

Credit Institute
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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	173	MOVEMENT NOTES	177
Latest news from Alberta, with comments on Aberhart's probable dilemma. The York Conference and the Secretariat—suggestion for consultation in York to ascertain if basis for co-operation.		Captain Rushworth at the London Social Credit Club—Secretariat and the Australian Movement—York Conference.	
POINTS ABOUT SOCIAL CREDIT	175	CAUSTIC COMMENTS. By Scriblerus Secundus.	178
The meanings of social credit and "Social Credit."		CORRESPONDENCE	179
THE WATERLOW CASE. XVII.	176	H. R., Gladys Bing.	
Continuation of Mr. Gavin Simonds's concluding arguments in the House of Lords—second section, dealing with interpretation of contractual obligations.		DRAWING. By "Rap"	180
		"The Cur Yelps But The Chariot Lumbers On."	

NOTES OF THE WEEK.

Alberta.

The Times of October 3 publishes the following message from its Correspondent at Edmonton, Alberta.

SOCIAL CREDIT IN ALBERTA. MANY REGISTRATIONS.

According to semi-official estimates some 370,000 Albertans have registered for Social Credit under the measures recently passed in a special Session of the Legislature. During the period of six weeks allowed for registration, which concluded on Wednesday, the citizens were invited to give voluntary registrars complete details of their income, debts, etc., and also to sign covenants promising to co-operate with the Government by accepting "Alberta Credit" for many purposes.

Mr. Manning, the Minister in charge of the Social Credit Administration, has reported that many districts registered more names than appeared on the Voters' List. The total voters registered last year were 378,000. Approximately 26,000 of Edmonton's population of 85,000 registered, while Calgary, with a population of 83,000, registered close on 40,000.

The Government are now proceeding to set up a State Credit House organisation.

*** As the control of money and currency belongs to the Federal authority, the Albertan Premier proposes to get round the difficulty by paying his dividends in "Alberta Credit" certificates, confining their distribution to people who have pledged themselves to use and accept them, and setting up an "Alberta Credit House." The Credit House Act provides for an entire system of branch banks to handle monthly credit dividends, with provisions for loans to producers and retailers, designed to make Alberta "independent" economically.

It is reported in another newspaper that Aberhart has announced his intention to introduce his "basic dividends" shortly.

* * *

As we pointed out a short time ago Aberhart's scheme is technically defective in its present form, the major defect being his omission to provide for the regulation of prices to ultimate consumers. On the other hand, this

omission is not irrevocable; it is still possible to apply the price-discount factor if and when experience shows that the scheme is proving unworkable without it. When we say "possible" we mean technically possible. We make this reservation because the scheme in its present form depends on the voluntary co-operation of the people of Alberta: Aberhart is not using compulsion, nor would he be able to do so if the people generally refused to co-operate. And it is just here when there is danger. For if the people find by experience that this scheme is imperfect their confidence in Aberhart's knowledge and judgment is likely to be diminished, and maybe to such an extent that they will decline to co-operate in the matter of perfecting the scheme. So, from a political as well as a technical point of view Aberhart has incurred risks of frustration (both through the dispirited passive resistance of his friends and the inspired active resistance of his enemies) by not having launched a complete scheme at the start—a scheme embodying the three principles: Governmental creation of credit; Governmental control of its distribution through the productive system; and *Governmental regulation of consumption-prices*. Faith and Hope—but no Charity, the greatest of them all!

* * *

At the same time we decline to join those who impugn Aberhart's courage or sincerity on this evidence. It is possible that the people would not have volunteered so freely to work the complete scheme. And it is more than probable that the bankers would have brought more illicit influence to stir up trouble if the vital third factor had been included in the scheme. The factors of the "Faith" and the "Hope" they can deal with at leisure; but the factor of the "Charity" sets up a problem which needs solving in a hurry. For, in technical language, Price Regulation is the indispensable factor in the process of expanding Purchasing Power. Without it the bankers' dictum holds true: "The more money you have the less it will buy." The people of

Alberta want more dollars no doubt, but they want every extra dollar to represent an extra dollar's-worth of goods. The Discount Factor, when correctly calculated, bring this about. Now, extra purchasing power in the hands of the people means extra power not only to command goods, but also, or alternatively, to command policy—policy in the field of industry and, by extension, in that of governmental activity. For example, an Albertan citizen who gets an extra dollar carrying extra purchasing power, has the option of spending it on making his wife happy, or of spending it on making a politician unhappy. He can buy a joint of beef to feed his family or a few dozen rotten eggs to throw at a platform of demagogues. He can buy a book to read, or a parcel of pamphlets to distribute. In general terms, he can consolidate his own well-being or safeguard his liberties against autocratic tyranny. If he likes to divide his dollar he can do both. All this flows from the Price-Discount. So nothing more need be said to show why it is that the Money Power, while benevolently neutral to schemes for expanding credit, is implacably hostile to schemes for expanding purchasing-power.

