerned only with the question of the machine itself and of our attitude towards it.

Is the machine, and the harnessed solar power which drives it, to be regarded as a curse or a boon? And to answer that question we had better first consider the place and nature of its origin.

The Machine is a Gift of God

The machine sprang into being and reached its perfection in Christendom. It is the child of men who sought truth and sought it earnestly. Of men who often enough were called upon to give up all worldly prospects, all wealth, and even life itself in response to loyalty to the thing they sought. Men who had to fight against ignorance, folly and superstition, and did so valiantly and triumphantly.

A distinguished modern writer has reminded us that it was by no accident that from Assisi and from the home of St. Francis there issued not only Cimabue and Giotto, the fathers of Renaissance art; but also Roger Bacon, the father of modern science.

The machine, then, is the child of men who honoured God by patient search into the laws of His universe. They sought, and He blessed their quest.

And furthermore, these men were born in a Christian society. An Isaac Newton and a Charles Darwin; an Isaac Watts or a Henry Ford, did not spring from an Indian wigwam or a Kaffir kraal. They began life in a society rendered tolerably co-operative and peaceful by a millenium of Christian living.

Inspect the library of any scientist or inventor, and consider the tools with which they work. Every book they read postulates schools, universities and a line of workers which stretches away backwards through time and away outwards through the world of men. Every instrument has its pedigree and enshrines the labours of a line of honest craftsmen.

The machine calls for our respect. It is little short of blasphemy to curse it and thwart it as at present we do.

The Modern Miracle

Very frequently I recall a scene reported in the Gospels and compare it with the saying of a modern scientist.

The scene is the miraculous feeding of the five thousand. The saying is Professor Soddy's, when he estimates that 4,000 men equipped with modern machinery could produce the whole wheat crop of the United States of America.

That is the modern miracle. And it is precisely what any Christian man has a right to expect. For He who bade His disciples give the multitude food, and never stopped to ask whether or no it would demoralise them, Himself also assured us that we need worry neither about food nor about clothing: our Father in Heaven knew our need of these things; let us, He said, but first seek His Kingdom and all these things will be added to us.

And what were Bacon, Faraday, Watts, Clerk Maxwell or Parsons, on the one hand, doing with their search after truth; or what were the long line of our social reformers, on the other hand—the men who gave them a Christian and stable society to operate in—doing, but seeking God's kingdom in a very fundamental way? With all their mind they paid homage to God's truth and with all their skill they endeavoured to adapt their ways to the working of God's laws.

And here is the result.

And when it comes we actually question its desirability! Surely that is less than grateful. And it is certainly entirely irrational in view of the mass of wholly artificial and avoidable poverty around us. One-sixth of our countrymen live at this moment in an enforced and indigent idleness on a pitiful dole. The demoralisation takes place before our very eyes and we are blind to it. And the machine stands by; it is no enemy; it is the friend which can give an implemented and honourable leisure to all. Surely Christian men at least are bound to welcome it.

Reducing Supply to "Demand."

The United States delegation added that the reduction in wheat acreage brought about in the United States of America had been of sufficient magnitude to represent, at average yields over the past ten years, some 100,000,000 bushels of wheat.—*The Times*.

"Forged Money"

Another Argument for Keeping Us Poor

SOCIAL Creditors will have observed with interest, but without surprise, the re-opening of the red herring season in *The Times* of September 5 and 6 last by a gentleman called Mr. J. B. A. Kessler. He calls his two exhibits, which appear on the centre page, "Forged Money," presumably in order to disguise the outlook of an orthodox economist behind the cardboard nose of a credit critic.

Mr. Kessler is prepared to admit the existence of poverty in plenty, but issues an early warning against supposing that the inability of the public to buy the glut is in any way connected with the activities of a "sinister" group of bankers. "This is a conclusion based on nothing but unintelligent prejudice," admonishes Mr. Kessler. As however he immediately goes on to say that "it is the mishandling of this credit and money system which is ruining the world," one can only suppose that in his heart of hearts Mr. Kessler considers that the controllers of that system are fools rather than knaves.

Although in this respect we see eye to eye, I cannot agree with Mr. Kessler that the trouble started with the war. It began much earlier than that, possibly with that old goldsmith, who saw some 300 years ago the advantage to himself of issuing paper receipts, which functioned as money, in excess of the tangible valuables locked up in his strongroom, thereby giving a spirited lead to his successor, the modern banker, who to-day creates £10 of credit money, to lend at interest to industry and the Government, for each £1 banknote in his till.

Mr. Kessler seems to have some inkling of this when he says, "well-managed, honest central banks . . . would issue rather more paper money than the stock of gold and silver they held."

What Is Meant by "Honest"

"Well-managed" and "honest" seem to be unduly euphemistic terms when one remembers that in August 1914, after all the gold had been drawn out of the banks of this country, there remained some £600,000,000 of deposits, which our bankers were unable to pay until the Government came to their rescue with the newly created Treasury notes.

Early in his first article Mr. Kessler performs the familiar gambit of interlarding his economics with moral considerations. "The right to consume," he says portentously, "cannot merely be derived from the desire to consume . . . In order to have the right to consume one must have produced or inherited the fruits of past production." And again: "Nobody would want to consume without having contributed to the only thing which renders consumption possible, that is production." I do not know what Mr. Kessler produces (beyond tripe), but, if the above means anything at all, he would appear to advocate that the unemployed (for instance) who want boots, and cannot get jobs elsewhere, should entangle themselves by platoons in the bootmaking machinery of this country, in order to render a "service" towards the production of the commodity they require. This hypothesis is, of course, our old friend in slightly disguised form—that the object of an economic system is to enforce work rather than to provide goods.

