

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART
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NOTES OF THE WEEK.

Blatchford on "Democracy."

The *News-Chronicle* of September 12 prints an article by Robert Blatchford in which he points out, with examples, how the condition of the British people has improved during the last sixty or seventy years under democratic institutions. His object is to reprove those people who are toying with the idea of establishing a dictatorship. In the next column appears an editorial comment on the article, in which the *News-Chronicle* reminds Mr. Blatchford that most of the great social reforms which he adduces as evidence of the superiority of the democratic principle were "brought about under Liberal leadership." The moral implicit in this claim appears to be that further progress under democracy depends upon "comprehensive Liberal inspiration." "Something more is wanted, adds the writer, than the "jaunty advice" to the people to "wait constitutionally till the clouds roll by"—advice which a "lazy and incompetent" Government is apt to tender to them. This is an admonition to the National Government to Liberalise its policy as the only method of forestalling experiments in dictatorship.

So far so good. But it happens that out of all the examples adduced by Robert Blatchford in support of his case he selects as the most "sweeping and decisive" of democracy's victories "the establishment of death duties and a cumulative income tax." He writes of his amusement at reading, in a book by the Countess of Warwick, about "the intrigues of Edwardian days when the Peers and the Crown were wrestling over their powers and privileges."

"What so delighted me was the fact that while the struggle was going on a number of obscure Toms, Dicks and Harrys of whom the great ones had never heard passed those shattering measures and shook the edifices of privilege and snobbery to their foundations."

"This amazing change was accomplished so quickly that the general public scarcely noticed it and did not grasp its purpose, nor suspect its far-reaching importance. It was, in effect, an act of national confiscation, a capital levy."

"How it was accomplished, and by whom, I don't know to this day. But it was a famous victory."

Then follows the moral:

"Well, ladies and gentlemen, if *Democracy can score like that* without waving a flag, breaking a window or wasting a cartridge, what is the limit of the power of an educated and organised public opinion acting on peaceful and constitutional lines?"

No wonder "Old Bob" is popular. There has rarely been a man so active and strenuous in public controversies who has been so free from guile in speech and conduct. In this instance Mr. Blatchford innocently founds his case on evidence which disproves it—yet which, fortunately, goes to prove something of incomparably greater importance, namely the existence of a financial dictatorship behind the veil of political democracy.

* * *

According to his argument it would appear that if you don't kick up a fuss, but go peacefully to the polling-booth and mark your cross on the ballot-paper, you rub, as it were, the lamp of democratic principle, whereupon a good genie appears and fetches you something you had not thought of asking for. Who the genie is, and how it does its tricks, Mr. Blatchford has been unable to ascertain to this day. But they have been famous tricks in the past, and there is no limit to the number and the potential fame of the tricks which it is ready to perform in the future if you keep on rubbing the lamp. This is very comforting, but it leaves us a little puzzled to see why public opinion needs to be "educated" or "organised" to procure the miracle. If the public are going to get something other than what they think they want, why should they be educated to formulate their wants or organise to secure the fulfilment of them? All they need to do is to rub the lamp, a thing that any child can do. "Ah," we can hear the *News-Chronicle* interjecting, "but you must rub the lamp on the right side or else you'll raise up an evil genie." In other words you must mark your cross against the name of the Liberal candidate. It is not difficult. You do not have to know what Liberal principles are, but only the identity of the candidate who professes to follow them. When Alberich, the dwarf, robbed the Rhinemaidens of their gold they complained to Wotan. This god, in the true spirit of Liberalism, resolves to right this wrong. He descends with Loge, the fire-god, down into the depths

of the earth, where he finds Alberich, and there the two gods trick the dwarf out of the gold. Wotan now feels the grave responsibility resting upon him of deciding what is the wisest use to be made of the gold. Eventually he hires two giants to build Valhalla, a resplendent abode for the gods. And the story ends with the triumphant procession of the gods passing with stately strides over the majestic arch of the rainbow into the new abode. This amazing change was accomplished so quickly that the Rhinemaidens scarcely noticed it and did not grasp its purpose, nor suspect its far-reaching consequences—at least not while it was taking place. But when they heard the thunder and saw the lightning which heralded the awesome entry into Valhalla, they realised that Wotan had worked in a mysterious way to restore property. "Give us back our gold," came their plaint, floating up from the waters of the Rhine. It reached the ears of Wotan on the rainbow through the blare of the triumphant music of the march. He stopped the band to ask what was the matter with those accursed nixies; and, having heard, ordered the band to resume, and the march to proceed, while Loge ironically called down to the maidens that thenceforth they could bask in the new splendour of the gods. And such is the way in which the good genie of Democracy takes care of its votaries.

America, Japan and the Banks.

The Times has been publishing several reports and articles bearing upon what we wrote last week about the American and Japanese experiments. Readers should always keep in mind, by the way, that THE NEW AGE, though officially published on a Thursday, cannot normally quote or review news later than that of the previous Sunday, owing to the fact that the paper has to be made up on Monday for printing on Tuesday. In urgent cases it is possible to take in later news, but only under what one may call "stop-press" conditions. (Contributors and correspondents should note this particularly: for several of them have recently been sending communications which have reached us after we have gone to Press.) For example, there was an item in The Times of Monday, September 11, which would have reinforced some important passages in our analysis of the Japanese situation last week. It will be remembered that we were pointing out evidences that Japan was departing from orthodox financial principles by expanding credit and directing it to the promotion of a dumping policy. The expansion was (and is) taking place in and through the agency of export manufacturers exclusively—that is to say, picturing the factories concerned as so many guns trained on foreign markets, and the factory-products as so many shells, the releasing of new credits is comparable to the detonation of propelling charges in the guns which expands or inflates, so to speak, the explosive into the gases which are imprisoned within it, with the result that exports are fired off and burst with disastrous consequences in the areas of trade and employment behind the enemies' lines. The appropriateness of this analogy will be recognised by everyone who realises that all international trade is international warfare.

This leads up to the news-item to which we have referred. Briefly it is to the effect that the military party in Japan is making a formal bid for an increased measure of influence on high-political policy. Its influence all along has been nearly, if not quite, equal to that of other interests. Some readers will remember that in a discussion on this subject recently it was pointed out that the status and power of the military factor under the Japanese constitution is not dissimilar to that of the landed interests in Britain a century ago or more. And it seems likely that the military party in that country only require a small marginal increase of influence to turn the Japanese constitution into a virtual, if not formal, military dictatorship. If so it is perfectly logical. The Japanese mind is realistic, and has no difficulty in seeing that economic ascendancy necessi-

tates military ascendancy for its implementation and maintenance. And for two purposes, the one to resist military attacks from outside, and the other to suppress civil revolt inside, against the policy of the Japanese Government.

It is important to bear this in mind, because it is the answer to any critic of Social Credit who comes along and reminds our speakers and writers of their insistence on the proposition that high finance dominates high political policy. As a general proposition this has been substantially true, but the degree of truth in it as a particular proposition has varied according to place and circumstance. It has been true in the highest degree—one might almost say wholly true—in Great Britain, but less so in France, less also in America (before the banking "crisis," while such a large amount of independent, decentralised banking was going on), and probably least of all in Japan. If the critic should want to know why these qualifications of the proposition have not been made until now, there are two proposals are of British inspiration, were first taken up and supported by British citizens, and have been expounded in a British frame of reference with the natural objective of influencing British opinion and securing their adoption by a British Government. The whole setting being British, the business of Social-Credit propagandists has been to relate their statements and arguments to the prerogatives and powers of British bankers. In that relation the proposition that finance is supreme has been true, and it was the right of these propagandists to declare the truth, and their duty to do so without blurring its significance with qualifications. The second answer is to remind the critic that a declaration that something is true is not a declaration that the something must remain true. The fact of the Social-Credit itself implies the contrary in the mouth of the Social-Credit advocate; for what object can he be held to have but that of making the true thing become untrue? He expects the existing system to die of exposure; so the more unequivocal the exposure the stronger the proof that he is animated by that expectation, and, what is just as important, that he knows the most effective way of realising it.