The question, however, still remains open whether Aberhart could have carried out a complete scheme and produced concrete results even with the co-operation of the people. Technically he could have laid down the complete machinery for producing results, but legally he would have been prohibited from working it. So he was faced with a dilemma, either to go ahead and disregard the laws of the Dominion—a policy of which the logical end is military occupation of the Province; or to enter upon a laborious and lengthy effort to get the legal prohibition lifted by the Dominion Government. If he chose the first would the people's consciences or resolution stand up to the physical reprisals referred to—and if he chose the second would their patience and perseverance stand up to the delay? Hope deferred maketh the heart sick.

Speaking from our own point of view, and remembering that we speak with the limited knowledge of outsiders, we believe that Aberhart would have done well to have announced his intention to launch the complete scheme, and to have incorporated the Price-Discount element in his formulation of official policy. We see no reason why, in the official questionnaire which he distributed, he could not have invited the signatories to promise to co-operate in working the Compensated-Price-Discount device. If they had said: No—that would have relieved him of the responsibility for failure. If they had said: Yes—that would have strengthened his hand in dealing with the external obstacle of Dominion law. In either case he might, eventually, have been obliged to fall back on the incomplete scheme that he is now trying to operate; but the fact that it was incomplete would have been registered, and he would therefore have been able, when the disturbing consequences of its incompleteness made themselves felt, to answer imputations against his competence and sincerity. As to his courage, that might lie open to imputations, but those critics who brought them could easily be driven, under acute cross-examination, into answering the question—yes or no: Is it cowardice on the part of a Provincial Premier to avoid armed conflict, or the imminent risk thereof, between his people and the Dominion forces of law and order?

If the critics answer: Yes—then they declare themselves secessionists and subversionists. If there be any such who live in Alberta, let them act now and ask Aberhart to serve out arms like the Spanish Government. As for any such who live elsewhere, perched in the tree-tops of distance, they had best hold their tongues and leave the benefit of the doubt to the man on the ground in the jungle.

Aberhart has chosen the course that seems best to him, and the Social Credit Movement must accept the fact with its advantages and disadvantages. There is one favourable circumstance, which is that the fate of the experiment will be decided in a comparatively short time. Another favourable circumstance is that if the experiment, in its present form, is a failure, the result will be to confirm the truth of the Social Credit Analysis and the soundness of the Formula. It may weaken the responsiveness of the public to popular propaganda conducted in the name of "Social Credit." But there is reason to suppose that the weakening process has been fulfilled already. A loyal supporter of Major Douglas met a friend, a very rich man, the other day. The two had not met for some time. His friend's first words were:

"Hallo, George" (we have altered the name)

"Well, what about this Social Credit now?"

"What do you mean—?" asked George.

"Why, this Alberta affair. Your man not going out."

"Yet, but that doesn't—" interposed George.

"Nonsense, he knew it wouldn't work when put to the test, so he stayed away."

This summary judgment, entirely mistaken as it is, needs to be recorded and reflected upon because it was undoubtedly derived from gossip in some important political club (probably Conservative), and it shows that this man (and many more like him in wealth and influence) has not waited to see the result of Aberhart's experiment before adopting the judgment conveyed in his jocular challenge.

The York Conference.

The York Conference which meets next Friday might usefully consider the question of constituting what may be called an official Opposition to the Secretariat, that is, an Opposition whose prerogatives and functions shall be recognised by Douglas. This would necessitate his resuming his old place at the head of the Scientific Order, leaving Political Orders to form and sort themselves out. As recorded elsewhere, several Directors of the Secretariat will be in attendance at an office in York for the period of the Conference, and for the express purpose of receiving suggestions and answering inquiries. So an excellent opportunity presents itself for the promoters of the Conference to sound them at a personal meeting on this idea. It will be remembered that we worked it out in a series of "Notes" in THE NEW AGE, of July 26, 1934, where we appealed to Douglas to assume the role of "Monarch" of the Movement and abandon that of "Prime Minister" representing only a section of it. The events of the past two years have reinforced that appeal. The calling of the York Conference is in itself the strongest reinforcement of all, because it clearly indicates a wide-spread view that the policy and procedure of the Secretariat call for criticism and it clearly implies a demand for some arrangement whereby dissatisfaction with the Secretariat can be responsibly expressed without incurring the imputation of "disloyalty to Douglas."

We suggest that a private round-table discussion be held, if possible before the Conference opens; and that an agreed statement of what transpires be prepared and read out at the first session. This could hardly fail to save a lot of unprofitable talking.

Every thoughtful man and woman wishes there to be a basis of *complete co-operation* in the Movement, or failing that, a basis of *friendly emulation* between actionist leaders and groups. On the other hand, none of them wishes to see happen the only possible alternative, that is—*unfriendly competition*.

One thing is fixed and unalterable. It is that the principle of uniformity of action has not worked, and will not work. The principle of multiformity has got to be recognised. The only thing to do is to see that the theoretical loss of efficiency in working out the principle is reduced to its feasible minimum. This can be effected by a frank interchange of information between leaders or executives of various actionist groupings—explanations of policies, strategies, and communications of results achieved. The mere pooling of this authentic information would go three parts of the way towards eliminating wasteful effort.

