

THE NEW AGE

INCORPORATING "CREDIT POWER."
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NOTES OF THE WEEK.

Diet and Maintenance.

In *The Times* of February 14 there was a leading article on the subject of food in relation to health in which, among other matters, the writer alluded to the "readiness" of the Government "to make agricultural policy march in step with health policy." This has evoked correspondence from Lord Radnor, Mr. Cloudesley Brereton, and Mr. George C. Curnock, among other contributors. Their letters exhibit one common characteristic, namely, they show these writers to be men of sound sense on the question of objective, but of defective knowledge on the question of method. Take the sound sense first. Lord Radnor thinks that an investigation into the nutritional value of many of the foodstuffs we consume (and specifically into the comparative merits of tinned, frozen, and otherwise preserved foods on the one hand and fresh foods on the other) ought to be undertaken by the Government. The expenditure entailed by it would be, he thinks, money well spent. Mr. Brereton wants to know why British troops cannot be fed on British meat. The extra expenditure entailed by it would be, he thinks, money well spent. Mr. Curnock wants the Government to standardise a high-grade whole-meal flour and make it accessible (through bakers) to poor and rich alike in replacement of the inferior white bread. The extra expenditure entailed would be, he thinks, money well spent.

* * *

Money well spent! Is it not impressive to reflect on the innumerable ways in which money can be well spent, and upon the enormous cloud of witnesses which compass us about with their testimony as to the assured fruits of such "well" spending? Everything affirmed by the three correspondents named above on this aspect of policy will be greeted with the universal response: "Of course" from the sense and conscience of the community. The Food of God's hands for the

Creatures of God. Amen. Finished. There is no room for argument.

But alas, as soon as we turn from these counsels on how money can be *well gotten* we turn from a situation of purposeful concord to one of purposeless discord. We are divided and scattered by defective knowledge about every aspect of money—its origin, its nature, its scope of accessibility and use, and all else. We find—or think we find—that when we would do good by the spending of money we undo good by the getting of it. Why can't we add good to good? Why must we, to all appearance, subtract from the good we enjoy in order to promote the good we contemplate? Why?

That is the dilemma in which our three correspondents place themselves (without knowing it) when they proceed, as they do, to suggest *well* ways of raising the money that is to be *well* spent. An "ear-marked tariff," or "levy-subsidy," says Lord Radnor (entirely endorsing *The Times*) will "provide some money." Quite so; but by extracting it from the food-consuming taxpayer. Then he quotes with approval Sir John Orr's suggestion to the Farmers' Union that another source of money could be a "lowered cost of distribution." Quite so once more; but by disemploying and impoverishing food-consuming distributors. Mr. Brereton puts forward the suggestion that the extra expenditure incurred in supplying British soldiers with British meat should be debited by the War Office against the Ministry of Agriculture. The sum in question would be added to the War Office's appropriation under the Budgetary Votes, and subtracted from that of the Ministry of Agriculture, thus avoiding, he claims, any addition to the burden on the Exchequer. It will be seen that he calmly assumes that the sum to be so diverted is at present being ill spent—or at least not so well spent—by the Ministry of Agriculture as it would be by the War Office. This is conceivable; but we will wager that the Ministry of Agriculture could easily show that the diversion of the

money for wise spending on the new objective would involve unwise saving at the expense of an old one. Mr. Brereton seems not to realise that while "burdens" on the Exchequer represent imposts on taxpayers, yet at the same time they equally represent disbursements of money among taxpayers. One man's meat is another man's poison, so the saying goes; and it applies to the British Soldier's British Steak: someone or other will be visited with some *ad valorem* sacrifice or other to provide these extra Vitamins for Valour. It will be profitable for Mr. Brereton to reflect on the following question: Why should the better feeding of soldiers be financed by Retrenchment, while the better arming of soldiers is to be financed by Borrowing? Why not the reverse? Even in the orthodox financial frame of reference no one can gainsay the fact that a healthy man is an infinitely better "revenue-earning asset" for the nation to acquire or maintain than is an implement of destruction. Yet the orthodox policy is to borrow, and to burden posterity with, the cost of weapons, which do nothing to bequeath benefits to them, while refusing to borrow, and therefore burdening the present generation with, the cost of health, which is fundamentally the most precious possession we can have and the most certainly transmissible to future generations. Given that the only choice is between Borrowing and Retrenchment, let us borrow on the asset of Life and retrench on the liability of Death.

* * *

We have sometimes challenged Pacifists, who hold that the "people" are responsible for the race in armaments, to insist that the whole cost be visited on these "people" to remind them in the most realistic way of the penalty attaching to their wrongheadedness. Their answer, we suppose, would be that this is not feasible—that the "people" cannot afford to pay spot cash against the high armament-bills they sanction. What a situation, when at the same time the "people" are told that they've jolly well got to afford the cash against such bills for economic betterment as they sanction. The soldier's rifle?—oh, the City will stake a loan on that: we won't burden the Exchequer—or at least only for interest. But the soldier's steak?—oh, it's a pity, but we shall have to rifle the money-box of the sailor's wife and sneak the "Baby's Shilling." Shades of Invergordon!—are our rulers only to be taught sense by "mutineers"?

