

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

"The New Age."

BY THE EDITOR.

The Weekly Guardian (dated February 10), a paper circulating in Western Australia, pays THE NEW AGE the compliment of reproducing from its issue of December 7 the whole of the first section of the "Notes of the Week," which was devoted to Sir Herbert Austin's letter to *The Times* on the menace of Japanese competition.

As already noted elsewhere, *The New Economics* (Melbourne) also reproduced the same "Notes."

Naturally, this free lifting of material of interest to the Social Credit Movement is all in order; and THE NEW AGE has exercised the same freedom in regard to matter published in *The New Economics*, and occasionally in *The New Era* (Sydney).

The New Era has reproduced in its issue for February 1 the "Notes" from THE NEW AGE of November 30 dealing with Japanese competition and analysing arguments put forward in this country that Japan's success in competition was due to low wage rates.

It will be seen from the above that the influence of THE NEW AGE extends throughout the Social Credit Movement of the world.

Incidentally, the reproduction of these "Notes" by the three Australian journals roughly coincided with Major Douglas's arrival in Sydney, and readers who remember their subject matter will realise how opportune this coincidence was, having regard to the sections of Major Douglas's addresses dealing with international politics.

It has frequently been said by Social-Credit sympathisers that they do not take in THE NEW AGE because it is "too dull" or sometimes "too narrow." In other words, it is not interesting enough, or it is not sufficiently enterprising to keep "abreast of modern thought," as the saying goes. A correspondent wrote not long ago on these lines, and expressed the view that

THE NEW AGE must "keep up with the times" in view of the increased competition in the field of Social-Credit journalism. What he meant appeared to be that THE NEW AGE should cater for a wider range of interests than those directly involved in the prosecution of the Douglas educational and political campaign. He did not seem to realise that this meant copying the pattern of the ordinary weekly journals, nor did he allow for the fact that other considerations than the question of what is offered for sale decide where the orders go. For one thing, there is an impulse among the reading public—even the most thoughtful—to buy on the principle of *quantity for money*. The position is something like what might occur in respect of two competing restaurants; each with a snack counter. Both might offer the same range of dishes, but if one served larger portions than the other for the same money the identity of the dishes on view, and the number of them, would play very little part in deciding which restaurant secured the larger patronage.

Probably what does characterise THE NEW AGE, and is a cause of criticism in certain quarters, is its apparent tendency to offer its readers, not what they want, but what they ought to have. Naturally, this evokes resistance, especially so from readers who are moved (as most supporters of Social Credit are) to resist authoritarianism.

Nevertheless it must be recognised that the principle of giving everybody what he wants would turn THE NEW AGE from being an instrument of policy reaching towards a definite objective into a journal of amusement fostering inertia. It is one thing to acquire information and receive ideas, but it is another thing to turn them to account in the pursuit of the Social-Credit objective.

The question which critics might ask themselves should be, not: "How much do I like what is in THE NEW AGE?" but rather: "How much do the bankers dislike it?"

Most readers will probably agree that however much, and frequently, things said in THE NEW AGE have caused annoyance to certain readers, the sum total of that internal disturbance is nothing in comparison with

the external effect of its continuous attacks upon the policy and manœuvres of the Money Monopoly.

* * *

The persistent rumours of the death of THE NEW AGE, and the equal persistence of omissions to mention its name, support the conclusion that, unlike Lord North, readers can say of THE NEW AGE: "We are not sure what we think of this journal, but we are quite sure that the enemy don't like it."

* * *

Further evidence of the influence of THE NEW AGE is to be seen in its immunity from libel actions that has marked its eleven years of provocative campaigning.

* * *

There have been four occasions on which apologies have been extracted from THE NEW AGE, and of these only one concerned matters relevant to its central policy; that was when the *Manchester Guardian* took exception to a statement by Major Douglas in a letter to THE NEW AGE on the subject of the relation of Press finance to bank finance. The others have only had to do with side-lines touching on literature (the late A.E.R.'s attack on a certain work of fiction in 1923); a reflection on a certain firm of booksellers, which was quoted from a book by a reviewer in THE NEW AGE; and latterly a criticism of a certain musician.

* * *

The moral might be drawn, by the way, that the very "narrowness" of THE NEW AGE has contributed to keeping it out of trouble with the law; and that the less this journal carries views on side-issues, and sticks to the main issue, the safer it will be from entanglements in expensive litigation on matters that do not concern its central public policy.

* * *

Quite early in the history of the Social Credit Movement it became known to certain London members that the Movement was registered at Scotland Yard as falling under the definition of "subversive" or "potentially subversive" societies whose activities needed to be "observed." Since at that time THE NEW AGE was the only organ of the Movement, "observers" of the Movement would keep their eye on it by "observing" THE NEW AGE. The Movement itself being of a decentralised structure consisting of small autonomous local groups, members of which knew each other, and a good deal about each other, it would have been most difficult for secret enquiry agents to insinuate themselves within the Movement, whether to find out about its projects or to discover the identity of its members. And, failing some such act on the part of THE NEW AGE as afforded the authorities a legal right to raid its premises and impound its books and other documents, there was no chance of espionage there, because the required information was directly accessible otherwise by only two people, who alone had the power to communicate information and the discretion to exercise it, and either of whom would have quickly snubbed anybody who came pumping for knowledge that he was unauthorised to obtain. The only risk of leakage would have been by indiscretion on the part of someone entitled to receive information and to whom it was communicated.

* * *

Naturally, when the Kibbo Kift, now the Greenshirt Movement, abandoned campcraft and nature lore for a political policy based on the Social Credit Proposals, that body was included in Scotland Yard's *Index Observandus*, so to speak. They, having nothing to hide as to their general policy and methods, not only abstained from hindering observation, but helped it (or rendered it superfluous) by making voluntary statements to the police authorities about everything that they were reasonably entitled to know in respect of their proper function of preserving law and order. Thus, as one consequence, when the annual Greenshirt march to the Cenotaph takes place, the event is advised and the police

hold up the traffic; and as another consequence, the Greenshirt contingent at mixed public "workers" demonstrations is attended by only a skeleton police-escort. That is their proper return for rendering unto Caesar the confidences that are Caesar's, while still reserving the right to render unto God the secrets that are God's. It may be recalled, incidentally, that Mr. George Hickling, of Coventry, when he was organising the Legion of Unemployed there some years ago, employed the same policy of frankness to the Local Authority and the Chief Constable, with similar favourable consequences.

