

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## CONTENTS.

	PAGE	PAGE
NOTES OF THE WEEK . . . . .	73	
Avory's cases—the Money-Power as arch-inciter to crime—Whitaker Wright's plea. The Speaker's seat to be "stabilised." Western Australia—Federal Government's "Jubilee procession" at Perth. The Midland Bank on short-term obligations—groping back to gold. London banks help to safeguard the French franc. The bearing of the foregoing on the centralised rationing of the world's economic life—the "triple power-ratio system."		
THE POINT OF THE PEN. By R. Laugier . . . . .		78
COMMUN-FASCISM. By John Hargrave . . . . .		78
SIDELIGHTS FROM HISTORY ON OUR PROBLEM. By Dr. J. C. B. Mitchell . . . . .		80
CORRESPONDENCE . . . . .		83
		G. F. L., A. Steeksma, Eric Little.

## NOTES OF THE WEEK.

### Avory's Cases.

Stanley Jackson's serial biography of the late Horace Avory which is running in the *Evening Standard*, revives memories which would make texts for pages of comment in Social-Credit journals. It must needs be so in respect of the history of criminal cases, for there is such a thing as the crime-cycle, and it is one aspect of the credit-cycle. The credit-cycle creates costs faster than incomes, thereby robbing the whole community of imperatively-needed buying power. The proceeds of the robbery are hidden in the secret reserves of the banking system, whereby the fact of the robbery is not observed, much less the manner of its accomplishment, and much less still the identity of the robbers.

The robbed community inevitably try to prey upon each other, in the futile hope of recovering, each section from others, that which all of them have lost. Large sections seek control of the Parliamentary machine for this purpose; smaller sections seek control of markets by any means which the law does not prohibit (the trade unions, the labour market; and the capitalists, the commodity markets); and so on down to the smallest sections and even sole individuals—who variously chance the law, evade the law or defy the law. Whether legal or illegal, all these devices amount to attempts at robbery in the qualified sense of seeking "unfair" advantages in the pursuit of purchasing-power. Nobody at present can agree on a definition of what is "fair" or "unfair" in this preying competition, and the reason is that nobody can point to any "fair" method which yields "fair" results, while on the other hand it is possible to make out a plausible case that "unfair" methods indirectly yield the "fairest" results possible in this imperfect world.

A survey of this situation recalls the saying about the big fleas and the little fleas, for it can be applied to the Money Monopolists at the top, who are the Arch-

Robbers and Arch-Tempters of the community, and who yield nourishment to the parasites of Capitalism, who in turn transmit some of it to Organised Labour; and so on right down to the two workhouse inmates fighting for a fag-end in the gutter on their half-day out. Thus every "criminal" is a blood-relation, through blood-transfusion, of the Arch-Robbers, inheriting from them, at one or more removes, the propensity for seeking security by unfair devices.

The law decides at what point in this chain of parasitism the process is to be made unlawful; a very different thing from deciding that the parasitism is itself unlawful. From this selectivity is derived the problem of reconciling the legal penalties "demanded" by the law with the "ethical heinousness" (to borrow Lord Hewart's phrases) of indictable acts. For the outlawed fleas on the outer fringes of the parasitic system can always say that they are doing the same thing in principle as the more favoured fleas in the inside positions; and that in terms of ethics all are equally culpable.

We can here quote from Stanley Jackson's account of the trial of Whitaker Wright which opened on January 11, 1904 (see the *Evening Standard* of June 22). Speaking of the defendant's evidence he says:

"He had merely bolstered up the London and Globe in a time of crisis by means of transactions 'not one of which was illegitimate, but happened every fortnight in the City.'"

A little later occurs the following passage:

"Things look very different after they have happened," he cried indignantly. "I'll guarantee to go to the Bank of England and twist and distort anything years afterwards."

These remarks of Whitaker Wright's had reference to the fact, which he admitted, that some of his companies had lent money to each other in order to declare prosperous balance-sheets. "Things look very different after they have happened." Yes, and as every reader of THE NEW AGE will agree, the merits of the issue under trial

in 1904 look very different in the light of the knowledge we have gained in the thirty-one years since the trial was held. Whitaker Wright, if living to-day, could have justified his acts on the ground that his window-dressing deceptions, though illegitimate, were justifiable as was attempt to conceal losses which he might have retrieved as he thought at the time, whereas the prompt disclosure of them would have made them irretrievable by precipitating a panic. Such, of course, is the dilemma of all financiers who are not legally empowered to create credit, nor are in with the privileged few who have that power. The trial emergent from the Royal Mail affair brought out the fact that while it was quite legitimate for a company to conceal allocations of profit to reserves it was not legitimate to conceal the subsequent distribution of those reserves as profits. Moreover, during the trial the judge emphatically insisted that it was no answer for the defendant to plead that "others are doing the same thing," that the whole issue was whether the thing done was illegal. The others, he said, were not before the Court. Quite so: the worst offenders never are because they get their procedure legalised before they embark on it. Thus the criterion of "ethical heinousness" is inadmissible in law. In the highest plane of deception, where the consequences are worst, namely in State finance, you have the lending of ways-and-means advances by the City to enable the Government to "declare a prosperous balance-sheet," that is, to declare a "balanced Budget." As a matter of fact no Budget is balanced—it conceals a total deficit of dimensions equal to the whole service of the Government's debts. All Budgets are "London and Globe" ramps in official disguise. The Money Monopoly are able to say in effect to any Government: Do what we tell you and we will see that your Budget is balanced. Any company can show a prosperous balance-sheet if allowed to omit a sufficient number of liabilities from it.

#### The Speaker's Seat.

The latest idea is that the Speaker of the House of Commons should be provided with a seat of his own, one which will not be competed for at elections. The *News Chronicle* describes it as a "dummy" seat. A note in the *Evening Standard* says that this move is in answer to the Socialists' preparations to turn him out of Daventry at the next election. If this is true, it reveals a curious situation. The Speaker may be justly described as the highest Judge in the land, because he presides over the making of the laws which other judges are to administer. It is true that he does not pronounce judgment, but, being arbiter of relevance in the matter and form of debates, he exercises a powerful influence over the outcome of the debating. Like the judges in the courts he can call counsel (i.e. debaters) to order, and can (as he constantly does) refuse them a hearing by turning his blind eye on them. The House as a whole corresponds to a jury in this frame of reference, and its function corresponds to that of ordinary juries, which is limited to that of assessing the cogency of evidence which the judge decides is relevant. The judge tells them what facts and arguments they may hear, and they have to tell him what they think has been proved by them. So it will be seen that the roots of what Lord Hewart calls the "New Despotism" lie in Parliamentary procedure, for, just as certain merits which common-sense and conscience would pronounce relevant have to be excluded by judges in court when administering the law, so are certain comparable merits excluded by the Speaker in

the House when the law is being made. In the exercise of his function he is assisted by special committees on procedure. This was seen a few years ago when Mr. James Maxton wanted to introduce a measure for nationalising the Bank of England, but was informed that a committee had pronounced it an invalid subject for debate in Parliament. Going much further back in time, there was one occasion when the Speaker had to decide whether a Bill was a money Bill or not—a decision on which depended the question whether the House of Lords could amend it or not.

It will be self-evident to readers of THE NEW AGE that High Finance must be more deeply concerned with the choice of the person who is to exercise this function than with even the choice of a Cabinet of Ministers. Without implying anything derogatory to the present Speaker, we are obliged to assume that his contemplated retention in office is proof of his acceptability to the Bank of England. It was to be expected, and it is quite logical, that the Speaker should be lifted out of the arena of re-election from below and placed in that of re-nomination from above. The Speakership of the House being an extension of the Governorship of the Bank, it is appropriate that the same honour should be done to the Speaker as was done to Mr. Montagu Norman when the rotation-principle of Governorship was suspended (or abandoned?) after the war and he was confirmed in his office year after year, and is still going strong under a sky clear of any potential rival.