* * *

We now come to the next, and last, of the three correspondents. Mr. Curnock wraps up his valour as a financial adviser in vagueness. He thinks that if the Government will only standardise the right kind of flour, guarantee the millers the business of "all Government and municipally-controlled institutions," and encourage bakers, under licence, to supply the equivalent standard bread to the public, then, under such a system of "control," it "should not be difficult" for a price to be "fixed" which would "enable the poorest to have their share." Well, it won't be difficult provided that the collective fixed price is low enough to enable the poor (and other consumers) to buy the same quantity (or any less quantity that will now go as far as the old-style bread) as before, and also provided that the collective fixed price is high enough to enable the millers, bakers, and other parties to production to make as much profit as before. Even so, there would be room for secondary difficulties to appear; but let us leave that contingency aside for the moment.

Mr. Curnock is probably counting on the fact that a well-advertised and standardised product can be produced at a lower price per unit than can an assortment of variants from the standard. In the case of his standard brand, the Government would mobilise and direct a national demand which would be met by the mass production of the selected ingredients. To cheapen mass production the most efficient mills would be selected and given full-time loads of work, thus lightening the incidence of overhead charges on unit prices. Other mills would be scrapped—or at least only worked until more efficient ones were constructed. By this and other means it might be possible for bakers to sell the standard bread at no more (perhaps even less) than the millers) as before. Doubtless, the poor would be encouraged to eat more of the new bread on the ground that it was now approximately a complete food. If so, this would increase producers' revenue. That is one side of the picture. But there is another side, and it can be outlined by the statement that the increased efficiency involved in the bread-trade (so to call it) would be beset with the same difficulties as have attended attempts to increase the efficiency of the cotton trade. The principle in both cases is what is familiar as Reconstruction—a process whereby you get unit prices down at the expense of private investors who lose their money in redundant (or obsolete) plant, and of wage-earners who lose their jobs of attending to such plant. The consequence is that the many thrive on helpings from the plates of the few. The trouble is that increased efficiency (mechanical or organisational) always involves a lowered collective cost for personal service relative to the collective cost of the output. The totality of personal earnings covers a less proportion of the totality of price. Conversely the totality of price includes a higher proportion of plant-charges which (as disclosed by the Social Credit Analysis) represent confiscation of income and the purchasing-power inherent in it. To illustrate by an extreme example, supposing the whole population could be turned on to eat bread and nothing but bread, the bread industry could turn out enormous quantities at sensationally low unit prices, but the maximum collective quantity which could be purchased would depend entirely upon how many people the industry needed to employ and how much they earned. To put the matter in an extreme generalised form, if industry could be made so efficient as to produce articles at no cost at all for human service, there would be no consumption at all. It is an awkward dilemma—isn't it?—that the more products obtainable per unit of man-power the less the fraction of them accessible to the man! Too silly to be credible, isn't it? Unfortunately people have yet to realise that under our present system of "no-work-no-wages," and "the-economic-wage-rate-is-the-least-the-man-can-survive-on," nothing is too silly to be true.

What we say to Mr. Curnock is implied in what we have suggested to Mr. Brereton. Schemes of human betterment must be preceded by a fundamental change in accepted principles of financing them. Otherwise they will carry in them the seeds of their own frustration. They will be attempts to accomplish something physically desirable by financial means which exclude the possibility of its accomplishment. The whole design of "sound finance" is based on the unwritten axiom that economic progress depends upon widening as much as

possible the difference between the rate of production and the rate of consumption. Consumption is pegged down at a constant level (whether as to quantity or quality) while Production is forced up towards the top limit.

* * *

Have you heard the revised story of Pygmalion? Well, he cut Galatea out of a block of sugar, while living on the chips. When he kissed her (for she was so sweet) and she came to life, he handed her the chisel and set her to work to cut another figure in her likeness. As she didn't need to eat, being made of sugar, and didn't mind work, Pygmalion now got his meals of chips without working; and had the satisfaction of seeing a succession of Galateas come on the scene providing him with material wealth to the point of satiety. But some diabolical magician in striped trousers got hold of these girls and set them cutting stone to make images in his honour. He told Pygmalion: "You can't have any more sugar because you have given up cutting it." "Well," said Pygmalion, "I'll start again." "No," said the magician, "the girls are quicker sculptors than you are; moreover, they don't need sugar; and therefore there's no need to cut sugar any more. They will work in stone. . . ." So Pygmalion became a corpse among images, thus symbolising what we are now accustomed to call Poverty amidst Plenty.

Pepper.

Peter Piper picked a peck of piebald pepper. He made a corner in it—so he thought. But he didn't know of the pecks and pecks of black pepper which could be turned piebald by decortication. Where is the peck of piebald pepper Peter Piper picked? Well it's in store all right, but its price has gone west. And poor Peter has gone to prison to reflect on the financial risks inherent in the bounty of Nature and the ingenuity of Man. "If you think you can corner anything," said the Judge, "go ahead: it's quite legal even if it isn't very nice." On the other hand, the Judge proceeded, "if you are going to do it with other people's money you must tell them what you're after." Good law, no doubt; but would it have been invoked on behalf of us consumers if Peter had brought off his *coup* and priced our pepper at a "guinea a box"?

Football Betting.

