

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

### Mr. de Valera on Credit.

The *Irish Press* of December 4 contains a report of the debates at the Ard-Fheis. They afforded Mr. de Valera an opportunity to defend the Government's record and explain its attitude. Under the first head the main feature was his recital of progress achieved in two directions: (a) increases in the volume of production and (b) decreases in the volume of imports. Under the second head the feature of dominant interest was his discussion of the question of credit-control. Referring to the Commission of Inquiry into Banking, he said that when the Government receive the Report they will examine it "from their own point of view" and "with a view to the interest of the community as a whole." So far, this assurance does not differ in its vagueness from those made familiar by Ministers of all sorts of Government. But Mr. de Valera did not end on this note of evasion. He proceeded to say:

"As one who tried to understand the question of credit-control long before it was taken up by its present advocates, I would say that I know of no method of monetary control that is going to enable the people of this country to dispose of the surplus bullocks."

"Behind all this is a question of direct organisation, and you will have to get a change of heart amongst the people in order that they shall realise their obligations to play their part in enabling their neighbours to live. These things have to be done over and above anything that might be done in the way of credit-control. I think it is right that we should have an open mind on the subject, but I want to say that there is a problem here that will not be solved by a change in the monetary system."

He recognised that there were anomalies in the money situation. He had been shocked to find that such things could happen as, for example, the successful raising of a loan to build a cinema, while such a loan could not be obtained for industry.

"Like others, my inclination is to say: 'Confound the banks and others who control credit in that way.'" But, he continued:

"It is not the banks who are responsible. It is because

people would always spend money in cinemas, and because it was certain that the money invested in them would be got back, and something more. I would remind those interested in credit-control that its exponents would themselves say that it is not the banks that are responsible, but the present system."

With regard to economic developments, the following were among the figures quoted by Mr. de Valera illustrating progress made between 1931 and 1935 (first ten months in each of these two years):

- Foodstuffs of animal origin imported into the Free State in 1931 were valued at £2,130,000. In 1935, £131,000.
- Imported grain fell from £6½ millions to £3½ millions in the same period.
- Wheat acreage expanded eightfold (from 21,000 to 163,000 acres) in the same period.
- General tillage increased from 1,425,000 to 1,496,000 acres contemporaneously.
- "We have doubled our total production each year."

This section of his speech was intended to show that the Free State had made long strides towards economic self-sufficiency in the physical sense. Not only was home production larger but more diversified, with the consequence that young people, who once had to emigrate to get jobs suited to their talents, were now having such jobs provided in their own land. Mr. de Valera cited in this context a joke in a comic paper saying that the Minister of Commerce was contemplating the building of a factory to produce keys for the opening of new factories.

Lastly, turning to high political policy, Mr. de Valera submitted that the objective of achieving self-sufficiency for Ireland would be most easily facilitated by some form of republicanism. He seems here to be trying to sweeten the old spirit which had moved Irish patriots to acclaim any sort of policy which would injure or embarrass Britain. He seeks, in form, to superimpose on the will-to-revenge the will-to-reconstruction as the fundamental basis of the republican structure of government. His allusions to Northern Ireland were compatible with this diagnosis. Though adhering as steadfastly as ever to the idea of the merging of North and South in a single Ire-

land, he more than hinted that the realisation of this idea would come through spontaneous mutual reconciliation created by the logic of uncontrollable events. Irish unity was, so to speak, fated to happen, and would come to pass notwithstanding anything that the North thought and did against the South, or the South against the North. The moral implicit in Mr. de Valera's attitude could be construed as meaning: Let us, in the South, so reconstruct our economy that we can flourish by minding our own business, and, by thus eliminating provocation, work along the grain of evolution towards the destined reconciliation.

\* \* \*

But Mr. de Valera is not making undue concessions to existing prejudices either in Northern Ireland or in Britain. On December 8 there was a paragraph in the *Empire News* which read as follows:

"Mr. de Valera states that his Government is taking steps to secure the return to Ireland of the remains of Roger Casement from Pentonville Prison so that reinterment may take place in the Free State.

"Numerous formalities would have to be gone through before there was any disinterment."

