

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2040] NEW SERIES Vol. XLIX. No. 24. THURSDAY, OCTOBER 15, 1931. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

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## NOTES OF THE WEEK.

Elsewhere we print an article by Major Douglas in which he analyses the deeper issues behind the election now proceeding. On various occasions recently he has discussed these issues with students and advocates of Social Credit, and we feel that it is of importance to subjoin an outline of the situation which has been established by those discussions. It is as follows.

- (1) The objective of Finance is to control military force.
- (2) Therefore—to control political Government, because the Constitution reposes the right to dispose military force in the Government.
- (3) The best method of controlling political government is to merge all parties into one.
- (4) The best method of merging them is to preach a "crisis."
- (5) This creates a "war psychology"—under the urge of which people are willing to abandon their individual interests and obey orders from a centralised High Command.

This interpretation of the political policy of Finance needs no confirmation to those who have thoroughly grasped the Social Credit Theorem. So long as the design of the credit mechanism remains what it is, an overwhelming majority of the public will be in an unconscious state of revolt against it. It matters not a bit how they vote on polling day; but everything how they act every day. Their psychic condition is exactly typified in an authentic account given to us last week by a visitor. He had been discussing the situation with his grocer; and the grocer propounded the "great cure," which was to "force these unemployed to find jobs." Our informant said: "Yes, but what jobs?"—and, pointing to a bacon-slicing machine on the counter, continued: "You're a nice fellow to bring that thing into the place when jobs want finding." Not in the least abashed, the grocer dropped his tone to one of confidence and said: "Do you know, if I didn't

have that machine, it would cost me four men's wages to get the orders done"! And something like thirty million "types," made in the image of this fozzled subject of the King, are to be shepherded up to the polls on October 27 to solve the "crisis." Not one of them will realise that to make this system work requires industry, as it were, to buy slicing-machines and hire human bacon-cutters at one and the same time, and to keep the cost of both out of the price of rashers. Obviously then, the tiny minority of financiers who—goodness knows why—seem to be in hopes of keeping the system going, must necessarily abandon reliance on democracy and persuasion, and base it on autocracy and coercion. And in the last resort coercion means military force.

This is why Finance wants to govern through one national party. For when, as in the past, there is a party in power faced with an opposition party hoping to achieve power, the Government has to act circumspectly in the exercise of physical force, because they know that the opposition irrespective of the merits of the case, will exploit the resentment among the masses that invariably arises when blood is shed by police or soldiers. Old readers will remember how the odium for the fatalities in the Featherstone riots clung to Mr. Asquith. He was called a "murderer" for years afterwards. And one has only to imagine a visitation of force resulting in an alarming number of fatalities, to conceive the possibility not only of the return of an Opposition party, but one pledged to punish the Minister responsible. The execution of statesmen is a commonplace matter in Britain's history, and, if Herr Hitler and his followers mean what they say, the practice is by no means regarded as obsolete. But any such danger to a Minister would be removed if there were no possible alternative Government to the one in which he served. In that case nothing could touch him, or his Government, except a successful mass rising or a military revolt led from the top.

In the face of a known danger to the State the public are, of course, more ready to condone coer-



cive violence by the State against those who resist its orders than when no danger threatens. For instance, during the First World War there was a certain amount of clamour for the shooting of conscientious objectors. And the nearer the danger—and therefore the more urgent the measures for averting it—the less compunction need the State show in its manner of enforcing discipline. In the present situation it remains to be seen whether the undefinable nature of the "crisis" preached at the public will help or hinder the fabricators of the warning in creating the sort of psychology they want. In theory an unknown danger should be more potent than a known one; but as things are shaping at the moment of writing, the unifying force of the "danger" has not yet exercised much visible effect on the politicians. However, there is no uncertainty as to the essential result of the election, namely, that whichever side wins, the bankers will secure new powers of dictatorship which they will exercise through the Government over the House of Commons. It is significant that the Labour Party Conference rejected by an overwhelming majority a resolution which would have bound Mr. Henderson not to take office unless he secured a majority of the whole House. Nevertheless, majority or no majority, how could Mr. Henderson dictate policy against the wishes of financiers to whom the Government already owes £500,000,000 in floating loans, and who have the power to refuse to renew them on expiry?

Mr. MacDonald and Mr. Henderson represent, not two opposed parties, but the right and left wings of the Bankster's Party. We are not speaking of their motivation or intentions. We are simply saying that since both of them equally base policy on the assumption that the present principle of accounting costs is correct and unalterable, they are, by that fact alone, banksters. For, by accepting that postulate, each of them is logically binding himself to fulfil the central purpose of Finance—a purpose which is diametrically opposed to the instinct and aspiration of every individual in the community. What is it that divides Mr. Henderson from Mr. MacDonald? Nothing but the question whether the money proposed to be taken from the unemployed shall be taken from other people instead. This is all that it comes to when you have stripped away nebulous plans for controlling banks, industries, or this or the other, which obscure the view. Suppose Mr. Henderson wins. There will be a Labour Chancellor of the Exchequer. (Who?) He will have to suggest the source from which he will raise the needed money. Directly he does so the Treasury will be able to convince him either that the money is not there to be taken, or, if it is there, that if it is taken it will cause a compensatory decrease of employment. Briefly, the line of reasoning would be this: that industry must be financed out of savings before it can provide jobs and pay wages: that if taxes are transferred from wages to savings workers will be thrown out of jobs. The hypothetical Chancellor might object that industry is also financed by bank-loans, but that would not shake the Treasury's reasoning unless he carried his argument on and showed how industry and the people in it are taxed in the process of repayment. This is a matter of arithmetic, not opinion; and, as *The Times* remarked recently: "You cannot defy the laws of arithmetic—though the 'laws of arithmetic' to which it was referring had nothing to do with arithmetical law but with arithmetical expressions of inaccurate measurements. Since both Mr. Henderson, representing the Labour Party's policy, and Mr. Citrine, representing Trade Union policy, have both declined to look into the subject of Social Credit on the ground that nine years ago a Labour Committee (assisted by a banker!) rejected it, sug-

gests that a Labour Government would be little likely to press its policy against the authoritative views of Treasury experts.

The right policy for members of the Social Credit Movement is to do all they can to discredit the election. There is no call to deride the Parliamentary system as such: but there is every need to show the futility of anyone's trying to use it as an instrument for getting what he wants. It will only give him what the bankers think he ought to have. Therefore the question the elector should first ask himself is whether he wants to happen that which the bankers have said must happen. If he likes being taxed, he will vote—for both parties are ready to oblige him. If he does not want to be taxed, he should not vote—for neither party proposes to help him. Even in the moral sense he ought not to vote, for in doing so he is implicitly endorsing the view that the economies effected by the National Government are collectively necessary. That view is a technical matter, on which the ordinary elector has no means of arriving at a correct judgment. He owes it to himself to say: Shall I, and will my family, be more happy, or less happy, if we have to suffer a reduction in our standard of life? That is a personal question to which the individual, however humble or illiterate, is able to come to a decision. There is a lot of sentiment talked about "thinking for others"; but when everybody votes not for what he wants, but for what he *ought* to want, he is contributing to a general verdict which is silent on *policy* (which is what ought to be decided at the polls) and vocal on *technique* (which is a question for experts only). The essence of the present electoral ramp is that while in form the electors are asked to express their will on what they want, they are being constrained to choose between two methods of doing what they do *not* want.

There was a legend which used to be seen in shops before the Trusts came and standardised everything; and it read: "If you do not see what you want in the window come in and tell us." The public are in the position of an anaemic young lady looking in a chemist's window and being confronted with a display of leeches. Everybody is in need of more purchasing power, and is perfectly certain of it, yet he is offered the choice between a "MacDonald" and a "Henderson" prescription for bleeding him still further. The proper answer of the electorate is to say: "No thanks, I don't want any," and abstain from the polls. It may probably happen that certain candidates pledge themselves to raise the whole question of the necessity for any economies at all at anybody's expense. If so that is something in the window a great deal more like what is wanted, and electors should support them. As for all the rest—"Nothing doing."

