THE
NEW AGE
INCORPORATING "CREDIT POWER."
A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The New Housing Bill.

The Times of August 8, under the above heading, discusses the achievements and prospects of the building industry. The "employment value" of this industry, says the writer, is very large. Only a fraction of it is "employed upon the actual building of houses," the rest being "occupied by repairs, decorations and other work." Let us hope that the repairs are not being carried out on the houses being actually built—for we have heard some humorous gossip about what may be called the cycle of upkeep, in which the slaters and tilers, when they finish off the house at the top, start to recondition it at the bottom—engaging in the circular process of re-housing the rehoused without dehousing them. Anyhow, the fraction actually building houses has given employment to 300,000 men; and since at the end of June there were still 138,000 building operatives unemployed, the writer points out that there is plenty of room for expansion in building activity.

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Unfortunately there is not a commensurate volume of unemployed pounds sterling to finance this potential expansibility on a sound basis. Unassisted housing enterprise (private or municipal) has failed to solve the problem of providing houses for poor people at an economic rent. The 45,000 "C class" houses provided during the six months to last March include houses rented at anything from 17s. per week in the London area to 11s. 6d. per week elsewhere, and the writer points out that if poor tenants pay the higher range of rentals in this Class they will have insufficient left to buy food and clothes. So assistance must come. But whence?—and in what form? Not from the bankers in pounds sterling; they seem to have run out of stock. No, it is to "organisation and direction" that we must look for the solution of the problem. The writer does not stop to inquire how the "employment value" of the building industry is to be preserved—let alone increased—by this device. Unassisted rehousing at economic rentals means assisted disemployment at the expense of ratepayers and taxpayers, for the whole object of organisation is to displace labour relatively to output.

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He mildly reproaches the Government for having rejected the idea of a Housing Commission in favour of working through local authorities or public utility societies as recommended in the Moyne Report. "If that decision is accepted," he says, "attention must be concentrated" on the new Housing Bill which the Government has promised to produce later in the year. According to Lord Halifax the Government will:

1. Lay down a definition of overcrowding.
2. Require local authorities to make a survey to ascertain what overcrowding exists according to the definition.
3. Require them to eliminate the overcrowding.

To these the writer adds the suggestion that there must be a time-limit for the survey and consequent action. He then suggests that the Bill ought to establish the principle that a subsidy should be available wherever the economic rent is more than "a certain sum per week." This, he observes, would silence critics who have been urging that rents over 10s. shut out the very classes for whom the houses are intended.

* * *

But there is a snag about subsidies, he proceeds to say. There is the danger that they will be swallowed up in "increased costs." (Presumably he means to say increased *prices*.) To prevent this he suggests that the Government should be ready to "correct excessive increases by fiscal measures facilitating greater competitive imports." At any rate the Government are going to *watch* the course of the prices of materials. Quite so; they may be trusted to watch all right! Another wise precaution, he suggests, would be to get the smaller authorities to combine to make purchases in bulk—another way of saying that every small authority should be made to buy from a large combine. He lets drop a piece of wisdom in this context, remarking that "variations in cost arise from variations in capital charges." How true: how true! But alas, "no information is available" on this point. Why, he does not explain. Presumably to explain would be held by the banking community to stimulate the heretical notion that the secrets of capitalist-finance are the business of the public.

* * *

He says that at present money is cheap and advantage should be taken of the fact; also, that Lord Halifax has hinted that approved societies will be financed by "loans raised upon the credit of the local authorities." He turns aside to belabour the Labour Party for disregarding the "enormous potential value" of public utility societies in this declaration of housing policy. He concludes with the sentiment that "better social conditions" are bound up with an increase in the activity of the "key industry"—the building industry.

Pit-heads and Blockheads.

In a leading article in *The Times* of August 11, entitled "Coal Distribution," the writer says:—

> "The disparity between the pit-head price of coal and the price of household coal to the consumer is glaring, and although on close examination it does not seem so astonishing it remains one of the industry's most pressing problems.
>
> "The Samuel Commission investigated it and found that 'there do exist between producer and consumer substantial margins of profit or expenses, which might be narrowed to the advantage of one or other or both of them.'"

We make no apology for what some readers will soon be saying is a bee in our bonnet, to wit, our insistence this week, as last, and probably in weeks to come, on the fallacy in logic of mixing together the *All* and the *Some*. In this instance the Samuel Commission say in effect that a narrowing in the gap between primary and ultimate prices might benefit either the producer, or the consumer, or *both together*. This is to duplicate Mr. Ramsay Muir's confusion of thought noted last week. It will be clear that while a producer may benefit at the expense of a consumer, or a consumer at that of a producer, it does not follow (and in fact is a *reductio ad absurdum*) to conclude that both can benefit at the expense of each other at one and the same time.

* * *

The more discerning of our readers will appreciate that the problem of meeting criticisms of opponents on the subject of Social Credit largely solves itself if advocates will take the trouble to learn the technique of making these critics elucidate their own arguments.

* * *

It was once said by Mr. Chapman Cohen, of the most elusive subject of controversy that sets people by the ears to-day—viz., Free Will versus Determinism—that there would be no room for argument at all if the respective protagonists would take the trouble to define their terms and clarify their premises. We may mention incidentally for the benefit of those readers who have shown ill-temper when we have discussed this subject, that we have no emotional interest in whether the Determinists are right or not in the wide frame of reference of life itself. What we insisted upon was that all the psychological conflicts in the economic frame of reference which the bankers are pleased to regard as the intractable "human element" are the outcome of a mechanical error in the costing system. If any psychologist likes to insist that behind the mechanical error there are psychological factors, we readily grant them their case; but they must realise that these factors operate within the psychology of the forty or fifty personages who are ultimately responsible for the world-wide over-riding policy of the Credit Monopoly.

The Fixed Idea and the Free Will.

On the question whether this diagnosis is right or wrong depends the problem of deciding what should be the fundamental basis of Social Credit policy in propaganda and action. For example, assume a person like, let us say, Mr. Montagu Norman to hold the view that income should depend exclusively upon the contribution of hired services within the economic system, that the measure of the income should be related to the price of the recipient's means of life, that that price should be measured according to the present cost-calculus, and then take into account that Mr. Montagu Norman is able and intends to prevent criticism of this calculus and effectual revolt against its application; then he and no-one else, is the proper subject for the psychological practitioner; and the problem is simply (!) that of getting him to undergo the appropriate treatment. For his will determines a mechanism which dominates the wills of the rest of us—which really means that only he is able to exercise will-power.

* * *

"Each for himself, and God for us all," as the elephant said as he danced among the chickens: and if you imagine the economic system to be represented by a menagerie of animals enclosed in a cage and forced to dance on hot bricks, or climb on each other to get off the floor, you can realise the vast difference between the "wills" of these animals and the will of their owner who stokes the furnace. And if you invest them with the reflective attributes of humanity, and imagine yourself asking them: "Why do you dance like this?" you would probably get a reply along the lines of the popular diagnosis of the condition of the blind man spoken of in the Gospels who was popularly assumed to be blind because either he or his parents had sinned. "My father," the elephant might exclaim, "was a sinful creature; and that is why I am fated to prance about on this hot floor." You might say: "But how do you know that your father was sinful?" An the elephant would answer: "Because this floor is hot." All of which would amount to the manifestation of a fixed idea—familiar all round us to-day—that there is something impious in the desire for the cool floor of economic security, and therefore something blasphemous in the attempt, by anyone, to explain why the floor is hot. A national dividend?—something for nothing?—why, that is forgiveness without repentance! Economic activities are an expiatory exercise. So Jumbo keeps on prancing.

The Problem of the Price-Gap.

These reflections bring us round again to the quotations from *The Times*. The writer of the article says of the gap between the first price of coal and the last that:

(a) It is glaring.
(b) It is not so astonishing.
(c) It is a most pressing problem.

To which the Samuel Commission adds two more items, namely:

(d) It is due to profits or "expenses"—
(e) —— which "might be" narrowed with "advantage."

Optional Pickings.

