



# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

In an article elsewhere in this issue reasons are given to show why it was considered necessary to hurry the late King into abdication. These reasons are connected with the financial risks which would have materialised in the event of a postponement of the Coronation. Since that article was sent to the printers a story has been circulated which, if true, establishes the fact that the late King was placed in a dilemma that could only be solved by his prompt abdication. The story is that a day or two before he abdicated, an "Intervenor" made application in legal form calling upon the King's Proctor to investigate reasons why the decree nisi should not be made absolute. The *Daily Worker* got wind of it, and said something about it. But when the Press tried to verify the story by reference to the official Register they found that it was closed to inspection. Presumably, now that the abdication is a *fait accompli*, the Register is again open to inspection. In that case the story can now be tested—unless, of course, the Intervenor's application has been expunged from the records. If it cannot be found the story will be a matter of doubt to those who wish to disbelieve it. Nevertheless, the temporary closing of the Register during the three critical days leading up to the abdication will be rightly regarded by impartial observers as strong circumstantial evidence in favour of the authenticity of the story.

\* \* \*

Yet the point is not whether the story was true but whether the late King, or his personal advisers, were given to believe that intervention had taken place, or was contemplated, to prevent his marriage. If he (or they) believed it he had to consider the prospect of the public canvassing of the most intimate private affairs of the lady whom he wished to marry, or those of her husband, or both. For the intervention foreshadowed a challenge either that the husband had not, as a fact, provided valid grounds on which he ought to be divorced

by his wife, or that the wife had somehow deprived herself of the right to divorce him. The question whether the Intervenor might succeed or not on either submission was a minor consideration.

\* \* \*

The primary consequences, in terms of publicity, of the attempt itself would have been intolerable to the feelings of both parties involved; and the secondary consequences, in terms of the heightened temperature of political antagonisms, would have inflicted grave injury on the institution of the Monarchy. Every political careerist who sought a short cut to notoriety would have tried to jump into the centre of the limelight to exploit the quickened emotions of the public for his own ends, thus precipitating a situation which would have been equally dangerous whether those ends were in the public interest or not.

\* \* \*

Reflection on this lends peculiar significance to a cartoon in *Punch* last week in which Mr. Baldwin is presented as admonishing the King that "the Monarchy is greater than any person." Events have shown that the admonition was superfluous. The King could see for himself that if his retention of the Throne was to be punished by the re-opening of the divorce proceedings in the manner threatened, only his immediate abdication could save the Monarchy from reproach and eventual extinction. It was within his knowledge that, if he only made the sign, there were influential persons and groups in society, commerce and journalism ready to coalesce into an *ad hoc* "King's Party." But the mere fact that this contemplated coalescence was of an *ad hoc* character was a fatal flaw in it. The more decisively it succeeded the greater the potential mischief in its success. Satan finds some mischief still for idle hands to do; and a King's Party would have been a coalition of idle hands as soon as it had reached its primary objective—that is, the defeat of those who wanted to depose the King. There would have now remained nothing to hold the Party together, and nothing for which it could



work together. It would have split apart, causing a new political crisis hardly less dangerous to the Monarchy than that which had been averted. It is certain that the various component groups in this Party would have tried to gain ascendancy in it, with the result that the King would have been placed in the apparent position of being held in power by whichever group turned out to be the most successful in this respect. In other words, the prestige of the British Monarchy would have declined to the level of that of the Italian "Monarchy"! The late King had this consideration weighed up. He foresaw that if he remained on the Throne he would have been the puppet of visible political Fascism or of invisible financial Fascism—an overt weapon serving the ends of Rome and Berlin, or a covert weapon serving the ends of Basle, London, and New York. That this is how he saw the position is supported by a statement made by persons who were in close personal contact with him during the critical seven days, who have further said that he caused it to be known to his would-be friends and helpers that he wished them not to combine in his support, and that he dropped a plain hint of the reason as just described.

