THE

NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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CONTENTS.

NOTES OF THE WEEK.

Gold Prices Under Social Credit.

Some of the opinions we expressed in our Notes of August 20 have brought us correspondence from friends in South Africa. They say that the broadcasting of them in South Africa would be inexpedient. We agree at once. We did not offer them for that purpose. It is for South African Social Creditors to say what kind of publicity will go down with the South African public. Naturally a country dependent on the exportation of gold for obtaining imports, and dependent on those imports for maintaining a given standard of life (because it is not yet developed enough to provide these things internally) will not tolerate even the idea, much less a proposal, that gold should be abandoned as the bullion-basis of currency-systems.

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Nevertheless, the prejudices of the public are irrelevant in a discussion of the fundamental principles of Social Credit science. We said that it did not matter whether gold was abandoned or not so far as the operation of those principles was concerned. We hold to that. It is an inexpugnable proposition to Social Credit scientists.

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Of course there are circumstances in which it *would* matter, but those circumstances are political; they are connected, not with the operation of the scientific principles, but with the *extent of the area in which they operate*. This question of the extent of the area is of high importance. On it rests the fundamental challenge that the Social Credit scientist delivers to the International Bankers. Their case is this: that if the whole world became a single economic area run on their orthodox principles of science, there will no longer be an economic problem. The Social Credit scientist declares the contrary: he maintains that a politically united world under their principles of science would be just as helpless to exploit its resources for the benefit of its population as it is now. Affirmatively he says that a politically united world under the principles of Social Credit would be able to do so.

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If anybody likes to say that the world will never become politically united, well and good. But this cuts both ways, *if political unity is postulated as essential*. In that case neither orthodox principles nor Social Credit principles would work. But the Social Credit advocate need not insist on world-wide political unity. All he need insist on is that the area in which Social Credit can establish its soundness is one which is physically self-sufficing. If it has a reserve of unexploited resources of a given variety, it can show results.

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Our correspondents appear to have based their criticisms on the assumption that South Africa alone adopts Social Credit. Well, on this assumption it is easy enough for them to show that the throwing on the market of all the banks' gold reserves plus the yearly output of the mines would cause a glut which would practically destroy price and therefore South Africa's purchasing-power as an importer of the necessary means of life. They say that taking the situation of South Africa at the present moment, it would require many years before the Union could bring its productive capacity up to the point of self-sufficiency in terms of commodities necessary in quantity and variety to provide a generous and balanced scale of living for the population. In the meantime, they claim, South Africa is bound to buy such things abroad and is dependent on a stabilised gold-price to obtain them in adequate quantities.

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But we said nothing to suggest that South Africa would be a Social-Credit island in a sea of Finance-Capitalism. As our context indicated, we were envisaging the much more probable situation that Social Credit would be operating at least thoughout the British Empire, and perhaps the United States as well, not to speak of the rest of the world. On the basis of any of these enlarged areas, the present problems of South Africa would become profoundly modified. The Union of South Africa in a Social Credit Empire would be analagous to, let us say, the County of Durham in a Social-Credit England. The industries carried on in that county at present might became more active, or less active, under Social Credit: but whichever turn they took would be immaterial, because the general benefits of the exploitation of England's real credit would be diffused throughout all the counties of England. Durham would draw on the national pool according to her need of goods as a group of consumers rather than her contribution of service as a group of producers. There would be no phychological obstacles provided that the pool were large enough to irrigate the whole country. So if our choice of England is objected to on the ground that the English pool would not be large enough to eliminate jealous side-glances by some people at what was put on others' plates, let us widen our area to embrace the Empire. In that case we suggest that the drawings of South Africa on the Empire pool of real credit would be measured less by the amount of gold that she put into the pool than by the quantity of other things that she was able to take out. In a Social Credit Empire there will be no "distressed areas."

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Coming to technicalities, the mining industries might sell gold at the discounted rate and receive price-assistance compensation: or they might elect to contract out of the price-assistance scheme and sell gold for what it would fetch. For gold (now no longer needed as bullion) would be a luxury article. It would fall into the same category as paintings, sculptures, carvings, and other embellishments of life whose cost has no relation to the value which consumers may place upon them. It is hardly necessary to remind our correspondents that Social Credit policy allows freedom to enterprises which prefer to work without price-assistance so long as other enterprises are free to accept it. For if the non-assisted enterprises are able to hold their own against assisted enterprises, it will be because consumers are willing to pay the higher prices that the former demand, and must see some superiority in quality that is, to their minds, worth the extra margin.

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Well, suppose gold is offered for sale on this free-lance basis? Will there be buyers at a price that will satisfy the sellers? In realistic terms could South Africa convert her gold into imported commodities at a satisfactory rate? In financial terms how will the price of gold compare with the prices of the things which sellers want to import? The absolute price matters nothing: it is the comparative measure of the price that counts. We do not propose to give the answer. How can we? We can only draw deductions from what has been going on under the present dispensation of world-wide restriction of purchasing power. For years and years up to the outbreak of the Great War gold was pouring into India virtually as an article of consumption. It went into the hoards of Princes and Maharajahs in the form of ten-ounce ingots beautifully polished, stamped with various designs indicating ownership, each wrapped in tissue-paper like a piece of prized plate. "Oh, I feel I could eat it!" exclaimed a lady in our hearing on being shown one of them. And on another occasion a gentleman who was allowed to see a case of them being packed for shipment urgently asked if he might buy one there and then to take home with him. Certainly, said the Chief of the department, he could have one. So he wrote his cheque for the forty-odd pounds, and went off happy with his prized possession just like a lady with a diamond ring. There is no doubt about it—gold "gets you," and when anything gets you it will fetch all the money you can spare.

