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INCORPORATING "CREDIT POWER."

REVIEW OF POLITICS, LITERATURE AND ART WEEKLY

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# NOTES OF THE WEEK.

Smuts on Europe.

On March 20 General Smuts addressed the Stellenbosch University branch of the Africander Nationale Studentebond, choosing as the title of his subject: "Whither Europe?" Condensed and paraphrased his remarks were something like this:

At the start of the 20th century Europe had been built up of a number of sovereign independent States with with no bond between them. This was largely the cause of the Great War.

To-day the position is the same with the added irritant that there are now victor and vanquished States\_' have' and 'have-not' States.

Ideological systems of Government, e.g., Communism and Fascism, contribute still further to complicate matters.

The League of Nations cannot revive the sovereignties of different nations.

There is no solution of the war problem in a reversion to the pre-War system of alliances.

A suggested solution is the formation of a super-State, but what human possibility is there of such an occurrence what human possibility is there of such an occurrence which it is the formation of the such an occurrence which is the formation of the such an occurrence which is the formation of the such as occurrence. This solution, though theoretically ideal, is not is not practical.

Another solution, the League of Nations, is dis-redited to prevent the credited by the failure of the League to prevent the Italian Italian conquest of Abyssinia. The 'sanctions' Article appears to have been unworkable; and there is no movement at present to revise the constitution in this respectively. this respect. Germany's demand for her colonies back is beyond. is beyond the League's power to deal with.

Europe seems to be heading for war. But I do not think war will arise out of the present re-armament process. I think that Europe is heading towards a state of a state of armed peace.

Armament saps the resources of nations by causing excessive taxation. The peoples will eventually rise against it for this reason.

I think scientific development to make war as drastic as possible should be allowed to go on, for their absolute to absolute horror will act as a brake to any nation head-ing for .... ing for war.

I believe in the future. It is to me unthinkable

that all the progress made up to this moment by the European nations should suddenly fall away.'

It will be noticed that in General Smuts's view the super-State would be an effective solution, for if not effective it cannot be "ideal," as he describes it. He only dismisses it because he cannot visualise nations tolerating it, We can understand his inability to do so, provided that he assumes, as we presume he does, that the super-State were to be formally proposed and submitted to debate in the legislatures of Europe. For European capitalists would immediately want to know what this super-State would do for them or require them to do. If they were not told they would suspect the idea; and if they were told they would deride it. In either case they would reject it.

The international situation is exactly the same as if you pictured South Africa as consisting of, say, ten farms, on each of which (a) the master paid the men insufficient money to buy a square meal at the price he demanded for it: (b) the master himself could buy no more than a square meal with his own money. Never mind how this could come about in the above circumstances; assume for the moment that it was a fact. Then each of the masters would seek to exchange the remaining produce of his farm for the money paid by the other nine to the men on their respective farms. Immediately you would see a stockade going up round every farm to stop produce from coming in from outside and to stop money going out from inside. Grant the premise that the conditions prevailing inside each farm were intolerable, as indicated, and on reflection you will see that events would occur exactly corresponding to the phenomena and problems in Europe which General Smuts finds so baffling to understand. Having done this you can now hark back and ask yourself what could happen with this money business that could cause each master and his men put together to have less money to spend than what had been put into the production of the farm. If you can find the answer you have solved the mystery of the war spirit. There is an answer.

Gagging Opinion.

Lord Morris wants the Government to prohibit coroners from indulging in moral homilies at inquests. That their remarks often reveal prejudice and stupidity

cannot be denied. But so do those of magistrates and judges-also those of newspaper proprietors, small and great. If coroners are to be gagged, let these other juridical luminaries be gagged also. But the public interest is best served by letting them express their

#### A Vaccination Episode.

Many years ago the present writer applied to the local Bench for exemption from vaccination in respect of his baby daughter, on the legal ground that he held a conscientious objection to it. The magistrates asked various questions as to the reasons why he held this objection. At the end of the examination the applicant was told by the Chairman of the Bench that exemption could not be granted. So that was that. But the Chairman could not let a completed job alone. He proceeded to explain to the applicant the test of a conscientious objection. He said: "Your objection is based only on things that you have read in books: therefore it cannot be a conscientious objection." And not content with leaving the implication of this dictum to speak for itself he went on to say: " In order that an applicant may plead a conscientious objection he must be able to prove that a child of his, or a nearly related child in his family, has suffered injury through undergoing vaccination." The lymph—like the dog—may have its first bite!