It will be noticed that generally this statement contains nothing to suggest that the mechanics of credit-manipulation have anything to do with the problem. The joint authors assume that the costing-machinery is perfect in design, and that therefore any disturbing results must be attributed to the people who use it, or rather misuse it. One such misuse is explicitly recited—namely "profits." But other factors in costing are lumped together under the vague designation: "expenses." These expenses include wages, but the word is not used, nor the item distinguished, the reason presumably being that the authors do not wish to commit themselves to linking "wages" with the narrowing process in item "e." Probably they do not contemplate reductions in wages anyway. The point is not important. What is important is that the tenor of the statement leads towards the inference that the "glaring," "pressing," "not astonishing," disadvantageous and contractable gap in prices is due to what may be called *optional pickings* out of coal-handling during transit from the pit to the cellar, or, in the case of rehoused slum-dwellers, to the bath under the kitchen table. Optional pickings connote our old friend "the human element"—the frail and oh so obstinate impulse to "make a bit." If only the economic sea-shore could be cleared of the myriads of greeds and self-seekings which compose the sands of human personality, wouldn't it be grand? But alas, the walrus and the carpenter can do nothing about it except take the oysters for a ride.

* * *

All incomes receivable by individuals can be called optional pickings, because the present system does leave everyone free to renounce his income in part, or wholly, if he likes. Nobody is compelled to work who is content to do without money. No trade union is prohibited from offering to scale down wage-rates; nor are any stockholders, individually or collectively, prohibited from offering to take less dividends or none at all. To borrow terms from the A + B Theorem, the law puts no obstacle in the way of reducing the "A" category of industrial costs (i.e., payments to individuals) down to nothing at all if the parties to the transaction care to arrange it. In fact, it is the other way about, as Mr. Justice Eve can testify from his daily experience in Court of retrospectively legalising the deprivation of stockholders of their savings and expected incomes. Undoubtedly, then, the gap in coal-prices can be narrowed, technically and legally, by reductions in optional pickings.

Compulsory Levies.

But there is another category of costs which can be described under the antithetical designation, compulsory levies. These levies, in the last analysis, are unofficial taxes raised by the Money Monopoly; the proceeds do not accrue to industry though charged in industry's prices, but travel through industry to the banking system, where they are cancelled. This operation is directed by the Central Bank, whose Charter may be described as a document entitling it to farm taxes for this purpose from the subjects of the Crown without obligation to reimburse the Crown for the privilege or even to account to the Crown for its exercise of the privilege. It is these costs, or taxes, which make the price-gap so "glaring" and "pressing." And that is why they are concealed behind the ambiguous designation "expenses." The size of the gap is "not astonishing," so the authors rightly say; but it is a pity that they did not explain why. If they had produced authentic figures they would not have been able to point to excessive optional pickings anywhere along the line of progress from pit to cellar. Everybody would have seen that the disparity was made up by the sum of moderate pickings at the various stages. But even granting that the pickings were immoderate, then there would arise cause for "astonishment"; for optional pickings are optional spending-power—they are the means by which the consumer buys coal and other things; and the reason why the gap is "pressing" is not its size but the fact that it is wider than the spread of the consumer's purse. If all costs were pickings, and all added profits pickings, then all pickings would be equal to all prices; in which case if things were unbought in one place through lack of sufficient income, surplus income to prices should exist in other places.

Rotation and Accumulation.

This is not the place to explore intricacies of cross-accounting, and it must serve for us to say generally that the gap, or to be accurate, the unpayable proportion of the final price for coal (or anything else) represents money destroyed by the banks. It does not appear so in any accounts. You can suppose a ton of coal to start with a price of 10s. at the pit and to rise in five stages with an addition of 2s. at a time, ending up at 20s. at the consumer's door. It would seem quite natural to him that the merchant should demand the 20s. in order to replace the five lots of 2s. pickings. But, assuming that the 10s. was left in circulation at the start and remained so throughout, what about it if the banker had put the same 2s. into circulation five times and taken it back at every transfer of the coal from hand to hand? There could not be more than 12s. in circulation when the 20s. worth of coal arrived at the door. This is not all the story, but it is sufficient to indicate the principle of the money-manipulation which places so much of the output of industry beyond the reach of the would-be consumer.

Roosevelt's "Nationalisation" of Silver.

President Roosevelt's announcement, published in the London Press on August 10, that his Government would buy silver at 50.01c. (about 2s.) per ounce, caused no stir to speak of except on the New York stock and commodity markets. Last December, when the market price was about 43c. he fixed the price at about 64c. As this was exactly half the coinage value of the metal ($1.29 per ounce), the Government made a profit of the same dimensions as the price, and under the new arrangement will make 14c. per ounce more. These profits, as one newspaper remarks, will help towards balancing the budget—a reminder that they constitute a tax on the American people. Owners of silver purchased by the Government will be taxed additionally to the extent of half their profits. The Government will pay for all silver purchased by means of new silver certificates of equivalent denominational value to the official price. These certificates will be legal tender for all internal transactions, private or public, and will have the same internal value in terms of the dollar as the paper gold-dollar. Silver certificates are convertible into silver, unlike the paper gold-dollars, which is not convertible into gold except when owned by foreign central banks. This is a reminder, by the way, that President Roosevelt, for all his liberties with orthodox financial practice in the United

States, is still under an oath of allegiance to the Monarchy of Money Power at Basle.

* * *

The important feature of the decision in the opinion of financial experts is President Roosevelt's declaration of the policy of increasing the Government's holdings of silver until their proportion to gold in the monetary stocks of the country reaches one quarter. As the gold-stock amounts to about 7,800 million dollars the silver stock will reach 2,600 million dollars, that is, one-third of the gold-stock. The paper gold-dollar and the paper silver-dollar will, of course, have different values in exchange outside America unless or until the two are made interchangeable. Requirements of silver for use in manufacture will not be interferred with, but will have to be acquired under licence.

* * *

The effect of the new decision is expected to be only mildly inflationary. It is announced as being intended to "protect the United States from depreciated foreign currencies" and to hold internal prices at a remunerative level; but whatever the intention, the effect of any inflation will be to give a sharper edge to the competition of the United States in external markets. Inflation, however, is a matter of bank policy. It does not follow that because the new silver certificates find their way (as they will) to the banks, that the banks need lend more credit. Since they have been able to sterilise gold, they certainly will not be unable to sterilise silver. As a matter of probability the whole arrangement looks like a device to gull the inflationists of the west, led by Senator Thomas, of Oklahoma, whose vociferous complaints at having seen nothing to reassure them in their peculiar situation have been met by the offer of some silver eye-ointment by the chemist's assistant at White House. A correspondent in *The Daily Mail* ventilates the guess that if the sellers of silver spend the proceeds on other commodities there will be a sort of a boom in trade. Quite so—*if*! He seems to have a picture of butchers, bakers, candlestick-makers and all sorts and sizes of workpeople selling silver to the Government. Nothing of the sort; the sellers of the silver are the same people who got the President to buy it; and if there is one thing they *won't* do with the money it is to buy other commodities. What they will probably do is to finance stock-market ramps on thrilled little private investors, thereby depleting rather than augmenting their shopping-money and "larning them" to be "bulls" when things look "bullish."

The Note Circulation.

Not since 1928, the year of the "amalgamation of the old Treasury notes with the Bank of England issue" has the note circulation been so high as in the Bank Holiday week just gone. (Thus *The Times*.) We appreciate the tact in the analogy of an amalgam. One would suppose that the King and Mr. Norman had gone into partnership on equal terms. We've heard of the young lady of Riga, but no raconteur of this pleasant story ever said that she amalgamated with the tiger. Anyway, our version of the episode is that the Monarchy was slaughtered to make a Bankers' Holiday. And for all we can see on the currency-note of to-day the dragon might have swallowed St. George, merrie England, and everything else worth while in the traditions of our race.