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Well, coming back to India, it is true that the post-war persuasion of the Schusters and other financial advisers has conjured gold out of the local hoards, but we see nothing to stop the resumption of hoarding when the persuasion ceases, as will be the case when the banks no longer want gold. And likewise throughout the world. Gold, the Biblical symbol of purity ("For He is like a refiner's fire") will flow from the Houses of the Money Changers into the Temples of God. Refined gold, the symbol of the redeemed soul, will be fashioned into the cups of remembrance which touch the lips of partakers in the Holy Sacrament.

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In a Social-Credit Empire we can see Johannesburg, which has long since captured the business of refining from London, proceeding to lay down rolling mills and wire-drawing machines, and eventually becoming the centre of distribution for semi-manufactures of gold for the applied arts of the world. And the price will be no object.

A Book Behind The Times.

Among the "Autumn List" of new books announced by Stanley Nott is one entitled *Seven Heterodox Theories of Money*, edited by Montgomery Butchart. The publisher's notice of it is reproduced in full as follows:—

> Here are seven well-known monetary reformers who will **differ profoundly in detail;** but a reading of the book will show that they are all agreed that the Cause of our economic ills lies in the monetary system and that the Cure lies in the public control of money and the price level.
>
> The book includes essays by the following: J. Stuart Barr (Silvio Gesell), Arthur Kitson, Frederick Soddy, McNair Wilson, C. H. Douglas, G. D. H. Cole, and Jeffrey Mark.
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> As public pressure for financial reform increases in depth and intensity, the need arises for an examination of the theories of the several currently active schools of monetary reform, **and for a statement of their "highest common factors"** which may provide a sound basis for **their inevitable unification in the sphere of political action.** *Seven Heterodox Theories of Money* has been prepared to meet this need.
>
> Of the seven schools of thought here represented, five appear in chapters carefully prepared by their original propounders for this volume. The work of Silvio Gesell has been summarised by Mr. J. Stuart Barr and has frequent quotations from the original, while Major C. H. Douglas's theories are expounded by extracts from his previously published writings. A summary by the editor **emphasises the similarities between the seven theories** and discusses the possibilities of a **fusion of the distinct schools of thought here represented into a single school of monetary reform with doctrines capable of acquiring wide support in the political arena.**
>
> This volume constitutes a definition of the political phase where there is no doubt that **the New Economics is making steady progress towards the realisation of its aims.**

We do not like the purpose of this book at all. Nor will the majority of our readers. For educative pur-

poses it inverts the principle on which investigation can be profitably made. Postulating that it is possible to give a correct and complete digest of seven different theories in the compass of one book, and that it is desirable to exhibit these digests together for comparison, the objection is that emphasis is wanted, not on their mutual likeness but on their mutual unlikeness. The student can get to know more about each by learning how they differ than about how they agree. And there is a danger that when, as in this case the editor has a political motive for toning down differences, his digests will reflect it, and thereby deprive the student of essential knowledge.

In fact such danger is foreshadowed in the publisher's remark that the aforesaid "seven well-known monetary reformers differ profoundly in detail," suggesting that they do not differ profoundly in principle. (By the way, can differences in detail be "profound"?) Again; when the announcement goes on to say that the Big Seven are "all agreed that the Cause of our economic ills lies in the monetary system and that the Cure lies in the public control of money and the price level," it says nothing to reassure advocates of Social Credit that what they believe to be the essential factors in the said "Cure" are so regarded by Mr. Butchart. Agreement about where the Cause and Cure lie means nothing until there is agreement on a precise and unequivocal statement of what constitutes the Cause and Cure. And even that extended agreement is of no practical importance unless the agreed Cure is logically related to the agreed Cause.

Under these tests we are prepared to show that there is a distinct fundamental cleavage between Major Douglas's diagnosis and remedy on the one hand and those of the other six "monetary reformers" on the other. Major Douglas concentrates on the cost-accounting aspect of finance-economics. "The core of the problem is Cost" is his final dictum. The other six either ignore this aspect, or when they touch on it, do so only to question the reasoning on which Major Douglas bases his Cost Theorem. The crucial question is this: Do the principles on which costs and prices are built up and carried forward to the retail counter automatically yield final prices in excess of available incomes? If they do, then the cure for the problem of the shortage of purchasing power must be sought first in the rectification of the said principles of costing. And in fact, if the rectification eliminates the excess, there is nothing further to seek for. In other words, the contributions of the other six "monetary reformers" towards effecting the cure are scientifically superfluous.