The agreed objective of the Social Credit Movement is to secure the adoption of the Social Credit Formula. If not the Formula, the Movement is not a Social-Credit Movement, but a congeries of movements liable to be infiltrated and side-tracked by any brand of money-reformer and sociological theorist.

The only justification of a Movement at all proceeds from the soundness of the Social Credit Analysis from which the Formula is derived. The hope of mankind depends upon its truth. The Movement's first duty is to proclaim that truth universally and to explain it selectively. The dynamic character of the Movement's influence abides in the performance of that duty. Neglect it, and the Movement will become like a field which the husbandman ceases to manure and continues to crop. Results will accrue from past work done, but in diminishing quantity and degraded quality.

For this reason the Conference at York will welcome the news that Major Douglas has recently sent out an S.O.S. for manure in the form of a cable to Australia advising the inauguration of a Course in Social Credit Technology with a Diploma for successful examinees. This is a good augury for the future of the Movement. It is an implicit re-affirmation of the primacy of the Analysis and Formula, and if recognised as such by leaders in the Movement will set it on an even keel once more.

London Social Credit Club.

Blewcoat Room, Caxton St., S.W.

NEXT PUBLIC MEETING.

October 9, Friday, at 8 p.m. "Social Credit—the Master Key to Peace," by Mr. Edgar J. Saxon.

Notice.

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

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

Points About Social Credit.

I.—MEANINGS OF SOCIAL CREDIT.

The word "social" means something inherent in society or appertaining to society. The word "credit" means belief. When you say that you "credit" a statement you say that you believe it. And when a statement is disproved it is discredited—belief in it is destroyed. So the term social credit signifies some kind of belief to which everybody subscribes. A close parallel is seen in the phrase: the Christian Faith, by which we mean a particular belief to which all Christians subscribe. Such is the primary and common meaning of the term social credit.

But there is a secondary and more specific meaning of the term. If you believe that by doing a certain thing you can bring about a certain result—e.g., by sowing you can reap—that thing, in this case the seed, becomes associated in your mind with your belief. Your belief in an achievement is expressed in the instruments of the achievement. They symbolise your belief, or credit, and for all practical purposes they are your credit. Faith, spoke the Apostle, is evidence of things not seen. A bag of wheat is visible evidence of an invisible harvest. Hence the term "social credit" signifies the powers of achievement which are possessed by society. These powers are visible in the sense that they have been tested by experience. We may not foreknow the limits of their possible operation, but we do know the nature of their actual operation.

And now there is a third meaning. In these days our powers of achievement are not in themselves a guarantee of achievement. We need opportunities to exercise these powers. And these opportunities are limited and regulated by something which we describe as Money. So, just as we first transfer our faith in achievement to the instruments thereof, we now transfer it to the regulating factor, Money. And we call this Money our credit.

So the word "credit" has a threefold meaning: it is firstly a mental concept of an end to be reached, secondly the existing physical means of reaching it, and thirdly the financial tokens or titles which regulate our use of those means. But the word "social" has one meaning throughout, namely that the "credit," in all its three aspects, is inherent in or appertains to society, to us all.

The term "Social Credit" registers the axiomatic truth that society and credit are inseparable—that in the absence of society there can be no credit.

Therefore "Social Credit," the three-phase credit of society, means the same thing as the Christian concept of the Three Persons of the Holy Trinity. Three co-equal elements, or factors, none having pre-eminence over other. Father, Son, and Holy Spirit. The Father conceives the plan of salvation: the Son fulfils the plan through incarnation, and the Spirit reveals to mankind the fact of its accomplishment. The catalysis of conviction fulfils the salvation.

And so down below in the plane of terrestrial relationships, Tom's vision becomes incarnate through Dick's skill. In these two elements reside the potentialities of economic salvation. There remains Harry's counting. If he counts wrong these potentialities remain potential. If he counts right, they become actual, and the catalysis of verification fulfils the salvation of society.

Up to this point the term "Social Credit" has been shown to register a self-evident proposition in natural

philosophy concerning human relationships and activities. This proposition does not need to be proved. Its truth is expressed in its formulation. The question now arises: Why formulate it? The answer is that it constitutes a frame of reference in which society is invited to consider what it shall do with the credit which inheres in it and belongs to it. This question of what society shall do concerns only the third aspect of its credit—the monetary aspect. Society does not need to be told what it can do with its Mind, Muscle, and Material, nor to be persuaded that it has the right to do what it likes with them. But Society does need to be told what it can do with Money, and to be persuaded that it has the right to do what it likes with Money. Further, Society needs to realise that if it cannot do what it likes with Money it cannot do what it likes with anything at all. Hence the term "Social Credit" has been arbitrarily adopted as an adjectival mark of identification attaching to a concrete set of proposals embracing the correct use of money and the correct recording of its use, together, of course, with the arguments supporting them. Thus the term "Social Credit" signifies what are known as the Social-Credit Proposals and the Social-Credit Analysis of which they are the logical extension.