* * *

THE NEW AGE, unlike an organised body, has frankness thrust upon it. For, having to instruct and inspire as best it may, a following of whom the great majority are *personae incognitae*, it must needs say in public all that it wishes them to hear, and to say it with such force and directness as to leave the minimum of ambiguity about the instructional meaning and directional implications of what is said. Though no reader is expected to, nor does, impute omniscience or infallibility to the to, nor does, THE NEW AGE, he does expect to understand what that judgment is—and by the process of reading the terms in which it is set down in the "Notes of the Week" and other editorial articles. He is (in the majority of cases) as a reader, an anonymous party to a correspondence-course in which THE NEW AGE does all the correspondence, with all the risks attaching to the nature and expression of it.

* * *

Under a legal system founded on financial axioms with which THE NEW AGE is in constant conflict, it is inevitable that almost every judgment expressed with the view of suggesting and stimulating definite lines of action is potentially indictable under the law of libel or sedition, and in some cases could be constructively held to be illegal, at any rate to the innocent mind of the ordinary jurymen. On three different occasions journalists have been heard to say, of some passage in THE NEW AGE: "Hullo! Look here! Brenton's done himself this time." Well, he hadn't. He will next time perhaps! And logically the risk must increase. If you are sailing a boat up a narrowing estuary directly against the wind there comes a time when spacious arm-chair tacking is no longer possible, and you have to sail more and more closely to the wind to move forward at all. Shall THE NEW AGE strike its flag lest it strike a mine? It is between the devil and the deep sea. If it continues to pursue an intrepid policy most people will be afraid to be associated with it; and if it pursues a safe policy they will turn to other papers where such a policy is to be found, with extra comforts thrown in.

* * *

Yet playing for safety is not always safe. A certain person whom certain readers will recognise from this allusion to him once started out to do some research work in banking with the idea that it would "serve the cause of Social Credit" when completed and published. Social Credit would "not be mentioned," but there would be polemical ammunition for Social Credit propagandists "between the lines." Well, he lost his job. He believed (and no doubt correctly) that this was because of his personal adherence to Social Credit of which his employers were aware. But he himself had made it easy for them to dismiss him on a pretext and impossible for him to argue that that was not the real reason, precisely because he had refrained from definitely declaring for Social Credit in his writings. He fell between two stools, or perhaps better, fell between the lines" where he had buried his convictions.

* * *

The keynote of the policy of THE NEW AGE is militancy in the same wide sense as is indicated in such an injunction as: "Cause as much mental discomfort as you can to every person, high or low, who is responsible in any degree for administering existing financial policy." This need not be construed as incitement to

illegalities. But it must be construed as meaning something more than academic and persuasive confutations of the advice, sentiments and beliefs of which these worthies deliver themselves; and something far other than sycophantic endorsements of their occasional accidental enunciations of Social-Credit wisdom. These devices may legitimately be used sometimes, but only in the furtherance of an ulterior militant purpose. The high-hat, House-of-Commons, Is-the-Right-Honourable-Gentleman-aware style of controversy, is no use in itself, but only when it serves to discredit the party intellectually or morally on an issue in which the public are immediately and vitally interested and in terms and manner which they can well understand and appreciate. The mission of the militant is to find out where there are nerves to be touched, and the most feasible ways of twitching them.

* * *

They are often discovered accidentally, and it is surprising where you find them. Who would have thought, for example, that a humble clergyman in a remote parish somewhere in the United Kingdom could have single-handed put the machinery of the law in motion in Threadneedle Street without leaving his study, so to speak? But he did. He wrote two letters to the Governor of the Bank of England, one supplementing the other, the purport of the two being to warn him that if a major disaster befell this country he, the writer, and "thousands of other British citizens, would hold him personally responsible." Within a day or so after the despatch of the second letter he received a visit from the nearest police inspector accompanied by a constable to "make inquiries." The result was satisfactory: they found the clergyman neither mad nor murderous, but affable and reasonable. Did he write these letters? Oh yes. Why? Ah! That did it: and the two dearly beloved brethren listened while our reverend friend opened and expounded to them the Scripture of the Social-Credit revelation and prophecy. People may retort that anybody could move the law by writing in an illegal way to anybody at all; and it is possible that the exact terms of the letters in question may have lent colour to the hypothesis that the writer was threatening violence; but reviewing all the circumstances—the identity, address and calling of the signatory being disclosed from the start—this episode ranks as an example of nerve-touching.

* * *

Another was alluded to previously in regard to the Press. Any suggestion that a particular newspaper is subject to external domination by the bankers touches a nerve somewhere; and writers and speakers on this matter had better be circumspect in their language unless or until it is their intention to provoke reprisals. You can say that the Press is mortgaged to the banks; but if you say that a particular newspaper is in that condition—or even that it owes an overdraft—you might, in theory, be held to have injured its credit by making its shareholders nervous about dividends, and its suppliers dubious of their accounts. It sounds far-fetched, but—just as they sing about the sailor:—

"... there's something about a jury,

Well you know what juries are."

A third nerve-centre seems to lie in the region of Trade Union finance. There are indications of a disposition on the part of leading Trade Union executives to construe criticisms of their policy as reflections on their probity or impairments of their unions' "credit," or both. The logic is obscure, but such as it is there are some lawyers who are inclined to believe that it could be invoked. And they may be right. Anything can be made the subject of legal punishment if the bankers think it necessary.

* * *

Now nerve-centres are storm-centres from the point of view of the nerve-toucher. This leads to the fact that one function of THE NEW AGE is to be a lightning-conductor in the service of nerve-touchers. And when

this is said it will be realised that another function of THE NEW AGE is to undertake the responsibility of evoking the lightning which is to be earthed and run the risk of destruction in the process. The editor's eleven years' trial-and-error research into how far it is desirable and feasible to go qualifies him to act as proxy and to exercise his judgment on behalf of all those members of the Movement who approve a militant policy as defined, and want to see it implemented with the highest efficiency tempered with adequate circumspection. The practical value of this to the militant member of the Movement is that it obviates the necessity (and in fact lessens the desirability) for him to play with fire on his own account. He is provided, instead, with a centre to which he can communicate ideas and information on which the right strategy of THE NEW AGE may be developed.

* * *

During the war it occasionally happened that shells from the Allies' guns behind the lines did not clear them, and therefore inflicted casualties on certain of the troops, as well as evoking resentment or apprehension from the rest. If the artillery had been firing blank cartridges to impress the Germans with the noise, there would have been no damage done. But they were firing to hurt, and so our own men had to pay the price of aberrations in trajectory, however caused. But whether good blood was unfortunately shed, or nothing more than bad language, nobody deserted, nor would have tolerated the idea—not even if it had been merely to clear off to a more cushy sector of the front. Much less did they tell the gunners: "Don't fire live shell in case you hit us."