Now was it not clearly in the public interest that this gentleman was not prohibited from revealing how his mind worked? If he only knew it, his pronouncement was used later on as an argument why tests of conscientious objections should be taken out of the jurisdiction of magistrates, and why persons who objected to vaccination on any ground should be able to get exemption merely by swearing that they did so before a Commissioner for Oaths and paying a fee of one shilling. This was made the law soon afterwards, and is the law to-day. You can now buy exemptions at the rate of a bob per baby-the payment of the bob is a sufficient attestation of your conscientiousness in England and Wales, and an overwhelming demonstration thereof in

There is another argument against gagging. It is that it bottles up wisdom as well as foolishness. For example, the coroner for Reading, several years ago, came out with a remark which Lord Morris would unquestionably denounce as ultra vires. The remark was: "I am not going to allow this court to be used for eliciting evidence in the interests of insurance companies." These are not the exact words, but they convey his exact meaning.

Case for Free Speech. There is a saying: " Every man has a right to his own opinion." He has not. He has a right to express his opinion. In fact it is not so much a right as a duty. For in expressing his opinion he is submitting it to tests of its rightness or wrongness. No man has a right to a wrong opinion. But he has a right to express a wrong opinion, because this provides the occasion and opportunity for its wrongness to be exposed. The question of whether he has a right to hold an opinion is, after all, of no practical significance. For, unless he expresses it, nobody knows that he holds it; and therefore there is nobody to contest his " right " to hold it. The essential thing is that a man shall not be punished for opinions that he expresses, unless by expressing them he breaks a generally approved law of the realm. If this protection were operative in fact (which it is not) then it would be

almost a truism to say: No man has the right to conceal his opinion.

Social Creditors will see the force of this at once. For the great obstacle to the furthering of Social Credit lies in the fact that people generally are ashamed to own up that they are out for economic comfort and safety before anything else. It is the first thing they think about, but the last thing they talk about. In this respect they are gagged. Not by legal compulsion but by polemical hypnotism. It only wants some fatuous statesman to pay them a collective compliment for their "heroism under hardships" and they will preen themselves as particles of a mass of something embodying heroism, and never think of themselves as individual personalities subjected to hardships. It is in that state of mind that they vote; for at election time the agencies of hypnotism are at full blast.

This makes a prima facie case for gagging the hypnotists—the newspapers and other agencies of moral education. But it must be remembered that the newspapers are already gagged—immediately by capitalists, and ultimately by the bankers. So our reference to the question of tion of gagging them must be taken only as a criticism of Lord M. of Lord Morris's discriminatory policy. The right principle is to allow the utmost freedom of expression to all opinions, wise or unwise, and without reference to the motives and objectives of those who express them. Limitation in any direction breeds limitation in all directions. tions. It establishes limitation as a principle, and engenders tolers genders tolerance of its extension.