The Football League has taken on a job in trying to stop betting by its own efforts. Parliament has declined to declare this betting illegal under advice by experts. So the bankers must be neutral! Whatever the merits of the issue, newspaper comment should not be admissible. The Press feeds generously off Pool advertising. Whether the League demanded money from the Pool proprietors is beside the point because the League is not a profit-making body. Investors in football clubs may not receive more than 6 per cent. on their money—a miserable return having regard to a weekly flutter resent the League's action. As one paper puts it, they have something to look forward to during the week. Quite so; and this "looking forward" keeps them contented with economic conditions which otherwise would make them turbulent. It is a sort of Hyde-Park safety valve. That is why the bankers do not propose to intervene. It is better that the masses should bask in the contemplation of possible winnings some Saturday or other than that they should demand winnings every Saturday, that is, the National Dividend.

Alberta Notes.

Inside Story of the "Brougham Plan."

The week-end mail has brought us a communication, and enclosures, from Mr. H. B. Brougham, dealing with the episode of his recent visit to Alberta and the general Press publicity occasioned by it. The enclosures are as follows:—

1. A printed 12-page publication, entitled *Goldsborough Bill Documents*. (Published by the New Economics Group of New York, 55, Fifth Avenue, New York. No price stated.) This includes reprints of two articles by Brougham, which appeared respectively in the *Peekskill Daily Union* and *Scribner's Magazine*.
2. Copy of letter, Douglas to Brougham, dated from London, May 30, 1934, accrediting the latter as having been, "since 1919, the official representative of the Social Credit Movement in the United States" and as "having special claims on the support of the Social Credit Movement."
3. Copy of letter, Brougham to Bowman (editor of the *Evening Citizen*, Ottawa), dated from Edmonton, October 16, 1935.
4. Copy of general "Press Statement," by Brougham issued from Edmonton, November 26, 1935.
5. Copy of general "Press Statement" by Brougham issued from Edmonton, November 27, 1935.
6. Copy of "Statement" telegraphed by Brougham to the *Christian Science Monitor* (in response to telegraphed invitation dated from Boston, November 29, 1935).
7. Copy of letter, Brougham to Whicher (secretary, Alberta Provincial Douglas Social Credit Association, Calgary), dated from Edmonton, November 29, 1935.
8. Abstract of speech made by Brougham when introducing Douglas to the New School for Social Research, New York, on April 23, 1934.
9. Copy of "Memorandum of Proposed Charter for Social Credit Organisation of Alberta," prepared by Brougham for submission, when revised, to Aberhart.

This Memorandum bears no date, but from internal evidence provided by enclosure No. 3 above, must have been prepared some time prior to October 16, 1935—probably at the beginning of that month. As soon as prepared Brougham mailed a copy to Douglas in London with the intention of awaiting a reply before submitting the "Charter" to Aberhart.

This set of documents constitute an answer to the charges (whether explicitly made or implied in comments) that Brougham was gratuitously interfering in Albertan politics, acting *ultra vires*, and usurping Douglas's functional prerogative as economic adviser. The story that they tell is, of course, *ex parte*; but this story is coherent, circumstantial, and generously annotated with names, dates, and events. Taken bodily, it is antecedently true: it draws a picture of what any Social-Credit student experienced in politics would have expected to happen as the immediate outcome of the sweeping electoral triumph of Aberhart last August. Next, it is set out temperately: it contains no provocative statement or innuendo. Lastly, though running to a considerable length, it does not drag in any matters except those which are relevant to its purpose of correcting adverse judgments on Brougham's activities.

Briefly, the outline of Brougham's account is as follows. Upon winning the election Aberhart sought contacts with various people whom he thought competent to advise him. Among these was Brougham. He and Brougham fell into company during his (Aberhart's) travels in Canada. Aberhart, in conversation, expressed interest in knowing what sort of plan could be devised by Brougham for overcoming obstacles, technical or legal, to the early implementation of the electoral man-

date in Alberta. Brougham undertook to prepare a plan. He went away, and, after an interval, completed a first draft. In the meantime Aberhart appears to have continued seeking advice from other people who were in sympathy with his objective, presumably with the laudable purpose of getting to know everything possible that might help him to fulfil his responsibilities.

When Brougham's first draft was completed he did not submit it to Aberhart: he sent a copy to Douglas. Later, he saw Aberhart, who desired to know what Brougham had done. Brougham explained that he had been faced with a "quandary," namely, that he couldn't communicate the plan to Aberhart immediately without going over Douglas's head as official adviser, and that therefore he, Brougham, preferred to await Douglas's endorsement. This displeased Aberhart, who complained that it seemed like an attempt to withhold information from him. Brougham replied that it was not a case of preventing Aberhart from knowing, but merely one of delaying the communication of the plan until Douglas had passed an opinion on it. At any rate, Brougham explained, Aberhart would get the plan from Douglas, irrespective of whether he, Douglas, approved or disapproved it. Aberhart was not mollified by this answer, and the interview ended in an atmosphere of coolness.

Meanwhile or subsequently Brougham had gone ahead revising his first draft, and eventually had a second draft ready. It was in his possession at his hotel in Edmonton. He now confirms the story cabled to the British and American Press at the time, that this draft was purloined.

