INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND

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NOTES OF THE WEEK.

Sir Stafford Cripps on Labour Policy.

Money has been well defined, in one of its aspects, as a Right of Action. And in the field of modern economics it is the only right of action. Since all money, in all the heads are in all its forms, is created by the banks, the banks are the creators of all rights of action. And since this thoney is issued invariably as loans at their discretion they are the supreme and exclusive controllers of the from a bank repays a loan he renounces a right of action.

Relation Relations and exclusive controllers of the from a bank repays a loan he renounces a right of action.

Relation Relations of Mr. Mcaction. Relating this truth to the dictum of Mr. Mc-kenna that bank-loans create deposits and that the re-payment of payment of such loans destroys deposits, the rights of action renounced by borrowers in their repayments do hot accrue to anyone else in the economic field, but revert to the banks and are destroyed. Orthodox economists affirm, and correctly, that economic processes are continuous, which implies that the banks are always on the continuous of are continuous, which implies that the calling is issuing new loans concurrently with the calling is calling in of old ones—and generally to the same amount. This would mean that the rights of action exercisable by members of the community are constant in their and their states of the community are constant in their states of the community are constant in their states of the community are constant. their collective amount. This would mean, in turn, that rights of action surrendered in repayments of old pans are revived in the issue of new loans, and that here is no surrender of such rights in the aggregate.

But the import of this conclusion is not what it appears to be. The snag lies in the implication of the word would aggregate" as applied to these rights. There a borrower's ense in adding them all up if whenever a borrower's right of action were destroyed the corresponding right of action were destroyed the corresponding to sponding revived right of action were either reposed in in him, or in some other borrower whose exercise lit were. t were conducive to their common interests. But this not the case. Borrowers' interests conflict as often they coincide. Borrowers' interests connect connections of the connection of the con owers proceeds side by side with economic competion between borrowers. There are positive and negaexercises of rights of action; and if they are all added together the practical import of their aggregation is most five the practical into their sum. A measured by their difference, not their sum. A

rate of progress. If you have ever watched a drunk man walking up a descending escalator you have seen for yourself that his right of action, and his exercise of it, did not represent, in his rate of progress, the sum of the two rates of movement-he might even be travelling backwards while moving forwards!

In economic competition certain particular rights of action are always in process of over-ruling other particular rights of action, as when, for example, the right to generate electricity succeeds in limiting the right to manufacture gas. This competition between producers has been held to make for progress, and has in fact done so if, by progress, we mean the supersession of less efficient methods by more efficient. That would be industrial efficiency, expressing itself in the greater capacity of production. Progress, however, does not depend alone on industrial efficiency, but on economic efficiency, which, were it achieved, would express itself in a capacity of consumption outside industry counterbalancing the capacity of production inside, and timed to coincide with the completion of the products.

Orthodox economists do not make this distinction. They assume that industrial efficiency fulfils the conditions for economic efficiency-that the speeding up of production generates an equivalent speeding up of consumption. Their assumption proceeds from the fallacy of arguing from the particular to the general. It is true, and has been experimentally ascertained, that if, in a particular section of the economic field, an increase in industrial efficiency is achieved, it can be accompanied by an increase in economic efficiency in that section. But it is not true that a simultaneous increase in industrial efficiency in all sections together will therefore generate a corresponding increase towards economic efficiency throughout the whole area. The reason is that in the case of the one section the raising of the people's capacity to consume products is derived from the lowering of other people's capacity to consume products elsewhere. It arises from the fact that the money circulating in the sectional area is supplemented by the bankers in that area in the process of financing exports the of action in the economic field should measure a of similar products. Therefore, taking the bankers of of products into other areas. But the bankers in those

all the areas together, they divert money—rights of action—away from the areas of the lower industrial efficiency to the area of the highest industrial efficiency.

Most people would say that this was the right thing to do. But how do the bankers estimate industrial efficiency? They do so by reference to industrial costs of production. The lower the costs the greater the industrial efficiency. The apotheosis of industrial efficiency would be reached when there were no costs at all. But in any given industrial area the capacity of the population to consume products depends upon money expended by industry. No costs, no consuming capacity. And, from the producers' point of view: No costs, no home market. Thus, in that given area, industrial efficiency, far from generating economic efficiency, destroys it. And if that is so in one area it is so in every other area considered separately. And it obviously would be so if all the areas were merged into one.

Now a watchful critic could attack this reasoning, pointing out that insofar as costs in a closed area can be scaled down, so can prices, and that therefore there is no essential conflict between industrial and economic efficiency. That would be true in a case where, within one and the same period of time, (a) a loan remained in circulation, (b) the whole of it were distributed as wages, salaries and profits, and (c) the whole of the products made by the use of the loan were put on the consumption market. Thus if a bank lends "A fio on Monday, repayable on Saturday, and "A" hires nine people at fi each, payable on Saturday, and the ten of them go out and cut wood (which they get for nothing) and make ten toy boats, and finish them by Saturday, then, on Saturday, the ten of them can get a boat each for £1 each, the bank can get its £10 back and cancel it. Here the total loan equals the total cost which equals the total income, which, when spent on the boats, extinguishes the total boat-cost and thereupon the total bank-loan. In other words, the right of productive action has endured long enough to be transformed in its entirety into the right of distributive action, the exercise of which has transferred the whole "industrial production" into the personal possession of "consumers."

But nothing even remotely resembling this synchronisation takes place in modern industry. Of the three essential conditions "a," "b" and "c" enumerated in this hypothetical example, at least one (and in most cases all of them) is manifestly not observed. For example, a bank-loan repayable in, say, three months, may enter into a programme of manufacture which cannot issue in consumable form for several years. Again, there is no instance where the total costs of production are counterbalanced by concurrent payments of incomes to persons. Lastly, there is no instance where incomes paid to persons during a manufacturing process can be saved in their entirety until the end of the process. Whatever particular conclusions may be drawn from these facts, one general conclusion is plain; namely, that they do challenge the assumption of orthodox economists that if you take care of production, consumption will take care of itself. The conditions under which, as shown, this could be true are in such violent contrast to the conditions prevailing to-day that anyone who maintains that it is true will incur, in the opinion of thoughtful observers, the responsibility of proving it.

Economic efficiency, as defined, depends upon the operation of the principle of synchronisation. It does not depend on the application illustrated in the example: nor should it: nor is it necessary that it should. Nobody wishes to go back to primitive methods of production in order to equate consumption with production. That being so the principle of synchronisation must be applied in a different way. For instance, it is impossible to-day for the recipient of wages to spend

them on the products which he is simultaneously making (as was the case in the above example). Other instances will occur to the reader. Thus the structure and organisation of modern production are seen to involve dis-synchronisation. Having agreed that we do not want to destroy these features (involved in which is the enormous productive capacity of industry) economic efficiency must be sought in a principle of re-synchronisation that can be brought into action to correct the earlier dis-synchronisation. Well, it has been sought, and found: and is open for inspection and verification in the writings by Major Douglas and his followers.

Students of Major Douglas's analysis of orthodox loan-accountancy will endorse our statement that one of its effects is to retard existing industrial activities (by the retirement of outstanding loans) and that another is other is to accelerate new industrial activities (by the issue of new loans). They will further support us when Taking that either can be, and often is, mischievous. Taking both together we say that the net effect of the two operations is that existing rights of productive action are withdrawn just at the point where they would have been troops have been transformed into rights of distributive action, and that new rights of productive action are foisted on the community as a quid pro quo for their surrendered rights of distributions. rights of distributive action. In a phrase, the bankers are constantly ploughing economic efficiency into industrial efficiency.

A rough outline of the process can be based on the toy-boat illustration. Suppose that the banker called upon "A" to return the £10 on Wednesday when the boats were only half-made; and that at the same time he lent £10 to "B" to buy the unfinished boats from he lent £10 to "B" to buy the unfinished boats from "A." This, of course, would not affect the economic efficiency of the little community provided that went on with the work and got the boats finished and distributed. But suppose that the banker's reason for transferring "A's" existing right of action to to was that he, the banker, did not want the boats finished, but wanted "B" to exercise his new right action on turning the half-made boats into something action on turning the half-made boats into something action on use to the community any way—then on (b) was of no use to the community any way—then had to spend their money, all they would get would be a little sawdust.