We are peculiarly interested in this matter because the most frequent reason proffered by subscribers to THE NEW AGE, when they have bidden us with being farewell, has taken the form of charging us with being "narrow," or "uncompromising." Insofar as these charges have been supported by evidence (which has rarely been the case) all that they amount to is that we have been accustomed to speak unequivocally and on essentials. The "width" these people seem to want would stretch Social Credit until it snapped in the middle: the "compromise" would mean taking so many people on board as to sink the boat.

The Correspondent of The Times in Tokyo derives his information from the vernacular Press, which, he says, states that General Araki, Minister of Finance, has views before Mr. Takahashi, Minister of Finance. He impressed upon the latter the "unpropitious outlook" before Japan, and the necessity for preparation against emergencies; concluding with the remark: "It would be a grave blunder to allow financial difficulties to obstruct the strengthening of the national defences. For the significance of this language to be appreciated it is necessary to remember that in Japan political 'blunders' who, in the opinion of the military technicians, endanger the State, cannot count upon the indulgent penalties with which European statesmen are allowed to purge their stupidity, but run the risk of summary execution, as was shown when Mr. Inukai, the former Prime Minister, was assassinated by Japanese officers. The Times Correspondent recalls this event and says: 'As the speeches at the Court-martial . . . showed, the

young officers are convinced that the country's ills are due to corrupt politicians and selfish capitalists." That is no doubt a correct account of military feeling at the time of the trial, but to-day it is probable that Japanese opinion in influential circles both inside and outside the army and navy is the best-informed in the world as to the underlying cause of political "corruption" and capitalist "selfishness." The assimilation of authoritative Social-Credit literature in Japan has outstripped that in every other by a long distance, and this subject must have become a considerable factor in the self-education of students of political affairs. Not only so, but its study may yet be (if it is not already) officially recommended behind the scenes; for it is the most effective means of dealing with a problem that has long occasioned concern to the Japanese Government, namely, the spread of Communist teaching. General Araki, indeed, refers explicitly to this. According to The Times, he went on to tell Mr. Takahashi:

" . . . the educational system needed change, as it was at present turning out too many educated Communists."

Then the General advanced another significant view. He said:

"Financial and political institutions also required reform, as their defects were the cause of social unrest."

It may, of course, be by accident that the older moralistic terms: "political corruption" and "capitalist greed" are now replaced by the mechanistic terms: "defects" and "institutions"—and that finance replaces capitalism as the respondent to the military indictment; but there is a balance of probability that it is not by accident; and expert psycho-analysts can adduce evidence to show that "accidents" in the realm of consciousness often reveal purposiveness in the realm of subconsciousness.

However the substance of the whole matter is that General Araki's step "is read as a manifestation of the Army's intention to play a greater part in government than formerly." The Times's Correspondent adds that: "Many of the public in their present mood agree and welcome the Army's intervention in politics."

General Araki's primary concern is to secure provision in the next Budget for the "heavy demands of the Army and Navy." It is difficult to see how Mr. Takahashi, who is the Minister responsible for the issue of new credits to exporters, can resist a demand for new credits to armament manufacturers. To refuse would be to equip economic riflemen in the front line of the trade war and neglect to equip the supporting military artillerymen. It is no use his saying that the exporters can sell their goods abroad while the armament manufacturers cannot; for in the last analysis the trader's power to sell can only be effectuated by the soldier's power to fight.

Mr. Inukai was shot on May 15, 1932, but the Court's decision as to sentences has yet to be announced. The Correspondent of The Times deals with this trial again in his cable dated September 11 (published September 12). Speaking of the strength of public sentiment in favour of clemency towards the officers, he says:

"The Court has been inundated with petitions, many of them written in blood, and in a dozen cases accompanied by little fingers chopped off as evidence of sincerity." (Our italics.)

The prisoners' counsel have yet to be heard before the Court's decision is announced. The Procurator's basic submission has been that any attempt to subvert the Constitution by violence is mutiny. The public, and the most of the army, are not in the mood to construe the law that way; and General Araki's indictment of Parliament as decadent and corrupt reinforces the popular point of view. According to the Correspondent, a cer-

tain number of senior officers favour drastic sentences because they "realise the danger of the fighting services mixing in politics." But he does not explain what is the nature of the danger, or whom or what it threatens. If facilities for investigation were open it would probably be found that these senior officers are politico-military types whose philosophy of government has been tainted at the source by their credulous acceptance of the orthodox axioms of "sound" finance. For, as has often been shown in these pages and elsewhere, when once you let pass the fallacy underlying bankers' premises as to the necessity and immutability of their existing principles for maintaining the co-ordination of managed credit with unmanaged cost you are logically obliged to reach their conclusion that high-financial policy must be immune from interference by sectional interests, be they civil or military. Indeed, you have to go further and conclude that even a Parliament with a clear popular vote behind it must trim its mandate according to the pattern of the financial frame of reference in which it operates. The banking community must thus be the oracle which decides whether and when the voice of the people is discordant with the voice of God. In practice the oracle has rarely to be consulted because it forestalls profane electoral mandates by vetoing profane electoral programmes. The rival puppet parties do not even ask the people for a mandate without having first ascertained whether it qualifies for the bankers' certificate of divinity. Herein lies the master-corruption in politics—it is, as it were, mechanical and unintentional so far as visible political leadership is concerned, and the only persons who can be arraigned as consciously corrupt are those who know the root cause of the economic deadlock and are preventing or delaying its disclosure. Mr. Inukai, in all probability, did not know the secret; but the ultimate responsibility for his death rests, not on those who cut him off in his ignorance, but on those who, by keeping him ignorant, wantonly exposed him to the fate which overtook him.

The Times Correspondent's cable under date September 13 (published on September 14) communicates and comments upon a statement prepared by the Japanese War Office for The Times. According to that statement, the Army is not seeking military dictatorship but rather a super-party Cabinet. From internal evidence the authors of the statement are likely to have been those "senior officers" who want drastic penalties for the officers on trial. The text reveals the same obliquity of reference and argument as is to be detected (as we showed by reference to The Times's leading articles last week) in literary compositions inspired by financial interests and designed to conceal their powers and purposes. The statement says:

"Consultation of the Government with the people is not only an integral part of the Constitution, but one of the fundamental principles of the Japanese State guaranteed by the Imperial Oath.

"The present weakness of the Diet is due to the failure of party Governments to deal with national problems.

"Parties have lost their power because they have lost the confidence of the people, but the Army will only exercise its influence legitimately and within the bounds of the Constitution."

It has been recorded of the late Sir Frank Lockwood, the famous barrister, that on one occasion when he had undertaken the defence of a prisoner the solicitor submitted to him an assortment of alternative alibis prepared on the prisoner's behalf. Sir Frank had a look at them, and, after a slight pause for consideration, picked one of them out with the remark: "Yes, I like this one best." Whether the Japanese War Office prepared alternative statements or not, the one here quoted from is at least an alibi for the bankers of which their leading counsel could say: "I like this very much."

The ascription of the Diet's weakness to the failure of party Governments distracts attention from the fact

that the cause of the failure has a non-party origin. The reference to *national problems* evades the fact that the said "problems" (in the plural) are non-national, but are, severally, specific problems affecting different specific interests, any one of which, if it were to press its case for attention into prominence, would quickly be told that its difficulties were a sectional, and not a national, problem. In the second place the pluralising of the word "problems" in association with the word "national" lays the scent away from an inquiry into whether there is not such a thing as "the national problem." Every student of Social Credit knows very well that there is such a thing. It is the fundamental problem of ensuring the remunerative disposal of home production to consumers in the home market. We can define the "national problem" as the sum of all sectional, and thus "party," problems; and we are justified in adding them together because we know that the solution in each case does not impede the solution in any other. The "national" disease of Japan is financial anaemia; and the sole reason why so-called "party" Governments have been unable to cure it is because they have been trying the remedy of transfusion of purchasing-power as between the sections and parties, whereas infusion from non-party sources is the only remedy.