When the question of whether an election should be held or not was being debated, *The Times* published some letters whose purport was to point out how risky it was to give the unemployed a chance to vote on the dole-cuts. The argument implicit in these letters was that seeing the unemployed interested what a cut meant, and were personally interested in not having it, they should not be allowed to vote what they wanted. This gives a cue to the unemployed voter to make a virtue of abstaining from the polls. He can argue that if he voted for a cut he would not be true to himself, while if he voted *against* a cut he would not be fair to others. And so the conclusion is that he either walks past the shop or asks for something kept out of the window. At the last election, so we are informed, 1,800 electors in Hampstead wrote the word "Nationalist" across their voting-papers. Who these people

were and what they wanted is not clear; but their virtual abstention from voting made it clear to the candidates and the party leaders that neither laziness, nor indifference to the issues, was in question, but a deliberate and active dissent from both official policies. That is what should be manifested now. Already no single party is able to poll a clear majority of votes; and it is not at all farfetched to visualise a situation in which all three parties together will poll a minority of the total votes on the Registers. This would be a case either of *silent mass abstention* refusing to the three parties the mandates they asked for; or of *vocal mass abstention* offering to give a new mandate to some new party who would act upon it; or a combination of the two. The more of the second form of abstention the better. For, to refer again to the example of the shop window, if a hundred people *walk past* and say nothing, the shopkeeper is left to guess why. But if only one of the hundred *walks in*, says what he wants, and *walks out*, the shopkeeper will get a clue, and, moreover, will be inclined to infer that the reason for the vocal abstention is the reason for the silent abstention. Not leeches, but blood-mixture—not raids on the people's incomes but a declaration of the "National Dividend." The slogan: "*Distribute The Glut*" might serve to focus attention on, as well as to rationalise, the demand for a Dividend. By the way, there's a well-known old song, called: "I Passed By Your Window." Some slick versifier might parody the verses so as to make an election song to be sung in a "March Past the Polling Booths" on October 27. Also, in this connection, it might be useful to find out if there is any law to prevent the placing of pickets at polling stations.

It is not impossible that the futility of the election will become manifest before polling day, by reason of the upward trend of prices. If not so soon, then very soon afterwards, the money at present proposed to be taken from the dole-drawer by the Government will have been taken from him by the shopkeeper. We hear, for instance, that cotton-goods wholesalers have advised retailers of a coming rise of one-third in prices. Flour has advanced slightly, but not so much yet as to allow of a practical addition to the price of the loaf. Generally speaking, the outfitters, bakers and other traders are being persuaded or scared into keeping prices down—already to their own cost in some cases. The Government's plan is to hold prices down until the election is over—or rather, to rush the election through before prices rise. For obviously, if prices were to rise perceptibly during the election campaign the whole principle of "equality of sacrifice" would be scrapped, and everybody whose income was threatened would use the situation as a moral as well as a practical reason for resisting the official schedule of levies. What the Government wants is to get a mandate to cut incomes, doles included. If they get it, well and good. But if they do not—if Mr. Henderson gets a mandate to exempt doles—then the dole will be cut by the shops. Observe that Mr. Henderson only pledges himself to maintain the dole at *so many shillings*. He gives no pledge to maintain the *purchasing power* of those shillings. To do that he would have to pay out more shillings for doles and get them out of incomes he was tapping at one end while the shops were tapping them at the other.

This dilemma was deliberately prepared by the bankers. We are more sure than ever that they came off the gold standard volitionally, and with the set purpose of procuring the rise in prices which they knew would follow. They made sure both ways. They thought: For the public, lower incomes and low prices; or unaltered incomes and higher prices, but, best of all, lower incomes and higher prices.

Since they have the power to control (within certain wide limits) the direction and magnitude of price-rises, and at the same time to control rigidly the levying of taxes, they are now in a position to ring the changes on these methods of squeezing the public in any way they like, and irrespective of whether Mr. MacDonald's or Mr. Henderson's programme finds favour with the electorate. It may be true that New York financiers objected to the size of the dole: but that is not to say that London financiers did not ask them to object.

How people vote is of no consequence at all. The matter of consequence is whether the public are physically capable of withstanding the impact of the dual levies on their means of existence. Is there a collective margin of sacrifice left? If so there may be peace. But if not—?

#### THE LEAGUE OF NATIONS ON AUSTRIAN FINANCE.

"The causes of the present trouble have not been local inflation with rising money prices, but a general fall of money prices with a consequent increase in the real value of money wages and the burden of money debts, and decreases in the profits of enterprise. The Committee [is of the opinion that] the success of individual methods of reconstruction must be closely dependent on the early solution of a general world price problem which did not exist in the earlier cases."—*The Times* of October 5, on the report of the Financial Committee of the League of Nations on the financial plight of Austria. Drastic economies are going on there after the British model. Military recruiting is to stop for a year. Directors of the Credit-Anstalt are to be liable to dismissal at one month's notice.

#### ARCHBISHOP WHATELEY ON EMPLOYMENT.

"I do not know that there is any error in Political Economy more widely spread, or productive of more evil, than the forgetting of the obvious truth that what men live on is not labour, but bread. The difficulty arises from the truth's being so very simple that no-one can bring himself to suspect that anyone can overlook it. Yet it manifestly is overlooked whenever men talk of this or that being beneficial by 'furnishing employment,' i.e., giving trouble. And beneficial no doubt it is, inasmuch as it is a wise dispensation of Providence that labour should be necessary; *curis acuens mortalia corda*. But the benefit is exactly opposite to that which is meant, for men speak of the advantageousness of that which furnishes employment, in the sense of its increasing the wealth of the community. Now a *reductio ad absurdum* may reach some who have no head for abstraction; would it enrich the community to lay aside spades and ploughs, and turn up the earth with sharpened stakes? Certainly it would 'furnish employment.' "The origin of the error seems to be this: That to an individual, that is advantageous which increases *his* wealth, whether it adds or not to the sum total, or even if it diminish it. A great hail-storm is as much a God-send to the glazier as a fertilising shower to the farmer; but in the one case the gain is subtracted from one part of the community and added to another, in the other case it is simply addition. So a heavy fall of snow which chokes the labourer or the discovery of a coal-mine, are alike to the labourer a source of employment: to the community they are the opposite.—ARCHBISHOP WHATELEY, author of the renowned *Logic, Rhetoric, etc.*, in his *Commonplace Book*, March, 1830.

#### SPECIAL NOTICE.

During the Election the Editor of THE NEW AGE and leading exponents of Social Credit will assemble at the Lincoln's Inn Restaurant, 305, High Holborn, W.C.1, on the following days, from 6 p.m. to 9 p.m., with the object of advising anyone who calls on matters of technical exposition or electoral strategy:

Wednesday, October 14,  
Friday, October 16,  
Wednesday, October 21,  
Friday, October 23.

The restaurant is on the South side of High Holborn, a few yards West of Chancery Lane, and exactly opposite the First Avenue Hotel. Telephone: Holborn, 2064 (ask for "The New Age.") Nearest stations: Chancery Lane (Central London Tube) and Holborn (Piccadilly Tube).



## The Election and the World Crisis.

By C. H. Douglas.

While there is a sense in which the present situation represents an attempt to exaggerate conditions which have not changed substantially during the past few months, it would be idle to deny that we have now arrived at a critical point in what is probably the most momentous period of the world's recorded history. Those in control of the forces which to a large extent are concerned in this crisis would not employ tactics of so dangerous a nature as are at present being employed, if they were not well aware that any cards which may remain in their hands must be played.

It is not difficult to recognise and to understand the policy for the moment operating. While this crisis is not our crisis, it is being used to produce a war psychology willing to accept a dictatorship to deal with the emergency. Dealing with the emergency does not, of course, mean dealing with our crisis, it means dealing with the bankers' crisis. The solution of the bankers' crisis would be the intensification of our crisis. In other words, all the efforts at present operative through organised politics are efforts to rivet more firmly the shackles of a defective social and economic system upon an increasingly restive public.

At this time then it is of special importance to consider the dangers of the situation in order that so far as possible they may not be accentuated.