Students of Social Credit will observe that the picture drawn by these persons of the frying-pan and the fire as representing two alternative evils confronting the King suggests that they (and probably he himself) have not grasped the fundamental technico-political relationship between High Finance on the one hand and Fascist-Communism on the other in the field of international politics. The term Fascist-Communism is used advisedly, for, as Dr. Einzig remarked in his book on Fascism, the philosophies (so called) of Fascism and Communism are mutually indistinguishable in the last analysis. By their fruits ye shall know them. And judging by the interim dividends, so to speak, of both systems, the final dividend in prospect for the peoples of the world if and when Fascism or Communism (it does not matter which) supersedes all previous systems of government, will be the complete extinction of individual initiative in terms of thought and action. The prophets of the systems reveal by their acts that the ideal which they reach for is that of Emancipation through Enslavement. Just as the Money Power says: To become rich you must first renounce all riches; so do the prophets of Fascism and Communism alike say: To become free you must first renounce all freedom. Fascist-Communism represents the precipitation of Dr. Murray Butler's and General Smuts's holist sublimations into terms of practical politics. Both these world mentors weave fancies under such designations as "the larger freedom" or "the wider liberty," but when these fancies are subjected to rational tests by those few remaining observers who have not yet lost the use of their critical faculties, they mean no more and no less than the fancies of the dog in the fable who thought he saw in the stream a larger bone, and a wider bone, than the one that he held between his teeth. Down Bones—and Dive! That is the unwritten law of the Fascist-Communist philosophy. Students of Social Credit will realise that Fascist-Communism is thus subserving the ultimate purposes of International Finance. In other words, the frying-pan and the fire were not alternative evils, as they seemed to be to the late King and his friends, but were one and the same thing. An exact analogy would be that of an oven, in which case the so-called alternatives would be represented by the choice of which particular

shelf the Monarchy rested on to be cooked! Obviously the only real alternative to being cooked would be to get out of the oven. Well, however the situation be pictured, the King did the right thing by abdicating, and it is not of importance now to conjecture to what extent his decision was dictated by his personal feeling or his political sagacity.

In this connection it is significant to note the sources from which any King's Party would have derived its material or moral support. It is stated, by people in a position to know, that one or two leading daily papers were itching to raise the banner of loyalty to the King. They did not, of course, declare their wishes in public—in fact it was they to whom the King conveyed his wish for them to refrain. Other papers, however, did express their attitude, each in its own way, and from its own point of view, encouraging the King to resist the demands of his Ministers. These included the organs of the Fascists, the Communists, and (with one exception) the Social Credit Movement. They also included the organ of the rationalists and secularists, *The Freethinker*, and the organ of the supporters of the occult philosophy and policy of Lady Houston, *The Saturday Review*.

Wasn't that a pretty dish

To set before the King?

The King might well have said to himself: I don't know what the Premier and the Primate think of these generals of mine, but I confess that they terrify me. And Social Creditors, though themselves exposed with others to such condemnation, will see that if the King had won his wish through the support of the heterogeneous alliance here enumerated, and even if his victory had been accomplished without disorder (which was most unlikely) he would have been faced with the problem of consolidating the victory in such a way as to preserve his freedom to do his duty as *he would wish* (as he emphasised in his broadcast message) and at the same time to win back the allegiance of the vanquished sections of his subjects. The only conceivable circumstances in which he might do that would be those in which he were in a position to say to his "generals": Thank you so much for what you have done: and I'll now thank you some more to go into retirement and disband your followers. ("Yes, Oswald, you may go!") Would those who had meanwhile attained to prestige and power in the name of loyalty to the King have been willing to renounce their gains as a sign of loyalty to the Monarchy? They might—but as wise men do not count on miracles it has been better that the King took no chances, and elected to sustain, as he did, a victorious defeat rather than win a defeatist victory.

John Brown's body lies underneath the ground.  
But his soul goes marching on.

The King's abdication was the King's absolution. Even if all the scandalmongering introduced into the controversy had been true of him as a man it would all be washed out by his final act as a King. He has focussed the attention of the world on the distinction between the Limited Monarchy and the Limited Liability Company. "We assure you" declared the Chairman of a certain company on the occasion of its annual general meeting, addressing a tearful destitute shareholder, "that your money has been lost honestly." Honestly! How com-forting! What he meant was that the money had been lost legally. The capital had been raised legally, accounted legally, disbursed legally, and, finally dispersed legally. Nobody had profited illegally from the legal

dissipation of this poor shareholder's little store of savings.

\* \* \*

And that is the kind of attitude which the Money Power would wish the subjects of the King to tolerate in the conduct of national affairs. The distressed areas to which the King was sent are dispossessed areas full of virtual shareholders in the potential wealth of the country. The idea of the Money Power was that he should show himself there in the rôle of chairman of the national board of directors, and should tell his destitute listeners:

"I assure you that your jobs and your wages have disappeared honestly: nobody has filled your jobs dishonestly, nor taken your wages dishonestly: the rules of sound finance have been rigidly observed by me and my fellow directors: we have introduced labour-saving machinery according to law, we have adjusted tariffs and quotas likewise, we have put the heaviest taxes on the richest taxpayers, we have devalued and re-valued your currency in faithful observance of the law of supply and demand: in fact everything that we have done has been that which the law requires or the law allows, and nothing that we have done has infringed the law either in the letter or in the spirit. I therefore counsel you to give us your trust and exercise patience. I also enjoin you to refrain from listening to any who should counsel you to demand morganatic measures to alleviate your distress and restore your prosperity. Such measures are unknown to the law which preserves our collective security; and resort to them would bring about the collapse of all our tried and tested institutions. For your consolation let me remind you that the law mercifully excuses you from liability to surrender to the State more than you have already surrendered. No man of you who cannot find a job is ever fined for failing. In fact the law graciously permits such a man to be compensated out of the earnings of those who succeed. So I ask each of you, out of personal loyalty to me, your King, to hearten and help my Advisers in their task of overcoming the gigantic obstacle of Plenty which stands between Poverty and Prosperity."