And further, these scientifically superfluous contributions will be politically mischievous if they are to be selectively blended to form a foundation for "*doctrines capable of acquiring wide support in the political arena.*"

It is up to Mr. Butchart to make up his mind where he stands. Either he accepts as a correct and final remedy Major Douglas's Proposals without reservations, or with reservations. If *without* reservations what assistance does he think the other six reforms can render? If *with* reservations, what *are* those reservations? It is vital that he formulates them; because without a doubt they are such as he hopes to incorporate (whether explicitly or implicitly) in the scientific curriculum of his contemplated "single school of monetary reform."

It is to be noted that whereas five of the original propounders of monetary reforms are preparing statements for this book, Major Douglas is not. The section on his Theorem is to be made up of extracts from his previously published writings. A good many propositions and sentiments are to be found in those writings which will coincide with those in the writings of the other six contributors, and if assembled will facilitate Mr. Butchart's proposed task of "emphasising the similarities between the seven theories." But we will prophesy that all these similarities will be seen to relate to subordinate considerations—"points of detail," to use his expression. No, in the issue between Social Credit and the other six theories, differences become the more profound the nearer we approach the fundamental principles involved in it.

Two more questions occur to us. To what audience is the book addressed? Who is to take the lead in promoting the sevenfold "fusion" which Mr. Butchart hopes to show is feasible and desirable? The book will be read chiefly by people who want to know what theories of monetary reform are being taught. But these are hardly likely to do anything about "fusing" them. Of course, the publication of the book may be no more than an exercise in kite-flying. But we have to remember that from the point of view of the banking monopoly there are many good points in a scheme to collect all types of monetary-reform leaders and followers under one umbrella. We respect Mr. Butchart's intentions, but there are ways in which Finance can fulfil them in their own way over his head.

However that may be, the Social Credit Movement must necessarily keep out of any "fusionist" scheme. If fusion is "inevitable" it had best be left to be promoted, financed, organised and canvassed by persons outside the Movement. If we had to choose, we would prefer the Movement to adopt the policy of the Secretariat and exhort the public to demand results without reference to methods, rather than to demand such an ambiguous thing as the "public control of money and the price level" to be exercised according to any of the ideas put forward in the names of the six money-reformers.

As things are, we need not make this choice. The delegates at the York Conference indicated clearly that the policy of the Movement should be, and could be, that of enlisting public support for results *and* methods—the results achievable by Social Credit by the methods laid down in the Social Credit Proposals. In no respect can the Movement benefit by associating itself with "a single school of monetary reform," especially when this school would by logical necessity be inviting new inquirers to study seven theories instead of one. The six propounders other than Major Douglas have their supporters among the intelligentsia, but they have no following of technical expositors, political organisers, and active propagandists such as makes the Social Credit Movement unique. Fusion in these circumstances would mean that this ability and energy would be utilised in the service of the six other "schools" of monetary reform besides the service of its own proper "school."

No; let Mr. Butchart leave Social Credit out of his scheme, and confine his ingenuity to discovering the "highest common factors" of "unification" contained in the "Big Six" schools. This would be useful work, because when we saw the said factors merged into a clear set of proposals corresponding to the Social Credit Proposals and sponsored by the "Big Six," we should then see how far the two sets were mutually reconcilable. And we have no hesitation in saying that the revealed basis of the six-fold fusion would put a stopper on the idea of a seven-fold fusion.

Drawing an analogy from the English Cup competition the Social Credit Movement has drawn a bye through all the eliminating rounds of scientific assessment. We do not appear in the field until the Final. It is for other monetary-reform clubs to play each other for the honour of meeting us at Wembley.

"Credit-er" or "Credit-or"?

Where is the justification for the adoption of the suffix "-er" which seems to have spread over the Social-Credit Press? It appears to be nothing other than a device to avoid the use of the suffix "-or," because, presumably, the word "creditor" has a definite conventional meaning which is distinct from that intended to be conveyed by the word "crediter." But that consideration is not sufficient to outweigh the offensive *look* of the word "crediter" when seen in print. The word, thus spelt, looks like a mis-spelling; and even did it not, it disengages an atmosphere of cheapness. It is an offence against what may be called the canon of good taste. One might, even so, try to endure it if it fulfilled the canon of logic. But it does not. The word "crediter" no more expresses the intended meaning of the coiners of that form of spelling than does the word "creditor."

The word "creditor" means someone who is in credit. The word "crediter" means (by analogy with other common words with the same suffix) someone whose business or hobby it is to place himself in credit. Thus the "crediter" is someone in process of becoming a "creditor." Every "creditor" was once a "crediter"—in somewhat the same manner in which critics of the A + B Theorem point out that "B" costs were once "A" costs.

Then the inclusion of the adjective "Social" does not better the case for the word "crediter." It rather confuses it. Those who insist on this spelling ought at least to combine "Social" with "crediter" thus: "Social-crediter" or better "Social-Crediter." But they don't. They write: "Social Crediter." Is the "Crediter" a Socialist; or a sociable fellow; or someone who fulfils a duty to society? The outside public could place any of these constructions on the combination—or, more likely—a mixture of all three. So, of course, could they on the term "Social Creditor." But not more readily: the two confusions cancel out here.