The Press and the Abdication Crisis. This is a hard doctrine to those who realise the But mediate effect of newspaper mis-education. It is potentially the Press is not out to mis-educate. that is ideally out to gather and distribute news; and that is what it would do have a superscent to the superscent that is would do have a superscent to the supers what it would do but for constraints which it cannot control. Newspaces of trol. Newspapers do select items of news for their dramatic appeal. matic appeal, or exaggerate news to lend it dramatic value; but here exists value; but here again they are compelled to do this by the competitive the competitive conditions under which they seek revenue, and by the revenue, and by the penal consequences of their failure to secure it. The to secure it. The overmastering itch of the journalist to tell a sensational to tell a sensational story is a menace to rulers as well as to the ruled. It is to the ruled. It is said, and probably truly, that the news relating to Ed. news relating to Edward VIII. was broken to the British public when it was broken to the British public when it was because a certain newspaper pro-prietor delivered. prietor delivered an ultimatum to Baldwin that he was going to break it going to break it anyhow, and that Baldwin might as well let it be general. well let it be generally released. True the news was re-leased late enough in the news was released late enough in all conscience, but it might have been held up later at the conscience between the later at the conscience between the conscience between the conscience but it might have been held up later at the conscience but it might have been held up later at the conscience but it might have been held up later at the conscience but it might have been held up later at the conscience but it might have been held up later at the conscience but it might have been held up later at the conscience but it might have been held up later at the conscience but it might have been held up later at the conscience between the conscience but it might have been held up later at the conscience but it might have been held up la been held up later still; and for all anyone can say to the contrary if it has been held up later still; and for all anyone can say the the contrary, if it had not been for this ultimatum, bankers might well have engineered the dethronement of Edward VIII of Edward VIII. before anybody in this country knew why. So let the D why. So let the Press say what it likes on things the general so long or general so long as we can say what it likes on the about the Press. We do not want Lord Morris's gagging principle to be applied. to be applied. The things that we want to say appears as foolish and the say as the say just as foolish and mischievous to certain minds as those that corre those that coroners say. And if these are gagged there is every reason who is every reason why we should be—or at least every apparent reason, which is what counts in the mind of the public at large.

We hope that readers are taking note of the signs cipient lawlessness. incipient lawlessness which have been appearing in

news recently. We last discussed the likelihood of such a development on March 4, when we drew a picture of an oligarchy possessed of Power without Knowledge seeking to impose its will on a community of people possessed of Knowledge without Power-and predicted that the legal compulsions attempted by the oligarchy would generate in the community the conscience of the outlaw, tolerating such actions as are comprehensively described as taking the law into one's own hands. It was in this connection that we drew attention to the divided conscience of the administrator-the functional part of it approving a policy but the personal part of it condoning avoidances of, or resistances to, the consequences of the policy. We cited Mr. T. Lodge, ex-commissioner for Newfoundland, who charged earlier Governments with extravagant spending but added that he could not blame

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### Lord Hewart and the Bureaucrat.

Recent instances of incipient lawlessness are as follows:

- I. Trade union preparations to organise a national drive for higher wages.
- 2. A tax-payer's refusal to pay money destined for financing armaments, and his commital to prison.
- 3. A hint in The Week that officers in the Navy are showing a disposition to interfere in the Government's policy regarding Spain (" round-robins," and hints of resignations).
- 4. Mutiny on a merchant vessel.

5. Alleged 'disorder at Dartmoor prison-supposed conspiracy to time a coup to coincide with the Corona-

These items (a few among many) are symptomatic of tensions between (a) controllers of policy and administrators thereof or (b) administrators of policy and the public. Lord Hewart, in The New Despotism, spoke of "administration" istrative lawlessness." But only of one phase of it—the phase which presented the administrator as threatening the liberty of the subject. He did not detect or foresee a phase which presented the administrator as threatening the prerogatives of his masters. Probably there were no signs of this reaction, or even of its possibility, at that time; but in any case Lord Hewart would probable. bably have overlooked them, because, as we then pointed out in a long review of his book, he was assuming that the administrator acted lawlessly on his own initiative that it was it was in the nature of this functionary to ride rough-shod over the people's liberties. But in our review we showed that the lawlessness was not due to the character of the administrator, but was enforced on him by the nature and conditions of the job set for him to do. Our task was easy. For we only had to point out that all legislation involved financial considerations and was designed to false. to fulfil or facilitate a financial objective. Having done that, we were able to show that the lawlessness of the administrator was the outcome of his having to cooperate in bringing about certain financial results within the limit the limits of a strict time schedule.