Well, the King, by dint of scrutinising the conditions that some of his subjects were required to be patient about, got out of the mood to counsel patience. Though refraining from counselling impatience, he spoke words which awakened expectancy. And by doing so he transgressed the spirit of the law which forbids the Monarch to foreshadow policies unless authorised to do so by his Advisers. As is now known the Cabinet were upset because, as the *Daily Mail* pointed out, the King's demeanour when in Wales combined with his words of reassurance, amounted to an offence known in the army as "dumb insolence." What the soldier said wasn't evidence in court on a famous occasion, but what the soldier doesn't say can be clear evidence on parade if he "registers" it filmwise in his features. And so the King was widely held to have virtually tipped the wink to those who could catch it that he didn't think much of the Cabinet's energy or competence, or both. Sent down there with a whitewash brush, he dipped it in tar. Such, as the story goes, was the way in which the Cabinet, or at any rate the Baldwin-Chamberlain combination in the Cabinet, construed his action.

The night before the abdication was officially announced there was a rumour floating round the City that a Regency would be established under which Princess

Elizabeth would figure as the Queen-to-be. The Regency was expected to be composed of the then King, the then Duke of York, and the Archbishop of Canterbury. Events have disproved the rumour, but it is worth recording because of the antecedent probability that such a compromise was contemplated, and because, if adopted, it would have handed over the prerogatives and functions of the Monarchy to a sort of committee in which the Archbishop would exercise great influence. It was probably ruled out for that reason. Nonconformists and rationalists alike—let alone other sections of the community, would have wanted to know why the Established Church should receive this favoured treatment. For, with the dispute about the King's marriage disposed of, the occasion for the intervention of the Anglican Church, or any other religious organisation, would have disappeared. The argument that the Anglican Church enjoys an established constitutional *locus standi* would have only fed fuel to the fire of controversy; for there are a numerous and vociferous body of people, believers and unbelievers alike, who advocate the disestablishment of the Church.

\* \* \*

In fact, as was explained some years ago in an article in *THE NEW AGE* under the title of "The Passing of Anglicanism," the Money Monopolists can dispense with the pulpit altogether as the means of putting over the religious teaching which they require. They control the Press, the B.B.C., and the Cinema; and through this unholy trinity of agencies could not only dispense with the services of the Church, but, if occasion arose, counteract their influence. In religious teaching the Money Monopolists require no more than the inculcation of the doctrine that every man should be content with his income, live within it, pay his debts, and save the balance wisely. They will permit the Churches to teach "extras" provided that they do not interfere with the disciplinary purpose of the basic training. So long as the Churches don't claim for God those things which belong to Caesar, the Money Monopolists are content to tolerate Christianity, Mohammedanism, Hinduism, and everything else up to Pantheism. If the claims of Caesar affront the conscience of Christians, then they must learn to look upon the conflict as an aspect of the "Mystery of Evil" which defies human understanding. What they must not do is to interfere with the exaction of Caesar's claims or prompt people to examine them, much less contest them.

\* \* \*

This lends particular significance to the Primate's broadcast on Sunday, December 13, when he uttered a reproof to the late King's companions. He refrained from enumerating their faults, and left it to be inferred that they were lightminded and perhaps dissolute persons. That may be his opinion of them measured by his sectarian measure of values. But by that measure this indictment could lie against the whole of the intelligentsia of this country including Mr. Bernard Shaw who, as a gifted representative of them, took the Church to task about its intervention. The intelligentsia constitute the clearing house for new ideas. It is true that a lot of these ideas may be useless, and some of them pernicious. But the material point is that none are excluded. So if the King wanted help in solving any problem, intellectual or moral, he would obviously have to seek acquaintances in this field, people whose minds were not hardened by traditional thought. The Arch-



bishop seems to have got the notion that such people concentrate on talking about sex. Some do. Others concentrate on things of real profit—things about which the Churches ought to have been bestirring themselves years ago.