We maintain that this is a true picture of what is half pening throughout industry to-day. Masters and men alike are subtly induced and coerced into exchanging rights to eat for rights to work. During the war rights freely conferred rights of action on farmers to be exercised on the home-production of food. as the war was over they withdrew those rights and conferred them on farmers overseas.

points out, as he can, that normally the bankers is a new loan for every old one they retire, he is far short of proving that they are assisting the community of ductive effort, it is accompanied by discontinuity of ductive effort. The old loans bring goods up to counter, so to speak, but are retired before for push them across the counter. "New loans for New loans for the express purpose of burning wheat loans for the express pu

lisers. "We will convert our war-plant to peace-purposes" was the cry. Yes, and what did this conversion amount to? The restriction of output to square with what the bankers chose to prescribe as "peace-requirements." They withdrew rights of action for war-production but did not issue equivalent rights of action for peace-production. Conversion assumed the form of "Rationalisation"—a process of intercepting distribution by scrapping the means of production.

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So much for the industrial aspect of the situation. Next, consider the political aspect. Industrial policies are immediately imposed by the Government. Now whereas a Government's right of action is derived from the will of the people (or, the will of the "landlord-class" or the "capitalist class" if one likes to consider it so) that Government's exercise of the right depends upon its access to money. The power of action residing in a Government is leased from the bankers, who are the freeholders of that power. The lease is a short-term one, and is renewable at the bankers' option and on the bankers' conditions. There is no appeal. Either the Government exercises its leased power conformably with the bankers' policy, or the lease is transferred to Government. And that group accepts office under Government makes no difference to its financial dependence on the bankers' favour. It can call itself "democratic" or "autocratic"—it can legislate with or without the check of Parliamentary debates—but it cannot ignore the master-check of the Money Monopoly.

Now there are two classes of legislation open to a Government, the one directed to regulate the conduct of the conduct to the conduct to the conduct to the conduct to the conduct the conduct to the conduct to the conduct to the conduct the conduc of the subjects of the Crown, and the other directed to revise and reform its own design and structure as an execution. executive instrument. It is about the second that we wish wish to talk, because at the present moment a considerable are able amount of attention in the Labour Party is being focused at the contract of attention in the Labour Party is being ocussed on the House of Lords. Sir Stafford Cripps has been delivering himself* of dark hints as to the obstituction struction which the Upper House will offer to the policy of the of the next Labour Government, together with militant musings on what the new Government may do about it. The substance of his speeches amounts to the statement that the results of his speeches amounts to the statement that the results of the results of the results of the statement that the results of that the Labour Government will not tolerate any limitathe Labour Government will not tolerate any milition of its right of action, as conferred upon it by the popular vote (for he postulates a Labour majority at the polls), nor upon its exercise of that right. In other words he is saying the he is saying that if the House of Lords is prevented from interfering that if the House of Lords is prevented from interfering, the Labour Government will be free to interpret, the Labour Government will be free to interpret and exercise its right of action as it chooses. Either, then, he believes that the Labour Government can ignormal, he believes that the Labour Hat they will apcan ignore the bankers, or he believes that they will approve its the bankers, or he believes that they will approve its the bankers. prove its policy. We can dismiss the first supposition, there there are ex-Ministers of the last Labour Governthen the second who know what the bankers' power is. Accepting the second of Labour second, Sir Stafford Cripps's picture of Labour cond, Sir Stafford Cripps's picture of the Lords—and by tastic results opposition of the Lords—and by facility enough, means if necessary—looks feasible enough, ause if the bankers approve the Labour policy the abour Government's quarrel will also be the bankers' quarrel in the Government is uarrel will also be the parameter in which case the victory of the Government is which case the victory of the Government is a counts, Moreover, the bankers, on their own accounts, long had ideas for reforming the Upper House, and ould not be sorry to see a Labour Government make on that I would enable them to on that House, because it would enable them to troduce the reforms they wanted into the final peace-

Ah Cripps! could you and I with Dubb conspire
Would not we shatter it to bits—and then
Re-mould it nearer to the Banks' Desire!

Sir Stafford Cripps has explained to an interviewer chronicle, August 31) that he is not aiming at the policy of a Socialist Government." By Sir Stafford (Gollancz, 5s.)

a Socialist dictatorship, but at preventing other dictatorships, whether imposed by Communists or Fascists. His idea seems to be that a representative Government should be in a position to implement its mandate without any checks or delays other than those inherent in the procedure of the House of Commons. It is based on the proposition that the checks and delays existing at present are the root cause of the growing popular tolerance of the idea of dictatorship connoting the prompt implementation of policy. This is true up to point; but the whole truth resides in the fact that economic conditions are near the limit of human endurance. Naturally a population who are living within a week of the workhouse will want something done within a week; and if nobody but a dictator can do it in the time, well, let him do it. Sir Stafford Cripps says in effect that if legislation can be speeded up the menace of dictatorship will be eliminated. So it may in form; but the menace does not reside in the form, but in the substance. What he proposes will have the effect of aggravating every one of those infringements of personal rights and liberties summed up in Lord Hewart's phrase: "The New Despotism." Legislative speed is legislative lawlessness; Democracy in a hurry is Bureaucracy. And under existing financial arrangements every beaurocrat to a man is an agent of the Treasury, paid by the Treasury, and responsible to the Treasury. In short, he is a minor executive officer of the Bank of England. It is significant that all the emphasis in the Cripps Plan is on the clearance of decks for action (e.g., packing the Upper House with members of the Lower Orders, removing refractory judges, and things of that sort) and none on what the action is to be, and against whom or what it will be taken. Well, as we have already suggested, the Governor of the Bank of England is only too ready to assist in the deck-clearance. Last week he was in conclave with President Roosevelt, who is engaged in just such an operation. But before he saw Roosevelt he saw Harrison of the Federal Reserve Board; and there is little doubt that insofar as these gentlemen discussed ways and means of helping the President in his preparation for going into action, they devoted their main attention to picking him out an enemy to fire at.

Whether their plans will succeed in that country remains to be seen; for the American people are a dark horse in the sense that the bankers are never certain whether they will hold up a given policy or drive it too hard. One thing is certain, namely, that no political leaders in America are such natural allies of the bankers as is the Labour Party in this country. Both as regards Socialist ideology and Trade Union finance, this Party embodies the policy and technique of the bankers as no other can. Many years ago Mr. Orage said that Labour had no more right to pursue its economic interests in Parliament than had brewers. And to do the Party justice it seems to have acted on the reproof. For has any body of representatives done less for its clients than they? Conservatives and Liberals, Protectionists, and Free Traders, though paying lip-service to the doctrine that legislation should be for the common good, have hardly troubled to hide the fact that they were after something for the social castes and commercial classes which they represented. But the Labour Party, instead of pushing for working-class interests, have denounced " class legislation," and have acted consistently with that denunciation in all respects. They may answer that, never yet having commanded a majority in the House of Commons, they could not do anything effective. But this does not explain or excuse their attitude on policy, an attitude which makes it a certainty that if and when they ever get a majority, their legislation will be directed to preserving the worker's spiritual, not his economic, security. He is told that it is futile to strike, and wise to negotiate. Quite so; but he is not told that the reason is that the financial policy of the Trade Unions has been the cause of the futility, much less that that same policy has deprived the workers of the power to negotiate into

the bargain. The process has been that of collecting the workers' money—representing their "rights of direct action"—and delivering it over to the banks for cancellation. One of the earliest pamphlets issued by the Social Credit Movement was a reprint of an article entitled "Trade Union Finance," which was published in Public Weljare in December, 1921. In that article the writer (Mr. Brenton) said that everybody belonging to a Trade Union should make it his business to demand a full account of how his money was invested, and of how the Union stood with regard to the banks.

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"The need is imperative for a full and frank disclosure by the national leaders of all Trade Unions of the present financial position of their organisations. The Labour Movement ought to know to what extent its investments (savings) have been pledged with the money trust-in fact, to know which Trade Unions are solvent, and which insolvent. We do not raise this point with the view of indicting the leaders of the Trade Unions. In fact, let it be clearly understood beforehand that what they have done has been done under the compulsion of events. But any secrecy about the matter is not only futile; it is dangerous. It is futile because the real enemy knows all about it. It is dangerous because the rank and file, from whom all impulses to direct action arise, are kept in ignorance of facts which would tend to restrain them from hasty and immoderate courses."

This reasoning was underlined by an allusion to Mr. Frank Hodges' confession, made not long before, that the miners had started their last strike on an overdraft. That was when Mr. Hodges had begun to prophesy in terms of credit, an exercise which had not lasted long before the chariot of the International Miners' Federation bore him off to Theadneedle-street, like Elijah to heaven, except that he forgot to leave Cook his cloak.