To summarise the situation in a homely illustration, we can picture Tom, Dick and Harry constituting Society. Tom is a man of vision and suggests something that the three of them shall achieve. Dick is a man of ingenuity and skill, and makes and assembles the instruments of achievement. Harry is a man with a head for figures, and he counts (or accounts) what they are doing while they are doing it. His job is to serve out to the three of them tokens of measurement of their respective contributions to the achievement set before them, which tokens, in their hands, are to measure their respective titles to enjoy to the full the results of their joint achievement. In modern language, Harry pays out incomes and accounts prices—and his job is to see that their incomes fill the same measure as the total prices—no more, and no less.

The Social-Credit Analysis, applied to this illustration, is an examination of Harry's way of doing his job; and the Social-Credit Proposals are rules by which he should do his job.

It will be seen that Harry's head for figures is of no use at all in the absence of Tom's vision and Dick's skill. Vision and skill were in the world ages before tokens of measuring achievement came into existence. Society has existed without money; but no money has ever existed, nor can exist, without Society. Harry's job is to help Tom and Dick to fulfil their purpose. If he fumbles at it he frustrates their purpose.

(To be continued.)

Meeting Fixtures.

- October 7 (Wednesday).—The New Age Club. 6 p.m.
 October 9 (Friday).—London Social Credit Club. Mr. Edgar J. Saxon. 8 p.m.
 October 9-11 (Friday-Sunday).—York Conference.
 October 14 (Wednesday).—The New Age Club. 6 p.m.
 October 16 (Friday).—London Social Credit Club. Mr. K. P. Brown.
 October 21 (Wednesday).—The New Age Club. 6 p.m.
 October 23 (Friday).—London Social Credit Club. 8 p.m.
 October 28 (Wednesday).—The New Age Club. 6 p.m.
 October 30 (Friday).—London Social Credit Club. 8 p.m.
 October 30 (Friday).—Major Douglas at Central Hall, Liverpool.

The Waterlow Case.

Mr. Gavin Simonds's arguments before the House of Lords (1931).

XVII.

Lord RUSSELL: Lord Justice Greer's view would certainly mean that in those circumstances they could not pay them and charge Waterlows.

Mr. GAVIN SIMONDS: Yes, that is so, my Lord.

The LORD CHANCELLOR: That is what I mean.

Mr. GAVIN SIMONDS: If your Lordship pleases. I wanted to be quite clear about the use of the word "reasonable." Lord Russell has indicated the answer I would give, and, my Lord, that is, of course, exactly the case which I am submitting to your Lordships' House. If it was a measure of damage to be imposed upon Messrs. Waterlow, that is certainly a special circumstance which ought to be brought to their notice on the making of the contract. You might very well insure yourself more heavily if that sort of thing is going to happen, because you are dealing with a bank-explosive article when you are dealing with bank notes, and the risk arising from their loss is going to be a very substantial one if the Bank is going to say: Well, whether they are distinguishable or not, we are going to pay them. It is a matter which in our submission ought to be brought to the notice of the printers. But I do not dissent in any way from what Lord Justice Greer here says, that it is in the contemplation of the printers that if false notes get into circulation it may be necessary to withdraw that type of note and, withdrawing that type of note, for a time to honour false and true. I call in aid that passage in my Lord's Judgment because it does sum up the view which I am trying to put before your Lordships. The wrong turning, from our point of view, was taken from the moment the decision was made to pay the notes false and true, and from that moment the Bank did not take the steps, and did not contemplate taking the steps, which might have resulted in a large number of the notes not being honoured. I venture to think that it was reasonably clear throughout these proceedings, even when Sir William Waterlow and his colleagues got to Lisbon, that what was in the mind of everybody was not to discover a means of distinguishing false notes from true but to find out who the criminals were and what were the ramifications of the conspiracy, so that they might put their hands as far as possible on any notes that had not been issued and, if they could, to bring the criminals to justice. The whole question of distinguishing good from bad went by the board altogether. The learned Judge says that in those circumstances—and I submit he is right—the Bank cannot complain if the measure of damages which they are entitled to recover is one based upon the assumption that they had acted from the beginning in the way in which a Bank might be presumed to act; that is to say to take every possible step to discover false from true.