* * *

The City Editor of *The Times* (August 10) derives much satisfaction from the new record. It implies, he says, that not only is more money being spent on holiday-making, but that more people are participating in it. It also indicates, he proceeds, a "condition of monetary well-being among the currency-using, as distinct from the cheque-using, public." He does not quote figures or other evidence of his interpretation; but assuming it to be true that more poor people have been treating themselves than before the phenomenon this is sufficiently accounted for by the bankers' housing policy. As for richer people, seeing that a building concern can put up ten houses in a fortnight, sell them outright to a building society at a profit ranging from £100 upwards each, and get cash on the nail, you do not have to look any further for the cause of the holiday boom. We don't know, of course, but we can imagine that even a capitalist who has gone through lean times up to recently might fancy carrying a wad of currency-notes about with him just for the feel of the thing. And certainly they elicit more alert and heartfelt attention from hotel proprietors and landladies than do those pieces of signed stationery which, after all, are only presumptive evidence of your command of a credit-balance. Cheques are safer, of course; but the shock of losing money on holiday depends on how much you've left behind. Moreover, if you are able to say: Who steals my purse steals cash, you will at least have the assurance that any person who robs you will respect you. Holiday resorts too, are full of strangers: and what more potent passport to their confidence and friendship than your possession of a direct obligation by the Governor and Company of the Bank of England to pay one pound to the bearer thereof? An entourage of would-be bearers will accompany and acclaim you everywhere. No; there's not a bit of doubt of it—cash on holidays!

Hitler's Demobilisation Problem.

Hitler has had to disband his army of Nazi raiders on the Austrian frontier to reassure the Austrian Government. But disbandment means looking for work, and nobody in a job wants to see them come back. So these men are at present neither soldiers nor civilians. They have no right to any pay; and no chance of earning wages. Well, it ought not to be difficult for a real dictator. A man who could be "the supreme court of the German nation in my own person" when it was considered necessary to spill German blood surely should not be nonplussed by the problem of legalising the spilling of German Marks. Yet he is—according to the newspapers. They say that blood is thicker than water—certainly Aryan blood is!—yet money seems to be thicker than both. Here is an opportunity for Hitler to descend on the Reichsbank and stop, not a mere mutiny, but an arch-heresy. *Nicht wahr?*

Review.

Jonas Rowbottom's Application for Cow Cake. (Jarrold and Sons, 82, Farringdon Street, E.C.4. Price 1s. post 2d.)

This publication consists of a "spoof" dossier of "[illegible] gistered papers, minutes and correspondence" produ[illegible] assembled and red-taped, in imitation of records in [illegible] partments of State. It is an excellent skit on the delays [illegible] divided responsibility associated with centralised control, [illegible] any reader of THE NEW AGE will find it well worth its [illegible] as an exhibit to amuse his friends. The dossier begins [illegible] Jonas Rowbottom's application for a permit to buy [illegible] cow cake, and ends with the death of the cows. In the meantime the dossier drones along through a series of questions, written and hand-written comments, instructions, and suggestions by passing from this official to that; and [illegible] still droning on when the cows die. A timely as well as unique piece of work deserving of encouragement by opponents of bureaucracy.

A. B.

NOTE.

A section of the "Notes" has been queried as a constructive libel. We respect the point of view of the printers and are content to hold it over for enquiry. We fill the space in this emergency with the following extract from a speech of Major Douglas's.

Major Douglas at Wellington.

[Reprinted from *Dominion* (Wellington), dated February 9, 1934.]

Major Douglas said he supposed there were very few people who would deny the existence of something that was called a world crisis, and he did not think that anyone took very seriously statements of some people who said that there had been a world crisis, but it had now passed. If there were any in the hall who did think that, he would suggest that they turn to the daily papers and notice that there were riots in Paris in which people were being killed and wounded; that the unemployment return in Great Britain was rising again; that here in this wonderful country were hunger-marchers and relief workers either striking or proposing some sort of strike; that in the United States men were struggling with the position by creating further debts which could only be described as astronomical in the size of their figures; that the whole of Western Australia had just been convulsed by rioting at Kalgoorlie, and, generally speaking, there was not a portion of the world to which one could turn in which there was a real foundation for saying that peace had returned, and that there were brighter times ahead.

The Continent of Europe was an armed camp, the American Legislature had just considered the building of a navy which was more than twice the size of the British Navy as it was before the war. So far from saying that the present crisis was a post crisis, he believed it was only reasonable and sound and just to say that those who were looking into things, appraising as far as possible with scientific eyes, could only say that there was possibly a change from one form of crisis into another form of crisis which might be even more catastrophic.

In order to understand and to have any views upon the matter at all, it was first of all necessary to have some sort of idea as to the general nature of these crises—not to accept them as unexplainable and inexplicable natural phenomena, but to look on them as something in the nature of a disease, and to see if by proper methods of analysis we might find the cause, and consequently suggest a possible cure, provided that the patient did not die in the meantime. Major Douglas continued. It was unfortunately true that most people believed that history began in 1066, and all that, and that we were under the impression that human history was, on the whole, one uninterrupted rise from a worse state of affairs to a better.

That was an idea favoured by the Darwinian theory of evolution and other beliefs, but though it might be true over a very long period, it certainly was not true over the periods of which man had knowledge. To our knowledge the world had produced civilisations that had risen and collapsed. We knew of a number of such civilisations, and it was quite unscientific to suppose that by the mere lapse of time we should turn what the speaker believed to be the greatest corner in all time.

If we were to turn that corner—and he believed we could—it had to be done by our conscious volition, by understanding the trouble, and putting it right. Not only in many cases did we lack the experience that would indicate the nature of the disease, but unfortunately there were forces, conscious or unconscious, which seemed bent on misrepresenting the disease.

For example, it had been said that the world's present troubles arose out of the Great War. This was not true: on the contrary it would be very much truer to say that the war arose out of our troubles. Again, one group contended that our troubles were due to the rapacity of the controllers of industry, while another group asserted that the cause was the laziness of labour. To his regret the speaker had noticed recently the Prime Minister of Canada had stated that the only things to be relied upon to save Canada were hard work and thrift. If that was the best lead that could be given at the present time to any nation, then the outlook was very black.

Liberals and Financial Policy.

II.

Last week we discussed a section of Mr. Ramsay Muir's address to Liberals (*A Westminster Newsletter*, June) dealing with money in relation to prices and trade. There was a second and concluding section dealing with the control and technique of money-regulation. We reproduce it here.

A great many of the people who are arguing for a revolutionary change in our system—for example, the Labour leaders, who are demanding that the whole system should be nationalised—contend that under the present system the Banks are free to issue almost as much money (or credit) as they like, that they issue vast amounts of fictitious money, making huge loans which they then treat as if they were deposits made by the borrowers; and that the Banks use this immense power solely in their own interests, and thus impose heavy burdens upon the industry of the country. And it is argued that if only the Banks were managed in the public interest, and not in the interest of what is called "the money power," all our troubles, or most of them, would disappear.

If this were true, the case for a drastic change would be very strong. But is it true? It is very important that we should have clear ideas on this subject, because there is going to be a great deal of discussion about it, and people can be easily misled. I make no apology, therefore, for saying something, as simply as I can, about this difficult subject, which is far too much treated as if it were a mystery.

The only authority in this country which is empowered to issue money in the strictest sense of the term—that is, notes and coins, or "legal-tender" money—is the Bank of England. But the amount that it may issue is strictly defined by Parliament, and it may not issue any money that is not "covered," to its full value, by realisable wealth in the Bank's possession. This realisable wealth, the "backing" of the currency, consists either of Government securities, or of gold; but the amount of Government securities the Bank may hold is strictly limited by law. When the Bank wants to *increase* the amount of money in circulation, it buys gold, or Government securities, paying for them with notes, which thus pass into circulation. When it wants to *decrease* the amount of money in circulation, it sells gold or securities, and cancels the notes which it receives in payment. In this way it is able to regulate the amount of money in circulation, according to the needs of trade. But it is absurd to say that the Bank of England can issue as much money as it likes. It cannot issue more than Parliament allows, though it need not issue so much.

