

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

Sir Josiah Stamp on United States Policy.
 Sir Josiah Stamp has been touring the United States. He says that at the Greek Theatre, Berkeley, California, where he delivered his "Commencement Address" to 8,000 people the orchestra struck in at the end with the British National Anthem—an item not in the programme. American cinema audiences, he says, show more enthusiasm when pictures of the King and Queen are projected on to the screen than when that of the President appears. Secondly, Americans are impressed by Britain's "industrial and economic recovery." Thirdly they are surprised at the extent to which the British Government have introduced measures of "control or guidance into industry and agriculture." Speaking of the Supreme Court's recent judgment he expresses the view that this made "quickly definite what was slowly inherent in the situation" namely the "disintegration" of the "whole Code structure"—a process which he asserts that he had himself diagnosed before the issue had been brought before the Court. He therefore thinks that the judgment will prove to be as much a help to the President as a hindrance. It will provide him with the "finest political alibi on any impending Code breakdown that he could possibly have wished for," and suggests that the President's outburst against the judgment may have been largely a "simulated resentment" (See "The Times," July 4, pp. 15-16.)

The slowly inherent disintegration to which Sir Josiah Stamp refers in respect of the Codes in the United States, exists in respect of every code, plan, scheme, or deal being tried out in any country in the world. The master-factor of disintegration, common to the lot, is what, in the idiom of the engineer, may be called the creeping error in the design of the price-system, resulting in a slowly-widening lag of incomes behind prices in every national domestic consumption-market. It needs no study of economics nowadays to see that if the pay-

roll of the people outside the stores is less than the "price-roll" inside the stores, there is bound to be a process of disintegration right through industry back to the primary producers on the prairies. The immediate consequence is that the stores are left with unsold stocks, and the next consequence is that manufacturers are advised by the stores to deliver fewer goods into the stores. The whole production-system depends upon the stores for the recovery of its costs, while the stores depend upon private consumers for the recovery of their costs, which of course contain all the other costs. Directly the stores fail to recover their costs in full, so do the factories and farms behind them, and the whole system begins to undergo a disintegration which can be described as *insolvency*.

Such a failure is a fact in every country in the world; and President Roosevelt's trouble is that his plan, like every other plan in other countries, stops short at treating symptoms of this failure, and does not attempt to deal with its cause. His trouble is worse than in, say, this country, but the reason is not that his attempts at recovery are more defective in principle than Britain's, but that the scale on which he is making those attempts is of such vast dimensions. It is self-evident that when the basic principle of a policy is defective the larger the scale on which it is tried the more rapid and impressive are the manifestations of the defect. And when, as we say, incipient insolvency is inherent in the governing principle, the advent of actual and visible insolvency is brought nearer by the very magnitude of the experiments undertaken. Thus the pouring of dollars by the million into public works and industrial enterprises, with the object of supplying consumers with more money to spend, adds so much more to the taxes and the store-prices which consumers will have to pay. Not only that, but the larger the amount of new money put out in that way, the smaller the proportion of the money that consumers receive with which to pay the tax-collector and the storekeeper. The Codes of the National Recovery

Association did try to help consumers by stopping wage-cuts or raising wage-rates, but the monetary assistance which may have been provided thereby was nothing to the expansion of capital and direct production-charges being carried forward into store-prices and tax-demand-notes.

British and American Problems Compared.

The British authorities were more cautious and astute. They acted as if they recognised (which they probably did) that the creeping error of income-shortage and insolvency was present in the system, and had said to themselves: "The slower it creeps the longer we can conceal it," and accordingly held back financial appropriations with the same zeal as President Roosevelt has been granting them.

Thus it will be seen that what differentiates the President's policy from that in this country is not that he has introduced any new disintegrating factors into the economic structure, but that he has, as it were, applied a magnifying glass to already existing factors, and shown up their existence and the nature of their consequences. This exposure will have done the world a great service if it prompts inquiry into the nature and operation of the basic factor underlying them all. That factor can be described as an uncompensated margin of industrial cost over private income—a margin of insolvency which automatically expands with the expanded monetisation of industry, and contracts with the contracted monetisation of industry. The proof of this is technical, and must be verified in Social-Credit text-books.

A dilemma exists at both ends. At the expansion end there may be great industrial activity, but accompanied by expanding debt representing the uncompensated margin of cost. At the contraction end there will be industrial stagnation, but accompanied by a commensurately slower expansion of debt. And it is for this reason that Sir Josiah Stamp's friends in the United States are able to see merits in British economic policy which are not discernible in their own. As Sir Josiah Stamp discloses, they are surprised particularly at the way in which the British Government gets its regulation plans accepted by industrialists. The secret of this success rests on the fact that when money is kept short generally the scope of industrial initiative and opportunity is narrowed and creates a situation in which the Government are able to say to industrialists: "Here are our proposals as to how you should conduct and co-ordinate your enterprises: we don't say you've got to adopt them, but if you don't see how you can get out of your difficulties—do you?"! On the other hand, when dollars are poured out in profusion the scope of initiative and opportunities before industrialists is widened and creates a situation in which the Government has to intervene to direct the initiative and to prescribe the opportunities. In Britain industry is free to choose the only policy left feasible by the bankers' contractionist policy; in the United States industry has to be constrained to choose between alternative policies made feasible by the President's expansionist policy.