Well, the warning was unheeded; and five years afterwards the Trade Union Movement went on strike in the dark and came off it in the same atmosphere, on a day appropriately called Black Friday. When Sir Stafford Cripps talks as if the Labour Movement had the power to negotiate with the King for the creation of Peers and other items in the High Political Circus, he is reckoning without the fact that the Trade Union Movement has no means of exercising pressure without assistance from the banks, and that their assistance will depend on guarantees that the Labour Government's policy will not transgress the principles of "sound finance."

In the Quarterly Report of the General Federation of Trade Unions, dated June 30, 1933, the Report of the Auditor (p. 13) reads as follows. Italics are ours.

"I have audited the Accounts of the General Federation of Trade Unions for the Quarter ended June 30, as herein contained.

" I have obtained all the information and explanations I have required.

"I have verified the balances on the Banking Accounts.

"I have not inspected the Deeds of the Properties as these are in the hands of the Federation's Solicitors, nor have I inspected the Mortgages, as these are held by the C.W.S. Bankers as collateral security for the overdraft on Current Account.

"I now report that in my opinion the said accounts are properly drawn up so as to exhibit a true and correct view of the state of the Federation's affairs.

"Herbert Sands,
"Chartered Accountant, Auditor."

During the quarter the "General Income" of the Federation derived from contributions amounted to £6,875 (shillings and pence omitted). The allocation of this sum was as follows:—

	£
Benefit paid out	303
Administrative expenses	1,145
Balance to Capital Account	5,428

Turning to the Balance Sheet we see that the Capital Account, which was £124,083 on March 31, has been increased by the above balance, and two others, on Property Revenue Account (£963) and Investment Income Account (£11) to £130,485.

In addition to this Liability is the Overdraft referred to, amounting to £120,321, which brings the total Liabilities (with a small item, Reserve for Dilapidations, £45) to £250,851.

The Assets are as follows.—	02.729
Land and Buildings	93,729
Investments	151,428
Mortgages	5,290
Sundry Debtors	1
Telephone Deposit	290
Cash at Bank or in hand	/
	£250,851
The Mortgages are as follows:—	1,428
Leyton Corporation	50,000
Liverpool Corporation	80,000
Mersey Docks and Harbour Board	20,000

Fylde Water Board

In none of the four Accounts mentioned can we find any record of the receipt of interest from the abovenant mortgagors; nor any record of the payment of interest on the overdeaft. on the overdraft. The "Investment Income Accounts shows only the shows only the interest on the froo (payable by the coperative Printing Society) operative Printing Society), namely, £11 55., whereas should show the interest should show the interest on the mortgages as well. Property Revenue Account shows Rents, £1,102, as stituting the whole I stituting the whole Income, and maintenance charge totalling £198 as the whole Expenditure. Even at oper cent. the interest crue Expenditure. per cent, the interest on sums like £150,000 and £12 would be something like £400 and £300 per quarter, no item in any of the Income and Expenditure Accounts large enough to include is large enough to include sums like this, leaving the fact that the nomenclature of all the items of enough to forbid such an assumption if it were other tenable. If the tenable. If the answer is that the inferest received the mortgagors is exactly equal to the interest the C.W.S. Bank, the omission to record either they cancelled they cancelled each other) would make no different the situation or different the situation or different the situation or different the situation of the situat the situation as disclosed by the Balance Sheet, should say it would make a difference to the which a member of the Federation would get distributed in the Federation's affairs." Perhaps be put right in the next Report. Anyhow, the matter of no consequence to us.

We want to emphasise something else. amount distributed to individuals (benefits, salore sees, commissions, etc.), does not exceed 17,200 (but show that he "Management Committee and Delegation account for £334—these expenses alone exceeding total benefits paid out by £31!), or a paltry 17, or the £6,875 contributed out of the members of the £6,875 contributed out of the members and deflation, has got even the insurance companies who those of the Federation you could take them to be those of the Federation you could take them to be of an ordinary Investment Trust, except that the tors in the latter usually get a dividend.

If the finance of Trade Unions generally is collidated to this (and we see no reason for supposing that not) the fighting power of Labour is reduced to taking a seat in the banker's armoured car and the gun off at the place he drives it to, and at the gun off at the place he drives it to, and at the lettle it to. The Federation owes in money half the total of its assets, and is liable to be called half the total of its assets, and is liable to he called half the total of its assets, and is liable to he called half the total of its assets in a hurry. Consider the Trade Union lectively as being in a similar position, relations clear that if they do not maintain friendly relations the banks their only means of raising money is

their assets to people who have money, that is, to "capitalists." Whatever money of their own the capitalists have got to spend (and it is not much) a forced sale means a bad price. Apart from that, why should the capitalists assist Labour to raise funds for enforcing an avowedly anti-capitalist policy? The Trade Unions' collective attempt to liquidate their assets would let them down to the level of paupers and the impotence of paupers. They are imprisoned by their investments, and the bankers hold the key. A militant national Labour campaign would be in the nature of a sortie, and its feasibility depends entirely on whether the bankers are willing to let the Labour forces out.

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The General Council of the Trades Union Congress has issued a Report on the attitude of Trade Unionism to Dictatorship. The Congress is to be asked to resolve that all dictatorships—even that of Socialism—are bad. The Times, in a leading article on the subject on September 1, says that the leaders of the Unions in Britain were greatly surprised and concerned at the tame in which their German brothers surrended to Hitler. They had reposed great faith in the integrity and fighting spirit of German Trade Unionists, and had regarded them as the chief bulwark of Trade Unionism on the Continent. They see in the loss of liberty in German Germany a menace to the liberty enjoyed in this country. The truth is that what has been lost in Germany is merely a formal liberty whose substance had been extinguished long previously by its trustees. When workers have been extinguished long previously by its trustees. workers here read about Hitler's confiscation of Trade Union funds they doubtless get a picture of Nazis breaking open Labour's strong rooms and pinching the workers' open Labour's strong rooms and pinching the workers' cash. Well, let any member of the Weavers' Amalgamated Association (which we notice is the argest contributory to the General Federation of Trade Unions) ask himself what exactly would be the effect on his condition and prospects supposing that Sir Oswald the Federal Shirts "confiscated" the property of the Federal And let him the Federation as we have analysed it. And let him ask first k further what precise benefit would accrue to the Dictator, from the "confiscation." For one thing, the Dictator the Dictator "from the "confiscation." For one C.W.S. Bank (the Would assume a liability to pay the C.W.S. Beank (that is to the joint-stock bank behind it) 120,000 in money. On the other hand, all the money he would find would be about £300. As for the other the other assets, he would be in exactly the same diffi-culty at assets, he would be in exactly the federation culty about liquidating them as would be the Federation itself if the I iself if the bank called for repayment. Looked at from this point this point of view Hitler has been duped by Schacht, as represent the point of view Hitler has been duped by Schacht, as represent the point of waking the representing banking interests, into making the erman taxpayers liable to discharge the liabilities of extinguished Trade Unions. Schacht must have known quite well that all that Hitler wanted was to and that Trade Union executives out of political power, and that it wanted to the purand that it would have been quite sufficient for the pur-pose to provide the purpose to provide a sufficient for the purpose that it would have been quite sufficient for the paying in contain an prohibiting Trade Unionists from paying in contain an executives from in contributions, or Trade Union executives from receiving them. workers would have insisted on their right to pay conthoutions—the only resentment would have come out of leader which made a living or a reputation of leader that way for the butions—the only resentment would have come from of leadership. It wasn't done that way for the simple reason that the Unions would all have gone bankrupt heir loans and the banks would have had to get back their loans. bankrupts' assets—a sale which, in the present condiloans as best they could out of the sale of the on of the German people would have produced a mere raction of their book value.

Hitler may be said to have "nationalised" the Trade he has increased his own dependence on the good-will of Labour Government applied the principle to capitalist pensated his country. It would acquire physical pensated the proprietors or not, it would certainly have

to take over their debts to the banks. Nothing has been heard recently of the "bankers' fleet" or of the ship-building, engineering, and other enterprises which they have reluctantly been nursing. Would it not suit their books nicely to dump that baby on the taxpayers' doorstep and at the same time translate their multitudinous private unsecured overdrafts into a block loan secured by the Government?

