

THE NEW AGE

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A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The General Federation of Trade Unions.

Since writing last week we have received a copy of this Federation's Annual General Council Meeting, held in Blackpool, on July 6 and 7. The chairman, Councillor W. Aucock (Pottery Workers), in his opening address, said:—

"We can with pride look back on the history of this Federation, but I venture to say that the past twelve months have justified its existence as much as during any previous period. A perusal of our balance sheets shows that sixteen of the affiliated unions have been involved in disputes, with a cost to our funds of £96,515 ros. 4d."

This fact is an answer to one part of our criticism of last week, where we contrasted the contributions paid into the Federation with the "benefits" paid out (approximately £7,000 against £300), as shown in the Quarterly Report of June 30. The Federation are accordingly entitled to claim that this surplus represents provision for a rainy day, and also that when the rainy day arrives they are prepared to pay up. The evidence of this drain on their funds could not be seen except from a comparison of the Balance Sheet of June 30 with that of (presumably) twelve months earlier; and that is why the chairman referred to *Balance Sheets* and not *Sheet*. We had only the Balance Sheet of June 30 before us, and could not tell from it what had been happening earlier than the June quarter. It is probable that the Balance Sheet of a year ago would have shown the overdraft from the bank to be something like £100,000 less than it is now, i.e., about £20,000. A comparison of the two Balance Sheets would reveal which, if not offset by an equivalent appreciation of assets, would indicate a distribution of money otherwise. We are glad to correct any misapprehension that our remarks may have caused last week, although, of course, it is taken for granted that all Trade Unions are liable to distribute funds in respect of disputes which come within the compass of official recognition, or benefits due under the terms of contract between them and the members. All the same, the Federation are entitled to have the fact recorded that they have discharged such liability this year, and to the large sum mentioned.

We are the more glad to record it because our purpose in writing as we did last week was to attack Trade Union finance in general on the grounds of technical principle. The essential point, so far as the Federation are concerned, is that in the process of discharging their liability to their members they have incurred an equivalent liability to the bank. And that point lies against all Trade Unions, because, without exception they turn their money into investments. The political consequence of this is that the executives are dependent for money in an emergency on the good will of the banks on the one hand or the money-market on the other—they must find a lender on their securities, or a buyer of them, or both. They cannot compel a bank to lend nor an investor to buy. It follows that they place themselves in the hands of the Money Monopoly not only in regard to how much money they can raise to finance a strike, but also in regard to the decision as to whether the strike shall be officially recognised or not. The latter is the reason why Trade Unionists are told to leave decisions to their executives; for however popular a proposed strike may be down below, its financial feasibility can only be ascertained by private negotiations up above. The only authorised strikes are bankers' strikes. Bankers do not object to strikes in principle, because they are neutral to the objectives of strikes, which are to wring concessions out of "capitalists." But suppose the rank and file Trade Unionists were to try a new departure, and propose to down tools for, let us say, a Social-Credit Flag Week, and they would soon find themselves left to raise their own strike-pay. Even if the veto is not already publicly established in legislation it would quickly be privately imposed in a bankers' conclave.

America, Japan and the Banks.

"Here! Just look at this. Did you ever read such tripe in all your life?"

A remark like this is probably being made at least a hundred times a day by members of the Social Credit Movement, either aloud to fellow-members or silently to themselves. But let them sit down and try to write out an exposure of the "tripe," and they will find that the more obvious it is to them the more difficult is the task of making it obvious to the public. The difficulty is to be concise, direct, and convincing at one and the

same time; and in most cases it has to be given up as insuperable.

However, there are some exercises in analysis which students will find it helpful to practice. Perhaps the most fruitful exercise-ground is afforded by leading articles in *The Times*. In those articles banker bunk reaches its zenith of plausibility, the reason being that every writer belongs to a select cast of tripe-stars, and is one of nature's spellbinders. If the student can make any headway in elucidating the fallacies and sophistries with which these literary contributions are built up he will have much less difficulty in dealing with others elsewhere. As a matter of fact he will frequently notice that the tripe sold for one penny on Fleet Street consists of remnants of the tripe sold for twopenny in Printing House Square a few days earlier. It may have sweated out some of its wrinkles, but it is the same article.

Now one marked feature of *The Times* is that the arguments on which the writers base their conclusions are generally insinuated into parenthetical phrases or allusive references. Where their reasoning is vulnerable it is oblique. Only that reasoning which is invulnerable (which is another way of saying unimportant or irrelevant) is direct. "To be intelligible," said Lord Hewart of apologists for bureaucracy, "is to be found out." And these writers are apparently acting on the principle: To be positive is to be challenged. So they fence off the thin ice of their logic with brackets.

To know how a trick is performed is to know how to show that it is a trick. In this case the obvious exercise for the student is to select some article in *The Times* on a subject involving credit-policy or technique, and to extract and tabulate (a) the direct statements and (b) the parenthetical allusions. Having done that, his next exercise should be to go through the items in the second list and translate each into the positive statement which it logically involves. In cases where the item is ambiguous, and there is therefore a choice between two or more positive statements, the choice should fall on that which is the most damaging to the author's thesis. And imagining him to complain that he had been unfairly discredited thereby, the answer would be that he had brought the trouble on himself by having been ambiguous on a matter which he afterwards considers important to his prestige or authority.

Here is an example from *The Times* of August 30, p. 11, a leading article on Austria's difficulties. Note that it is perhaps the least open to criticism of any we could have chosen. Yet notice how much it takes for granted.

"In an age of mass production and world markets small economic units cannot hope to be self-sufficient." The main statement here is: "Small economic units cannot hope to be self-sufficient." We therefore leave that aside and proceed to examine the parenthetical passage. The positive statements necessarily implied can be formulated thus: "Mass production and world markets were inevitable. The cause of this inevitability is natural—i.e., the effluxion of Time" ("In an age"). "The situation cannot be changed" (Else why is it said that small economic units "cannot hope" to be self-sufficient: why not say "cannot be"?).

To elucidate these statements definitions of the terms "mass-production" and "world markets" are required. Mass-production is the production of a specific article in quantity exceeding the requirements of the people engaged in making it or growing it. So the mass production in any given economic unit is the production of a surplus disposable outside. This leads to the definition of "world markets," which, viewed from within an economic unit, are the region outside. That region consists of all the other economic units considered collectively. World markets, then, are unit markets: the

external markets to one unit consist of the internal markets of other units. Once postulate, as *The Times* is here shown to do, that exchanges of surpluses between unit areas are inevitable and universal, then the conclusion is self-evident that every unit area must give out and take in, and cannot therefore be self-sufficient.

This is as far as we need push the analysis theoretically. The practical question is to ask why *The Times's* warning is considered necessary—why any economic unit should desire to become self-sufficient, and particularly a "small" one, wherein the desirability and even the necessity of contacting the outside world be manifest to every inhabitant. The reason has nothing to do with the size of the economic unit; for evidence of gestures towards self-sufficiency is to be seen within economic units of all sizes—the United States, Britain (or the Empire) and Japan, to mention the most conspicuous examples. But the self-sufficiency sought after is not the complete economic isolation of the unit, as *The Times* leaves its readers to suppose, but a bisected isolation. Each unit wants to be inside the "world markets" as a giver-out of products, but to be outside as a taker-in of products. No natural law suffices to explain this absurdity; so one is bound to look for a cause on another plane. That plane is Credit-Finance, and the cause is to be found in the policy of Credit-Finance. Under that policy every economic unit finds that the prime condition of its survival is that it exhausts itself of its physical means of survival. If Japan, for example, were able to prevail upon the world to accept without return all her natural resources, including even the land upon which her people walked; and thus resolved herself into a hole in the Pacific Ocean with all her people dead at the bottom, she would have earned the posthumous honour of being the most solvent and prosperous nation upon the earth.

Recent events show that the chief nations are being driven fast along the path of this logic and will shortly reach a point where they will be confronted with the alternative of casting themselves into the sea of ruin or of turning round and casting the devils out of the philosophy and system which is driving them. In Japan and the United States economic plans are being developed which make plain one of two things; that the business executives of those countries (represented by the Governments) have either (a) gone blindfold into a struggle to secure survival on the bankers' conditions or (b) have received some enlightenment and are entering upon that struggle with the knowledge that as it develops it will force the bankers' hands, and with the intention of exploiting that situation for the purpose of reforming the financial system. Probably the true hypothesis lies somewhere between these extremes. Pessimistic observers are able to adduce a forbidding array of support for the "blindfold" hypothesis. But the depressing history of the last fourteen years. But more recent events allow legitimate scope for optimistic speculation. That statesmanship is blindfolded is not the same thing as its being blind; and whatever the intentions of the aforesaid economic executives are at present, and however passively they are wearing their bandages, no-one can say how soon some unforeseen and product of their risky experiments will trip them up and knock the bandages off. Major Douglas's followers can afford, therefore, to regard these experiments with complacent detachment, knowing that the more strenuously they are conducted the more quickly they will fail.