As for the Socialists' plan, its success would not be of much practical consequence, because if the present Speaker lost his seat he would be provided with another. Nevertheless the moral effect of the spectacle of such a high judicial authority having to appeal from one constituency to another would be most undesirable. It would be something like one of His Majesty's judges seeking confirmation of office from groups of litigants. Litigants may properly brief counsel—and that is what groups of electors do when they return their respective Members of Parliament—but no one group should be able to select the authority who is to preside over litigation in general, particularly since he would have to take sides in controversies relating to policies which had nothing to do with his fitness or otherwise to function as Speaker. In short, expediency demands that the acceptability of the Speaker to the House over which he presides should guarantee him the necessary qualification of membership without reference to the electors. If the Bar accept the Bench, the Bar might be wrong, but there is no reason for thinking that the layman would make a better selection.

In spite of all this, however, it need not be wholly undesirable to have the Speakership associated with Parliamentary candidature provided that the association is brought about in the right way. Supposing, for example, that a Speaker-designate could properly appear before a constituency (or it might be a college of representative electors) for a yes-or-no answer to the single issue of whether he be appointed, there would be openings for profitable questioning and discussion between him and his constituents on the deeper implications of the power inherent in, or transmissible through, his function. If he had already been holding this office, there is no reason (except bankers' reasons) why he should not give an account of himself in the form of an

exposition of the nature of his office and the principles sanctioning or limiting his functions. It would be much more profitable, not to say illuminating, than listening to the prattle of a Postmaster-General. However, the possibility of such an opening for Social-Credit citizens to get in a bit of propaganda is as remote as it is pleasing to contemplate: so we will not pursue the fancy.

#### Perth and Canberra.

Before the Judicial Committee of the Privy Council had rejected Western Australia's petition for the right to secede from the Commonwealth we pointed out that the hearing was timed to take place during the period of the Jubilee atmosphere which would be heavily laden with the scent of "Empire unity" under the "Royal Father of the Family," and all that. When subsequently the news of the failure of the petition reached Australia the ears of every citizen were still ringing with the intimate and affectionate Message of thanks from the King to his "very dear people." The effect of this cannot have been other than to put the upholders of secession out of countenance by its oblique insinuation that their separatist attitude was not wholly consistent with loyalty to the King. Both during and after the Jubilee celebrations in London no Dominion Premier was lionised so much as Mr. Lyons, who was, at one moment, dining off gold plate in High Society, and at the next, broadcasting eruptions of loyalty to the gold standard in City Society. This constituted a seed-bed of symbolism from which would spring a crop of notions about "unity" hostile to the point of view of Western Australia. For since the name *Canberra* was graven in the heart of *London*, was it not certain that the name *Perth* was graven on the heart of *Canberra*? Why show the ingratitude of impatience at the minor and transient injustices within the Commonwealth when the Commonwealth itself symbolised and guaranteed the larger Justice, as would be made manifest if only the aggrieved would wait long enough?

#### Western Australia as Cinderella.

Now, according to *The Observer* of June 30, Canberra is proceeding to symbolise its sympathy with Perth in the form of a visit of Big Noises to the West. Commonwealth Ministers are to emulate the graciousness of the King when he came out for drives among his lowly subjects in Whitechapel and Hammersmith; and although the population in Perth are not likely to regard the spectacle as much of a substitute for a Royal procession, no doubt their self-esteem will be mildly flattered by the condescension of their august visitors. The writer of the note in which this information is embodied refers to Western Australia as the "Cinderella" of the family of States, from which one is apparently invited to conclude that if Cinderella will only go on with her patient drudgery, her Ugly Sisters in the East will throw her a kind word or two in future when going out all dressed up in the balls of the Moneylenders and their Fiscal Satellites.

Western Australia, says this writer, suffers from two complaints: "economic handicap," and "political isolation." The handicap, he observes, must necessarily take time to remove; but "happily, the political grievance is more easily surmounted in these days of aircraft and transcontinental railways." (Our italics.) Now, isn't that just too lovely! Little Cinderella will yet play a part in the balls. She will be taken to the palace and be allowed to work in the kitchen instead of being left lonesome at home; and there are now posh escalators installed whereby distinguished visitors may descend to

inspect her during the festivities without damage to their costumes. All the poor girl needs is some little acknowledgment that her drudgery is appreciated, and a kind word or two will transform her task into joyful service as instantly as a godmother's magic once turned a pumpkin into a coach.

#### Trying to Succeed in Not Succeeding!

Lord Riddell once remarked at a trade luncheon that the essential characteristic of a good diplomat was his ability to *prevent people doing what they liked without discouraging them too much*. As an old hand at the game of journalism he spoke with authority on the subject of diplomacy; but the truth of his definition would have been self-evident whoever had formulated it. "If you don't succeed at first, try, try again" is a motto which, if we all followed it, would suit high-financial diplomacy down to the ground; for in course of time we should all be so taken with the idea of "trying again" that we should doubt the morality or expediency of "succeeding at first," and would eventually *try not to succeed at first in order to provide opportunities for trying again*.

In practical affairs to-day the triers suffer under a heavier handicap than this psychological confusion. When the thing you try to do is not approved by the bankers, and you fail to succeed at the first attempt, they do not leave you with that same thing to try at again, but change it to another thing or interpose a further thing between you and your objective. For instance, when Mr. Hamilton tried to beat the Inland Revenue in a court of law, the Treasury changed the law during the proceedings, thus stopping Mr. Hamilton (or anyone else) "trying again" on such an issue as he raised. Note particularly that in that case Mr. Hamilton was on the point of "succeeding at first," a fact which points the lesson that before you accept the wisdom of the old adage you have to distinguish between cases where success is achievable by perseverance and cases where your first attempt to succeed is countered by measures which prohibit your perseverance.

#### How Banks Flourish On Inquiries.

Take the Macmillan Committee as another instance. This Committee was formed in consequence of pressure from Social-Credit advocates and other critics of the financial system. They hoped that through the inquiry they would succeed in getting certain reforms adopted (or at least brought into the arena of practical politics) for the benefit of the public. They did not succeed. And not only did they fail, but their attempt to succeed provided the Money Monopoly with ideas for reforms of their own, and a judicial rubber-stamp to endorse them. These reforms were deliberately designed to strengthen the defences of the Monopoly against "try-again" reformers. The wire-pullers behind the Committee, by the device of narrowing its terms of reference, changed it from a demolition-tool into a re-conditioning-tool.

#### Short-Term Obligations.

One example of this will serve. As a direct result of criticisms allowed expression by the Macmillan Committee, the short-term foreign obligations of financial institutions in London and other European capitals are to-day being reported to the Bank for International Settlements at Basle, and collated by that institution for the guidance of its board of central-bank governors with their satellite Treasuries and Finance Ministers.

### Groping Back to Gold.

These statistics serve the purpose of enabling International Finance to co-ordinate the operations of the various national "exchange-equalisation" systems which have been coming into vogue after the precedent set by the British bankers. The object of this co-ordination is to stabilise the currencies of the various countries. The object of the stabilisation is to make the international credit-system safe for the re-introduction of the gold-standard. The short-term foreign obligations of any European money-market reflect the ultimate risk of foreign raids on gold, and these risks must be reduced or eliminated, which can best be done by balancing the different obligations according to some sound ratio, so that general confidence in the stability of currency will remove the danger of holders suddenly converting one currency into another or calling for gold. Just as naval ratios are a tentative safeguard against war on the world's seas, so are "obligation" ratios against war in the world's money-markets, and tariff-quota ratios against war in the world's produce-markets.