Now, is there anything antecedently improbable in the story (which is now circulating behind the dropped curtain) that Edward VIII—to give him a title that can be used as truly to designate him now as before he abdicated—cultivated acquaintanceships on the latter, impersonal basis. There is not. If, as the Archbishop would have the public suppose, the habits and sentiments of some of these were reprehensible, that would be no reason for suggesting that because Edward VIII. consorted with them he was like them. If it were, the long companionship between the Archbishop of Canterbury and Mr. Pierpont Morgan on board the *Corsair* would require a lot of explaining away. Father Coughlin is as good a judge as the Primate of wise counsel to Kings on Christian standards of wisdom; and his paper, *Social Justice*, has minced no words in alleging the malign influence exercised by Mr. Morgan through his control over 2,264 American corporations, covering 219 banks, 215 insurance companies, and 423 transportation concerns, to mention only those enterprises which “control communications”—a kind of control which, as Rudyard Kipling (a confidant of Mr. Baldwin) hinted in one of his stories, was the secret of the power to enforce policy. The Morgan “machine,” as *Social Justice* describes it, has, in the words of that paper, “corrupted the economic life of the nation.”\*

Now it has been vouched for by people in personal contact with Edward VIII. that he was seriously and soberly concerned about the economic evils in this country. Whom, then, ought he to have sought as companions and counsellors? Obviously not such as the Cabinet and the Church would choose for him.

Myself when young did eagerly frequent Doctor and Saint, and heard great argument About it and about: but evermore Came out by the same door as I went. Doctor and Saint failing, the only course was to call in the “layman” and “sinner.” Accordingly Edward VIII. chose his companions from among those who, whatever their characters, were able to think and talk with freedom on impersonal subjects. And it was for this reason that he eventually got to know the lady whom he proposes to marry. Further, it is stated that both she and her husband admired Edward VIII. for his qualities and wanted to see him reveal them in the exercise of his functioning as the reigning Monarch. Quite rightly she left the final decision to him as to what conditions he felt were necessary to enable him to carry that responsibility bravely and wisely.

Such is the inside story. It comes from those who know the truth; and it squares with all the probabilities. The rest lies concealed in the scroll of the future. We shall see what we shall see. In the meantime the duty of the Social Credit Movement is to dedicate itself to a more intense prosecution of its manifold tasks. We can all be assured that the abdication of Edward VIII. is the prologue, not the epilogue, of the play.

\* Quotation is reproduced from *Farming First* (New Zealand), dated October 27, 1936, p. 17—article under title “The Uncrowned King of America.”

[Press references which will clarify or amplify these “Notes” are: *The Daily Worker*, of December 10 and 11; *The Freethinker*, of December 13 and 20; *The Saturday Review*, of December 19; and *Time and Tide*, of December 12 and 19.]

## “Ante-Post” Insurance Ramp.

If a bookmaker were to be proved to have accepted ante-post bets on a horse which he foreknew would not run in the race for which it was nominated, he would get himself into trouble. Morally, if not legally, he would be under an obligation to cancel the contracts and return the stakes. Laying or betting on a certainty is a fraud, whether or not that fraud is “known to the law,” as Mr. Baldwin would say.

What about it, then, if insurance companies accept premiums on policies covering a risk which they foreknew will not materialise? Would not that be doing exactly what Mr. Leopold Harris did when he insured against fire certain properties which he intended to destroy by fire?

Now, according to *The Times* (see letter from “Presbyteros” in last week’s issue of *THE NEW AGE*) certain people took out policies covering the risk of a postponement of the Coronation. Those policies were of a peculiar nature. They excluded what would be regarded as the usual causes of a postponement, namely (1) that the King might fall ill, (2) that a member of the Royal Family might die, and (3) that this country might be involved in war. What was left to be covered? Simply the risk of postponement due to the abdication of the King, whether voluntarily tendered by him or compulsorily extracted from him.

What prompted the insurers to take out policies against abdication? *The Times* gives the answer. It states that:

“It was common knowledge when these insurances were effected that they were prompted by the reports which were then being given publicity in American newspapers.”

Now those reports were circulating all over America as far back as the beginning of October last, that is, about seven months before the date fixed for the Coronation (and, incidentally, two months before the British public were allowed to know anything about them). Presumably the insurance companies began to issue Abdication Policies at that time.

Notice that these companies were not liable to pay out on Abdication itself, but only on a postponement of the Coronation due to that cause. Given that the Coronation took place on the appointed day they were free from liability, no matter who was crowned. They would not have to pay out on a substitution of one King for another.

The next question is this: In what circumstances would an act of abdication necessarily cause, or even be likely to cause, a postponement of the Coronation? The answer is: Only if that act took place so near to the appointed day that there was no time to regularise the choice of the new King. So the risk of the postponement of the Coronation was the risk of the postponement of the then King’s decision whether he would abdicate or not. If the King could be prevailed upon to decide definitely and irrevocably by an early date (say December 11!) that would extinguish all risks of postponement except the failure to find a successor—a contingency which can be disregarded.

The final question is this: Were there any interests powerful enough to bring about the late King’s abdication at the time that it took place? Had they determined to do this? Were the insurance companies parties to that determination? Or had they knowledge of it?