Now it is important to bear in mind that up to this juncture the Aberhart-Brougham conversations had been informal and confidential—the public were not intended to know that any plans were contemplated, much less that Brougham or any other person was working on a plan. But as soon as the above draft plan No. 2 was found to be missing (and presumably stolen) Brougham realised that its contents might be published or described at any moment in quarters hostile to Social Credit. Accordingly he decided that his policy was to anticipate the contingency of enemy publicity, particularly as it would probably be given in a distorted form for the purpose of making mischief. If publicity is inevitable, Brougham reasoned, it were better for it to proceed from authentic quarters. He acted on this; and that is how the public on both sides of the Atlantic got to know of the existence of the plan and of Brougham's part in its preparation.

Assuming that there are no material errors or omissions in Brougham's account (and if there are they can easily be detected and pointed out by any of the persons named in his narrative) it exonerates him from the charges of (a) seeking notoriety or of (b) attempting to usurp Douglas's prerogatives as technical adviser to the Albertan Government. Brougham is fair in admitting that the news of this episode, as abbreviated for Press cables, made it look as if he were guilty of both charges; and he freely concedes that, at the time when the news reached London, Douglas had no option but to issue the disclaimer he did as to not having authorised his (Brougham's) action.

It will be remembered that at this same time Aberhart issued a denial of having invited Brougham to submit a plan. In the light of Brougham's present account we are driven to conclude that what Aberhart means is that no formal or official invitation was given. But if

so, it does not matter. Given the fact that the two men travelled in each other's company it is impossible to suppose that Aberhart did not show interest in advice concerning his problems as Premier, or that Brougham did not show willingness to offer it. Of course the two of them talked about this supreme political issue. Who wouldn't? What Aberhart was entitled to say, and may have meant to convey, was that while encouraging Brougham to express his views—and even to formulate them in the pattern of a plan—he did not assign pre-eminence to those views, nor engaged himself to base his policy on them. If that was so Aberhart's attitude was reasonable and correct. Reasonable, because it would have been a neglect of duty for Aberhart to miss the opportunity to listen to advice; and correct, because his engaging to act on it would have amounted to pronouncing superfluous Douglas's office and functions as economic adviser.

Brougham winds up his story with the reflection that if the temporary estrangement between himself and Aberhart has served to draw Aberhart nearer to Douglas, then any error of judgment that may have been made will be more than retrieved. We can all endorse this conciliatory sentiment and indulge the hope that in the near future we shall be able to see the whole schimozzle as having been simply a storm in a loving-cup.

A word may be added as to the documents sent to us as enumerated above. Brougham leaves it to our discretion whether to publish their text wholly or in part. For the moment we shall add them to our store of "exhibits." They will take some time to study, and some further time to dovetail in with others relating to Social-Credit politics in this country. Presumably copies have been circulated to other journals, and maybe organisations, in the Movement. If not they should be. Every person in the Movement who has the responsibility of informing and advising its membership ought to know as much as possible about what is going on therein.

What Is Social Credit?

Social Credit is the name given to a device for achieving a purpose. It is a Purpose-Device; and gets its name because the purpose is social and the device is financial.

A near analogy is that of a corkscrew. If, at the time when this implement was first thought of, the inventor had been asked: "What is a corkscrew?" he could have replied: "It is a Purpose-Device—a screw for drawing corks." Suppose we call it a *Corkdrawing Screw*, then the analogy fits exactly the meaning of *Social Credit*. The corkdrawing is the *social purpose*, and the screw is the *mechanical device*. The social purpose in both cases is that of *gaining access* to something otherwise inaccessible, or, if accessible, only with unnecessary difficulty and delay.

Again, for the same reason that a Corkdrawing Screw is not a screw composed of cork, Social Credit is not credit composed of any sort of "social" material. Therefore to speak, as some do, of Social Credit as being, or connoting, a system of "socialising credit," means the same as if someone spoke of "corkising" the screw! The distinction between purpose and method must be kept clear; and we shall probably keep it clear if we think of Social Credit as the *Social Corkscrew*—that is to say, as a financial device applicable to the immediate common purpose of all classes of society, which is to extract the Corks of Cost that prevent or hamper access to the contents of the Bottles of their Production System.

The Human Machine.

If a locomotive engine is not supplied with fuel and water it cannot work. If the engine is supplied with fuel and water but no ignition, it still will not work. If the engine is started up by igniting the fuel, the water boils, steam is produced, and the engine is capable of movement if direction is given to the steam by the driver allowing it to enter the cylinders. The work done is the automatic consequence of the prior consumption of fuel, followed by the production of steam. If the driver does not direct the steam, it will still automatically do work, either by opening the safety valve and blowing off into waste, or by destroying the engine—blowing up. Without direction by the driver energy is either wasted or destruction follows.

Let us apply this chain of reasoning to the human machine. If man is not first supplied with food (fuel) he cannot work. If he is supplied with food which his internal machinery refuses to digest (ignite) he cannot work. If he is supplied with food which he assimilates easily, strength (steam) is produced and he is capable of doing work as his mind (the driver) directs. If this strength is directed into channels of the mind's own choosing—according to a man's inherent interests—the work done will be useful, not only to the man himself, but to others. As with the engine, the work done is the automatic consequence of the prior consumption of food. If the mind does not direct the strength automatically available, work will still be done. The "work" will take the form of mental worry, or physical exercise, walking or playing games. All these forms of "work" consume a tremendous amount of energy (especially worry) without intensive direction behind them, as when a man is doing constructive work requiring care and skill; and they produce nothing of use (?) except to the man himself. If strength is not used in this way (blowing it off) a man will quarrel with his neighbours, go mad, or commit suicide (blow up). Without the direction of the driver (a man's own mind, not someone else's) energy is either wasted or he destroys himself.