Clarke's *Outline of Central Government* and Lord Hewart's *The New Despotism* each, from its own angle, invalidates Mr. Muir's general statement. A lot of things which Parliament appears able to do in theory are shown by the above authors to be impracticable. The intricacy of centralised finance necessitates its regulation by whole-time experts, and members of Parliament, in a vague way, recognise the futility, and danger to their own prestige, of "tinkering" with financial legislation submitted to them by the Cabinet. They know that the Cabinet is an extension of the Treasury, and, latterly, are getting to know that the Treasury is an extension of the Court of the Bank of England. Mr. Montagu Norman has even identified the Treasury and the Bank in the terms of Tweedledum and Tweedledee. Parliament has been obliged to pass, as it were, a jig-saw puzzle piece by piece, leaving it to the experts to make sure that the shapes, and that the sections of the complete picture stuck on them, are right.

Mr. Muir's statement that the Bank of England may not issue more money than Parliament allows, though it "*need not issue so much,*" throws a vivid sidelight on the situation, because the trend of the Bank's policy is always towards the contraction, not the expansion, of money. A legislature which prohibits the Directors of the Bank from issuing more money than they shall decide to issue is not controlling them at all; it is putting itself under their control. The element of control will not appear in Parliamentary legislation until that legislation imposes a *minimum* limit to the amount of money in circulation. Even then the control would not exist unless Parliament fixed that limit without reference to the advice of the experts.

But what about the other Banks? They receive immense deposits, which are mainly paid in to them in cheques, and also mainly drawn out in cheques, so that comparatively little money in the strict sense (notes and coins) is actually used, but everything is represented by entries in the books. Of course, their depositors are entitled at any time to claim cash for their deposits; but they never want to take out more than a very small proportion of their money at the same moment, and experience shows that the Banks will be quite safe if they keep about one-tenth of their deposits in cash, either in their own tills, or at the Bank of England, where it can be immediately obtained. This leaves a big margin out of which they can make loans and advances to farmers or manufacturers, to enable them to go on paying for their materials and wages until they can sell their products and pay back the advances. They charge interest on these loans, and that is how they are able to pay their staffs and render to the public all the services they do render. But the borrowers seldom want to use all the money they have borrowed at once. They therefore leave much of it in the Bank, to be drawn upon by cheque as required; and this counts as a new "deposit."

Mr. Muir is in conflict with McKenna and other authorities here. The whole of a bank-loan is a new deposit. In theory the deposit may be left idle by the borrower; but in practice borrowers borrow to spend profitably, not to hoard unprofitably (through the incidence of interest charges).

The critics of the banking system maintain that when that is done, the Bankers are really creating fictitious money, and charging for the use of it. Some actually urge that, to prevent this "abuse," as they think it, the use of cheques should be forbidden, cheques being (in their view) a sort of illicit money, really created by the Banks.

This criticism is all based upon a misunderstanding; as it is easy to see, if we imagine what would happen if there were no cheques. Very much the same sort of business would go on, in a much more inconvenient way. When you received your quarter's salary, or the payment for work you had done, instead of getting a cheque which you could safely post to your Bank, you would get a large bundle of bank-notes, which you would have to carry to the Bank, running all sorts of risks on the way. The Bank would receive from its depositors enormous stacks of notes, which it would presumably keep in a strong-room. Imagine a particular Bank which had received deposits to the amount of £100,000. The Banker would say to himself: "I am not likely to be called upon to repay more than one-tenth of these notes during the next week, and fresh deposits will be coming in. I will therefore set aside a pile of £10,000 bank-notes for this purpose, and lend out the rest, if I can find trustworthy borrowers." Then a builder comes along, and says: "I have got an order to build a church costing £10,000, and I am promised payment at the end of six months. I have not enough ready cash to pay for my materials and my workmen's wages until the church is finished. Will you lend me £5,000 for six months?" "Certainly," says the Banker, "on two conditions: first that you pay me interest on the loan; and secondly that you deposit securities with me which I shall be able to sell if you don't repay the loan at the end of six months; for I must not run any risks with my depositors' money." This being agreed, the Banker hands over a pile of notes to the value of £5,000. But the borrower says: "I don't want it all at once; please keep it for me, and let me take it out as I require it" So the £5,000 is entered as a deposit in the name of the borrower; but the Banker, since this money is all likely to be called for, will have to make a very substantial addition to the pile of bank-notes which he has set aside to meet such calls.

This is exactly what happens to-day, except that, instead of the risky business of handing about piles of easily stolen bank-notes, the whole business is transacted by means of book-keeping entries and cheques. Is it not perfectly obvious that the Banker has created no new or fictitious money? He has merely drawn upon the pile of notes left in his charge by the depositors. Surely this is a perfectly sound and sensible system.

No credit-reformer with any following worth mentioning advocates the abolition of the cheque-system. Certainly not the Social-Credit critic, who regards the cheque a well-nigh perfect instrument in a technical sense.

So Mr. Muir's elaboration of the inconveniences of an all-currency system is mostly superfluous as an argument against credit-reformers, though it will doubtless provide young Liberals with some new ideas.

But we fail to follow how Mr. Muir manages to find a place in his argument for his ten-per-cent. ratio, when, *ex hypothesi,* he has ruled out the basis of any ratio at all. He seems to have got entangled in the "*All-or-Some*" fallacy which we discussed last week. Under the present system *some* money is drawable in notes, and *some* in cheques; and the existence of the two *somes,* constituting the *all,* makes possible the calculation of a ratio between the two *somes,* or between either of them and the *all.* But if all money is note-money, then all loans, all drawings, all deposits, will be in notes. The banker can no longer say: "Mr. Smith will only want ten per cent. of his deposit in notes," for Mr. Smith will want it all in notes as and when he buys anything.

To make any ratio intelligible Mr. Muir would have to reintroduce gold as the regulator of note-circulation, and assume that depositors had the option of drawing gold or notes. In that case the banker could calculate a ratio between the probable demands for the metal and for the paper. But Mr. Muir does not make that assumption; so we need not pursue the subject.

I feel that I owe my readers an apology for discussing at such length what ought to be a simple and elementary question. But so much nonsense is being talked on this subject—even by many Liberals—and so many cranks are making play with it, that we have to get back to the rudiments. People are not only talking about forbidding the use of cheques (which would be sheer folly), they are even talking about forbidding the Banks to make loans—an important Chamber of Commerce has actually been gravely discussing such a proposal—the result of which would be utterly to cripple industry and trade.

Now this does not mean that our Banking and monetary system is perfect and needs no reform. I believe that, in some respects, it does need amendment; and this is recognised in *The Liberal Way.* I have not left myself space for any further discussion of this subject. But at least I hope I have said enough to make it clear that there is no short cut to prosperity by way of tinkering with the monetary system and the Banks. A good system of money and banking is undoubtedly a necessary condition of prosperity. Our system, though probably the best and safest in the world, is not perfect, but is capable of improvement. But even a perfect banking system cannot by itself bring prosperity so long as there are unnecessary obstacles to trade, any more than the most ideal system of book-keeping will ensure prosperity to a shop that does not get sufficient custom.

We must be ready to deal with the dangerous because often plausible talk about monetary reform which we hear these days from Labour speakers and other cranks. But we must also be ready to discuss the monetary and banking reforms that really *are* desirable; and this *The Liberal Way* does.

We discussed "obstacles to trade" last week. We await Mr. Muir's suggestions of reforms that "really are desirable."

Fascism, Communism, or Social Credit?

By John Hargrave.

(*An Address given on March 28, 1934, at the Essex Hall, London.*)

The question-mark appearing in the title of my address this evening—"Fascism, Communism, or Social Credit?"—is placed there because, it would seem, we have to choose which of these three ideas (the first two social and political, the third purely economic) is to dominate our feelings, thoughts, and actions.

It has been pointed out many times by many observers of events that the industrialised nations of the world appear to be drifting either towards Communism, or towards Fascism—either to the Left, or to the Right.

Actually, a third idea has made itself known—an economic analysis and solution put forward by the Scottish engineer, C. H. Douglas.