We are so obsessed with the idea of mass action that in many cases it seems difficult for us to see that, in the nature of things, if you organise a party for the purpose of conquering a tyranny you must, in the nature of things, organise a stronger tyranny than that which you dispossess.

Without wishing to be dogmatic in the matter, it is my personal conviction that should the world emerge from the crisis into which it is now passing it will only do so by having in some way or other destroyed far more organisations than it will set up in this period, and that superimposing still stronger organisations will not help us. A cursory observation of what is taking place in British politics, staffed as it now is by at least as many Labour and Socialist Cabinet Ministers as are proportional to the Labour and Socialist vote, must convince anyone that the only difference between these gentlemen, and any of their predecessors, is that they are more pliable, because less experienced, tools in the hands of the forces which control any existing government. There is not in the published proposals of any party now going to the polls one single proposal which would raise the status of the individual in relation to the group. In the place of the admitted social and economic inequality of, let us say seventy-five years ago, which (whatever we might say of the conditions at one end of the scale) did provide a very real and effective freedom at the other, we are faced with a series of alternative proposals to deprive all of us of whatever freedom still remains. At this time of crisis, the immediate genesis of which can be traced, perhaps more than to any other one thing, to the negotiations which took place between Lord Reading and American financiers in 1917, we see Lord Reading appointed to deal with the situation which has supervened and Sir Herbert Samuel appointed as Home Secretary to deal with the revolt which may be the outcome.

In any other sphere than that of politics the suggestion that men who have been responsible for a catastrophe are the proper persons to extricate the undertaking and to place it upon a firm basis, would be derided. The objective of the present election is

to place the responsibility for the future catastrophes, which such men as these will produce in their endeavours to retain the banking monopoly of credit, upon the backs of an electorate which will be said to have appointed them. At the present juncture, the energies of that growing number of people who are associated with the policy of this review can best be employed by making clear the distinction between the institution of Parliament as it might be, and a Party system which has been so organised as to prevent its constituents having any power over the agenda or the personnel. Every effort should therefore be made to prevent the exercise of the vote upon party lines, and where no clear statement, to which the candidate can be held, can be obtained in regard to the specific action which he proposes to take in regard to the financial system if returned to Parliament, the electorate should be persuaded not to vote at all.

Specifically, the statement that it is necessary to balance the Budget by taxation or loans should be discountenanced. It is the key to Financial Control.

## Austrian Financial History.

In 1921 Lord Burnham commissioned Col. Repington to travel about Europe to survey economic conditions there. On April 21st in that year he reported that he was much impressed by the developments going on in Austria. In his book, *After the War*, he said (p. 145):—

"I find that two-thirds of the Austrian deficit is due to food subsidies, chiefly bread. A loaf of 1,260 grammes is now sold for nine kronen but costs sixty kronen to the State. Even a Rothschild is paid, therefore, fifty-one kronen by the State for every loaf he eats."

On April 25, 1923—almost exactly two years after—Major Douglas, in the course of his evidence before the Canadian Government Committee, alluded retrospectively to this situation as follows:—

"During that period in which this application of State credits (in that case to a reduction of prices) was in operation, the first description (of Col. Repington) applies, that every farmer was putting in new stuff, buying stock, and so forth. What was happening was that there were huge budget deficits, but that did not affect the fact that everybody in the country was prosperous."

Then turning to the situation in Austria at the time he was speaking he pointed out that there was a wave of economic distress—"everybody is either down and out or just about getting nearer to financial soundness, which, I feel sure, must be a great consolation to the people who are down and out." The lesson he pointed out was that Austria, by adopting measures to achieve financial soundness, had precipitated economic disaster.

In cross-examining Major Douglas, certain members of the Committee sought to lead him to admit that the measures which Austria took to balance the Budget were forced upon her by the natural consequences of her previous policy of promoting economic development and financing the distribution of food below cost. Why, said they in effect, if Austria was so prosperous under the earlier financial policy, did she change it? "What induced the Austrian authorities," questioned one member, "to abandon that process under which she was doing well?" Major Douglas's reply was brief, "Outside political influence." Later he described this influence as a form of intimidation, and named the League of Nations as the body who exercised it. Austria was faced with the threat, among other things, of dismemberment, and it was even suggested that Italy should take over Austria as a colony.

The Committee were inclined to be incredulous; but to-day, after the spectacle of Sir Otto Niemeyer's dragooning of Australia (notice particularly the secessionist agitations which the British and Australian banks fomented—i.e., pursuing a policy of dismemberment and absorption in respect of New South Wales) few can remain in any doubt of the truth of Major Douglas's interpretation.

At the time when Austria was forced to change her financial policy we received and printed a letter from a correspondent in Vienna. His letter was dated September 14, 1922, and was published in *Credit Power* for October, 1922. In that letter he recorded the fact that in December, 1921, there had been "riots preceding the withdrawal of the bread subsidy." Students of Social Credit will note with special interest that the very first "reform" imposed on Austria—which this was—was the abandonment of the system of price-regulation at below cost. Inflation did not matter so much to the League of Banksters; what did matter was that Austria was experimenting with a direct method of keeping certain retail prices low while credit was expanding. It was obvious that Austria, if left unmolested, would have extended the system over the whole range of internally-produced consumables, while at the same time building up her internal production resources. And it was equally obvious that the resulting rise in the people's standard of living would cause them to ignore the continuous expansion of budget deficits. And it was not improbable that the Austrian Government would have spotted the trick in the credit-ramp, and have realised that a budget-deficit, while immediately a loan by the Government to the bankers—for the tokens lent derive their utility exclusively from the public, and therefore belong exclusively to the public. In a word, the Austrian Government might have written off the "deficit" and called it a "National Dividend."

The bankers could not risk having their "inflation" bluff called; so they intervened. That they were not nervous about inflation as such, was proved by a statement in our correspondent's letter that prices in Austria had increased 100 times during the "last twelve months"—that is to say the rises had gone on for nine months after the withdrawal of the bread-subsidy. It was not until September, 1922, that an attempt was made to arrest the rise by forcing wages down. Up to that time the people had been paid wages and salaries on a sliding scale fixed by a board "representative of the interested groups"—presumably including masters and men. But in September the board fixed the index of wages at a point which would not cover the cost of living. The reason for this was because the employers began to "find difficulty in getting notes from the banks to meet wage-bills." Now, quite apart from whether the banks were shortening the supply of notes (which they probably were), the withdrawal of the bread subsidy would automatically cause a relative shortage of notes by increasing the demand. Speaking in terms of sterling, the subsidy meant selling £7 worth of bread for £1 worth of notes; and the withdrawal of the subsidy meant selling the bread for £7 worth of notes. In the earlier case the baker got £6 in credit from the Government and £1 in cash from the customer: in the later case he had to get £7 of cash from the customer. It is clear why the bankers, having abolished the subsidy, could afford to wait. In fact it paid them to wait, because during the interval of nine months the public got accustomed to the "no-subsidy" edict, and at the end of that interval were not likely to connect the sudden cut in wages with the subsidy-withdrawal. Our correspondent mentioned that, accompanying the decision to cut wages, there was a proposal to found a National Bank, and rumours that "an international policing

detachment may be sent here"—i.e., a financial and military occupation of Austria. (Our Australian readers will recall the recruiting and arming which began to take place in their country when Mr. Lang was giving trouble.)

The sequel was the raising of an international loan, in which Britain participated. (See references elsewhere to the Debate in Parliament on the Address from the Throne in which the loan was recommended.)

And now let us pass over nine years of Austria's financial reconstruction under the auspices of the League of Banksters and take a look at her to-day. In *The Times* of October 5 there is an article entitled "Austria's Fight For Solvency." It states that Dr. Buresch, the Austrian Chancellor, has "forced through a reluctant Parliament" a programme of "drastic" taxation and retrenchment, and that he has done this "in order to fulfil the conditions which the League of Nations decided to be requisite before his government could hope to raise by international loan the 200,000,000 schillings of which it (Austria) stands in need." As in 1922 so in 1931. First, an "orgy of extravagance" compels more economy. In 1922 Austria was told to retrench because she was living more extravagantly than the rest of the world, and in 1931 she is required to retrench because the rest of the world is living less extravagantly than she. According to the bankers the world dare not risk inflation, but when the world takes their advice and goes in for deflation, the inevitable slump in world prices is held out to be a "problem" only to be solved by more deflation. To raise the world's price-level every country must lower its own! In short, collective inflation is the sum of individual acts of deflation—or many a mumbo makes a jumbo. We will leave William Cobbett to comment on this product of banker-mentality.