Again the explanation that "Parties have lost their power because they have lost the confidence of the people" is a reversal of the true causal sequence: the people have lost confidence because the Parties never had any power to justify confidence. At the best a Party Government has only been effective as such in adjusting superficial grievances, with perhaps a bias in favour of the interests which put them into office; but in regard to the deepest and universal grievance, every Party Government has tacitly and unwittingly resolved itself into a Super-Party Government—in short, into a Bankers' Government. Thus a community of Toms, Dicks and Harrys are "consulted" (a choice word this, too) by the Government only as to how the Toms, or Dicks, or Harrys can recover from the other two sections that which in fact all three of them have lost. They are consulted on something which is inherently impossible, and are ignored on something else which is inherently possible. Of course they have lost confidence, and not only in the Government, but in themselves and in each other. So if the Army does what it announces, namely, acts "within the bounds" of a Constitution dominated by the bankers, the confidence at present shown in it will disappear. *The Times* Correspondent forecasts "a super-party Cabinet headed by a non-party statesman"—in vernacular English, a syndicate of Dubb-codders and Dubb-floggers run by a nominee of Dubb-robbers. The inclusion of the Army will strengthen the flogging element in good time to deal with any untoward exhibitions of a "lack of confidence" down below. No doubt the disillusioned people will be enjoined to seek solace for their material injuries in the cultivation of the heroic virtues. That, at least, is the direction in which the bankers hope to exploit the Army's bid for more political power. Whether it will come off it is impossible to prophesy. In Britain, where the citizen signifies his sentiment with a cross on a ballot paper it is an easy ramp. But in a country where people tie their severed little fingers to petitions the reactions may well be different. There may be more in them of the wit of little Tommy in the story who was reprimanded by his little sister: "You must not be so selfish: you must think of others." Tommy reflected on this for a moment or two, and then hesitatingly replied: "Ye-es; but will the others think of me?" This story bears immediately on another statement in *The Times* Correspondent's cable—this time one of his own:

"In the meantime the weakness of the present Government is the failure of manhood suffrage to cleanse the parties . . ."

That is good banker dialectics. The euphemistic word

"cleanse" can mean nothing other than the elimination of the vice of thinking of one's self. How manhood suffrage could be expected to accomplish this we are not told and cannot guess, unless of course every citizen had renounced all interest in himself before being endowed with the privilege of the vote. In that case the selfless electors would elect selfless parties (whatever such parties would be, and for whatever reason there would be parties at all) and these parties would support selfless Cabinets, who would then be able to deal with "national problems" without obstruction. The first problem would then be to discover what had become of the economic system itself.

The Times Correspondent's cable of September 14 (published September 15) announces the appointment of Mr. Hirota as Foreign Minister in succession to Count Uchida. The Count is said to have been cold-shouldering General Araki, hence the new appointment satisfies Army sentiment. Mr. Hirota is said to be *persona grata* with the ultra-patriotic elements. He is also acclaimed as a statesman whose ideas are "practical and moderate," and who has done service in Western Europe and America as well as in Russia and China.

So much for Japan. Developments in the United States have been reported by *The Times* Correspondent in Washington during the week, notably in cables published on September 14 and 16. In the first he refers to the "misgivings of the banking community." One reason has to do with the position of the banks outside the Federal Reserve System under the new deposit guarantee law which requires them to demonstrate their solvency to a body called the Deposit Guarantee Corporation. It is feared that a lot of them will fail unless they are provided with new capital, and will have to accept the offer of the Reconstruction Finance Corporation to buy their Preferred Stock, which may entail their giving the Corporation representation on their directorates. Another reason is the Government's professed readiness to make "pay-roll" loans to industries if bank-loans are not issued in adequate quantity. Although the direct powers of inflation have not yet been exercised by the President, the inflationists are active. Some of them are visiting their electoral districts, and are prophesying that if inflation does not come before January it will be enacted then by Congress. General Johnson's report is that the recovery programme is "25 per cent. complete," but other reports say that only about 15 per cent. of the unemployed have been absorbed. President Roosevelt, too, "frankly admits that general purchasing power has by no means advanced," which it must if his plan is to succeed. According to the Correspondent, the President has not yet pronounced any definite monetary policy, and "the time is fast approaching" when his "reliance on the method of 'trial and error' will not suffice."

The cable published on September 16 is introduced under the headlines "Moving Towards Inflation," "Credit Expansion." It says that Senator Fletcher, Chairman of the Senate Committee on Banking and Currency, is demanding that the Federal Reserve Bank should be directed to buy 100 million dollars of Government Bonds weekly, and that the Treasury "should issue a like amount of 'greenbacks' with which to buy the bonds issued for the public works programme. Mr. Jesse H. Jones, head of the Reconstruction Finance Corporation, is "much in accord" with this. He has declared that: "The best form of inflation you can have is credit expansion—credit on easy terms. He will control something like 1,000 million dollars to lend to banks and trusts and mortgage companies at 1 per cent. on condition that the money is re-lent at more than 5 per cent. to industry to help it fulfil the requirements of the National Recovery Administration." In the phrase of the Correspondent, "manipulation of American currency" will probably come next month, or certainly when Congress reassembles.

One fact of major importance emerges from these reports, which is that the doctrine of the bankers' immunity from political interference has gone by the board. But unless the bankers' technical axiom that all costs must go into prices on orthodox principles of allocation is superseded by another the bankers will recover their immunity. President Roosevelt will find it impossible to bring about economic recovery by applying the orthodox principles of finance. The bankers can afford to pay him out as much political rope as he wants so long as he does not interfere with basic technical principles. He has got to raise the purchasing power of American consumers if he is to achieve success. As we have seen, he is confessing that, so far, he has not done so. The reason is that he is controlling the production end of the system without attempting to control the consumption end. The automatic consequence of this omission is that there is a leakage of effective purchasing power corresponding in volume to the injections of new production-credits into industry. The bankers are already calling attention to the suggestion (probably inspired by themselves) that industry does not require credit as working capital so much as for fixed capital. Inasmuch as the working capital of any given enterprise is money, and provides (among other things) wages and salaries concurrently with sales (for it would not be working unless it had orders from buyers) while its fixed capital is not money, but is in the form of plant and equipment with a debt on it, the above suggestion connotes (actually or in anticipation) a swing away from repetitive production and continuous employment to plant-production and disemployment. Employment can of course be stimulated while new plant is being constructed, but since the purpose of plant is to save labour disemployment would automatically follow its completion, even if it were operated in repetitive production afterwards—a contingency which is entirely problematical. You can be perfectly sure that if industry generally (a) is working much below capacity, and (b) yet does not require more working capital, while (c) the population need more of the products it can make, there is a defect in any plan to increase general purchasing power which is being tried out.

American plant and equipment were described by an American statesman directly after the war as "a millstone round our necks" unless, as he said, they could be fully used in the manufacture of products for foreign markets. Very well; to-day they are not being so used; they remain a millstone, and are sinking America. What, then, is to be thought of a suggestion that America can use a new millstone as a lifebelt! President Roosevelt will do well to inquire why American industries do not require (if that is a fact) more "working capital," before he accepts advice to give them more "fixed capital." He will find, or can have not want more of the former is that they have too much of the latter. The time to go over the top with capital development is that zero hour when the cash registers of America's stores all start ringing good and plenty!

In the meantime the American and the Japanese experiments in credit-expansion threaten to disturb the balance of economic power as between those countries considered separately, and also as between them collectively on the one hand and the "gold" and "sterling" countries on the other. Great Britain and the Empire are already suffering from the influx of cheap goods from Japan, and stand to suffer further from American dumping if and when the inflation of the dollar takes place. If the "sterling" bankers adhere to their policy of keeping sterling currencies stable and depreciation rate, other means of safeguarding Empire trade and employment will have to be adopted. There are three: Trade Agreements with the inflationist countries; failing these, Tariffs; failing these, War. It is no mere coincidence therefore that in all three of these

areas there have been signs of military activity calculated to alter the balance of strategic power. Japan has carved Manchukuo out of China; during last week America has made the naval gesture of occupying Cuba, while signs have appeared that preparations are afoot for a virtual British military occupation of Ireland. Whether, in the latter two cases, actual occupation takes place makes no difference: the main point is that coercion is being threatened for military reasons. Anyone who examines the cables in *The Times* from Havana during last week will see repeated references to the "grave situation" in Cuba, but not a word to explain who or what is the occasion of it. The whole thing is a fabrication in order to make the despatch of American warships to Caribbean waters look natural and innocent. "American lives and property" in the island must be "protected"! And if this should eventually alter the balance of military power there as between America and Britain in the former's favour, well, it can't be helped, can it?—besides which, Cuba is, after all, on America's doorstep and not Britain's.