This is hardly likely to hasten the process of reconciliation between North and South; but then, neither was the pointed pomp and circumstance attending the burial of Lord Carson recently. The British Press was discreetly silent about Carson's record as an apostle of the use of military force against the carrying out of an electoral mandate. As we have hinted before in these Notes, it is even yet arguable that Carson and his rebellious associates caused the Great War to break out. The new generation of voters in this country who have just come of age do not know that shortly before they were born the Ulster leaders were openly threatening to "kick the Crown into the Boyne" and to invite the Kaiser to occupy Ireland with armed force; also that they were raising an army of what we should now call "Orange Shirts" to prevent Asquith's Home Rule Act from taking effect. The disaffection spread to officers in Britain's regular army, some of whom demanded guarantees from Col. Seely (then Secretary of State for War) as to what orders they should obey if they were sent to Ireland to deal with the revolt. The Asquith Cabinet made the gesture of procuring Col. Seely's resignation in order to symbolise the doctrine that in matters of State policy the representative civil authority is master of the military heads, and that no Minister of State is entitled even to discuss policy with technical functionaries of any sort. But obviously the resignation of Col. Seely did not cure the disaffection in the British Army, nor cause the demobilisation of the "Orange Shirts." The Asquith Government were placed in a dilemma. Either they had to allow the Constitution to be flouted, and the people's mandate set at nought, or they had to take the extreme course of invading and blockading Northern Ireland. Further, they would be bound to arrest Carson and his confederates and try them for high treason. This last course was not so simple a matter as it would appear to onlookers who believed (as they do even to-day) that there was real deep-rooted antagonism between the Front Benches of the House of Commons. As Hilaire Belloc had pointed out in *The Party System* a year or two before (but to a select and negligibly small audience of truth seekers) the two Benches were one Bench, and if they ever fought each other it was only an exhibition contest for the edification of enfranchised mugs—a sort

of circus to which the ballot paper was a ticket of admission.

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There existed then, as now, what may be called the *esprit de caucus*, which over-rode allegiance to party principles, Unionist or Liberal. (There was no Labour Party to be negotiated with.) To call them principles is to rate them too highly—the correct term is *party conventions*, that is to say party-coloured variants of the application of one common principle, which was to conceal the actuality of autocratic government by a privileged minority behind the illusion of democratic forms. To-day, of course, this *esprit de caucus*, or "honour amongst Front-Benchers," is reflected in the Three-Party merger supporting the "National" Government; but at the time we speak of the pretence of mutual implacable hostility between the two Front Benches was in full swing. Hence, when Carson and his Unionist confederates trained firearms on the franchise the electorate—whether they supported Home Rule or not—expected the Liberal Government to do something drastic about it, even to the point of using force against force. It is an open secret that on the eve of the War the Cabinet were at the point of doing this, and putting Carson and his confederates on trial for treason. To falter was to kill all belief in the efficacy of the democratic principle. That principle was being simultaneously threatened by the success of the Suffragettes' quasi-military tactics, and, in a modified sense, by the preparation of the newly-formed Triple Alliance of transport workers to declare a strike in the autumn of that fatal year. You can imagine what Christabel Pankhurst would have had to say if the Government, who were condemning the methods and punishing the members of the Women's Social and Political Union, had turned a blind eye towards Ulster where the same methods were being pushed to their extreme limit. No; an example had to be made of Carson and company or the fat of physical force would have fed the fire of domestic politics and reduced faith in the franchise to cinders.

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Imagine, then, what a blessed relief it was when some obscure person in the Balkans formed and carried out the decision to remove the Austrian Grand Duke. The accepted theory that the Kaiser seized this occasion to precipitate war because it coincided with the British Government's dilemma in no way alters the fact that he provided the Government with a means of escape, namely an excuse to enter the war, nor invalidates the theory that the Government entered the war for that reason. And this theory gains support from the fact that upon the Government's decision to send the ultimatum to Berlin, Lord Morley and John Burns resigned from the Cabinet. For of all Ministers alive at the time there were none of whom it was more manifest that they would not allow high-political expediency to over-rule their conscience. No one could have imagined either to have listened to the Machiavellian proposition: Let us declare war abroad in case there may be war at home. And, as it transpired, neither of them had been informed of the commitments which Sir Edward Grey had entered into with France—commitments on which the Government founded its plea that Britain's entry into the war was an obligation of honour. The plea that Belgium's neutrality had been violated was twaddle. The violation followed Belgium's refusal to grant Germany's request for a right of way through her territory; but Belgium