Who are the Non-producers?

Mr. Kessler is a great believer in the word "sound," which on one occasion he uses five times in four lines, as an aid to Mass Mesmerism, and in his anxiety to make out a moral case for "work" he is drawn into such startling conclusions as "economic right to consume and purchasing power are therefore synonymous," and follows this up with the statement that "the economic right to give a credit is therefore predicated upon the same condition as the economic right to consume; one must have produced." How Mr. Kessler reconciles this statement with the fact that our banking system creates all credit money, but produces nothing, is beyond the comprehension of anyone but an orthodox economist.

It is clear enough, however, what conclusion Mr. Kessler is driving at. In his opinion too much credit was created during the war and subsequent periods, and as this credit did not represent "sound" production it should not be available for "honest" consumption. In fact we are not suffering from too little money, but from too much, and what we really want "is an honest (metallic) token to prove

our economic right to consume or to give credits." In short: "Back to the gold standard and deflation!"

Having developed his analysis of our economic troubles in his first article Mr. Kessler devotes his second to the cure. It is quite simple: "to stop mishandling the credit and monetary system." This, however, does not mean what Social Creditors think when they advocate the Nation's control of its own credit policy with a view to making the money system exactly reflect the goods situation. In Mr. Kessler's opinion the cure for the past mismanagement of our money system is to confirm the present controllers of that system in their position of advantage. "The banking system in its proper rôle . . . will be the guardian of "sound money." Quite so—leave it to the experts!

Old Muddles with New Names

A further step necessary, according to Mr. Kessler, is the re-opening of "trade channels," presumably a return to the policy of trying to export more than you import. Unfortunately he does not elaborate the method by which all the industrialized countries of the world can secure a "favourable balance of trade" at the same time, nor how they can avoid another war in the process.

On the whole these two articles are a dreary recital of the old bankster tags and shibboleths toggled up in a slightly new disguise to catch the unwary. Mr. Kessler is the kind of witness for the defence of the financial *status quo*, whom one is accustomed to see on the centre page of *The Times*. He speaks those things dear to the heart of Mr. Montague Norman; he presents no new point of view; and he is sure that nothing can be done in a hurry. K. M.

WHO IS MR. J. B. A. KESSLER?

(A propos of the above)

"Who's Who" is ignorant of all Kesslers. "Who's Who in America" knows one; but he is not Mr. J. B. A. "American Men of Science" has two; but neither of them is our man. "Qui Etes-Vous?" being French, is innocent of Kesslers, although "Wer ist's" has five of them. Even among them there is no Mr. J. B. A.

There is, however, a Dutch book, called "Wie is dat," and it has a Mr. J. B. A. Kessler, of whom it says that he was born at The Hague in 1888, was an electro-technical student at Delft and is a director of the Royal Dutch Company for exploiting petroleum in the Dutch Indies, and a director of the Shell Transport and Trading Co., Ltd., and lives in Kent. Is he the author of the articles in *The Times*?

Once or twice, Mr. J. B. A. Kessler (of *The Times*) writes of "we;" but he does not necessarily mean by that "we Englishmen." "WE should not have started this mad policy" (of import restrictions), might mean anybody. In any case, "We" are *not* the people; for the people, "the masses," are referred to by Mr. Kessler as "They!" Again "WE must not make the mistake of thinking," seems to refer to those who control the purchasing power of the community. At all events it occurs in the same sentence.

Whoever Mr. Kessler (of *The Times*) may be, there is no doubt, unfortunately, about the effect of Mr. Kessler's proposals upon US! It is something very unpleasant. It will be so unpleasant that "WE" shall have to "weigh against each other *every day*, and very likely for a considerable time to come" whether it is more likely that the good temper of the people or the needs of the financial system is the more likely to give way. Mr. Kessler admits that if his system were applied (he calls it "the cure") as it *ought* to be applied theoretically, "the credit and monetary system . . . might become strengthened, but in the meantime the patient might collapse from another disease. *It would mean World Revolution.*"

So if Mr. Kessler's plans are adopted, the effect on us (that is to say everybody but US) will, day by day, be just so bad as not to produce revolution.

Mr. Kessler's article is called "Forged Money," and Mr. Kessler (of *The Times*) thinks that this "forged money" we have been buying and selling things with for a long time is wrong. Why should we look down on forged money and yet have so high a regard for forged steel?

"BROB."

The Economic Lesson of the War

Why Are We Still Paying For It?

by DARAN

WHY should war be read in terms of unlimited money and material abundance, and peace be marked by the signs of poverty and scarcity?

Great Britain's alchemists created money to finance our share of the World War; the amount was ten thousand millions sterling. The cost of that creation was the cost of a gallon of black ink.

But when peace came to us again, the magicians who forged the financial weapons for war destroyed it again. Only the ghost of that money now remains with us, made of paper and ink, and called *debt*. And the hosts of the lost warriors have been joined by a second generation, of peacetime casualties, sacrificed in the sacred name of sound finance.