* * *

During the last year a number of readers have withdrawn their support, many because they cannot afford to continue it, but a fair number because their feelings have been hurt. Of the latter not one had been offended by technical heresies in the paper. No, every one departed on religio-philosophic grounds. One gentleman, described as a "very old reader" (probably a stowaway who boarded during Major Moore's captaincy of the vessel, or earlier) couldn't get over the shock of seeing Rawson (of "Rawson-Prayer-Shop" fame) slightly alluded to in an article by S. R. on November 30 last. Another couldn't stand what he called the careless inaccuracies of THE NEW AGE. He had a long time previously displayed a great deal of agitation because the name, the Dean of *Westminster*, got crossed with the name, the Dean of *Winchester*, in a reference in the "Notes" to Winchester's allusion to the bankers as an effective (or efficient) second chamber (or upper house). Another excused himself on the ground that he now understood the principles of the Theorem pretty well, was not particularly interested in the Green Shirts, and thought THE NEW AGE did harm by lack of sympathy with "higher" something-or-other. And so on as concerns the rest of the departed. All this would be understandable if THE NEW AGE set itself to make continuous frontal attacks on such people's cherished beliefs and psychological susceptibilities; but nobody who reads the editorial matter in this journal over a period with half the care taken in the writing of it ought to get his perspective so distorted as to think that THE NEW AGE fires shells short on purpose. In every case it should have been plain that, even granted that some things said might have been better omitted or said differently, they were aimed at a further objective than the front trenches of the Social Credit Movement. If THE NEW AGE appears to be out of sympathy with, or not interested in, this or that school of thought or moralo-social policy, it is for the same reason as that which underlaid Douglas's assertion: "I am not interested in the unemployed," or his earlier one that the hardships borne by victims of the financial system "do not keep me awake at nights." He held himself aloof from irrelevancies.

* * *

Recent discussions on pseudo-science, psycho-analysis, determinism, vitalism and so forth are all related to the

political strategy of the bankers in obstructing the dissemination or acceptance of essentially Social-Credit teaching. They were discussed on account of that relationship, and in terms in which the nature of the relationship could be seen by anyone not obsessed with the importance of the subject-in-itself. There is no banner, religious, ethical, or philosophical, carried by Social-Credit campaigners against THE NEW AGE which is not to be seen floating bravely within the lines of the bankers' front. One vital practical implication of this is a prospective fraternisation between the banner-bearers, and the demarcation of an every-man's land packed with get-together compromisers over whose heads the fight will have to proceed if, indeed, it proceeds at all.

In conclusion readers are asked to take note that the publication of appeals for financial support of various activities in THE NEW AGE must not be taken to imply that the financial requirements of THE NEW AGE are adequately secured, or that it has any definite claim on money raised by those who have made free use of its advertising facilities. THE NEW AGE has been the official hoarding of the Movement. So its maintenance ought to be the first charge on the Movement's resources. If not it runs the risk of becoming the residuary legatee of its readers' bequests elsewhere, receiving what help it may under means-test conditions imposed, quite possibly, by people whose own plans would be furthered by its extinction. That is all for the present. In the meantime any readers who agree with this view, and whose power to assist THE NEW AGE has not been exhausted by other appeals, are asked to make what contributions they can, however small, not simply as a means of helping to maintain THE NEW AGE but also as a declaration of moral support. Correspondence is also invited irrespective of contributions, and should be sent to the Editor's address given elsewhere.

ARTHUR BRENTON.

Finance and Court Judgments.

The *New Economics* (Melbourne, Australia) reprints in its issue of January 19 last the "Notes" in THE NEW AGE of December 7 on the subject of Japanese competition. In the same issue THE NEW AGE of November 30 last is quoted apropos of the question of "how finance affects court judgments." The quotation is used to preface an article entitled "Constitutional Law And Financial Law" by the editor of *The New Economics*, in which he applies our analysis of the principle of the procurator of bankster judgments to certain proceedings which have just previously been taking place before the "Full Court of the High Court of Australia" on an issue involving Constitutional and State laws relating to road and rail transport. We reproduce the article in full elsewhere because the author's acute analysis and comparison of the judgments delivered has a universal significance, and because the nature of the issue taken for his illustration was, on the face of it, most intricate to elucidate on Social-Credit principles. The article will thus be of equal interest to lawyers and to laymen, and of equal enlightenment to either both technically and politically.

To us, some of the most interesting parts of the analysis are those concerned with the what the judges variously described and appealed to as the "intention of the Act," or the "object of . . . granting powers," or (on another but related plane) the "realities" of the economic situation. You have only to recall Lord Hewart's evidence and strictures about "absent-minded" Parliamentary legislation to realise that when a judge begins to inquire into the "intention" or "object" of such legislation, he is looking for something that isn't there. He is asking (to recall the traditional joke) what was the intention or object of the Professor in walking out in a slipper and a boot! On Lord Hewart's analysis it is clear that the judge could only get an authentic answer

from the bureaucrats who tobogganed the enactments down the steep snowy side of the deep-sleeping Legislature. On the Social-Credit analysis he would have to go behind the bureaucrat and ask the banker. And it is the same when a judge appeals to "realities"; for the "realities" that he sees are predetermined phenomena posing a dilemma which nobody can get out of without the approval and help of the bankers who created it. In the case in question this dilemma was concerned with the supposed or expected financial consequences to everybody in general of doing justice to somebody in particular. Thus, the appellant in the case had been convicted for operating a motor vehicle through a certain district without a licence, and he challenged the validity of the conviction. And on this issue one judge pointed out that if "all were permitted to carry goods where and how they liked there might be none who could provide . . . a systematic . . . means of traffic at all." Well, so far as that "if" is concerned, if we all walked, nobody would provide vehicles of any sort; or if we all carried our own goods in our own motors, nobody would offer to do it for us. There are, of course, occasions when the "if all" argument is valid; traffic regulation being a case in point as when the necessity to prevent a congestion is self-evident physically and equitably. A traffic jam in a bottle-neck stretch of road is bound to happen in certain circumstances; and when it does happen it immediately and visibly holds up everybody alike. Hence everybody can be presumed to desire regulation in his own interest.