These are, therefore, three ideas battling to capture the attention of the mind. This third idea, which is in reality a third resolvent factor, is known as Social Credit.

It is I think obvious that we can come to no reliable conclusions regarding these three ideas unless we are able to define quite clearly what they are. And I suggest that it is hardly possible to make clear definitions of what is meant by the terms *Fascism, Communism,* and *Social Credit,* without understanding the historical development of social and political organisation.

At the outset we can lay down one general observation that will hold good throughout: *The social and political organisation of any community at any stage in its development is determined by the economic resources and mechanism of that community.*

This means that changes affecting the internal economy of a community change the social and political structure, but that political changes affecting the social code of a community, that do not bring that code into line with economic reality, are shiftings of power from one individual to another, or from one group or class to another, and are for the most part superficial, no matter how dramatic and exciting such changes may appear to be.

In a modern industrialised community it is true to say that the dog's body is economic—and that the political tail does not wag the dog, no matter how furiously that flexible appendage is agitated.

The historical development of human society has passed through a series of fairly clearly defined stages. These stages are, roughly, and in this order:—

1. The Clan, or small family-unit.
2. The Hunting Tribe.
3. The Pastoral (tribal) formation
4. The Agricultural (tribal) settlement.
5. The Walled City.
6. The City State.
7. The Nation-State.
8. Empire organisation.

These have been the main phases of human association during the Ages of Scarcity, and they are the logical and natural development of mankind's struggle for existence.

This struggle, from the time of the Stone Age Men right up to 1914, has been a Work Struggle; a struggle in which man was forced to "earn his bread by the sweat of his brow."

The introduction of power-driven machinery began to complicate this Work Struggle as long ago as 1811 when the Luddite Riots broke out in Nottinghamshire, but it was not until the nations were drawn into the First World War, and then strove to recover export markets after that war, that the full effect of even a partial large-scale application of Science to Industry was felt and recognised for what it was. It was the end of the Ages of Scarcity, and the beginning of a potential and perfectly practicable Age of Plenty.

The Work Struggle, and with it the struggle to get work, is over.

That is not to say that work is no longer necessary, nor that automatic mechanical production needs no human labour, attention, and supervision; but it is to say that *less and less* human sweat and toil is necessary in the various processes of a modern, fully mechanised productive system.

It is this fact—the fact that Science has solved the Work Problem—that upsets the social and political organisation of our phase of civilisation. A gigantic change in the efficiency of industrial engineering (that is, in all processes of the production of real wealth in the form of goods and services) has crept, and then swept upon us.

There is to-day only one problem facing mankind—and it is not a problem of Production, not a Work problem. It is the problem of Poverty in the midst of Plenty.

Having marked out the ground so far, we are in a position to ask: what solutions are offered to this tragic absurdity in which millions of people are forced to go short of even the bare necessities of life, while all around them the goods they need are not only choking the warehouses and shops, but are deliberately and systematically destroyed before they can be used?

We are offered, as a rule, two alternatives. The first is called Communism, the second Fascism.

The class conflict, upon which Communism bases its whole dialectic, is the direct outcome of the economic contradiction to be found in the present system of finance-capitalism operating through the organisation of the Central Banks.

To want to overcome finance-capitalism, therefore, is a perfectly logical impulse on the part of the working masses, the unemployed, and certain sections of the middle-classes who find themselves on the brink of ruin, or bankrupt.

The Russia that the Soviets inherited from the Tsars was a huge pastoral and agricultural society in which a number of giant factories had quite rapidly been established, and each one of these giant factories had a very large workers' personnel; sometimes as many as 10,000 workers all working in one factory. The development of the Revolution in Russia had to take into account these two factors: the great mass of peasants spread throughout the country, and the industrial proletariat concentrated in the towns. It astonished a good many Marxists that a workers' revolution could take place in an industrially backward society, with a huge peasant population, and its industrial workers concentrated in a comparatively few "spots" on the map. But this very "backwardness" of a peasant economy, combined with tightly-packed proletarian centres, created exactly the right circumstances as soon as the strain of the First World War was laid with a heavy hand upon such an unevenly yoked team.

Having inherited a pastoral and agricultural society with a few industrial centres, the first task of the Soviets was to attempt to build up productive organisation and to improve technical efficiency.

The technique of revolution, however, is a very different technique from that of building up and organising efficiently a sane economic system. The first does not lead to the second by any logical link whatever, and the reasoning faculties of the mind require to be anaesthetised by strong doses of a particular metaphysic before it is possible to believe that the upsurge of mass revolt can or does release some occult (psychological?) force intrinsically capable of that result. On the contrary, as a rule the very elements that have been able to find full expression in successful revolutionary action during the period of conflict have to be forcibly subdued and brought to heel when the work of reconstruction begins.

Quite apart from its technique of proletarian revolution, Communism puts forward Planned Production in which the "ownership of the means of production" (buildings, machines, etc.) belongs to the working-class, and in which work-sharing by all is the fundamental of the social code.

Communism presents us with a Communal Ownership and Work " solution." But, as it can be shown that " ownership of the means of production " does not give control over markets (i.e., consumer purchasing-power), and as Production depends less and less upon human labour, it does not offer a solution to the problem of poverty in the midst of stupendous real wealth that now confronts every fully industrialised country of the world.

Communism in Russia shows us how team-work can be organised on a mass-scale by a dictatorship over the proletariat; a dictatorship accepted by the proletariat as being necessary in order to bring the productive efficiency of the U.S.S.R. up to the standard of capitalist production. Soviet Russia is attempting to do in five or ten years what took us over one hundred years. It is quite possible that she will succeed in this great task. But the problem facing the Russian Soviet State is exactly the opposite of our own.

Our problem is the equation of Consumption to Production. For the time being Russia's problem is a Production problem pure and simple. The Soviet Union is by no means glutted with finished goods ready for sale to the final consumer. On the contrary, Russia is short of plant-producing plant, of production machinery of all sorts, and of trained technicians and experienced engineers and mechanics. We are not faced with a shortage of that kind, nor are we faced with any technical breakdown in our productive system.

In putting forward the Communal Team-Work State as a solution to the problem of Want amidst Glut, Communism is offering us an ethical concept regarding social obligation to work that, at its best, could do no more than increase the present glut by stimulating production. So far as the fully industrialised countries are concerned there is no problem of Production whatever.

Communism, then, is a particular social and political technique dealing (in Russia) with a problem of production scarcity. As such, it is an alternative social-political structure of society, but it does not in theory, and has not yet in fact, attempted to deal with the problem of consumer purchasing-power *in a highly efficient productive system*.

Communist social-economic theory seems to be quite content with the idea that the communal ownership of the means of production solves the problem of consumption; and, we may add, *if finished goods were sold to final consumers below " cost "* that would begin to do so—but that solution does not depend in the least upon the communal ownership of the means of production, nor upon communal work-sharing. It depends entirely upon the Cost-Price mechanism introduced into the money-economy of the Communal Work State.

Turning to Fascism, we find ourselves at once confronted with nothing more than an attempt on the part of the middle-classes backed by finance-capitalism to hold social-economic chaos in check by taking it firmly by the scruff of its neck and clamping it under irons.

Fascism is the machinery of middle-class counter-revolution put into operation *before* the proletarian revolution has taken place. There is no such thing as a Fascist " revolution." Fascism is always, and obviously must be, a counter to the threat (real or imagined) of revolt from the bottom strata of the social-economic pyramid. Fascism is a technique for nipping revolution in the bud.

Apart from its " black-and-tan " methods of active counter-revolution, Fascism puts forward Planned Production in which " private ownership " is maintained, but in which all classes, all individuals, and all groups are organised in occupational State Corporations, the whole nation being mobilised under the name of the Corporative State.

Fascism presents us with a National Work State as a " solution " to poverty amidst plenty. For exactly the same reasons as those already explained Fascism is no solution to the one and only problem facing industrialised mankind to-day.