In short: Was the date originally fixed for the Coronation a certainty all along?

If, upon investigation, the answer is in the affirmative, those people who have paid their (8 per cent. to 20 per cent.) premiums to cover postponement have been defrauded of their money.

Readers of *THE NEW AGE*, who understand how intimate the relation is between bank-finance and insurance-finance, will agree that there must have been some High Financiers for whom the date of the Coronation was not a matter of chance but a matter of their own choice. And the public generally will agree that there were overwhelming reasons of a commercial and social nature why that date should not be altered. In fact, it is difficult to imagine the existence of a single person who would not have objected to a postponement if consulted. So the conclusion is inescapable that the date of the Coronation was never in doubt among the heads of the City.

But supposing that there had been a doubt, and supposing also that the Coronation had been postponed. In that case, insurers under the special policies referred to would have been paid out. So far so good. But who would have been these insurers? On the testimony of *The Times* they would have been the favoured few who got hold of the American stories of the late King’s private affairs while the British public generally remained in complete ignorance of them—the favoured few who, so to speak, had got a peep at the Fugger News Letters, and had imported supplies of valuable information through the Press Blockade of this country. Well, these favoured few would have recovered their losses; but there would have been an unfavourable many who would have sustained losses which were now irrecoverable. Though they might have covered themselves against postponement arising from the three normal reasons for postponement already described, they would not have been covered against this fourth, abnormal, and, to them, unexpected, reason. These people could protest that they had been deceived into entering into insurance contracts in ignorance of material facts which were known to the other party, and which virtually destroyed the value of the contracts in advance. They could have said that they had been trapped into paying premiums on all risks *except* the one risk that was most likely to materialise. They could also have pointed out that their lost premiums had been transferred to the pockets of the “Fugger Favourites.”

So, looking at the whole question, there was a ramp either way. Not an actionable one, it is true. The worst ramps never are. Nothing can be done about it. The only thing is for the moral to be pressed home by Social Creditors that these scandals are the inevitable result of the system of national finance which we are seeking to change.

## Notice.

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

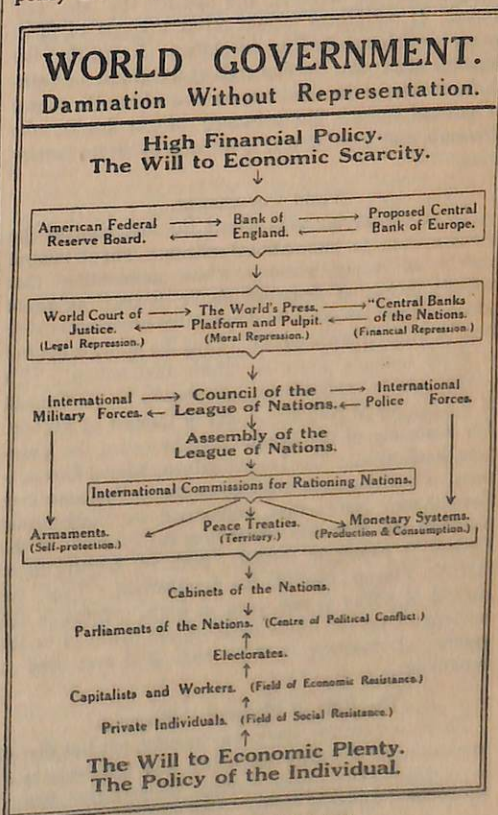
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Barnes, S.W.13.

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

## International Government.

### A Fulfilled Prophecy.

The following “Notes” were written by the editor of “*The New Age*,” and were published in that journal on February 11, 1926, together with the accompanying diagram. Both are here reproduced without alteration. Attention is directed to his forecast embodied in that section of the diagram which allocated a function and relationship to what he described as a “Proposed Central Bank for Europe.” He so described it because at that time the Bank for International Settlements had not been heard of: in fact, four years were still to elapse before that institution was established, namely, late in the year 1930. Accurate prophecy is the test of exact science; and this example emphasises the necessity for those who want to interpret trends and events in international affairs to understand the nature and source of supreme political power and policy described in the notes referred to.



### NOTES ON DIAGRAM.

#### High Financial Policy.

“Produce more, consume less.” The theory is that national prosperity depends on personal abstinence. Consequence—a fast expansion of the means of production (capital resources), but no corresponding expansion of the means of life.

#### Policy of the Individual.

To increase his consumption relatively to his expenditure of energy. More goods for less work. Policy justified by reason of modern machine production.

#### The Dominant Policy.

Financial policy prevails because it is made effective



through the control of financial credit, which is a monopoly of the banking system.