The process is very simple. All money is created as a debt, by means of bank loans. The amount so created depends upon the amount of standard money, gold, held by the Bank of England. "Normally," the percentage of gold reserve to the deposits of the clearing banks is eleven per cent., but this normality is merely a financial convention, without relation to economic realities. Beyond the "normal" creation of the credit-monopoly, by a continual drain upon all national assets and profits, credit-currency becomes frozen into permanent debts in the form of bonds, shares, local and national loans. By a nightmare paradox, the assets of the nation are called debts—liabilities, ultimately dependent for their *financial* rating upon the presence or absence of a yellow metal that is laboriously disinterred from the wastelands, to be solemnly buried again in the vaults of a bank.

The Nation's Credit is called its Debt

But when war breaks out, the hollow sham is disclosed. The vaults are opened, and in place of gold, there is buried *the credit of the nation*. Upon that credit unlimited money is issued—as a *debt*, and the nation is pledged in bondage to the financial power.

So, an unbelievable paradox is created. If the nation was not hypnotised—by financial jargon—this paper bogey would be blown away in a gust of laughter. Look at it carefully. Certain "money" has been "invested," and is "owing" in money to the lenders. The joint-stock system, four thousand millions, bonds, one thousand millions, the national debt, eight thousand millions, and deposits owed by Banks to their customers, two thousand millions; the individuals of the community are said to have invested or deposited a grand total of fifteen thousand millions of "money."

Yet the only real money recognised by the financial power is a fluctuating amount of gold, valued at about £160,000,000. Even including bank-notes and bank deposits, the total "money" in Great Britain in 1914 was little in excess of one thousand millions.

These are not controversial points, put forward for debate; they are facts. As a matter of cold and sober fact, we are paying three hundred millions per annum for national debt services *on the product of a bottle of black ink*.

Is the Ticket More Important than the Train?

It is now forgotten that this money was created during the War, and that it unleashed an engine of production capable of pouring forth *real wealth* like the torrents of Niagara, even in the absence of the normal male producers. The *scientific man* is triumphant over nature: he commands wealth. It needed a war to enable the technicians to demonstrate the vast powers of production they were able to create. They have proved the possibility of unlimited wealth, the immediate practicability of an age of leisure. That the first generation to be released from economic bondage should be required to spend their leisure in the *financial* sport of scientific slaughter is an ironic jest, worthy of peoples afflicted by moneymania. But the *fact* remains; the scientific man is infinitely wealthy, and the fruits of the earth are his to enjoy.

And the *economic man*, who is a slave to an outworn economic system, can no longer plead ignorance to excuse

his bondage. Social Credit is a realisation of present truth, available to all men. It has diagnosed the elements of moneymania; it has written the economics of plenty.

Scarcity persists because wealth continues to be interpreted in terms of money, as though the railway ticket were of greater importance than the train. The quantity of goods, real wealth, is not limited by the scientific control of industry, but by the Quantity Law of Money, the fictitious and fraudulent gold standard. This defect can be remedied by the substitution of a mathematical standard, based upon the ratio between consumption and production. The potential power of industry can be released for the production of an unlimited wealth, while the credit monopoly is broken without injustice to anyone, the real credit being restored to the nation.

More Debt than Money

Scarcity and destitution have been further imposed upon all industrial communities by the now widely-known error in financial accounting of costs, that creates a permanent and cumulative shortage of purchasing power. Actually, from the one example given above, under present conditions thirteen thousand millions of capital charges *must* be charged into future prices, although the total "money" is two thousand millions. And even that two thousand millions is a mythical creation of bank accounting based on loans, and chained to the gold reserve. The mechanism of the Just Price, clearly outlined in Social Credit literature, equates the flow of purchasing power to the flow of economic utilities, for the first time creating stable conditions for the industrial machine.

And, finally, distribution by the wage-system is breaking down under the impact of scientific invention and energy-control. Unemployment is a sign of progress, but is interpreted at present as unjust and degrading punishment. The Social Credit mechanism provides for a dividend drawn upon the "cultural inheritance" of the community. A fund may be created for the issue of a life-long income to every individual, limited only by the technician's ability to produce real wealth. And this can be done by a simple adjustment of the "magical" methods by which the war was financed; that is, the money can be issued upon the national credit, as it was for the war. But instead of being accounted a debt it will be accounted an asset.

Utopian, is it? No, it is mathematically and immediately practicable. The world that has accepted the colossal confidence-trick of credit monopoly should find nothing miraculous in the harnessing of these "dread" powers to the economics of plenty.

The semi-destitute populations of industrial countries are now on the point of realising that a logical and efficient financial system, as now operated, is yet a very evil visitation upon the individual. The duty lies upon all men to see that this realisation is not obscured by another economic war. The half-starved workers in the choked granaries of the world who are now in bond to a financial "licence to live," must be given the opportunity to see the new age of scientific economics, now, at once.

Preventing Abundance

The President stated that while the drought has largely liquidated the excess surpluses of grain which were the first target of the A.A.A.'s attack, it has in no way lessened the need for avoiding the accumulation of such surpluses in future years.—*The Times*.

Gratification and Regrets

Although the drought is responsible for the sharp rise in wheat, maize, and cotton, which will be helpful in some respects, the City nevertheless regards the drought as a disaster, so far as the United States is concerned.—*The Times*.