Now, my Lord, we do know, of course, from the notice which appeared in the Lisbon paper, that some experts had arrived at something very near the truth, quite independently, by the 10th, and from that the Lord Justice and your Lordships are entitled to assume that, if proper steps had been taken by them, then at an early date, which the learned Judge fixes as the evening of the 9th so as to apply it on the 10th, this test might have been discovered and applied. Of course, we do not not had evidence upon that point and we do not know who the experts were who, on the morning of the 10th, had discovered that there was something

in the I to P test. Supposing a telegram had been sent saying: "What about this I to P test we see in the papers?"—though, of course, it is not the way it would have been done—the evidence of Mr. Muir is, that at once they could have got to this point. Now, my Lord, that ought to have been done in our submission if the wrong turning had not been taken, and with great respect to your Lordships I do not think I can assist the House by going into details as to what took place in London, whether Sir William Waterlow and his colleagues saw eye to eye and what one Director knew and what another Director knew, and so on. All that becomes irrelevant when you consider what they did and when you consider that they would have done just the same, paid all the notes false and true. Upon that part of the case, and simply upon that basis, I propose to add nothing more as I think I cannot assist your Lordships' House in the matter.

There is one other point I do want to make, my Lord, and that is that assuming your Lordships take some day as a day upon which the Bank ought to have been able to distinguish and, being able to distinguish, applied the test, there is then this further point which arises upon the salvage, as it has been called. My Lords, I venture still to repeat the observations which I made upon this part of the case, and although my learned friends suggested another way of dealing with it, perhaps because they did not think it worthy they did not in any way deal with what I submit is the true view of this matter. We have followed parallel lines and have not met. Now I do venture to suggest that the Bank, bringing their action for damages for breach of contract, come before the Court having suffered a certain loss and no more. The loss which they have suffered at the moment when they come to the Court is, of course, upon the footing of face value. I take those figures for convenience as the one million odd pounds, less the amount with which they are to be taken to be credited which they have received from the Bank of Angola. Now, my Lord, if that is so they have suffered—I will take the rough figure—£600,000 loss. How can that be allocated to one note rather than to another? They have suffered £600,000 loss in respect of 200,000 notes which they have issued. Therefore, they have suffered upon those figures a loss of £3 per note. They cannot, in my submission, allocate to one note rather than to another the proceeds of the Angola liquidation. That is part of the booty which has been recovered, and nothing more. You cannot allocate it. If that is so, surely the position is this, that taking the loss of £3 per note, there must be deducted from the total of £3 per note the number of notes the loss of which your Lordships think, upon consideration of all the circumstances, they are not justified in throwing upon us. The case in the Probate Court which has been cited to your Lordships is a wholly different case. There there had been two judgments and then the question came as to whether a third party was entitled to the benefit of one of the judgments. That is not this case. This is a case where a man has suffered a certain loss, and it does not matter in any way for this purpose whether the sum which he recovered so that his loss had been reduced was recovered by seizing it from the thief, the wrongdoer, or by proceeding in some Court or another.

SAYING OF THE WEEK.

Overheard in a tap-room. Respectable jobbing-gardener to a friend, describing to him the owner of a garden who employed him . . . "A quaint old gentleman, just like this 'ere Montagu Norman."

As the speaker had been heard to say in a philosophical mood: "Them as lives close to natur sees things truer than wot these 'ere big heads does"—it is not at all improbable that his description of our august and terrifying Governor is literally true.

Movement Notes

Captain Rushworth at the L.S.C. Club.

A gathering of about sixty students and advocates of Social Credit met at the Blewcoat Room on Saturday afternoon, September 10, at 3 o'clock in order to elicit, by questions, further facts and opinions from Captain Rushworth regarding the situation and prospects of Social Credit in New Zealand. Considering the day and time, and also the nature of the arrangements, for this meeting, this attendance was gratifying alike to the Committee of the London Social Credit Club and to the speaker. Not that numbers count for much—in fact numbers are a nuisance when audiences take a hand in shaping the course of the proceedings, as is bound to be the case where any member is free to raise a subject for elucidation.

This audience was well balanced in composition. It included persons affiliated to every London organisation concerned with problems of technical exposition and political agitation. And the knowledge and experience of these persons enabled them to perform that difficult task of formulating questions clearly, and confining them to matters relevant to the problems of action which face the Movement at the present time. It is a great thing to know what it is that you want to know and to ask for the information in clear-cut terms.

Captain Rushworth had the easy and enjoyable task of talking to people who grasped first principles and who therefore kept their questions within a common frame of reference. He did not have to chase stragglers.

Perhaps the most interesting part of the discussion was that relating to the comparative merits of the "Work-and-wages," and the "Leisure-and-dividends" appeal to the public. On this he was most definite. He said that in New Zealand there was practically no response to the idea of leisured affluence. Popular sentiment had not won free from the traditional idea that incomes should be the reward of service rendered. It was no use going into refined distinctions between compulsory and free service. The concept of economic co-operation on the basis of independent individual initiative operating outside the orbit of centralised co-ordination seemed logically contradictory and practically irreconcilable to a people steeped in the experience of prescribed task-work. To their mind income must be earned, and the earnings must proceed directly from the particular jobs done by particular earners. [Captain Rushworth must not be understood to have used these words: they are intended to convey the implications of his remarks.]