### The Triple Power-Ratio System.

These three ratio-systems are closely interlocked, hence the respective authorities best fitted to deal with them must be closely associated, and, ideally, be one person. Otherwise the alteration of any one of them by a non-expert experimenter would shift the centre-of-gravity of the integrated whole and precipitate incalculable trouble. Yet the fundamental preoccupation of the world's statesmen is with the master problem of persuading their peoples to tolerate the impacts on their lives of this triple-ratio system. The reason is plain to every student of Social Credit. The ultimate consequence of the system in all of its three aspects is felt in terms of purchasing power. The principle of the system is that of instituting an equitable rationing of purchasing power between people and people. No doubt the international experts in banking, exchanges, taxes, duties, and commerce can agree on a statistical formula of equity, but will the people keep quiet when it is adopted? Not even angels from heaven can so ration an intolerably short quantity of purchasing power as to make the rations tolerable to all recipients. The search for the "right" ratio—or the "fair" ration—is doomed to failure within the framework of the financial system; and the root cause lies in the fact that the Master-Ratio governing the world's economic existence—the ratio of Income to Cost in every economic area—is less than unity. When Bernard Shaw said that "the people hate all governments" he was enunciating a truth which could be rendered in the formula "Purses hate Prices." For the Peoples represent Purses; and their Governments represent Prices; and there is no prospect that the ruled will shake their rulers by the hand until Purses can look Prices in the face on the basis of arithmetical equivalence. The Scriptures say: *The Kingdom of God is within you.* And the same wisdom lies in the truth that the Kingdom of International Peace lies within the borders of each nation. Establish first the justice of accurate domestic cost-accounting, the whole complex of injustices which make men despair of this civilisation will transform itself into a pattern of natural co-ordination. What that pattern will be no man can foretell; but everyone who has grasped the principle of Social Credit is inspired by the conviction that the glory of God will become manifest in its consequences.

### The Bank and London's Short-Term Obligations.

Reverting to the ratio-hunt in high-financial circles, our readers will probably find some of the subjoined quotations useful for the purpose of studying and elaborating this theme. They are all extracted from the *Monthly Review* of the Midland Bank for May-June, where they appear in its leading article entitled: "The Ebb and Flow of International Short-Term Funds."

"... sterling rather than gold is now the principal basis of the world's international trade and finance. . . ."

"... the commodity value of sterling has remained approximately stable . . . while that of gold has greatly increased."

"Russia's . . . short-term debt of 3,750 millions (Swiss francs) at the end of 1931 has been almost entirely extinguished, largely by exports of newly-mined gold."

The total external, short-term liabilities of the countries of the world at the end of 1930 were 70,000 million Swiss francs, equivalent to £2,800 millions sterling. At the end of 1934 they were 29,300,000 millions, equivalent to £1,950 millions sterling. (Note: Whereas in 1930 the Pound Sterling was equal to 25 Swiss francs, at the end of 1934 it was equal to 15 Swiss francs. This explains the discrepancy in the Sterling equivalence of the two figures in the years in question.)

"The Macmillan Committee had estimated London's short-term external liabilities at the end of 1930 at, say, £450 millions . . . more than one-fifth of the world's total" (as estimated for 1934).

"The violently fluctuating part" [of the £450 millions] "consisting of what we have called 'financial funds,' can scarcely be more than one-fifth the total. Yet, when we reflect that our total gross income from abroad in respect of exports, visible and invisible, probably falls short of £70 millions a month, it is easy to see what violent disturbances might take place in the external value of sterling by reason of sudden movements either to buy or sell sterling on the part of foreign operators, if it were not for measures of protection evolved since 1931. [Note: The term "financial funds" is used to distinguish funds promptly usable for speculative purposes—whether for safety-seeking or profit-making purposes—from funds earmarked for trade-settlements.]

"Evidently," in the words of the Bank for International Settlements, "movements on capital account [i.e., movements of "financial funds"] continue to overshadow the transactions on account of merchandise trade, interest payments, and other items."

Following the report of the Macmillan Committee in 1931, the Bank of England has been provided regularly and at short intervals with details of the amounts and forms of the short-term liabilities of London houses to foreign creditors, and their short-term claims against foreign debtors. This information is not made generally available even after a considerable lapse of time, and scraps of data and general impressions and deductions are all that can be gleaned. . . ."

The only further thing necessary to point out on this subject is the evidence in the last quotation that even the Joint Stock Banks are not considered safe confidants by the powers behind the Treasury. No doubt they are afforded guidance based upon the information secreted upstairs, but while this may suffice to enable them to run their normal business safely, the communication of the information itself would be more helpful, not to mention the consideration that it affects deeper issues than the responsibility of banks to their customers. However,

since the principle is still recognised that politicians must not interfere with credit-policy, there is no reason why they should learn anything at all about it. So the statistical data in question had better be regarded as part of the old Fugger News-Letter service, which was intended to suspend or "retire" news rather than pass it on. The name of Fugger accordingly stands for the exploitation of fore-knowledge at the expense of the community. So the generic term fuggers may appropriately be applied to bankers, and fuggsters to bankers. Rothschild's peeping-in at the Battle of Waterloo probably constitutes the outstanding example of successful fugging.

### In Support of the Franc.

The cynical Frenchman might easily wax eloquent over an announcement in the *Evening Standard* of June 10 that

"Wholehearted support in his effort to maintain the franc at its present level, at least for the time being, has been promised to M. Laval, the new French Prime Minister, by the British financial authorities."

He might ask whether England's support of the new policy wasn't a reason why France should reject it. He would not know, of course, that British financial authorities do not act primarily in Britain's interests but in their own. Mr. Wade, the City Editor of the *Evening Standard*, explains that "pressure against the franc" tends to bring about "an appreciation of sterling against the dollar." He then says:

"Gold shipments keep the franc-dollar cross-rate fairly steady, while the franc-sterling rate moves up following purchases of sterling."

"The resultant increased over-valuation of sterling against the dollar, it is feared, might eventually have serious effects on the British export trade."

So, he goes on, the Bank of England and the Big Five are taking steps to "prevent speculation in the forward market for gold." . . . "Speculative selling of gold currencies against gold will be rigidly stamped out so far as it can be detected." . . . Later on, he says, the banks may refuse to sell foreign exchange to customers unless they can prove that they require it for "legitimate trade transactions." With reference to "speculation" the problem is not so much to detect it as to define it. A large number of so-called speculative transactions, whether in commodities or in currencies, are essentially insurance against loss. The *Midland Bank Review* quoted from above, speaking of "financial funds" (by which it means funds usable for speculative purposes) says that a new and large volume of such funds are used to buy foreign currency by holders who fear the depreciation of their own. It is misusing language to apply the term "speculator" to anyone who thus tries to keep the buying power of his capital from dropping. Bankers always conjure up a scapegoat for the sins of their system; and if this "speculation" practice were open for examination the public would see that it was as mythical (in the sense of moral imputation) as it was in 1919 when Sir Austen Chamberlain named "speculation" as the evil which the deflation-policy was adopted to extirpate. Bankers can still reply that it is not intentions that matter, but effects. Quite so, but that only drives them back onto the anterior question of why the legitimate search for safety by holders of financial capital becomes necessary, and why the safety of the international banking system is prejudiced by the safety of its customers. There are plenty of superficial explanations, but they can all be traced back to the root cause of all com-

petition, namely the shortage of purchasing power. In this context let us quote an interesting passage from a newspaper cutting sent us by a correspondent. (It contains no title or date but shows the reference Vol. 32—No. 23, and consists of a leading article entitled "Confusion in France.")

"In so far as there is pressure on the French Governments, then, it is not from the foreign speculators, who have been so liberally abused, but from the French banks."

The writer had previously asked why the franc should be in danger when it has a "gold backing of over 80 per cent. to the currency," and had answered it by pointing out that—

"the French Treasury can only carry on if the banks will re-discount its bills. The banks say that they cannot do so without expanding currency, thus diminishing the gold backing to the currency. Hence the insistence that the Budget shall be balanced and the volume of Treasury bills reduced."