These reflections arise chiefly from our reading of some reports and articles in the *Financial Times* of Friday, September 8. The first concerns President Roosevelt. It is from the New York Correspondent who cables under date September 7 as follows (our italics):— "The first definite resistance to the activities of the National Recovery Administration has been provided by the bankers of the country gathered together at their annual convention at Chicago. Their attitude

defined in the following resolution passed by the Convention:—

"We pledge our support and co-operation in the recovery programme that is now under way; and we point out that banking support that is in the long run most effective and helpful is that which conforms to the principles of sound banking, and which, by so doing, safeguards the institution and the funds of its depositors."

"That is the reply of the bankers to President Roosevelt's message to them of Tuesday urging the easing of credits to business to assist the recovery programme. It is also the bankers' reply to the chairman of the Reconstruction Finance Corporation, Mr. Jesse H. Jones, who, in supporting the President's appeal, threatened that the Government would do the country's banking if the banks failed to grant more commercial loans."

The Correspondent proceeds:—

"In a dignified way those behind the N.R.A. are, in effect, told by the bankers that while the banks are in business to make loans, the keystone of the recovery programme is the restoration of confidence."

"Were the banks to grant loans without sufficient protection or collateral, this would cause the resumption of the hoarding that closed every bank in the country last March. It would cause further drying-up of the investment market."

Leaving aside the technical aspect of the controversy, and confining attention to the political and economic considerations, the first thing to notice is the striking resemblance between Mr. Jesse H. Jones's attitude towards the bankers and that of Mr. Lang, the late Premier of New South Wales, both before and after he took office. Mr. Lang's threat to withdraw the banks' charters was not so strong as Mr. Jones's threat that the Government might go into banking on its own account; for it would be much less difficult for the bankers to raise Constitutional obstacles to a Government's attempt to withdraw a long-standing right and prerogative from them than it would be for them to challenge the right of a Government to go in for banking as well as themselves. And it would be doubly difficult for American bankers to do either when it is remembered that in order to save themselves from bankruptcy they engineered President Roosevelt into the position of supreme Dictator, and used the Press to din into the mind of the public the slogan: What Roosevelt says, goes; and no nonsense! —a statement which virtually meant that Roosevelt was the Constitution. Whether the bankers choose to argue that banking is a private enterprise or is a public service makes no difference. If a private enterprise why should they escape the all-in regulation of such enterprises considered necessary by the National Recovery Administration? If a public service, then the bankers are unofficially Administrators; and that raises the question as to whose policy is to prevail if there is a divergence of opinion on the method by which National Recovery is to be achieved—a question which, fundamentally, is whether the United States is to be under the dictatorship of Wall Street or Washington.

The bankers, it appears to us, are reduced to appeal to expediency, and on technical grounds, and, as reports show, they are not putting their case any higher than that at present. They are urging in effect: "If you proceed in such and such a manner you will get into such and such difficulties." But admitting that they could prove it (which they might) the real question is what their attitude would be if the Government replied that it had decided to let the difficulties arise and would take what steps seemed desirable to meet them as they arose or to postpone or prevent them as they threatened to arise. For example, is it a matter of life and death if, as the bankers say, credit-expansion leads to hoarding, and hoarding to the closing down of banks? It might be so if the circumstances of the last banking collapse were repeated—when it will be remembered, the bankers decided to take a holiday

without consulting the Government, and without giving the Government time to consider any measures of its own for dealing with the resultant panic. But Mr. Jesse H. Jones has shown that these circumstances need not be repeated, for, as he hints, the Government has realised that it can provide an alternative banking service. The last crisis was nothing else but a bankers' snap strike for currency. The Government had to make it, and, not having any alternative channels for its distribution, had to pass it to those who monopolised the only channels. Not all the bankers struck. The Wall Street combine did the striking, and the rest were automatically locked out as the consequence. The Combine foresaw and intended this. They precipitated the full public disclosure of a general shortage of currency throughout the banking system. But it was they alone who collected the new currency. They forthwith proceeded to decide whether, and on what terms, the locked-out bankers should come back to work. And the object which they had in view, and which they have achieved, was to suppress decentralised independent banking, and to make themselves the dictators of a centralised banking system. Their further object, which has not yet been achieved, was to use their consolidated financial powers to dominate the Government. The battle for domination now appears to have been joined. It is not surprising, for American statesmen, though ignorant of the snag in the cost-accountancy branch of the credit system, have ripe noses for ramps, and cannot help having learned some useful lessons about the relation between money-control and the usurpation of political power. And it is just those lessons and their meaning which are the most appropriate and useful for public consumption. They create a congenial atmosphere for the Social-Credit technical educationist to work in when his time comes. Public opinion may be more impressed by the views of experts than those of laymen, but directly those experts can be reasonably suspected of axe-grinding the laymen come into their own.

The *Financial Times*, commenting on the above reports in the same issue, says that although President Roosevelt has not shown so much eagerness for inflation recently and although the Secretary of the Treasury has stated: "I am not inflating," the exchange-market is in some uncertainty as to what the President will do, especially after the "bankers in convention" have been browbeaten by a Reconstruction Finance Corporation official. "Deliberate inflation in America is still feared by holders of floating balances" as threatening to "embroider sterling" and even gold-currencies, and some of them, on the Continent, are buying gold, although they have to pay a substantial "hoarder's premium" for a "holding of real intrinsic value." (Sic. Our italics.) These apprehensions are confirmed by unofficial but responsible reports that Mr. Montagu Norman's last mission to Washington was unprofitable, and that President Roosevelt has been contemplating a policy of dumping American wheat at cut rates. The second is held to involve subsidies to American exporters, and therefore to threaten price-inflation inside America and dollar-depreciation outside. Authorities in Great Britain, says the *Financial Times*,

"are fully alive to the dangers which would follow any challenging of the dollar in a depreciation race. There can be no question of linking the pound to the stormy petrel of the monetary seas." (Our italics.)

This sort of language indicates that President Roosevelt is rocking the financiers' boat, or at least treating its centre of gravity with a regrettable measure of levity. Whether it is reassuring to hear that the pound will not compete in the depreciation race is a question of importance, the answer to which is obscure. It may be laid down as a dominant fact that any departure from financial orthodoxy which does not include the correction of the basic error in the costing-system disclosed by Major Douglas produces consequences which compel a return to the point of departure. With this vital reservation, the farther the departure the quicker the return.

and on a long view the bankers' advice to those about to depart, namely "Don't," is the best. On a short view there is undoubtedly some relief in a change—as when a bed-ridden patient, irritated by bed-sores, turns over on the other side. When the patient is a community the change consists in shifting the irritation from one section to another. Bankers do not mind such changes; at the most they are embarrassed by them, but never afraid of them. Similarly, bankers, considered as an international combine, are not concerned about such changes as shift the irritation from one country to another. Of course an individual Central Banker has to take care that the irritation transferred to the community he presides over, and where he has to operate, does not drive the people beyond the restraints of the law and the powers of repression reposed in the civil and military forces of the law.

* * *

Suppose then that the dollar depreciates as the result of President Roosevelt's adoption of credit-expansion, while the pound remains stable as the result of Mr. Norman's refusal to allow expansion here, the immediate consequence would be a decline in American prices and a corresponding premium on American exports to this (and other) countries. Since expansion necessitates further expansion, further inflation and further depreciation (for technical reasons familiar to students of Social Credit), the physical volume of America's exports would (in theory) progress towards the point of complete exhaustion of American resources. But before that point was reached the people would be facing the real menace of physical scarcity. The whole population might be at work at high wages, but what would that profit them when all the products of their work were leaving the country? So the Government would have to curtail exports, and thus take the first step back towards the orthodox policy from which it had departed.

* * *

This reversal, notice, would be irrespective of external pressure, and in fact would be made necessary all the sooner by the absence of such pressure—that is, by the willingness of other countries to let in the American exports. Imagining Great Britain to be one of those countries, then on a long view, Mr. Harrison and Mr. Norman could afford to wait for Mr. Roosevelt to find out his mistake. But British industrialists could not afford to remain all that time out of commission and their workpeople out of employment. And postulating that Mr. Norman persisted in resisting credit-expansion, they would seek the protection of tariffs against America's goods. Insofar as these were successful in keeping the goods out, they would deprive America of the advantage accruing from her expansionist policy. American exporters with unsold goods on their hands are not borrowers; and in the absence of borrowers there is no object in the Government's expanding credit. In this way, too, then, the American Government would be forced to reverse its policy.