But in the appellant's case this did not apply. Further he was not carrying goods where he liked, but where his customers liked. And he was not using a motor because he liked to do so, but because his customers preferred a motor-borne service. And why? The answer is the inevitable one: Money. It cost them less on the one hand, and yet yielded him a profit on the other. Very well; taking this man and his customers as a group the saving to them and the profit to him depended on their exclusive patronage of his lorry. If only one person more—let alone "all"—went into the business and got half the custom it is probable that the saving or the profit would disappear. And it wouldn't matter which. No saving, no customers—no profit, no service. So the judge, in using the "if all" argument, was not looking at "realities" (as he implied that he was doing) for people do not rush into enterprise without any regard to the chances of profit, and if it be said that people do often miscalculate their chances, the answer is that their number is relatively small and their disillusionment absolutely rapid. We can only concede any validity to this judge's observation on the hypothesis that it has become the function of the Courts to prevent people losing money through engaging in non-remunerative enterprises! Such a function would be repudiated by all judges in this prospective sense; but this judge was virtually accepting it in a retrospective sense. By implication he was preventing people who had gone into railway enterprises from losing their money through the competition of road transport. And here we come upon the "intention" of the regulations restricting motor transport. It is, ideally, to ration the transport trade so as to preserve a remunerative share for the railways. But in financial language it is to preserve railway stocks from collapse and the defuncture-holding bankers from a pyrrhic foreclosure on a paralysed transport undertaking.

The Next Housing Ramp.

The heading of this section is a paraphrase of the first leading article in *The Times* of March 16, which read: "Housing: The Next Stage." That article, read with insight, shows that there is a manoeuvre on to spring a new obligation on the local authorities after these have been irrevocably committed to the present slum-clearing programmes. This will consist in forcing the local authorities to go a further step and tackle the problem

of overcrowding in property which does not fall under the definition of "slum property." The force will be exercised through public utility societies and will be, as usual, financial in character. *The Times* says:

"The best [plan] would be to equip the societies with sufficient finance independently of the local authorities, and arrangements will have to be made for cheap borrowing by the societies."

But this is not to happen just yet—and for the following reason:—

"In the first place the imposition of this new duty upon local authorities in the middle of their slum clearance campaign must subject their housing organisation to very great strain. The danger is that, as a result, the translation of slum clearance schemes from paper to practice will be postponed, and the only safeguard is that the new policy will not become active for some months, by which time slum clearance programmes will be more fully under way."

The Times recognises that the supervention of the new scheme during the progress of the original scheme will cause administrative problems, among which one will be that of coming to equitable terms with property owners whose property is to be compulsorily acquired for re-conditioning or rebuilding. Equity, it says, may demand certain amendments of the existing slum clearing programmes to meet the owners fairly, but remarks: "it may be hoped that the desire to do justice will not involve delay."

This innocent-sounding remark embodies the whole philosophy of what Lord Hewart called "The New Despotism." Readers will remember that in our editorial review of that book we proved that the despotic power of the bureaucrats was logically inevitable precisely because the element of time demanded the exercise of their administrative functions. It was precisely because justice involved delay that the powers of these bureaucrats were reserved from the jurisdiction of the courts. Hurry is the enemy of liberty.

We hope that all readers who take part in municipal politics, whether as participants or conversationalists, will make a note of the above references and point the proper moral. *The Times* points out that the demolition of 280,000 slum houses, which has just been acclaimed dutifully and enthusiastically by the popular Press, will involve the erection of only 300,000 replacement houses. That gives one the measure of the allegedly frightful overcrowding which was attributed to slum property, viz.: that fifteen houses will comfortably accommodate the number of people who were overcrowded in fourteen houses. That makes you scratch your head, does it not?

The Times is concerned now about the danger of new slums being created as fast as existing slums are wiped out, but having shown that there was practically no overcrowding in the slums now to be demolished it is from a bit of a mystery where the overcrowded are to come from to squeeze into the other property which is destined to become a slum. Do these people exist, and, if so, where are they living now? It almost seems as if, so far as the overcrowding problem was concerned, that the slum clearance programme could have been omitted and the new programme started instead. After all, it takes a crowd to overcrowd, and one might as well have started to find the crowd before dealing with the overcrowding.

We need hardly point out that the public utility societies, who are to be financed independently, and at low rates of interest, will be virtually departmental extensions of the banks and insurance companies. *The Times* very discreetly refers to the influence of these societies as that of "persuading" the local authorities to embark on the new scheme. Well, forewarned is forearmed, and although we hold no brief for refractory and exacting private landlords we suggest that it will be wise for local administrators and ratepayers everywhere not to be gulled by inspired polemics against hypothetical rack-renters into burdening themselves with new debt.

Australian Press on Douglas.

EXHIBITS FROM THE SYDNEY "BULLETIN."
I.

Major Douglas has arrived in Australia on a whirlwind tour. He has spoken at Melbourne, and Sydney is to hear him at the Stadium. The price of ringside seats is advertised.

Douglas as a destructive critic of present-day money systems is on safe enough ground; and it is on this point that he collects most of his followers. Even Montagu Norman, of the Bank of England, will admit that the gold standard leaves much to be desired. From the destructive to the constructive, however, there is a wide gap, and Douglas does not bridge it. His theory becomes more or less coherent only after several separate works have been studied to the bitter end, and, though that may be good business for Douglas and his publisher, it is very hard on the reader who is looking for guidance.

Douglas's scheme visualises a State where manufacturers will sell their goods at a price below the cost of production and yet show a profit, which sounds like one of the hallucinations of the March Hare. The selling price of all goods is to be based on the volume of purchasing-power in the hands of the public, and as (if we give ear to the A + B theorem) purchasing-power in the hands of the public is never, on an average, equal to the cost price of goods manufactured for sale, selling price is reduced by the State to the index of purchasing-power. The manufacturers' loss is converted into a profit by the payment of a subsidy out of "public credit"; this is sound practice in Douglas's eyes by virtue of the A + B theorem, which is to the effect that industries collectively do not distribute sufficient purchasing-power to enable their goods to be bought.

The A + B theorem is the keystone of the Douglas structure, and that is the main reason why it crashes. In the interchange of purchasing-power, as a result of ordinary business dealings, the natural law of "nothing for nothing" applies. It is not because there is insufficient purchasing-power generally that we have slumps. It is because purchasing-power becomes badly distributed and sterilised after booms, with their attendant excessive profits and costs.

All we can ask of a money system is that it should allow the free interchange of goods and services. Anything with a "something-for-nothing" lure about it is unnatural and pernicious. It is encouraging to find people anxious to get at the root of the evils of our money system, because it is by education in its shortcomings that it may be made more workable. But it is a great pity they aren't following someone sounder than Douglas.

II.

Major Douglas has arrived in Australia, a Messiah of the new finance. He has a large following here of earnest, somewhat cocksure, young men, scores of whom are artists. The Labour Party and the Communists look on with approval—though "socialisation of credit" is not exactly "social credit" writ large.

The major's first days on this continent must have inflated him with the idea that he had at last reached Utopia. He was greeted with civic receptions, Parliamentary dinners, processions of motor-cars and about half an acre of bagpipes. In Britain Mr. Douglas is a very unimportant person, who gets attention at all only as an additional diversion for the silly-season press. When he gave evidence before the MacMillan Committee his world-shaking theories rang so hollow that the report did not even mention them.