Coming to Ireland the same tale of a sudden "grave" internal situation has been spread around. And Ireland is on Britain's doorstep, not America's. Nobody can reasonably argue that the "Annuities" wrangle, as such, is any more dangerous than when it commenced. Moreover, since Mr. de Valera decided to withhold them Mr. Neville Chamberlain has been warning America that British debt repayments cannot be continued indefinitely. Both financially and morally the British case for the summary deposition of Mr. de Valera on this ground is weaker than ever it was. Nevertheless the situation is apparently considered so "grave" that there are reports in the Press of wholesale secret landings of arms into the Free State, and even rumours that the Pope has privately intervened on the side of the opposition to Mr. de Valera's policy. *The Empire News* of September 17 contains a circumstantial account of a secret parley in a Fleet-street tavern six months ago at which a vast organised scheme of gun-running was launched. It is this paper which also alleges the Pope's intervention.

What is the reason for this hurry and rush to clear Mr. de Valera out? We should tentatively adopt the hypothesis that from the point of view of the British Foreign Office, in consultation with the Treasury, there is great danger in the fact that Mr. de Valera's projected political detachment of Ireland from Britain and the Empire is likely to be coincident with America's virtual attack on the "sterling" hegemony. If Ireland is likely to be the cockpit of a sterling-dollar fight, naturally the "sterling" forces will want to be there first; and since no time is to be lost they must get there by the shortest method, namely by a *coup d'état*. It is clear that President Roosevelt's financial experiment is creating a precedent which Mr. de Valera will be tempted to follow. If credit expansion is good for Americans it should be equally good for Irishmen. And an inflationist Irish Republic would nationally gravitate towards an alliance with an inflationist American Republic. Ireland would eventually come within, if not under, the Dollar Hegemony. If these speculations are credible, then it will be plain that Mr. Montagu Norman cannot like the prospect. And prospects which that gentleman dislikes get changed. Constitutionally if possible—but they get changed.

A Malthusian's Second Thoughts.

"In 1925, as editor of Wallace's *Farmer*, Henry Wallace is quoted as having written, 'Within five or ten years the world will be facing a food shortage.' He stated, further, that by 1960 the world would be fighting for food. Now, as Secretary of Agriculture, he is so concerned about the surplus that he wants to plough under part of the cotton crop, and levy a tax to pay the grain-growers to let their land lie idle. One cannot but wonder whether he is any nearer right now than on the former occasion."—*American Bee Journal*, September, 1933.

Social Credit Secretariat.

The Social Credit Secretariat has obtained temporary quarters at Room 319, The First Avenue Hotel, High Holborn, W.C.1. Telephone No.: Chancery 8191. Office hours, 10 a.m. to 5 p.m.

W. L. BARDSLEY, Secretary.

Notice.

All communications concerning THE NEW AGE should be addressed directly to the Editor:

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20, Rectory Road,
Barnes, S.W.13.

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

Against the Land-Wreckers.

By John Hargrave.

The Green Shirt Movement is against the breaking up of the great estates.

Again and again since the war we have heard the slogan, "England Changing Hands." That is a change of ownership. When, however, a change of ownership means wholesale vandalism of a kind that turns the green field into a modern Housing Scheme Slum it is time, not only to protest, but to resist.

In a small island-country, such as our own, this spoliation of the countryside, in particular the breaking up of what still remains of the great estates, is criminal, and must be stopped. It must be stopped before it has gone so far as to reduce the whole of England to One Gigantic Modern Slum.

Who are the land-wreckers? We know who they are. They are the Bankers.

The breaking up of the great estates is welcomed by the Socialist as a step towards the "socialisation" of everything. In reality, it is a step towards the "slumification" of the entire country. We know how the crude form of Fabian Socialism arrives at its conclusions regarding this matter. It runs somewhat as follows:—

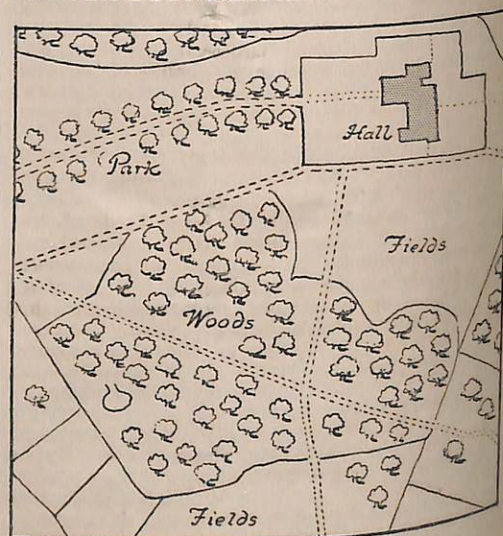
"The Duke of So-and-So owns all these broad acres, all these parklands, all these woods, all these fields, farms, footpaths—everything. Why should one man enjoy this beautiful estate with its wide pastures, its wooded tracts, its trout stream, lawns, paddocks, orchards, coverts, and huge ancestral hall, when teeming millions are forced to live herded together in hovels worse than pig-sties in the mean streets of every great industrial centre? The Duke of So-and-So cannot afford to keep up his estates—he is forced to sell them? Splendid! The Old Landed Gentry are compelled to sell out. They can no longer live a life of idleness and pleasure at the expense of the Common People. The breakdown of Capitalism is forcing them to sell out, or be sold up. The Squirearchy, long since done for, is also being rapidly eliminated by the same process. The Propertied Classes as a whole are being driven by economic circumstances from their last strongholds. It is one step nearer the Socialist Commonwealth . . . the land for the People!"

The land for the People? It is not that we need bother overmuch because a tract of land once owned by the Duke of So-and-So is now owned by someone else. It is not a question of ownership, but what happens to the land itself—fields, trees, parklands, spinneys—when the old estates are broken up.

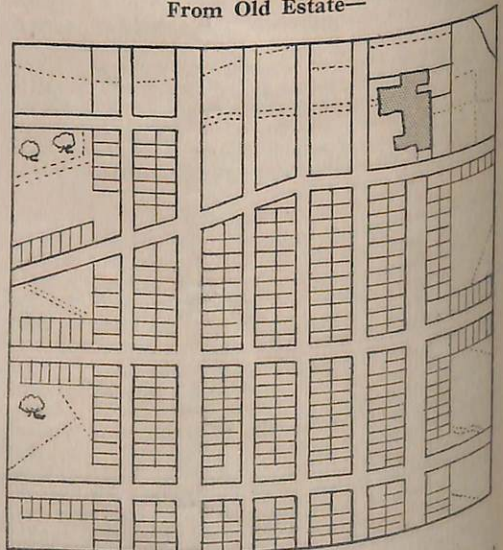
We are dealing here, not with any theory of private, corporate, or public ownership. We are dealing with things: the earth itself, grass, wooded clumps, stretches of heath, timbered ridges, quickset hedges, green bridle-paths, bracken-covered slopes, long avenues of lime, ancient and enormous oaks, dark pine-needled fir woods, pebbled streams, pools, brushwood thickets, saplings, low lying water-meadows.

This is England. This is the land that has been kept unspoiled. This is the land that is not ploughed up and farmed: is not built upon. It is "wild" land well kept. Much of it is grass land with trees.

It takes many years for a tree to grow, but a giant trunk can be felled in a few minutes. In a few hours a forest can be reduced to a desert. Why do it? Do we want to live in a Devastated Area?



From Old Estate—



To Housing Scheme.

The People, the broad masses of wage-earners and unemployed, have no desire to live in a Waste Land. How is it, then, that day by day we allow the land-wreckers to lay waste the countryside by breaking up the old estates?

The answer is that an economic system having a financial policy and technique that imposes poverty in the midst of plenty must always be a house divided against itself; must always be in a state of "war" that forces individuals and groups to despoil each other and the Real Wealth of the land in which they dwell.

We may well harbour a smouldering hatred against every Estate Development Company that breaks up some old estate and pushes forward with a Housing Scheme. Yet these men are only doing what everyone must do within the Smash-and-Grab Economic System

imposed upon us by the International Credit Monopoly working through our Banking System.