* * *

Then as regards America's internal economy, as soon as new borrowing ceased, old borrowers would be unable to recover their costs inside the country. Depression would set in and spread, because manufacturers would be scaling down production in an attempt to bring the collective production-cost of their unexported and unexportable goods into parity with the collective income ascertained to be available in the hands of private consumers. This, as Major Douglas has shown, is a mathematical impossibility within the existing system of cost-accounting. While that system persists credit-expansion will only "work" provided that the correlative expanded production can be literally given away—that is to say by delivering it to foreigners in exchange for mere acknowledgments of indebtedness for their "value," and effectively preventing the fulfillment of those acknowledgments.

The only danger, from the bankers' point of view, consists in the possibility that if America gets started on this wild-goose chase, the National Recovery Adminis-

tration may get wise to the fact that the chase is of that character, and why. And if they start it in open defiance of the bankers, and perhaps with the actual embarkation into the business of banking, they will be under an urgent incentive to find out the why and wherefore of their miscalculations as these become manifest, not to speak of the natural interest that they would have in understanding the technique of the financial game. If they ultimately fail, their one hope of a get-out from the disgrace attaching thereto would be to be able to point out the true cause and challenge the bankers to confess either that they did not know it, or that, knowing it, they did not adduce and explain it in support of their original warning. But how much in support of their original warning. But how much better if this knowledge could be proclaimed as an explanation of success instead of as an excuse for failure. And it can. If Roosevelt means to lift America up let him get down to Douglas. His Administration need to study the Social Credit Analysis for two reasons; the major one is to know what is the right thing to do, and the minor one is to know the right time to get out if they don't do it.

* * *

The National Recovery Administration and the Reconstruction Finance Corporation could appropriately fulfil the functions of dispensing Consumer-Credit and Producer-Credit respectively; and the two bodies collectively could, with the powers already accorded to them, elicit from the industrial managements such data as would establish the national Production-Consumption ratio and also the approximate aggregate amount of credit available for emission in the form of Dividends or Price-Assistance. The National Recovery Administration has already embarked on the task of "price-fixing" (see the *Daily Mail* of September 11) which is incomparably more difficult than "price-regulation" on the Social-Credit principle. The Reconstruction Finance Corporation, if it can secure the co-operation of the bankers or else go into banking, would have no difficulty in adopting a policy of loan-finance properly coordinated with that of consumption-finance adopted by the National Recovery Administration. The two policies would be seen to be reciprocal, given the necessary statistical data.

* * *

We must now deal shortly with the Japanese policy, which is causing even more concern than the American. It consists in what the *Financial Times* (in the issue referred to) calls "State subsidies" and "currency depreciation." The conjunction of these two terms implies a combination of State grants and currency expansion. And that in turn implies that the grants are made outside the Budget and are not being collected back in taxation. The characteristic feature of the policy is that these grants (a) are made exclusively to promote exports, (b) are made in respect of all kinds of goods for which external markets exist, (c) are sufficient in amount to enable exporters to cut prices sufficiently to capture those markets. From this we may deduce that (d) the State agrees with the exporters on rates of profit, and (e) pays the grant only on proof of sale. This last condition imposes no risk of the exporters' being left with a surplus provided that they do not over-estimate the quantitative physical requirements of foreigners as distinct from what money they can afford to pay.

* * *

The authority set up to work this scheme is called the Export Encouragement Guild. It works without banners, bands or broadcast boosting. Nor has it to because the Japanese Government, unlike the American, is not troubling about getting employers to engage labour or to pay higher wages to the labour they engage. If these things happen incidentally well and good, but as things are the unemployment problem is not a problem of food and maintenance, nor would be even if Japan were completely blockaded. According to responsible information Japan can grow rice at twice the rate at which the population normally consumes that staple commodity.

One effect of this policy is shown in a table published by the *Financial Times* showing that between 1931 and 1932 Japan increased her exports of cotton piece-goods from 1,414 to 2,032 millions of square yards. As to prices of exports generally, evidences exist in the markets of the importing countries that cuts of anything from 25 to 50 per cent. below the nearest competitive prices are not out of the way; and in one authentic case a cut of 66 per cent. has been discovered. British India is one of the chief sufferers. It appears that whereas in 1929 India exported to Japan 680 million lbs. of raw cotton and imported 581 million square yards of piece-goods, in 1932 her exports had dropped to 362 million lbs. and her imports had risen to 644 million square yards.

* * *

It may be pointed out incidentally that Indian currency is "linked to sterling" whereas both American and Japanese currencies are "off gold" and not linked to anything. "Sterling" is just a name for Mr. Montagu Norman; and when we speak of India's currency being linked to it we can just as well say that it is linked to Sir George Schuster. We said earlier that it doesn't matter to an international banker where trade goes, and here we see evidence of trade disappearing from India under Sir George Schuster's sovereignty. This gentleman must be co-operating with Mr. Montagu Norman in preventing the pound sterling competing in a "depreciation" race with the dollar, and this must also apply to the rupee and the yen. The yen, whose parity value is 24d., is quoted at present at about 14d. The rupee, whose parity value is 18d., is quoted at 18d. It is all very well for Sir George Schuster to echo, as he probably would, the *Financial Times*, and assert

"Nor need we fear, from the wider standpoint [read bankers' standpoint] that permanent ascendancy can be based on currency depreciation or State subsidies"

but why should Bombay go bankrupt for the economic enlightenment of Tokyo? People do not engage in economic activities to teach or learn lessons, but to make a living. If a Jap with a knife were to run amok among a crowd of Indians and commence to cut their throats, they might, as psychologists, realise that he would leave off some time or other, but, as sensible men, they wouldn't passively submit to the operation. At least not if they could help it. Unfortunately the industrialists of India can't help themselves. They are all in Schuster's sterling stranglehold.

Fire Raising.

Dr. Waldo, the City Coroner, has been blessing the idea of holding inquests on all fires whether lives are lost or not. This has been the practice in the City for some years, and Dr. Waldo's experiences are of weight as affording indications of whether fire-inquests would, so to speak, pay their way. In an interview published in a London evening paper last week he pointed out that since the system was adopted for the City there had been a striking reduction in the number and seriousness of fires. Although, he said, the law vested him with discretion to hold fire-inquests only when circumstances seemed to call for them, he boasted that he had used it to the full, ordering an inquest on every fire without exception. That is to say, in his view, the only circumstance in which a fire should be allowed to escape his scrutiny was when there wasn't a fire! This is not a wanton paradox of our invention, for there is a perfectly logical foundation for the conundrum: "When is a fire not a fire?"—the answer being: "When no insurance-claim arises from it." Of course in an area like the City where property is so valuable insurance is universal and claims for fire-losses inevitable. Nobody, if he would, could risk leaving his property uninsured, or could bear the loss if it were destroyed. Therefore, in the City, every fire was a fire. Dr. Waldo disclaims deserving the whole credit for the decrease in fire, pointing out that a contributory cause has been the increase in precautionary efficiency both as regards the construc-

tion and equipment of buildings; but he is satisfied that his powers as Coroner and his exercise of them have scared off a good many would-be incendiaries. And so he foresees great advantages in the proposed extension of such powers to all Coroners in the country.

* * *

Their essential value, he says, is that they enable the Coroner to call in the invaluable testimony of experts, pointing out that, without their aid, it is next to impossible to distinguish between accident or deliberation in the origin of a fire. It does not seem to occur to him (or to disturb him if it does) that this expert testimony, which must necessarily decide the nature of causation, will come exclusively from paid agents whose employers have a material financial interest in proving incendiarianism. When, as we showed in our comments on August 31 on the Harris Trial, assessors for insurance companies can negotiate with thieves for the purchase of stolen property, it would not be a long step for them to negotiate with fire-detectives for the manufacture of false evidence. It is no use saying that the principals in the case would not tolerate such things, for the principals would not know about them—no more than do Statesmen know of the methods employed by the Secret Service to get results.

* * *

Directly the fire-inquest system was adopted it would follow that the first persons allowed to enter onto burnt premises would be experts in the pay of underwriters. No experts representing the interests of the owner would be available, nor would be admitted if they were, the plausible justification of their exclusion being that they might destroy or remove evidence of incendiarianism. And no independent experts would be available, for the reason that nobody can become an expert at all except as a paid functionary. In brief, there are no experts but underwriters' agents.