"Last year the misery was ascribed to the 'surplus produce'; this year to a 'surplus population.' Last year, food was too plentiful; this year, food is too scarce.

"Last year the profound as well as humane Castlereagh congratulated that body of which he is a most worthy member, that wheat was rising in price, and he asked, in a triumphant tone, where would be the distress if wheat rose to 80s. a quarter? This year, this profound statesman expresses the hope that the price of food will soon fall, and ascribes the distress to the high price, and not to the low price, as in the case of the last year.

"Last year the distress and sufferings of the poor, the desertion of their parishes by the farmers, the bands of poor prowling about the country, the want of employment for them, and the monstrous augmentation of the Poor-rates, were ascribed by the Honourable House, without a dissenting voice, to the low price of farm produce; and this year, when all these symptoms of wretchedness have increased in a threefold degree, that same House, with a similar unanimity, and with equal profundity, ascribe the increase of these evils to the high price of farm produce.

"The year before last, in the face of the petitions of the people, and with troops actually drawn up around the House, a Bill was passed to keep up the price of corn. Last year the distresses of the country were ascribed to not having passed the Bill sooner: this year, those same distresses, together with their prodigious increase, are ascribed to the high price of corn.

"After this, would it be presumptuous in the most illiterate and most feeble-minded person alive to express his dissent from the opinions of any of those persons, or from the unanimous opinion of the whole put together?"—WILLIAM COBBETT, June 14, 1817.

## "BEFORE THE BOTTOM FALLS OUT."

"Mr. Maddocks: Therefore, as soon as the bottom began to fall out of industrials, the bank came on the scene and demanded a reduction of the loan?"

"Witness (Assistant General Manager to Barclays Bank, Lombard-street): We always hope to be there before the bottom falls out. (Laughter.)"—Report of Bevan trial in the *Star* of November 21, 1922.



## Can the Kangaroo Jump?

By John Hargrave.

Something has happened in Australia that has not yet happened here. Douglas Social Credit has become popular propaganda. This, it seems, was brought about by the financial "crisis" during the last year or so, and now we hear week by week of the steady progress made by the Douglas Social Credit Association in spreading the idea throughout the country. That is good news from "down under," and a great encouragement to every student of Social Credit in every part of the world.

Here are a few paragraphs from a letter just received from Australia:—

"As you know there is a Douglas Credit Association in each of the capital cities in this country. That with which I am connected is very active at present, holding a weekly public meeting, the audience usually numbering about 100 people, besides numerous meetings throughout the week at different societies in the various suburbs.

"It is quite easy to convince the people that a change in the present financial system is necessary, but our difficulties commence when the inevitable question is asked, 'How are you going to get the Douglas Proposals put into operation?'

"All our speakers . . . answer 'The Government could pass a Bill through Parliament in less than twenty-four hours, and in three months the Douglas technicians could have the scheme in operation.'

"Such a reply cuts no ice with those of us who realise the ineffectiveness of Parliament."

The economic situation in Australia, and the rapid spread of the Douglas Proposals in that country, are important to the movement as a whole.

The financial "crisis" in Australia having been so fully dealt with in THE NEW AGE, it is not necessary to remind ourselves of its ins and outs, and ups and downs.

It is now clear that Mr. Lang, in trying his utmost to combat the financial dictatorship, was "bested." Sir Otto Niemeyer won hands down.

Mr. Lang has, for the time being at any rate, been defeated by the unwieldy and ineffectual mechanism of democratic procedure.

Sir Otto, for the time being, has been successful because he was able to use the swift and effective technique of financial dictatorship. This dictatorship spoke in no uncertain terms. It said (in September, 1930) that if the Governments did not convince the Commonwealth Bank that they intended to cut costs and balance their ledgers, the bank would "put the interests of its depositors first and cut off Government supplies."

This threat of a financial hold-up was sufficient to break the democratic opposition to the Bankers' Combine. In each case the Commonwealth Governments found themselves forced to toe the line—even the so-called "extremist" elements in Mr. Lang's grouping, and Mr. Lang himself.

In October, 1930, Mr. Lang at the head of the N.S.W. Labour Party, scored a victory at the polls. His electioneering programme (given in THE NEW AGE, October 30, 1930), was a jumble, showing no indication of a clear-cut economic policy verging, or ever tending to verge, upon a Social Credit policy. I now quote from the Notes of the Week (THE NEW AGE, October 30, 1930):—

"The important thing is that Mr. Lang knows for himself, and has pointed out to the electorate, the nature of the obstacle which must be removed before he can carry out the main items of his programme. The public realise that he stands or falls primarily on his ability to get the banks of New South Wales to act conformably with the financial policy of the Government of that State. For this reason, if he fails to carry out his programme, everyone will guess the cause . . ."

Mr. Lang's policy towards the banks took the form of a declaration that he would *cancel their charters if they refused to provide credits for the Government.*

This cancellation of bank charters did not take place, and the Lang programme was not carried out.

The progress made during this year by the Douglas Social Credit Association may be due, in part, to the fact that the Australian people have begun to "guess the cause."

The lesson one may learn from Mr. Lang's attempt to fight the Banking Combine with the weapon of democracy—the Ballot Box—is that it cannot be done.

This brings us to the point. The Douglas Social Credit Association knows, of course, the nature of the obstacle that must be removed before a "Douglas Sales Equation Act" can become law.

It is open to question whether any democratically constituted government could pass a really effective Social Credit Act "in less than twenty-four hours," or even in as many years. As a reply to the question, "How are you going to get the Douglas Proposals put into operation?" this idea of passing a Bill through Parliament, as the preliminary step, seems to me to show that the mechanism of modern democratic government in relation to modern financial technique has not been analysed with sufficient care. But, supposing such a Bill could be passed, is it seriously believed that "in three months the Douglas technicians could have the scheme in operation"?

The truth of the matter is, of course, that in three days a democratic Government that passed such a Bill would find itself bankrupt, and its Douglas technicians helpless, unless it did what no elected, representative body can do. It would have to transform itself in less time than it takes to say "knife!" from a deliberative, constitutional assemblage, into an autocratic, extra-constitutional dictatorship.

It can be shown that a Parliamentary action-group cannot change itself into an effective action-group for dealing with a financial emergency along the lines of Social Credit.

If the Douglas Social Credit Association in Australia is proposing to introduce Social Credit by means of a Bill presented to Parliament backed by the Popular Vote canalised *via* the polls, the Banking Combine can sit back and rest content.

Mr. Lang in the N.S.W. Parliament has shown what happens, but exactly *how* it happens.

Whereas, an "Equation Act" will certainly have to be made law (just as in this country some sort of "Economic Charter Act" will have to be placed on the statute book), that is not the first step that should be attempted.

Cromwell was forced to go to the country direct and to organise an extra-constitutional force outside Parliament, not because he was anti-democratic, but because Parliament lacked the power to deal with the King.

In our day, every democratic Parliament lacks the power to deal with the Bankers' Combine. Sir Otto Niemeyer's short and sharp ultimatum to the Australian Governments was one more proof of an obvious fact. How, after that demonstration, where the real power of government resides, anyone in Australia (or elsewhere) can still hope to use the democratic mechanism without first strengthening it in such a way as to make it effective seems to me, at any rate, strange.

Nothing effective can be done without a disciplined body using an unarmed military technique, outside of Parliament, and entirely free from all the accepted mechanism of democratic organisation.

Such a body is an *ad hoc* grouping to act as a whelming-point and to break through the debates,

delays and fatal hesitations inherent in the voting-system and in all Parliamentary procedure.

This *ad hoc* body will not cadge for votes—any more than Cromwell's Roundheads went vote-cadging—but will call forth a mandate direct from the people on a clearly stated fighting programme.