The more one tries to arrive at an intelligible conception of the gold standard the more he will be driven to the conclusion that technically no such standard exists. What may exist (and the hypothesis will bear elaboration) is a buck-passing "standard"—that is a standard overriding international financial policy under the operation of which, and in the deliberate pursuance of which, gold is sent bumping from side to side of the system like loose ballast in a yacht, or is reported to be doing so. Which it is doesn't affect the hypothesis, which is that different central banks take it in turns to move gold in or out in order to provide plausible excuses for taking liberties with the political sovereignties of their respective countries-of-naturalisation. Whether the gold moves or not doesn't matter so long as the people believe that it does, and catch the infection of the bankers' simulated anxiety about it. The episode of a few years ago comes to mind, when the Bank of France was discovered to have been recording a holding of £20,000,000 gold for three years after parting with it to the Bank of England. Apparently movements of gold can be announced or concealed just as the international bankers decide. Again, when America had a gold hoard she sterilised a large proportion of it. And France's 80 per cent. gold-cover is sterilisation in another form, for the common effect is to impose a formal limit on credit-issues which could legitimately be exceeded under the bankers' own rules

### "The New Age."

The current issue of THE NEW AGE marks the end of the twelfth year of its campaign under its present editorship.

During the last twelve months articles have been more freely drawn from it for re-publication in other Social-Credit journals, both at home and abroad, than during any previous period.

It will gratify our supporters hardly less than it does ourselves that the editors of these journals have considered that so much of what we publish merits the attention of their readers. In every case they have, when availing themselves of our invitation of a year ago to reprint what they liked without payment, courteously acknowledged the source, and thus advertised the fact that THE NEW AGE is still alive and rendering important service in the Social-Credit campaign throughout the Empire.

## The Point of the Pen.

By R. Laugier.

### XXXVIII.—AUTHORS' ACKNOWLEDGMENTS.

Opening a copy of Walter de la Mare's "Broomsticks And Other Tales" I discovered: "The author makes his grateful acknowledgments to the editors of 'The Atlantic Monthly,' 'The Flying Carpet . . .'" And so on. The grateful acknowledgments are made by the author for editors' permission to publish in book form the author's own stories. I think this kind of thing is a mistake: either the "acknowledging" author errs through an excess of old-world courtesy, or he lacks business sense. Both the endowment and the deficiency are dangerous to authorship.

Copyright in an artist's work belongs always to the artist (or his heirs), so long as the artist does nothing to sign away his rights. The short-story writer, who knows his *métier*, sells to an English periodical the "first British serial rights"; he may sell fifty other rights, provincial English, American, Continental, etc; but, if he is wise, he sells each "right" separately. The copyright he never sells.

Since this is the well-known position of affairs, I fail to understand why established authors make acknowledgments to magazine editors and other tradesmen. To-day, editors are no friends to Letters,—which is why I have spoken of "excessive, old-world courtesy." When writers do anything to suggest that their works are not their own property they act in a way that weakens the position of authorship generally.

Years ago an old-fashioned English weekly,—still going strong,—accepted one of my short stories; and, ultimately, they sent me a cheque. I discovered that on the back of this cheque was a receipt-form, which must be endorsed before the cheque was paid into my account, and also that this receipt-form made over "world rights" in my story to the quaint, old-fashioned periodical. I returned this cheque, asked for a proper one, and got it. I have sold them many stories since, and have sold only "first British serial rights."

Now for the sequel to this anecdote: the short story in question was made into a one-act play and produced as a "curtain raiser." Later it was published, and performing rights offered to repertory companies, amateurs, etc. Later still it was made into a picture. Also I have sold it as a wireless play in foreign countries. The profits accruing from the sales of these various "rights" would have gone to the old-fashioned periodical if I had endorsed their first cheque, drawn for eight guineas.

Young and struggling authors frequently throw away money through timidity, and no advice from authors' societies can prevent the timid acting according to their nature. In the case of established authors their printed acknowledgments are, no doubt, a mere form of politeness; but I suggest that it is usually an empty form of politeness, and would be better scrapped. I can assure established authors—in case they don't know it—that the modern "fiction editor" shows little courtesy, or even decency, towards those writers who have not "made a name." In the case of newspaper publication, short stories are so mutilated by incompetent "subs" that one often wonders why the residue is considered worth publishing. Titles of stories are nearly always altered—to some inanity—and to the cutting (due to a last moment ad.), there is frequently added the impertinence of changed phraseology.

In the case of magazines that send proofs to authors, even this procedure is no safeguard. Once I described the

light of a cavern as "lurid"; thinking this incorrect the editorial staff altered my adjective to another (which I had used almost in the same paragraph of the story), and so, when I received the proofs I changed things back again. But it was published as per editor's specification: seemingly no one had the energy to consult a dictionary to make sure the author was wrong.

At this point the "layman" might ask: "Have you no redress against a mutilation of work which may well injure your reputation and consequently diminish earnings?" There is a way of obtaining justice. An author can take action against a journal which alters his phraseology in such ways as I have described. The author might get damages for this: he might even get damages for an undue "cutting," and for a title altered without his permission—though these things are more doubtful. But there is a drawback to taking action against any magazine or journal; nearly all of these are in some big combine, and the attacking author will be put on a black list, and probably never sell his serial work again.

So, considering the business editors' treatment of the general author—and I could give many more revolting details—the "grateful acknowledgments" of men of letters seem to me rather uncalled for: also they may help to weaken the precarious position of the writer, a position already sufficiently attacked by concealed amateurs anxious at any cost to see their effusions published.

## "Commu-Fascism."

By John Hargrave.

The political complex in which Green Shirts are now operating, is beginning to reveal a situation that we foresaw from the outset, and that, to a large extent, we have brought about. It should be of particular interest to Social Credit advocates as showing the way in which Social Credit acts as a "catalytic agent" when it is allowed to "drip" upon two "conflicting" political elements. It should also be of special interest and, possibly, concern, to any directive minds, there may be within the Communist Party in this country, and of equal interest and concern to whatever leadership may exist in the various Fascist organisations, especially the B.U.F.

There has been at least one occasion when a Fascist has spoken from a "Red" platform against the Green Shirts and against Social Credit. Just lately we have reports of another occasion at a street meeting in London, when the Communists and the Fascists made common cause in opposing the Green Shirts.

At a Green Shirt meeting in London not long ago, a woman Communist, almost beside herself with fury—having worked herself up to screaming-point of political hysteria—yelled at the top of her voice:

"Rather than allow these Green Shirts to get away with their — Social Credit, I would put on a black shirt and become a Fascist!"

We have heard Fascists declare that they "would support the Reds rather than let the Green Shirts develop their agitation for the Douglas Scheme."

Effective agitation, it seems, makes strange bedfellows. The Red Lion and the Black Lamb can lie down side by side—and give up to fight the Green Man? The "Red Dragon" and the Blackshirt are able to ally themselves against Jack-in-the-Green? Or, should we say, the Red Ant and the Black Ant, since they are both termite-minded and dominated by the idea of the Termite Work State, find they can fight shoulder-to-shoulder against this Green Beetle of Individual Economic Freedom?

We have been able, on more than one occasion, to drive the Fascist into the arms of the Communist, and vice versa. Already, here and there, the struggle between Red Revolution and Black Reaction has been called off for a time.

order to deal with this Green Menace. The "class war" ceases for a little while, and a "gentleman's agreement" is arranged with the "class enemy." The "ruthless stamping out of Bolshevism in our midst" is dropped for an hour or two, and a *mariage de convenance* with the Godless Marxian is solemnised on the spot. It is all rather odd?

As the Green Shirt technique of mass agitation develops and improves, this strange drawing together of "mortal enemies" will become more and more recognisable.

How does it come about? It comes about because there is no fundamental conflict between Communism and Fascism at a particular point; and that point is—the concept of the State.

They are both intent upon bringing into being the Regimented Work State—the Termite State.

When, therefore, the extreme Left and the extreme Right dogmatists are confronted with the challenge of the Social Credit Leisure State, they find a common enemy more dangerous in its implications than the class conflict of Communism and the counter-conflict of Fascism. For, if Social Credit should come into operation, the Regimented Work State—whether of the Right or the Left—is absolutely and automatically ruled out.