Mr. A. J. Cummings, one of the writers of "Notes of the Day" in the *News Chronicle*, commenting on Sir Stafford Cripps's speeches, says, (September 4):—

"No political party in power which is honestly desirous of improving economic and social conditions will have any difficulty in short-circuiting Government departments and speeding up executive action within the framework and spirit of the Constitution." (Our italics.)

In other words, any political or juridical obstacles can be surmounted so long as the Government's legislation is conformable with the technique and policy of High Finance. That technique and policy can be described in the phrase: Costing for Abstinence. After what we have been saying about Trade Union Finance there is no room for doubt that the "framework and spirit" of Trade-Union leadership outside Parliament and Labour representation inside, are exactly attuned in both respects to the "Constitution." The fact stares out of the Accounts of the General Federation of Trade Unions. The Secretary, Mr. W. A. Appleton, indulges, in the Report, in a homily on sound principles of financial technique and management. One section is headed: How Much? Where From? " and is an admonition to workers to remember that any improvement in their condition will cost money and that somebody has to pay it. It is up to the worker to change his "ideas" and possibly some of his institutions" if improvements are to be made possible. "The crux of the whole problem is cost," proceeds Mr. Appleton, quoting Major Douglas (whether consciously or not) "Once that question is settled "-i.e., once that, in a situation where all costing is for abstinence, an instalment of affluence appears somewhere-the question of organising its distribution offers no special difficulty. But-

"One condition, however, must be insisted on. The Governing Body shall definitely be divorced from the control of party politicians." . . . "he [the worker] must insist on an Executive, strictly limited in numbers, and as independent as judges.

Fortunately it is not difficult to constitute such a body. There are still men in Great Britain who, careless of monetary return, would regard association with the . . . scheme . . . as an honourable one. (Our italics.)

We will forbear comment on this stuff, except to say that the more we see of Mr. Appleton the more we like Herr Hitler.

Notice.

League of Nations Union (Newbury).

At the Council Chamber, Municipal Buildings, 7.0 p.m.
Wednesday, September 13.—Mr. Alec Wilson (L.N.U.
H.O. speaker), "The Money Machine."

Wednesday, September 20.—Prof. Frederick Soddy, F.R.S. Wednesday, October 18.—Mr. W. L. Bardsley, "The Social Credit Proposals of Major C. H. Douglas,"

Wednesday, October 25.—Sir George Paish, "The Economic and Financial Policies of the League of Nations Union."

Each address to be followed by open discussion.

"The Bank of England is . . . a private institution . . . independent of any form of legal control, save in regard to its powers of issuing bank notes and granting loans to the State."—(Macmillan Committee's Report, para. 50.)

The Nazi Money-Supply.

Whenever a popular movement comes to political power, one question, and one only, is of interest to the realist: "Who financed it?" Until the answer to that question is known, it is a waste of time to try to understand either its official programme (if any) or its methods. A waste of time because they cannot be properly considered while that question remains unanswered.

Trotsky has given us a magnificent picture of the Russian Revolution; but has he given us the details of its moneysupply? There are indications of it, but not chapter and verse. The ramifications of the revolutionary financial network are not fully revealed, so far as we know, in any book on the Bolshevik rise to political power.

So also with the Italian Fascist movement. It is with the greatest difficulty that one is able to discover with any exactitude how and from whom Mussolini and his lieutenants obtained their funds.

Gandhi's movement in India is equally "wrop in mystery," so far as its finance is concerned. We are only able to jump to conclusions from hints dropped here and

The financing of the Sinn Fein movement in Ireland was clearer, yet even here, who could set down facts and figures? It is so with all these movements. We hear of the leaders, of dramatic action, of political defeats and victories, of "underground" organisation; of arrests, exiles, escapes, shootings; of floods of smuggled propaganda, of party newspapers, raids, secret codes . . . but hardly a word about money. By reading the literature of post-war revolutionary movements one might almost come to the conclusion that revolutionary leaders are beings from a different sphere able to live (without having to pay for food, clothing and shelter) on "hot air"; that tons of prohibited leaflets are printed by printers who never even think of sending in a bill for payment; that weekly and daily newspapers have only to be scribbled by fugitives in hiding and—hey, presto!—they are printed, packed, smuggled "over the border" and distributed free of charge! that arms and ammunition fall like manna from heaven into the hands of the insurrectionaries; that meetings, processions, demonstrations-notices, banners, posters, handbills by the hundred thousand—can be organised and turned out "for nowt"! However, those who know anything about large-scale organisation, know that nothing can be done without money. It can be set down as an absolute axiom that: all revolutions have to be financed. As a rule the process is as follows :-

(a) A few "fanatics" make a start. They have no money but the few shillings or pounds they contribute themselves, or can scrape together from friends.

(b) Some point (or points) in their programme happens

to be in tune with the general and often pent-up feelings of the public, or accords with the desires or designs of finanially powerful individuals or groups. They are therefore able to tap a money-supply in the form of the Poor Man's Penny, or in the form of the Rich Man's Cheque

(c) From the moment that money-supply is available to the "fanatical few," the movement will-or can-begin to extend its propaganda activities on a larger and larger scale. On condition that the leadership is psychologically adroit, and on condition that the money-supply does not "dry up"—the movement has a chance to dominate and to become (apparently) the Pulyar Propagation than the propagation of the come (apparently) the Ruling Power. But unless it im-mediately adjusts the internal financial mechanism of the State in such a way as to solve the price-contradiction, the effective ruling power remains what it was before-the International Credit Monopoly.

A book has just been published by Wishart and Co., entitled Hitler as Frankenstein,* by Johannes Steel, with a preface by Harold J. Laski. It is not a very long book, but it contains some extraordinary facts-if they are facts. If they are, this is the most important book on the Nazi movement, so far as we are concerned, because it reveals in some detail the alleged ramifications that existed and exist between that movement and International Finance.

Professor Laski says in his preface: "Another part (of the book) consists of a series of charges about the sources of Hitler's funds, of which the gravity needs no emphasis. Of them, I venture only to say two things: first, that the author's relations with eminent members of the Nazi movement gave him exceptional access to sources of information not available to ordinary persons; and, secondly, that, if the charges be untrue, in the interests of international relations they ought to be proven untrue by those against whom they are made. It is clearly a very serious matter if international

financiers of the first rank have been concerned to subsidise a movement like that of Hitler . . .

The author is himself a German, who has evidently been closely connected with the Nazi movement, though not, would seem, in the uniformed branch. The book is said to contain no opinions, but only facts," and that "the author has refrained from commenting upon them more than is absolutely necessary, in order to make their important and the consequences and effects they have had, clear to the reader." No doubt the author has done his best in this direction. biased. It is written from a strong anti-Hitler, anti-Nati point of view, and all the facts are presented from that standpoint. The first chapter on "Hitler, the Man and His Beginnings," is headed by the following quotation from Professor von Gruber, who is recognised as "the greatst living German authority on anthropology":—

"Face and skull reveal racial inferiority. There controlled the skull reveal racial inferiority. be no doubt that he (Hitler) is a product of cross-breeding. His forehead is low and receding, his nose is insignificant and his cheek bones are broad.

Professor von Gruber, 1931. We are then told what little is known (and it is astonish ingly little) about Hitler's antecedents and home life. need not go into any of that here. It is the second chapter, entitled "The Money," that must claim most of our attention. This chapter begins

"The successful development of the Hitler Nazi motor ment, culminating in Hitler's achievement of power in naturally involved the expenditure of large sums of monor. Where did the management Where did the money come from? Has it been contribute by members of the Person by members of the Party and the people Hitler is suppose to represent a complete to represent a complete to the people Hitler is supposed to represent a complete to the people Hitler is supposed to to represent, namely, the impoverished German

Herr Steel tells us that more than three hundred and million made million marks have been expended on the development the Nazi organisation and its propaganda during the last years. That is a fide or the development the Nazi organisation and its propaganda during the last years. years. That is a tidy sum, and, he says, constitutes emphatic denial to any suggestion that the Party alone innanced the movement." He continues—

"Of the many activities of Adolf Hitler and his Natio Socialists in Germany only one has not been surround by publicity, his exchequer. The world is fully information of Nazi policies, Nazi compared to the world is surrounded to the world is surrounded. of Nazi policies, Nazi campaigns, Nazi propaganda Nazi achievements. Seldom does it hear National Seldo finance. . . The complex and far-reaching National Socialist organisation admits it.

Socialist organisation admittedly costs money.