The basic belief of the majority of mankind, that we work to live, assumes erroneously that an engine must work before it can "earn" its fuel—that man can work before he gets his food. Having made the accessibility of the necessary food as difficult as possible by putting "work" before it, and then taxing purchasing power up to the hilt, our benevolent rulers assert that man is lazy and needs an exterior directing force to make him work. Each man, that is, needs a driver to drive his own driver (the mind). No wonder he wastes most of the energy he has! He is not allowed to direct his own energy into useful channels; on the contrary, he is provided with work (if he is lucky!) that mostly he does not care about, but which he must do in order to live. If he is unemployed he wastes his energy, or destroys himself as shown above. The wastage and destruction is appalling, but, as things are, it is the logical end as in the case of the steam engine.

The inevitability of the waste or destruction consequent on the misdirection of energy is readily granted in the case of the locomotive, but with the human machine it is held to be "different"! This insistence on "difference" is not surprising when man, of all living creatures on the earth, considers himself to be so "different" that he puts work first and living last. Well-fed, living creatures live in harmony with themselves and all others. Half-starved "working"

men exist, wasting their energy fighting their fellow men, first in the economic field and then on the battlefield. When men cease to be "different," realise their inborn rights as consumers, and demand the money with which they can choose what they want to consume (and afterwards what they will produce) they will enjoy that peace and harmony which at present are the sole privilege of our dogs, cats, and canaries.

H. E. B.

Cancellation of Credit.

A recapitulation of previous articles in this series will be seen to lead to the following alternative conclusions. Under Social Credit the issuance of debt-free credit by way of Dividend or Discount or both—

1. Will not cause an increase in personal deposits;
2. If it does cause an increase these extra deposits will be needed for re-employment as and when received.

Proposition 2, it will be remembered, rested on the submission that under Social Credit the costing and pricing of articles for consumption would be regulated. The regulations would, or could, disallow illegitimate items of cost, just as they would or could disallow excessive profits. The test of legitimacy in costing was defined broadly as follows: that (apart from direct charges—wages, materials, etc.) only those charges were valid which were necessary to maintain plant-efficiency and run the plant. Under this test, charges having the effect of recovering capital for investors *in addition to charges for maintaining plant* could be ruled out. The equity of this test is clear. For granting that it is inequity who initially buy a new plant, it is consumers who pay for the renewing of the plant (in the form of maintenance charges). It is not just (or necessary) that they should additionally pay back the initial cost of the plant. It would only be just as an *alternative* to paying maintenance charges. Take a simple case. If A buys a machine and lets it wear out in the service of his customers he has the right to recover the cost so as to put himself back into his original position when he had the money, and no machine. But if he makes them pay to maintain the machine he has no right to recover his original outlay—he still has his machine, and ought not to have the money as well.

It was pointed out that under the present system investors do not expect their capital back. They buy a dividend-earning mechanism, and so long as it earns dividends they are content to do without their capital. They will only suffer hardship if it ceases to earn dividends. They can only justly claim their money back when the mechanism disappears through wear and tear or goes out of action by reason of obsolescence. (Whether they can get their money is another story.)

This element of *hardship* is the essence of the test of legitimacy or otherwise in costing. If, under a regulative system, only those charges are allowed which, if not recovered, will place any person (*not* an institution) **HOLDING ITSELF OUT AS A TRUSTEE** for persons) in a worse financial position than he was previously, then there cannot be a piling up of surplus and useless deposits as a result of the distribution of a National Dividend.

It is not necessary to infer from the foregoing that the National Credit Authority will interfere to prohibit illegitimate costs. These are likely to be eliminated by industrial managements themselves under the stress of competition. An exception might be tight monopolies

which could charge their own prices, but if their work was inefficient and prices exorbitant they could not, as now, prevent the appearance of competitors in the market. But, as a last resource, the National Credit Authority could bring them to heel by a variety of methods. This should be remembered by Socialists and other critics who fear the continuance or development of abuses under Social Credit; for, quite unaccountably they base their arguments on the assumption that a Government, by adopting the Social Credit technique, thereby abandons all its present powers of penalising anti-social conduct. On the contrary, it will have more powers, because its authority will rest on the approval of the public and not of the Money Monopoly.

"What would happen," asked a heckler once, "if under your Social Credit scheme some multi-millionaire chose suddenly to descend on the consumption market with his millions and demand goods?" The lecturer's reply was: "He would be shut up in a lunatic asylum." It was the right answer. Suppose, to-morrow, such a person were to walk into a public house and, in the sight and hearing of the assembled customers, were to put down the price of the whole stock of liquor, demanding its reservation for his exclusive consumption. He'd probably wake up in the hospital. Whatever the Law said about it the people's verdict would be: "Serve him right." So, while, under Social Credit, the first part of St. Paul's dictum that all things are *lawful* would be *theoretically* true, the second part, that not all things are *expedient*, would be *empirically* true. In a Social Credit society the voice of the people crying: "You ought not to do that there 'ere" will also be the voice of the Law crying: "You can't do that there 'ere." As things are at present the two voices are frequently in direct conflict—as the tragic end of Mr. Justice McCardie testified.