Hospitable entertainment is the visitor's due. But nothing is to be gained by giving official recognition to a nostrum calculated to turn the eyes of Australian taxpayers from the ideal of reducing our costs, paying our debts, and living within our incomes.

Notice.

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

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

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

Major Douglas at Melbourne.

[Extracts from *The Age* of January 23.]

Interview Aboard Ship.

"The British Labour Party has a strong revenge prospect; it would sooner make the rich poor than make the poor rich." This astounding remark was made by a man who has devised a system of international finance which its armies of upholders claim would, if adopted, almost turn the world into a semi-paradise. Major Clifford Hugh Douglas, who arrived in Melbourne by R.M.S. Maloja yesterday, is a figure of world reputation. His Social Credit proposals have been debated in every British country, and a great many others, with an intensity worthy of theologians of the most fervidly religious age. His system promises not only the most plenteous abundance for all, but leisure to enjoy it on a scale never hitherto realised in the world outside a few idyllic South Seas isles, where wants are few and Nature is bountiful.

Major Douglas wears little of the military stamp, though a former officer of the Regulars. Neither is he, in appearance, the typical financier or banker. Perhaps he might be described as a blend of business man, engineer and soldier. He is ruddy of cheek, has a calm assured manner which denotes immense reserves of self-confidence, and speaks in a deep musical voice. His manner is at once genial and correct. In exposition he is particularly lucid, and he appears to be no lover of talking for talking's sake.

In explanation of his charge against the British Labour Party, Major Douglas, interviewed aboard the Maloja by a representative of *The Age* yesterday, said that in Britain the greatest opposition to the social credit proposals came from this party. Labour was peculiarly susceptible to propaganda, being animated by the revenge motive—the rich to be made poor, rather than that the poor be made rich.

"I am on my way to New Zealand to act as a sort of consulting engineer to the movement over there," said Major Douglas. "It is the first time I have been south of Colombo."

"Is there much support for the system in New Zealand?" he was asked.

"Yes, it is one of our strongholds. Western Canada is also very keen, and perhaps Australia comes next, particularly West Australia."

"And in Great Britain?"

"There is a very large supporting group, more especially in Scotland and the north of Ireland. We have recently made converts in very influential circles over there. But the movement is not confined to British countries. It is strong, for instance, in Paris, where I have spoken at public meetings. In Germany not so much, especially since the Hitler regime began, but Denmark and Sweden have supporters, and in the United States the movement has linked up with the more sober side of the technocracy movement."

"Could you explain, Major Douglas," I asked, "how there can be so much divergence of opinion between experts on a subject that seems to be mainly one of mathematics? If anything is arguable to an unanswerable close, surely a mathematical problem is."

The answer to this question was extremely interesting. "In the first place it is a dispute of fact. On this score, naturally, we say we are right. We claim that our critics, Professor Copland and others, have been silenced. Secondly, our scheme is objected to on moral grounds. People quote St. Paul's words to the effect that if a man shall not work, neither shall he eat. To them there is something wrong in the conception of a world where plenty can be had without a great deal of work. Our reply is that in that case we ought, logically, to destroy the power stations, machines and inventions, because these give man the opportunity to produce without the necessity for work. This second objection, as you can

see, is an extremely powerful one, though it may be admitted to be illogical."

"How do you estimate your chances of ultimate success?"

In the same measured terms in which he had previously spoken, Major Douglas replied, "If a catastrophe does not overwhelm the world, we have no doubt our views will prevail."

Major Douglas has had a recurrence of the influenza which attacked him in England. He was greeted on arrival by a group of Melbourne citizens belonging to the movement here, but was unable to attend the private luncheon arranged in his honour, and spent most of the morning resting. Mrs. Douglas is travelling with him.

II.

Report of Meeting.

A large crowd attended Melbourne Town Hall last night when Major C. H. Douglas, the originator of the Douglas Social Credit proposals, which have for some time past been commanding world-wide attention, delivered an address on current problems, with special reference to the monopolistic idea. The lecturer was accorded a tremendous ovation, both at the beginning and conclusion of his discourse, and it was plainly evident that he had many supporters in the audience.

Although Major Douglas did not outline in detail his proposals for the release of credits and an increase in purchasing power, he made it clear that from an ethical and every other standpoint the time was ripe for the issue of a national dividend in some form or other. "If this is not done," he said, "we are going to be faced by a more acute unemployment problem. Are we as normal people going to say we don't want people to work so as they will be prevented from obtaining goods? The thing is insane. No subject-to-day creates such a problem as credits. It is of vital concern to every man, woman and child, and if the problem is not solved the time will come when there will be few people left in the world." (Applause.)

In discussing world affairs, said Major Douglas, one has to deal with economic and financial matters and cases where the two merge into politics. In most cases, it was not clear to the great majority at present as to how the world worked or as to how the people would like it to work. This position had arisen through no fault of their own. A great many well-intentioned reformers appeared to subscribe to the statement "that we do not know where we are going, but we are on our way." That course was a very dangerous one, as it made it easy for small groups, who knew not where they wanted to go, to direct large numbers down the wrong road. The monopolistic idea was not new. It manifested itself during the Roman era, and continued until 1914, when it reached its peak, fell into decline, and was superseded by other systems. Following an attempt by the German Empire in 1914 to form a military world State, the League of Nations contemplated the making of a super-State to lay down a law for everyone else. This plan did not get far, and merged itself into a financial world state, or, in other words, an attempt at financial hegemony of the world by a set of central banks crowned by the bank of international settlements. The form this monopoly was taking in Anglo-Saxon countries was something which was called rationalisation, and was being carried on under the ostensible direction of the Bank of England. Rationalisation was planned to mean the supersession of large small and so-called inefficient undertakings by trusts. This was being achieved in a number of ways. He had found that when tendering for certain classes of engineering work that those who put in high tenders were the only solvent firms, while those who were notoriously inefficient and insolvent put in low tenders—figures which could not possibly be quoted by efficient tenderers. The result was that, apart from a few firms were thrown out of business, and those who were left formed the nucleus of a trust.

large undertakings were formed, and in his opinion the result was that the standards of efficiency fell.

Position in Russia.

Dealing with his associations with Russia, Major Douglas said that without any shadow of doubt this country provided a striking example of a dictatorship being established over the proletariat. The individual Russian had no control in the affairs of the country. He was told what to do, and ate anything he was given. Almost every person who had been to Russia would unite in agreeing that the Russian possessed a remarkably enthusiastic spirit. Whether it was the result of hypnotism he would not venture to say, but he would make one prophecy. Russia was a country wherein endeavours were being made to bring her up to the industrial level of Western Europe. These were being carried out on a gigantic scale, the like of which the world had never seen. Much had been achieved in the shape of factories during the last ten years, but because of this attempt to run industries on a scale too big for the country, a colossal breakdown must assuredly follow. Russia's problem was production, not consumption, as the consumer could not get at the production which was awaiting him. Such a position was simply another form of centralised monopoly. Another form made itself apparent in Italy, where Fascism reigned and restricted the freedom of the manufacturer and the worker. Goods produced could not be consumed, and unless means were found to bring about this end, the system operating in Italy must also fail.