refused under what amounted to orders from Downing Street. It was true that she would have refused in any case; but the reason would have been that she was bound to be drawn into the fight on one side or the other, and, in choosing sides, it was safer for her to side with the British and French, whose military missions during the previous five years had "violated her neutrality" by inspecting her fortresses and armaments. All this was known in Berlin, and it suffices to explain and justify the peremptory character of Germany's demand for a right of way. The famous "scrap of paper" was already in pieces, and Germany's action did no more than force the disclosure of the fact. It will be remembered that the *Daily News* (as it was called at the time)—the repository of the Nonconformist Conscience—was strongly advocating Britain's maintaining neutrality right up to the expiry of the ultimatum—that is, after the Government's pleas and indictments were known; and that goes some way to show that responsible opinion was not unanimous about the alleged moral compulsion on this country to engage in hostilities. True the *Daily News* rather smudged its copy-book by pointing out that a neutral Britain could prosper by supplying munitions to the belligerents; and its contemporaries did not fail to make it pay for its frankness when we were definitely engaged in hostilities, and the whole duty of man was to kill Germans in the name of the Lord. Newspaperdom knew nothing of what we know now about the money game, but it knew enough to be aware that war afforded plenty of opportunities for making profits, and that you need not stay out of a war to cash in on a war. As is now realised, it was better to go in, for British soldiers would be certain customers for British industry, whereas foreign soldiers would not. Besides that, if Britain had stayed out the Germans might have won the war before any belligerent had been reduced to the necessity of ordering munitions from neutrals. From this point of view Britain's entry into the war had the healthy effect of prolonging it by balancing the forces opposing each other.

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These reminiscences serve more than one purpose. Apropos of the German "war-guilt" legend, they show how the twists and turns of British rulers to keep a false democratic system in being had the ultimate effect of destroying democracy in Germany. Hitler rose to power chiefly by rallying his countrymen in repudiation of that legend. And the fabrication of it had its origin in the British Government's fear of putting to the test the legend of the supremacy of the will of majorities over that of resolute minorities. An electoral majority in favour of anything is of no value to any interest which does not possess the power to get that thing anyhow. The illusion that a majority vote confers powers on the interests asking for it arises from the fact that the successful interests already possess, among other powers, that of getting the majority vote. They appear to gain power by getting votes, but really they gain votes by getting power. The reason they seek votes is to keep alive the fiction that they can't achieve their purpose without them. Carson and his confederates were only trying to gain their ends by the same kind of means as were bankers and capitalists. What differentiated them was their resort to a form of pressure which cannot be concealed, namely military pressure. You cannot use armed force without detection. That is the fundamental difference. A bank can cause events to happen which look as if they have oc-

curred naturally. And so in less degree can a capitalist combine or chain of interlocking combines. And since events are the material on which appeals are made to the electorate, and constitute the frame of reference of what is called "practical politics," the banker or the capitalist swings the votes by selecting the appropriate events. Of course, in the ordinary way all sorts of tricks of persuasion are brought into the process, but in the ultimate analysis it will be found that these refer to superficial issues which, so far as the big banking and capitalist interests are concerned, can be left to be decided by clever oratory. Where fundamental issues are raised for decision by the electorate (which rarely happens, because they are mostly raised between the elections) it will be found that the accompanying events or circumstances—"the facts to be faced" (always hard facts!)—rule out as impracticable any other decision than the one which the rulers seek from the electorate. On the other hand, a threat to use military force without legal sanction (connoting the approval of the majority) leaves no possibility of the people's mistaking its significance as a challenge to democracy as they think it works. One of Carson's associates, indeed, was responsible for the dictum that: "The voice of the people is the voice of God—with a hiccup," namely, the late Lord Birkenhead, known in those times as Galloper Smith; and this indicates how near the temper of revolt in Ulster came to a formal and frontal repudiation of the democratic principle itself. Carson had to be stopped; and it is an eerie reflection that if the assassination in Serajevo had not taken place when it did Edward Carson might be lying to-day where Roger Casement lies. Well, let the matter end on the happier reflection that since each of these men loved his own part of Ireland the contemplated re-interment of Casement in the same soil as covers Carson may turn out to have been a rite foreshadowing the burial of antagonisms which delay the achievement of Ireland's unity and prosperity.