Take one phase of industrial policy alone—trusts, combines or cartels. When there is plenty of money about industrialists club together to get profits; and they play the game with each other. This creates public grievances which eventually compel Governments to

interfere. But when there is little or no money about, the inducement to form trusts is absent, and if trusts happen to be in existence at such a time, the members begin to cheat each other at the game, and the whole thing soon collapses into cut-throat individual competition without the Governments having to assist or even suggest the process.

The Government of a deflationist country has only to regulate already-fettered choices: the Government of an inflationist country has itself to put the fetters on unfettered choices. And so the unfortunate President is finding that the price of his financial heterodoxy is political odium evoked by his regulative policy. Unless he finds and removes the root cause of his dilemma he will be worn down into acquiescence with the same policy as our own National Government safely and self-complacently carries out under the protection of the Bank of England.

Social Credit in Parliament.

Can anything be done to advance Social Credit in Parliament by Labour Members? This question arises from the proceedings at the London Social Credit Club last Friday (reported elsewhere). The answer to it depends upon the nature of the methods to be used, and upon the power to carry them out. Now the political power of the Labour Party in Parliament reflects the economic power of the Trade Unions outside. The economic power of the Unions is dependent upon their financial power—their ability to finance a withdrawal of labour from industry. The leaders of the Trade Unions are definitely averse from the exercise of such power; and, as has been pointed out frequently in these pages, their "funds" are not held in a form which can finance anything at all without the assent and co-operation of the banks and the money market. They are locked up in investments, and these must be sold, or money must be borrowed on them, before any action can be taken. The Trade Unions are an extension of the Insurance Combine and Investment Trusts who dominate the security markets. Broadly speaking, Sir George May decides what prices securities will fetch when sold, and Mr. Montagu Norman decides what money can be raised on them when offered as pledges for loans.

Catching the Speaker's Eye.

Of course, the contingent restraints on Labour policy inherent in this situation do not matter provided that the political Labour Party propose to confine themselves to conventional persuasion in the country and orderly debating in the House within the rules of Parliamentary procedure. One of those rules is that no Member shall address the House without invitation by the Speaker. He must catch the Speaker's eye. But for reasons discussed in the "Notes" in last week's issue of THE NEW AGE, the eye of the Speaker is the eyeglass of Mr. Montagu Norman. This eyeglass has the peculiar property of shortening the vision—and we may not doubt, particularly so when matters come up for debate on which Mr. Norman holds strong views. Hence it would appear that when an appropriate occasion arose in the House for a would-be Social-Credit debater to point the proper moral, he would automatically become invisible.

The Obstacle of "Procedure."

This would apply to a private Member in any Party who tried to push Social Credit independently of his leaders, and it could be brought about by the Speaker

without any show of unfair discrimination, because the House recognises the right of Party leaders to priority over their followers if they wish to take part in debates. So the first task of the private Labour Member would appear to be that of getting one of his leaders to put forward the Social Credit case. If, for instance, Mr. Lansbury took it up all would be well, for the Speaker could not turn a blind eye on the accredited Leader of the Opposition. Failing this, there would appear to be nothing that the Member could do to attain immediate visibility unless he committed a breach of the rules or conventions of the House. If not, his only alternative would be to begin farther back and try to get the rules changed so as to stop Mr. Norman tampering with the focal length of the Speaker's eye.

Changing the Rules.

Unfortunately among the rules of procedure are rules for changing those rules, and it will be found on examination that the rules for changing rules have been established to defend the same position as is defended by the unchanged rules. That position can be summed up in the formula: *The Continuity of Sound Financial Policy*, which of course is the direct negation of Social Credit policy. There is one rule or custom by which the Government, besides prescribing a subject of debate, prescribes also a time limit within which the debate shall end. Social Credit observers of official political strategy have doubtless noticed that the more difficult, technically, the issues of a debate are the less time that is allowed for it. That is the same as saying that the more closely related to high-financial policy a particular measure may be the less chance the House gets of examining it. The Dawes Pact and the Young Plan were not debated at all; while the distraint-warrant now being executed by the bankers' Commission of Government in Newfoundland was issued in the dead o' night amidst the snores of sleeping Members—underwritten as it were, by a division-list of somnambulists. At the other extreme, where the absence of technical difficulty makes room for emotional opportunity—then there is plenty of time, and everybody may speak. In this kind of legislation—circus-planning legislation—even the Social Credit private Member may get his chance, precisely because the pitching of swings and the painting of roundabouts are matters which have no relevance to what he wants to say. Lastly, and to complete his discomfiture, should it happen in future that a measure did come up which raised Social Credit issues and there was plenty of time to discuss it, suddenly every Minister and ex-Minister, every specialist and moralist, in the House would display intense anxiety to speak, and the most generous allowance of time would not prevent its being talked into the Division Lobbies exclusively by orthodox debaters.

Private Members' Grievances.