U.S. wheat price falls. 'All ground gained lost.'—*Observer* heading.

Out of Date Theories

Why Socialist Leaders Fail us*

IDEALISTIC reformers are the despair of the realist. Amongst such Mr. Brailsford ranks high by his unquestionable humanity; and the misleading of thought by a man of such integrity of feeling is the more injurious that the nobility of his motive cannot be doubted.

If ever a clear lead was needed, it is afforded by the plight of Labour in the United States of America. Those employed in the Textile Industries are engaged in the greatest strike of American history; many more thousands are involved in the strikes that are paralysing the State of California, and the entire agricultural industry is in distress. The industrial employers, ruthless in their methods as ever, convert the industrial disputes into sanguinary conflicts. Men and women must have terrible grievances thus to take their lives in their hands. The conditions of their labour must be intolerable.

Every attempt by the Government to secure reduction of hours has been either flatly refused, or compensated for by an intensification of work more deadly than the protracted time the worker has been employed. Prices of the workers' purchases have always exceeded the benefit of increases in nominal wages. In the present situation, the trifling average increase of 8.5 per cent. in wages, between June 1933 and June 1934, claimed in the Report of the National Emergency Council submitted to President Roosevelt on August 28, is offset by a 9.6 per cent. rise in the cost of living.

Capital has secured a far larger share than Labour of the increased income of Industry brought about by the N.R.A., in many cases recording large profits where an actual loss was shown in the early months of 1933.

From these facts, Mr. Brailsford, turning aside from the framework in which they are set, and learning nothing from the experience of British labour, attributes the American workers' dilemma to the profits earned by the employers, and rests hope of their future in the strengthening of the American Labour Movement.

Writing at a time when the Trade Union Congress is bathing with tears the graves of the martyrs of Tolpuddle, and smugly congratulating itself on its achievement of complete respectability, it is sad indeed to have Mr.

*"New Deal in the Balance" by H. N. Brailsford, *Reynolds Illustrated News*, Sunday, September 2, 1934.

Brailsford resting hope for the American worker in the creation of a similar Trade Union leadership.

When the T.U.C. turns from the past to the present, it has nothing to offer but regretful expression of its complete powerlessness to act as anything but an employers' go-between. The memory of the General Strike appears as a skeleton at their feast of reason.

Abuse of the parties concerned serves no purpose, be they American employers or T.U. bosses. Both act as they do because a superior power has them under control. The workers in America strike for shorter hours, and a spread-over, at the very moment when the boomlet has spent itself. Their leaders, as ever, call their members out at the point of weakness. The workers must inevitably be defeated because the market for their product is declining and they can be dispensed with in large numbers. Fundamentally they have no bargaining power.

Yet Mr. Brailsford identifies himself with the N.R.A. "primary problem of recovery"—that is unemployment, and casts no thought upon the measure which a great Government such as that of the U.S.A. could undertake, namely, the distribution of the "burdensome surpluses" of United States industry to the population.

Must the American worker be put through the slow disillusionment of the British worker? Or will the protagonists of Labour there take the only rational step? They could base their claim upon the original intention of the Roosevelt Administration to increase the purchasing power of the citizens of the U.S.A. And in demanding a distribution of purchasing power to every man and woman as citizen not as worker, set their members on the path of a prosperity shared by the whole population.

It is idle to invite the employers to step down instead of inviting men and women to step up. In the genuine prosperity of distributed wealth, the Administration, no longer hag-ridden by Unemployment as a spectre, could induce where now it strives to coerce. Employers could sell their product without sacrificing the employees to keep prices down or to gain a privileged security; and onerous conditions of labour could not be imposed upon a body of workers no longer attended by an endless tail of unemployed men and women waiting to step into their places.

W. T. SYMONS.

What to Read

The literature inspired by the idea of Social Credit may be said to fall into three categories: there are first the works of Major Douglas himself; secondly, many journals, books and pamphlets devoted to specific propaganda of the Proposals of Major Douglas; and thirdly, the works of a number of thinkers who support the general Social Credit claims, but do not follow Major Douglas's analysis or proposals in every respect.

In the following short List of 'Recommended Literature, necessarily incomplete, we have followed the above simple classification, and have included only publications believed to be available in this country.

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

BOOKS:

Economic Democracy 6s. od.

This book, the original statement of the philosophy and proposals of Major Douglas, is temporarily out of print. It will be re-issued shortly at 3s. 6d.

Credit Power and Democracy 7s. 6d.

Temporarily out of print. It will be re-issued shortly at

The Control and Distribution of Production 7s. 6d.

Social Credit (new edition) 3s. 6d.

This book continues the philosophical background of the subject and includes the Draft Scheme for Scotland as an Appendix.

Warning Democracy 7s. 6d.

The Monopoly of Credit 3s. 6d.

PAMPHLETS:

Social Credit Principles 1d.

The Breakdown of the Employment System 1d.

These Present Discontents: The Labour Party and Social Credit 1s. od.

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

The Douglas Manual, by Phillippe Mairet 5s. od.

Ordeal by Banking, by Allen Young ... 2s. od.

Social Credit in Summary, by Arthur Brenton 1d.

The Key to World Politics, by Arthur Brenton 1d.

The Veil of Finance, by Arthur Brenton ... 6d.

Introduction to Social Credit, by M. Gordon

Cumming 6d.