"The truth of the matter is that Hitler and Army of the specific state of the specific state of the specific state." "The truth of the matter is that Hitler and I'm has been 'sold' to investors. For ten years an army considerate of the company, The Commany, The Com paid agents has been collecting funds in Germany, of Britain, Sweden, the United States, and France, was done on a strict business basis, and few of the so occupied have been 'brown shirts,' This is part by system. As a matter of foot year, few, within the system. As a matter of fact very few within the have any knowledge of its finance. It does not have a lit have any knowledge of its finance.
Hitler's books that they should know.
That explains That explains That explains are is a finance. Hitler's personal prerogative. Funds are centralised his direction and he is virtually the only person mathematical that it is the only person mathematical that is the only perso authorise disbursements. It is no concern of the notice the 'brown shirts' in the state of the notice of the notic the 'brown shirts,' in the view of their leader, where the more are where the money comes from or how it is spent.

"The National Socialist organisation is divided three parts. There is first the Party as a political sation. Then there are the Storm Troops, about four hundred thousand, composed of the party capable of bearing arms: The organisational formation is then explained members of the Party capable of bearing arms; the are the Storm Guards, being the bodyguard of lecentral leaders constituting a sort of cheka, the arm' of the executive organs of the Movement. These Storm Troops, and Guards are organised on the lines, wear uniform, and have their staffs, headquarter, barracks.

"Practically every member of these troops puris "Practically every member of these daily pay of fifty pfennings to two marks, represent the pay has been constant dation last five years this pay has been constant dation. a sum of some forty million marks. In addition the outlay for equipment and its upkeep, together toget expenditure for military training.

"Although the Party had in January, 1932, seved dred thousand inscribed members who were supported and an initiation pay a monthly fee of one mark, and an was for two marks, with which a life insurance was for these figures have only a problematic value, neith We learn that :these figures have only a problematic value ployed members of the Party paid nothing, and the members of the Party who belonged to the state of the party who belonged to the state of the party who belonged to the state of the

organisations of the Party. . . . At that time three hundred thousand members of the Party were incorporated in the military organisations, and at least half of the rest of the membership was unemployed."

SEPTEMBER 7, 1933

Between 1922 and January, 1933, when Hitler came to power, approximately 25,000 propaganda meetings had been held. These meetings "never covered expenses" and the "deficit had always to be met by the central organisation."

Next, we come to the money-collecting organisation of the Nazi movement :-

"In Germany itself the raising of funds has been more or less open. It is no secret that big business has contributed steadily and largely to the movement. . . ."

Brown Shirts themselves raise money during electoral campaigns by standing at the street corner with collecting boxes. "The worst of weathers," writes Herr Steel, cannot deter them. The reason is simple. Part of the money collected goes into their pockets, sometimes as much as thirty per cent."

"In foreign countries money for the Nazi cause is obtained in entirely different ways; discretion is the keynote, and the appeal for funds is organised very systematic-

ally and very confidentially.

"The ground is first prospected by 'contact' men of a peculiar type. They are not Nazis, neither are they employees of the Nazis, they are men prominent in their own fold. own fields in Germany, who because of this prominence have access to industrial, commercial, and other leaders in foreign in foreign countries."

It appears that these "contact men" did not do this work for money in the sense that they received cash payments in process. ments in return.

They worked for the consolidation of their own interests, or the interest of the groups to which they belonged, financial, industrial, commercial and others.

We are told that these special fund-collecting agents hoped for and the special fund-collecting agents hoped for, and in many instances obtained, "definite understandings," that the Hitler regime would favour men do not ings, that the Hitler regime would favour those interest.
Being voluntary workers, these 'contact' men do not received voluntary workers, these when and how they please."

Amongst those," writes Herr Steel, "whom I have known are Dr. Hjalmar Schacht, who, who Hitler assumed power, was power, was rewarded for his services with the governorship of the Reichsbank, a position which he had held before with disastrous results for that institution."

Other "contact men" are listed:—
Arnold Rechberg, the German "Basil Zaharoff."

Alfred D Alfred Rosenberg, "a man with very little aryan about

Dr. George Bell, "a Scotsman naturalised in Germany, who was murdered in March, 1933, when he tried to sever his connection with the Nazis and to leave Germany."

Captain H. Premier of Prussia, Captain Hermann Goering, "now Premier of Prussia, those field

whose field of action was mainly Scandinavia and particularly Sweden, where he had lived for years."

Such agents do not, it is explained, actually ask for money; they only hint "more or less broadly according to circumstance." Dr. Schacht, for example, would explain to American

Dr. Schacht, for example, would explain to Aberican bankers that one of the paramount reasons why American loans were unsafe in Germany, frozen or fast freezing, was the unstable of the unst the unstable political conditions. We may doubt whether Dr. Schacht found it necessary to explain matters quite in that way to the bankers, but no doubt he explain that way to the bankers, but no

doubt he explained them in such a way as to obtain funds for a movement that was doing its best to exploit (if not to create?) "unstable political conditions."

Goebbels who "instructed the 'paid agents' who followed have trail of the content of the paid agents' and were to reap the

on the trail of the 'contact men' and were to reap the arvest and cash in, as to what sales talk should be used. It certainly seems strange as I write it down, but 'selling titler', was strange as I write it down, but 'selling insurance or real estate, was absolutely on a par with selling insurance or

America "worked under the supervision of Dr. Schacht." ch more of interest and importance regarding the methods is to be

used is to be found in Herr Steel's book.

Now we come to those individuals and groups who were success we come to those individuals and groups who were to the Social Credit movement, and we have compiled the following lies from the second and fourth chapters: following list from the second and fourth chapters:—

The Morgan Bank, \$50,000 and \$35,000.

Another U.S. issuing house (via Ivar Kreuger) "also contributed generously."

An American national bank "followed suit."

General Motors gave "the largest individual contribu-

tion." This transaction was conducted via the General Motors Acceptance Corporation. In all, General Motors

One famous U.S. issuing-house (not named) gave \$50,000 in three instalments respectively of \$5,000, \$10,000 and \$35,000.

Then comes Henry Ford as "Hitler's most important business connection in the United States. . . . The first link between Ford and Hitler dates back to the days when the automobile manufacturer's Dearborn Independent lambasted the Jews week after week. . .

Henry Ford appears to have contributed a cheque for \$40,000 " to further the spread of anti-Jewish literature in Germany This cheque represents the first financial support of Adolf Hitler by Henry Ford."

Further financial support is said to have been forthcoming with Prince Ferdinand of Prussia as the "contact man" between Hitler and Ford.

A German American New York brewer (and successful bootlegger, 1921-26), \$100,000.

Ivar Kreuger, the Swedish Match King, gave "huge sums" to the Nazis.

The Swedish Borford Ordnance and Dry Dock Company, "which is closely linked with Krupps, and which is nothing but the post-war translation of the Krupps armament outfit" gave "several contributions to the Nazis on the advice of Krupps."

It is stated that " Armament firms generally have contributed generously to the Hitler exchequer. It does sound unbelievable, but yet it is a fact that even French money found its way into the Hitler purse.'

The Directors of Skoda, "which is controlled by Schneider-Creuzot," are said to have "supported the electoral campaign of M. Hitler."

(Note: "M. de Neuflize, the Director of Schneider, is also Director of the Ottoman Bank, the London committee of which is presided over by Sir Herbert Lawrence, Chairman both of Vickers, Ltd., and of Vickers, Armstrong, Ltd.)

Funds collected from France by Prince S. Ysenburg and handed over to Hitler amounted to "two million, four hundred thousand francs in banknotes."

In passing we note the statement that the Nazi Storm Troops were provided with arms from "a warehouse belonging to the Berlin-Karlsruhe Industrial Works," whose Chairman of the Board of Directors was Herr von Goutard, ' an outspoken Nazi, and one of the most powerful men in the German pre-War armament industry.

Great Britain is listed also as "a most productive field as far as the Hitler Exchequer was concerned." The "contact" here was Alfred Rosenberg, now Nazi expert for foreign affairs.