Now, given the will, there is a way of changing these things—these rules for abusing the rules of procedure. There is a great deal of latent hostility among private Members of all Parties in respect of their fast-disappearing debating-opportunities. But it is in the highest degree improbable that any private Member attached to a Party, and a declared upholder of its principles, could mobilise effective support for the change. His attempt would let loose a flood of irrational suspicions among members of other parties. The only way to abate these would be to declare what the object was, and to show that its attainment was equally beneficial, or innocuous

(or, if you like, obnoxious!) to all the groups of interests behind the parties. That is to say, that it would be "fair all round." Now, while it is possible to imagine a declared Party man succeeding in this, it is obvious that quicker success would come from a group drawn from all Parties and who, while yet taking sides, perhaps, on issues where there was a conflict of Party principles, were sufficiently detached to declare that the principles of Social Credit were of primary and urgent importance and should take precedence over all other subjects of debate. In this way perchance the aggressions of back-benchers on all sides of the House could be canalised and vocalised in a demand for modifications in procedure necessary to ensure the subjection of all matters of debate and even manners of debating them to the test of the Social-Credit analysis and values.

Back-Benchers and Social-Credit Values.

The impulses of the back-benchers tune in with the key of Social-Credit values. They, knowing themselves not to be gifted orators, yet want opportunities to speak. They, knowing themselves not to be trained statesmen, yet want opportunities to initiate legislation. They thus implicitly depose tricks of oratory and devices of statecraft from their traditional dominance of the scale of values. But, not being conscious of this—and even if they were, not knowing what to put in their place—they remain in a state of mental inertia and political impotence. What they need, Social Credit will give them—inspiration and guidance. It can give them both by explaining the deeper causes and implications of the procedure against which they protest. It can weld the spearpoint of constructiveness on to their aggravement and make it a new weapon in the armoury of the Social Credit Order.

"Bank-Benchers" and Bank Values.

The House of Commons is composed of two classes of members. These are (a) Back-Benchers and (b) Bank-Benchers. The House's rules of procedure are bye-laws of the Bank of England, and the Bank-Benchers are the official administrators thereof. The tricks of oratory and displays of rule-of-thumb knowledge which characterise Bank-Bench contributions to debates are irrelevant and time-wasting obstructions to the proper business of the House, which is not to be entertained by the forms of things but to be instructed in the content of things. The real content of all things that matter in the Debating Chamber is a question of finance, and the basic technical principles of finance. Bank-Bench debating omits all direct reference to those principles, and whenever it cites financial phenomena as reasons for the acceptance or rejection of some legislative measure, it always presents them as if they were the natural and inevitable consequences of Parliament's decision, whereas in truth they are deliberately contrived phenomena designed by the bankers to discredit or to discredit Parliament's decisions. The Bank-Bench never discloses a hint that he is, or was, virtually the mouthpiece of the permanent officials of his Department; nor that these officials are in turn the mouthpieces of the Treasury, i.e. the Bank of England. And, to bring the issue back to the centre of our argument, the Bank-Bench never discloses the fact that his repression of the Back-Benchers is a deliberate policy carried out in the interests of that Money Monopoly. The very cause of the Back-Benchers' complaints, namely the prolixity of the Bank-Benchers who crowd him back in the debating-queue, is part of the official game—the floods of irrele-

vant information and inflated oratory which so irritate them are factors of confusion and distraction introduced to protect the real content of legislation from detection (let alone exposure) by the private Member. This is not to say that whenever a Ministerial bore gets on his feet he is intending to deceive the House, but it is certainly to say that the fact that he can and does deceive the House is the ultimate reason why he is invited to get on his feet. The innocent transmitter of deception is more useful to the Money Monopoly than is the guilty generator, for the former is sincere in what he says, and his sincerity makes the deception more effective.

Officialdom Obsolescent.

Another matter of even more importance must now be discussed. The discovery that the basic technical axioms of finance are unsound means that all the specialised experience gained by administrators of the financial system is out of date. This means that every expert in every field of knowledge—statecraft, finance, commerce, legal jurisdiction and all else coming within the scope of the art of government—has become superfluous to present-day requirements and irrelevant to present-day problems. Speaking narrowly and prophetically, political officialdom is damned. Naturally it is not going to be an easy task to get facilities in the House of Commons to affirm and demonstrate this. But the affirmation stands, is gaining rapid acceptance in the country, and in due course must come into the consciousness of the private Member of Parliament. Once there, it will provide him with a debating point for his own purposes, if no more. Though he be not prepared to demonstrate that the Social Credit analysis is technically correct, he can point to its acceptance among his constituents as a reason why, for instance, the balloting for Private Members' Bills should be restored to its former frequency or greater, and, in case of resistance from Ministers, to insinuate that they have private reasons of their own for suppressing subjects of urgent public importance. No sweepstake in case a Social-Credit Member wins a prize! And all the time the House being divided on trivialities like milk and pig-marketing regulations!

Parliamentary Congestion Unnecessary.

And here another corollary of the Social Credit analysis comes into the picture. Ministers excuse their encroachments on private Members' time by the plea of congestion of business. The answer is that this congestion is entirely due to the continuing operation of the false financial principles which Social Credit will replace. It is a congestion of legislation which can be proved unnecessary in the same way as the officials who initiate it can be proved superfluous. Imagine the transformation in the proceedings of the House when the whole gamut of marketing problems will be reciprocally solved by traders and consumers outside the political system altogether.

Social Credit Reception.

An informal reception has been arranged to take place at the Holborn Restaurant, Kingsway, W.C.1, on Saturday morning, July 20, from 10.30 to 1 o'clock (and from 2.30 to 4 if desired) to provide an opportunity for supporters of Social Credit to meet the leaders of various London organisations and active workers therein. Visitors to London are especially invited. Representatives of the London Social Credit Club will be present; and Mr. John Hargrave, leader of the Green Shirt Movement for Social Credit will also attend. Invitations are being extended to all the editors of Social-Credit journals. Further names and other information will appear next week. There will be no charge for admission.