There is plenty of land for housing without breaking up the old estates. The land-wreckers are the Bankers, and it is against the Bankers and the Banking Combine that we must organise.

In this struggle for economic freedom against the hand of the spoiler we claim to represent the dumb urge of the People as a whole. We want the old estates kept intact. We do not want England to be turned into a disgusting Housing-Estate-Garden-City-Fun-Fair. We want these magnificent tracts of open and wooded country kept from the Development Companies, the speed-road makers, the "ribbon"-builders and, yes, even the "town-planners."

There is only one solution to this problem. We must break the financial stranglehold of the Bankers' Combine and establish the Social Credit State.

The Green Shirt Movement for Social Credit claims the support of all who stand against the land-wreckers. We appeal directly for the full support of Landowners throughout the country who do not wish to see their estates broken up, trees felled, roads driven through, and the whole place turned into a "planned" wilderness of villas, bungalows, shacks, shops, kiosks, and petrol pumps.

The Waites Report.

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

II.

The Report Itself.

Such part of the report as deals with the Douglas analysis contains at least fifteen major errors, either of interpretation or of reasoning. In addition to these there are a number of serious omissions, which, combined with the errors mentioned, resulted in a totally erroneous conclusion with regard to the flaw in the present monetary system discovered by Major Douglas. Mr. Waites is also guilty of assumptions, which are either baseless or, at best, highly debatable, and which render his report a monument to his industry, though hardly to his intelligence.

Among the errors, omissions and assumptions to which we refer, are these:—

(1) The opening error appears upon the first page of the report, in the first two paragraphs. These state that the report is confined to Major Douglas's analysis of the present relationships between prices and purchasing power, and his proposals for alterations in the present economic system. This means that the report gives no consideration whatever to the purpose underlying the proposals or to the question of whether the existing economic policy is designed to attain in the most efficient manner the objective which it is the desire of the majority of people to attain. To study an analysis and proposals without first understanding and pronouncing upon the desirability of the objective, which it is sought to attain, is the height of stupidity; yet Mr. Waites has expressly stated that these vitally important matters are, in his opinion, not within his province in this investigation. One might just as profitably remove the hands and face from a clock and consider the mechanism entirely apart from its intended purpose of recording the passage of time in hours and minutes. The curious combination of springs and cogwheels would then seem to be either purposeless or an unnecessarily complicated way of making a spindle rotate.

The importance of this aspect of the economic situation has been constantly stressed by Major Douglas, and particularly in an address given by him at Swanwick in 1924, and reprinted as a pamphlet entitled "Social Credit Principles." The opening remarks in that address are as follows:—

"The financial system is the works or factory system of the world, considered as one economic unit, just as the planning department of a modern factory is of that factory. No discussion of the financial system can serve any useful purpose which does not recognise:—

"(a) That a works system must have a definite objective.

"(b) That when that objective has been decided upon it is a technical matter to fit methods of human psychology and physical facts, so that that objective will be most easily obtained.

"In regard to (a) the policy of the world economic system amounts to a philosophy of life. There are really only three alternative policies in respect to a world economic organisation:—

"The first is that it is the end in itself for which man exists.

"The second is that, while not an end in itself, it is the most powerful means of constraining the individual to do things he does not want to do; e.g., it is a system of Government. This implies a fixed ideal of what the world ought to be.

"And the third is that the economic activity is simply a functional activity of men and women in the world; that the end of man, while unknown, is something towards which most rapid progress is made by the free expansion of individuality, and that, therefore, economic organisation is the most efficient when it most easily and rapidly supplies economic wants without encroaching on other functional activities.

"You cannot spend too much time in making these issues clear to your minds, because until they are clear you are not in a position to offer an opinion on any economic proposal whatever."

Since Mr. Waites has fallen into the fundamental error of considering the mechanism apart from its objective, his report is organically and irremediably defective from the outset.

(2) On the first page of the report proper (page 5) appear these words:—

"Those who so desire may refer relevantly to the report of the Macmillan Committee for a descriptive, critical and constructive analysis of the present system of finance in relation to industry."

Appearing, thus, at the beginning of the report, this passage supports our contention that Mr. Waites has judged the Douglas analysis and proposals from purely conventional standards, and has therefore automatically disagreed with them. This is precisely what happened to Galileo, Victor Hugo, Wagner, Debussy, Jenner, and many others in the sorry records of the world's history. The fact that the Macmillan Committee "made no direct reference to Major Douglas' contentions" is undoubtedly "in point," but its significance is other than that attributed to it by Mr. Waites.

(3) Section 6 of the report states:—

"It is clear that Major Douglas is among those who attribute the present industrial depression solely to monetary causes. Unfortunately, he does not appear to have discussed at any length the relative importance or the possible effects of the large array of other factors which may of themselves have produced this depression or have dislocated the monetary and industrial systems. From this standpoint, therefore, his analysis seems inadequate. It is not convincing to dismiss from consideration the many non-monetary factors involved either in causing recurrent booms and slumps or in diminishing purchasing power. To do so is to assume tacitly that they are non-existent or of no importance."

This is sheer impudence, coming as it does from a man who has, on his own admission, dismissed from consideration of the Douglas analysis and proposals all those things which are of the most vital importance in the consideration of any economic proposals whatever. Furthermore, to suggest that Douglas attributes the present depression solely to monetary causes, is entirely wrong, and indicates clearly that Mr. Waites either did not read or did not understand the first four chapters of "Economic Democracy" or the first eight chapters of "Social Credit."

Again, in a footnote to the passage quoted above reference is given to certain publications of the League of Nations, to the Macmillan Report, and to "standard works such as Wesley Mitchell 'Business Cycles,'" as proof of the importance of these "other factors." Needless to say, the so-called authorities to which reference is made are the quintessence of orthodoxy, while the essence of Douglas' contentions is that the orthodox

economists are dazzled by economic phenomena such as trade cycles, unemployment, bankruptcy curves, and other notable effects, and are completely blind to the underlying causes.

The footnote is further evidence, if such should be required, of Mr. Waites' acceptance of the views of the conventionally-minded, for he does not attempt to discuss the "large array of other factors," but takes it for granted that they exist simply because certain people or institutions which he has been taught to respect have stated that they do exist.

(4) At the end of section 6, reference is made to the fact that there have been put forward a large number of novel contentions, hypotheses, and proposed remedies which should be "examined carefully in the light of actual experience and fact, and sifted for any help they may give in relation to the problems of to-day." The words "actual experience" are extremely interesting, for the question, "Whose experience?" immediately suggests itself. The reply can be seen in the use by Mr. Waites of certain expressions in the preceding paragraphs. These are "explanations that have been discussed in many authoritative quarters," and by "the most prominent of the world's economists," and, most illuminating of all, "by recognised authorities in economics, banking, industry, etc., as well as by many who have still to gain recognition as authorities."

It must be apparent from the quotations which we have made that the actual experience in the light of which the Douglas Proposals are to be carefully examined is not the actual experience of Mr. Waites himself, but that of those persons who are "prominent," who are "recognised authorities"—in other words, orthodox, conventional, or professional economists. This means simply that the Waites Report is a rehash of what the professional economists have already said with regard to the Douglas Proposals, plus a little original criticism based upon his own hurried survey of the subject.

(5) Section 7 of the report deals with "The repetition of money payments in relation to prices and purchasing power." In this section Mr. Waites set out the following statement from page 30 of "The Monopoly of Credit":—

"Where any payments in money appear twice or more in series production, then the ultimate price of the product is increased by that amount, multiplied by the number of times of its appearance, without any equivalent increase of purchasing power."

This statement is followed by a table of series production illustrating the production of suits from the time the wool was produced, through the processes of scouring, combing, spinning, weaving to the tailoring and retailing stage. He showed how, in each stage, the original sum of £6,700 paid for the raw wool appeared as one of the constituents of cost, and that it had "appeared five times in the course of this series production." Similarly, he showed that the cost of scouring had appeared four times, the cost of combing three times, and so on. The ultimate selling price of the completed suits, according to his table, amounted to £74,900, but, with the air of a conjurer producing a rabbit out of a hat, Mr. Waites made this amazing statement:—

"According to Major Douglas' assertions, therefore, the ultimate price of the product would be £130,270. Actually the total price of the suits to the consumers was £74,900. The fallacy in Major Douglas' assertion is evident when it is pointed out that the money paid for the wool appeared only once in the consumer's price; similarly, the payment for the work done by the scourer, comb, spinner, weaver, and the tailor all appeared only once in the price, and the price to the consumer is made up of the sum of all these payments taken once only."