Administrators and Loan Cycles.

As Social Creditors will easily understand, taxes must be gathered in from the individual at a rate governed by that by that at which the bankers recall their loans. The two rates are functions of each other. Delay in paying taxee h. So taxes below causes delay in repaying loans above. So the administrator's prime duty is to cut out the delay.

To cut out delay it is necessary to cut out the judges. The "law's delay it is necessary to cut out the bankers' are proverbial, and therefore the bankers' time-schedule must be reserved from the juris-

diction of the Courts. Hence the practice, which Lord Hewart denounced, of investing Departmental officials with judicial authority to decide questions arising from their administration. They do not seek this authority for the pleasure of exercising it, but as an indispensable means to an end prescribed by their masters-ultimately the Treasury and the Bank of England. They are obliged to save time, and therefore they are obliged to have time-saving machinery. They have to keep one foot on the expenditure-brake and the other on the revenueaccelerator so as to synchronise their results with the shuttlecock movements of Production loans and repayments on the one hand, and of Ways-and-Means advances and repayments on the other. Tax-payers and consumers have to dodge this complicated traffic as best they may, and if they get hurt there is no redress for them. Pedestrians have no rights.

#### Administrative Tensions.

Now our argument at the time we speak of has double force to-day. During last year legislation to prevent evasion and avoidance of taxation was tightened up in pursuance of the policy of speeding-up. As it is brought into operation the tensions between administrators and the public will be aggravated. A result is likely to be growing discontent among administrators themselves, and a growing disposition on their part to interfere in questions of policy. If, as The Week hints, naval chiefs, who are of course administrators, are getting restive against the Government's policy regarding Spain, it is likely that civil administrators are being likewise affected, and all the more deeply considering that they are in closer contact with the civil population. If it is true, as rumoured, that there have been tussles between the War Office and the City on European affairs, there is no reason why similar tussles may not be developing between, say, the Home Office and the City on domestic affairs. It is one thing for the City to pass its Sedition Act, Uniforms Act, and other measures to forestall lawlessness among the subjects of the Crown, but it is another thing to get administrators to take on the extra consequential responsibilities in their stride and without

Escape from Taxation.

Readers will remember that recently a judge questioned the right of administrators to excuse payments of taxes, and that the reply of certain officials who were interviewed about it was that unless they used their discretion sometimes the taxation system would be unworkable. That was a confession that the Treasury time-schedule is not evenly applied, but is suspended at the will of the Treasury and Bank. As one official said: 'It is better to take what we can get than wait to extract the full amount," Of course it is-if the inflow of taxes must be kept on the move on the principle: "Small proceeds, quick returns." Theoretically the arrangement is unjust to those who pay in full—as the judge in question observed; but nothing practical emerges therefrom, unless, indeed—and what a beautiful thing to contemplate!—all taxpayers were treated on the same terms as the slowest payer. Ruling this out, we see only one method of meeting the judge's objecwe see only the total taxpayers to place themselves in the position of not being able to pay. Many cannot, because taxes are deducted at the sources of their incomes. But there are others.

However, this is idle talk, because if the population treated themselves with their tax-money they would be

robbed through inflated prices, and the bankers would collar the proceeds in the end. The amount not collected as taxes would be collected as excess profits. These profits would be heavily taxed as such, and the remainder allocated to company-reserves. The amount of money involved would go back to the banks and be cancelled. For it must be remembered that since the War the old-style company-director has been superseded by the new-style bank-nominee, and with his departure has departed also his power of deciding what proportions of profits to distribute and to withhold from distribution. To-day, in all large-scale enterprises the rate of profit-distribution and profit-reservation is virtually controlled from the Treasury and Bank. That is the reason why Treasury experts are able to calculate so accurately how much money the Chancellor of the Exchequer may expect to raise in revenue during a given financial year, and in what proportions various classes of the community will contribute it.