The Point of the Pen

By R. Laugier.

No. XXXIX:—THE SIMPLE PLEASURES OF THE RICH.

In notes upon his fine play, *Les Fossiles*, Francois de Curel remarks that, "aristocracy have never permitted the poor man of genius to enter their ranks." As a fact aristocracy have done worse; they have so behaved that genius felt no desire to enter their ranks. Aristocracy died when it ceased to serve the people: one cannot serve by charity, but only by justice, tempered by pity. And justice demands hard thinking, and pity calls for love; and the aristocracy of privilege became incapable of either the one or the other. As for the poor man of genius his pride transcended that of the aristocrat, for genius is above mere snobbery, and its traditions are more ancient and permanent than those of any family tree. Genius has done nothing to cheat or debase the people.

De Curel claimed for aristocracy, "disinterested work in science," but to be disinterested is not enough: what the poor needed, and what the community still require from leaders, is a passionate interest in social justice. To-day nothing is more glaringly stupid and brutal than the abyss which gapes between the complacent pretensions of modern, scientific wisdom and the social results of this wisdom in actual practice. The aristocracy—so far as such a thing still exists—must be held guilty of connivance at the sufferings of the community. The aristocracy of privilege and of scientific attainment rarely, if ever, protest against the dooms decreed by modern society upon helpless members of the community. It is only the poet and man of genius who would make us all experience our sin of connivance and share, emotionally, the doom of others, whether misfortune strikes at us or not. In short, genius has a social sense and privileged aristocracy has not.

Voltaire wrote to Frederick as follows: "Permit me to make a little remark on the understanding of the *systeme* kings and priests with which the author of the *systeme* reproaches crowned and tonsured heads. You are perfectly right to say that this is not so, and that our philosophical atheist does not know how the world wags nowadays. But, my lords, this is what happened of old; this was how you began; and in this way the Alboins, the Theodorics and Clovis and their first successors maneuvered with the Popes. 'Let us share the spoil, take the tithes and leave me the rest; bless my conquest, and I will protect your usurpation; let us fill our purses; say on behalf of God that I must be obeyed, and I will kiss your feet.' This treaty was signed in the blood of nations by conquerors and priests."

This is how an aristocratic class has its beginnings and its end: there is a period of violent rapacity and acquisition, followed by soft indulgence. In the time of foolish enjoyment the owner of too-easily acquired wealth betrays himself to a more cunning and grasping foe, who then gets the wealth and the titles of "honour." The acquisition of wealth may demand brute force or cunning, or both, but the qualities demanded will be those that a distinguished mind will ignore.

Any ordinary individual, making even a cursory examination of that dog-fight unhappily labelled Human History, must be struck by the pitifully few aristocrats who have tired of the shallow and ignoble game of beggar-your-

neighbour. One is amazed that so few have revolted from mere acquisition and mere enjoyment. To have power and reject it, or use it to base and stupid ends. To pride oneself on a fortune gained in ways as facile and despicable as sneaking pennies from a blind beggar's tin can. These are the simple pleasures of the rich: to add one meaningless sum to another; to be feared by lackeys and praised by nonentities; to work inanely, without intelligent purpose or achievement; to die in the knowledge that one's "success" has left the world a little worse than one found it.

Will no one born to position and power ever sicken—as the poorest man of talent sickens—at the sight of continual, mean exploitation of the poor? May not someone emerge with the will and the means of raising rather than debasing his fellow-creatures? What an adventure that might be! It needs so little imagination to see what the accumulated powers and inventions of man might do, if only the predatory, the cunning, and the parasitic ceased to frustrate the spirit of genius.

Perhaps someone will arise—and in the enemy's camp—who will be bored by the old game of positive destruction or negative, base enjoyment: some young man, of energy and imagination, who inherits millions and has a mind unperverted by environment. It may be that modern devils can only be cast out by the aid of devils. A financier's son and heir might drive the money-changers from the Temple; and who would be better fitted to see that they never crept back into the Holy of Holies?

If such a day ever comes genius will be prepared to mingle with the aristocracy, and there will be no patronage.

Elements of Economics.

I.—TOOLS AND FOOD.

The economic system is one in which people produce things in order to consume them.

What they call "producing" is really converting things already produced (i.e., natural resources) into a consumable form. The things being converted can be divided into two broad classes described as Tools and Food.

Tools mean everything not completely converted to consumable form (i.e., minerals, machinery, railways, factories, semi-manufactures and so on). Food means things completely converted—things ready for immediate consumption.

The financial system is one which provides people with tokens, called Money, which entitle them to consume Food. These tokens can be described as Food-tickets.

In order to obtain these Food-tickets they have to engage in converting natural resources into Tools and Food.

They get the Food-tickets through the action of the banks, which manufacture them and lend them. Certain people borrow them, and pass them on to others (with a deduction for their own personal use) as payment for services. The whole quantity of Food-tickets so borrowed is recorded as Costs.

The people who borrow may be described as Hirers and those whom they pay as Hirelings. The two together can be described as Food-eaters (which is a true description of the community in an economic system).