To say that Douglas asserts that the suits would cost £130,270 is utter nonsense; and, since Mr. Waites sincerely believes that such a construction can properly be placed upon the general proposition on page 30 of the "Monopoly of Credit," we feel justified in saying that the choice of an investigator by the New

South Wales Government was about as unhappy as it could possibly have been. If the reader will turn to the "Monopoly of Credit" at page 28, he will see that Douglas there gives a detailed account of a workman earning £5 per week and saving £1 of this amount. At the end of 100 weeks he invests the £100 he has saved in the purchase of shares in a new manufacturing company. Douglas then says:—

"The original £5 per week were wages paid to the workman, and these wages were, by the orthodox costing system, debited to the cost of the articles produced by his employer. Eventually, due to his saving, these articles cannot be sold, as a simple arithmetical proposition shows, since he has taken 20 per cent. of the necessary purchasing power off the market. His investment of this 20 per cent. we may assume results in the manufacture of machinery in which his £100 again appears as wages. Assuming that no physical deterioration has taken place, or that the goods have not been exported, the 20 per cent. deficiency in the first cycle of production has now been restored, and the original goods could be bought. But the machinery which has been made in the second cycle of production is now a charge on further production for which no purchasing power whatever exists. This proposition may be generalised as follows:—Where any payments in money appear twice or more in series production, then the ultimate price of the product is increased by that amount multiplied by the number of times of its appearance, without any equivalent increase of purchasing power."

With the full context of the general proposition set out, it will be clear to the reader that what Douglas referred to was the effect of the reinvestment of savings which automatically has the effect of establishing a double set of price values without in any way increasing the supply of money available to meet those values. Note that in stating the proposition Mr. Waites left out the words "this proposition may be generalised as follows," in which the very use of the word "this" shows that the proposition is definitely and indissolubly linked with the reasoning which preceded it. In other words, ignoring that stage in his investigation all that had preceded it, Mr. Waites lifted the proposition out of its context and proceeded to examine it as a thing entirely apart. This is a most illogical and improper thing to do, and, as might well be expected, it has betrayed Mr. Waites into making a ghastly and irretrievable blunder.

(To be continued.)

Socrates and the Politicians

FROM XENOPHON'S MEMORABILIA.
Translated by Michael Joyce.

"Do you think I'd have lived as long as I have if I'd gone in for politics. . . .?"

Socrates in Plato's "Apology." When Critias, as a member of the Thirty, was drafting the new Constitution with Charicles, he embodied a clause which made it illegal to teach the art of words—which was deliberately aimed at Socrates, against whom he had a private grudge. . . . Later on, when the Thirty were putting numbers of eminent citizens to death, and inciting many more to acts of oppression, Socrates was heard to say:—

"I should think it rather odd if a herdsman who let his stock decrease and deteriorate refused to admit that he was a failure as a herdsman: but it's even stranger for a man who's governing a city to diminish and debase its population without either feeling any sense of shame or realising that he's a poor sort of governor."

When this remark reached the ears of Critias and Charicles they sent for Socrates, and after showing him the Statute they told him he was strictly forbidden to have discussions with the young. Socrates asked whether they'd mind his asking questions if there were any points in the new regulations he didn't understand. Yes, they said, he might.

"Well then," he said, "I'm quite prepared to do as I'm told; but just to make certain I don't break the law by mistake I'd be glad if you'd clear up this point."

the 'art of words' which you say I mustn't teach—would you say that it related to sound or to unsound arguments? Because if it relates to the former it evidently means that I must stop arguing soundly: whereas if it has to do with unsound arguments I must obviously try to argue soundly in future."

At this Charicles began to lose his temper. "If you can't understand that, Socrates," he said, "we'll try to make the order a little plainer: you're not to have any discussions with the young."

"Very well," said Socrates. "But I want to be quite sure I'm doing the right thing; so would you mind fixing a definite age below which a man's to be considered young?"

"A man is young," said Charicles, "until he's supposed to be wise enough to sit on the Council. You're not to talk to anybody under thirty."

"Yes, but supposing I'm going to buy something; won't you let me ask the price of an article if the man who's going to sell it is under thirty?"

"Of course there's no objection to that," said Charicles. "But the trouble with you, Socrates, is that you're always asking questions when you know the answers yourself. You'll have to stop doing that."

"And if a young man asks me a question I know the answer to, such as: 'Where does Charicles live?' or 'Where shall I find Critias?'—mustn't I tell him?"

"Yes, yes; of course you may in that case." Here Critias broke in. "I tell you what, Socrates," he said, "you'll have to stop talking all that stuff of yours about shoemakers, and joiners, and smiths—which you've worn pretty threadbare already, if you ask me."

"I see," said Socrates. "And what about the virtues they're meant to illustrate: Justice, Holiness and so on? Must I stop talking about those?"

"Yes, by Gad!" said Charicles; "and herdsmen, too; or you'll see how the cattle disappear."

Of course that gave the show away; obviously Socrates' remarks about the cattle had got round to them, and that was what had so upset them.

The Green Shirts.

I.

The panic about Fascism is developing (or is being developed?) apace, and will soon be in full spate. What began with a frantic hue and cry by Left-Wing Labourites and Communists has now swelled into a grand chorus, in which the deep bass is heard of the General Council of the Trades Union Congress against any and every sort of "Dictatorship," except, strangely enough, the Financial Dictatorship under which we now suffer. The T.U.C. report on "Dictatorships and the Trade Union Movement" reveals that movement in a fix between the Blackshirted Devil of Fascism and the Deep (Red) Sea of Communism. This is a dilemma that can be used, and is being used, to place the Trade Union Movement in position as one of the political sandbags to protect the Bankers' Dug-out. We ought to remember, however, that the Credit Monopoly has only one immediate objective: to maintain its monopoly; and that (except for a good deal of extra botheration due to the general dust-up involved in drastic political upheavals) it can operate just as easily within and through a Parliamentary "Democracy," as in this country; a Corporative State, as in Italy; a National-Socialist State, as in Germany; or (with some initial difficulties) in a Socialist Soviet Republic, as in Russia. For the over-ruling financial dictatorship these sudden and dramatic changes are only surface changes in which to re-hash and dress up the same old economic policy—

"Same meat, different gravy," as the popular tag has it. We predict that there will now be a determined attempt in this country to laugh "coloured shirts" out of existence. The "Beachcombers" will be instructed to let it rip. The already begun and will be intensified. This, together with developing with the same rapidity as the short-lived rage for "Russian boots" for women), is calculated—by people who do not see below the surface of events—to kill the Shirt Idea, or at any rate confuse it in such a way as to fog the mind of Strube's Little Man. We have already seen the Green Shirts included amongst black, brown, pink, blue,

red, and grey shirts in the Daily Express cartoon of August 19.

This outcry against all forms of political "dictatorship" and the twitting and banter about "shirts" will be welcomed, of course, by the plain man-in-the-street and the democratic or socialistic intellectual. They will imagine that the tide of public opinion has turned strongly against (to quote the T.U.C. Dictatorship Report) "any attempt to supersede Parliament or undermine its democratic working." It is almost certain that they will be wrong. The Little Man from Dollis Hill and the Little Man from Bloomsbury are astonishingly simple souls. They live in a Land of No-is-Yes, but can never believe it. So they will never be able to understand that the first move towards a form of Fascism is—anti-Fascism.

The T.U.C. Dictatorship Report says: "It still remains true that efficient government is no substitute for self-government." Before making a reply to that we should want the T.U.D. (or anyone else) to demonstrate that we have in this country any real self-government at all. Where is it? How does it work? What has it done? And is it free from financial overlordship by the Bankers behind (and sometimes in front of) the scenes?