#### Loans Govern Taxable Capacity.

The loan-policy of the banks governs the taxable capacity of the people. And since the loan-policy can be altered at any time between one Budget and the next the estimates of the earlier Budget can be made to come out right or wrong at the will of the bankers. The banks can literally manufacture a Budget deficit. They can also manufacture a Budget surplus; but there is no point in doing that because the surplus would automatically accrue to them (in reduction of Government debt). But there is a reason why they should manufacture a deficit, namely that this would discredit any Government to which they took objection. It would force that Government to raise taxes on the one hand, while, on the other, the banks could refrain from exercising their power to increase taxable capacity, and in fact could diminish it.

### The Case of Australia.

At the time of the Australian crisis we pointed out how the banks could at any time privately intercept money due to be paid in taxes, while publicly denouncing the Government for failing to collect them. This they were preparing to do, if not actually commencing to do. Naturally the Australian people, of all classes, acclaimed and participated in the denunciation, for, as they saw it, the failure of the Government to raise its revenue on the existing rates of taxation foreshadowed a rise in the rates. Imagine the state of mind of any small Australian business man summoned by his bankmanager at 10 a.m. to reduce his overdraft by £10, and called on by the tax-collector at II a.m. to pay up the same £10! For it would be the same £10 in the sense of our analysis, because the fro would only be recoverable on the assumption that the overdraft would be left outstanding. An observer might reasonably ask, at this point, why the typical business man should not denounce the bank-manager. Logically he should. But he does not, because (a) he does not see any direct relationship between the repayment and the tax (for one thing the figures would not be identical as we have made them in our example) and (b) the bank manager would reply to his protest by saying that the Government's failure to raise revenue was undermining the stability of the State and threatening the solvency of business enterprises, and was therefore compelling the banks to curtail credit facilities. Convincing, is it not?-if the business man does not know that the curtailment of credit facilities is the cause of the accumulating Budget

It was through deceptions like this that Mr. Lang's New South Wales Government and Mr. Scullin's Commonwealth Government were got out of the way. Mr. Lang had threatened to repudiate external debt, and Mr. Scullin was hampered by ministerial colleagues who threatened to reduce interest on internal debt. Mr. Lang was kicked out against his will, and Mr. Scullin walked out to rid himself of embarrassment. The consquence was that Mr. Lyons came into power and became an instrument whereby powers were taken away from the States and reposed in the Commonwealth, whereupon the Australian people came under the centralised system of deflationary discipline that had been laid down by Sir Otto Niemeyer as the price of Australia's economic survival.

#### Nursing the Budget.

These facts, inspected against the background of our present analysis, throw an ironic sidelight on the recent flattering observations in the London financial Press on Australia's "remarkable" recovery under Mr. Lyons's administration. It is not remarkable at all. It is merely an illustration of the proverb that the Devil looks after his own. The banks, with Mr. Lyons as a hostage for correct fiscal behaviour, regained "confidence" and resumed their provision of credit facilities. Bank managers ceased to compete with tax collectors for the typical £10's—in fact they left them lying about for the collectors collectors to pick up. Then everybody in Australia rubbed his eyes and said: "Look, the new Government is gottle ment is getting in its taxes, and without raising the rates anything like the old Government would have had to if we had. to if we hadn't got rid of it." Nobody saw that this achievement achievement was due to the fact that the bankers were virtually advancing the money paid in taxes. By re-fraining framework were fraining from calling in loans from taxpayers they were in effect and "They in effect contributing revenue to the Government. They were nursing the D were nursing the Budget. And that is what bankers are doing with all Displayers. are doing with all Budgets everywhere when they have Governments in Governments in power which represent the prerogatives of the Money Money of the Money Monopoly.

We hope that this aspect of the taxation ramp will be eply reflected with the spectrum of the deeply reflected upon by every reader in view of the forthcoming present the f forthcoming presentation of the British Budget. We write this before the write this before the event.) A week or so ago paily Express in the event. Daily Express invited its readers to contribute suggestions as to who are tions as to who or what should be the subject or object of new or extra to of new or extra taxation. No doubt the initiators of this little game had this little game had no ulterior motive in starting it going.