Characterising credits as money, Major Douglas said the financial system was the embodiment of a peculiar faith. "Give me a one pound note," he went on, "and the faith I have is that I will get something in exchange for it. That is why money is so wrapped up with credit. Why is credit so important in the modern world? Suppose I go to a railway station and purchase a ticket to Sydney. I do so having the faith that I can travel on the ticket. It is evidence that the means of travel to Sydney by railway exists, and is obvious that I associate travelling to Sydney as an indissoluble connection with getting a ticket. The ticket to me is the most important portion of the railway system. I am not interested in the permanent way or signalling apparatus. There is no difference between the railway ticket and the one pound note, except that the ticket is an effective demand for a railway journey and the pound note is an effective demand for anything it will buy." (Applause.)

Gold for Notes.

Major Douglas recalled that early in 1914 convention held that a piece of gold would meet every pound note. Late in the year, however, everybody with bank holdings conceived the wild idea that they would all obtain their share of the gold at once. The outcome was that soon the banks were incapable of meeting their liabilities in the terms laid down on the bank notes. Every penny of gold was drawn from the stock banks and the gold of the Bank of England was reduced to ten millions, yet six hundred millions were still undrawn when the gold was exhausted. The banks closed temporarily, but in a few days they reopened, circulated "little white notes," which worked perfectly, and business again went on normally. People received value for the notes, not because there was gold in the banks to meet them, but because they rested on the general credit of the country. General credit was the real ability to produce and deliver services where and when required, and the fact that bank notes were acceptable for effective demand made them of great importance. The power of using money had become and remained a monopoly, and it was obvious that such a monopoly achieved tremendous power by restricting output. If everybody had enough money it would become less important, but when a person did not have any to buy a meal money loomed up as the one essential in life. It was in the very nature of monopolies that they should restrict their output. It was not in their nature to supply to

the extent the world was producing. Restrictions of all kinds were increasing, and these formed part and parcel of the growing policy of monopolies. (Applause.)

"I repeat," concluded Major Douglas, "that the problem of credits must be solved, and that increased purchasing power in the form of a national dividend should be given every person. A national dividend is justified economically by the increased power of production and morally by the fact that this increased production is not due to any section of the community—neither the labourer, scientist nor capitalist, but to all." (Applause.)

After a vote of thanks was accorded the speaker he was further applauded and cheered.

Major Douglas at Palmerston.

ADDRESS AT ASHHURST CAMP.

Reprinted from *The Evening Post* (Wellington, N.Z.)

Major C. H. Douglas was accorded a royal reception when he arrived at the Douglas Social Credit Camp at Ashhurst yesterday afternoon. His visit was only a short one, as he had to catch the express for Wellington. His address to the gathering was followed with profound interest.

Major Douglas stated that many anxious eyes were looking at New Zealand from many parts of the world. That was particularly true of the people of London. In England there was a powerful Douglas Social Credit organisation that was growing stronger every day, and progress was also being made in other parts. There were large groups in Canada, South Africa, France, and Norway, while the whole of the south-west of Scotland was solidly for social credit. In China and Japan also, the principles of the movement were being put into operation.

Nationalisation of Banks.

It was commonly said they were aiming at the nationalisation of the banks. That might be so, and it was just possible that they might ultimately have to press for that, but as a body of those engaged in laying the foundations of a new world they were primarily concerned with policy, and not with administration. That was the fundamental object which he must emphasise. There was a very great danger of merely shifting one tyranny for another.

"The thing of the moment that I want to avert is the danger of imposing the same sort of tyranny in peace time that was imposed on us during the war, namely, tyranny of administration," he said. "It seems that at the present time there is a sort of dual control of human life in Great Britain and in other westernised nations, including New Zealand. We are under the control of finance which limits out economic possibilities, and we are also under the control of Government restrictions of various kinds. If you were to nationalise the banking system and leave the policy of that banking system as it is, you would place under one control these two tyrannies, and that would be a tyranny for which there would be no cure in times of peace. At the present time we have under consideration the bringing of the banking system under the powers of Government, but if you have the nationalisation of the banking system before any remedy is applied, you have created exactly the same state of affairs as when the French nationalised the railways. There was immediately a strike on the railways, and the soldiers were called out. That danger in some form or other will be present, and it is a real danger."

Present Administration.

If the present administration of the bankers was so stupid and so stubborn that no other methods could be applied, they might have to run the risk of altering the administration.

However, it was frequently said by opponents of any change in the financial system, that it was absurd to suggest that there was anything wrong with the financial system, because it was working at the present time, and

Liberal) with satisfactory results. On March 6 a meeting was held at Picton Hall (seating capacity 1,200) the speaker being Mr. F. H. Auger. A further meeting has been arranged at the same hall for March 25, to be addressed by Mr. J. L. Hodgson, B.Sc., M.I.Mech.E.

In all, some seventy meetings of one sort and another have been addressed since the opening of the winter campaign in October.

The Association is organising an informal Social and Dance for members, on March 21, and is considering the desirability of arranging a large public dance at a later date for publicity purposes.

During the period under review, despite other activities, the advocates of the Douglas Proposals in this area have maintained a constant stream of letters to the Press, some extremely good letters securing publication.

Ipswich and Eastern Counties.

The Ipswich Social Credit Association reports a very successful meeting at the Public Hall on February 22, addressed by Mr. A. L. Gibson, F.C.A., of Sheffield. The audience of about nine hundred was very representative and gave the speaker an excellent reception.

The Chairman for the meeting was Mr. F. G. Clavering Fison, late Conservative member for Woodbridge, and the vote of thanks to the speaker was proposed by Mr. W. R. Elliston, who stood for the same constituency as a Liberal candidate.

A further meeting was held on March 13, at which all those who had attended the previous meeting, and who wished to investigate the Douglas Proposals more thoroughly, were invited to attend. The audience numbered two hundred and was addressed by Mr. W. L. Bardsley, the secretary of the Social Credit Secretariat. Mr. Bardsley spoke for half an hour and gave an hour and a half to answering questions, the number and variety of which showed the keen interest that had been aroused in the audience.