Not content with the publication of its Dreadful Warning against all dictatorships (except the Financial Dictatorship), the 65th annual Trade Union Congress opened at Brighton on September 4 with a panic-speech by the President, Mr. Walkden (National Union of Railwaymen), who made "Fascism and Dictatorship" the main theme of his address. He said that "the growth of the movement that called itself Fascism in Italy and which could be identified by other names—and by shirts of different colours—in other countries was a significant fact. . . . Democracy was assailed because it was succeeding, not because it had failed." No one seems to have had the wit to ask in what Democracy was succeeding—apparently in being assailed, first by Bolshevism and then by Fascism?

Nothing teaches these political idealists that they have to face a banker-ridden world, and that so far as the Money Power is concerned—

"The good old rule

Sufficeth them; the simple plan,
That they should take who have the power,
And they should keep who can."

Mr. Hogan (Distributive and Allied Workers), evidently felt that Mr. Walkden had rather over-stressed the Fascist dictatorship business, for he declared that trade unionists in general "were not concerned with the pantomimic antics of Sir Oswald Mosley or the sponge-cake dictators of the British Fascists," and explained that:—

"Trade Union members in the main are indifferent, apathetic, and listless, and the movement requires a transfusion, if not of new blood, at least of new ideas."

In other words, this vast conglomeration of 3,368,000 members, organised (more or less) in 208 unions, is "dead"—indifferent, apathetic, listless—and was only sitting at Brighton as a warmed-up corpse. Neither the threat of Fascism, nor any other threat, can bring it to life again. And what do you think was Mr. Hogan's remedy for this dead-and-alive state of affairs (in which the unions have lost 245,000 members during the last year)? Just this, and nothing more:—

"Back to higher wages."

How's that for Out?

The Trade Union Movement is like a firm of hairpin manufacturers striving to remain in business when all the women and girls have been "bobbed" and "shingled."

While the T.U.C. was sending out its Save Democracy "S.O.S.," Professor Harold J. Laski was addressing the extra-mural students of Nottingham University College on Saturday, September 2. He declared that:—

"Except in England, France, and the Scandinavian countries, democracy had already broken down."

and that:—

"There was a possibility that in the future England would become either a Fascist or a Communist Society."

In spite of that, he:—

"Saw hope for the democratic theory of representative government by discussion," but warned the students that:—

"It can only survive if you and I, as common people, determine it shall survive."

It so happens that the Common People, the wage-earning masses and the unemployed (quite apart from Professor Laski and the extra-mural students who may choose to call themselves "common people") are not merely indifferent,

apathetic and listless—like Mr. Hogan's trade unionists—towards the idea of representative government by discussion. Quite definitely they would be glad to see an end to it.

Reports from all parts of the country show that the moment a Green Shirt speaker declares (a) that Parliament as we know it is nothing but a "chatterbox," and (b) that other means than voting via the ballot-box must be used to empower Parliament to fight and overcome the Bankers' Combine, the wholehearted response from the crowd is immediately forthcoming and is quite unmistakable. The Common People are "fed to the teeth" with the force of so-called self-government by means of elected representatives who discuss and discuss—and then hold another conference. A good deal of the popular support which the Green Shirts are gaining day by day is given because we do not muffle this vital question.

So important is it that we cannot afford to be misunderstood. We therefore take this opportunity of making the following statement:—

1. We hold that Social Credit will have to be enacted by Parliament, and that finally a Social Credit Act will be placed on the Statute Book.

2. We do not believe that this is possible until a great popular National Demand for Social Credit has so reinforced the power of Parliament that nothing can withstand it. In order to avoid having its objective confused or watered-down, its mass-momentum dissipated, and its emotional upsurge evaporated, this National Demand must be generated and organised outside of the parliamentary voting-system. It must be seen and heard.

3. In spite of every effort to bring Social Credit into operation through the parliamentary mechanism backed by One Great National Demand, that mechanism is found to be so faulty as to break up under the strain, Emergency Methods will become not only constitutional, but absolutely essential to save the country from "financial crises" engineered or manipulated by the Credit Monopoly in its attempt to put the British People once more into the straight-jacket of "sound finance."

That is our position, and our whole aim is to generate, organise, and give directives to a Mass Demand for Social Credit. We hope the above statement will clear away any doubts that may have existed as to what means the Green Shirts propose to use. They are entirely legal means, well-disciplined and peaceful. The fact that we do not shirk the issue of such a situation as is indicated in (3) above is the strength of our position.

II.

We are glad to report that Social Credit Study Groups are co-operating effectively with the Green Shirts in various centres.

A few days ago the Horsham Branch of the Agricultural Labourers' Union arranged a meeting at Pulborough. A small and inarticulate crowd assembled in a field to listen to the speakers. One of these was Mr. George Lansbury, M.P., whose theme was peace and goodwill. He invited the labourers to "get together" and join the local branch of the Union. At the end of this speech, questions were allowed. A Green Shirt asked the speaker's opinion on Social Credit and whether he would be in favour of it if his party got into power. Mr. Lansbury, who seemed a little surprised to find Social Credit cropping up at this meeting, replied, "It is much too soon to say anything, as one cannot tell what will happen. Now I must go home, as a friend is waiting to take me to London." Although the meeting was not finished, Mr. Lansbury departed in haste, floored, as it seemed to at least one onlooker, by a Green Shirt. But perhaps he was only anxious to get home.

"The Erdington and Sutton News" (Birmingham) for August 12 contained a half column account of the Movement, including an unusually clear and accurate outline of the Social Credit solution. The headlines run—

GREEN SHIRTS AT ERDINGTON. SOCIAL CREDIT.

Village Green Meetings.

There are now five Green Shirts in this centre (Aston), of which three are capable outdoor speakers. Our report says: "Meetings are held every week (on Mondays), and interest is growing visibly." The newspaper says: "The Green Shirts, a party which devotes itself to the exposition of the theory of Social Credit, has extended its activities to Erdington, and once a week its disciples may be seen speaking on the Village Green."

August was a month of keen activity in the Keighley district. Meetings were held in Ockworth, Silsden, and Shipley, as well as a very successful one in Central Keighley. Our report says: "Shipley has always been a very revolutionary town. . . . We experience terrific opposition from the Labour Party. Challenge to debate (indoors) was accepted." We also read that "On August 26 quite the most successful meeting ever held in Keighley took place."

The "Rotherham Advertiser" for August 28 reports:—
"A meeting of the Rotherham Social Credit Society was held in the Co-operative Café on Tuesday night. Mr. R. G. Dalkin said . . . he hoped that it would be possible to form a branch of the Green Shirts in Rotherham, and in the event of a branch being formed more would be heard about Social Credit."

This is how a Colchester paper reports the recent visit to that centre:—

GREEN SHIRTS VISIT COLCHESTER.
"In these days when vividly-coloured shirts are so popular, either purely for effect or as a means of expressing political 'colour,' interest in the 'new fashions,' is not easily aroused. On Tuesday evening, however, many people in Colchester were attracted by the presence of four members of the Green Shirt Movement—two young men and two girls—who staged a series of meetings in the town. Their green uniforms 'caught the eye,' and the speeches of the young men gained the attention of many passers-by."

The second open-air meeting in Ipswich took place on Wednesday, September 6, when a special propaganda squad from London under the leadership of the Deputy Head Man, R. J. Dixon, arrived at 7.30 p.m., and was met by the Secretary of the Ipswich D.S.C. Group. Our report says:—

"The D.S.C. Group had circulated all members and had further distributed 1,000 copies of a leaflet advertising the meeting. Meeting started at 8 p.m. punctually, and from the beginning we had a good audience which steadily increased as time went on. Most of the questions were first-class, and gave scope for enlarging on the various points made by the speakers. Dixon dealt with questions, and drove home his replies clearly and convincingly. . . . Once, after he had explained the difference between the G.S. Movement and the Fascists, some thickhead in the crowd gave out the idea again that we were Fascists. Thereupon the crowd laughed heartily—a fitting and effective reply."