Be that as it may, the most profitable angle from which to look at the matter is this: that under Social Credit everybody will find it to his advantage to *play fair* on every plane of economic and social activity; and the game will be characterised by the silence of the referee's whistle. And in no direction will this fair play be more conspicuous than in that of the accounting of costs for recovery in prices, for the reason that it is obviously to no-one's advantage to recover margins of revenue which have been ascertained to accrue to nobody. In short, marginal surpluses of revenue which, in theory, "ought to be cancelled," will, in practice, and by that same token, not be sought for in prices. The change will take time, but it is psychologically inevitable.

THE BANK AS UMPIRE.

Extracts from *Glass*, February, 1936, under the heading, "Retail Trade Index."
"The Board of Trade and Bank of England are anxious to extend in the China and Glass Trades the system of Retail Trade Index, which they have been for the last five years operating, but which, except for the incidental interest of the big stores in China and Glass, has not hitherto made specific appeal to these particular trades. The decision to extend it may prove of importance presently to the glass industry...."

"When the Retail Trade Index was inaugurated in 1930... a clear exposition of its objects was given by Professor Henry Clay (of the Bank of England) in address delivered at that time to certain Conferences of the Retail interests whose co-operation was sought. The Bank of England was brought into the scheme in the dual capacity of expert arithmetician and detached umpire, to engender confidence in the secrecy of the private returns and the accuracy of the percentage calculations."

"The Fairies' Fatal Green."

By Greenmantle.

"To the Black Shirts of Italy, the Brown Shirts of Germany, the Silver Shirts of the United States may now be added the Green Shirts of Great Britain. These last are the followers of the Social Credit scheme, who have assumed 'the fairies' fatal green.'"—*San Francisco Chronicle*, November 25, 1935.

Fatal to whom? Not "the fairies," for, of all colours, green is their own.

Allingham has the "wee folk, good folk, trooping all together" clad in green jackets, and although there may have been brown boggles and russet-coloured elves, their rings were always dark green on a light green field. The real fairy, however, were not these moth-winged midgets and spindle-legged atomies led by Robin Goodfellow (and even he had a green jerkin).

Wayland the Smith was a "fairy" with his forge in a green hill... And who were "the Lily-white Boys clothed all in green-O!" of which the old song sings at three-times? In the Scottish Highlands the fairies are called the *Daoine Sithe*, or Men of Peace, and their colour was green—Kipling, you remember, gave Puck of Pook's Hill three green things with which to do his magic—Oak, Ash, and Thorn. And you may see those three green leaves entwined, and richly embroidered, on the regalia of the Master Drummer of the Green Shirt Corps of Drums.

As for the fairies (the *real* ones, not the silly little creatures to be seen in children's picture-books), they never departed out of England. They are with us yet—and will be while life lasts. We all know what they are, although we don't know who they are. They are Solar Energy. And the Engineer is always, somehow or other, akin to the Poet just because he is dealing with—Magick. The Engineer Proper is not a "practical" man: not a mechanic. No "practical" man could "image" a bridge, or a tower, or an engine in his imagination. The "practical" man can only set to work and make such things according to the Dreamer's imagining. That imagining is magick. All Science is made of waking-dream. It is "fey." It deals with Strange Powers... It gets to know "the fairies" and contrives to use them.

This Age of Plenty is the Age of Fairy. And since "all flesh is grass" (and both are solar energy), it is right that the Green Shirts, who fight for Plenty against the Powers of Darkness, should assume "The fairies' fatal green" (and also very natural that, when Alberta voted solidly for Social Credit, *The Observer* should print an editorial headed "Flirting With Fairyland.") The fairies are on the side of Life, friendly to human beings, and I would rather have had something to do with the trooping of a gang of Green-clad Men whose Green Flag is "fatal" to the Debt-makers and Dealers in Dead Numbers than anything else in the world.

We must fight our way through Lob's Pound into "fairy-land"—or be destroyed.

Those who put on "the fairies' fatal green" have "some secret alliance with the soul of this world," and are nearer to "the springs of life." Now we are talking fairy-tale, surely? Can the colour of a man's shirt change the man himself?

The answer is, yes: and we may leave the psychologists to explain why. Our job is to use those powers that can be used towards our objective: and Colour is one of them. That is why the "shock-troops" of the Social Credit Party of Great Britain wear "the fairies' fatal green."

Notice.

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

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

Inspiration from Canada.

If Mr. Campbell embodies the spirit of Alberta, then Alberta is bound to win. His address to the London Social Credit Club last Friday brought the fresh air from the wide Canadian sweeps to inspire and invigorate the jaded Londoners. He told his hearers he had spent one or two nights walking the East End to see how the people lived, "and he could see no justification for it." "This gullible England" was his refrain even while he praised her power and the character of her people.

His passionate sincerity and fervid enthusiasm set his audience searching their own hearts. "How could we win England for Social Credit?" he was asked. "What measures would he recommend?" He answered, "Do as we did—get out and work. You must make sacrifices. We have worked day and night. We have gone without food, without sleep." He told of driving immense distances to address one meeting only, of sleeping in snow drifts, of being turned back on impassable roads. In Alberta the number of Social Credit Clubs is from 3,000 to 4,000, although the population is only 7,000,000 odd scattered over such a wide area.