Reacting to this threat, both sides are driven towards each other and are forced by political logic to act (possibly against their inclinations) on the side of the Credit Monopoly—and against Social Credit. Inevitably, they become Red and Black Forces attached to the Bankers' Battalions.

What is bound to be the effect of this unnatural alliance?

So far as the Communist is concerned, it is bound to confuse the rank-and-file of the wage-earning masses and the unemployed; and has already done so to some extent. If a Communist organiser or agitator is seen and heard to make common cause with Fascist Reaction—with the "sworn enemies" of the Workers' Class Struggle—it will be quite impossible to explain the situation to the working classes. No alliance with Fascism is possible without at once beginning to forfeit the support of the masses. Any indication of such an alliance—even a hint of it—is fatal.

The opposite state of affairs is equally fatal to the Fascist. By showing any sort of alliance with Communism, Marxism, or Left Wing Socialism, he must and does lose the support of the rabid "anti-Red." Confusion and loss of confidence in Fascism amongst the patriotic middle-classes must set in.

Both sides are weakened, and the general public (composed of all classes) finding Communism helping Fascism, and Fascism "shaking hands with Moscow," will tend to swing more and more towards the Green Shirts and the agitation for the National Dividend and Price Adjustment.

The Green Shirt is in the position of being able to point to this "Commu-Fascist" combination and say to the public:—

"Well, what do you make of that? Here we see the strangest hybrid that ever was hatched out! This queer beast has a Red Front and a Black (-and-Tan) Behind. Walk up, walk up! and see the double-bodied monster that wants to fight itself but can't—because—we're here—because—we're here—because—we're HERE!"

That is a correct picture and interpretation of the tendencies exhibited by the Right and Left extremes. Should these tendencies continue along the present lines they will destroy the political fighting power of Left and Right. Dog will eat dog, not in the fury of a dog fight, but in the hateful friendship of an unholy alliance—out of sheer fright lest Social Credit should win to its side the rank-and-file following of the wage-earning masses on the Left and the middle-classes on the Right. Green Shirts intend to win over those rank-and-file followings by exhibiting in a glaring searchlight every tendency towards this "Commu-Fascist" combination. Out of the kindness of our hearts—and also because it will clarify and simplify the confusion—we warn the two extremes that the unchecked development of these tendencies could have the effect of leaving the "leaders" of both sides stranded with no one to lead. This means that the Green Shirts would have cleared the board. They would have a clear field. We should not hesitate to con-

solidate such a position in such a way as never to lose it. There would be no hope of "come-back" after that for Right or Left opposition.

Over the past three years we have noted carefully the changes in attitude towards the Green Shirts in the "higher ranks" of the Communist Party. They can be tabulated as follows:—

1933: "The Green Shirts are Fascists in disguise—they represent a danger to the Workers."

1934: "The Green Shirts are Petty Boojwor elements trying to make common cause with the Workers—they mean well, and there is no special need to fight them."

1935: "The Green Shirts are certainly attacking the real enemy—Finance-Capital—but we doubt their ability to overcome the enemy. At the same time they show such determination and audacity combined with political adroitness that we cannot afford to let them 'take the lead.' If we do we shall be left behind. We are, therefore, forced to fight them, while at the same time calling for a 'United Front.' If Fascists join with us in opposing the Green Shirts it all helps—although it is very awkward because the Workers cannot understand why we oppose the Green Shirts, seeing that they attack Finance-Capitalism and are always in the forefront of every anti-Fascist demonstration."

We have also noted and tabulated the changes in attitude in the "leadership" of the various Fascist groupings over the same period:—

1933: "The Green Shirts are a rival Fascist organisation.

Let us try to get a working arrangement with them. We can swallow their 'Social Credit' at a gulp—and forget it . . . a green shirt can easily be dyed black. All the same, it seems queer they should oppose Fascism and actually join in with Communist demonstrations. Perhaps we ought to fight them?"

1934: "The Green Shirts are certainly attacking the real enemy—International (Jewish) Finance—but why don't they join in with us? Without question they show a discipline that we lack—but there aren't many of them . . . and anyhow they don't count."

1935: "The Green Shirts are Communists in disguise. In fact they are more dangerous to Fascism than the Reds. We must fight the Green Shirts—and we will even join in with Reds against them."

Just lately one of Mosley's officers (of high administrative rank in the B.U.F.) was asked, in private conversation, "What about the Green Shirts?" To this he replied, "Well, frankly, I can't make it out—they don't seem to be Fascists at all!"

All this would appear as a great muddle to anyone not used to finding his way through the ever-changing maze of political interplay. Actually, the position is perfectly clear.

By their political action on the streets Green Shirts have:—

(a) Forced the Communists into a position in which they are "for" and "against" the Green Shirt attack on the Credit Monopoly.

(b) Forced the Fascists into much the same position.

(c) Revealed to the wage-earners, the unemployed, and sections of the middle-classes that Green Shirts are opposed to and will fight any and every kind of Fascism; that the two "deadly enemies" of the Right and Left may be seen in the form of "Commu-Fascism" when confronted by Green Shirt agitational propaganda for Social Credit; and that the Green Shirts alone represent the Party of the People's credit—the Vanguard of the Awakening Masses.

The end of this process, however long it may take—and it may be much shorter than many imagine—is the end of Communism and Fascism in the British Isles, the end of the Credit Monopoly, and the establishment of the Social Credit State.

Who is in that impossible middle position of political hesitancy between Revolution and Reaction—the Green Shirt or the "Commu-Fascist"?

## Side-Lights From History on Our Problem.

By Dr. J. C. B. Mitchell.

[A Lecture delivered to the 1930 Club on December 4, 1934.]

I think it was Mr. Orage who said each individual Social Creditor was a grain of salt; but that when Social Creditors met in a group they were turned into a pillar of salt. Certainly, the advantage of a pillar of salt to a speaker is that it cannot go up in smoke, though it may dissolve in tears of boredom.

### Hushing Up History.

An article in THE NEW AGE of November 8th, 1934, entitled "Gold, History, and Liberty," set me studying the history of the agitation leading to the Second Reform Act of 1832. It was amazing to learn in the article that "the true facts of that tremendous historical occurrence known as the Passing of the Second Reform Act (1832) have been deliberately suppressed by successive Governments, and that Standing Orders have been given to the permanent officials in Government departments to take the utmost precautions by means of the Government Secret Service that none of the real facts connected with the passing of the Second Reform Act shall ever be published in any history or book of historical reference, whether the same is intended for schoolboys, university students, or professional historians."

It was in this article that I learnt for the first time of the existence of a permanent Government official receiving a salary of £1,200 a year and pension, known as Historical Adviser, and whose miserable degrading duty consists in advising the Government of the day how to evade and suppress historical truth in the interest of the professional politicians.

I think I might usefully put before you some of the lessons I have been learning from a study of the agitations and disturbances of that period, commonly known as the Reform Agitation.

The main sources from which I have drawn are the writings of William Cobbett—that giant of Sussex—and the "Life of Francis Place," by Graham Wallas (Place was born and bred in that sink of iniquity called by Cobbett "the Wen"), "The Life of Earl Grey," by Trevelyan; a "History of Birmingham," published in the 'fifties; and the financial pamphlets of Ward Norman, Thornton, and Riccardo. All the agitation revealed in these books culminated in the passing of the Reform Act 1832, and the Bank Act 1844—a poor food for flock in the care of what Milton would call the hireling shepherds, the politicians.

The chief lessons which emerge from a study of that period are, first, that the driving power behind everything was a sense of profound dissatisfaction amongst the general population. This was not organised by any central organisation, but showed itself definitely for the first time in the formation in 1792 of the Friends of the People Association by Grey and other Whig M.P.s, and the Corresponding Society—a working-class organisation—before the excesses of the French Revolution in September of that year had aroused the powers of reaction. In the years that followed, justice and mercy died. Pitt savagely pursued the Reformers. They were shut in prison for months and years without trial. Fox himself was removed from the Privy Council, and the Duke of Norfolk from his Lord Lieutenancy for toasting "Our Sovereign the People." The only place where Reform could be mentioned was in the House of Commons itself, and that was not taken advantage of because of the Reform Whigs absenting themselves from Parliament as a protest. It was a poor protest. The few Reformers carried on quietly. It was more dangerous to be a Reformer than a felon in those days.