* * *

Again, it still remains to be shown what these experts can find out when they occupy the premises. Unless the incendiary has been a bungler at the game there will be nothing to be found out. During the Harris Trial there was a remarkable boycott by the penny Press of the evidence as to the technical methods of the fire-raisers, presumably on the ground that it was not good for the public to realise how easy it was to baffle expert investigators. If that was the intention it has failed; for according to our experience the chattering among the working classes on the Trial was centred on this question of how a fire-raiser could or should operate! We overheard on one occasion what we might describe as a staff lecture and debate on fire-raising conducted by a knot of ostensibly honest working men wherein it was brought out that "nobody but a mug" would drench goods with petrol or paraffin, the reason being that these burnt themselves up on the top of the heap and left all but the charred crust unconsumed and "smelling all over the place." If this is true, and is being openly said as it was on this occasion, anybody can know it, and certainly everybody who contemplates fire-raising in future may be presumed to know it. And so with other mistakes which have, in the past, left traces of deliberation behind them. Thus the science of perpetration is bound to keep pace with the science of investigation, if not to outstrip it. So it becomes worth while considering whether the expert debris-searchers and diagnosticians will be worth their salt as witnesses.

It seems then that the Coroner would have to rely more and more on evidence antecedent to a fire—evidence showing what was the financial position of the owner at the time of the fire. According to statements in the Press measures are contemplated empowering Coroners to order a strict and exhaustive scrutiny of every account book and document relating to the claimant's private and business operations dating back as far previously to the fire as the investigators think necessary. The object of this is to make sure that the property alleged to have been destroyed was in fact destroyed, that it belonged

to the claimant, and that it cost him a sum equal to that which he claims (or would cost him that sum to replace). This would involve a scrutiny not only of his own books and documents, but of those of people who had supplied him with goods. It needs little reflection to see what a vast amount of time and expense would be involved all round. Who would foot the bill is not disclosed.

One point that emerges is that under the fire-inquest system every fire will provide Somerset House with a new peephole into the affairs of a group of taxpayers—the claimant himself and everybody with whom he has business relationships. The flames will be turned like a searchlight on potential tax-dodgers. Thus the Insurance Walrus and the Revenue Carpenter will walk hand in hand; and if they can't clear away the sand, they can at least take the oysters for a walk. From this point of view a case can be made out for charging the costs of investigation partly, if not wholly, on the State—one more illustration of the freedom of the financial interests to adopt the role of a public institution when they require to use the authority of the Government to administer their policy, and to adopt the role of a private institution whenever there arises the question of the Government's supervising their policy.

Mr. Jack Hayes, writing in the *Police Review*, of the week ending on September 2, says that Mr. William Charles Crocker, of "Crocker's," of Bucklersbury—the firm of solicitors responsible for protecting the interests of the great insurance underwriters of the City of London—has presented to each police-officer who collaborated in the detection and conviction of Mr. Leopold Harris and his colleagues a silver cigarette case, inscribed: "A memento of Rex v. Harris, Old Bailey, 1933, from William Charles Crocker." An anonymous contributor to the *Star* (August 31) commenting on this information mentions that Mr. Crocker is known as "Big Bill Crocker," is a "genial and friendly" man, one of whose "hobbies" is the "study of criminology"—"so that he knows how to mix business with pleasure." Bucklersbury, he says, is a narrow thoroughfare, "gently tucked away almost under the eyes of the Lord Mayor's official residence, the Mansion House"—an appropriate location for Crocker's "hive of industry," as this writer describes it. Although Mr. Crocker does not know it, his activities in preventing the crime of fire-raising are removing obstructions to the sin of crime-raising. What society requires is found expressed in the Lord's Prayer: "Lead us not into temptation, but deliver us from evil." Nine-tenths of the crime in the country occurs through the failure of people to resist a temptation which need not be placed in their way. That temptation is the automatic consequence of a policy of credit-restriction, for which there is no justification either in science or morality. Of course, to a man who makes criminology his hobby there is nothing attractive in the prospect of removing the cause of crime—for it would destroy opportunities for indulgence in the hobby. He would react to it much as a huntsman does to the idea of farmers shooting foxes. Mr. Crocker's sport is hunting the tempted under the directions of the tempters, whereas the well-being of society would require the tempted to be the hunters and the tempters the quarry. In fact, this is beginning to happen. The phenomenon of fire-raising itself marks a revolt of the tempted against the tempters. Mr. Leopold Harris made it clear that he did not fall to temptation in the sense of being driven to fire-raising by the pressure of poverty, but fell rather to the higher temptation of having a smack at the insurance companies—that is to say hunting the tempters. He was thrown from his mount, and is out of the hunt. But there are other mounts and other men ready to carry it on, and in a more effective because less impulsive way. Harris failed because he did not realise himself what he was hunting or where it was. He did not use leathers. Others will.

The Waites Report.

[Reprinted from *The New Economics*, Australia.]

The report upon the Douglas Social Credit Proposals prepared by the Government Statistician of New South Wales (Mr. T. Waites) was printed by order of the Legislative Assembly of that State on June 22. We have now received a copy of the report, and, since it is an official document purporting to be authoritative, we consider that it calls for a serious reply.

As an opening, we wish to repeat the statement recently made by Mr. John Hargrave:—

"The publication of the Douglas analysis and solution was, and remains, the only potent threat to the credit monopoly (and the facade of Parliament that is its camouflage curtain). That threat operates on the theoretical plane, and until it is destroyed on that plane not only by incontrovertibly logical refutation of its basic principles, but also by the formulation of an equally logical practical counter theory that adequately explains the results of the present financial system (widespread poverty in the midst of plenty), it will continue to disrupt and disintegrate every orthodox and semi-orthodox economic teaching."

While we fully realise that the scope of the inquiry conducted by Mr. Waites did not make it incumbent upon him to formulate any counter theories, we desire to stress the fact that an adverse report such as he has furnished to the Premier of New South Wales should consist, if it is to have any weight at all, of an incontrovertibly logical refutation of the basic principles of the Douglas analysis and proposals. We propose to show, beyond any doubt, that Mr. Waites has not even attempted to assail the basic principles, and that what appear to be on the face of his report refutations of statements made by Douglas are either refutations of statements made by Mr. Waites' own misconceptions of what Douglas actually said, or are based upon some system of logic other than that taught at our Universities and schools.

In estimating what value should rightly be attributed to any report the first thing to be considered is the qualification and fitness of the inquirer to conduct the particular inquiry. The second is the manner in which the inquiry was conducted, including the time occupied, and whether such time was adequate or inadequate, having regard to the subject matter. The third thing to be considered is the matter contained in the report itself. It is upon these lines that we propose to comment upon the Waites Report.

I.

The Qualification of the Inquirer.

Mr. Waites is a Government employee, with such aptitude for and training in mathematics as would qualify him for the position of Government Statistician. To comprehend and thoroughly appreciate economic problems, in which the human element predominates, requires a perception and a vision which are not usually or necessarily associated with the study of so exact a science as mathematics. We have no direct evidence that Mr. Waites is gifted with any such perception or vision; whereas, circumstantially, the very nature of his customary occupation—the compilation of statistics, in which the exercise of imagination should be, if anything, discouraged—strongly suggests that he is not so gifted.

Being a Government employee, and therefore accustomed to the hierarchy which is a feature of the Public Service as we know it, it is not unreasonable to suggest that, upon highly controversial points, he would be afflicted with an unconscious bias in favour of the opinion of what may be designated "constituted authority." In fact, it would be almost unnatural if he were not. By this we do not mean to imply, in any way, that he has not conducted his investigation honestly and with the best of good faith. What we wish to indicate is that if, in the course of his investigation, he met with a point upon which he was unable to arrive at

any definite conclusion from his own knowledge and ability, he would automatically turn, for its elucidation, to a professional economist commonly regarded as an "authority" on such matters. In fact, the letter of instruction from Hon. E. S. Spooner, M.L.A., to him, dated November 18, 1932, contains the following words:—"The Government would like you to consult prominent economists wherever possible, and take their views into consideration." His instructions and his normal inclination are seen, therefore, to coincide; and since it is more than likely that it would be upon the most vital points that he would require assistance, it is to be expected that his findings upon the vital points will be strictly conventional.