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Such a reflection leads naturally to the question of what Mr. de Valera is likely to contribute towards that end. If we judge by his declared attitude towards Social Credit, not much. He affords evidence that he has not understood it technically, and that (as logically follows) he mistakes the precise relationship of Social Credit to the politico-economic problems of the Free State. For example, he speaks as if the object of Social Credit were (among other objects) to solve the problem of how to remove obstacles to exports—as he illustrates it:—"to dispose of surplus bullocks." Without the context (for the cutting sent to us does not contain the whole of his speech) it is not clear what he means by "surplus." There can be a surplus to what the people of the Free State need for their own consumption. If that is the kind of surplus, the people would not produce it under Social Credit. But if it is a surplus which, though needed internally, is not disposed of because the people are short of purchasing power, Social Credit provides the means for them to buy it. Again, if it is a surplus in the sense that it is earmarked for export in order to secure imports of equal value within the framework of the existing exchange system, Social Credit would facilitate the operation: it would enable the Government to assist exporters to lower their prices to the level necessary to obtain foreign orders, and thereby to command foreign exchange valid for purchasing imports. That is the technical facility. But perhaps Mr. de Valera would allow this, and base his scepticism on

the possibility that financial interests in foreign countries (it being assumed that these were following out orthodox credit systems) would place obstacles in the way—perhaps by means of high tariffs, or even discriminatory prohibition of imports from the Free State. If so, there are two answers. The first is that a rise in a country's tariff schedule punishes the population by causing a rise in internal prices. The second is that if, instead of a rise in tariffs applicable to all imports, there were an embargo aimed at keeping out Free State goods alone, this would be a manifestly unfriendly act for which the Government would have to produce some reasonable explanation. A Government can plausibly justify an all-round exclusion of imports on the plea of injury otherwise to home producers. But how could a Government justify the shutting out of imports from the Free State, while allowing other countries to come in and capture the markets denied to the Free State? What injury would be remedied or averted? None, unless the Free State had previously been dumping goods at scrap prices: but that would be to suppose the Free State Government stupid enough to part with goods at prices far less than they would fetch. Mr. de Valera is sufficiently a realist (as his speech attests) not to give away something for nothing. And it is pertinent to allude here to the fact that Japan is apparently doing this very thing without incurring such reprisals as we are speaking of. For instance, listen to this humorous tit-bit from *Gringoire* (Paris) of August 2.

"M. Roger Labonne in *The Figaro* tells us that Italian militia, departing for Massouah, are wearing black shirts made in Japan and priced at 3 lire as against 15 lire for Italian-made shirts. These Japanese goods bear, in good Italian, such phrases as 'Long Live the Duce!'—'Abyssinia is Ours!'"

It looks as if the East will be East when the West has gone west if this sort of enterprise goes on. And, as we say, no country has yet taken steps to discriminate against the outflow of Japanese generosity. But then, Japan is a big Power.

And this is where our realist friend, Mr. de Valera, might pull us up. He could cogently argue that the Free State is not a Power at all as yet, and might easily be penalised notwithstanding that Japan gets away with it. And if so, he could ironically thank us for our assurance that countries which discriminated against him would thereby disclose an unfriendly attitude without just reason. Well, in one sense we should have to scratch our ear and confess that the disclosure would rather serve the purposes of Social Credit publicity than Free State prosperity. Yet on deeper examination there is less substance in the risk envisaged than would be the case if the Free State were the only country in which advocacy of Social Credit is going on. It is not reasonable to suppose that any country which took the lead and did something definite would find itself left in the lurch when it had incurred reprisals of the sort we have been discussing. The Social Credit front extends through the key places of the Empire; and when once evidence of "something really doing" emerges from any sector there will be some startling repercussions. Somebody will have to hold the baby first, but it doesn't follow that he'll be left to nurse it.