To them it was interest in To them it was just a little stunt to maintain interest in the paper. Neverthal the paper. Nevertheless it served a useful purpose from the point of view of v the point of view of the Treasury. It was in the nature of kite-flying. The control of kite-flying the state of the treasury. of kite-flying. The replies sent in had, by the terms of the exercise set the exercise set, to square with the implicit assumption that extra taxation that extra taxation was inevitable. Anyone who replied have "Let us have less taxation, not more," would have been ruled out of a range of the state of the been ruled out of order as a frivolous time-waster ond good (Some, we understand, did reply like that and being being luck to them!) But the aforesaid assumption of sentiaccepted, the replies indicated cross-currents of sent ment and prejudice ment and prejudice, and provided hints as to how This taxation could be taxation could be spread with the least friction.

The late to some properties of the spread to some properties.

Northeliffe Northcliffe, even at the zenith of his fame, used travel incognite. travel incognito to the most remote places, and discreetly question the limit of the places, and the creetly question the limit of the places, and the creetly question the limit of the places, and the creetly question the limit of the places, and the creetly question the limit of the places, and the creetly question the limit of the places, and the creetly question the limit of the places, and the creetly question the limit of the places, and the creetly question the limit of the places. creetly question the humblest patrons of the smallest inner about what they like. about what they liked or disliked in the papers he saw

them reading. One incident will bear relating. An old farm labourer, lulled to loquacity by his Lordship's hospitality, informed his Lordship concerning one of his journals: "I've give the damned thing up." Asked why, he explained: "They used to give the runners and bettin' forecasts along of other sportin' events on the same page: but last week they started spreading 'em apart, and I had to nose 'em out o' the warren like a b ferret: so I told Jarge over there wot I thought about it, an' he said to take in the 'Daily Crammer,' w'ich I does." Next day the sub-editor who had effected the improvement, as he thought, in the make-up of the discarded journal, was summoned to his Lordship's presence and told to improve it back to its unimproved form. Imagine with what a stare of blank incredulity that old farm labourer would have received the information that his complaint had modified the policy of the foremost newspaper magnate of the day. Well, the same lesson attaches to the problem of making taxation run smoothly. And having regard to the jumpy state of public feeling alluded to earlier the exercise of tact in adjustment is growing in importance. It was the absence of tact that caused the mutiny on the Russian battleship Polemkin in the Black Sea in the days before the Great War. The men struck because of maggots in their meat. But it was not the maggots alone that made them violent; it was the tactlessness of an officer who, on being brought to inspect them, told the men that the meat was quite all right, and that maggots weren't poisonous anyhow. That was the last straw.

#### Invergordon.

The case of the Invergordon mutiny comes into the same category. The men would have tolerated sacrificing the "baby's shilling," but the officials of the Admiralty had been tactless enough to leave evidence lying about which enabled the men to discover that the decision to cut the shilling off their pay must have been taken at a date prior to that on which those officials had assured them that no further cuts were going to be imposed. It was the deception that roused them. And not the deception alone, but the practising of it in circumstances which suggested that the officials did not care particularly whether the men discovered it. If the inner story were made known it would probably identify the Treasury with this chicanery. For it is quite Possible that the officials who gave the assurance were unaware at that moment of the decision. They, too, may have been deceived. However, that is of no moment now. The men captured the ship—it was H.M.S. Hood, at present in Spanish waters—and the rest is history. Long afterwards, when one of them told the story in company one of his listeners excitedly exclaimed: "Yes; and what's happened once can happen again." Yes; and what's happened once the them. The sailor looked at him disapprovingly, and then, after a moment of silent reflection, he answered to the company generally: "Aye, it might happen again; but but never in the same way." And this cryptic remark seems to link up with the hints in The Week concerning the thoughts and acts of naval officers.