However, if the hyphen is used between "Social" and "Credit" and the capital letter used for both words, the hyphen makes "Social-Credit" a noun, and the double capitals signify that it is a proper noun with some special meaning. "Social-Crediter" would then suggest some person connected with some thing called "Social-Credit." From this angle of analysis the suffix "er" scores a few points over the suffix "or." But far too few to justify the use of "er," which looks no less pedantic and repellant when added to "Social-Credit" than when added to "Credit" alone.

To sum up, "Social Creditor" is far better, whether with or without the hyphen. The term "Social Credit" is well known enough to the public to obviate any misunderstanding. A Social Creditor who prefers "er" to "or" errs in a matter of taste. He offends against "the Canon" of "exactly-right"-ness which every fastidious philologist recognises without being necessarily able to define.

After all, every citizen is a creditor of the society to which he belongs and to which his ancestors belonged. He is in credit to the amount of his share of the undistributed inheritance bequeathed by his forbears. So even if he should need to be told why we call ourselves "Social Creditors," it will merely provide us with the opportunity to explain that he also—and everyone—is a Social Creditor, and that, as such, his duty is to verify and enter his claim to his inheritance as we have already done.

In the realm of æsthetics that which does not seem right is not right. So let us abandon that verbal monstrosity, "crediter," to the blundering blenders of uncoordinated and deficient "credit reforms" who have set up stalls in the old Social Credit Fair.

Points About Social Credit.

III.—FINANCIAL CREDIT.

Financial Credit is a technical expression which means the same thing as the common word: Money. There are three different kinds of money: coin-money, note-money, and cheque-money. But the differences do not matter. You can exchange any one kind into either (or both) of the other two. You can cash a £1 cheque for a one-pound note, and then change the note for ten florins or twenty shillings. Whichever you do you have the same amount of purchasing-power; you can buy something priced at one pound. You can also settle a debt amounting to one pound. Your interest in money is in how far you can make it go when spending it, not in what it is made of, or where you get it from, or how you get it.

IV.—MONEY COSTS AND PRICES.

The inscription "one pound" on a note means nothing at all until you know the prices of the different articles you need to buy. Prices reflect costs, and costs are a record of money spent. Suppose an employer pays 9 men £9 to make 10 articles. The cost of the articles is £9, and the price to the men must not be less than £9, and cannot be more. Theoretically each man's £1 can buy one article and leave one for the employer. But each £1 might buy only a quarter of an article or any less fraction. It would depend upon whether the employer chose to offer the articles at £1 each, £2 each, or any higher price. If he charged £2, each £1 would have exactly half the value as purchasing power that it would have if he charged £1. So the quantity of money you get depends for its real value to you on the level of prices.

V.—CAPITAL IN PRICES.

In any given bank-loan-period industry produces things which it sells to consumers in that period and things which it retains. Of the things retained some are intended for sale to consumers in later periods. They can be described as Commodity Capital. The rest are intended for use by industry. They can be described as Fixed Capital. Examples: An unsold of wheat or coffee is Commodity Capital; and a balance of ploughs or tractors is Fixed Capital. At the end of the given bank-loan-period both the Commodity and Fixed Capital are unpurchasable by consumers, because the money lent has been called in and cancelled by the bank. This does not affect the Fixed Capital, because it is not for sale to consumers. But it does affect the Commodity Capital, which *is* for sale to them. Can they get it under the loan-credit system now in operation? This is a basic question which the Social Credit Analysis answers in the negative.

"Fixed" and "Commodity" Capital.

It being granted that Industry adds to its costs week by week faster than it distributes incomes to consumers, then even if these incomes are wholly recovered in prices there will be left a balance of unsold production in Industry's hands at the end of every week. These weekly unsold balances will accumulate, because they are unsaleable. This unsaleable accumulation is Industry's Capital. No matter what it is composed of (whether consumables, materials, semi-manufactures, machines, factories, and what not) it figures in Industry's accounts as Assets, Property. These assets are not wholly "Capital" in the narrow commercial-accounting sense, but for the purpose of the present analysis this designation of Capital will be applied to them without distinction. The value of a week's production, less the value of the same week's consumption, leaves a value representing the week's addition to Capital.

Under this definition, of course, the whole of industry's production would be Capital if none of it were sold to consumers. That is why the definition is here adopted, namely to establish the proposition that: Production less Consumption is Capital. Let us designate it Economic Capital to distinguish it from Capital in its conventional sense.

Now in any bank-credit cycle embracing the lending, spending, recovering and repaying of a bank loan, there will be so much production and so much consumption, leaving in the hands of industry a balance of production against which no money will be left in the hands of consumers. The bank will have recovered and cancelled the whole sum lent.

This balance of unsold production, i.e., the Economic Capital created during that bank-credit cycle will be unsaleable at that moment to consumers (or for that matter to anybody at all).

Illustration. The bank lends £1,000 for a week. Total production costs £1,000. Goods sold to consumers £250. Balance, Economic Capital, £750. Money in circulation—*nil*.*

Now industry will not want to sell the whole of its Economic Capital. Part of it will be in the form of Fixed Capital, as it is called (factories, plant, etc.), which is not going to be delivered to consumers and will not be charged to them in prices. Charges for maintaining it will be made to them, but these charges will represent new expenditure on maintenance, not the original expenditure on the Fixed Capital itself.