However distasteful this development may be (and I know what intense opposition the very idea can generate), such a body will form itself, inevitably, because the necessity of the moment is already calling for it.

*You do not put new wine into old bottles, and you will not be able to put the New Economics into the old democratic system.*

As an organisation for spreading the teaching of Social Credit, the D.S.C.A. appears to be astonishingly effective. I am quite sure we can learn a great deal from it in this respect. More power to its elbow!

As an organisation for implementing Social Credit, the D.S.C.A. will need very much more power to its elbow and not—voting power.

The Voting System is a counting system—the counting of Xes—and, as such, it is part and parcel of a phase of civilisation that has mistaken Numbers for Things, and Xes for Living People who need the Things.

In time we shall see whether the Kangaroo can jump.

## Drama.

### The Queen's Husband: Ambassadors.

As the United States never had a king of its own it is natural that American fairy-tales should run to kings; and also a happy inspiration, when the European monarchies are rapidly passing away, that the American dramatist should imagine a monarchial island to have risen out of the North Sea somewhere between Denmark and Scotland. The author of "The Queen's Husband," Mr. Robert E. Sherwood, although reputed to be an American satirist, is at first examination an American who has just heard how uneasy lies the head that wears a crown. At the flood tide of humanism, the philosophy according to which one may, in the absence of the truth, console one's self with something else, America discovers also the humanism of kings. The king of Mr. Sherwood's nameless country is rather like the Dauphin who didn't want to be a king. In fact, he very closely resembles the American business magnate, even the Babbitt, who did not want to be a business magnate, but longed for his youth back so that he might become a Don Juan or a buccaner.

King Eric the Eighth does not, it is acknowledged, sigh after such excitements. He is a simple soul, for whom Paradise would be one of those cafés in which business-men of all nations play draughts while business goes on by itself. King Eric the Eighth steals every moment of privacy to play draughts with Phipps, a servant difficult to describe. Phipps's official job is to announce the king's casual callers directly to his private study. In an ordinary play he would be called the butler, but in this play his function is, like the country, nameless.

Anyway, he plays draughts with the king, insists on the strict application of the rules, huffs or forces capture, invariably beats the king, and pockets something suspiciously like ten bob for each vicarious caller. His one doubtful omission, in present financial circumstances, was his failure to insist on payment in francs or dollars.

The nameless island, in spite of having had eight Eric's, has still one superiority over other European lands. It is apparently not yet in debt to America. Little by little, however, it is going to be. When

the Queen has departed for America to borrow—the strength of her personal force, not her country's credit, which is in a bad way—the Queen's husband behaves as the American business magnate whose wife has gone to Paris. With the reds almost on the doorstep, he recalls the famous legend of Plymouth Hoe by insisting on finishing his game of draughts. Later, almost as an afterthought, he converts his private study into a speak-easy. He does more.

His henpecking, commanding wife out of the way, he realises the fantasy of the slave-driven, nervously harassed American business-man by deciding to take charge of his own affairs. He studies the constitution, which seems to be a pretty long one. He sees the leader of the reds face to face for himself though he slay him. He dissolves Parliament, and generally, as Russians would say, liquidates his country's affairs. In the presence of this re-born King the returned queen, just like the American woman in the day-dream, smiles with a new charm, and submits herself to the new male. The queen's daughter, who also doesn't want to be a queen, and who weeps at the prospect of marrying a foreign prince for diplomacy's sake, is married by the new head of the State to her commoner-lover, to seek a home in less unhappier lands, and have babies and all that sort of thing, while her husband writes or paints or something of that sort. In short, King Eric the Eighth is to his children precisely as Babbitt was to his. So "The Queen's Husband" is situate in America where it was written. It is another version of the American Cinderella, now called King Eric the Eighth. It is the fantasy of the new male emergent from the old feminism and the only person I should suspect of knowing it to be this is the author. But I am far from sure even of him.

The play contains some delightful nonsense. The incongruities and transformations, a little Milnish sometimes because of the day-dream content, are saved by the more masculine qualities of the humour. A princess who wants to marry for love is a terrible handicap to any dramatist. The situation might at any moment become nauseating bathos. That it does not is a credit to all actors, producer, and author. Barry Jones's performance as the king is very fine indeed. That he should succeed so completely in the part while playing it practically as a straight lead is a tribute to extraordinarily good acting. There are also other excellent performances, those of Maurice Colbourne as the bridegroom provided by the diplomats, and Reginald Bach as the Prime Minister, being both especially good. Mr. Colbourne took his time over his somewhat long speeches, and by the aid of a princely poise of the back and broken English—always a good trick for a long speech—made the audience hang on his lips for every word. As the princess Barbara Wilcox steadily improved. In the first act she seemed to have no faith in the part. Later she gave the impression of complete sincerity and genuine emotion. Both Paul Gill and Stafford Hilliard, who played respectively the "Liberal" leader and the anarchist, are very good actors and craftsmen of the theatre. But why should it be presumed, even in the theatre of nonsense, that the Liberal leader would be a timid person of no dignity with shabby clothes, and the anarchist a person of twisted body and epileptic gait? The theatre ought to send a deputation to inspect the statues and masks of revolutionary figures, and compare them with the actual figures of kings and queens.

### For The Love of Mike: Saville.

The Saville Theatre, in Shaftesbury Avenue, has stood empty for some months since it was built. "For the Love of Mike" is its first production. It is a very beautiful theatre indeed, built as Mr. A. J. Penty says of the buildings of the Middle Ages: As if the builder had never considered the question of



recovering the cost. It is a pleasure to open the beautiful heavy doors. The carpets bring the theatre into competition with the cinema. The lighting, strip and diffused, soothes both the eyes and the mind. The foyer and salon befit a palace. All that is left to be desired is the talkies. But the Saville is built to be a theatre, and may it remain a theatre.

"For the Love of Mike" is "a play with tunes," by H. F. Maltby, adapted by Clifford Grey. This description seems possibly a trifle inaccurate. Presumably when it left Mr. Maltby's hands it was just a play, without tunes, but with some of Mr. Maltby's biting satire, of which I always long for more, and the public invariably demands less. Probably Clifford Grey, Sonny Miller, Jack Waller, Joseph Tunbridge, Campbell Gullan, and Fred Leslie, in their various functions, have taken hold, as a kind of committee, of Mr. Maltby's play, to make it into something the public surely will like. The result is a mixed *hors d'œuvres* of a thriller, a musical comedy, a social satire, music-hall, revue, slapstick comedy, and everything else ever joined together in a theatre. Extraordinary things happen that almost make one rub one's eyes. The demure little thing who has signed a power of attorney in innocence of its implications, who has to be very shy before her boyish lover, suddenly kicks the back of her head or throws a toe over the upper circle rail. Peggy Cartwright does it beautifully, so why should one mind? Why should one mind anything? The committee has not destroyed Mr. Maltby's satire. They have converted it into nonsense. They have made sour grapes into sparkling wine. I have not laughed so much in a theatre for a long time as during the second act of "For the Love of Mike." The first and third acts are amusing. Often one laughs heartily and happily. But the second act, which should keep the play running, was not easily to be matched. From the moment when the detective and the burglar shook hands because they were wearing the same public-school tie, through the gaol-scene—effected by lighting—the enthusiasm with which the two staged "a room after a burglary," the documents in the air reminding one of a windy Bank Holiday on Hampstead Heath, and the Spanish dance, I acknowledge that I joined irresponsibly in the hilarity of the rest of the audience. "Mike," for love of whom such things are done, is Enid Michaelis, played by Peggy Cartwright above mentioned. The fun is provided largely by Bobbie Howes and Arthur Riscoe, who are the "rag" side of the social satire that was to be. Viola Tree, in spite of being occasionally dragged into the rag, stands by Mr. Maltby's original conception with a very fine performance. There is no chorus on the stage, but a male quartette performs "off," and the lyrics are unusually worth hearing in spite of their having, of course, no quality as songs. Well, there the mixture is, and audiences are going to laugh. But what does Mr. Maltby think of the methods by which at last he is to be "put over"?

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## The Films.