Their driving force was never a mere bread and butter question. The rights of man had been born anew in the French Revolution. Apart from the gradually increasing discontent of the lower and middle classes was the keen

appreciation, so often repeated, of the existing poverty in the midst of plenty. Let me read this from Cobbett:

"The road very wide and smooth; rows of fine trees on the sides of it; beautiful white-thorn hedges and rows of ash and elm dividing the fields; the fields so neatly kept; the soil so rich; the herds and flocks of fine cattle and sheep on every side; the beautiful homesteads and numerous stacks of wheat! Every object seemed to say: here are resources; here is wealth! Here are all the means of national power, and of individual plenty and happiness! And yet, at the end of those ten beautiful miles, we entered that City of Coventry, which, out of twenty thousand inhabitants contained at that very moment upwards of eight thousand miserable paupers.

"As we passed onwards through Staffordshire and Cheshire all the same signs of wealth and of the sources of power on the surface of the earth struck us by day; and, by night, those more sublime signs which issued from the furnaces on the hills. The causeways for foot-passengers, paved, in some instances, for tens of miles together; the beautiful rows of trees shading these causeways; the canals winding about through the valleys, conveying coal, lime, stone, merchandise of all sorts; the immense and lofty woods on the hills; every object seemed to pronounce an eulogium on the industry, skill, and perseverance of the people. And why, then were those people in a state of such misery and degradation?"

"As the working people went on getting poorer and poorer, they became more and more immoral. . . . As the working people became poor, the laws relating to them were made more and more severe; and the Poor-Law, that famous law of Elizabeth, which was the greatest glory of England for ages, had by degrees been so much mutilated and nullified, that at least it was so far from being a protection for the working people that it had, by its perversion, been made the means of reducing them to a state of wretchedness not to be described. The sole food of the greater part of them had been for many years bread or potatoes, and not half enough of these. They had eaten sheep or cattle that had died from illness; children had been seen stealing food out of hog-troughs; men were found dead in May of that year (1830) lying under a hedge, and when opened by the surgeons nothing but sour sorrel was found in their stomachs.

"Such was the state of England. Here you saw a people, inhabiting the most productive land in the world, a people to whom God had given a large portion of all His choicest blessings, safety from foreign foes, climate, soil, mines, woods, downs, flocks and herds, and, above all, industry perfectly unparalleled. . . ."

Yes, the sustaining drive throughout was a moral indignation of a people deprived of their rights—a people who were being screwed down by deflation.

### The Reform Agitation.

The second lesson is, that there was no organised leadership. The Reform Movement was hydra-headed, which was a great advantage in those days of repression and persecution—days which the Social Credit Movement may yet have to face. Cobbett, who might be regarded as the spiritual leader of the Reform Movement, never formed any party, and, in fact, until the end the agitation was carried on by a large number of competing and often acrimoniously opposed societies; but these various organisations produced an effect on the politicians by fear. The Reform Act was only passed by intimidation. What seems to us now as an obvious and easy process was actually a battle only won by the energies and emotions of the entire population.

The Reform Agitation was diffuse, and the organisations were local and spontaneous. Local leaders everywhere sought to influence within their own sphere. Thus arose cries in every key, and threats of opposition to government so diverse that the Government of the day could find no way of coping with the threatened disorders. The same distressful cry organised under a central organisation in the Chartist Agitation, 1838, however, presented what Caligula

wished—that mankind would present a single head to be chopped off in one blow. The Chartist Convention failed; the proposed National strike did not take place, and, having failed, Britain, like Israel, returned everyone to his own house, defeated, despairing, and unrelieved until the next boom produced by the Californian Gold Rush.

### Cobbett on Gold.

Cobbett was largely responsible for the arousing and canalising of the feeling of rage against the privileged class. His boast was that he was the Teacher of the Nation. For some years before his imprisonment he had contemplated making the paper-money system familiar to the understanding of the people. He was imprisoned for criticising the flogging of English Militia by German soldiers, and it was then he wrote his "Paper Against Gold." "The Government gave me leisure, and I, in return, gave a true history of the Funding System." He regarded it as his best work, but he was merely looked on as "a very clever man with rather a twist in the head." He started his "Political Register" in 1812, the fruit of which did not ripen for twenty years. He realised he was alone, and that he had to wait for the sufferings of the people to increase before they were ready to listen to him. In 1816, after the Napoleonic Wars, agricultural distress was greatly increased, and he decided to "lay on." He advised the people to cease rioting, and he reduced the price of the "Political Register" from 1s. to 1d. In two months, 200,000 of this cheap first number were sold; and the "Paper Against Gold" was selling at the rate of twenty to thirty thousand a week. As a result, Castlereagh passed a Bill to shut up any one merely suspected of treasonable practices. Cobbett was warned in time, and wisely fled to America for two or three years. On his return he was more readily listened to, and by 1830, when distress had united the middle classes and the majority of the working classes, he was the man of the hour.

### Gold and the Second Reform Act.

This welding of the two classes, which was essential for the success of the movement, was helped by Francis Place—a man who had worked continuously for over thirty years for Reform, and by Atwood, the baker of Birmingham, who formed the first National Political Union in 1830. The union of the majority of the working class and the middle class (I use the words in no invidious sense) was essential for the passing of the Reform Act to prevent the struggle developing into one between the "Haves" and the "Have-nots." Here I agree with Mr. Hargrave, who preaches that the middle class must throw in their lot with the workers, in view of history of these times, and since it is quite clear that the workers will make no approach to the middle class. They regard it with intense suspicion. The overtures must come from the middle class. The employer must throw in his lot with the workers. The middle classes must be made to realise that the present struggle is a struggle between the "Haves" and the "Have-nots" and they are amongst the "Have-nots."

You all know how the Second Reform Act was passed. The country was on the verge of Revolution. "Everyone was convulsed with rage," says Cobbett. There was a no-rent protest. No taxes were to be paid. Men were armed, and finally, with the help of the bankers, the Act was passed. You have all heard of the posting of England with the placard, "To stop the Duke, Go for Gold." "Convulsed with rage." Have we seen the population convulsed with rage at the new Unemployment Act? Have we seen the population convulsed with rage at the cuts in 1931? That is the emotional pitch which we must hope to raise in the public before we can see this tremendous financial revolution—a British Public convulsed with rage at the misuse of their credit. Again arising out of this comes the question of Cobbett, the teacher and adviser of Britain. How did he get the ear of the people? Who is going to be our Cobbett—the many Cobbetts we need?

Besides energy, a fierce love of right and a great love of the people, Cobbett was born with no advantages. It was his known righteousness, and a love for the common

people, which he displayed year after year by helping them in every way that he dissolved the suspicion of the working classes, and made them acclaim him as their prophet. The people will not accept any leader who cannot make them believe he is for them—witness the leaders of the last hundred years!

### Currency Theories.

The Reformers knew that the Reform Act was nothing, but it was a break in the accursed system. Possibly one cause of the defeat of the people in the Reform Act may be traced to the difficulty of defining their final objective. There were Corn Law Repealers. There was Cobbett, who put everything down to the Funding System. Read his attack on the Bank of England, in which he describes its foundation as "the precursor of a scourge greater than ever before afflicted any part of God's creation." There was Atwood, of Birmingham, whose currency reforms were set aside by the Chartists. There was infinitely keener interest in currency reform then than there is to-day. Professor Gregory, in his recent attack on Douglas at the Institute of Bankers, remarked on the similarity of the currency reform of the eighteen thirties and the monetary reforms of to-day, and I agree with him on that point. I think the nearest approach to relationship with Douglas was Hodgskin, who put forward a theory of distribution and analysed the mystery of costs—alas, missing what Douglas's genius discovered—"the unearned increment of association." Let me quote a popular song or poem which appeared in the "Poor Man's Guardian," signed "One of the Know Nothings":

"Wages should form the price of goods.  
Yes, wages should be all;  
Then we who work to make the goods  
Should justly have them all.  
But if the price be made of rent,  
Tithes, taxes, profits, all;  
Then we who work to make the goods  
Shall have—just none at all."