Fascism in Italy (and National-Socialism in Germany) shows how all the elements composing a community can be confused and stampeded, and then regimented and set to work as a Nation-State under a ruthless dictatorship. Its driving force is to be found in rampant Nationalism into which a splash of socialistic reformism has been squirted to make it palatable to the bewildered masses.

In putting forward the National Team-Work State, Fascism is offering us an ethical concept regarding the individual in relation to the State; the only principle of Fascism being that *the State is more important than the individual*. That is an idea that can only be accepted when the reasoning faculties have been put out of order by the acceptance of a very special metaphysical concept in which the State is regarded as an " organism " —instead of, as it should be, an organisation existing for a particular purpose.

Fascism is a throw-back—an attempt to put the clock back—to the social and political ideas of the Nation-State in an Age of Scarcity. No going back is possible, and so we witness the absurdity of the Fascist National Corporative Team-Work State struggling against the application of Science in a frantic attempt to make work, to undo or to nullify what has already been accomplished by the Labour-Saving Machine. Thus, just lately, when a party of unemployed from England visited Fascist Italy they were reported to be " greatly impressed " by the new building operations being carried out under the Fascist regime " and noticed with approval the lack of modern machinery in public works, for it showed that the maximum amount of work was being given to manual labourers." (From a letter to *The Times*.)

Fascism, then, is not only no solution to the problem of poverty amidst plenty, but is an attempt to escape from the very threshold of the Age of Plenty, and an organised national stampede backwards into an Age of Artificial Poverty; not merely on the principle of " plain living and high thinking," but of no thinking and work-making.

Fascism is the last gasp of finance-capitalism in the throes of its own collapse—but it can be a very long " gasp " indeed, on condition that its money-supplies can be kept going.

Fascism says: " The individual must be forced to fit into the iron cage of the Corporative Work State."

We come now to Social Credit as the third resolvent factor.

Social Credit says: " The individual need not be forced to fit into a state of affairs in which he is cramped and thwarted in every direction. The economic mechanism of the State can and must be based upon the realities of an Age of Plenty, and the technical mechanism for this is to be found in the proposals put forward by Douglas."

At this point I should like to quote the words of Major Douglas himself when he addressed a very large gathering at the Stadium in Sydney, Australia, just recently. He said:—

> " The Social Credit idea is exactly the opposite of regimentation. . . . It says first of all that because of the genius of inventors, because of the work of engineers, organisers, agriculturists, and others, great chemists, and so forth, we have now ready an age of abundance of fundamentally economic security. . . ."

He goes on to say:—

> " There are, of course, a number of technical considerations in the achievement of any system of distribution of goods and services. An examination of the exact details of proposals of that kind is always, in my opinion, best conducted by perusing the writings or discussing it with others who are equally interested, but the principles which are necessary to achieve this economic freedom are really very simple indeed, and do not let anybody tell you that they are complicated.
>
> " The first of these principles is that your accounting system—and you must have an accounting system in the economic world in which we live . . .—the first thing that any accounting system should do is to reflect facts

If what is wanted is work " there is no difficulty about that whatever." Major Douglas continued: " I would guarantee, with a free hand, to put every man and woman who wanted to work in Australia into work within three months."

On the other hand, supposing work for the sake of work is not the objective, " there is no difficulty whatever in providing, with a very much shorter working week, or, alternatively, with a comparatively large leisure population, a very high standard of living for everyone."

These are matters of policy—they are really social-political questions—that the community can settle for themselves. You can all be fully employed, or, those who are not employed can be reasonably maintained—whichever you choose.

Major Douglas went on to explain that:—

> " The total employable population in Great Britain at the present time is somewhere between 12,000,000 and 13,000,000, so that the normal progress of actual production would force us to contemplate a state of affairs within ten years' time that only one-third of what we would now call our employable population would be employed. The wages system as we know it is progressively and increasingly incapable of dealing with the form of society in which two-thirds are unemployed. We know exactly how to deal with that situation, and that is by the method of national dividends."

Social Credit presents us with a Consumer Purchasing-Power solution to the problem of poverty amidst plenty. It is not concerned as to how you, as a community, choose to organise the work that has to be done. It is concerned only with the fact that, as Douglas said, " we have now ready an age of abundance."

Social Credit is a technical mechanism for the full distribution of the goods and services produced, or easily producible, in that age of abundance that is " now ready."

Apart from the technical argument that must be studied at first-hand in the works of Douglas himself. Social Credit calls for:—

1. The establishment of the National Credit Office, or National Credit Account.
2. The issue of the National Dividend based upon the productive capacity of the community as a whole to every citizen whether in work or not.
3. The application of the Scientific Price.

As to whether it is possible to make these changes within our economic system, and thereby to establish the Social Credit State, without any great social-political upheaval, remains to be seen.

So far as the Green Shirt Movement for Social Credit is concerned, we believe that very great pressure indeed will have to be brought to bear upon the Bankers' Credit Monopoly. Argument for and against Social Credit has been going on now for the last fourteen years, and, as Major Douglas said in his Sydney speech, " you can go on along these lines practically for ever so long as you do not move any further," and, he continued, " You have got to bring pressure to bear."

In our opinion it is essential that the message of Social Credit should reach the politically conscious wage-earning masses and the unemployed in order to generate Mass Pressure from below for Social Credit. That is the work that the Green Shirts have set themselves to do, and, from the results obtained during the past two years, I have no doubt whatever that they will succeed.

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.

The Point of the Pen.

By R. Laugier.

No. 7.—FORGIVE US OUR " SCIENCES."

One may admit a legitimate apprehension when things essentially artistic are treated as though they were sciences. We know to our cost where the abysmal " science " of Economics has led us: we know that the more " scientific " the language of our self-styled " experts," the more imbecile and dehumanised are their conclusions. Economics is not a science, but a disease: were we sane and healthy, ninety-eight per cent. of what passes for political economy would be swept away, and all forgotten and forgiven.

Much the same thing may be said of modern history. The grossest errors are made by historians who claim to be free from personal bias, who assert that they have " elevated the study of history to the status of a pure science." Old Isaac Disraeli was very fond of this sort of thing. Prediction and prognostication. The study of political cause and effect. Human nature being what it is, we will behave in much the same way, given a similar set of circumstances: so the historian may learn from the past what is likely to occur in the future.

Of course this idea is not lacking in common sense. If we see an arrogant minister giving himself great airs and building palaces more splendid than those of his King, we may imagine that the minister will possibly come a cropper. We may predict wars and insurrections as highly possible events: we may foresee the rise of this party, and the decline of certain sectional interests. Rousseau prognosticated: *Je tiens pour impossible que les grandes monarchies de l'Europe aient encore long temps à durer; toutes ont brillé et tout état qui brille est sur son declin.* There have always been prophets; and there always will be, true and false. " The philosophy of history blends the past with the present, and combines the present with the future: each is but a portion of the other! " Granted, Mr. Disraeli. And in the same manner a man's character is probably written in the lines upon his face, but can we read those lines with certitude? Historical prediction is a matter of horse sense, but *that* is not science.

The chroniclers, ancient and modern, made no pretensions to science. They recorded events as they saw them, and left us to decide what we would believe or disbelieve. Sometimes we were given authorities, State papers, letters, diaries; more often we were not. Artists know that it is *selection* that counts, and five million quotations of " authority " will not alter the fact that every chronicler of events makes his personal choice of documents and incidents, as he has his personal attitude towards life. Said Dr. Johnson: " The human machine, being fallible, must fail somewhere." Artists know this, and they prefer to be human rather than mechanistic.

So, when we read Froissart or Carlyle, we find no suggestion of scientific infallibility claimed or even hinted at. We find statements made in a positive fashion; but we know that this is done to save words and time. The artist prefers direct, forcible statement: he knows that, " of things problematical . we have enough in ourselves," as Goethe said. But artists persuade, they don't bully: still less do they make a parade of authority and " science," when they know they are only chronicling events and guessing at truth.