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

The Nation's Credit, by C. G. M. 4d.

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

The Abolition of Poverty: A Brief Explanation of the Proposals of Major C. H.

Douglas, by R. S. J. Rands 4d.

Outside Eldorado, by J. E. Tuke 3d.

Economics for everybody, by Elles Dee ... 3d.

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

This Age of Plenty, by C. Marshall

Hattersley 3s. 6d. and 6s.

Men, Money and Machines, by C. Marshall

Hattersley 3d.

Community Credit, by C. Marshall Hattersley 1s. od.

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

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

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

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

A Social Creditor's Diary

IT doesn't seem to matter how often Mr. Arthur Henderson makes the Grand Tour; like the Bourbons, he neither learns nor forgets anything, if he did he would have to admit the blue-bottle-in-the-window futility of his dizzy circus of grand tours. Listen to the traveller's tales our dear old Uncle Arthur has brought home this time: "Many nations do not appreciate that they are members of a single international society . . . the armaments of this country must be made subject to international rule in quality and size."

If Mr. Henderson, world tourist that he is, can show me anything, apart from the Financial System and the Armament Ring—which is Finance's favourite beneficiary—in the remotest degree international, I'll sit up and beg at his avuncular feet. For the present I continue to suspect that Mr. Henderson cannot help crying for a moon of some sort; when the moon of Socialism set, he found a permanent and luscious job crying for the moon of Planetary Government. The poor boob has probably not the slightest suspicion that only the Central Bankers—Wall Street and Lombard Street—want any such thing.

What would an observer, viewing this world by telescope and radio from a less crazy planet, think of the insolent statement made by Mr. Driggs, the armament bootlegger, to the United States Senate Investigators: "that the U.S. War Department at Washington had given his company its designs of anti-aircraft guns in order that it might sell its weapons to foreign countries, and thereby increase the capacity of the American munitions plant in case of war!" Realising, as neither America nor England does yet, that the capacity of any nation's plant cannot possibly be dependent on what it gives away to other countries (except, of course, under the International Financial System), such an observer would surely be amazed.

On the Earth, he would report, nations not only arm their enemies, they plough food back into the land to starve their own people till they are unfit to fight. Their idea—and the public orations of such personages as Sir Arthur Keith prove that it really is their idea—is that war is the grandest sport and pastime of all; that all nations want each war to last as long as possible; and that, as the result of a chivalry surely peculiar to the Earth, each nation tries to give its enemies rather more than a sporting chance. The worst of this view is that there is something in it. How many English business men are praying for Japan to start on Russia, so that she will become in consequence a colossal buyer?

A word to the doddering fossils, apparently in the majority, at the British Association for the Advancement of Science, whose comments on politico-economic affairs recall so vividly the compromises with enlightened thought that the Church used to make, and that ultimately caused the people of England to shrug their shoulders with contempt at the mention of religion.

The world wants to know, in firm and plain language, what is the attitude of men of science to the problem of distributing the outpourings of the Horn of Plenty that industry, as the result of science, could any day become. Until that problem is solved in practice—in demonstrable theory the solution is Social Credit—scientists would serve mankind at least as well by twiddling their thumbs as they would by adding to the riches of discovery. It's time for us to be told straight whether or not high explosives and fertilisers, bacterial therapy and bacterial welfare, are all the same thing to the noble and disinterested scientist.

The tone of the Bishop of Carlisle's appeal to the men of science at Aberdeen to concern themselves about the moral effect of their discoveries was all that anybody would wish. On the question of war and peace, in prophesying the early freedom of mankind from bondage, the Reverend Bishop's address was as courageous as it was necessary.

It can have been only ignorance, therefore, that caused him to make a drop-in-a-bucket proposal for bringing in the Age of Freedom, and to offer out-of-date suggestions for setting about it. The first stage, he proposed, was to raise the school age. This, he reasoned, would cost money. Somebody, he concluded, would have to make sacrifices.

If that was all the Bishop of Carlisle had to suggest, what was the sense of his going out of his way to say it to the scientists, who are certainly not the people who ought in any circumstances to make the sacrifices? The feasibility of leisure and plenty, however, without sacrifice, already exists in absolutely everything but money. Before talking of the cost of a better civilisation in terms of money, the Reverend Bishop ought, therefore, to enquire what money costs. By the time he has found out that money costs nothing at all he will conclude that the only sacrifice necessary to start the Age of Freedom on a generous scale is the abolition of the Monopoly of the issue of Purchasing Power with which the Money Lords at present dominate and constrict all other people's lives. The only sacrifice required, in short, is one of power, not of enjoyment.

Both producers and distributors have been slowly learning, by saying their little Salesmanship College piece day by day, that "the consumer is always right." That is not the idea of the Money Monopolists, who believe that the consumer's proper place in economics is on a par with that of the voter in politics; right or wrong, certainly powerless. The learned paper read by Sir Josiah Stamp to the British Association was surely written by this Director of the Bank of England with a wink at the Governor of the Bank of England.

What England needs, according to Sir Josiah Stamp, who doubtless paused for the Fascists to applaud, is a system of industry planned in the interests of capital and labour, in which "the consumer will no longer be able to call the tune." The logical result of such Bank of England planning is to sew up the consumer's mouth and produce nothing but public works and armaments. Such fantastic planning is inconceivable outside Rome, a lunatic asylum, or in the Courtroom of the Bank of England by an expert who has swopped the brains that Nature gave him for a collection of approved rubber stamps. What is wrong, and all that is wrong, with the consumer is that he hasn't the funds to pay the piper. When he has, industry will play all the tunes in the calendar.