But there will remain a balance of Economic Capital which is intended to be charged to consumers. Let us call it Commodity Capital, i.e., products ultimately convertible into commodities to be sold in the shops.

Reverting to the above illustration where Economic Capital is £750. Let Fixed Capital be valued at £500 and Commodity Capital at £250. Industry will contemplate paying out, and charging for maintenance of Fixed Capital, say at the rate of £50 in each successive loan period. But as regards Commodity Capital it contemplates charging the consumers for it without paying out more money than is needed to convert it, say £20 in each successive period. Industry's contemplated charges can be tabled as follows:

Fixed Capital Account: Periodic expenditure of money £50. Periodic charge £50. Both continue indefinitely.

Commodity Capital Account: Periodic expenditure of money £20. Periodic charge £20 *plus a proportion of the £250*. What that proportion will be depends upon how long it takes to convert the whole Commodity Capital into commodities. For example it might be wholly convertible in the next loan-period for the expenditure of the £20. In that case the total charge would be £270, while the money in consumers' hands would be just the £20. Alternatively it might take 10 periods, in which case the periodic charge would be (£25 + £20) £45 while the periodic receipt of money by consumers would be £20.

The object of this analysis is to show that under the present financial system the balance of production remaining unsold to consumers at the end of a bank-credit period remains unsaleable to them in any succeeding period. The money which consumers receive in each succeeding period is only sufficient to pay the cost of new production (and then only a part of that cost) in that period.

Taking the figures used in the illustration and assuming that the banker is willing to keep on renewing his loan of £1,000, you will get a result like this:

Fixed Capital.	Commodity Capital.	Products Consumed.
£	£	£
500	250	250
500	250	250
500	250	250

And so on until the end of time. Consumption is stabilised at £250 per period, notwithstanding the fact that Fixed and Commodity Capital, or Economic Capital, is accumulating at the rate of £750 per period.

One consequence of this development will be that industry will slow down on creating Commodity Capital. For it is foolishness to keep on adding to stores of products convertible to consumption-uses when the additions cannot be drawn on by consumers. Industry will either cease to make them, or (which comes to the same thing) will carry on the process of making them only up to the point where they can be converted into Fixed Capital. And, apart from industry's choice in the matter, the banker will intervene to make it happen. For he is not going to finance the accumulation of a kind of capital which (a) can't be disposed of to consumers and (b) can't be used to save costs (at the expense of consumers) in production. Hence there will a tendency for Commodity Capital to be ploughed into Fixed Capital to the maximum degree.

This theoretical result is confirmed by current experience. The world's industries have more Fixed Capital than they can use, and more Commodity Capital than they can sell. Since the War ended the world has watched industry scrap Plant and destroy Commodities.

[*The £750 will have been taken from consumers in the form of subscriptions for share-capital (and, in actual practice, compulsory, or voluntary insurance-contributions.)]

Notice.

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

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York Conference

[The speeches reported below are those which contain the most critical testimonies and sentiments presented at the Conference against the Secretariat's policy. Other speeches will be dealt with later.—Ed.]

DISCUSSION: ORGANISATION OF A SOCIAL CREDIT FEDERATION.

Session: Sunday morning (October 11, 1936.)

Mr. T. F. Evans (*Birmingham*).—Why should they not envisage the fact that the movement they anticipated to arise out of the Conference might be so great that any rapprochement must come from the Secretariat? It was quite right to keep recrimination out of the discussion, but some of them had heartburning at the frustrated hopes of the last three years. They must be frank. They had seen the beginning of the destruction of the movement; and they had come to the Conference to arrest that destruction. Were they to go, cap in hand, to the people who brought it about? The Conference should oppose any resolution, and should make no attempt to approach the Secretariat. They should go from York resolved to make such a Social Credit Movement that the Secretariat would be compelled to come to them. (Applause.)

Mr. Reginald Kenney (*Bradford*) agreed with the last speaker. Major Douglas was the Secretariat; they must get that clearly in their minds. He was responsible for its strategy and policy. Mr. Kenney held that the Conference should immediately take steps to see Major Douglas and let him know exactly the opinion of the movement at present. If Major Douglas was sensible he must see that the feeling of the movement was against the present policy of the Secretariat. In view of the state of affairs in Newcastle, Cardiff, Birmingham, Liverpool, and Scotland, two or three delegates should be appointed to interview Major Douglas and acquaint him with the opinion of the Conference, in order to get a democratic movement. (Applause.)

Mr. K. W. Willans (*London*).—Some of them had for a long time made great efforts to bring about a healing of certain schisms, and in making those efforts they had had lamentable experience. He could not agree that any question of impatience with the Secretariat arose—they had got past that point.

Dr. Joyce Mitchell (*London*).—Mr. Symons had spoken of the resurrection of the movement, but she could assure them that the London delegates had not come to York to be resurrected as their groups had never been dead! Her colleagues had taken their stand against the Secretariat from the beginning, and the majority of their groups had come into existence in spite of the Secretariat.

DISCUSSION: PARLIAMENTARY REPRESENTATION.

Session: Sunday afternoon (October 11, 1936.)