He took "Money" for his subject. But the definition he chose was not "a medium of exchange" but "an instrument of dictatorship and oppression."

They realised, he said, that they were coping with the most subtle and ingenious brains in the world. He quoted authorities—Major C. H. Douglas, Pope Pius XI., President Woodrow Wilson, President Roosevelt, Henry Ford, William Gladstone—in testimony of the tremendous power exerted by the few men constituting the financial rulers of the world. Their destructive influence had penetrated churches, institutions, and homes. "It has destroyed the personal relationship between individual and individual," he said, "and upon that rests Christianity itself. It has given us sorrow for happiness, hatred for love, and despair for hope."

Since James Watt utilised the power of steam mankind had been occupied in inventing and organising the means of production. And during all that time the human being has been losing his individuality.

Divisional labour has been introduced and developed. We now have thousands of people working in harmony to produce a single commodity.

Specialisation and co-operation form the basis of our civilisation. We all have to be specialists, but specialisation is an unbalanced lopsided development, adapting various muscles, a section of the brain and the outlook on life to a single industrial application. Crystallisation sets in, and any change, even a beneficial one, is strongly opposed. That is a reason why people object to Social Credit.

Specialisation involves submission to others in the trust that they will not exploit you. If you spend your life producing only one thing, you are dependent on other specialists for the satisfaction of your needs. This involves co-operation. But the link between specialists—the means of co-operation—is money. And that is where the men whose diseased minds crave power come in.

We are so organised that we have to surrender ourselves in three ways—first, we must specialise; second, we must trust in others; third, we must co-operate with other specialists. At all these three points the money power steps in. Finance takes away money leaving us as helpless as babes. While specialisation strengthens us in solving the problems of production, it weakens us because it delivers us into the hands of the oppressor.

The second part of his address Mr. Campbell devoted to showing how the "monomaniacs of finance" have perverted the mechanism for exploiting humanity. Simple, devious but they vary according to the direct policy of the money-mongers, who manipulate the price level. Using a simple illustration of 100 eggs and 100 pennies, Mr. Campbell led his hearers through the mazes of the quantitative theory of money, inflation, and deflation, and unfolded to them the mysteries of the rise and fall of prices, always reacting to

the injury of the people and to the benefit of the bankers. "We regard money as a standard of value," he said, "but ever since the war we have seen values trailed up and down like a lopsided kite in the wind." Farmers in Alberta had seen the value of wheat drop from \$3 to 19 cents a bushel!

Mr. Campbell is an eloquent speaker, and his address was characterised by depth of feeling and indomitable fire and spirit.

In question time he was taxed with departing from orthodox Social Credit by instituting a sales levy. In reply he stated that the Social Credit principles were capable of infinite adjustment to circumstances. While two locomotives might be quite different in design, both might conform to the principle of thermo-dynamics and serve the purpose for which they were made. And in Alberta they were not allowed to issue money. Therefore it was proposed to issue non-negotiable notes. The unearned increment levy was a means by which to implement the recovery of these non-negotiable notes. F. P.

The Films.

"Frisco Kid." Directed by Lloyd Bacon. Regal.

That colourful period of the history of the United States between the eighteen-forties and the eighteen-nineties, has given us a number of excellent films, such as "Diamond Jim" and "Silver Dollar," which combine first-class entertainment and admirable document. "Frisco Kid," which deals with the conflict in the San Francisco of the 'fifties between the forces of law and order and the crooked politicians and keepers of gambling hells and brothels on the Barbary Coast, is of this vintage. It contains four murders, two hangings, several attempted assassinations, with a little shanghaiing thrown in, and is admirably robustious thick-stuff. Racketeering is obviously no product of the Prohibition Era, even if eighty years ago its practitioners lacked machine guns and armoured cars.

"Riffraff." Directed by Walter Ruben. Empire.

Jean Harlow, who bursts on a delighted world in "Hell's Angels" and made history by originating the vogue of the platinum blonde, has since become a very capable actress with an excellent sense of comedy, as she showed in "100 Per Cent. Pure" and "China Seas." She has now become a brunette. This film is in its way as much a historical document as "Frisco Kid"; it serves as a microcosm of the crudeness, the vulgarity, the noisiness, and the sentimentality of the contemporary American scene. The first part is extremely amusing, but the second deteriorates into melodrama of the de Mille type. As entertainment it is fair, but I warn you that the opening scenes are of an ear-shattering noisiness that it would take a dozen macaw-houses to equal.

Postscript.

Studio House is to open on March 7, not the second, as I mentioned last week. DAVID OCKHAM.

Ultimate Arbiter—Bank or Government?

Extracts from the Speeches (1930—32—36) of The Right Hon. Reginald McKenna, Chairman, Midland Bank, Ltd.)

1930.

"In the orthodox modern view a necessary attribute of a central bank is the possession of a sole right of note issue. In this respect again the arrangements in force to-day differ widely from those of 1844, though the seeds were sown by the Bank Charter Act for the complete monopoly in England and Wales now enjoyed by the Bank of England." (Our italics.)