The moral of this is contained in the saying: "When in Rome, do as the Romans do." The Apostle Paul was content to be "a fool for Christ's sake"—to be "all things to all men" where this attitude would further the object of his "high calling." When the Prophets of Social Credit come down among the people they must "do what the people do." So when, say, a New Zealand farmer says: "I want to earn my living; I want to earn it by rearing sheep; I want to earn it out of the proceeds of selling mutton or wool; I want to feel that I am personally providing the means of my existence," the Prophets must set themselves to work out their problem from that standpoint.

The Australian Lecturing Tour.

The following appeal is being published in *The New Times* (Melbourne):

In addition to the invitation extended to the Dean of Canterbury (Dr. Hewlett Johnson), it has been decided to invite the Earl of Tankerville, one of the most prominent Social Credit speakers in Britain, to give a series of public addresses in Australia. The Earl of Tankerville is expected to arrive in February next, and Victoria's quota towards the expenses will be £240. One-third of this will be required immediately, and one-third upon the Earl's arrival in Australia. Guarantors may expect to be reimbursed out of the net proceeds of the tour.

When the required sum has been guaranteed, a request

will be made to guarantors to forward their cash as above indicated. One hundred pounds is still required to complete Victoria's quota.

Queensland and the Secretariat.

A report received from Brisbane states that Major Douglas has written to Dr. Streeter, a leader of a Social Credit political party in Queensland, refusing to allow him to use his (Douglas's) name in connection with that party. The party, on the other hand, have declined to adopt the Electoral Campaign unless Douglas allows his name to be used.

[NOTE.—It is not clear what party is referred to. There is a "Queensland Branch" of what is called The Douglas Credit Party of Australia" (*vide* letter from the "State Secretary," Mr. G. H. Gray published in THE NEW AGE of September 24). If Douglas's objection is to the use of the word "Party," it would apply to all the State Branches, and not only to the Queensland Branch. Perhaps some reader in touch with Australia can clear this matter up.]

The Electoral Campaign in Queensland.

The latest returns from the Queensland Branch of the Douglas Credit Party of Australia show that only 40 out of its 170 local groups have adopted the Secretariat's Electoral Campaign.

The Secretariat and Technical Education.

It is reported that Major Douglas has asked the New South Wales Branch of the Douglas Credit Party of Australia to organise a course of technical instruction in Social Credit, with diploma. This is to run parallel with the organising of mass demands for results. This report confirms rumours in London a little while ago, and is probably correct. To carry out Douglas's request, it will be necessary for text books to be prescribed and for examination papers to be prepared. Our report says that the editor of THE NEW ERA, Mr. C. Barclay Smith, is taking the lead in this matter, and has invited the co-operation of (among other bodies) the League of Economic Democracy in Sydney and the New Economics Group in Melbourne. There is some uncertainty about who shall take on the responsibilities involved in the task, and the feeling is growing that the Secretariat in London should take it on, firstly, because Douglas is obviously the final arbiter on what is sound technical exposition, and the judge of competent expositors; and, secondly, because it is being found that there are very few people in Australia who feel themselves fitted to undertake the job. The situation is complicated by uncertainty whether it is a job for one man or for a committee. If one man, can he be found? If a committee, can they agree on a course of teaching, a form of examination questions, etc., etc.? Another consideration which arises is that the diploma would have to be signed; and who else but Douglas can be agreed on as the signatory? But, if he, could he sign merely on the certification of a local examiner or board of examiners? Would he not require more direct evidence of the titles of examinees to receive the diploma? So everything points to the necessity for the London Secretariat to implement its new policy. And particularly so because, presumably, the policy is to apply not only to Australia but to the Movement throughout the world, and will call for at least some measure of centralised, authoritative standardisation to ensure that the diploma should have the same significance in one country as in another.

York Conference.

Up to the time of writing (October 4), we have not received any further particulars of this Conference.

The Social Credit Secretariat, Ltd., announce in their weekly organ that several of their Directors and the Secretary will be available to receive suggestions and answer inquiries relating to the furtherance of the movement at an office which will be open at 18, Coney-street, York, on October 9, 10, and 11.

"The New Era's" Tariff Campaign.

The New Era (Sydney) has launched an electoral campaign against the proposed increase of Australian tariff rates against Japanese goods. It prints a pledge-form,

modelled on the Secretariat's, and invites readers to pledge themselves to vote against candidates—i.e. to place their names last in their lists of preferences—who support the proposal.

Note.—The New Era was chief sponsor of the "Interim Policy" on which Australian Social-Credit candidates fought in the last election, a policy which the Secretariat subsequently repudiated.

Social-Credit Literature in Australia.

A correspondent in Melbourne reports that there has been a substantial falling off in the sales in Australia of authentic Social-Credit books—including Douglas's.

Caustic Comments.

By Scriblerus Secundus.

The frequent importance of the amateur in forwarding knowledge—literary, artistic, and scientific—was well illustrated a few days ago on the death of a King's Counsel who was more importantly one of the leading lights in the world of microscopy and optical science. No social, political, economic, or financial structure of society is satisfactory unless it gives opportunity for the non-professional enthusiast to use his leisure and talents in those branches of culture which rouse his enthusiasm. One of the many arguments for a National Dividend is that it would set free, or at least freer, many more people to contribute to progress—progress being most aptly defined some years ago by Major Douglas as "a series of considered departures from precedent."