Mr. T. F. Evans (*Birmingham*).—With regard to the possibility of further Parliamentary action, he had, reluctantly, to sound a note of warning. In view of the impending Erdington by-election, the Birmingham Central Group had taken steps to sound the feeling of the movement as to the support of a Social Credit candidate. He would tell the delegates something which would shock them, as it had shocked the Birmingham Group: they were not only going to be up against the ordinary opposition from other candidates, but they would also be up against the organised opposition of the Secretariat. It was high time that this should be known. If the Birmingham Group had decided to proceed with its own candidate, then the first act on the part of those who were pledged to the Electoral Campaign would have been to oppose the Social Credit candidate as he did not have Douglas's blessing. That could happen in every constituency where it was decided to put up an independent Social Credit candidate. It was a thing which had to be watched. There was in existence a spirit of sheer enmity, and it would have to be dealt with sooner or later.

MR. PHILIP McDEVITT (GLASGOW, CLYDEBANK) ON "SOCIAL CREDIT IN RETROSPECT."

Evening session: Saturday (October 10, 1936.)

"About 1919-20 a small group of persons recently emerged from Guild Socialism were infected with the virus of the Douglas idea, and began to meet in a little tea-room in Glasgow to discuss the prospects of propagating the wonderful gospel which had come to them. They had been ardent followers of the beloved Orage, and when the vision of Social Credit dawned they followed that wonderful personage and became fully-fledged Social Credit believers. They had no organisation—or, at any rate, the loosest form of organisation, but by the written and spoken word, by personal contacts, and by the methods just suggested by Dr. Purves* they gradually got the ear of the Scottish people. A tremendous impulse was given to the movement, and at length they found themselves unable to cope with the number of requests for information on the subject which was capturing the people's imagination.

"About 1921 I was brought into contact with a certain gentleman, a Norwood man, who had come to Dumbarton as H.M. Inspector of Taxes. With infinite patience he broke down the resistances raised in me by orthodox training, and in my new-found enthusiasm there was nothing I would not do to further the cause. It was an example of what can be done by educated conviction, which is far more powerful than mere frothy enthusiasm.

"From these insignificant beginnings there spread a movement in Scotland which comprises—or rather *did* comprise until recently—a large number of active, intelligent, and earnest people who had enrolled under the banner of Douglas; people who were determined to put Social Credit across in Scotland.

"That was the picture which the word 'retrospect' evoked in my mind. But there came a day, a few years ago, when something went wrong. What it was I cannot attempt to define—I wish to avoid recrimination and rancour. A 'something' occurred which put an end to all that development. We entered into organisational activities, and we began to discover certain things best exemplified in the following story:

"A salesman called on a business man one day and said: 'Don't you remember me?' 'Your face is familiar, but I can't place you,' was the reply. 'Well, I'm the man who sold you that super-efficient filing system last year,' explained the salesman. 'Oh, yes! I can place you now,' said the business man. 'Well, how's business?' inquired the salesman. 'Oh,' replied the business man, 'we've had to give it up in order to look after the super-efficient filing system!'

"That was the diagnosis of the trouble: super-organisation was and centralisation. That it was a very real danger exemplified in the atrophy of all those wonderful endeavours which arose out of the efforts of a few instructed Douglasites. All that fine work was neglected for organisational activities, until we had to stop business to look after the system; and to-day the picture which I have to present to you is a Scotland in which many groups of instructed Social Credi- tors have been rent from top to bottom, and these groups have become absolutely ineffective for any good work whatever.

"Now, whatever may be said regarding the necessity for centralised organisational activities, it is driven in upon me that the contrast between to-day and, say, ten years ago is not only amazing, but alarming. I want to put this point to you: with the very minimum of organisational activities, and those of the very loosest possible type, friendly association, fellowship, and a core of informed persons, Scotland was being stirred to its depths. To-day there is a competely lackadaisical outlook on the part of groups; they are looking for leadership and guidance and finding none.

"So far as I am concerned, for three years I have been ploughing a lonely furrow. I have lectured, at my own cost, from Aberdeen to the Mull of Galloway, and I have

* The previous speaker.

conducted a large correspondence unaided. I feel a lack of fellowship which stultifies my efforts, and at times I am discouraged. However, the inward impulse is so great that I have resolved to wear out rather than rust out. By our early efforts Scotland was aroused in a manner regarding which there can be no mistake whatever, and it is only by those methods that Social Credit can be put into the hearts and minds of the people of Britain.

"A word as to the future. Despite any diversity of opinion which may exist, there is an informing and inspiring belief in the righteousness and possibilities of the cause. I have a feeling in my bones that there is something inherently unifying in this Conference which is about to give us a new start on the great task of bringing Britain to a correct appreciation of the wonders which lie behind the implications of Social Credit."

* * *

Mr. Norman Webb (*Belfast*) said that the last speaker seemed to tell a sad story; but it had not been paralleled on the other side of the Irish Sea. He looked at the matter from a different angle, as he was an out-and-out follower of Major Douglas and the electoral campaign. Quite definitely they were not isolated and neglected They could not possiblv achieve anything without discipline, which was the crux of the whole situation.