### The Rule of Lawlessness.

Readers will notice how the logic of events keeps coming round to emphasise what we say about the general tendency towards taking the law into one's own hands—the tendency for the lower orders in the hierarchy of political administration to gate-crash into the counsels of the superior orders. It is a tendency which which can be expressed as that of successively dump-

ing the baby left on the humblest doorstep of society onto the next more respectable doorstep, and so on until the child rests at last against the armoured doors of the Bank of England. "If there's dirty work to be done, do it yourself." That is the subconscious reaction of harassed administrators against the arch-controllers of financial policy.

#### Persecution: Police: Prisons.

If the logic of the present financial system were extended to the limit the bankers would be obliged themselves to perform all the functional tasks of administration from the top to the bottom of the hierarchy. We have already seen that bankers (through nominees) have assumed the functions of company-directorship. And it is to be observed that a parallel movement has taken place in the Police Force. We see Sir Philip Game, once the Governor of New South Wales, stooping to assume the responsibilities of Police Commissioner. We also see young men of good family, once destined and trained for positions of dignity in the Empire, walking the streets as constables. This is just one symptom of a universal degradation of status and function. As Social Creditors know so well, this functional degradation is the automatic result of financial impoverishment.

Speaking of the police leads to the subject of prisons. Two prominent Sunday newspapers are concerning themselves about the disturbance at Dartmoor, and issues arising therefrom. Among the points discussed is that of training warders to deal with outbreaks. At the moment the training is confined to the object of quelling revolts by force. Riot-drill is added to Fire-drill—another degradation of function, by the way. But in due time consideration will be given to the question of averting revolts. And for the same reason that the increasing cleverness of criminals at large needs (according to officialdom) a "higher type" of police to outwit and counteract them, the same cleverness, when confined in prison, will be found to need a "higher type" of warder. Here's a tip for the parents of boys in public schools and Universities who are wondering about what they shall do with their sons. And in order that they shall not despise this tip we hasten to call their attention to the fact that at present, and particularly in the near future, a much better class of people are going to prison. A well-educated public-schoolman will not find a warder's job so uncongenial as it sounds. Socially and intellectually the difference between prisoner and warder will be diminished.

In the old days it was only at the rarest intervals that a convicted criminal could truly be spoken of as a man who, in other circumstances, could have been a Prime Minister (representing the apotheosis of deserved greatness to our forefathers) or Company Chairman or what not. But to-day this quality of criminal is frequently cropping up. The science of crime has advanced to a degree where competent practitioners of it are competent to discharge any other function. There are quite a number of people in prison at this moment who would make excellent Treasury officials or directors of Insurance Companies. All they would have to do would be to use their wits for furthering high financial policy instead of obstructing it. Think of the famous M. Marang. True, he is not in prison, but he is a select sample of the types which are. And as to where he is now, we would not mind wagering on the chance that some banking institution or other has signed him on

under an alias. This is not difficult to believe when one remembers that respectable British insurance companies have frequently bought stolen property in from thieves -compounding a felony to save paying out claims. Of course the directors know nothing about it, but there is an unwritten understanding that they do not want to know. They have an overmastering sentiment that stolen property insured with them must be recovered and restored intact at all costs-at any rate all costs up to an amount within the limit of the insured value. The insurance fence must get his commission.

# Monarchy and Masonry.

IThe following are extracts from a document sent us by a correspondent who wishes it to be taken seriously. It is much too long to publish in full. We reproduce the passages which best indicate the nature of his thesis. In its complete form it appears to us to amount to this proposition: That Edward VIII.'s abdication for the sake of an American woman symbolises the imposition of American moral standards on English life; and that it has consolidated the ascendancy of Scottish Masonry as the influence round the English Throne. We do not take responsibility for the views expressed. We print them for their novelty. For the rest, we can only observe that even if it is all true there is nothing to be done about it. You can't get rid of racial influences without exterminating the race. Whether the Scot is easier to kill than the Jew we don't know.-Ep.]