#### Instrumentation of Policy.

The banking system uses its monopoly to encourage the multiplication of factories and plant, and to discourage the output of consumable goods. The result is the "exportable surplus" and the struggle to dump it abroad. Hence war. Against this tendency the individual can, in theory, use the power of his vote. But as Finance defines the issues on which he may vote, his political power is diverted to irrelevant issues, and so dissipated.

#### Internal Government.

In Great Britain, the power over policy proceeds from the Bank of England, in association with the "Big Five" banks, through the Treasury, then through the Chancellor of the Exchequer, who delimits the initiative of his colleagues in the Cabinet. The Cabinet in its turn arranges the main issues to be discussed by Parliamentary Committees, and debated by the full House. If the House should reject any one of these issues, it condemns itself to dissolution. Notice that the principle of popular election ends at the House of Commons; that is, at the third remove down from the source of national policy. The personnel of the banks, the Treasury, and the Cabinet, is decided by secret nomination.

#### World Government.

The accompanying plan shows the extension of the above system to international affairs. The "central bank" of every nation, while dominating that nation's policy, as described above, is itself an agent administering the policy of an international banking trust of which it is a member. Thus the ultimate control of every nation's policy is outside that nation. This control is to be exercised, in appearance, by the Council of the League of Nations—a sort of Cabinet of Europe. The Assembly of the League may be called the European Parliament. The League's International Commissions of various sorts are like so many Parliamentary Committees. Notice that, unlike national Parliaments, not even the Assembly, much less the Council, of the League, is popularly elected. Both are secretly nominated. Finance controls the nominations. Thus, the control of policy is not, even in form, granted to the millions of people whose destinies are involved in the system. Democracy is at an end—if it ever had a beginning.

#### The Role of National Parliaments.

These institutions have no function left but that of persuading or coercing the public into acquiescence in a condition of economic scarcity deliberately decreed by external financial policy. The available national income has to be rationed out to Capital and Labour in such manner as to postpone the outbreak of industrial hostilities.

#### The Role of the League of Nations.

This body's function is to ration the available world income among nations by rationing their markets in such manner as to postpone a fresh outbreak of war.

#### The Final Issue.

Every economic and political problem in the world can be resolved into a conflict between the individual, who says: "I must consume in order to live," and the world financial autocracy which says: "You must not consume if you would live." The conflict, for instance,

between Capital and Labour, is at root a struggle between two bodies of would-be consumers over a given quantity of purchasing power which is being kept insufficient by the banking system as a matter of policy. Neither party to the struggle is responsible for the occasion of the struggle, nor can remove it by strikes and lock-outs.

#### The Moral.

This international strangle-hold can be broken when the nominated Cabinet is faced by a united people on the one vital issue, namely: "That Financial Credit, being of this People, should be controlled by this People for this People." Capital and Labour must call an industrial truce and collaborate in Parliament to detach the Cabinet from its subservience to the Treasury; then to detach the Treasury from its subservience to the British Banks; and ultimately to detach these banks themselves from the international trust which they serve. After all, these repressive institutions are simply small groups of ordinary human beings whose natural desires and aspirations are being thwarted by reason of this existing chain of institutional allegiances. When each nation resumes its power of financial self-determination—when its Parliament, Banks, industries, and citizens are free to concentrate on the programme of internal production and consumption—there will be no need for a League of Nations, unless it be as a clearing house for the renaissance cultures of an emancipated world's peoples.

[End of "Notes" published on February 11, 1926.]

#### Appendix.

##### Origin of the B.I.S.

The formation of this bank was decided in Conference lasting six weeks at Baden-Baden, attended by representative bankers from Britain, France, Belgium, Italy, Japan, U.S.A., and Germany. Arrangements for its formation were made at a second session of the Conference at the Hague, opening on January 3, 1930, and attended by delegates from twenty countries. The Bank opened on May 17 in the same year with a charter from the Swiss Government for nineteen years. The central banks of Europe and U.S.A. are the shareholders. The capital consists of 200,000 shares of 2,500 Swiss francs, 25 per cent. having been paid up. The directors consist of two representatives each from the "Big Seven" enumerated above. Mr. Montagu Norman and Sir C. Addis represent Britain. The President is Mr. G. McGarrah, of the New York Federal Reserve Bank, and the Vice-President Mr. L. Fraser (U.S.A.). This information is taken from Whitaker's Almanack, 1931 edition, p. 879. The compiler adds the following remarks:

"The objective of the B.I.S. is the collection of international debts and distribution to debtors (sic). But it is perfectly obvious directors will not meet for those routine matters only. The directors will be able to survey international economic problems and eventually control the financial markets for the safeguarding of all. At present there is no intention to make the B.I.S. an international central bank like the Bank of England or to British joint-stock banks, but none can know where this International Bank, owned by the central banks, will eventually lead."