It must be conceded that to invest orthodox economists with even persuasive authority in an investigation of the unconventional analysis and proposals of Major Douglas is to render the investigation abortive from the outset. One might as reasonably ask a rabid Prohibitionist to adjudicate upon the virtues of "White Horse" whisky as against Hepburn mineral spa. In fairness to Mr. Spooner it must be acknowledged that his letter of instruction also stated that:—"The Government also desires that you should allow full opportunity to the Douglas Social Credit Association to place its views before you, and to fully expound the system which they advocate." It should, however, be noted that the "prominent economists" came first, and in a sentence all to themselves; and that, whereas their views are to be taken into consideration, the views of the Douglas Social Credit Association are merely to be placed before him. The distinction is probably quite unintentional, and due to careless drafting on the part of Mr. Spooner, but the effect is decidedly unfortunate. A not unnatural construction to be placed upon the instructions is this:—"You are to investigate the analysis and proposals, and give a comprehensive report upon them. In doing this give the Douglas Social Credit Association full opportunity to present their case. When in doubt (or perhaps 'on all important points') consult prominent economists, and give full weight to their opinions."

Under these circumstances, and considering that the reference of matters of uncertainty to Douglas himself, even by letter, was not suggested or apparently contemplated, it is small wonder that the New South Wales Association decided to offer no evidence, and to take no part in the inquiry. Since Douglas alleges that the monetary system is built on a false foundation, an investigation, to be adequate and proper, should be so conducted that the upholders of the system as it is are called upon to defend the system against the allegations made against it. If an integral feature of the investigation is that the upholders of the system are to act as consultants and advisers to the investigator, the result is, or should be, a foregone conclusion. Two previous "inquiries"—that of the British Labour Party in 1922 and the Macmillan Committee in 1930—were so constituted. The former included in its personnel, conventional and professional economists, and had the services of a banker as a consultant and adviser. The latter included in its members both professional economists and bankers. For these reasons we cannot regard the findings of either of these tribunals as in any way satisfactory or authoritative; and, as the present investigation gave signs of being open to precisely similar objections, the New South Wales Association decided to withdraw from the inquiry altogether.

Briefly, the substance of their—and, indeed, of our—complaint is that the terms of reference, the scope of the investigation and the choice of an investigator were all objectionable, and hardly conducive to an adequate investigation.

II.

The Conduct of the Inquiry.

As far as we can ascertain, the inquiry was conducted upon these lines. Mr. Waites obtained a representative selection of the works of Major Douglas, together with

certain published criticisms and the replies thereto by Douglas. These he settled down to study; and that he gave them careful consideration is evidenced by the numerous footnotes and extracts appearing in his report. That he did not understand them clearly is also evident, both from the report itself and from the fact that the report was prepared after "nearly four months' study." It would be an almost impossible thing for a man who had either no ideas, vague ideas, or conventional ideas with regard to economics, to appreciate the standpoint of the New Economists, which, while being merely commonsense applied to the subject of economics, is nevertheless, and perhaps for that very reason, the more difficult to comprehend. While the solution proposed by Douglas is in essence mathematical, the analysis upon which that solution depends is essentially a matter of pure reason. To have the necessary mathematical knowledge alone is not sufficient for the purpose of an inquiry. The investigator must also be possessed of reasoning faculties, and of the ability to shake off, at least during the inquiry, the fetters imposed by the normal conventional outlook upon life. Presuming that Mr. Waites is fortunate to be possessed of these, we submit that so short a period as "nearly four months" is totally inadequate for him to comprehend the Douglas Analysis. This is particularly the case when it is remembered that upon vital points of interpretation Mr. Waites was not instructed to consult Major Douglas (nor, so far as we are aware, did he do so), but was obliged to "exercise his own judgment." Naturally enough, it is in the matters upon which he exercised his own judgment that he has grievously misinterpreted Douglas, and fallen into errors early in his inquiry into the analysis, which errors have, of course, been perpetuated in his consideration of the proposals.

If the inquiry were expected to have any validity at all, it is difficult to see why Douglas should not have been approached, at least by letter, to elucidate the points upon which Mr. Waites was uncertain. After all, Douglas is in England, and could have been approached by telephone, by cable or by letter. We fail to see any reason for haste in the delivery of the report, or why any delay occasioned by communication with Douglas himself should have been considered unjustified.

Categorically, our objections to the method in which the inquiry was conducted are these:—

(1) Mr. Waites relied upon his own judgment where any uncertainty of meaning appeared in the sources from which he obtained a statement of the analysis and proposals. This meant that his criticism is essentially a criticism of his own interpretation of what the analysis and proposals mean.

(2) He did not consult Douglas upon these points or upon any other points, although this was not only possible, but, in our opinion, the natural and proper thing to do.

(3) The investigation was hurried through in less than four months, during which time, so far as we are aware, Mr. Waites was not even exclusively occupied with the matter, but had his usual duties to perform. Even if his time was wholly devoted to the inquiry the time engaged was singularly scanty and unlikely to ensure a thorough investigation.

(To be continued.)

Theatre Notes.

Clancarty: Winter Garden.

If it were possible to be surprised at anything in the theatre, one might wonder why any producer should think it worth while to revive—even in a modernised form—an 1870 play by so inconsiderable a dramatist as Tom Taylor, and with a seventeenth century cloak and sword background. Such a play might conceivably be worth doing as a museum piece if put on at a small repertory theatre for a limited run, but I do not see it creating box-office records in Central London.

The Green Shirts.

NOTES FROM THE GENERAL SECRETARY.

On Friday, September 1, a successful open-air meeting was held at Chinnor. This is a small village on the borders of Oxfordshire and Bucks. Two or three Green Shirts live in the neighbourhood, and a propaganda flying-squad from National H.Q. went down to help at the meeting. On their arrival the Green Shirts were greeted with cheers. In an audience of between 75 and 80 (a remarkably good turnout for a tiny hamlet) there seemed to be only one hostile person; the rest were either definitely in support or not quite convinced. No questions at question time but, as soon as the meeting closed, the crowd thronged round the Green Shirts and asked question after question. The meeting lasted one and a half hours, and at the close the speakers were loudly applauded. Twenty-four copies of *Front Line* (back numbers) were sold.

The whole edition of 2,000 copies of *Attack!* dated Saturday, September 2, was sold out within a few days of publication, and the next edition will be 2,500 copies.

Reports from Preston show that G.S. activity in that centre is going ahead steadily. At the meeting on August 20 (already reported in these notes) the crowd was remarkably attentive. One man was heard to say, "This is what we've been waiting for—why haven't they started this before?" while another remarked, "They have jolly good speakers—they know what they are talking about." Dozens of people asked when the next meeting was to take place, and "G.S. leaflets were seized like hot cakes." We hear that a local H.Q. may be opened in Preston before long.

A joint demonstration of the Blackburn and Preston Sections was held in the Preston Market Place on the evening of August 27. When the speakers boarded the lorry a crowd of from three to four hundred people quickly gathered round and listened to Section Leader Arthur with rapt attention. Our report says: "When the speaker concluded with a challenging—'Demand the National Dividend!' there was a spontaneous outburst of applause. One could not help but feel that such a response indicated a real desire on the part of the masses for action—and that the people are simply waiting for a lead."

On September 3, Section Leader Arthur addressed the Preston Adult School. He spoke, of course, in uniform, and a good deal of interest was aroused. In the evening an outdoor meeting was held, assisted by the Blackburn Section. "This," says the report, "was our most successful meeting to date. Crowd about 400. Considerable applause. Crowd so interested that it remained asking questions until after 11 p.m. Several people intimated that they wanted to join up, and one man wanted a green shirt there and then! Enrolment meeting arranged for following Friday. The crowd was visibly impressed with the determination and sincerity of the Green Shirts, and showed its approval in no uncertain manner."

On September 4, the Preston Leader addressed the Preston "Workers' Rights Association," a body connected with the I.L.P. Audience about 200. The lecture was followed by keen discussion, in which some of the Socialists present described Social Credit, inter alia, as "only half the loaf." The speaker was afterwards told that he had put up a magnificent fight for the Green Shirts and Social Credit, and created an excellent impression.

An open-air meeting was held in Colchester on August 29, by four members of the G.S. movement, Section Leaders Freeman and Gordon, and two members of the Women's Section, Miss Milnes and her sister; all four in uniform. Our report says: "No preparations were possible, save a two-hour patrol of the town, which was effective. We went up and down the streets in twos. Remarks overheard: 'Who are they?'—'Oh, they're the Green Shirts—the town's full of them.' Spoke to many people, and found out from a group of young fellows that the Green Shirts were known by their activities in London and elsewhere, but not what they stood for. The meeting was opened by S.L. Gordon at 7.30 p.m. It was very hard going at first to get a crowd. Eventually we had a crowd of 200 people, who remained intensely interested until the finish, at 10.15. The general verdict of that crowd, expressed by several, was, 'Good luck, Green Shirts! You deserve to win—come again!'"