The *News Chronicle* recently awarded its "star-letter" prize to the sender of the suggestion that if we all practised tolerance and tried for a week to love all we hated and despised the millenium wouldn't be far away. If the awards of application invariably exceed those of origination, I claim a double award for the suggestion that the Editor of the *News Chronicle* should now send his love and kisses to the top dogs of the World Armaments Ring.

A.N.

LONDON SOCIAL CREDIT CLUB.

Meetings at Blewcoat Room, Caxton Street, S.W.1,
Fridays, 5 p.m. to 11 p.m.

Arrangements for SEPTEMBER, 1934:—

14th, at 7.45 p.m.—Discussion of A + B Theorem, introduced by Dr. Ewart Purves.

21st, at 7.45 p.m.—Address by Mr. R. J. Scrutton, of "Prosperity."

28th, at 7.45 p.m.—"The Social Principles of Social Credit," by Mr. W. T. Symons.

Hon. Sec. Dr. J. C. B. Mitchell,
2, Bromley Common, Kent.

The War Office acknowledges the receipt of £2 sent as conscience money.—*The Times*.

The Bank of England acknowledges the receipt of the entire credit of the nation.

Queer Standard of Value.

These particular imports are unfortunately of no value to the country (Chile), as they create no corresponding exports.—*The Times*.

Social Credit Secretariat

Election of an Executive.

THE application of a form of democratic representation to the large body of persons devoted to Social Credit principles, who are without any definite co-ordination, is by no means easy. It is thought, however, that the method to be outlined will permit adequate representation of the whole Movement, and protect the elected Executive from interference in administration.

The method of election to be adopted is based upon the following considerations:—

(a) Those responsible for the direction of any campaign must have the full support of all those whose co-operation is required.

(b) The selection of a team of individuals to fill specific posts requires some knowledge of requirements and personnel.

(c) Democracy must have the opportunity to endorse or reject personnel.

(d) *The electorate must be a Social Credit Electorate.*

It is proposed to hold a primary election to elect a Council of Representatives hereafter referred to as the Council, which shall in turn appoint the personnel of the Executive Board hereafter referred to as the Board. The Council of Representatives must be the choice of a Social Credit Electorate only, and therefore the qualification of the primary elector is of paramount importance, and this qualification shall be established through affiliated Social Credit Groups in the manner outlined hereunder:—

1. Qualification of the Primary Elector.

Any persons known to have been supporters of Douglas Social Credit for twelve months or more, and who

(a) are directly affiliated to the Social Credit Secretariat, or (b) are members of Groups affiliated to the Social Credit Secretariat,

or (c) although not affiliated to the Social Credit Secretariat either directly or indirectly, can establish a claim to vote through any Group already affiliated at the date of this announcement.

Affiliated Groups are requested to assist in this and allow such persons to become members for the purpose of voting if required. Certified voter shall have the option of voting through the certifying group, or as indicated below, clause 2(c).

Certification by groups not affiliated at this date will not be recognised.

No individual may have more than one vote. Members of more than one Group should supply the Group through which they wish to vote, with the names of any other Groups of which they are members, so that the other Groups concerned may be notified.

2. Affiliation of Groups to the Secretariat

(a) A list of affiliated Groups, through which individuals can establish their claim to vote will be published in the next issue of SOCIAL CREDIT, to be followed by supplementary lists as required.

(b) Application for affiliation to the Secretariat from existing Groups, whose members wish to vote in the election, must be made within two weeks from the date of this notice. Such applications must be accompanied by a list of the names of the officials of the Group, and give the total number of members, and the number of those qualified to vote.

(c) New Groups formed subsequent to the date of this notice, will not be recognised for the purpose of this election, with one exception:— Groups of not less than ten members, all of whom have established their claim to vote under 1(c) above, or are entitled to vote under 1(a), may be formed and apply for affiliation.

“Affiliation to the Secretariat

Provision has now been made whereby every Douglas Social Credit association or group can become affiliated to the Secretariat by direct application to the Secretary, indicating complete agreement with the Secretariat statement of policy. The Secretariat will make any enquiries it considers necessary, and reserve the right to decline or withdraw affiliation. The object of affiliation is to ensure the acceptance of an agreed body of principles throughout the

Movement, and to make it possible for the Secretariat to put individual enquirers in touch with Groups and Associations which are in complete agreement with the Douglas proposals.” Manifesto of the Social Credit Secretariat.)

3. Election of Council of Representatives

(a) Only persons known to have been supporters of the Douglas Social Credit Proposals for two years or more, are eligible for membership of the Council.

(b) Each affiliated Group having less than fifty members may elect one representative, each affiliated Group having fifty members or more may elect two representatives. Members not qualified to vote may be included in these totals.

(c) The Social Credit Secretariat may elect two representatives.

(d) The following editors of Social Credit Journals will be entitled to vote *honoris causa* as members of the Council: R. M. Black; B. J. Boothroyd; A. Brenton; A. Emmott; H. Gibson; G. Hickling; A. R. Orange; R. Scrutton; C. A. Tacey.