"If Britain's policy tends towards a 'shortage' of gold—a purely imaginary, non-physical scarcity in these days of managed money systems—then a shortage is likely to develop. In these conditions we cannot entirely evade responsibility for the downward trend of prices. The world is staggering under the pressure of deflation, largely because

Britain has pursued a restrictive monetary policy. The regular expansion of money supplies which must be undertaken if trade is to be active and the price-level stable has not been permitted; as a consequence British prices, and with them the world level of prices, have tended steadily downward." (Our italics.)

1932.

"It remains none the less true that the effective total of bank cash as a basis for bank deposits is finally determined by the Bank of England through its open market operations. The central institution—none other power in heaven above or earth beneath—is the ultimate arbiter of what our supply of money shall be, and the recent partial restoration of money supply is to be cordially welcomed as a step in the right direction . . ." (Our italics.)

1936.

"With the development of the great consolidated banks, of which our own is an example, and with the steadily growing authority and power of the Bank of England, the framework for a comprehensive system of sound money has come into being. The system is comprehensive in the sense that each part of the money supply—coin, notes, and bank credit—is made subject to a single control. The ultimate control rests with the Government of the day, acting upon principles publicly declared or defined by Parliament in statute." (Our italics.)

LETTERS TO THE EDITOR. DICTATORSHIP.

Sir,—Your correspondent "Veritas," having made the right use of the great length of rope you were good enough to give him, any remark as to his letter would be out of place. *De mortuis nil nisi bonum. Requiescat in pace.*

But I will say a word as to what seems to me the rather absurd dread shown by so many good people, a dread of ever having in any circumstances to obey orders. One would think we were living in a country of free men! But I am afraid it is only that these people do not trouble to think.

Now, discipline is necessary not only in the Army, in the Police, in the Post Office, at sea, on railways, and in any propagandist church, but in every kind of business, banks, engineering undertakings, factories, shops, and farms. Whenever there is anything definite to be done there must be a responsible man in charge; there must be orders, and they must be obeyed.

Now, Douglas has said: "The time for action is come." Something definite to be done. Social Credit to be got going. Surely here "go as you please" is a senseless motto. Rather, for this work, you must have a leader you trust, and you must have order and discipline or you remain a helpless mob.

I will end with a personal experience. I am an old man. Since I came of age I had never, either in the N.Z. bush or in England, been under orders; but I joined the Green Shirts with enthusiasm, and have found nothing but satisfaction in doing what very little has been required of me. But I remain perfectly free. I can fall out of the ranks at any moment and resign. There is no compelling force but my own will. No Mussolini—no Hitler—no Stalin!!

PHILIP T. KENWAY.

POINTS FROM LETTERS. DICTATORSHIP.

"Veritas," in his reply to "Green Armet's" article, "Chaotic Cat's Cradle," is guilty of the very crime of which he accuses "Green Armet," namely, the suppression of certain remarks that were made by delegates at the conference of the three candidates. He omits to mention that one of the Bradford or Birmingham delegates referred to the Leader of the Party as a "would-be Dictator."

When will people realise that because the Blackshirts wear uniforms it does not follow that all "Shirt Movements" aim at Dictatorship?

The Social Credit Party is Democratic in every sense of the term. The great majority of non-uniformed members have equal voting power with the uniformed members; John Hargrave is elected like the leader of any other political Party, and again like any other Party Leader, directly he loses the respect and confidence of his supporters he loses his place as our leader.

The Bradford and Birmingham people, according to "Veritas," work under the strict supervision of the Secretariat—we work under an equally strict supervision of the man we believe to be the most capable Social Creditor in the country. We are not dictated to, any more than the Brad and Brum groups are. We have elected our leader, and carry out his advice. Any member of the Party who does not agree with that advice may leave the Party.

The head of a volunteer organisation cannot "dictate"—he can, and does, request, and we comply with those requests. If John Hargrave requests, or if you like "orders" me to do a job, I do it, and without question, not because I am dictated to, but because I believe him to be a sound judge of policy. Every body has to have its leaders. The Secretariat have theirs; we have ours, and both bodies are equally democratic, so let us have less of this stupid talk about Dictators.—W. Harral Hudson, District Leader, Leeds Greenshirts.

ANSWER TO CORRESPONDENT.

N.—Thanks for letter. The difficulty is that candidates' pledges are said to have been secured on a confidential basis. Their names would not be officially and publicly communicated to any questioner. If they were, no doubt, as you say, these candidates would repudiate their pacts.

Forthcoming Meetings.

The following public meetings will be held at the Blewcoat Room, Caxton Street, S.W.1.

Feb. 28, 7.45 p.m., "The Rise of the Gold Standard," by Mr. H. T. Mills.

For further information apply to Dr. J. C. B. Mitchell, Hon. Sec., London Social Credit Club, 2, Bromley Common, Kent.

The Social Credit Party of Great Britain.

National Headquarters: 44, Little Britain, E.C.1, 8 p.m. Wednesday, February 26.—Speakers' Class: "Subject for discussion, "Draft Parliamentary Bill to Equate Consumption to Production in Great Britain."

Wednesday, March 4.—Lecture. John Hargrave, National Leader.

Manchester Social Credit Club.

Meetings on the first and third Tuesdays of each month at the Grosvenor Hotel, Deansgate, Manchester. 7 p.m. onwards. Visitors welcome.

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