The first open-air meeting was held in Ipswich on August 15 by the same four Green Shirts as above. They met the Social Credit Study Group in the morning and dis-

cussed matters with them for several hours. A meeting was arranged for 8 p.m., and, our report says: "About twenty members of the Study Group turned up to support us. We had a few hecklers, but they were soon dealt with, and again we had an intensely interested audience of about 300 to 400 people, who literally fought for literature at the finish. As at Colchester, the crowd asked 'When are you coming again?'—so on the spur of the moment we said 'Next week!'"

London H.Q. immediately arranged that a propaganda squad should go to Ipswich on Wednesday, September 6, to follow up this good work.

An interesting impression of the Colchester and Ipswich meetings has been sent in by one of the two members of the Women's Section who were present:—

"I think the East Anglians are slow in coming forward. In Colchester they stood round for a long time just within earshot of hefty shouts, and when asked to come in nearer the platform replied politely, 'We can hear, thank you.' I think when they do come forward they are very good material. When they got over their shyness and found their tongues, their questions showed they had been thinking.

"In both Colchester and Ipswich they clamoured for a return visit. Any and all literature was eagerly snatched.

"One man in Colchester said, 'Well, it shows they have faith in their cause to keep on like this—just the two of them—all the evening.' On all sides we heard, 'This sounds good stuff,' and remarks of that sort. Another man said, 'The English will never stand Fascism or Communism. We want freedom.' He agreed that the Green Shirts were 'more the thing.' (It is refreshing to find folk who are proud to own up to being English.) If we can have one or two more meetings soon, I think there will be a G. S. Section in both these towns."

A Green Shirt Transport Section is being organised, and this will make it easier to get our men about from one place to another.

On Saturday, September 2, a London Route March took place. Contingents from the various districts—Battersea, Shoreditch, Deptford, Edmonton, and other parts—marched with four drummers leading, and a colour party carrying the Green Shirt flag; the whole parade being under the Area Commander for London, Ian A. Ross. This parade was reported to us by people outside the movement as being "very smart indeed—a fine show of neatness and discipline—they marched splendidly." One man writes, "I was proud to see your fellows on the march on Saturday, and proud to stand to attention as the Social Credit Colours passed by. The four drummers with their special regalia looked magnificent, and the roll of the drums filled me with a new hope! Idiomatic emotionalism, I know, but there you are..."

About twelve members of the London Branch of the Women's Section and a special squad of six men were detailed to sell *Attack!* following the main body. Three hundred and thirty-eight copies were sold. Other route marches through London are being arranged, we understand, during the autumn and winter.

Music.

Promenade Concerts, Queen's Hall, September 2nd. and 5th.

Once more that hoary and hardy annual, the autumn series of Promenade Concerts, is with us.

Whatever this institution may have achieved in the past, it is difficult to resist the conclusion that it is not fulfilling any useful purpose at the present day.

First-rate performances of good music are now available to all via the gramophone and wireless, to say nothing of the vast quantity of concerts announced for the winter; hence I, for one, cannot see the *raison d'être* of eight solid weeks of concerts that are bound, in the circumstances, to be limited to a dull, dreary level of mediocrity.

No conductor or orchestra on earth could be expected to give satisfactory performances of either the same or different programmes on six nights of the week—the mental and physical strain would be intolerable—but, what is more important, with programmes of such an exacting and varying character, it is obviously impossible to obtain anything approaching the amount of rehearsal necessary for even a barely adequate performance. Further, despite

Social Credit Secretariat.

All announcements in regard to policy or otherwise for which the Social Credit Secretariat takes responsibility will be signed by the Secretary.

W. L. BARDLEY, Secretary,
Social Credit Secretariat.

Questions and Answers.—VI.

Section (a) in the Addenda to Appendix 1, "The Monopoly of Credit," Page 113, states:—

"That the cash credits of the population of any country shall at any moment be collectively equal to the collective cash prices for consumable goods for sale in that country."

Does the above statement mean:—
(a) That the cash credits of the population shall represent the total money in existence which, at any moment, shall be equal to the collective cash prices for consumable goods?

or

(b) In the event of this not being so, is the total money in existence to be in excess of collective cash prices for consumable goods—such excess being deposits of saved incomes and/or being held in capital accounts (reserve funds for rebuilding), thereby being, at the same time, unavailable as cash credits?

The three questions which you raise are connected with the general principles offered to the Macmillan Committee, and so I would emphasise the fact that they are general principles, the application of which is susceptible of considerable variation. They are formulated in a manner which should evoke the Just Price and the National Dividend as necessary methods of application.

The answer to your first question turns upon the meaning of the term "The Cash Credits of the population." The population of a country consists of individuals considered collectively, and, as such, is interested, not in industry nor in the raw materials or tools and processes of industry, but in the final product of industry.

The Cash Credits of the population are their unnumbered claims upon the product of industry in terms of money.

Current financial technique uses productive industry as the device for distributing the total claims upon its products, and therefore all money held by industrial concerns for whatever purpose has not been distributed and is not therefore a Cash Credit in the hands of the population.

The total money in existence, therefore, must exceed the Cash Credits of the population, such excess being not deposits of income, saved by individuals, since these are unnumbered claims upon production, but all money held by industrial concerns for any reason, either in cash or on deposit or current account.

Perhaps the clearest conception of this idea is obtained by regarding all money in the hands of industry as "Industrial facilities" which become "purchasing power" only when distributed by way of wages, salaries, and dividends.

Section (a), "The Monopoly of Credit," Page 113, continues:—

"... and such cash credits shall be cancelled or depreciated only on the purchase or depreciation of goods for consumption."

a. Realising that such part of cash credits as are represented by loans for production is automatically cancelled through the purchase of consumable goods, there remains that part of cash credits which is distributed gratis (the National Dividend and the Price Discount)—can this latter part be automatically cancelled or must it be withdrawn from the community by taxation?

b. From the marked part of the enclosed cutting we infer that you provide for cancellation of such money by taxation—is this inference correct?

The short answer to your second question is that if the Cash Credits of the population from whatever source they may have been derived are, in fact, collectively equal to the collective cash prices of consumable goods, then the purchase of all the consumable goods must cancel all the Cash Credits.

At this point, however, you have introduced the idea of the Price Discount and the National Dividend (and in this, of course, you are doing what is necessary if these three general principles are to be carried out), and it therefore becomes necessary to prove that under the existing system there is a continuous shortage of Cash Credits which they are designed to supplement in order to make certain that they will be cancelled automatically.

The proof of this situation is contained in the A plus B Theorem (Monopoly of Credit, page 106), which is als-

Sir Henry Wood's herculean and indefatigable efforts to educate the public, it is quite apparent that most of the "Prom" audiences are of very much the same order as the Gilbert and Sullivan encore fiends, and many ballet and operatic "enthusiasts" who religiously attend their favoured precincts and never by any chance appear at any genuinely important musical events.

For them the attraction would appear to be the social possibilities of the Promenade, the ability to smoke ad lib., or to gaze at "stars" (as well as Sir Henry) from vantage points, rather than the quality of the fare offered, a view that is borne out by the fact that each and every item, no matter how bad, is applauded with precisely the same degree of feverish indiscriminate enthusiasm.

Another point to which attention must be drawn is that even if there were only two concerts per week—which, of course, would be far better for all concerned—to endeavour to appreciate music while maintaining a vertical position for hours on end is both barbaric, medieval, and a sheer physical impossibility.

Listening, as opposed to mere passive hearing, implies acute concentration, which again implies freedom from distraction and fatigue, and I am quite certain that no one really attends after one or, at the most, two numbers, especially when confronted on all sides by the spectacle of weaker brethren collapsing in a dead faint. These unfortunates are then removed by their friends, revived by the ministrations of uniformed attendants, and then return—whereupon the process recommences.

I was, therefore, not in the least surprised to see that Mr. Ernest Newman in "The Sunday Times" of September 10, wrote: "... under Promenade conditions ... which are pleasantly typical of a country in which music is looked upon more in the light of a sport or a clan gathering than in that of an art; it is really astonishing to reflect, as one is sometimes driven to do during the winter, upon the number of sturdy young Englishmen and Englishwomen who would much rather stand up in discomfort in August for a fairly good concert than sit down in comfort in October for a much better one."

To a musician the only possible interest in the proceedings is an occasional first performance—such as that of the new *Delius "Idyll"* on October 3—or the appearance of works that are not likely to be heard elsewhere for a long time.