To-day the workers don't concern themselves with costs. They cry for work. Differing in economic remedies, the Reformers united on the demand for Parliamentary Reform as indispensable to effective change.

### Political Action.

Almost immediately after the passage of the Reform Bill the people realised that they had not got what they wanted. Francis Place tried to get candidates at the next election to sign a pledge. The two Radical members—Burdett and Hobhouse, men for whom and with whom he had worked for years—refused to sign. "None but fools demanded pledges, none but knaves gave them." He found that he could do more good without Parliamentary men than he could do with them. The working classes did not get the vote until the 'sixties.

Convulsions of wrath are an exhausting process, so that the leaders and thinkers found that their followers were exhausted when the Reform Act was passed at last. What to them was to be only a stepping-stone to greater and greater reforms, had, in fact, become a final objective, while the public lapsed into their wonted indifference.

This demonstrates the danger of raising a national clamour for an intermediate objective. We must beware lest we lead the people to a halfway house. The demand which is raised by the populace must contain no compromise. The politicians are only too ready to supply those; and every effort must be made to prevent any restriction or turning away from a full objective.

In the "New English Weekly" of September 6, 1934, Mr. Orage wrote of the American situation: "The issue of the war is the right of the American people to the consumption of its own production and the recognition and use of the Proper Financial Policy for instrumenting that right; and every other issue is a red whale." I think that is the issue of our economic war, and the tragedy is that the people do not yet regard it as a right—the consumption of their own production. The great majority of the people

do not believe that they have the right to consume all they produce, even although they suffer want and see plenty destroyed. They would rather earn a fair wage than be given an unknown National Dividend. They still believe in and want work as the right to consumption. That is why political parties still rival one another in their bids of work for the unemployed. If we can arouse the people to feel that they have the right to consume all they produce, it will be easy to get the recognition and application of Social Credit.

All that the people know of the present system is that they have to work for money, and that any other money is distributed through taxation or confiscation, e.g., sweepstakes. The public is well trained. Our opponents are not idle. When Ramsay MacDonald waved his German mark we laughed, but millions voted.

In the Reform Agitation economic pressure gave rise to moral indignation which was the driving force. How are we going to arouse the people's moral indignation at the fact that they are being deprived of their rights, since the community cannot consume what it produces. How are we to bring them to the stage when they are convulsed with rage at the thought of the swindle of the present system? We must not let the question become a bread and butter question since a change for the better, however small, would detach a large number from us. Let me tell you of Atwood, of Birmingham, and the fate of his Currency Reform in the Chartist Agitation in 1839. He and his friends went to great pains to make the people believe that the distress would not only continue, but must go on increasing until Mr. Atwood's scheme of Currency was put into practice. These Birmingham men had organised the Chartist Convention, but by the time the Convention met his scheme was rejected. I think it is a mistake for us to tell the general public that evil upon evil will occur until Social Credit is introduced. It does not attract them. My experience in trying to arouse that feeling of the community's right to consume all it can produce is that success is gained by explaining the present financial system. People know of the existence of Poverty in the midst of Plenty. Have you ever noticed the boredom which comes into the faces of the audience when the same old details of plenty are trotted out? Every Friday I watch a public audience, I know. They accept poverty in the midst of plenty as an unalterable condition. "The rich man in his castle and the poor man at his gate" is still ingrained in many. What does interest them are a few well-chosen examples of, say, a comparison between the direct labour costs and the price to the public. That makes them think. So convinced am I of the necessity of telling the public of the existing system that when I speak or do propaganda work I first teach my audience the answer to two questions: "What is money?" and How does money reach your hands?" At Ottawa last April, when Douglas was giving evidence before the Committee on Banking and Commerce, he told a Mr. Willis who wished to know where his subsistence would come from, that he should study the existing system. We must tell the people the whole story of Social Credit. Now you must bear with me at this point, though you disagree. I have been told that there is no need to convert more people to Social Credit. All that is needed is to get the people to demand a National Dividend. Were I not convinced of the benevolent intentions and of the integrity of these individuals who believe that a demand for a National Dividend is enough, I would accuse them of deliberately hampering our work. A National Dividend Demand is a bread and cheese policy. The mob would be satisfied with a pittance. The cry does not arouse a passionate desire for the right of the community to consume all it can produce. How easily an uninformed demand for a National Dividend might be turned into the already popular demand to nationalise the banks as the first step to the introduction of Social Credit!

No, I believe that we must tell the people the whole story. The basis of Social Credit is the unearned increment of association.

Again let me quote Douglas at Ottawa: "We have

reached the stage where a decreasing number of people, smaller in number than those who are available, can produce all the wealth that is required by everybody. The surplus wealth which is produced in that way is the property of the community by virtue of this. It has arisen out of the unearned increment of association. The real practical problem of the present day is not to distribute the earned increment of association, but to monetise the unearned increment of association. That is the basis of the Social Credit idea."

We must tell the people our solution: (1) The National Credit Offices; (2) The Just Price; (3) The National Dividend—eventually replacing the wage.

#### Repression.

Time is short, you may say, but we have to convince the people of their right to consume before they will be ready to move. How gigantic is our task unless a miracle occurs, I know. It took forty years for the Reform Agitation to grow from 1792. Pitt's Treason and Sedition Bills in 1795 were popular measures. Place writes that "the people, nay, the masses of the shopkeepers and working people approved the Bills without understanding them." Birmingham, which had its "Church and State riots," when Priestly and other reformers were hunted and their houses burnt, forty years later, was to be the centre of the National Political Unions. Birmingham was to raise the standard of revolt, not London. Let us not despise the provinces.

I am convinced we must have an educated public. I mean a Social Credit education. Let me explain what I mean by the people. They are the people like us, who are ready to work, and are, therefore, able to carry the inert apathetic members of the public along with them. We must have this educated Social Credit Public so that when a financial crisis is precipitated, the people will know who are the right people to follow. We want the people to be able to cry "Douglas is right, Douglas is right. He is a true prophet," as they acclaimed Cobbett a hundred years ago.

#### Ward Norman on Credit Control.

Let me emphasise the necessity of continuous propaganda for Social Credit by quoting from Ward Norman, grandfather of Montagu Norman, one of the foremost currency reformers. He believed that the issue and recall of credit was a Sovereign right, and wished the Government would exercise it. He says: "In conclusion we may observe that however desirous the directors of the Bank of England might be to introduce the proposed system, they cannot be expected to do so in the existing state of public opinion, which has almost everything to learn on the subject of currency." A state of affairs as true to-day as in 1837.

I want you to consider the significance of this lament. The central difficulty we meet with to-day is the abysmal ignorance of the public of the nature of money, and a complete lack of any realisation of what money is. Whatever it is from a banking point of view, it is viewed externally merely as a licence to consume, which can only be obtained from the money monopoly on loan. This was not realised by Ward Norman, who like all the currency reformers of that time, regarded money as a commodity. It will only be when we get a wide appreciation of money as a licence to consume that we will be able to quieten the cry: "Where is the money to come from?"

There is another statement, made by Earl Grey—Reformer premier. Speaking in 1810 in the House of Lords, he said: "Whenever this great question of Reform shall be taken up by the people of this country seriously and affectionately there will be a fair prospect of accomplishing it."

At present I think there are comparatively few Social Creditors. No cheap Social Credit paper has a circulation anything like Cobbett's "Twopenny Trash" or his "Register." Large meetings in towns are misleading. They are organised by enthusiasts and the good they do is to hearten the Social Creditors. What is much more significant are the number of people scattered through the country who have never heard of Social Credit. A few months

ago I motored through England. Not one of the casual contacts I made had heard of Social Credit.