#### NOTICE.

All communications requiring the Editor's attention should be addressed direct to him as follows:  
Mr. Arthur Brenton, 20, Rectory Road, Barnes, S.W.13.

## The Goldsborough Bill For Social Credit.

74th Congress, 1st Session—H. R. 9216.

### II.

The total amount of the new deposits arising from the discounts shall be charged daily to the National Credit Certificate Account. In turn, this account shall be credited and the General Ledger Deposits Account shall be charged with the equivalent amounts, so that the National Credit Certificate Account shall be at all times approximately in balance.

Settlements may be made regularly with the Treasury at any convenient period, or as may be designated by the National Credit Commission. Said Commission may authorize the District Federal Reserve Banks to make settlements as its representatives.

Retailers' deposit accounts written up by the method herein provided shall be treated by all banks as part of their circulating deposits, just as if the write-up had occurred through the discounting of the customer's own note, and the checks drawn against them shall circulate in the usual manner.

#### CLEARING HOUSE OPERATIONS.

Sec. 304. All clearing house associations and all correspondents authorized to make interbank clearances are hereby authorized and instructed to accept national credit certificates from any bank in settlement of interbank balances, in the ratio that the amount of deposits they gave rise to bears to the total deposits of the bank tendering the certificates. Any banks receiving said national credit certificates in settlement of a favourable balance from its clearing house is hereby authorized and instructed to credit its National Credit Account with the amount so received and to charge its General Ledger Deposits Account with the same. In like manner, the bank so disposing of said certificates shall credit its General Ledger Deposits Account and charge its National Credit Certificate Account with the face value of the certificates so disposed of. Both the paying and receiving banks shall then distribute the credits or debits to the customers entitled to them in the usual manner and shall charge or credit the National Credit Certificate Account with the corresponding total.

#### DECLARATION OF POLICY.

Sec. 305. It is the intent of this Act that the National Credit Account in all banks shall be maintained in approximate balance at all times.

It is the intent of this Act to control the volume of the means of payment for goods and services in harmony with the ability of the whole nation to produce and consume them on a rising standard of living, so that excess expansion of money and a consequent undue advance in the price level shall not occur, and that the present system of issuing money through private initiative for profit, resulting in recurrent disastrous inflations and deflations, shall cease.

To such end the privilege of the commercial banking system to make loans and issue deposits against them on the basis of fractional reserves is hereby rescinded. The right of the banks to loan the means of payment shall be limited to the amount of primary deposits in their possession and their own resources. Such loans shall be for account of depositors, and shall be charged against the balances of said depositors and credited to the borrowers' deposits, said depositors and credited to the borrowers' deposits, act solely as agents in the loaning of customers' deposits, and shall receive therefor a commission for collection of interest, the amount of which shall be fixed by the National Credit Commission, but not in excess of ten per centum of interest return upon such loans; *Provided*, That upon the authority of the National Credit Commission the banks may at their discretion allow interest, not exceeding one per centum per annum, to time deposit customers whose funds they have been unable to loan or who desire to retain their deposits unemployed. The responsibility of the banks to their customers under this provision shall be the same as now obtains in the existing system of "loans for account of others."

The privilege of the banks to rediscount commercial paper and borrow upon Government securities at the Federal Reserve Banks shall be limited to collateral actually owned by them. Collateral security conveyed to them as agents for depositors for whom they have negotiated loans shall be held in trust for account of such depositors during the life of the loan.

Depositors who have authorized the loaning of their deposits shall give sufficient notice to the bank of their desire to withdraw such funds. The banks may transfer any loan from one depositor to another, at the same time transferring

the collateral in trust, rather than having recourse to calling in the loan and reissuing it.

A bank shall be entitled to charge a commission to the borrower for negotiating loans not exceeding one per centum of the face value of the loan.

#### BANK DEPOSITS PAYABLE IN LEGAL TENDER CURRENCY.

Sec. 306. It is hereby enacted that the Comptroller of the Currency shall at all times be prepared to meet the requirements of the banks for such currency, legal tender for all debts public and private, as may be called for withdrawal from them by their customers.