Alderman P. C. Loftus, who has appeared on the platform at various Douglas Social Credit meetings in the eastern counties, was elected Conservative member of Parliament for Lowestoft on February 16. Every supporter of the Douglas Proposals will join those in the eastern counties in congratulating him, and extending good wishes for the future.

The Green Shirts.

CHANGE OF ADDRESS.

As from March 25, 1934, the address of the National Headquarters of the Green Shirt Movement for Social Credit will be:—

44, Little Britain,
London, E.C.1.

—close to the Post Office Tube Station.
These premises are considerably larger and more suitable than those in Old Jewry. The date of the official opening of the new Headquarters will be announced later.

Frank Griffiths,
General Secretary.

FORTHCOMING MEETINGS.

Glasgow.

Scots Youth Movement for Douglas Social Credit: On Monday, March 26, in the Kings Park Halls, Kings Park (Glasgow), at 8 p.m., Wm. Finlay, Esq., will give a lecture entitled: "The Trade Depression: Its Cause and Cure." All interested invited. Questions. Collection. Note: All communications regarding the S.Y.M. for D.S.C. should be forwarded to: Secretary, S.Y.M. for D.S.C., c/o W. B. Jones, Esq., 47, St. Peter's-street, Glasgow, C.4.

Death for Blacklegs?

"The Austrian Government has now decided to put the imprisoned leaders of the Socialist Party, officials of the Schutzbund (Socialist Defence Force), and the board members of the Workers' Bank on trial for high treason." (Daily Herald, March 2, Correspondent at Prague. Our italics.)

The Categorical Imperative.

"The poor are ever with you," so we read, Sad words of Him who multitudes did feed. Has present tense been changed by High Finance Into the Mood Imperative, perchance?

PORCEPIC.

LETTERS TO THE EDITOR.

"CONSTITUTIONALISM."

Sir,—The letter of your correspondent who adopts the somewhat equivocal pseudonym, "Constitutionalist," in your issue of March 8, is to be welcomed, since it raises a question which stands in need of thorough ventilation. There is no other subject—excepting, perhaps, the financial system—which, consciously or unconsciously, has been allowed to become obscured by a deal of frouzy sentiment, engendering much misapprehension, as the British Constitution.

"Constitutionalist" appears to share the common error, not only with regard to the origin and character of the Constitution, but also in supposing it to be fixed and immutable. This impression is derived from his implication that the Communist movement is unconstitutional. We know that that is the point of view assiduously cultivated. But the question is, Is it?

As one of the enlightened people for whom the Communist doctrine holds no terrors (an attitude possibly helped by the fact that I have nothing to lose), nor affords enthusiasm, I am able to take a detached view, an attitude further assisted by the knowledge of the British Constitution's doubtful ancestry—doubtful, i.e., from the standpoint of respectability so beloved by our good constitutionalists.

An authority consulted briefly defines: "British Constitution: a collective name for the principles of public policy on which the Government of the U.K. is based. It is not formulated in any particular document or set of documents, but is the gradual development of the political intelligence of the English people as embodied in concessions forced from unwilling sovereigns in the results of various revolutions. . . ." It would appear from the implications contained in the foregoing, together with the fact that the Magna Charta and the Bill of Rights, which form the nucleus of the Constitution, were extorted by revolutionary methods, that revolution has played its part in fashioning the present Constitution. And how many constitutions are there whose foundations do not rest upon a revolution of some sort? Can it be logically argued, therefore, that revolution is not correct constitutional procedure? Altogether, it would seem that a successful revolution is good constitutionalism: but an unsuccessful revolution—treason.

This is not to be construed as a plea for revolution, but an effort to show that, if revolutionary methods are *sine qua non* to the Communist movement, it is not acting in an entirely unprecedented manner. It may be reasonably assumed, however, that if the Communists were successful in converting a majority to their persuasion—an event which does not appear extremely probable at the moment—there would be content with the ballot-box. I venture to predict that in that unlikely contingency we should find constitutionalism losing something of its veneration in the eyes of certain present-day sound constitutionalists. That is as may be.

From a detached point of view as to what is constitutional and what is not, it would appear that the Communist Party is less to be stigmatised than those who have usurped the power of government from Parliament.

At all events, there is nothing shocking, alarming, or repugnant—and of a surety nothing novel—in that two movements with diametrically opposed ideas for the abolition of poverty amid Plenty—should find themselves, particular purpose—in this instance, the abolition of the phenomenon of Poverty amid Plenty—in common protest once in a way, shoulder to shoulder in wild animals against that phenomenon. It is said that wild animals between whom exists a deadly enmity drink in amity from the jungle water-hole. I cannot vouch for the truth of this, but the moral is plain.

"Constitutionalist" should know, if he has followed the activities of the Green Shirts, as reported from time to time in THE NEW AGE, to a degree of nicety the relationship between the Social Credit Movement and the Communist Party on the question of policy.

We may observe, in conclusion, that if some of the horrors inspired by the Communists was diverted in other directions, it is more than possible that the conditions which are favourable to the growth of Communism would be eradicated.

W. WEST.

GREEN SHIRT BANNER-SLOGANS.

Sir,—We are in complete agreement with M. J. W. regarding the slogan "Would a maggot starve because the apple was too big?"

For some time past we have recognised that this is not suitable to stand alone as a banner-slogan, and all new banners display the "Demand the National Dividend" slogan in place of it.

We should like to take this opportunity of saying that we are greatly in need of funds for the purchase of banners.

making materials. Many Green Shirt Sections have no banner at all. Banners are made by our Women's Section, and therefore there are no costs for the actual making. Materials for each banner (4 x 5 ft.) cost ten shillings, and donations to the Green Shirt Banner Fund will be gratefully received and immediately translated into Social Credit demonstrational propaganda carried on the streets by the Green Shirts.

FRANK GRIFFITHS,
General Secretary, Green Shirt
Movement for Social Credit.

GAITSKELL AND SOCIAL CREDIT.

Sir,—Having waited for about three months for Mr. Gaitskell to reply to my criticism entitled "Gaitskell and A + B," which appeared in your issue of December 28 last, and not having heard from him either through your columns or privately, I take it that silence means consent. I trust, therefore, that Mr. Gaitskell will take the earliest opportunity of withdrawing his criticism of the Douglas proposals from Mr. Cole's work.

J. ADAMSON.

THE JUST PRICE.

Sir,—In the Vicomte de Poncins' latest book, "Tempête sur le Monde," recently published by G. Beauchesne et ses fils, Paris, the chapter on "Faillite du Capitalisme," page 97, contains much of interest to students of Social Credit. I give a few extracts as under.

Page 99.—The principle which governs the Medieval Artisan classes is the idea of a standard of living (subsistence) united to the idea of a Just Price.