Thus on September 2 the most interesting item was undoubtedly Hedde Nash's singing of Roger Quilter's *Serenade*, "I arise from dreams of thee," and "It was a lover and his lass," accompanied under the composer's able direction.

Both were sung by Mr. Nash with sympathy and insight: the first is one of Quilter's later songs, and in some ways displays a distinct advance on his previous work, the harmony and general atmosphere taking on a point and pungency that is almost *Delian*. The second song, of course, is an old favourite, and sounds delightful in its admirable orchestral setting.

Incidentally, one cannot help wondering what attitude of mind (or lack of it) is responsible for the fact that while Quilter's "Now sleeps the crimson petal" and "Three Shakespeare songs" have been duplicated *ad nauseam*, ignored by all his other and more important work has been practically all his other and more important work has been ignored by the recording companies. What Kalkbrenner Sorabji said of Peter Warlock I make bold to apply also to Quilter, namely, "... a song writer of exquisite delicacy, has been equalled by few and surpassed by far fewer ... and it is really incredible that we have not been given re-records of the lovely "To Julia," "Five Shakespeare songs," "Seven Elizabethan Lyrics," "Five Jacobean Lyrics," "The Fuchsia Tree," and many others. Unless something is done soon, we shall really have to set about forming a Quilter Society."

On September 5 the outstanding work of interest was the Ireland Concerto. Unfortunately the performance was anything but satisfactory, Mr. Angus Morrison playing the solo part in the thoroughly anaemic, emasculated, and unimaginative manner characteristic of the "gentlemanly" approach to music. The Concerto itself, however, best work to date: it is most attractively designed and scored, the pianoforte writing is much more felicitous than in many of Ireland's earlier solo pieces, and the slow movement is one of the most beautiful things in contemporary music. One wishes that Mr. Ireland might have developed this movement at greater length, for it shows him at his best, and is emphatically not to be found in his quasi-atonal moods. Unquestionably it is the finest British pianoforte concerto at the moment, and one longs to hear it in the right setting—preferably with Beecham and the incomparable Gieseking.

CLINTON GRAY-FISK.

another way of saying that under the present system industry is continuously getting into debt at a greater rate than it is issuing purchasing power.

A method of calculating the amount of credit issue which will adjust the discrepancy has been described elsewhere, but it is evident that fresh purchasing power can be issued at a rate at least equal to B and be cancelled automatically in the purchase of consumable goods.

There is no technical necessity for any form of taxation, which should be regarded solely as a political expedient, for instance, in the Draft Scheme for Scotland, a proposal for taxation "if necessary" is made since, as a matter of political expediency, a price discount of "not less than 25 per cent." is recommended.

Section (b), "The Monopoly of Credit," Page 113, states:—

"That the credits required to finance production shall be supplied not from savings, but be new credits relating to new production, and shall be recalled only in ratio of general depreciation to general appreciation."

a. If new credits relating to new production are recalled only in ratio of general depreciation to general appreciation, e.g., 10 per cent., is not the remaining 90 per cent. of new credit left in the hands of the community, and is it not a cash credit in excess of cash prices?

Does not this seem to conflict with Section (a) above?

You are quite right in observing that new credits for new production constitute a cash credit in excess of cash prices, and also in your conclusion that this conflicts with Section (a). It becomes necessary, therefore, to withdraw these credits from the population, and this can be done by the issue of securities representing the capital value of the new production. The fund established by the sale of these securities can be written down in ratio of general depreciation to general appreciation, and the amount written down can be issued from time to time as a dividend on the securities, this dividend being cancelled in the ordinary way through the purchase of consumable goods. The value of the securities depreciates by the same amount less maintenance, eventually to zero, and is written down in the usual manner, thus providing an accurate reflection of the whole transaction. (Compare the arbitrary writing down of industrial securities to-day)

The Crisis of Abundance

"Country Life" (Sydney) publishes the following satire on the limitation of crop idea:—

"We have it on the worst possible authority that legislation will be shortly introduced to provide:—

"That every Woolgrower be compelled to reduce the 'cut' per sheep by 2 lb.

"That no wheatgrower be allowed to produce more than twelve bushels on any acre.

"That the Dairyman shoot at dawn any Cow that gives more than one Bilycan of Milk.

"That the Poultry-farmer send to the meat-market any Hen that lays more than three days a week.

"That every Orchardist axe any apple tree that bears more than the two dozen bare each year.

"That no live-stock be mated for the next three years."

—New Era, Sydney, July 27, 1933.

A GLASGOW BROKER ON THE AMERICAN EXPERIMENT.

"Conditions in America change with kaleidoscopic rapidity. Actions that were legal yesterday are counted as crimes to-day, and vice-versa. It is not long since bootleg beer was delivered in oil barrels. Now that the production of oil is a crime in certain cases, bootleg oil is delivered to customers in beer barrels. We live, indeed, in fearful and wonderful times. There have been many fantastic schemes put forward to create prosperity. At one time it was humorously suggested that by raising the duty on alcoholic beverages sufficiently, provided the imbibing public did its part, our nation could drink itself into prosperity. According to Mr. Walter Elliott, who shudders to think that two grains of corn may be made to grow where one grew before, the nation can be starved into prosperity. Equally fantastic is the theory now mooted by President Roosevelt and his "brain storm" advisers, that America can idle itself into opulence."—The Weekly Investment Review (No. 356, for week ending August 10.)

A DOUGLAS SHOPPING LIST.

The back page of the New Era (Sydney) for July 27, 1933, contains a long list of Social Credit shopkeepers in the Sydney district.

LETTERS TO THE EDITOR.

SOCIAL-CREDIT PROSPECTS.

Sir,—In the twenty years that I have been a subscriber to THE NEW AGE, there has been little call for me to contribute. My time is very limited, and I figured there was little I could do. Your editorial of June 22, calling for action, is timely.

Major Douglas's idea of the Deity as I see it, is as of a kind of thread running through time and space, touching all human activity; the thin line which stands for RIGHT in the centre of all things. His own scheme, in its sphere, appears to come mighty close to that idea, touching all life that matters in other spheres.

Here is why I endorse his scheme, and why your appeal, or statement of policy, causes me to cut many ties binding my interest in other directions.

We are at the threshold of a change in the world. Take science. One theory after another is being evolved, each disposing of a previous one, each leaving a weak point for the next to upset it. We hear about relativity, about continuous, quantum theory and what not in the way of new words and ideas. And what is the answer? Not one scientist has a positive reply. Everything only appears to be, but actually is something else. Nothing is absolute. Here and there it appears as if a finger is near a solution. Take arts and crafts. Is there anyone bold enough to assert that, in the main, art is not stifled by the crude complexity of present day life? Take politics, small and world-wide. The power of finance is the expression of principalities and earthly powers. Bedlam is ready to break loose at any point at any time.

Change is coming. What it will be and how it will come about depends on three things. 1. How powerful is financial rule? 2. How blind are the rulers. 3. Which ferment will act faster (or stronger) that acting in and for the light, or that acting in and for darkness? It is significant that one society, the Kibbo Kift, have turned their idealism into a practical scheme. Let it not end there. Even if it is, for the moment, allowed that the Churches should deal with the individual only, there are lots of societies and lodges with high ideals which can and should, if they are sincere, accept or reject a social scheme showing the flaw and the remedy in the present order of things and human beings.

For myself, I am now ready to preach Douglas in my own small sphere of life. And it is my suggestion that social credit advocates should place the members of any society or lodge to which they belong, in a position to judge the scheme. I strongly believe in personal salvation. If that means anything, it has to be personally applied, and Douglas is the solution.

Douglas is not only a scheme, it is a gospel of human salvation and will have to be preached as forcefully as the gospels of old. No coercion can be used, but only a clear statement of fact, which has to be accepted or rejected.

JOHN PETER.

British Columbia.

SCIENCE AND SOCIAL CREDIT.

Sir,—Writers and speakers on the changes required for the better organisation of society refer to the need for a greater use of scientifically minded men in the administration of the State. For instance, in his paper on "Synthetic Engineering," reported in THE NEW AGE of May 11, 1933, Major Douglas points out that the engineer has become a specialist in the mechanism of engineering and only plays a small part in the planning of the social technicians. "scientific method must be applied to other technicians. Similar responsibility would seem to rest on a general. These points are of particular interest to me as a research chemist, twenty-nine years of age, and having a general scientific and human interest beyond the limits of my immediate technical problem. I have training, experience, and outlook that should be of value in bringing about and maintaining a better structure of society, finance, and industry.