Mr. F. H Auger (*Liverpool*) regretted that Mr. McDevitt's statement regarding Scotland found an exact parallel in the tragic state of affairs in Liverpool. Up to three years ago there was a virile organisation with prospects of making tremendous progress with Social Credit. With a system of free association there had arisen groups of intelligent, instructed, and dynamic Social Creditors, but the coming of the Secretariat changed all that. They were told: "Don't do this" and "Don't do that," and so demoralising was the new and negative policy that it bcame impossible for anybody to do anything for fear of taking wrong action. In everyday life it was fatal to start with the word "Don't." The repression which had set in, and the consequent cooling off of enthusiasm, had destroyed their valuable work and their virile organisation. He thought it extremely doubtful whether a large number of those Social Creditors who had been driven away would ever return. The Conference represented the spirit of the Social Credit movement. This was the real movement, and the powers that be were *ultra vires* in so far as they did not respond to what the Movement was. As to resistances to Social Credit ideas, his experience in doing electoral campaign work had taught him that those who signed the pledge form did so in order to get rid of the canvasser; they were the "yes-men." The only people who attended their meetings were the "no-men," those who had refused to sign the form until they knew what it was about.

Mr. T. F. Evans (*Birmingham*) said that he had attended York hoping to find the spirit which he had found. Unfortunately, the experience of Birmingham matched that of other groups. Up to a few years ago it was unquestioned that Social Credit was becoming a living force in England. Where was it now? Even villages in South Wales had welcomed the doctrine, and the matter had received the attention of political parties. The proof of the soundness of any policy was its results. There was no group in England where the electoral campaign had been carried out more vigorously than Erdington. And the result? They tested the campaign when Mr. Bell carried the banner at the last General Election, and they were deeply disappointed with it. Those who signed the pledge form were "yes-men"; but on election day they were "no-men."

It was sheer bunkum to state that the ordinary man could not understand Social Credit. Greenshirt speakers had carried all before them in the Bull Ring, in Birmingham; while the "ignorant" unemployed could silence the speakers of the Economic League with questions as to the origin of money! The assistant secretary of the Economic League in Birmingham drew up to him one day, in a posh car, and complained of the great harm done to his organisation by Social Credit speakers—the place had been made too hot for anti-Social Credit propaganda.

The old spirit of the movement was not dead; on the contrary, it was very much alive, and it was their business and privilege to renew their efforts in order to make possible a Social Credit Federation of Great Britain.

Morning Session: Saturday (October 10, 1936.)

Mr. F. H. Auger (*Liverpool*) said he was pleased to find that the success of the Yorkshire groups was not due so much to organisation as to personality. The movement was back at zero hour, from which they had started twelve years ago, and he believed that view was shared by other delegates to the Conference whose experience had been identical with that of the Liverpool Group.

Mr. Littlewood (*Liverpool*) stated that in Liverpool they had had a very active Social Credit Association. Then came the pyramidal form of organisation, and in a flash the Association was rent from top to bottom. He found himself without a spiritual home, which was the reason for his presence at York. The Liverpool Association had been built up by earnest and instructed Social Creditors, and those people had been driven away because they would not take up task work for which they had no conviction. If anyone was pledged to undertake work about which he was even doubtful, then his efforts to perform it were valueless. Nothing was being done now in Liverpool, and they were left with neither electoral campaign nor an Association which deserved the name of Social Credit. They would have to start all over again. The pyramidal form of organisation had been tried, and he could state that it had proved a failure.

York Conference.

RESOLUTIONS PASSED.

1. (*a*) That this Conference shall appoint a Liaison Committee to carry out as far as possible the resolutions of the conference.

(*b*) That arising out of the various contributions and discussions at the Conference it is resolved that a National Federation of autonomous groups be ultimately created, the details of district and regional grouping to be left to the groups concerned and communicated to the Liaison Committee.

(*c*) That a draft set of Articles of Association for a National Federation shall be drawn up by the Committee and shall be presented at a further Conference in the spring of 1937. This does not exclude the possibility of alliance with a Secretariat reconstituted on lines acceptable to the 1937 Conference.

2. That, where groups so desire, Social Credit Candidates for Parliament may be put forward.

3. That, in the unanimous view of the Conference, an intensified campaign for the propaganda and study of the Douglas Social Credit principles and the formation of new groups should immediately be undertaken.

4. That a copy of these resolutions be forwarded to the Secretariat and Major Douglas personally, together with an expression of loyalty to Social Credit, the exact form to be decided by the Committee.

MESSAGE FROM MR. ABERHART.

Office of the Premier,
Alberta, Edmonton.
September 2, 1936.

Mrs. G. McLean, Hon. Secretary,
Douglas Social Credit Conference.

Dear Madam,

re Social Credit Conference at York,
October 9-11, 1936.

We are glad to send fraternal greetings to your Conference, and we hope that much good may be accomplished by it.

The course of procedure adopted in Alberta was as follows:—

1. Lecture tours throughout the whole of the Province with regular radio broadcasts from week to week.

2. A petition signed by eighty thousand people to the Government, which was pigeon-holed.
3. Lecture tours and broadcasts asking the people from the various constituencies to decide whether they desired Social Credit representatives in the legislature.
4. Every constituency in the Province having agreed and shown its good faith by a straw vote, every seat in the legislature was contested with the result that fifty-six out of the sixty-three seats were won, thereby gaining the greatest victory achieved by any Government in the British Empire for years.