Transfer of collateral to offset the drafts of currency so demanded shall not be required of the banks. The privilege of creating deposits upon a fractional basis of reserves having been withdrawn from the banks in the interest of sound national money, it becomes the responsibility of the National Government to see that the primary bank deposits already brought into existence under the existing system can be validated.

The banks shall return all currency that has been withdrawn for validation of deposits to the Comptroller when redeposited, excepting only such working reserves of normally circulating currency as may be required. Nothing in this Act shall be interpreted as releasing the banks from obligations they have already incurred to the United States Treasury or Federal Reserve Banks for currency now in their possession.

The banks shall furnish a strict accounting of the currency called for by their customers in excess of normal requirements of business, such as might occur in time of financial stress.

The banks shall act simply as agents of the Comptroller of the Currency in validating bank deposit money with legal tender currency and no charge therefore shall be made upon either side for such service.

Sec. 307. Improper use of the certificates herein provided to be issued shall be a misdemeanor and shall be punished by a fine of not exceeding \$10,000 and imprisonment for not exceeding five years.

#### TITLE IV.—CREDIT CERTIFICATE RETIREMENT FUND.

##### DECLARATION OF POLICY.

Sec. 401. In order to establish a system of circulating money which shall at all times conform to the capacity of the industries and people of the United States for the production of wanted goods and services, it is hereby declared to be the policy of Congress to prevent the undue expansion of money as well as to eliminate the contraction of money whenever deemed necessary by the Federal Reserve Board and its Open Market Committee, that the present controls over the supply of money through open market operations and the discount rate shall be employed as heretofore to maintain a balanced credit structure.

##### ESTABLISHMENT OF CREDIT CERTIFICATE RETIREMENT FUND.

Sec. 402. In order to effectuate the purpose of this title, a Credit Certificate Retirement Fund shall be established for the purpose of retiring from time to time, as hereinafter provided, the Treasury credit certificates herein authorized. For said fund there shall be set aside one-fourth of the national revenues in each fiscal year over and above the amount required to balance the normal budget estimates for that year.

##### RETIREMENT OF CREDIT CERTIFICATES.

Sec. 403. The Secretary of the Treasury shall use said Credit Certificate Retirement Fund, or such portion thereof as shall seem to him advisable, for the retirement of said Treasury credit certificates whenever in his judgment, acting upon the records of the Federal Credit Commission, an unduly expanded monetary condition exists or is impending.

If, in the opinion of the President of the United States, the operation of the Retirement Fund as above provided is insufficient in any instance to check an unduly expanded monetary condition, or an inflationary rise of the general price level, the President is authorized, in his discretion, to establish a negative retail discount rate not to exceed 20 per centum upon all goods and services, except foodstuffs, clothing, household fuels, dwellings, and rentals of dwellings. Said negative retail discount rate shall be subject to the same provisions of law as the retail discount rate.

The negative retail discount rate, whenever imposed, shall be added by the retailer to the retail price of goods and services to customers, and shall be reported by the retailer to his bank, upon forms to be prescribed by the Secretary of the Treasury, and paid to the bank. Payments of said negative retail discount shall be credited by the banks, as received by them, to the national credit account, and the

proceeds thereof shall be applied to the retirement of Treasury credit certificates in like amount.

It shall be the duty of the Federal Credit Commission to collect and maintain all statistics and information which shall be required by the Secretary of the Treasury or the President for the purposes of this Title.

#### TITLE V.—GENERAL PROVISIONS.

Sec. 501. The National Deposit Insurance Act is hereby repealed and the Federal Deposit Insurance Corporation is ordered to be wound up.

Sec. 502. Any person who violates any of the provisions of this Act shall be punished, upon conviction thereof, by a fine of not more than \$1,000, or imprisonment for one year, or both, in cases where no other punishment is provided in this Act.

Sec. 503. In addition to the specific powers conferred by this Act, the Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary to carry out the provisions of this Act.

Sec. 504. The necessary moneys for carrying out the provisions of this Act are hereby appropriated, and this appropriation shall be deemed a permanent and indefinite appropriation.