4. Duties of the Council of Representatives

(a) The first duty of the Council shall be the election of a Chairman of the Board and of a Selection Committee of five members of the Council.

(b) Any representatives may make a nomination for the Chairmanship, but in order to stand the candidate must receive not less than four nomination papers.

(c) The representatives may nominate any of their number for the Selection Committee, but must bear in mind that those elected will have to attend on the Chairman to assist him in the selection of his Board.

(d) Nomination papers for the Chairmanship of the Board and for the Selection Committee will be called for at a date to be announced and voting will then take place.

(e) For the purpose of voting every representative will receive an alphabetical list of those nominated for the Chairmanship (subject to (b) above), and a similar list of those nominated for the Selection Committee.

(f) Voting for the Chairman shall be by means of the single transferable vote.

(g) Voting for the Selection Committee shall be on the principle of Proportional Representation by means of the single transferable vote. Counting shall take place after the Chairman has been elected; and if he has been nominated for the Selection Committee his votes shall be transferred.

5. Appointments and Functions of Executive Board

(a) The Selection Committee shall, in consultation with the Chairman, select suitable individuals for the following appointments.

Honorary Treasurer; Director of Publications and Propaganda; Director of Electoral Campaign; Director of General Activities at Home; Director of Overseas Relations; Director of Relations with other Organisations.

(b) The names of those selected by the Chairman and the Selection Committee to serve on the Board shall be submitted to the Council for endorsement. Should objections arise to any person nominated to serve on the Board they must be made to the Selection Committee in writing, if received from more than thirty per cent. of the Council, the Chairman shall call a further meeting of the Selection Committee to assist him in choosing a substitute for the person so rejected.

(c) The Council shall dissolve when the Board is completed, and the Board will remain in office for one year, after which a fresh election will take place, to appoint a Board for a period of two years; all subsequent appointments shall be for four years.

(d) On the resignation or decease of the Chairman, the Board shall resign and a new election shall be held.

(e) Vacancies on the Board during its term of office will be filled at the discretion of the Chairman and the Board, provided that if such vacancies amount to fifty per cent. of the Board at any one time, the Board shall resign and a new election shall be held.

continued at foot of page 59

The Failure of Trade Unionism

T.U. Congress Records its Surrender to Capitalist Finance

THE Trades Union Congress held last week marked the end of all hopes of the British Labour Movement as a means of social amelioration. It signified its final agreement with all the economic fallacies which are driving the nations to poverty and war.

The only suggestion of plan or theory expressed throughout the proceedings was a feeble re-affirmation of its belief in the nationalisation of industry.

There were the usual vague demands for higher wages all round, unaccompanied by any account of how this was to be effected within the present financial system. There was a full-dress denunciation of Fascism, which was quite meaningless as it contained no suggestion as to how it was to be combatted or what was its nature and origin. The threats of "combined action" if wages were not raised was mere gallery play, at a time when the demand for labour is being rapidly diminished by mechanisation, and collective bargaining reduced in consequence to a miserable compromise.

That, after what we have seen of the domination of finance over industry, Trade Unionists can still advocate State control of industry, marks them as the most reactionary body of opinion in the country.

Nationalisation Means Nothing

Nationalisation means simply nothing. The advocacy of it shows a confusion between industry and finance which is absolutely fatal. For the industrial system functions adequately and the financial system does not. The industrial machine is to-day capable of providing the whole population with all their immediate requirements, and is prevented from doing so only because of the lack of purchasing power for which it is not responsible.

To attend to the producer end of trade before dealing with the consuming end is like bandaging a healthy arm as the first step to curing a broken leg. And the fact that Labour leaders can suggest it is due to their blind acceptance of the exploded fallacy that, in the process of producing goods, industry simultaneously produces sufficient purchasing power to buy them.

The financial system, on the other hand, is a failure. It fails utterly to do what it is supposed to do—circulate enough money to enable consumers to buy the product of industry. Yet Trade Unionists would interfere with industry and leave finance alone. The red herring has achieved its purpose.

The T.U.C. Endorses Economic War

As if to prove the fatuity of its pet idea of State control, the T.U.C. this year produced for public inspection its long-hatched scheme for the "Socialisation" of the Steel industry.

This scheme crystallises all the political and economic ignorance of modern Labour leaders. It contains no explanation of how the workers' purchasing power would be increased, nor how the products of the British steel industry are to be bought by the British people.

But one feature was given special emphasis: namely, that one of the purposes of the scheme is to enable the British steel trades to compete successfully in prices with rivals in the foreign markets.

To this triumphant end has Trade Unionism arrived: it has accepted and endorsed the most evil and dangerous of all capitalistic theories—that a nation depends for its existence on its ability to defeat and impoverish its foreign competitors in the fight for declining markets.

This theory is the only cause of modern wars, and the Trade Union Congress has endorsed it. After that, all

that was said in Congress about disarmament and armament rings was reduced to nauseating platitude.

State Control of Production Means Fascism

There is another aspect of these "nationalisation" schemes which may be regarded as even more dangerous. State control of production is anti-democratic. It retards rather than encourages the real aim of democracy, which is the progressive liberation of individual choice of activity. It destroys all chance of economic independence as well as the individual's power of protest or appeal.

Centralised organisation of production means economic dictatorship. When it leaves untouched the centralisation of credit power in the hands of a private monopoly, the coercion of the individual is complete.