The Income-Tax Payers' Association has been properly protesting against certain threatened exacerbations of this perennial plague. One of the tax-gatherers' new dodges is to make it harder for children's rebates to be given for illegitimate children. This is, of course, not an attempt to discourage a more monogamic morality, even by a counter-immorality of reducing the "love-child's" standard of education, etc. It is simply to rake in more cash to pay debts manufactured by credit. The established policy of the income-tax is to promote extra-matrimonial domesticity. If a man and a woman each in receipt of, say, £500 a year, live together without being married by Church or State, they will pay less income-tax than if they live together married. Those who make a song about the alleged decay of family life rarely raise a whisper about this.

When determined not to do anything about a notorious scandal, appoint a Royal Commission. In a few years the Commission will report; at this stage announce that you are considering ways and means. Some years later solemnly assert that in the light of changed circumstances the matter must stand over pending further information and consideration. This is one hoary device of English Government. Another seems in process of perfection. There is actually a party of scientists going on tour to study the problems and possibilities of agricultural developments in Great Britain! Are not the shelves of the Stationery Office already crammed with bulletins, reports, leaflets, returns, Commissions, and investigations into the agriculture of the country, and what is the use of the highly-paid officials of the Department, let alone of the whole galley of experts up and down this island, if a report quite adequate for action cannot be produced at ten days' notice? The nigger in the woodpile, needless to say in this paper, is Money. The scientists will dance gracefully round him and murmur such useful incantations, Re-sow all pasture, Scientific and commercial afforestation, Pedigree Stock, Reduced Poultry Mortality, Ensilage, Baby Beef, More Experiments in Mechanisation, Market Study, what time the Government watches first-class land being covered with petrol pumps.

"If Germany had to limit her armaments she would at once see her economic system come to a stop."—Mme. Tabouis in *Cæuvre* (quoted by the *Evening Standard*, September 15.)

LETTERS TO THE EDITOR.

LOANS AND DEBTS.

Sir,—My thanks to you for recent instructive controversy in your pages. A pleasant contrast to the almighty omniscient, cock-sureness in certain Social Credit quarters.

Mr. Coleman has for long appeared to follow rather lonely paths in Social Credit exploration, but surely in his article of September 17 he has added so much water to Douglas as nearly to wash him out. When Mr. Coleman finds the chief objection to the banks to be in the faulty issue and recall of loans, he is merely saying something with which every monetary reformer, including Mr. Hawtrey and Mr. Keynes, would agree.

Assuredly, Major Douglas's argument is that the community is enormously in debt to the banking system, is without the means to liquidate such debt by corresponding credit, and therefore cannot meet prices which include those one-sided debts. With this view Mr. Hawtrey and Mr. Keynes would completely disagree, and so, apparently, does Mr. Coleman now. I feel sure he is right, and now all that remains for him to do is to convert Major Douglas.

H. R.

[We do not think our correspondent's leg-pulling is profitable either to advocates or opponents of Social Credit. Exponents of any thesis on financial problems are forced to use a vocabulary full of ambiguous words, and therefore have to rely on contexts to clarify the meaning of them. Such words as "debt," "cost," "price," for example, have different significances in different contexts, or frames of reference. Our correspondent makes out his case by summarising two different contexts in his own language, and then asserting that the summaries are not mutually reconcilable. Even allowing the assertion to be true, what does it prove? Apart from this, we may point out that he falls into a crucial ambiguity himself when he uses the phrase: "The faulty issue and recall of loans." What is the nature of the "fault"? Evidently, in his mind, it is something which, while recognised in common by "every monetary reformer," Mr. Coleman included, is not recognised (or is repudiated?) by Major Douglas.

If every monetary reformer, "including Mr. Hawtrey and Mr. Keynes," agrees on the said fault, then that fault must consist in nothing more than that banks are niggardly in their provision of loan credit. We do not know of any monetary reformer other than the Social Credit advocate who is not merely an Expansionist. Such a reformer demands nothing further than that loans by the banks and repayments to the banks shall be expanded in volume, and by the same measure. This demand was implicit in Mr. Keynes's well-known dictum that there was no limit to allowable expansion, provided that the banks "kept in step." We Social-Credit advocates, on the contrary, assert that Expansion is not enough. We say that the effects of Expansion are inflationary, and must be compensated by Price-Regulation at the retail end of the system. Never mind whether we are right or wrong; the point here is that the fault we see in the banks' loan policy is not the same fault which is seen by the general run of "monetary reformers." In fact we take issue with these reformers and say that if there is to be no Price-Regulation the banks' refusal to expand credit is not a fault at all, but is a wise precaution.