Obviously the financial powers do not fear us as yet. You remember Montagu Norman's contemptuous remark: "The dogs bark." Nothing will happen until the dogs bite, and we must see to it that there are enough dogs.

The Reform Agitators had three potent weapons. Non-payment of rent; non-payment of taxes; and arms. The machine-gun has beaten us in regard to the use of arms. We are agreed that there is only one end of that gun, the handle end, and it cannot be ours. Non-co-operation has been proved successful in India, Ireland, and Egypt.

Let me recapitulate my lessons:—

(1) The same discontents of one hundred years ago are still present in a less acute form. Our Government knows the value of bread and circuses.

(2) Nothing will be done until the people are convulsed with rage.

(3) The middle class must be detached from the train of our rulers and throw in their lot with the workers. Forget Burke's "Swinish multitude."

(4) The Movement should aim at diversity rather than centralisation. Many demands rather than one.

(5) We can judge our effectiveness by the amount of official opposition.

(6) So long as we work on intellectual lines we are merely barkers. We must be prepared to bite.

(7) There must be no compromise on intermediate objectives—only a single struggle for the final objective can unite and inspire the people.

#### Forthcoming Dinner

Social Credit announces that a Dinner is being arranged to take place in London on July 19, to welcome Major Douglas on his return from Canada. Further particulars are promised for next week and will be communicated in these columns.

#### LETTERS TO THE EDITOR.

##### SAVING AND INVESTMENT.

Sir,—My humble apologies to R. S. S. I must admit that the wording of the paragraph to which I referred led me completely up the garden.

I have now given a considerable amount of thought to his "example"—those interested doubtless have the original available for reference. As is usual in such "idealised" examples, it bristles with points calling for objection, but I have been at some pains to select the one which is typical of the "savings" problem.

In the general case of money saved and invested, the snag is always depreciation charges—and so it is here. Just as the shareholder does not receive the full "profit," part of which must be allocated for depreciation, so in this example must depreciation of the factory be provided for. The bank will not continue to make fresh advances of £1,000 on a factory steadily depreciating from that value.

To put it another way, to make the case comparable with any ordinary example of investment, it is necessary that, by the time the factory is worn out, our man shall have his £1,000 back in cash, as well as having lived on his profits in the meantime.

On the general question, may I refer R. S. S. to an article of mine which you were good enough to publish in your issue of February 21 last? That represents the clearest exposition of which I am capable, and if R. S. S. does not find it convincing, I must leave his conversion to abler persuasion than mine.—Yours faithfully,  
G. F. L.

##### SURPLUS PURCHASING POWER.

Sir,—Referring to the article entitled "Surplus Purchasing Power," by John Grimm, in THE NEW AGE dated June 20, there is one point upon which I should like enlightenment. He states that in the pre-Social Credit period in the given illustration, consumers were £500 short, and therefore in the first period under Social Credit that amount would be distributed as dividend. During that period total production

costs are assumed to be £900, whereupon he states that consumers are now only £100 short because they have received £300 in wages, salaries, etc., plus £500 dividend.

Surely, however, the £500 dividend has been issued to meet the deficiency in the preceding period, and can therefore only cancel costs brought forward from that period. It appears to me that consumers are again £500 short, and that in the next period the dividend would have to be the same amount.

Possibly I have misunderstood John Grimm, but his articles are usually so clear that it is a bit disconcerting to come across one that is likely to be misconstrued.—Yours faithfully,  
A. STEEKSMÄ.

[John Grimm replies: I agree that my treatment of the proposition was defective, since it will bear the construction placed on it by your correspondent. I will try to deal with it another way later on. In the meantime it can be agreed that if the Dividend *does* progressively increase in collective amount, so must the collective excess of conventional cost over earned incomes—for the function of the Dividend is to balance that excess. The antecedent difficulty in working out any proposition along the above lines will be apparent when it is remembered that the Dividend is a *proportion* of the conventional cost of a *proportion* of total production—and that the rate of Dividend distributed in any accounting period has no relation to the Production-consumption operations of that period, but to those of the preceding period. There are more than one of the proverbial "thirteenth" pigs which won't keep still to be counted.]

#### PIANISTS' CAREERS.

Dear Sir,—Mr. R. Laugier, in his article on Pianists in your issue of June 20, has missed more points than I should have thought possible in the space of a column and a half.

It is fortunate that he missed forty of the pupils as well—had he heard them all he would probably have become still more depressed and, consequently, more cynical. He writes from what I imagine to be a French point of view.

On Saturday last I had the pleasure of listening to twenty-four aspirants to musical fame. This was at a contest for one solitary scholarship, and it took place in London.

The successful competitor, a bass singer from Derby, gave a splendid rendition of Liza Lehmann's "Myself When Young." Immediately he had finished the twenty-three other competitors (there were no "friends or relations" present) burst into a round of applause which was more hearty and spontaneous than many indications of approval heard in concert halls.

Shortly afterwards it was announced that he was the winner. The enthusiasm with which his rivals greeted this announcement would have surprised Mr. Laugier immensely.

What your contributor has left out of account altogether is that spirit of competition which is so characteristic among artistes and would-be artistes—in this country at any rate. My long experience of music of every sort has convinced me that the vast majority of those who study do not in their hearts anticipate becoming celebrated virtuosi. They study because they love music. Thousands of people study because they know that, with a full knowledge of the subject, they will derive vastly enhanced enjoyment when hearing others play.

Another point that your contributor has completely failed to observe is this. Were it not for the students the audiences for those who do succeed in establishing themselves would be sadly depleted.

The tragedy of defeated hopes which so painfully depresses Mr. Laugier exists to a very large extent in his own imagination.

I have just shown the article and this reply to Madame Lily Payling, the eminent prima donna who, in the past twelve months has dealt with nearly four thousand pupils. She endorses everything I have said and adds that, in her opinion, failure to pass any examination results in an increased interest being shown.

In conclusion, on what assumption does Mr. Laugier base his statement that "We kill a dozen young men to make a competent airman"? This is about as true as his suggestion that "We break the hearts of thousands of musicians."

ERIC LITTLE,  
Associate Editor, Music Trades Review.

### The Alberta Report.

*Social Credit* of June 21 publishes Major Douglas's first interim report as Reconstruction Adviser to the Alberta Government. Its recommendations are:

1.—The systematic provision of a News circulation system under the unchallengeable control of the Province, particularly in regard to radio facilities of sufficient power to cover a wide geographical area.

2.—The organisation of some Credit Institution, either under the Dominion Bank Act or otherwise, which will give access to the creation of effective demand through the credit system, on principles already well recognised and established.

3.—Systematic organisation directed to the accumulation of what, for the purposes of this report, may be termed "foreign exchange," i.e., effective demand not subject to attack as being recognisable as having been created within the Province.

The official text is given verbatim in *Social Credit*, and extends to over five columns. The "Preamble" and the "Nature of the Preliminary Inquiry" divide the text about equally. As we have only just seen it, we are unable to discuss it this week, except to say that the technical and legal factors involved in any pioneer legislation and administration by the Government of Alberta are carefully examined and weighed. In different degrees the report will be of assistance to all other Governments of federated States, and it is to be hoped that they will give it the attention it deserves. We should be pleased to publish it in full, but whether we do or not depends on our receiving authority to do so.

P.S.—Since this was written a copy of *The United Farmer* (Alberta) for June 7 has come to hand. It contains the full text of Major Douglas's report.

### Notice.

The Social Credit Secretariat and its journal, *Social Credit*, take up new quarters, both at 163a, Strand, W.C.2, as from June 25.

### Forthcoming Meetings.

#### London Social Credit Club.

Blewcoat Room, Caxton-street, S.W.

July 5th, 7.45 p.m.—"The Labour Party and Social Credit," by Mr. H. Norman Smith, Prospective Labour Candidate for Faversham Division, Kent.

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

#### The New Age Club.

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

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