During 1926, we read, a society was formed in Paris of so-called Ukranian Patriots, with the aim of "freeing the Ukraine from the Soviet yoke." The President of this society "established contact with Mr. Winston Churchill and Sir Henri Deterding." Through the medium of this society Rosenberg suggesed to Deterding "that at an appropriate proposed to the proposed to the society Rosenberg suggesed to Deterding "that at an appropriate proposed to the society Rosenberg suggested to Deterding "that at an approach the society Rosenberg suggested to Deterding "that at an approach the society Rosenberg suggested to Deterding "that at an approach the society Rosenberg suggested to Deterding "that at an approach the society Rosenberg suggested to Deterding "that at an approach the society Rosenberg suggested to Deterding "that at an approach the society Rosenberg suggested to Deterding "that at an approach the society Rosenberg suggested to Deterding "that at an approach the society Rosenberg suggested to Deterding the society Rosenberg suggested to D priate moment unrest should be fostered in the Ukraine, and an attempt made with the aid of Germany to wrest that country from the U.S.S.R. and give it back to Poland. In return Germany was to receive the Polish Corridor, thus " satisfying the Hitlerites' nationalistic ambitions, while Sir Henri Deterding "should be rewarded with mineral concessions" (in the rich Ukrainian oil areas) for his efforts "to persuade responsible British quarters to give tacit support to such an undertaking.

Herr Steel informs us that :-

" Deterding (had) been supporting Hitler with considerable sums of money . . . hoping that in case the Hitlerites should come to power, they would pursue at any rate an anti-Soviet policy,'

because the head of the Royal Dutch Shell Petroleum Combecause the head of the Royal Dutch Shell Petroleum Company "has admittedly been an untiring advocate and organiser of foreign action against the U.S.S.R." When Dr. Rosenberg, Hitler's official envoy, arrived in London on May 5, 1933, he "went to Buckburst Park, Ascot, which is the home of Sir Henri Deterding," and it was "only after this visit" that Rosenberg requested the German Embassy "to arrange an interview with the Foreign Office."

Funds also came from Poland, and "here again it was the armament industry which . . . had particular interest in the growth of the Hitler movement."

The Polskie Zaklady Skoda, a subsidiary of the Skoda Company (controlled by Schneider-Creusot through the Union Europeene Banque), contributed to the Nazi funds.

Union Bulloped to have helped, although no details are iven. "In speaking of Italian contributions it is necessary

^{*} Hitler as Frankenstein. By Johannes Steel. (Wishart

not to forget that the two air aces, General Italo Balbo and Captain Goering, have been bosom friends for more than ten years now." The Baltic States are mentioned as having "contributed generously, considering their capacity," but details are not given.

details are not given.

Gottfried Feder, in editing the programme of the Party in 1932, categorically demanded "the nationalisation of all industry and banks," but "literally excerpts from this rule Krupp, Kirdorf, Abbe, Mannesmann, Siemens, and Henry Ford, by saying simply that this type of industrialist is all right and should not be touched; adding naively that 'they do provide work and their capital is "creative" capital, as distinct from the "grasping" capital in the bank vaults."

Herr. Gebeingraf Aust, "president of the Revenier.

Herr Geheimrat Aust, "president of the Bavarian section of the German League of Industries . . . not only gave money directly to the Party, but also influenced a gave money directly to the Party, but also influenced at part of the Munich Press in favour of Hitler by subsidis-

Emil Kirdorf, "the founder of some of the biggest Trusts in coal and steel, poured money into Hitler's exchequer." The Vereinigte Stahlwerke in the Gelsenkirchen dis-

trict, and other firms from the same district, supplied

It should be understood that the above are only a few of the facts (if they are facts) set forth in "Hitler as Frankenstein." The book is full of such "statements" (shall we call them?) We say this because we should not wish it to be thought that we have cutted the book; although we have, be thought that we have gutted the book; although we have, to some extent, gutted chapter two. The very special interest that this chapter holds for readers of The New Age is our

In chapter seven, entitled "Teutonic Philosophies," we

"The economic wisdom of the Hitlerites is best seen in the new definition of capital which was made by the author of the Programme of the National Socialist Workers' Party, Herr Gottfried Feder. According to Feder there are two kinds of capital, grasping and creating capital. The creating capital is that invested in enterprises like Krupps, Thyssen, the Chemical Trust, Ford and Orpel (in short, the people who have supported Hitler's campaign with money), and the grasping capital that which is in the hands of the banks. Now if we substitute for banks, Jews or non-Aryan, we have exactly what the Nazis mean. . . .

or non-aryan, we have exactly what the Mazis mean. . . . So we see that, by allowing and encouraging Hitler to attack the "banks," and, since most people can only "hate" a personal enemy, to make that attack an on-slaught against Jews and non-Aryans, the International Bankers operating in Germany (many of whom are Jews) have been able to maintain their credit monopoly behind the have been able to maintain their credit monopoly behind the terrific smoke-screen of the Nazi Anti-Jew Round-Up! Perhaps that will be something of an eye-opener to any fanatical anti-Semitic propagandists within the Social Credit movement. The (Jewish?) bankers know how to exploit movement. The (Jewish?) bankers know how to exploit anti-Jewish agitation—and are realist enough to do so. "Vat you vant—Perish Judea? Ver' goot, O.K. by leetle me! Pv all means Perish Judea Meester Heetler. You moeh?" How the elders—and even the youngsters—of chapter three, entitled "Cabals," we read that on backers to Duesseldorf to attend a conference presided over ing firm of R. Levy and Co., at which all the German heavy the bush it was pointed out to Hitler that "the patience of his financial backers was a pointed out to Hitler that "the patience of his financial backers was at an end, and that some action his financial backers was at an end, and that some action was expected of him." Herr Steel says:—

" It was made clear to Hitler that his only way to power was with the consent of Hindenburg . . . and that the only man who could 'put him over' on the 'old man'

Was von Fapen.

Von Papen was prepared to do so on condition that Hitler would give the vital positions in his Cabinet to "safe" men "in order that the Capitalists, although Hitler was Chancellor, should hold the key positions and be able to dictate the economic and social policies of the Government." Recognising this to be his last chance—for the movement " was beginning to show signs of disintegration " and he was " getting nervous about his own future " Hitler agreed. A week later the Hitler-Papen Cabinet was formed, and " this is what brought about (its) curious complexion.'

A few months later Hitler had successfully double-crossed the "safe" men of the other political groupings and was sweeping all before him. It remains to be seen whether Hitler is not, himself, one of the "safe" men of the International Bankers' Combine. According to the writer of this book the Nazi movement "passed into the hands of the Radical and Socialistic elements around the madmen Goering and Goebbels."

If, having double-crossed the "safe" men of the Industrialist-Financial Groups, Hitler could now understand the fundamental principles of National-Social Credit, and straightway proceed to double-cross the bankers by:

I. Opening the German National-Social Credit Office; 2. Issuing the National-Social Dividend (based on the productive capacity of the German nation) to every citizen, whether in work or not, and-

Enforcing the Just Price. he could do what all other dictators have failed to do in cluding Lenin and Mussolini)—he could break the strange-hold of his "financial backers," and finance the German National Socialist States National-Socialist State in such a way as to bring peace and prosperity to the whole of Europe, and eventually to the whole world.

After reading "Hitler as Frankenstein" we must confess that we do not believe anything of the sort is likely to happen-And now we feel we must apologise to Herr Johannes Steel and his publisher for having picked whole chunks of meat from the book under review. We can only hope that this will whet the appetite of the Social Credit student and have the effect of helping to make known this important "exposure" of the Nazi movement to a wide public in this exposure " of the Nazi movement to a wide public in this country.

country. The structure of the book is not systematic; in places it the structure of the book is not systematic; in places a chaotic. The writing, although straightforward, lacks style and the author tends to repeat himself. Nevertheles, the information given about "the underworld of Hitlerism (to quote Professor Lock)" that the (to quote Professor Laski) is so vastly important that the

book cannot be ignored. Unless the charges made by Herr Steel are satisfactorill disposed of by the official National-Socialist Party, Hitlerish will remain under will remain under a heavy cloud of suspicion in the minds of the thinking British arts.

of the thinking British public. This book must be read by every serious student of pal and social-economics, and is certain to interest and astonic the general reader.

The Green Shirts.

NOTES FROM THE GENERAL SECRETARY.

The fact that the economic ideas of Mr. St. John Ervine still appear to be those of the Workhouse School of Economics—"No Work, no Money: no Money, no Food the does not take away from the value of his estimate conclusions on one subject and be in a muddle on another. In laying the foundations of what has now become as the Green Shirt Movement for Social Credit, a Shape shows

as the Green Shirt Movement for Social Credit, Hard has always stressed to be social Credit, Hard has always stressed to be social Credit, Hard has always stressed to be social Credit. Movement—in a word, pageantry; and has always refuse to give way on this point when accused of "dresing." He has maintained, and still maintained that the shyness amounting amountained, and still fear of the strength of the shyness amounting amountained. that the shyness amounting sometimes to fear—fear ing laughed at—is nothing but an inversion; a strong desired for pageantry suppressed and turned inside-out.