While the Food-tickets are in the possession of the Food-eaters they will be the same in number as the num-

ber recorded as Costs. Let these Costs be described as Labels. The reason for this is to emphasise the vital difference between costs and money—for it often happens that figures representing costs are used to express the money-value of property, and when people see that money-value expressed they are apt to regard it as the same thing as money. Thus "Mr. So-and-So died worth £2,000,000"—which, to a lot of people seems to mean that the deceased left behind him a store of cash (or deposits in his bank) of that amount. We get rid of this confusion by substituting the Label idea, for then we can express the truth about Mr. So-and-So, and say that he left behind him property labelled £2,000,000—meaning that it *had cost* that sum when he *had had* money to buy it, which is an entirely different proposition from his having the money when he dies.

To get the idea precisely let the Label be considered as a *photograph* of Money. The photograph is no more a proof of the existence of the money than would be a photograph of the deceased Mr. So-and-So that he was still alive.

Now, since both Tools and Food are made, the costs will be divided between them, and can be described respectively as Tool-labels and Food-labels. While the Food-tickets remain in possession of the Food-eaters the number of Food-tickets will be the same as the combined number of Tool-labels and Food-labels. That is to say, the Food-eaters could get all the Tools and the Food in exchange for all their Food-tickets.

They would not want to get the Tools, for they couldn't eat them or make any use of them; but they could do so if they chose. Let it be supposed that they did so.

Here arises a point of vital significance. For when a Food-ticket is exchanged for an article of Food labelled at the same figure as the ticket, the holder of the ticket tears up the Label upon getting the article in exchange for the ticket. The reason for this is a sound one, namely that since the article has gone out of the conversion-system its cost has been cancelled by the ticket, hence the label should be destroyed on receipt of the ticket. Accordingly the same thing ought to happen to the label of a Tool when (as we have agreed to assume) the Food-eaters also take the Tools out of the conversion-system. There would now be nothing left inside the system, and therefore there would be nothing to label—therefore no labels should be left in existence.

But now suppose that the Food-eaters, having exchanged Food-tickets for Food, exchange the rest for Tools without taking them out of the conversion-system, ought the labels to be destroyed? There are two opposite answers. The first is "No" inasmuch as the labels represent the cost-value of Tools remaining within the conversion-system; the second is "Yes" inasmuch as this cost-value is not recoverable from the Food-eaters, for they now have no Food-tickets left.

Can these two answers be reconciled? They can. If, when the Food-tickets are paid in on account of Tools, the Food-eaters receive the Tool-labels in exchange, and are permitted to use these Tool-labels as if they were Food-tickets later on, the cost-value of the Tools in the conversion system will now measure an obligation to deliver Food to the Food-eaters in exchange for their titles to claim the Tools.

Tools, as such, do not become Food; but Tool-labels become Food-labels in the sense that the cost-values of Tools are entered into the cost-values of Food as and when they are worn away in the process

of converting things into Food. All costs in time appear as Food-labels and are expected to be recovered in Food-tickets.

If Food-tickets are eventually to discharge the costs of Tools and Food, they should only be collected at the same rate, during the whole period of conversion, as that at which the Tool-costs are entered into Food-costs. That rate should be the rate at which the Tools wear out, in which case the Food-tickets will not be collected in respect of Tools available for further service, but Tools worn out in the conversion of Food and embodied so to speak in the Food sold for the Food-tickets.

Alternatively, if Food-tickets are collected in respect of Tools not yet worn out; then the only way of eventually selling all the Food is to provide (as described above) the Food-eaters with some compensatory equivalent claim on the Food in exchange for the surrender—the premature surrender—of their Food-tickets.

What is called the Social-Credit Dividend is such a compensatory claim, and is necessary precisely for the reason that industry is constantly selling Tools to Food-eaters for their Food-tickets and then trying to sell them the Tools again in the price of the Food made by them.

(To be Continued.)

The London Social Credit Club

A full house turned up at London Social Credit Club to hear Mr. Norman Smith last Friday evening. They were rewarded by an address which was uniformly entertaining and instructive. Mr. Smith's long and close association with the Labour and Co-operative movements, and with journalism in Fleet Street and the Parliamentary Press Gallery, enables him to speak with authority on problems of propaganda outside the House and of procedure inside. Since, in addition, he understands and accepts the Social Credit diagnosis of the economic problem, and has spent some years in teaching Socialists and Co-operators about it and button-holing their leaders about it, he naturally has a fund of anecdotes with which to illuminate and enforce his arguments.

He said frankly at the outset that although he accepted Social Credit as the only technical remedy, he believed in Socialism as the political vehicle for ultimately carrying it into effect. He did not expect, he said, to carry the unqualified support of his audience with him in this attitude—he was aware that many of them were non-Socialists, and some were without confidence in any Party at all. At the same time it happened to be true that the rank-and-file of every Party were more open-minded, and more responsive to the Social Credit objective, than were the officials who led them. He declared specifically of the Socialist leaders that their thinking was out of date—and remarked that he was constantly telling them so.

Having made his position clear in this way, Mr. Smith proceeded to give an address illustrating his methods of platform propaganda on Social Credit. He described the chief points to which his audiences were most quickly responsive, and outlined the method, in each case, which he had found most effective in evoking the response. Nearly everything he said in this section of his address afforded useful hints to would-be propagandists in any political field of action, and was generally appreciated by the audience irrespective of their attitudes on the Party question.