##### The Basle Ration.

It will be noticed that this compiler, besides recording the inauguration of the B.I.S., made comments concerning the then future functions of this Bank exactly coinciding with the forecasts in THE NEW AGE. He, too, looked forward to what was comprehensively shown

in the diagram as a world-wide "Rationing System" to be designed at Basle and operated therefrom. There was no magic in either forecast. Wherever there is scarcity, or the well-founded fear of it, there must be an imposed rationing system; to the extent to which the scarcity is increasing so does the necessity for exactitude in prescribing the rations and co-ordinating the conditions on which access is to be gained to them, whether by man in competition with man, country with country, or even continent with continent.

## Points About Social Credit.

### VIII.—The Transmigration of "B" Costs.

In Point No. 7 it was shown that "B" expenditure, i.e., payments by one business enterprise to another, would necessarily disappear if all industry became one combine. Obviously such a combine would not need to use money to buy its own stocks from itself! Nevertheless, supposing that for some reason or other legal compulsion was laid on the combine to borrow and spend money in respect of the transfer of these stocks from one place to another within its organisation, and to record the transactions in its accounts, there is a way in which it could do so. The way would be for the combine to wind itself up at the end of a given accounting period, and to form itself into another combine at the beginning of the next.

To explain, let us designate the combine XYZ, the letters X, Y, and Z representing formerly independent enterprises now combined in one. Let us imagine it operating in a primary accounting period, one in which it begins without any stocks at all. Let us call this period one week, and call that week the "first week." Now suppose that XYZ borrow, spend, recover, and repay £100 in that week, and that at the end of the week it has stocks unsold valued at £50. (Its consumer-employees will have bought the other £50 worth and invested £50 in the unsold stock. The £100 will have gone out of circulation on repayment to the bank.)

Its balance sheet at this point would show:

Assets (unsold stock) .....	£50
Liabilities (investments) .....	£50

Now at this same point let XYZ go into voluntary liquidation as Combine No. 1 and form a Combine No. 2. At the opening of the second week Combine No. 2 borrows £50 from the bank. With this loan—let it be called a "B" loan—it buys the stock of Combine No. 1. The Receiver has now £50 which he distributes to investors. Combine No. 1 has now disappeared. At this point Combine No. 2 has an asset in the form of stock valued at £50, and a liability in the form of a bank loan of £50. The investors in Combine No. 1 have got £50. Combine No. 2 has to get this £50 by the end of the second week in order to repay the bank. It does so by getting the investors to re-invest their money. That done, the position is exactly the same as if Combine No. 1 had remained in existence. The only difference is that the device of liquidating and re-forming the combine has enabled Combine No. 2 to record an actual disbursement of money on B account—a accounting-entry which Combine No. 1 could not have made.

#### SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

## Reviews.

**Nature Hits Back.** By Macpherson Lawrie. [Supplementary review.]

In Chapter II. Dr. Lawrie stresses the two main causes of nervous conditions. The first of these is exhaustion, the second, congestion. Exhaustion arises from weakened stamina, various unusual mental strains, physical derangement of bodily organs, or insomnia. Exhaustion causes the powers of concentration, alertness, and enthusiasm to weaken. This flagging of energy is Nature's warning, and, says Dr. Lawrie, this warning "must be submitted to." What a blow for our dietards, who insist that any submission to bodily weakness is a sign of decadence! Suppose we follow in grandfather's footsteps and refuse to give in? Excessive exhaustion is set up, which leads to over-sensitivity, and the downward path to a state of anxiety and nervous breakdown is rapidly followed. As in the economic, or any other sphere of activity, any attempt to work contrary to Nature's fundamental laws leads to disaster. Yet Dr. Lawrie insists that most of us flout Nature's laws, as relating to our own bodies, and expect to get away with it! We may live all our lives in a semi-fit condition, for, he says, "Nervous exhaustion is an illness which may persist through life because periodical but insufficient relaxation sustains it." We are reminded that this pernicious illness leads to breakdown in home life, irresponsibility in children, and stupidity in politicians. But we must fight our silly nerves, overcome these foolish fancies, be strong and manly, according to our orthodox teachers. Dr. Lawrie, by getting down to indisputable facts, shows how stupid we are in pitting our feeble strength against the basic laws of Nature, just as Major Douglas has shown the economists the futility of expecting peace in the world while they are fighting Nature's bounty instead of distributing it. Mild anxiety, based on fear, leads to lying as a means of escape. This avenue is as useful as the pirates' plank, and quite as direct. "Fear of life and fear of ourselves is not amenable to subterfuge," says the author. Our politicians might take that hint to heart with benefit to themselves and their deluded followers. The ceaseless drive for production, while neglecting the prior claims of sensible consumption, is playing havoc among the children. We have the gingering up of youngsters at school so that they may pass out to a good job. A few succeed, many fail, Dr. Lawrie shows that the successful candidates are as unfortunate as the failures, for their impaired vitality, through strain, leaves them unfit to carry on just when they need to be most fit! Parents, too, with misplaced zeal, doom their progeny to nervous ailments by urging them to compete against their fellows. These children must work for their living, they must compete for safe jobs, for such is the law and the profits. The fact that the "law" is a contradiction of Nature's law never occurs to our experts, and that same appalling ignorance is behind the destruction of our race through starved and tattered nerves. Depression and lassitude are usually caused through congestion, i.e., stagnation in the bodily tissues. Fatigue and congestion are the horses which drag the human body to a premature grave. A great deal of the congestion comes through food, as Dr. Lawrie shows in the third chapter on nutrition.