Our interest in pageantry is purely political.

Seen and heard—therefore we wear the Green Shirt uniform Banners, flags, drums—all these things must be classed we shared the second of the seco

Banners, flags, drums—all these things must be dashed absolutely necessary political pageantry. Without there cannot make headway. It is of special interest, to note what Mr. St. John Ervine had to say in The Observation of the cannot make headway.

pageantry, which was betrayed by our gloomy grans fathers. There is no people in the world with a fine cap of pageantry than the English par any people in the world with a who grans order a program than the English par any people in the world with a who cap the people was the cap and the cap are the people with the cap and the cap are the people was the cap and the cap are the people was the cap and the cap are for August 27:of pageantry than the English, nor any people order a procession in finer style. The first act of workmen, when it workmen, when they form an association, is to have they form an association.

How does this square with the reactions of those who us that pageantry has no appeal and that it off "? The fact is that, if it is developed on a big scale, pageantry is one of the chief weapons of its scale, pageantry is one of the chief weapons of it victory. It is possible to overdo it, but without force deprived of one of the most powerful emotional force must, therefore be a constant of the most powerful emotional scale. must, therefore, be developed on a big enough scale must break into a drab, industrialised, disheartened, posticken England, not order to be a specific property of the control of the con stricken England, not only with the key-words of colour and pageanter. colour and pageantry.

The edition of 1,500 copies of the Green 20, and paper Attack! published on Saturday, August ing at one penny per copy, was completely sold out by

afternoon of the following day. The next edition, published S lished Saturday, September 2, was increased to 2,000 copies

SEPTEMBER 7, 1933

A series of Green Shirt meetings have been held just lately on the "pitch" at the back of the National Gallery, near the Irving statue, on Sunday evenings. We understand that these meetings are to be continued.

"The Stoke Newington Citizen," published by the London Co-operative Society's Political Committee and enjoying a very large circulation of the Coroon Shirt slogen as a double-page display heading—"WOULD A MAGGOT THEN WHY SHOULD YOU STARVE BECAUSE THE APPLE WAS TOO BIG? IS ABUNDANCE ALL AROUND YOU?"—in its issue for August, 1923

r August, 1933.
We hear that in a recent issue of "The New Clarion" this same slogan was mentioned as being a first-class propaganda slogan was mentioned as being a misterior paganda slogan in that it sums up the present economic

The 1st Hayes Section held an open-air meeting on July 24, at Post Office Corner, Hayes (Mddx.). A squad from Green Shirts. The H.Q. officer in charge reports the meethis visit to Stockton in May last. Our report says:—

"The second of the control of the contro

The speakers were frequently applauded (not usual at street meetings), and a request for a further meeting the following week was made by many of the audience. The Hayes Section now numbers nine men and three women. Local H.Q. will be opened in the near future.

The self-discipline of individual Green Shirts is of very great political importance. In this connection we are able to report two to report two instances that have occurred within the last

A party of Mosley Blackshirts prepared to hold an open-air meeting in a market town in Bucks. The one Green Shirt in this district decided to "parade" in uniform. He proceeded to the control of the proceeded to the control of the proceeded to the meeting-place and began to sell Attack!

This lone Green Shirt before the Fascist meeting-place and began to sen and the before the Fascist meeting started. This lone Green Shirt who could very well and powerfully built individual, Up comes a Fascist meeting shared by some a Fascist meeting place. Up comes a Fascist and says:

"You can't sell your paper here—this is our meeting—

To whit!

To whit!

To which the Green Shirt replied: "You have not yet our paper. This street is as much mine as yours. When you attentively as one of the crowd to what you have to say." attentively as one of the crowd to what you have to say."

The Fascist went off and the Green Shirt went on selling that the property of the law."

Then without warning, another blackshirt walked the say."

atlack! assist went off and the Green Shirt went on sening the Shirt went off and the Green Shirt walked The Green Shirt and gave him "a soc on the jaw." smiled and said. smiled and said:

Good! Now try again." Again the Fascist hit him with his fist. The Green Shirt simply took the blow and sprinned. But already the crowd was turning against this exhibition of Fascient and the the time the meeting biblic on of Fascist hooliganism, and by the time the meeting against the fascist hooliganism, and by the time the meeting again the crowd was definitely hostile to the blackshirts.

The leader of the Fascists came up afterwards and more ended happily, with the result that there may soon be a forming a Green Shirt Section in that town.

Canother Green Shirt was selling Attack! in Tottenham the Bankers! As he called his wares—"Attack! All about lowing close at his heels shouting, "All balony!—all halony!" This was noticed by a Social Credit supporter to the Green Shirt, bought a copy of the paper, and said, fellow man! I don't know how you can put up with that Good man! I don't know how you can put up with that only yapping at your heels."

Oh "said the Green Shirt, " that sort of thing doesn't ther me."

PILLOW PREFERRED TO BANK.

I am prejudiced against banks. Surely I can do what the bed or hide it under the pillow, that's nebody's business wild mine. So said an incorporated accountant, giving ball to the said he was sixty-live years of age, and had never a banking account in his life.—Star (London), 31-8-33.

The Theatre.

The "Old Vic" Season.

Shakespeare doesn't spell ruin in the Waterloo Road, whatever he may do in the West End. The "Old Vic" reopens on the 18th with a three weeks' presentation of "Twelfth Night," to be followed—also for three weeks—by "The Cherry Orchard." This is the first Russian play to be given at the theory. to be given at the theatre, and a distinguished cast include Flora Robson, Charles Laughton, Lopokova, and Elsa Lanchester. After Chehov, there will be a season of opera and ballet, to be succeeded by "Measure for Measure, while Sadler's Wells will have more Shakespeare, in the shape of "Henry VIII," beginning on October 30.

" Is Life Worth Living?"

By Lennox Robinson. Ambassadors Theatre. Produced by

One of the besetting sins of English films is that produces never seem to know whether they are aiming at comedy or farce. Mr. Robinson is here apparently under the same disability plus the base of the same apparently under the same disability, plus the handicap of not being quite sure whether the did not really he did not really mean to write a satire. This indecision although blameable in a dramatist of his repute, is perhaps excusable, since the theme lends itself to all three treatments.

The little Irish seaside resort of Inish thinks to p itself on the tourist map by means of a season of reperior, theatre. Its inhabitants flock to see Ibsen, Chehov, and Strindberg, and Russian and Scandinavian drama invalue their own lives. A butcher tries—ineffectually—to murder his wife: a young trans constant of the property of the season of the property of the pro his wife; a young man endeavours—also unsuccessfully—buy weed, killer to poison the aunt, from whom he expectations; two other young men throw themselves the sea—but swim out again; and, finally, a hack poison precipitates a general election by voting against Government after having his consistence aroused by the Government after having his conscience aroused by brought the People." Then the hotel proprietor Then the hotel proprietor brought the People." Then the hotel proprietor away, sends for a circus, and everyone lives happily explanations.

Mr. Robinson might have contrived better dialogue, at the fun flags in the last act. But he is so well served his players, that the production of the Anglessadors is her his players, that the production at the Ambassadors his players, that the production at the Ambassadors is the greater part uncommonly amusing. Out of a cast are is excellent all round, I would especially single Hutchinson, Paul Farrell, Ann Clery, and J. A. O'Ruffeld, and J. A. C'Ruffeld, and J. A. L'Ruffeld, a able hands. As it is, the result is a very amusing even The very efficient

The very efficient production is by the author, who a nice sense of petit bourgeois interior decoration.

"The Trade Cycle."

[Letter reprinted from the "Times Literary Supplement of the Courtest of the Times Literary Supplement of the Courtest of the Times Literary Supplement of the Courtest of the

Sir,—Your reviewer would simplify the difficulties have appears, somewhat unnecessarily, to find in a statement of fact, if he would accept or deny the the statement that in any control of the statement that it is any control of the statement that it i the statement that in any given factory of producing tion (a qualification which is omitted from his payments may be discipled. payments may be divided into two classes—those made to individual made to individuals and form consumers, spending and those which are made and those which are made to other organisations a reimbursement of costs previously incurred organisations. The previously in a gire organisations. The price values created in a such at least of time in a given factor. of time in a given factory either are, or are not, sum of these two classes of payment, assuming all concern is to remain solvent. If your reviewer and gether in the price values, or they are not in gether in the price values. gether in the price values created by any factory period of time he ought to be able to find his own to whether the rate of a be able to find his own to whether the rate of flow of prices from that jacipulis not greater than the purchasing power distributions by that factory in the same period of There is nothing in an affirmative answer to this same which justifies his statement that I count the same complain.