Turning, then, to prospects, he said that the Socialists were not expecting to attain power at the next election, but hoped to be a sufficiently strong Opposition to become the rallying centre for those who were discontented with the policy of the National Government. He, for his part, as prospective Labour candidate for Faversham, Kent, hoped to be returned so that he might use his influence as a member of the Opposition. In answer to a question, he said that he did not propose to disregard the Party Whips, nor to harp on the question of Social Credit in season and out of season.

This sort of procedure, he explained, only bores the House. His policy would be to wait for opportunities when the raising of the subject would be appropriate and its ventilation cogent.

One other question provoked discussion. It arose from a suggestion made by the speaker that in administration of the price-discount it would be necessary in the case of certain articles for a committee to establish some "datum" price from which the statutory rate of discount was to be applied, e.g., such articles as tea-sets, tumblers, and so on which had no uniform or recognisable standard value. One or two members of the audience questioned the necessity, pointing out that competition between sellers would bring about an approximation to uniformity in prices of comparable articles. In reply Mr. Smith said that he had not intended to emphasise the point: it was not of much importance.

The meeting was then closed with a vote of thanks to the speaker which was unanimously and enthusiastically acclaimed.

H. R.

The Social Credit Library

"WHAT IS THIS SOCIAL CREDIT?"

A pamphlet bearing the above title has just been published by Stanley Nott, Ltd., and is a verbatim reproduction of the masterly address given by Mr. A. L. Gibson at the Central Hall, Westminster, on March 21, 1935, organised by the London Social Credit Club. This pamphlet, besides the intrinsic educational value of its contents, constitutes a souvenir of the greatest event in the history of the Social Credit movement in this country since the Birmingham Debate. The importance of that debate lay in the fact that the Treasury released Mr. Hawtrey to take part in it—an act which was equivalent to an official intimation that the subject of Social Credit was at last considered by the authorities to be fit for open discussion. It was "licensed for public exhibition," as they say in the film trade. But the issue of a licence does not guarantee the success of the exhibitors; and the significance of the Central Hall Demonstration lies in the fact that a small band of unknown voluntary workers were able to assemble an audience of 2,700 London citizens to hear an unknown speaker expound the subject. Further, the event revealed Mr. Gibson's capacity for rising to a great occasion. Few speakers could have resisted, as he did, the temptation offered by such a concourse of people to relapse into emotional oratory. In his own words, he came, "not to raise heat but to spread light," and the effect of his policy and method of enlightenment was well expressed in the comment of an acute business man after the meeting that "although I do not pretend to understand how this thing will work out, I am prepared to take it on trust after what I have heard to-night." This should prompt every supporter of Social Credit to place the present pamphlet high in his list of literature, whether for his own study or for use in propaganda. It is priced at 6d., and can be obtained from the publishers (69, Grafton-street, Fitzroy-square, W.) from THE NEW AGE office, or from the literature stall on Friday nights at the Blewcoat Room, Caxton-street, Westminster, where the London Social Credit Club hold their public meetings.

Dinner to Major Douglas.

This Dinner will be held at the Connaught Rooms, Great Queen Street, W.C.2, on Friday, July 19, at 7 for 7.30 p.m. Lord Tankerville will be in the Chair. Tickets, 8s. 6d., from the Social Credit Secretariat, 163a, Strand, W.C.2, or Lady Beaman, 18, Palace Gardens Terrace, London, W.8.

"But the most important thing to be noted about the banks' balance-sheets is that by making these advances and making these investments the banks create new credit, which becomes expressed in deposits, either in their own books or in those of other banks." (Extract from "Bankers and Credit," by Harber Withers, published by Eveleigh Nash and Grayson, London, 1924.)

We Live and Learn.

THE POLITICS OF SOCIAL CREDIT IN AUSTRALIA.

By John Hargrave.

Reports to hand from Australia contain information of interest to all advocates of Social Credit in Great Britain. From these I gather that my articles on the Australian situation ("Can the Kangaroo Jump?" 1931; "Look Before You Leap," 1934; and "The Psychofantasy of the Bandar-Log," 1935) were sound.

"We have just had a State Election in Queensland," says one report, "and the 'Social Credit (Political) Party' ran 20 candidates. . . . Not one was returned. Six lost their deposits, and nearly all of the 14 others only saved their deposits because the votes had to be given to them or to Labour; what may be called 'protest votes.'"

Australian Green Shirts stood firm and could not be stampeded into this kind of S.C. political action. They did good work in attending meetings to ask the awkward question, especially at the Premier's and the Opposition leader's meetings. At one of the Premier's meetings, the Green Shirts held up proceedings for about five minutes. The G.S. spokesman insisted upon an answer to his question, until finally the Inspector of Police stepped in and "promised that questions should be answered at the close of the address. They were not—and the Inspector apologised to the Green Shirt."

In England, during the last year, we have had rather too many of these broken promises. It would be better if the chairmen or the speakers who make these worthless "promises" would follow the honest lead of Lord Beaverbrook, who said, "I see a number of Green Shirts in the distance—they will want to ask me a question—I am certain I cannot answer it!" (London, November 11, 1934). Green Shirts must in future insist that promises made from the platform to answer questions at the end of a meeting be kept.