### Hobson's Choice: Pavilion.

Incredible as it may seem, British film producers are at last beginning to discover England, to go outside their studios, and to realise that this country is rather more than an assemblage of drawing rooms and baronial halls. "Hindle Wakes" trod on the heels of "Up for the Cup," and now we have "Hobson's Choice," so that our three leading producing concerns have gone to Lancashire for a background. I am not altogether enamoured of this excessive preoccupation with the neighbourhood of Wigan, but it is infinitely better than preoccupation with Wimbledon; the British film is getting down to the people.

"Hobson's Choice" is an unpretentious entertainment that owes more to the theatre than to the screen, but it is a good, honest piece of work which contrives to be real, and is distinctly amusing. It is well acted, Viola Lyel, James Harcourt, and Frank Macrae demanding special notice. The direction is by Thomas Bentley, who made that very good picture, "Keepers of Youth"; that he has made such a sound job of this adaptation of Harold Brighouse's play is proof of versatility. "Hobson's Choice" will not be everybody's choice, and I have no intention of recommending it as such. But those who like fruity comedy might do worse than see a picture that marks a welcome departure from Elstree's ordinary routine.

### The Mystery of Marriage: Pavilion.

This picture is most disappointing. It was made by Mary Field, to whom is due so much of the credit for the really outstanding "Secrets of Nature" series, and falls very much below her standard. The film is a series of disjointed sequences, strung together without plan, and giving the impression of being a salad of left-over bits from "Secrets of Nature." Incidentally, it is not improved by the announcer's dreadful attempts at humour; our producers can safely leave wisecracks to Hollywood. Miss Field has done such excellent work that I trust her next long picture will be worthier of her.

### This Week's Films.

Regal—"Reaching for the Moon," Douglas Fairbanks' latest—in modern costume—Constance Tussaud's—"Born to Love," with Romeo Bennett, and Buster Keaton's "Pyjamas" make up a programme in which widely differing types of film fans should find something to their liking.

Stoll—"Born to Love," Evelyn Laye's first talkie, "One Heavenly Night," and "Winter, one of Disney's superb Silly Symphonies—another menu with dishes for all tastes.

Empire—"A Free Soul," that excellent picture of which the stars are Lionel Barrymore, Clark Gable, and Norma Shearer, enters on its second week. It is pleasing to be able to record a box office success for a film that really deserves it.

Academy—This is the best programme in London. "Vaudeville," the film that made Jannings' international reputation, is being shown, together with Victor Turin's "Turksib." The contrast between the technique of these pictures, one German and the other Russian, is an education in itself. Next week the Academy is showing another Russian film, Ilya Trauberg's "The Blue Express." This has until now been seen only privately in London, and has been banned by the British Board of Film Censors, but has been licensed for public exhibition by that more enlightened body, the London County Council, which also passed the Nurse Censor film "Dawn" after the late Chief Censor had vetoed it in deference to the then Foreign Secretary.

DAVID OCKHAM.

## News Notes.

LABOUR, CREDIT AND POLITICS IN 1922—AND IN 1931.—In the debate on the Address in the House of Commons (November or December, 1922), several members of the Labour Party (then in Opposition) made speeches significantly suggestive of Social-Credit inspiration—so suggestive that a series of extracts was published in *Credit Power* (December, 1922), the speakers quoted from being Mr. Walton Newbold, Major Atlee, Mr. Wheatley, Mr. Wallhead, Mr. Kirkwood, Mr. T. Johnston, Mr. Hardie, and Mr. Muir. MR. NEWBOLD, for instance, said: "I heard the most Gracious Speech from the Throne, and the reference that was made in it to Austria. I could have prophesied that you would have mentioned Austria in that speech. That was the voice of your master, the Bank of England. That was the voice of Baring Brothers. That was the voice of the Rothschilds. You have to have it this time, Gentlemen. That was the voice of Glyn, Mills, Currie and Company. His master's voice!" MR. WHEATLEY said: "Has it ever occurred to you that you have reduced wages in this country by £500,000,000 a year—by £10,000,000 a week—and that thereby you have cut off purchasing power to the extent of £500,000,000? Having done that, you have cut off a greater market than the whole of the European market, not only prior to the war, but in 1920. You have cut off at home a greater market than the one you are trying to set on its feet abroad. As people who pretend to be loyal citizens, should you not have more interest in putting Manchester, Glasgow, Birmingham, and London on their feet than Central Europe? The hon. member who moved the Address spoke about granting credits to Europe. . . . Why not give credits to the 50,000 who are on the banks of the Thames to-day demanding employment? Why not put them on their feet? Why not put Glasgow on its feet?" MR. WALLHEAD said: "Any of your orthodox economists will tell you that periods of unemployment come because of gluts in the market. And yet you talk of producing more, and all your economists tell you that increased production has brought unemployment in its train naturally as the outcome of the system you support. What is the use of talking that kind of stuff? That is not the way to deal with the matter at all. You have got to get down to other questions." MR. HARDIE said: "One would have thought . . . that, because we are not doing much trade with foreign countries that the farmer should not plough or sow . . . We have been talking about the building of more houses, but, from what I have heard on the other side of the House, one would think that you build houses with money instead of with stone and lime." MR. MUIR said: "We are asked to consider a loan to Austria. There is no question of a loan for the revival of Britain . . . We have reached a point now when the world's needs can be supplied in such a short space of time that there is no possibility of any permanent revival of trade . . . on the old lines—absolutely none. We are not going to tolerate it. If the markets of the world cannot be stimulated . . . we have a market at home of 45,000,000 people that we must cater for." It was stated in *Credit Power* that the above speeches were excluded from the Parliamentary Reports of *The Times*, *The Morning Post*, and *The Manchester Guardian*, but appeared in *The Daily Telegraph*. This was about eighteen months before Labour took office (for the first time), as a minority Government, and therefore liable to be defeated at once if its legislation were tainted with financial heresy. It is to be noted that Mr. Wheatley was given a post in the Administration—but one in which he could not do much harm; besides which the key post in the Cabinet was allotted to the "Bankers' Minister," Mr. Snowden. As is now becoming generally recognised, the supreme arbiter of financial policy was the Federal Reserve Board of the United States. Mr. Benjamin Strong controlled Mr. Montagu Norman, who controlled Mr. Snowden, who controlled the Cabinet, who, collectively, controlled Mr. Wheatley. That was the line of interior control. There was a line of exterior control consisting in Mr. Montagu Norman's power to shape the policy of the British joint-stock banks, who had the power to "upset the whole system of Government finance" at short notice if the Government departed from what was regarded by them as "sound principles" of finance. A third control lay in the fact that there existed a numerically superior Opposition in the House, which made it possible for an offending Government to be dismissed and replaced without being able to bring the

occasion of its dismissal before the electorate. The actual exercise of these powers of control was rendered largely superfluous, and their existence hidden, by the ignorance of Ministers and Members of all Parties on the question of credit-finance—an ignorance which led them to do voluntarily what the bankers "advised" them to do through the medium of the Treasury. Even to-day this ignorance persists, and in the case of two "National" Ministers—Mr. MacDonald and Mr. J. H. Thomas—has been virtually boasted about. Outside Parliament there are the Press organs, who, as commercial undertakings, are liable to have the "whole fabric" of their own finance "upset" if they depart from orthodox financial teaching—a fact which they probably do not realise, for they share the general ignorance, and are incapable of appreciating any alternative to existing financial policy. This general ignorance is the product of universal miseducation from childhood. Gilbert's lines are out of date. Every little child born into the world alive is born a bee in the bankers' hive. At school, almost before they have grasped the elements of reading, writing, and arithmetic, they have already become *practising investors*. Teachers, willy nilly, have to adopt the Squeers curriculum; only instead of requiring the youngsters to spell "winder," and telling them to go and clean it, they have to tell them to "Spell 'thrift'" and then sell them Savings Certificates. If we ran the N.U.T. we would quickly call teachers off all such participation in the bankers' ramp. That Union would soon be up in arms if teachers were required to tell the children to drink Bass or Worthington: yet banking is a private institution just the same as brewing, and the only difference between the two cases is that, whereas drinking feeds brewers' profits, thrift feeds bankers' reserves. We have set down these facts and reflections, familiar enough to our regular readers, in the hope that a wider number of responsible people who are out for real progress will realise clearly what the obstacles are, and will concentrate all their thought on practical ways and means of overcoming them. Whatever these are, they must be something other than aasting a vote for any official Party programme. There may be an odd candidate here and there to whom it may seem desirable to give a vote—and the more "odd," the more worthy of a vote he is likely to be—but, for the rest, the duty of elector is to abstain from the pools. By doing so he discredits both official policies, and by the same measure calls for a third which shall supersede them. To abstain from voting is to vote constructively. No crosses for double-crossers.