If we read straightforward artist-historians we are safe. We may read a Catholic, Protestant, and Jewish chronicler on, let us say, the reign of Elizabeth; and, between the lot of them, we may arrive at an estimate which is more or less just. But Heaven save us when a man who is no artist makes a selection of documents and "facts" and gives us an "infallible" interpretation of statistics! With artists the personal idiosyncrasies show through, and warn us what allowances we must make. The artist wishes to persuade, not to "prove": but the "scientific" historian has always a theory, and he will "prove" it at any cost!

Finally pseudo-scientists are almost invariably bores. They are pompous, and a little ridiculous. To a creative artist even their display of erudition is absurd, so much wood, and so small a fire! We see these "scientists" looking backward in order to look forward; like hardy oarsmen, pulling swiftly one way, whilst their eyes are fixed resolutely in the opposite direction. We wonder if they are really acquainted with currents and tide? We ask whether they will not ship their oars for a moment, and take one look at their bearings.

The Green Shirts.

[Notes from the General Secretary.]

The following appeared in *The Wood Green Sentinel*, for August 2, under the heading: "Local Green Shirts Write to Mr. Locker-Lampson, M.P.

"Fredk. T. North, Section Leader of the Green Shirt Movement for Douglas Social Credit, forwarded the following letter, dated July 23, 1934, to The Right Hon. Godfrey Locker-Lampson, Esq., P.C., M.P.:—

Sir:—Following upon the recent announcement of the local Medical Officer of Health that thirty-three children in Wood Green are virtually starving, it comes as a glaring contrast to read the correspondence between yourself, the Board of Trade, and Mr. W. L. Hunt, published in *The Sentinel*.

From the official statement of the Board of Trade, we gather that the Wheat Conference was concerned only with restricting wheat production, irrespective of the needs of the people, as instanced by the Medical Officer's report.

It is difficult to understand how any man could state that—'The maintenance of a very low price for wheat could not be considered as a benefit to consumer countries, nor, to the world at large,' when we, together with yourself, your constituents, and Dr. E. Leslie Burgin, are fully aware that millions in this and other countries are faced, daily, with semi-starvation.

There can be no doubt that you, as an individual, must support us in our condemnation of such an attitude on the part of those constituting the Wheat Conference. As a politician, however, it would appear that you support a Government whose policy forces many of your fellow-countrymen—including numbers of your constituents—to live in unnecessary Poverty in the midst of Plenty.

We, of the local Green Shirt Sections, would be interested to know whether you have any intention of taking steps to correct this tragic state of affairs, and we call upon you, in the name of a growing body of public opinion in your constituency—and throughout the British Isles—to support us in our demand for the issue of the National Dividend in accordance with the principles of Douglas Social Credit.

As men who are deeply concerned with the dire distress of many of our fellow-countrymen, in particular those of Wood Green, we respectfully request that you receive a Green Shirt deputation to put before you the basic principles of a Sane Economic System that will end, once and for all, the present unnecessary economic miseries of the British people."

On another page of the same issue the following report was published:—

"MR. LOCKER-LAMPSON

RECEIVES A DEPUTATION OF GREEN SHIRTS

'KEENLY INTERESTED'

The Rt. Hon. G. T. Locker-Lampson, M.P., received a deputation of Green Shirts at the House of Commons on Monday, the 30th instant, at 7 p.m., to put before him 'the basic principles that must govern a Sane Economic System as formulated by Major C. H. Douglas'; and to draw his attention to the growing body of public opinion that desires the immediate application of these principles, popularly stated as the 'Three Demands'—'That the Government shall:—

Firstly: Open the National Credit Office.
Secondly: Issue the National Dividend to All.
Thirdly: Apply the Scientific Price.'

On behalf of the British people as a whole, but 'especially the wage-earning Masses on the border-line of poverty and the Unemployed who are in dire distress,' he was asked to do all in his power 'to expedite the institution of the National Dividend.'

Mr. Locker-Lampson said that he was keenly interested and would study Social Credit. He was recommended to read 'Economic Democracy,' by Douglas.

The Address, which was read aloud by an appointed spokesman, was handed to Mr. Locker-Lampson, who then entertained the deputation on the Terrace overlooking the river and showed them round.

The H.Q. officer thanked the M.P. for his courtesy and entertainment, but pointed out that the Green Shirts expected a considered reply to their address. The party, under the charge of Section Leader North, of No. 1 Wood Green Section, then marched out of the House through Palace Yard."

This is the first time that a Green Shirt deputation has been received at the House of Commons, and we want to record the fact that this step forward was due entirely to the spontaneous initiative of the Wood Green Section and their Leader, F. T. North.

As regards the G.S. agitational campaign in London, we are able to report progress as follows:—

June 21.—G.S. deputation at House of Lords.
July 3.—Question of National Dividend raised in the Lords.
July 30.—G.S. deputation at House of Commons.

. . . .

The Annual Report of the Green Shirt Movement for 1933-1934, as presented to the General Meeting of National Assembly, May 20, 1934, is now on sale, price 1d. (1½d. post free) from: Green Shirt National H.Q., 44, Little Britain, London, E.C.1.

. . . .

Two editions totalling 7,000 copies of No. 25 of the Green Shirt paper *Attack!* (1d.) have been sold, and we expect an even greater demand for No. 26, in which two large photographs appear, showing the Green Shirt deputation outside the House of Lords, and Women Green Shirts at No. 10, Downing Street.

. . . .

The Green Shirt Gala held at Golders Green on July 28 was well attended, and did much to consolidate our position and extend our propaganda.

F. G.

BANKERS' VICTIMS.

"In the process of adjusting human lives to the demands of an artificial and inhuman financial system, Frank O'Brien of Richmond, Victoria, rendered signal service to the banking community the other night, when he took his life and the lives of his wife and three children. Five of them were found with their throats cut in the one room in which they slept! Seven shillings and threepence as the previous week's earning was not enough for O'Brien and his family, and rather than strain the banks' 'resources' in asking for more he determined to require none at all. He was too proud to go on the dole,' which is a fine tribute to the efficacy of the preaching from Press and Pulpit on the moral righteousness of 'work.' Surely the least the banks can do is to set up an Honour Board for the names of such men who have realised and acted on the nobility of self-sacrifice and economy, and so helped to make their system work."—*New Economics* (Melbourne), 8-6-34.

FREE TO BE INSECURE!

Liberated slave . . . returned to his master, "in preference to the insecurity that came with freedom." (Leader in *The Times* of August 7 on slavery in Arabia.)

A + B at the A.B.C.

[Reminiscences of an old reader of THE NEW AGE. Republished from *The Social Credit Bulletin*, Johannesburg.]

Early in 1919, at that A.B.C. Restaurant on the West side of Chancery Lane (London), gathered a choice collection of Guild Socialists. There A. R. Orage came to tell the company how Major C. H. Douglas had pricked their balloon; but not unkindly, for he offered them in exchange a vehicle, guaranteed to be shock-proof and warranted to carry us to the Millennium. The new machine was Social Credit.

The sheep and the goats were mixed that afternoon. Who could tell which were which—the new covenanters or the old. The reactions to this bombshell were curiously characteristic of each man. Some were vociferous, some sceptical, some frankly bewildered. A few had a flash of intuition, plus faith, in A. R. O., and believed, without fully understanding.

Near by was Ezra Pound. He possessed a fine air of detachment, as of one that felt this sordid talk of a water-tight technique had nothing to do with the things that are. His manner seemed to say, "I live in a finer air." Indeed, his appearance, as always, asks for a medieval costume and setting. How easily he would fill the picture of Francois Villon telling King Louis where he got off. "Well, right now, I'll tell the world that Kid E. P. ain't no goat." There are tougher and more elusive Kings to deal with now, for now they live on a Financial Olympus.

Close at hand also was S. G. Hobson, so sure, so cock-sure, so pleased with all he had on board. Indeed, did he not later in Manchester, as it was reported, put Guild Socialism to the test, and was routed by those who held the money-bags? But was that a reason to become a sheep? Perish the thought. Have respect for your enemy if he be the stronger.

After the statement, questions were fired at A. R. O. He often countered by questioning the questioner.