Sec. 505. All laws and parts of laws inconsistent with the provisions of this Act are hereby repealed.

Sec. 506. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

#### SHORT TITLE.

Sec. 507. This Act may be cited as the "National Income and Credit Issue Act."

(Concluded.)

## The Doctrine of Economic Fatalism.

By John Hargrave.

[Reprinted from the *New Economics* (Melbourne) of October 18, 1935. Originally contributed to *The New Age* of January 30, 1930.]

Mr. Herbert Rivers, in his miscellany, "About Things" (*NEW AGE*, January 16), points out that Paul's doctrine of theological fatalism is parallel to the doctrine of economic fatalism.

In the same issue (p. 123-4) the writer of the Notes of the Week says of Social Credit that it

"is a policy which can afford simultaneous alleviation" to present economic straits, "and ultimately remove them, but since its adoption involves interference with the bankers, and the bankers' rule over Cabinets and Parliaments, it can only be ushered in by influences working outside the representative system. These influences should largely work outside the business system, because inside that system there is such abject acceptance of bankers' policy, whereas the new policy demands at least a suspicion of the existing one, and preferably an informed and sustainable rejection of it." (My black type.)

I entirely agree. The introduction of Social Credit involves interference with banking policy, and therefore "with the bankers," since policies do not exist apart from human agencies. It is also clear that Social Credit can only be ushered in by influences working outside the representative, parliamentary system. We have all arrived at that conclusion by this time. These "influences" (what a good word it is!) should also work largely outside the business system, because that system is unable to break free from the financial network spun over it by the operation of the bankers' policy.

That destroys one of the planks in the doctrine of economic fatalism, for we have been told: That the introduction of Social Credit is quite inevitable; that sooner or later it must and will come about, because of the flaw in the present system, the consequences of which are pressing more and more heavily upon business men; and that, eventually, when, at long last, after making all sorts of experiential, when, at long last, after making all sorts of experiential (such as the Beaverbrook-Rothermere Empire Free Trade experiment), these disillusioned Business Men come,



## Movement Notes.

### "Douglas Social Credit."

A new magazine called *Douglas Social Credit* has been brought out in Toronto (203 West Adelaide-st.). It contains 32 pages and costs 10 cents. It is edited by Mr. C. V. Kerlake, whose name will be familiar to everyone in touch with the Movement in Canada. It is intended to serve the Movement there without being attached to any organisation. Among other features in the first number (November, 1935) the correspondence between the Green Shirt Movement and Mr. Montagu Norman is reproduced in full with acknowledgments.

### "Prosperity."

The December number of *Prosperity* starts a new volume and is the first to appear under the widened auspices of the Petition Council formed by Mr. William Ward. It contains 16 pages and costs 2d. (overseas 3d.). This number gives particulars of the directors and officers of the Petition Council, the Prosperity Campaign and the League to Abolish Poverty, also the names of the (at present) eight "supporting organisations." We notice that the Dean of Canterbury still remains on the directorate of the League to Abolish Poverty although he is "Director of Revenue" to the Social Credit Secretariat and a Director of its recently incorporated Company. This suggests that the L.A.P. is an extension of the Secretariat. There is no reason why it should not be, but the public recognition implied by this interlocking of directorates makes it difficult to understand the Secretariat's refusal of recognition to the London Social Credit Club. The most probable explanation would be that the Secretariat had made an arrangement to get a rake-off from the L.A.P.'s revenue. If this is not the explanation, the policy of the Secretariat becomes less and less intelligible. It is absurd that THE NEW AGE, The London Social Credit Club, and the Social Credit Party of Great Britain—namely three declared "Social Credit" organisations—should be boycotted by the Social Credit Secretariat. Apparently the Prophets of Social Credit are not without honour—except in the Social Credit Movement!

Professor Soddy and Mr. Arthur Kitson are among the contributors to the present issue of *Prosperity*.

## Forthcoming Meetings.

The Social Credit Party of Great Britain.  
(THE GREEN SHIRTS.)

National Headquarters: 44, Little Britain, E.C.1. 8 p.m.  
Wednesday, January 1.—Lecture: John Hargrave:  
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