We regret exceedingly that the British newspapers generally have misrepresented conditions in Alberta, and the action taken by the Social Credit Government.

During our first year in office we have gradually passed legislation for the introduction of Social Credit, so that the financiers cannot attack us in Court. We expect, in the course of the next two months, to pay dividends.

We hope that we may be able to make trade arrangements with the British co-operatives so as to facilitate the export of our products in exchange for British imports. The Social Crediters of Great Britain can be of great assistance to us, by asking for and buying Alberta-made goods.

Yours truly,

(*Signed*) WILLIAM ABERHART, *Premier.*

Overseas News.

Alberta.

A correspondent in California (and a long-standing reader of THE NEW AGE) has recently been on a visit to Alberta and has taken the opportunity to travel round and size up the situation. His conclusions, which he now communicates, are as follows:

1. Aberhart can be depended on for an honest attempt to bring in Social Credit.

2. He retains the confidence of the people who voted for his policy.

3. His "Dividend" legislation evokes intense interest—one indication being the crowding of the public gallery in the Legislature.

4. Among his immediate following there is no feeling shown either way about Douglas's decision not to go out there. The general opinion is summed up in the phrase: "It was a pity."

New Zealand.

A paragraph in a newspaper recently stated that the New Zealand Government had borrowed £11,000,000 from an "unknown source." Further information will doubtless be forthcoming shortly.

Tasmania.

According to *The New Era* (Sydney) the Social Credit Movement in Tasmania supports three organisations. There is no suggestion of a "split." Presumably there are three policies of action variously favoured by members. Wherein the policies differ does not appear. Nor does it matter so long as the same educational policy is common to the lot; Exposition of Social Credit Analysis and Formula emergent therefrom.

Who's Who In Social Credit Politics.

Symons, W. T. Treasurer, THE NEW AGE Fund 1923-34: Member of The Chandos Club 1926 to date; Vice-President, The Social Credit Secretariat, 1933-34; General Editor of *Purpose.*

Reckitt, M. B. Member of The Chandos Club 1926 to date. Member Advisory Council of the Social Credit Secretariat 1933-34.

Mairet Philip. Editor since November, 1934, of *The New English Weekly* in succession to the late A. R. Orage (who founded this journal on April 21, 1932). Member of The Chandos Club. Compiler of *The Douglas Manual.*

Butchart, Montgomery. Member of The Chandos Club. Author of *Money.*

LETTERS TO THE EDITOR.

YORK CONFERENCE.

Sir,—Many of us who attended the York Conference came away in a glow of satisfaction at what we had accomplished, and feeling that all now was clear ahead.

But on calmly thinking things over we begin to realise that all we have so far done is purely negative.

We have, indeed, rid ourselves of a cramping and constraining autocracy, and we passed by acclamation at the very end of the conference a general resolution in favour of propaganda.

But the great question of how best to direct our energies toward getting Social Credit before the British people was left severely alone and undiscussed.

Perhaps this was well, perhaps not; but by avoiding the main issue we attained unanimity. And, ah, my brethren, how blessed a thing that is! PHILIP T. KENWAY.

[The best way of directing our energies is to start by recognising that there is *no* "best" way, and that energies are directed most fruitfully when directed in *all* ways.—ED.]

TAXES AND INCOME-DISTRIBUTION.

Sir,—I rejoice that so distinguished and pleasant a Douglasite as Mr. Coleman should agree with me that the bondholder is the devil. But I am dismayed at his insistence "that the ill effects of the maldistribution of incomes can be mitigated to a considerable extent by a suitably graded income-tax is a simple statement of fact . . . if one accepts the premises of the present money system."

Even under the present money system that statement is contrary to fact, and so far from my giving a handle to S.C. critics by denying it, Mr. Coleman hands the whole machine to S.C. *enemies* by countenancing it. Taxation does not and cannot mitigate the maldistribution of incomes. Taxation only functions as deflation. It is one of bankocracy's class-war dodges to prevent a sufficiency of income for the greatest number. The fact that a few rich people pay in taxes a little of their incomes supports the delusion that someone else in the community gets that little as benefit.

GLADYS BING.

[Mrs. Bing is challenging a self-evident arithmetical proposition.—ED.]

Social Credit Party of Great Britain.

44, Little Britain, London, E.C.1.

TECHNICAL ADVISORY COUNCIL.

Chairman: John Hargrave.
Arthur Brenton.
A. W. Coleman.
Hilderic Cousens, M.A.
James Golder, M.I.M.E.
M. W. Cordon-Cumming.
J. H. Greville.
A. W. Joseph, M.A., B.Sc., A.I.A.
Secretary: Frank Griffiths.

Enquiries, and other correspondence, are invited.

London Social Credit Club.

Blewcoat Room, Caxton St., S.W.

NEXT PUBLIC MEETING.

October 30, Friday, at 8 p.m. "What is Physically Possible is Financially Possible," by Mr. Brame Hillyard.

Meeting Fixtures.

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.

SUBSCRIPTION RATES.

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