Page 101.—The Medieval Law of the Just Price is an example of the altruistic spirit which impregnated the Social and economic life of the Middle Ages. This Law had to be observed in wages, purchases, sales and all contracts of exchange; otherwise the contract was considered unjust, invalid, and the wronged party had the right to a restitution. "Whosoever," wrote Trithemius, a well-known writer of the XIVth Century, "buys corn, meat or wine with the object of raising prices and amassing wealth to the detriment of others, is none other, according to the laws of the Church, than a common criminal." In a well governed community, all arbitrary elevation of prices in the case of articles of nourishment and of clothing, is peremptorily stopped. In those days, the merchants who had stocks of raw materials could be made to sell them at a reasonable price; because in every community it is expedient to provide for all its members, so that a small section cannot enrich themselves and live in luxury to the detriment of the majority.

Page 102.—The price of an article was determined solely by its intrinsic value, and was not allowed to be influenced by the need or ignorance of the buyer or seller. This doctrine, which was the universal Law of the Middle Ages, is thus summed up by St. Thomas Aquinas:—"If the price exceeds the value of the article, or if the article is worth more than the price paid, there remains no longer that equality which justice necessitates."

The Just Price was generally fixed by the Corporations or by the Municipality; sometimes by the State or by general consent.

Medieval principles only generally admitted two legitimate sources of wealth or profit:—The natural products of the soil, and work.

Page 103.—The profession of speculator or negotiator, that is to say, one who buys not for use, but merely to sell again at a higher price, was regarded with disfavour. Finally, lending at interest, which was then called Usury, was strictly forbidden.

Page 106.—The Renaissance dreamed of a World where Capital placed itself at the service of an intellectual and artistic culture, considered as an end. After the Reformation, and whatever may be the idealistic arguments that one may invoke, Capital is no longer a means, it has become an end and an ideal in itself.

I have to thank you for your interest and courtesy in publishing a previous letter of mine in December last.

Yours sincerely,
VINCENT M. COOPER,
Comdr. Royal Navy (retired).

NATIONAL CREDIT ASSOCIATION.

Sir,—I shall be grateful if you will allow me to announce in your columns that the National Credit Association of Great Britain has decided to cease operation, as a separate organisation, and is now incorporated with the "Social Credit Secretariat."

The Marquis of Tavistock, who was President of the National Credit Association of Great Britain, is a member of the Advisory Council of the Social Credit Secretariat.

All correspondence, therefore, intended for the National Credit Association should be addressed in future to this office.

W. L. BARDSLEY.

Secretary, Social Credit Secretariat.
8-9, Essex-street, Strand, London, W.C.2.

GREEN SHIRTS AND CREDIT TECHNIQUE.

Dear Sir,—Allow me to thank Mr. Hargrave for his emphatic disclaimer under this heading.

I agree that if Mr. Hargrave was satisfied that in his letter of February 8 he had made the position clear enough to allow of no misunderstanding by normally intelligent people he was entitled to assume that Mr. Rand's letter would be recognised as a distortion of the Green Shirt case.

Without doubt I was biased by Mr. Rand's letter, but the impression I gained from a fairly close study of the correspondence was that it was assumed that if the Power of credit issue was restricted to the National Credit Office the Mechanism by which Producer Credit is at present issued and retired could, in a Social Credit State, be preserved as part of the financial system. Moreover, the purpose of my article on Dual Credit Distribution was to demonstrate the inadequacy of the present and to show the need for new mechanism capable of retiring both Production and Consumption Credits.

Without in any way attempting to commit Mr. Hargrave, his statement provides for what I believe to be necessary in the way of new mechanism.

There is no need to discuss the competence of Bank staffs to keep the accounts of a National Book-keeping organisation, but recent conversation with the head office manager of a Scottish bank persuaded me that the post most suitable for allotment to him would be that of a Sunday School superintendent.

For the benefit of A.T. 64, I submit the following:—
Cheques and bills are simply a convenience. The principle would be the same if all money were in the form of notes, silver, and copper.

If this were so, bank loans when granted would be in the form of notes, etc., and the total of loans outstanding (exclusive of interest) would be equalled by notes, etc., in the hands of the community.

Now these notes, issued in the first instance to producers, would—in return for services rendered—eventually reach consumers. In turn, the consumers would part with their notes for as much of general production as could be obtained, leaving the producer to repay his bank loan.

The fact that everything doesn't work out to this plan in no way invalidates the argument. The point is that, exclusive of interest, it could produce this result, and is popularly supposed to do so.

Now it should be clear that with all its faults the foregoing provides a mechanism by which Producer Loans may be retired.

But we who know that the amount of notes that can reach consumers is insufficient to buy all that is produced propose to issue additional notes, but not as loans. Consequently, when these additional notes, having functioned as purchasing power, reach producers, they will not be retired, because they are not owing to anyone.

They will remain available as Purchasing Power.
For a time it is probable that no harm would result—rather the opposite, but A.T.64 must see that as the amount of money in circulation would increase by the current issue of National Dividend and not by the appreciation in the nation's productivity, the benefits of such dividend would soon be neutralised.
ACCOUNTANT.

"Accountant" has arrived at his conclusion without sufficient examination of his premise. And since this conclusion as to what would happen conflicts with the established Social-Credit principle that consumer-credits shall be cancelled upon consumption, further reflection on the premise is required. As here argued it seems to imply that consumer-credit is to be issued twice over. It seems to be assumed that consumers are to be paid dividends sufficient (when added to earnings) to pay prices in full, and that at the same time they are to be let off paying prices in full (i.e., by the operation of the price-discount). To illustrate the Social-Credit objective, let it be assumed that P (producers) require, at any given moment of time, to recover £100 from C (consumers) whose earned incomes total only £80. Then T (the Treasury, regarded as the national credit authority, or the consumers' bank) will put £20 into the pool—no more, and no less. Now T, at one extreme, can issue the £20 to C as dividend, in which case C will pay P £100. Or at the other extreme, T can issue the £20 to P as a "price-assistance" grant, in which case C will pay P only £80. If T splits its issue equally between P and C, giving £10 to

each, then C will pay P £90. In these three (and all other) systems of allocation C get the goods and part with all their money, while P part with their goods and recover their £100. If P be assumed to work on bank-credit then when P recover the £100 the bank retires and destroys it.

It will be seen that the dividend is in effect a loan to C, because the amount of it is offset by an addition to the price which C would otherwise pay; and is recovered by P. As shown in the above illustrations: Dividend £10—Price £90, or: Dividend nil—Price £80.—Ed.]

FASCISM, COMMUNISM or SOCIAL CREDIT ?

Speaker: **JOHN HARGRAVE**,
Leader of the Green Shirt Movement for Social Credit.

Wednesday, March 28th. 8 p.m.
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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.

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