"A further interlude was provided when a Yorkshire man standing at the back of the box from which Dixon was speaking started shouting, 'Is this an open platform?—I demand to speak from your platform!' The speaker turned round and told him quietly but firmly that it was not an open platform, and that he had no intention of allowing him to speak from it. The interruption gave the speaker a push in the back as he turned towards the audience. Dixon just stepped forward to tell him to keep his balance, replaced the box, got upon it again, and, taking no notice of the incident, continued where he had left off. At this point the crowd began to tell the fellow to clear off and keep quiet. It was obvious that without much encouragement they would have thrown him in the nearest pond. However, two of us edged towards 'poor mutt' away from the platform, and told him to shut up and behave himself, which he did. This incident had the effect of breaking down the East Anglian reserve, and demonstrated very clearly that we had the whole-hearted support of the majority of that crowd."

On the morning of September 7 some members of the above propaganda squad carried out individual work in Ipswich, and held a short open-air meeting at the Labour Exchange with marked success. The squad proceeded to Colchester in the afternoon, where a successful meeting was held at 8 p.m. Our report says:—

"Questions were good and straight to the point, but the meeting-place itself was a poor 'pitch.' However, we had a very large and attentive audience. Meeting closed at 10 p.m., but it was 11.30 before we could get away, because we were surrounded by people who wanted to hear more. . . . We left Colchester at 11.30 p.m., and arrived back in London at 12.45. Altogether we feel that the trip was well worth while, and that the Eastern Area represents an excellent field for further propaganda in the immediate future."

John Hargrave, accompanied by a group of H.Q. officials

and Section Leaders, visited Bradford on September 17 to speak to the organised unemployed in that city at the invitation of their Executive Committee.

A London Trade Union Branch has asked us to send a speaker to explain the aim and method of the Green Shirt Movement.
H. T. W.

Reviews.

Syllabus of Civilisation. By Frederick J. Gould. (Published by the author at "Armored," Woodfield Avenue, Ealing, W.6. 64 pp. 2½d. postage.)

Mr. Gould, whose writings are well known to many readers of this journal, has prepared this latest booklet for teachers and writers. Owing to the financial support of a few friends, he has been enabled to offer it virtually free of charge—the price asked only just covering the postage. It is planned in three main sections, each of which is divided into five sub-sections. The main sections cover three time-periods—up to the year 400, 400-1350, 1350 to the present time. The sub-sections cover various aspects of the evolution of civilisation, namely: (1), Mastery of Nature; (2), Industry; (3), Art; (4), Science and Philosophy; (5), Social Order and Progress. "These five factors," he writes, "may be termed the Norms, or Rules, or Types, or Shaping Forces, or Directions of Civilisation." To cover all the ground in sixty-four pages, and at the same time to make an intelligible synopsis of it, necessitates high qualities of discrimination, emphasis, conciseness together with textual condensation. Mr. Gould proves himself equal to this task; and few writers have recorded so many facts in such an orderly manner and in so brief a compass as he has done in this book. Here is a random selection illustrating his style. (Section III., sub-section II. p. 37):—

"Rise of 'middle class' associated with metal currency, manufactures, foreign trade, 15 and 16 c. Coal used. Public post, 17 c.—on. Lancashire cotton trade opens. Huguenot refugees develop silk industry. Staffordshire potteries busy. Glass-making increases. 'Industrial Revolution' in England (about 1760 onward for decades) follows inventions of weaving machinery, Watt's steam-engine, etc. British canals increase. Roads improved. Coal-gas light, 1802; coal-tar dyes (of Perkin, 1856), Railroads, 1825—on. English shipping expands rapidly, aided by steam (1807—on), oil, electricity . . ."

Mr. Gould points out that this sort of thing is typical of progress in other countries. He then brings in a parenthetical reference, as follows: "On ethical side, inquiry arises: 'How far does machinery really save labour, and add to the general welfare?' That's all. The answer is the reader's funeral!—for in the next sentence or so Mr. Gould has itemised 'Mercantilism,' 'French physiocrats,' and other things, leading on to 'capitalism,' 'banking,' 'foreign markets,' and the 'money revolution' (p. 39)." Mr. Gould reminds one of a competitor for the Schneider Trophy—his story at four hundred miles an hour, yet at the same time dipping and rising to adjust the perspective of objective facts to their relative values—flying high over big things that don't matter, and low over little things that do. Of course, as he himself foresees, there will be people who dissent from his standard of judgment, but his justification is that sincerely and competently. He might say to the dissenter: "If you don't like the trip for which I've taken you, then you be pilot and take me for a trip." Anyhow, most readers will be content with the survey which Mr. Gould can exhibit to them; and they will be wise to take advantage of the opportunity which is now offered for them to examine it.
A. B.

Seeds in the Wind. By William Soutar. (Grant and Murray. 3s. 6d.)

I fancy that these "Poems in Scots for Children" are something out of the common. They are written in neat, well-finished verse, and the Scots chimes pleasantly on the intolerably whimsical, and, so far as I can guess, they would appeal to children. I can certainly find memories of boyhood in this:

At Simmer's Day,
Up by the caller fountain,
A' thru a simmer's day,
I heard the gowk gang cryin'
Abune the ferny brae.
The reemlin' licht afore me
Gaed up, the wind stude still;
Only the gowk's saft whistle

Lowden'd along the hill.
The wee burn loppert laichly;
A burd cam an' was gaen:
I keekit round ahint me
For I was a' my lane.

A gowk, I ought to say, is a cuckoo.

A. BONELLA.

Can Prosperity Return? A brief Analytical Study of the principles and implications of Social Credit. By the Rotary Social Credit Research Committee; Rotary Research Pamphlets No. 1, 48 pp., 6d. (Published by the Rotary International, Tavistock House, Tavistock-square, W.C.2.)

This booklet has been prepared for Rotarians, and contains a description of Major Douglas's Analysis and Proposals. The work is competently done, and the booklet should be very useful for distribution among Rotarians. It is sponsored by a group of Rotarians, including Messrs. C. M. Hattersley and J. R. Milnes, whose names will be familiar to members of the Social Credit Movement and the National Credit Association.

A. B.

LETTERS TO THE EDITOR.

GREEN SHIRT DISCIPLINE.

Sir.—Mr. F. R. Stewart's comment in your issue of September 14th betrays a complete ignorance of the spirit of the Green Shirt Movement, which is not one of unrestrained individualism, but of discipline and decent behaviour.

The Green Shirt who incurred this ill-informed charge of "rank cowardice" displayed not merely courage of a very rare sort, but also self-restraint of an intelligent order in peculiarly difficult circumstances.

He is perfectly capable physically and morally of returning blow for blow, but he looked beyond the momentary annoyance to the larger objective of the Movement. We would remind Mr. Stewart that this Green Shirt stood his ground and obtained the sympathy and support of the assembled crowd. Since that is the Green Shirt objective, that, surely, is his justification.

H. T. WEBB,
General Secretary,
Green Shirt Movement for Social Credit.

"HAWKING" SOCIAL CREDIT.

Sir.—As a student of Social Credit I cannot agree with your correspondent, Mr. F. R. Stewart, that the Douglas technique and proposals shall be considered essentially British. To my mind these are of worldwide importance, and it matters not so much which country first realises that Social Credit is the inevitable solution to a mad state of things. As I see it, one of the greatest hindrances to a world of "peace and plenty" is the spirit of exclusive patriotism.

Nor can I agree with Mr. Stewart's condemnation of the Green Shirt who took "a soc on the jaw." This man's attitude showed not only perfect discipline in his cause, but an almost sublime control of temper. It would have been so easy to retaliate.

STANLEY BURTON.

COVENTRY GROUP.

Sir.—I have to notify that we have started "The Coventry Douglas Social Credit Group," and have held several meetings at the above central address to which any enquiries and applications for membership may be sent. Meetings every second Thursday in the month. Time, 7.30.

W. B. BRUGES (Pro Tem. Hon Sec.)
51, Cross Cheaping, Coventry.

Notice of Meetings.

Brighton and Hove Douglas Social Credit Association.

The Third Session of Lectures takes place at the Chapel Royal Hall, New Road, Brighton, on the following Fridays at 8.30 p.m.:

September 29: Major C. F. J. Galloway.

October 6: Major C. F. J. Galloway.

October 13: Major C. F. J. Galloway.

October 27: Mr. W. J. Watt.

November 10: Mr. W. L. Bardsley.

November 24: Captain T. H. Story.

Fridays October 20, November 3, November 17, and December 1 will be devoted to Study Groups.

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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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