With regard to Major Douglas's "debt" thesis, our correspondent's implicit suggestions that it is not related to the banks' loan-and-repayment policy and technique is unfounded. It is closely related thereto. Debt arises from the fact that the banks insist on financing long-term production with short-term loans. The size of the loans is irrelevant. What causes the trouble is that the loans have to be prematurely and irrevocably surrendered by the community at times long prior to the availability of the corresponding products for consumption. Each time a portion of the product has to be bought before it is ready for consumption, and is bought by one section of the community to sell again to the other. And neither section has the money to meet the charges carried forward.—Ed.]

TAXES AND USURY.

Sir,—Braving the thunderbolts that must surely be descending upon you from the Douglas empyrean, you state that certain bankers' jargon is intended to make people "look upon money as a form of private property." You add, "the illusion is stabilised that to acquire a currency note—a gold-leaf sandwich—is to acquire private property."

At present, of course, a currency note is the banks' property, and they set the example in loaning it, which encourages the man in the street to lap up his illusions and emulate the bank. But money, then, must NOT be any individual's private property.

That being so then, it must not be permissible for private individuals to withhold it, accumulate it, and privately take a lien on someone else's private property for the use of it in, say, piling up the National Debt.

Mr. Coleman is by now, I presume, stone dead, from similar thunderbolts for his statement in THE NEW AGE, September 17, that the repayment of the National Debt to individual bondholders may result in transfers of income which are possibly (!!!) "injurious and deplorable" from a social point of view, but that such ill effects could be mitigated by a suitably graded income tax.

Douglas said "Taxation is Robbery"!!
"Taxes," said Edward Bellamy, the Socialist, "are an incident of private capitalism and will pass away with it." But Mr. Coleman proposes to perpetuate this form of robbery to mitigate the effects of the robbery entailed in collecting interest on bonds. Thus one crime leads to another!

Surely, therefore, Sir, your sound argument that money must not be regarded as private property proceeds logically to the conclusion that it must eventually come within a State-Money system, such as Savage, of New Zealand, is attempting, and that the State Bonus shall not be used to cancel "injurious and deplorable" costs and perpetuate the debt-farming racket.

Under a State money system the National Debt can be repaid to the bondholders in the same paper sandwiches which they invested. Bondholders' souls can thus be saved from the robbery of interest-taking and Mr. Coleman's from the robbery of taxing it out of them again. And it will not matter whether the bondholder is a banker or miller—neither can complain at receiving in full what he has been so "kind" as to lend.

GLADYS BING.

[We hoped that our remarks about currency not being "private property" would be construed in a sense relevant to the frame of reference in which we were writing and to the event we were discussing. The intended sense was that the Money Monopoly has no property-right in the money it creates. This does not stand in contradiction to the fact that a citizen has a definite property-right in the money he acquires. He acquires it by giving something for it—labour or "equivalent value," as the lawyers say. The banker gets it for nothing at the moment of issuing it, and, as an honest man, reduces it to nothing when it is repaid to him. So we have not committed ourselves to Mrs. Bing's deduction that the money of private individuals should not be their property.

Similarly, there is no contradiction between Mr. Coleman's "graded income tax" and Major Douglas's dictum "Taxation is Robbery." Major Douglas has himself envisaged taxation in a Social Credit system (we think, a flat-rate tax on purchases, but it doesn't matter here.) The apparent contradiction is merely a matter of difference of context. And in each case common sense must decide ambiguities in expressions (if any). Obviously a community must pay taxes unless they abolish the system of centralised spending. The whole point is whether the community receive the whole income which could be distributed among them, or less. If less, then taxes levied on this lessened, or already taxed, income, are robbery. That is the case under the present system. And since the collective amount of the robbery, if divided equally among the population, could not be paid by the poorer classes, the richer

The Cur Yelps—



—But The Chariot Lumbers On.

classes must pay the bulk of it. While the present system lasts we must all tolerate the robbery and mitigate the burden on some individuals at the expense of others. Mr. Coleman's allusion to a particular form of mitigation does not justify the conclusion that he "proposes to perpetuate" the over-riding robbery which creates the necessity for mitigation.

As for the remaining part of Mrs. Bing's letter, she seems to think that the issue of Government-created credit on the lines contemplated by the New Zealand Government will disarm bondholders and usurers. In theory, of course, the Government could pay them out by creating the credit, forbid them to spend it in the home market or to import goods from abroad, close up opportunities for them to re-invest it at home and abroad, and, in sum, reduce the effective value of the money to nothing. But in practice we fear that a crop of "injurious and deplorable" results would spring up. Just as water finds its own level, so does the purchasing-power of a unit of credit, no matter in whose hands it happens to be. A Government may prohibit certain uses of credit, but no Government can administer a system in which the same unit of credit has different purchasing powers. We think that the Scullin Government in Australia would have settled the "bondholder" problem with less trouble, namely through compulsory conversion accompanied by an undertaking to except citizens who can prove "personal hardship." For hiding behind the personal bondholder who lives on his interest stand financial corporations which confiscate the interest that they receive.—Ed.]

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