LT.-COM. KENWORTHY ON BANKS' USURPATION OF POLITICAL POWER.—LT.-COM. Kenworthy contributes a useful article to the *New Leader* of October 9. It is entitled "Nationalisation Is Not Enough," and its text is an analysis of the *real* politics which have shaped the course of Parliamentary politics in the past and particularly during the period leading up to the resignation of the late Government. Against this background he is able to point out to Socialists that if they nationalise the Bank of England, they will get "a public utility, on the lines of the Port of London Authority," and they will "hardly be a step further forward." "We should only have changed masters." Similarly the Socialists might bring all economic enterprise under public control, and yet still be faced with the present difficulties, "unless we know what to do with the *real* power that will then lie ready to our hands." (Author's italics.) Speaking of bank control of policy he says: "On a memorable occasion the present Governor of the Bank was asked the relationship of the Court of Directors to the Treasury. He replied that they were the relations of Tweedledum and Tweedledee." He states that the Governor and Directors of the Bank are in practice elected by and responsible to the great Merchant Banks, issuing houses and international financiers of the City, "as opposed, be it noted, to the six great Joint Stock Banks, more concerned with domestic business." On one occasion a "Cabinet of the King's Ministers" was kept waiting two hours "while the Directors of the Bank of England telephoned to the New York financiers to see whether they approved of the head-ings of a British Finance Bill!" "On the technical aspect of public control of the money system he says: "The most obvious need is a managed currency, keeping prices stable and increasing consumption step by step with the advance in production. There is no question of inflation or deflation. If credits can be created for private enterprise, so can they be for the public good." Readers will see that this concept of a going credit concern is open to criticism, but since Mr. Kenworthy's main emphasis is on the existing politics of finance, and his article presumably inspired by consideration of Socialist strategy during the coming electoral campaign, there is no object in discussing the matter. The article as a whole is worth reading because the author speaks with



some measure of responsibility in the Party and what he says will undoubtedly enlighten Socialists about the nature and dimensions of the forces which will have to be overcome by them—or, for that matter, by any other body intent on establishing a sound financial policy.

**"BANKSTERS."**—We see that the first two sentences of our "News Notes" of September 24, in which we suggested the use of the appellation "banksters" in public controversy, have been reproduced verbatim by a note-writer in the *World's Press News* of October 1, who, however, ascribes the authorship to the "Freethinker." Who has granted Fleet Street leave to presume the death of THE NEW AGE, we wonder?

**THREE-MONTHS TREASURY BILLS.**—A correspondent calls attention to the fact that there are £500 millions 3-months Treasury Bills out; and that the average interest on the weekly allotments went up from £1.18 per cent. on July 3 to £5 12s. 8d. per cent. on September 25. It is heartening to know that although we have had a bad tumble off gold we have landed on our feet—or the City has; which, of course, is the same thing. Here's a point, by the way, for hecklers to use at public meetings, when "equality of sacrifice" crops up.

**BANKING AND PUBLIC LIFE.**—Mr. Cocks, Mr. Owen, and Mr. Oliver Baldwin have the following resolution tabled: "That in the opinion of this House the influence of organised banking and financial interests upon Governmental action has increased, is increasing, and ought to be diminished." This is modelled on Dunning's Resolution in 1780 apropos of the power of the Crown, to which Mr. Kirkbride referred in an article in this journal on February 21, 1924, with the suggestion that, for Crown, the "Joint Stock Banks" should be substituted. We suppose seven years is fairly quick time to get an idea taken up, as political mentality goes in this generation.

**THE TAX ON PENSIONS.**—A pensioned Army Officer has received the following from the Paymaster-General's Office, Whitehall, as a printed letter. "Vouchers [for drawing pensions] for December, 1931, and March, 1932, will be issued to you without application as soon as your Income Tax liability for the current year has been notified to this Office by the Chief Inspector of Taxes (Departmental Claims Branch)." It will be interesting to see whether the tax is knocked off the voucher when issued.

**THE MENACE TO BANK CLERKS.**—The shooting of Mr. Bryant, of Barclays Bank, last week at Bromley should make the Bank Officers' Guild look alive. Previous casualties have been as follows: Mr. Hall killed (Lloyds: Bordon), 1924; Mr. Abbey killed (Lloyds: Ferryhill), 1928; Mr. Donald killed (Clydesdale Bank, at Clydesdale), last August; Mr. Cooper attacked at Hayes End, Middlesex. In all these cases, to the best of our recollection, the armed intruder refrained from violence until he was attacked. The Big Five should be required at once to issue public notice that their servants are expected not to risk their persons in protection of currency. If the thief gets away with a few thousands, what does it matter? Notes cost nothing to replace; and the Bank of England should be laid under the obligation to replace them if they are not subsequently recovered. The Press assurances, in their reports of the Bromley outrage, that "no money was taken," nauseated us. Again; it is open to question whether the thieves would have carried firearms had it not been for the publicity given to the banks' policy of arming their clerks and promoting revolver practices. (Readers will remember the case of the young fellow who was accidentally shot in a bank when examining a revolver.) The capture of the thief would be an easier matter if he were allowed to go unmolested—for dead clerks cannot give descriptions to the police! And the capture of the thief is the only matter of public interest. The recovery of the money, ironically enough, is actually against the public interest from the economic point of view. If the money is not recovered there is a tiny little instalment of inflation—that is all.

**BARTERING PICTURES.**—The Artists' Club in Stockholm is trying to do without money, and to persuade people to take works of art in return for things that they sell, or for the services that they render. Premises have been taken in a main thoroughfare, and there professional men, business men, tradesmen, anyone who supplies the sort of things that artists, like other human beings, must have, may go and choose payment in works of art. The experiment is said to have already been carried out with some success in Copenhagen. (See *The Times*, October 7, p. 15, leading article.)

## Street Talk on Social Credit.

[Speaker, after an analysis of the situation proceeds, amidst interjections from the crowd.—]

And so the Government will have to do things never done before to get all these goods into our hands.

What?

The first is to give us the money to buy them.

Where will they get it from?

Order it to be printed.

But you can't get money that way?

Yes you can. It's always been got that way. There is no other way of getting it.

But—giving it away!

Yes. Giving. The cost to the Government will be cost of printing—say 1d. for every pound note.

Sez you!

Yes, I say it—and so does Lord Justice Scrutton.

But this is inflation.

Never mind about inflation yet. Get straight first about the money at the Government end. The Government can buy one-pound notes for a penny each and can use them to raise the dole, or our wages, or to run the social services—

or all three together. For £200,000 we can get £48 millions of notes—more than £1 each for every man, woman, and child in the country—and set them circulating round.

But how can you share up —

Never mind about the "how." Get this one thing fixed. The Government can get as much money as they want for practically nothing. When they get it, it's theirs. And what's theirs is ours. And when they give it to us they give us what's our own.

But that's giving us something for nothing.

Isn't it. It's giving us scraps of paper costing nothing —

But we can buy something with them.

Yes, and who makes the something we buy? Isn't it all of us? Well, what it comes to is that the Government gives us the right to buy what we have made. Socialists tell us that we have a right to enjoy the fruits of our labour.

Look at —

I thought so. Germany—and Russia!

Yes.

Did either of those Governments give new money to the people? No; all of it was lent to manufacturers and traders and was counted in the costs of production—and the faster it was printed the faster prices rose.

Profiteering!