A report tells us that in Australia "a good plan is adopted at all meetings attended: Green Shirts ask the chairman at the outset of the meeting if questions will be allowed and answered at the close of the address, and state that, if that is so, Green Shirts will refrain from making any interruption. This usually gains the sympathy of the audience."

We learn that the Australian Labour Party is "bitterly antagonistic to S.C. because of the action of the Social Credit Party in putting up twenty candidates, mostly to oppose Labour men; and this feeling was pretty evident at most of the Labour meetings."

The antagonism thus created might not matter so much if the candidates of the Social Credit Party had put forward Social Credit. Our reports show that, during their electioneering activity, they "talked about pensions, a maternity bonus, profiteering, interest-free credit, and even re-incarnation and Bellamy's Equality!—which last was said to be in advance of Douglas S.C. and far superior to it!"

All this sounds very Californian—Epic, in fact—and reminds us of the seething turmoil of Utopian Societies, Epic Groups, Social Justice Groups, Bellamy Societies, and whatnots (all mixed up with bits and scraps of Social Credit ideology) now in ferment in the land of Upton Sinclair.

Here are some extracts from the Election Manifesto, May, 1935, issued by "The Endorsed Douglas Credit Candidate for Toowong" (Australia):—

"... This just and possible distribution of plenty to all is not achieved by any deprivation whatever of any class or individual..." (my italics).

Two paragraphs lower down the page:—

"The total abolition of interest (or usury) will admittedly deprive a small and privileged section of the people of the opportunity to exact something for nothing from those less fortunate. But it can be proved that, for every pound that the ordinary citizen will lose as interest he will be saved at least ten pounds in taxation, direct and indirect..." (my italics).

At the end of this Manifesto we read:—

"AND DON'T FORGET!!—In spite of the numbering of ballot papers, the ballot vote, for all practical purposes, is secret and safe."

As a matter of fact, according to our information, the State ballot is not secret.

Then we have a leaflet issued "by the Board of Management of the Douglas Credit Party through its State Honorary Secretary," entitled "Can Douglas Social Credit Be Instituted in Queensland Alone By The State Parliament?" in which we read:—

"There does not appear to be anything in the 'Commonwealth of Australia Constitution Act' which could prevent Queensland from adopting the Douglas Proposals immediately the people demand their institution at the polls."

According to our information this is misleading, certain amendments having been made since the Constitution Act. An Australian Green Shirt writes—"To effect any change in the Financial Laws, the six States and the Federal Government must be unanimous."

The leaflet states:—

"There is no Technical nor Constitutional difficulty in putting Social Credit into operation in Queensland within a very brief period after the people sanction it."

There are evidently two, or more, interpretations of the situation as regards Constitutional difficulties. This is something that we, in Great Britain, cannot judge. All we can say is this: There either are or are not Constitutional difficulties to be faced in Queensland before and/or after "the people demand" the institution of the Douglas Proposals. If any such difficulties do exist, as we are given to understand they do, then, in our opinion, they should be discovered without delay, made known in the plainest language, and political strategy and tactics so adjusted as to attempt to remove or overcome them.

It appears that the Queensland Green Shirts "have to get a permit to hold every outdoor meeting." Up to the time of the Election there was "no difficulty in getting permits." But after the Election there was considerable difficulty. Curiously enough, these permits for G.S. propaganda are now "only granted for 'political' meetings," whereas, "hitherto they had always been for 'educational' purposes." Well, that means that the Green Shirts have planted themselves on the political map. They are not to be permitted to be "educational" any more! Their meetings are scheduled as "political" by the authorities. Splendid!—they are political (and educational): both.

Two C.I.D. men have been along to our Queensland Headquarters to "find out all about the Green Shirts" (another report says, "to see if we had any arms with G.S. They found no arms, but went away armed with G.S. Social Credit "ammunition," with which they primed themselves. Neither of these good fellows had "the least idea of the aims of Social Credit." They have now, thanks to their search for subversive activity.

Queensland Green Shirts also attempted to interview General Eva Booth, of the Salvation Army. They were not successful in this, but left literature with her secretary, "who had never heard of S.C. or Douglas." Perhaps the slogan demanding the National Dividend may one day appear with the Salvation Army motto: "Blood and Fire!" Perhaps not. . . . At any rate, Green Shirts have carried the message of the Gospel of Economic Salvation into the G.H.Q. of the Army of Militant Christianity.

Summing up the various reports from Australia that I have before me:—

It seems to be perfectly clear that the Politics of Social Credit were not carefully considered before plunging into action.

The Australian Green Shirts should carry the Three Demands into the rank-and-file of the regularly employed wage-earners and the "relief workers" (unemployed), as well as to those sections of the middle-classes able to make common cause with the masses in their struggle against poverty.

This task is Educational, Political, and Agitational; and the aim of it should be: to bring "the people" out of their homes in mass demonstrations demanding the immediate issue of the National Dividend and the application of the Price Adjustment.

LETTERS TO THE EDITOR.

PIANISTS' CAREERS.

Sir,—Mr. Eric Little charges me with having, in the space of a column and a half, missed more points than Mr. Little should have thought possible.

I can explain this. I missed Mr. Little's points because I was writing my own article, not his.

I *did* comment, sympathetically, upon dilettantism, saying: "France is the home of dilettanti, which means that industrialism has not quite killed French culture." But I am not really interested in the amateur, and my article dealt with the position of fine artists in modern society. I am not interested in the technique of musical beginners, and so I missed the first forty pupils.