It has occurred to me that those like yourself, who are actively promoting social reform, may be able to suggest how such a use of suitable scientific men may come about in practice. How will they be selected, and how can we direct one's present activities, such as choice of employment, education, spare time, and personal contacts, so as to take a full part in that better organisation of the social world which is so urgently required.—Your sincerely,

PHILIP H. PRIGG.

THE "COLLAPSE" OF CIVILISATION.

Dear Sir,—Mr. C. R. Bence's remarks make me realize that we must define our terms. The letter which appeared next to his last week may make my point clearer; but perhaps

haps you will allow me to say that when I wrote "as long as human beings remain on the earth civilisation cannot break down." . . . The very spirit that has produced it will continue it," I used the word civilisation to denote all the achievement of mankind, physical, mental, and moral, which tended towards truth, beauty, and goodness, and that unity which is its goal; that is, the whole result of humanity's march through the ages.

This includes all the "cultures," for the whole is intermingled; it can be built upon, but the influences of the foundations are everlasting. We can say, for instance, that the Catholic-Feudal has gone, but its contribution to civilisation has grown into the fabric of our ideas and customs, and it enabled the formation of the modern European nations to take place, themselves a very firm fact.

I was not speaking of any one civilisation—Western or otherwise—for ultimately all civilisation (which Social Creditists call cultural heritage) is the inheritance of all the world for all time. Nor was I speaking of the culture of any particular period. Our present civilisation is based on something farther back than, as Mr. Bence says, the eighteenth or nineteenth centuries. When was fire first used? That point to the antiquity of our foundations; and nothing in the intervening time can be disregarded as a factor.

When Mr. Bence quotes, and approves of (as I do), Herr Spengler's saying, "The dreams of the World Reformers have become the tools of the Man of Action," he is himself admitting that there is not a breakdown, but a continuance of civilisation, is breaking down. Our financial system, not our Money Revolution is in being; and, inevitably, whether sooner or later, depends on when Social Credit ideas permeate whatever country first adopts them; but, inevitably, finance will be relegated to its proper place of servant instead of master; and then civilisation will proceed more quickly.

E. M. WHITE.

THE PROSPERITY CAMPAIGN.

Sir,—Will you permit me to answer through your columns a number of questions received since your publication of Mr. Roantree's letter concerning the "Prosperity Campaign." The Manifesto of the Campaign, which has been provisionally agreed upon, was in the first instance drawn up with the assistance of a number of group leaders and representatives of the Church.

The revision undertaken by the S.C. Secretariat dealt with Clause (5):—

1. . . . "therefore immediate measures shall be taken to give effect to the following principles:—

"That the cash credits of the population of any country shall at any moment be collectively equal to the collective cash prices for consumable goods for sale in that country and such cash credits shall be cancelled on the purchase of goods for consumption.

2. That the credits required to finance production shall be supplied, not from savings, but by new credits relating to new production.

3. That the distribution of cash credits to individuals shall be progressively less dependent upon employment. That is to say, that the dividend shall progressively displace the wage and salary."

This revision made it necessary for the promoters of the Campaign to redraft Clause (6), which now reads:—

"We therefore insist upon recognition that the material realities of productive power and human need constitute a part of Christian truth, and that no appeal to 'economic laws' or financial requirements in contravention of these principles shall be permitted by those entrusted by His Majesty the King."

In the original, Clauses 5 and 6 sought to obtain absolute powers for the Prime Minister, through the exercise of the Royal Prerogative, to establish Social Credit by legislation. The revision by the Secretariat has already proved its value without conflicting with any political principle or creating public opposition against the exercise of powers necessary for the establishment of a Social Credit regime.

Concerning Mr. Abrams' correction. I beg to point out that Mr. Roantree did not state that the Birmingham S.C. Central Group had taken up the Campaign. It should be noted that, apart from S.C. groups, various organisations, political, social, business, and religious bodies are taking up the Campaign. In the case of Birmingham, those groups of individuals who are preparing for this work, will shortly approach one or all of the six S.C. groups in this locality with requests for local speakers. Many Campaign groups, especially those connected with Churches and other organisations, are in need of efficient leaders and public speakers.

Social Creditors who can offer their services, either locally or elsewhere, are invited to communicate with the National Credit Association, 38, Museum Street, London, W.C.1.—Yours sincerely,

ROBERT J. SCRUTTON.

St. Peter's Vicarage, Paynes Lane, Coventry.

September 8, 1933.

DICTATORSHIP.

Sir,—You seem to have a sort of admiration for Herr Hitler as Dictator. Mostly he seems a muddle-headed spouter, who has caught the German people at a desperate time by promising every group everything it wanted with a childish disregard of consequences.

Half-baked gulls (or are they paid agents?) are beginning to prate of the marvels worked by the Duce in Rome. The marvels are not specified. The same breed talks of the good already done by Herr Hitler. The good seems to consist of the murder, beating up, despoiling and hounding out of German life some of its most valuable Jewish elements, the burning of valuable books, the holding of torch-light processions, and vast demonstrations—all good melodrama, no doubt, but not quite the good the world is looking for.

We are in danger of forgetting that under Parliamentary institutions, possibly because of them, this little island has created the greatest Empire the world has known, and, directly or indirectly, has industrialised the whole world into the state of plenty amid which it now starves.

Social Creditors should beware of sporting with the idea of dictatorship, unless they can be quite sure they will get the sort of dictator they want. The dictator they would most likely get would be one who would first and foremost suppress THE NEW AGE and the Green Shirts, burn the Douglas books and clap leading exponents of Social Credit into concentration camps at the bidding of his backers.

P. MAMLOCK.

Dear Sir,—After reading this week's New AGE, I would like to know where we stand as supporters of "Social Credit" and to the definite policy of the movement? I have held the opinion that the Douglas technique and proposals were essentially British; that we should lead and others follow, but I'm afraid I was quite mistaken.

Are we to understand that if, as "Scrutator" states on page 224, col. 2, Hitler adopted the Social Credit proposals, we would be expected to acclaim him saviour of Europe, and also to forget all that has happened in Germany? I don't like to think that Social Credit is being hawked about in the hope that someone, British or foreign, will give it a trial, least of all Hitler! If we cannot get Social Credit off our own bat let's chuck the game. I should also like to refer to the notes of the Green Shirts, where it is stated a Green Shirt took "a soc on the jaw"; this is not a good example of discipline, it's rank cowardice, in my opinion, and suggests the "maggot" in the slogan.

F. R. STEWART.

Answers to Correspondents.

THE BURDEN OF INTEREST AND PROFITS.

"Not One of the Fooled" (Western Australia).—The method you adopt to disprove the assertion by the Bank of New South Wales that the incomes of the public are sufficient to meet prices is defective. The term "public" in the context of the controversy means all the individuals in the country, including bankers, manufacturers, and merchants. The interest charged by the first group and the profits made by the other two cannot be said to deplete the income of the "public." They augment income in one quarter by the same amount as they deplete it in another. In order to prove that there is a net general depletion it is necessary to show that money paid by some individuals does not come into the hands of others as personal income. This happens in the process of retiring bank-loans—a process of which the investment system is the chief agency. Thus, say that you borrow £100 from a bank and pay it out as wages to build a barn or to fence off some land. If you and your employees are considered as the "public," then the public income is temporarily up by £100. When the work is done and the bank wants the loan back you can only get the money out of the "public." You cannot deliver to them the barn (or the fencing) to take home as personal property; you have to sell it to them *in situ* as industrial, i.e., profit-earning, property. You issue and sell shares; and pay the bank with the proceeds. The bank retires and cancels the £100. The public's income is down to where it was before the work commenced. But the cost of the barn stands as a new charge against the old income. No money exists out of which the owners of the barn (the investors) can recover that cost, much less make a profit.

What is influencing your mind seems to be the fact that

the public in Western Australia are being fleeced by the manufacturers and merchants in the Eastern States. This simply goes to show that the incomes of the Australian public as a whole are inequitably divided—a proposition which is irrelevant to the question of whether these incomes are collectively equal to or less than the costs set against them.

TROUSERS OFF!

"I know quite large numbers of bank managers, particularly in Africa, and I always tell them: When I enter a Christian church I take off my hat, when in a Synagogue I leave it on, when in a Mosque I remove my boots; but when I enter a bank I feel that the place is so 'sacred' that I feel I ought to take off my trousers! This jibe usually gets under a Scotch manager's hide. . .! It, however, does not facilitate getting an overdraft!"—Extract from letter received from N. Rhodesia.

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The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands 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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