No doubt there was some, but the point is that without any profits at all the prices would have been bound to rise because the rising loans kept on increasing costs. There's all the difference between raising prices because you can and because you must.

That's wrong. The capitalist is out to make all he can get, whatever the cost.

Right. But the difference is that if his costs are low you can't get him to charge a low price, but if they are low you can.

I'd like to see it. Low costs don't bring his prices down; they drive up his share-values.

Quite so. And the reason is that the consumer hasn't any power to get his prices down.

That's my point. If you give money to the consumer, the capitalist will get it out of him. It's always happened when more money is about.

Right. But the Government are going to do something else besides giving money; they are going to persuade the capitalist to lower his price at the same time as they print the new money about.

How?

Well, there won't be any new money unless he does.

What'll he care?

He'll care a good deal if it comes to a question whether he gets some millions more revenue per week by listening to the Government, or whether he goes without it.

What'll the Government tell him?

The Government will remind him that a large part of his total cost is fixed, and he would have to pay it whether he made fifty articles or a hundred. If he is already making 50 but is able to make 100, the extra total cost of the extra 50 will be only a fraction of the total cost of the first 50.

Government's proposition to him will be: "Would you like to make another 50 if we provide your customers with

enough extra money to buy them at a profit to yourself? Or would you prefer to go on making the old quantity for the profit you are making now —?

If any!

Quite so: If any. Now, say that a manufacturer's fixed charges are £50; and materials and wages £25 each; and he makes 100 articles. His total cost is £100. Add 20 per cent. profit, and the price is £120, or 24s. per article. If now he makes 200 articles, his overhead will remain at £50, materials and wages will be £50 each, giving a total of £150. Add 20 per cent. profit, and the price is £180, or 18s. per article. Even as things are now he would double his output if he could rely on selling it; for his profit would rise from £20 to £30. The reason why he doesn't is because he would have to collect £180 altogether, whereas there is only £120 in his customers' pockets—i.e., £60 short. Guarantee to him that if he doubles his output and offers the articles at 18s. instead of 24s. the £60 will be provided, and he would do it. What's to stop him? Very well; the Government will offer him that guarantee, and will make it good with the new money that we have been discussing. The figures can be multiplied by millions and applied to the whole industrial system. The Government's policy would be to help industry to sell as much as it can make instead of leaving it to make only so much as it can sell. Get that change going, and you can say good-bye to poverty once for all. I've shown you some examples of what inventions have done for speeding up production. The money! That's the shadow. The substance is getting the things—and the things are there to be got all right: don't you worry. —A. B.

## A.B.C.

1. Wealth is goods, not money.
2. As a result of the Industrial Revolution there need now be no shortage of any of the goods we want. Machinery, rapid communications, modern organisation, etc., have made it possible to abolish poverty altogether.
3. It is ridiculous to talk of over-production whilst there are still people who want goods. What is wrong with the world is under-consumption.
4. The link between production (i.e., industry as a whole) and consumption (i.e., the wants of all of us) is money.
5. Money is merely a device for transferring the goods which are there to the people who want them. In quantity it should be an exact reflection of the prices of consumable goods (i.e., the goods we all want to buy) on sale at any given time. In other words, money should be subordinate to the productive capacity of industry and the wants of the consumer. As matters stand, industry and the consumer are subordinate to money.
6. Nearly all the money in circulation to-day is "credit," i.e., cheque money. This credit is created by the banks out of nothing, and comes into existence as loans or overdrafts to industry. The banks control absolutely:
  - (a) The amount of money in existence.
  - (b) To whom it shall be issued.
  - (c) For how long it shall be issued.
  - (d) Its recall and cancellation.
7. By this control of money the banks have absolute power in principle over industry, the political government (which is always in debt to the Bank of England), and the lives of the whole community.
8. As a result of the banks' method of issuing and recalling credit there is never sufficient money in circulation to meet the prices of consumable goods on sale. The situation is similar to that of a community whose total incomes are £100 whilst the total prices of goods available at the same moment is £250.
9. Because there is always a surplus of goods (i.e., £150 worth in above example) which cannot be sold within any modern industrialised community we have:—
  - Unemployment, i.e., an attempt to reduce the surplus by reducing the output of industry.
  - "Economy," i.e., an attempt to reduce prices of goods, regardless of the fact that incomes are correspondingly reduced.
  - Struggles for foreign markets in which to sell the surplus, with the consequent grave danger of war.
10. Major Douglas's social credit proposals would make total prices equal to total incomes. The process is automatic and depends entirely on the total production and consumption of goods over a given period.
11. His proposals do not involve any sacrifice from anybody. They would abolish poverty without taking anything from the rich. The only change would be that the banks would lose their power to decide national and international policy. For this reason the banks do all they can to suppress the Social Credit proposals. They have never attempted to refute their technical accuracy. —K. M.

## A "RELIEF" CURRENCY.

[The following suggestion was put up to one of our readers by someone not a Social Credit advocate. We print it to show how the instinct of interference with bankers' policy is fermenting among the public. The scheme is all right so far as it goes, but the fundamental objection to these special applications of the Social Credit principle is that they are no more likely to be allowed than schemes of wider scope.—ED.]

This scheme suggests the issue of a measured quantity of a special industrial currency of low denomination for the maintenance of the popular standard of life from the resources within the country. The new special currency would come into use by being paid out as a fixed proportion of poor relief and "dole"—as an alternative to cutting such assistance. It would also be issued to State employees, teachers, etc., to represent the proportion, say, 10 per cent., of their pay otherwise proposed to be cut. There would be no limit to its circulation except that it would be legal tender only for specified and defined staples—necessities in food and clothing (and perhaps house rent) and for, say, 10 per cent. of wages and other internal payments. The banks, and finally a special bank, would be required to accept it at its nominal value from registered industrialists, farmers, and food and clothing producers who could show that goods representing ten times its value in wages costs had been sold by them. The producers would in fact dispose of this currency to their employees in part wages and so send it round again. The amount of the new currency in circulation would be balanced against a proportion of the actual value at current prices of the goods being placed on the market within specified periods by the list of registered producers. Many of the restrictions proposed would be unnecessary from a Social Credit point of view; but they might help to safeguard and commend the scheme at the present time and to make clear to the public exactly what the new money was doing in maintaining a standard of life and promoting the home production and consumption of necessities.

## LETTERS TO THE EDITOR.

### AN EMERGENCY PROPOSAL.

Sir,—I read with interest the article, "The Crisis," page 273, and with reference to the idea of a discount voucher, I submit the following proposal which was published in a local newspaper and produced the usual crop of irrelevances.

A Bill for the restoration of prosperity: Clause 1: Prices shall be fixed at the price ruling on the day preceding the coming into operation of this act. These prices shall remain fixed for all time coming. They shall not be increased, decreased, or otherwise altered. Clause 2: Every buyer may claim, and every seller shall grant a credit note representing one half of the price paid for the article bought. This credit note shall be made out on a form supplied by H.M. Stationery Department, and shall be in the form of a cheque drawn on the Bank of England and signed by the Chancellor of the Exchequer, as the accredited representative of the Government. The buyer, on paying this cheque into his banking account will receive credit for a like amount.

This cheque will automatically be presented to the Bank of England through the London Clearing House. The Bank of England will advise the Government at close of business each day, and the Government will liquidate the debt by depositing freshly created Prosperity notes, which would rank pari passu with the obsolescing Treasury notes and the private bank notes.

This, of course, is a policy of inflation and, under normal circumstances, would result in an increase in prices, but this result could not obtain because of the operation of Clause 1.

I do not put this proposal forward as Douglasism, but it has been suggested to me on account of my study of the Social Credit theory, which insists that our troubles arise owing to the fact that the amount of purchasing power never bursed in the process of production and distribution never amounts to more than half the selling price of the goods produced.

The total quantity of purchasing power in the world at this precise moment does not exceed half the total selling prices of goods offered for sale. —ACCOUNTANT.

### TO READERS IN DEWSBURY AND BATLEY.

Sir,—Will any reader of THE NEW AGE in the Dewsbury and Batley area in Yorkshire communicate with the address below as it is desired to form a small group in that district. —J. H. BROWN.

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