Complain.

The intervention of Mr. Durbin into the control he is point seems to be in the nature of " sweating is point seems to be in the nature of

ne'er consent, consented." While I regret that his hearty agreement that the cause of the disparity between collective prices and available purchasing power "are due to *changes in the relations* (my italics) between B payments and A payments." ments " is an agreement with something that I have not said in that form, I accept the crumb of praise gratefully and without too much examination. If Mr. Durbin and those who think with him said it twenty years ago, I am delighted to hear it. My only complaint in this case is that it does not appear to have caused them to propose anything which would obviate the difficulties which have arisen. So far as I am aware, there are only two concrete suggestions arising out of the school of economic thought to which Mr. Durbin belongs. The first of these is that prize the prize that the prize that prize the prize that the must be raised, by something which is variously called "inflation" or "reflation," but which, however named, involves an increase of debt, and that the mechanism for doing this is these of debt, and that the mechanism for doing this is through public works on a large scale, the wages and salaries in respect of which will make up the deficient admits. Since it is my contention that this deficiency of purchasing power arises from the pyramiding of debts and attempt to repay them mainly through the agency of B payments, I am still at a loss to see how the intensification of the

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of the disease is likely to affect a satisfactory cure. While no-one would be more content than myself to heal the friendly breach between those responsible professional sional economists who hold views such as Mr. Durbin's, and the sional economists who hold views such as Mr. Durbin's, and the similar views held not merely by myself, but by an increasing number both of the public and economists, I have said, as in those things which are still being said, that "it is only the cost of production of consumers' goods." that "it is only the cost of production of consumers' goods that "end to be a production of consumers' goods that need to be a production of consumers." If by this that need be covered by consumers' incomes." If by this is mean the covered by consumers' incomes." need be covered by consumers' incomes. If u, the meant that the cost of production of consumers' goods, measured the consumers' measured the consumers' measured the consumers' measured the consumers' goods. measured in monetary terms, is only the amount which is distributed in monetary terms, is only the amount which is distributed in the same period of time to consumers (without an excessive production of capital or export goods), then The artily and flatly disagree. I have given some of my questions, with which a recent wireless debate on this subject was concluded. was concluded, and have rot, so far, had an answer.

Yours faithfully, C. H. DOUGLAS.

LETTERS TO THE EDITOR.

THE PROSPERITY CAMPAIGN. THE PROSPERITY CAMPAIGN.

Mr. Scrutton's "Prosperity Campaign," as stated by
J. L. Roantree in The New Age of August 31.

S. P. ABRAMS,

Sir,—Will you permit me to correct a possible misunder-Roantree dealing with "The Prosperity Campaign." The lariat mentioned was sent to the Social Credit Sereof the with a request for the examination and rewording at with a request for the examination and rewording the clause. the clause containing technical definitions. The remainder the manif the manifesto is not the work of the Secretariat, but is product to product the product of individual initiative the product of one of those acts of individual initiative which the Secretariat exists to serve.—Yours faithfully,

W. L. BARDSLEY, 74. Wimbledon Park Road, S.W.18.

September 2, 1933.

"GREEN SHIRT IDEOLOGY."

Sir.—In the article printed under the above title we notice rather unforce. one rather unfortunate printer's error (Section 4, Directive reads "One Objective and one only . .''

One Objective and one only . .''

One Objective and one only . .'' Sed, "the sentence, "One Objective and one only . . .

Codi; One Objection and one only—Douglas Social objective, in the ordinary Press we almost expect our happens in The New Age—!

For the Sure you will allow us to make this correction.

We feel sure you will allow us to make this correction.

Appen to be a banker's man, in which case the printer's may read correctly. Vours faithfully. may read correctly.—Yours faithfully

General Secretary, Green Shirt Movement for Social Credit.

THE "COLLAPSE" OF CIVILISATION. Sear Sir.—The contention of Miss E. M. White, that it is not crumbling, and cannot collapse, of think, a little more serious investigation.

Civilisation, I think, distinguish in the first place between and "Culture," "Civilisation" is the

material or physical manifestation of "A Culture," thus it is possible that in the period of, as it were, stable civilisation, the culture on which it was based dies. Now, unless a new Culture arises then Civilisation becomes retrogressive and not progressive. We have historical evidence to bear this out

The present civilisation is based on Western Culture of the eighteenth and nineteenth centures, which culture is dying, and a new culture is being born, based upon scientific fact. One could almost say that Social Credit is a new

fact. One could almost say that Social Credit is a new culture which will inevitably lead to physical manifestation in "National Dividends" and "Just Price."

As Herr Spengler puts it, "Die Traume der Weltverbesserer sind Werkzeuge von Herrennaturen geworden."

(The dreams of the World Reformers have become the tools

(The dreams of the World Reformers have become the tools of Men of Action.)

If this theory can be accepted then what we term "Western Civilisation" will collapse, albeit not necessarily to be followed by a higher civilisation, but possibly by another Dark Age. That depends upon how and to what extent the Social Credit idea permeates throughout the World World Tools of Reformers. Western World .-- Yours truly, C. R. BENCE.

Sir,—Your correspondent, Mr. Philip T. Kenway, demurs to my saying that "civilisation cannot break down," and remarks that "in most of Europe, even in historical and remarks that "in most of Europe, even in historical times, it actually did so." I presume he refers to what Gibbon called the decline and fall of the Roman Empire. But history and reflection show that in reality the Roman civilisation did not break down. It became impregnated with "barbarian" institutions, and continued; and it still lives in many European laws and customs. This merging is turified by Augil (Adalphas) caping. "When I was reging is typified by Ataulf (Adolphus) saying, " When I was young I thought only of destroying Rome. . . . But now that I am old I seek to do justice according to her laws."

To superficial observers, at certain points civilisation

seemed to break down in France and Russia; but the up-heavals were natural results, and the solid mass of the people continued, and emerged, or will emerge, pursuing their way towards civilisation. Whatever period of history is taken, if it is looked at in a comprehensive way, and linked on to what goes before and after, and to what is around it, will be seen to be part of the story of civilisation. Only second-rate historians nowadays speak of the dark ages. One section of the world at one stretch of time may tell a tale of tragedy, but that does not mean a breakdown of civilisation, for elsewhere or at a later time, the process towards the goal of a civilised world continues. Even the Great War-surely a strong enough test-did not break down our civilisation; and a possible next and even worse war could not do so.

In what way, as Mr. Kenway says, do "we see the actual process going on before our eyes" of the breaking down? We have not yet adjusted our financial systems to the Age of Power and Plenty, and unemployment under present conditions is a tragedy, but that is not a breakdown. Already a civilising agent in the person of Major Douglas has showed the way to adaptation, and Mr. Kenway himself is a living proof that civilisation will not break down. For he stands for the Social Credit theory, and that will in some form or other eventually govern our finance and prevent what Mr. Kenway thinks he sees.

Except in this realm of finance-and even there signs of change and hope appear-there is progress all around us. Take for example three dissimilar spheres: (a) Housinglook at the plans for slum clearance, (b) Educationconferences and schemes for improvement, (c) Disarmament quietly being pressed with proposal after proposal. It is true that all these spheres, and others, are hindered in their development by finance; but advance in all is in being.

and points to the opposite of a breakdown.

In the history of Civilisation, which began with the human race, a century or two are but a moment, and a thousand years "but as yesterday when it is pust." There are strivings, and sufferings, and hindrances, and failures. but we must look at civilisation sub specie aeternitate, and regard it as a process rather than a state. Our cultural heritage ever increases—is not that one of the dogmas of the Social Credit faith?

E. M. White.

" It is not unnatural to think of the deposits of a bank as being created by the public through the deposit of eash representing either savings or amounts which are not for the time being required to meet expenditure. But the bulk of the deposits arise out of the action of the banks themselves, for by granting loans, allowing money to be drawn on an overdraft, or purchasing securities, a bank creates a credit in its books, which is the equivalent to a deposit." (Macmillan Committee's Report, para. 74.)

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Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the fiands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created. with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

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