I am not concerned with the "spirit of competition" among "artists." In art there is no real competition: on the level of good art each artist's work is idiosyncratic and unique.

I am an artist, interested in artists: I am not interested in examinations, or examiners, or those who study an art without desiring to practice as artists, or students who find their "appreciation enhanced."

I have a fellow-feeling with those whose whole life is made deeply significant, because of a desire to express themselves through art. Their frustration is to me a major tragedy. Some three years ago I spent much time dissuading from suicide one such artist, a magnificent pianist, who can only live precariously by giving lessons.

Mr. Little suggests that I would be immensely surprised by the sound of hearty, spontaneous, and generous applause. (All this heartiness and generosity has nothing to do with art.) I should not be surprised. On the contrary, applause seems to be the whole *raison d'être* of English audiences. To clap; to stamp; even to beat the floor with sticks and umbrellas: this is what audiences are there for, and listening is secondary. The same thunderous applause greets Beethoven and Offenbach; and the pretensions of students, "music-lovers," and habitual "promenaders" are thus exposed. At one recital, by Miss Irene Scharrer, the artist learned in the first twenty minutes that she dared not make a pause; the moment she took her hands off the keys, applause broke loose, all over the place, like water gushing from a burst pipe. And English audiences always clap through the last bars of an accompaniment, and on a singer's final note.

I do not blame schools for taking as many pupils as they can, but perhaps instructors should convey some warning of what is likely to confront poor pupils gifted with a high degree of talent? Mr. Little rather contradicts himself with his: "the vast majority of those who study do *not* in their hearts anticipate becoming celebrated virtuosi." His letter is headed *Pianists' Careers*.* He speaks of listening "to twenty-four aspirants to musical fame." People who fool about in the arts are a nuisance; they differ entirely from the cultured amateur, and the complacent trifler does harm to art and artists. Question: Should any decent teacher waste time on such triflers?

But I don't blame the schools, I blame the social, economic system which separates artist and willing public, by artificial shortage of purchasing power. Nevertheless, the creation of thousands of parlour-trick amateurs in music, writing, etc., is one of the factors degrading the position of authentic artists.

I should like to repeat: "We kill a dozen young men to make a competent airman," and will add that I fancy I am underestimating the number killed.

Also I will again state (not suggest) that we break the hearts of thousands of musicians.

Finally, I do not write from the French point of view, but I don't think it differs much from the English. It is true that in Paris there is a house where poor artists may obtain meals very cheaply, and where, I think, there are even reading rooms provided, so that the artist may find shelter in bad weather; but then England provides a dole

*Mr. Little is not responsible for that heading.—Ed.

for the poor, which seems to even things up. No, on the whole, I think English and French official viewpoints are much the same, and their attitude towards artists is extremely civilised.

R. LAUGIER.

"AN IMMORAL AND DEGENERATE PROPOSAL"

Sir,—The following extracts from a letter signed by Mr. J. A. MacNab ("for the British Union of Fascists") in reply to Mr. J. W. Leslie, Green Shirt District Leader, and published in the Wood Green *Sentinel* for July 4, 1935, should be of interest to Social Credit advocates:—

"The fundamental issue between the Social Credit Party (*sic*)—which, by the way, is now quite openly associating itself with the Communist Party—and ourselves is the statement of Mr. Leslie himself: 'We assert that the mere fact of being alive is a good title to a share in the common wealth.' We repudiate utterly so immoral and degenerate a proposal, and hold that, while it is the duty of the State to provide work for all, no one is entitled to any reward whatsoever unless he contributes, or is willing to contribute, to the national wealth. The lure of the Green Shirt Party (*sic*) and the Communists is the same—loot and the desire to get something for nothing. The Fascist creed is opposed to parasites and has as its maxim, printed on every member's card: 'All shall work and thus enrich the nation and themselves. . . .'"

In view of the fairly recent correspondence carried on in these columns between ourselves and Mr. A. K. Chesterton ("for the British Union of Fascists") which we have no desire to reopen, we make no comment on the above quotations from the correspondence columns of the Wood Green *Sentinel*.

FRANK GRIFFITHS,

General Secretary,

The Green Shirt Movement for Social Credit.

Notice.

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

Mr. Arthur Brenton,
20, Rectory Road,
Barnes, S.W.13.

Forthcoming Meetings.

London Social Credit Club.

Blewcoat Room, Caxton-street, S.W.

July 12th, 7.45 p.m.—"Social Credit and Education," by Mr. H. E. Baker.

July 19th, 7.45 p.m.—Speakers' Practice Night.

July 26th, 7.45 p.m.—"A background to Social Credit," by Mr. Ralph Williams, editor of *The Golder's Green Gazette*.

The New Age Club.

[Open to visitors on Wednesdays from 6 to 9 p.m. at the Lincoln's Inn Restaurant (downstairs), 305, High Holborn, W.C. (south side), opposite the First Avenue Hotel and near to Chancery-lane and Holborn tube stations.]

WEEK-END ACCOMMODATION.—B. H. Vos, Twogate Court, 21, Fitzjohn's Avenue, Swiss Cottage, London, N.W.3. (Telephone: Hampstead 0165.) Private hotel. Bed and breakfast 8s. 6d. Terms for longer visit on application. (Proprietor a member of the Executive of the London Social Credit Club.)

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