How is it that these starved nerves get neither rest nor proper treatment? The answer again is contained in the work philosophy. Which worker dare rest himself even though his nerves are on the point of breakdown? Loss of his job means speedy loss of life unless he is eligible for the kindly treatment of the Dole mongers. Another man is only too ready to step into his shoes if he shows signs of "nerves." He therefore adopts just the right method of shortening his life: he tries to hide his "nerves" by unnatural control. When the breakdown comes it is complete and incurable. He must, under the unnatural urge of the present philosophy, retain his job, even though in so doing he sacrifices his health and the well-being of his family. He condemns himself to death at the bidding of a lying philosophy. Dr. Lawrie's digression on the effects of lies



is no waste of time. It is fundamental. It is the base from which has sprung the appalling state of humanity which he so efficiently discloses, and which he so rightly condemns. The "work-to-live" philosophy has brought us to what we are, sub-fit, nervy, irritable, irrational masquers, instead of the healthy, normal, self-controlled, happy human beings Nature intended us to be. The inevitable result of this age-old lie confronts us wherever we go in the faces, forms, and behaviour of masses of our people who suffer from concealed exhaustion, or congestion. They can do little or nothing about it, lest they lose their precious jobs and, with them, their miserable lives. H. E. B.

### The Simpson Divorce.

From *The Daily Worker*, of Thursday, December 10.  
The *Daily Worker* learned last night that an appearance has been entered at the Divorce Registry at Somerset House in the suit, Simpson, W., versus Simpson, E. A.

The appearance was entered under the Matrimonial Causes Act, 1860 (Section 7).

It seeks to "show cause why the decree nisi should not be made absolute by reason of the decree having been obtained by collusion or by reason of material facts not having been brought before the court."

The person entering the appearance must, by next Monday, file an affidavit setting forth the facts on which he relies.

Mrs. Simpson would then be entitled to file affidavits in answer to the allegations.

From *The Daily Worker*, Friday, December 11.

Great excitement was caused in Fleet Street and its environs yesterday by the exclusive announcement appearing in *The Daily Worker* that an appearance had been entered at the Divorce Registry at Somerset House in the suit, Simpson v. Simpson. *The Daily Worker* office was inundated with inquiries from other newspapers and the general public.

The Divorce Register was a closed book to all inquirers yesterday. Dozens of journalists and representatives of legal firms who wished to consult it were brusquely told "Nothing doing." If they pressed for the reason, they were met with a shrug of the shoulders and the information that the Register would not be available until Tuesday.

The grounds on which the intervention was made have not yet been disclosed, but the person entering the appearance must, by Monday, file an affidavit, setting down the facts on which he relies.

### LETTERS TO THE EDITOR.

Sir,—Meditating on the condition of mind of the vast numbers of innocents who continue to take Baldwin and Co. seriously, my eye was caught by a heading in this morning's *Times*:

CORONATION MUGS.

P. T. K.

"MILK" WASTAGE.

Sir,—Regarding a paragraph in a copy of your journal, I would point out that an inquiry was made into this statement by the Scottish Milk Marketing Board, and it appears that what is actually being discharged is the effluent from the butter factory, which is of no value for human food.

As wild statements of this kind do much harm to the milk industry, I suggest that you publish a correction in your next issue.

C. R. COOK  
(Editor, *Milk Producer Retailer*).

[The paragraph related to the photo of what appeared to be milk discharged into the drains at or near Stranraer.—Ed.]

Sir,—I think the text, "The stone that the builder rejected, the same has become the head of the corner," can

be quoted to support the parallel you draw between the tragedy of the Abdication, and the tragedy of the Crucifixion. I make no attempt at prophecy, but it may well be that King Edward's act will start a train of events that will lead sooner or later—perhaps sooner than we think—to the redemption of his people from the poverty and misery which beset them, and so to the consummation of the hopes and trust they placed in him. B. C. Best.

### Notice.

#### "International Government."

The article appearing under this title in the present issue is being reprinted in pamphlet form.

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### Cryptogram

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Nor hell a furnace like a Hearst-Press ramp.

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