Something was asked about wealth. "What is wealth?" was the answer, and there was silence. Again, "What is credit?" "What is the difference between real credit and financial credit?

We Guild Socialists had been hopeful of putting the industrial world to rights, and we did not know the difference between the real and the unreal. Something of a jolt.

It was after the remedy was outlined that the best fun began. Of course, we soon had the query, "Where is the money to come from?" Answer: "Where does it come from now?"

We did not know: the dark secret of the creation of money by banking institutions was a surprise and a shock. Remember, this was in 1919, and before McKenna had spilled the beans.

It was to be noticed that "money" was the term mostly used in our kindergarten. "Purchasing Power" is apt to be puzzling to the young.

Someone feared the evils of inflation, and we then learned the effect of the automatic price adjustment.

This question soon followed. "Is there enough money without large creations of credit for these—(no, you won't have the word 'subsidies')—er—adjustments of prices?"

The answer was to the effect: "Suppose capital values are monetised, would you consider that enormous sum enough for all purposes?"

The moral side was not neglected. What about the ill-effects of an increase of prosperity on the many? The reply was to the effect that if the speaker considered himself to be one of the many, would he think an added prosperity bad for him? If not, did he think the leisured classes had a larger share of immorality than the others? To those afraid of prosperity and leisure for the many, communism might be their refuge.

Some sat frowning and silent. It was tempting to guess their thoughts. This was a hard road we were offered. It brought our feet to the earth, and apparently led through the wilderness. There were dragons on the path, the most powerful ever known. An intellectual concept is difficult to part with; it is so easy to live in the clouds, for the powers that be will help you to be comfortable there.

Others remained frankly puzzled. That is the worst of these reformers who are not engineers. Still, they were not shamed when it was known that A. R. O. had taken a year to master the concept. Again, a few were of the opinion that A. R. O. had a bee in his bonnet, and put it down to the occult inflence of Ouspenski.

Thus was Social Credit given its first airing. None of us could have realised how momentous was the occasion, nor can we yet know the heights to which we are climbing.

D. V.

"The Doings."

Here is a list of some of the many terms denoting money:—

The doings, dough, oof-tish, oof, tin, brass, pelf, spondulix, bunce, mammon, filthy lucre, the stuff, the dibbs, the necessary, the needful, the ready, chink, dimmock, bees, ballast, beans, brads, dust, dirt.

The doings, so far as one can make out, means that with which you can do things—without which you can do nothing.

Dough seems to stand, literally, for dough—bread—food.

Oof-tish is said to be from the German-Jewish "auf dem tisch," on the table; referring probably to food, or possibly to the money on the money-tables. *Oof* is a simplification of *oof-tish*.

Tin and brass refer to metal coins. (Tin usually refers to silver.)

Pelf is from the old French *pelfre, peufre, peuffe*, akin to *pelfrer*, to plunder—pilfer. That which is pilfered, loot.

Spondulix may be connected with the word *spondulos*, a vertebra, a disc, a string or set of discs. (Chinese coin is sometimes a disc with a hole in the centre, so that it can be threaded with other such coins on a string.)

Bunce, which one had imagined to be a modern term much in use by the fighting forces during the Great War, and now one of the commonest slang words for money, turns out to be money obtained by giving light weight, costermongers' perquisites; in fact, anything that is clear profit or gain is said to be "all bunce." Probably a corruption of *bonus;* "bone," or "boner," being slang for good.

Mammon means a hiding-place, an underground storehouse, or treasury. It came to personify riches. "Mammon, the god or prince of this world, that is, the god and prince of usurers and penny-fathers"—(Nash).

Filthy lucre; lucre is from the French *lucre*, probably akin to the A.-S. *lean*, reward.

Stuff: goods, personal property, is one meaning of the word *stuff*. "The stuff" means the ready money, cash, with which to buy goods. Money is "the stuff" you must have before you can buy "stuff" of any sort.

Dibbs, money, so-called from knuckle bones of sheep, which have been used from the earliest times for gambling. A *dibb*, or *dib*, is a counter serving for money.

The necessary, the needful, the ready, explain themselves.

Chink is from the sound of metal coins clinking or chinking in the pocket.

Dimmock is the diminutive of *dime*. "How are you off for dimmock?"

Bees is derived from Cockney rhyming-slang: "bees and honey," meaning money.

Ballast: in slang terms a rich man is said to be well-ballasted. If not proud and overbearing he is said to "carry his ballast well."

Beans is from the French *biens*, property. In slang "a haddock of beans" is a purse of money. "Formerly, *bean* meant a guinea.

Brads: properly a small kind of nail used by cobblers. These were probably used as counters in gambling games instead of money. The term "horse nails" also means money.

Dust: probably from gold dust. In other days "down with the dust" meant put your money down. Dean Swift once took as his text: "He who giveth to the poor, lendeth to the Lord." His sermon was short and sweet. "Now, my brethren," said the Dean, "if you are satisfied with the security, down with the dust!"

Dirt: probably from gold-digging. "Pay-dirt" is slang for gold, or cash for paying wages.

There are, no doubt, many other popular terms for money. It is interesting to note that such words fall into an easy classification:—

1. Words referring to Real Wealth (i.e., dough).
2. Words referring to Plunder (i.e., pelf).
3. Words referring to Gain or Reward (i.e., lucre).
4. Words referring to Gaming Counters (i.e., dibbs).

5. Words referring to Earth or Metal (i.e., dirt, brass).
6. Words referring to Money as a Necessity (i.e., the needful).

A really full list of Money-Words might reveal certain important psychological points of use to Social Credit propagandists.

Edward Parkinson.

The Social Credit Movement.

SECOND PHASE.

Supporters of the Social Credit movement now affirm that:—

1. An error has been proven in the cost-accounting of Industry and the Book-keeping of the Banks.

2. This error is the strength of the "law" which creates poverty, insecurity, and crime.

3. The error is infallibly proved in the Thesis and Theorem of Major Douglas, most particularly in his first-published work, "Economic Democracy."

4. It is, consequently, an urgent matter of public and personal importance that this "law" be resisted so as to secure:—

(a) Public admission of the error;
(b) Restitution of citizenship duties;
(c) Release of His Majesty's Judges, Civil and Military Services from the compulsion of its repressive mechanical control.

L.D.61.

The Free Clearing House.

The New Era (Australia) has recently reproduced, with acknowledgments, one of the cartoons by "Jot," originally published in The New Age. It is the cartoon picturing the frog who, according to Aesop's fable, fell into a bowl of milk, and by paddling about to save himself, churned the liquor into butter. The frog is labelled "Finance," and is resting on the top of the butter, saying to himself: "There; I knew we'd get out of it all right." But, at the bottom of the bowl lies a skeleton representing the scrap-value of bankrupted "Industry."

Gold or Eggs.

Last week several mean-looking covered wagons were hired to convey gold from the docks to the Bank. For the protection of the gold the wagons were decorated with labels bearing the legend "tested eggs."

In the south of Russia, where some thousands of people are reported to have died of starvation recently, a wagon-load of tested eggs would probably have only got through the streets by bearing labels with the legend: gold bullion.

Values are funny things: are they not?

Publications Received.

Whither Finance? By Frederick Rathbone. (Geerings, of Ashford. 32pp. Price 2d.)

The Douglas Theory and Its Communal Implications. By Fred Tait. (S. H. Wilson, 172, Bensham-road, Gateshead. Second edition. 24pp. Price 3d.)

Green Shirt Movement for Social Credit. Annual Report. 12pp. 1d. or 1½d. post free from Headquarters, 44, Little Britain, E.C.1.

Blackfriars. (August. Price 1s. Edited by the English Dominicans.) This number contains a short article by Rev. F. H. Drinkwater entitled "Belloc on Social Credit."

Douglas Social Credit in New Zealand: A Plan for Direct Economic Action. By Gilbert W. Dodds. Published by the Council for Economic Action, Douglas S.C. Movement of New Zealand, 212, Lambton Quay, Wellington, N.Z. 12pp. Price 6d.

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