The State cannot manage industry, for the State is not an expert industrialist. It would have to leave the administration of industrial processes in the hands of the present experts, who alone are fitted for it. Industry would function as before—at the dictation of the banks, with the difference that the whole economic edifice of industry would be strengthened and defended by the authority of the State. The result would be a more complete financial despotism than ever.

Labour has not seen the significance of Fascist origins. Fascism was the natural outcome of Socialist theories which ignored the money power. It arose because Socialists did not see that the total costs of industry were always greater than total purchasing power. They concentrated on production and forgot finance—accepting the bankers' own principles as gospel. Believing that production finances its own consumption they played into the hands of the banks whose policy ensures a permanent shortage of the means of consumption.

Socialisation which does not challenge Finance must become Fascism. Indeed, one of the definitions of Fascism is—Socialism which accepts the principles of "sound finance."

Assisting Democracy to its Collapse

The illusion of State control of production arises from the confusion between administration and policy. That confusion is bringing democracy to the verge of its final collapse. The State cannot control administration; it can only control policy. Policy is concerned with *what shall be done*; administration, with how it shall be done. Administration is not a social or political problem; it is a problem for experts. For the State to tell an expert how to do a thing is for a non-expert to tell an expert his job. The political authority must demand results, not methods of achieving them.

This is the first lesson of democracy and it has not yet been learnt.

There is only one way in which industry can be effectively controlled in the interests of the nation, and that is by the demands of individual consumers *outside it*. If, therefore, Trade Unionism were concerned with the effective running of industry in the national interest, it would insist that people had sufficient purchasing power to demand what they wanted of the industrial product.

That is the only practical commonsense policy of industrial control, as it is the first step to economic democracy. But it cannot be achieved while people rely for their incomes on a mechanised and labour-displacing industry. It can only be effected by those Social Credit proposals which Labour leaders contemptuously rejected before they finally surrendered to the money monopolists.

SOCIAL CREDIT SECRETARIAT.

(Continued from page 58).

The responsibility of arranging for the election of members to the Council of Representatives is a matter for the Affiliated Groups, and such Groups are urged to take all preliminary steps necessary to enable them to carry out this duty in the manner outlined above. The date on which the election shall be held will be announced later.

All affiliated Groups are requested to inform the Secretariat of the total number of their members within two weeks of this date.

Arrangements have been made with the Proportional Representation Society, 82 Victoria Street, London, S.W.1., to supervise the election of the Chairman and the Selection Committee. All nomination papers will have to be sent to this Society at a date to be announced.

SOCIAL CREDIT STREET DISPLAY

It is very desirable to bring SOCIAL CREDIT to the notice of (literally) the man in the Street. This can be done most effectively by sandwichmen showing posters in streets or stations of large towns. This costs five shillings, per man, per day. The ideal thing would be for all supporters to volunteer to carry a board. We suggested this to a small group of our readers but they hastily promised us five shillings each instead. Will as many subscribers as possible please follow this good example. You may be able to arrange for a public display of a poster in window, shop or office, if you are not will you please send a contribution towards street displaying expenses. Contributions from one shilling up will be welcomed. Mark your letters "Display Fund."

SOCIAL CREDIT CIRCULATION

The support for the first issues of SOCIAL CREDIT has been very good, and the subscribers list rises steadily. We must keep in mind the fact that this paper has a purpose other than increasing its own revenue.

We do not only desire a large circulation for the paper, we sincerely desire to reach the Social Credit objective. To do this quickly the number of our supporters must be increased quickly. Will you help us to put the unanswerable arguments of Social Credit *regularly* before a greater number of people each week.

To the receipt sent out to each new subscriber we shall attach a further subscription form, and we hope that each reader will try to secure another, remembering that each new supporter brings the Social Credit objective nearer. Will Group Secretaries please let the Manager of SOCIAL CREDIT have the number of their regular weekly orders as distinguished from sales.

If you have asked for SOCIAL CREDIT through your local newsagent, and have difficulty in obtaining it, please send us his name and address, so that we may remove that difficulty.

ELECTION CAMPAIGN LEAFLETS

Copies of the No. 1 Campaign Leaflet, as revised for the Economic Democracy Committee of the Social Credit Secretariat are now ready for distribution to groups. The price is 4s. 6d. per 1,000, plus cost of dispatch. Will Group Secretaries please notify their requirements?

READERS QUERIES.

This column has been started for the service of readers who wish to offer or obtain some personal service, or let or secure accommodation, or who have a small advertisement not suitable for display insertion. The charge is 1s. for twelve words, and a halfpenny per word after. Box Office No. 1s. extra.

To SOCIAL CREDIT Readers.

Lady offers companionship, light household and/or propaganda help, return hospitality, temporary, seaside preferred (not essential). Box No. D.B.I.

Display Advertisement Rates.

A rate of £2 per page, and *pro rata*, down to one-eighth page, has been fixed for advertising space in SOCIAL CREDIT. Series discounts: five per cent. for three, and ten per cent. for six insertions. If it is desired to see proofs advertisements should reach the Advertisement Manager, 9 Regent Square, W.C.1., not later than Friday morning for insertion in the issue of the following week, and final proofs should be returned by Tuesday of the week of issue. Size of advertisement page eleven inches by seven inches. Illustration by line block.

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

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