The Royal abdication becomes a poignant world tragedy

The Royal abdication becomes a poignant world tragedy if it is seen in its spiritual significance.
While Edward VIII. still reigned the heir to the Throne—whose wife is descended, through the female line, from the House of Macbeth—was installed Grand Master of the Grand Lodge of Scottish Masonry, Scottish Masonry goes back to a wild, dark period of Scotland's history. It is not always recognised that all Masonry is based ultimately on ancient atavistic methods of entering into communicaon ancient atavistic methods of entering into communication with the spiritual world. Many Scots, and especially Highlanders, still possess as a racial inheritance a certain atavistic faculty of mediumistic clairvoyance—familiarly known as second sight-which, when improved by training can undoubtedly enable them to make themselves channels through which influences from the spiritual world can flow into ours. Men of English blood practically never possess this faculty-therefore minety-nine per cent, pooh-pooh its existence. There must, however, be a small number of Englishmen—probably advanced and influential members of Masonic and other Occult Brotherhoods—who do know that this atavistic clairvoyance exists and can be used for practical purposes in the world of affairs; but it is likely that they look up with mingled awe and respect to those Scots

who possess the faculty and know how to handle it

At the present moment Scots represent the English Crown in all the great Dominions and in India. The number of key-positions they hold in the Government is out of all proportion to the population, wealth, and historical importance of Scotland itself. English journalists know well around the Control of a cuite dispreparately

torical importance of Scotland itself. English journalists know well enough that Scots hold a quite disproportionately large number of vital positions in the English Press.

Now if the Social Credit hypothesis is true—if Press, Government, and Monarch alike are controlled from behind the scenes by a hidden Group—then an intelligent mind is driven to the conclusion that this Group either considers that Scots make the most useful tools, or desires, from some other motive, to have it appear in the eyes of the world at large that Scottish Genius is ruling, not only the world at large that Scottish Genius is ruling, not only the British Empire, but England itself. Both motives probably exist; but the writer suggests that the second motive predominates and affords an invaluable clue to the identity of the Power behind the Throne

Racial passion is subtle and ineradicable: and is most strongly marked in people of ancient blood. It should never be forgotten that the Irish, the Welsh, and the Lowland Scots clung to the remains of the pre-Christian tribal system of government land of the pre-Christian tribal system Scots clung to the remains of the pre-Christian tribal system of government long after England was welded into a national unity; and that the Highlanders enjoy the unique distinction of having preserved right into the eighteenth century a very ancient social form which the rest of Europe had discarded centuries earlier. The clan was a picturesque anachronism, but the race that retained it so long must be endowed with exceptionally strong atavistic tendencies, and

one remembers without surprise that atavistic clairvoyance has frequently been mentioned as a special characteristic of

Social Credit supporters often use the image of the yramid to describe existing social conditions. Now the Pyramid to describe existing social conditions. Now the Pyramid was a perfect artistic expression of the social polity of ancient Egypt, with its theocratic "apex " of initiated Priest-Kings and its graduated Hierarchies of Task-masters. The Masonic Protherheads alain that their Symbolism can The Masonic Brotherhoods claim that their Symbolism can be traced back ultimately to ancient Egyptian sources. The form of the Masonic Court of the Masonic form of the Masonic Society is that of the Pyramid. Near the apex of the Pyramid are to be found Persons of great social influence, who know how to use all the decadent forms of so-called "English Society" for the flattery and calculate of calculate the social calculates the soci cajoling of self-made Industrialists and ambitious Colonial

In recent years the Masonic Society has widened its net, so that it now includes large numbers of lower middle-class men, who regard more large numbers of lower middle-class men, who regard more than the society has widened its net, so that it now includes large numbers of lower middle-class men, who regard more than the society has widened its net, so that it now includes large numbers of lower middle-class men, who regard more than the society has widened its net, so that it now includes large numbers of lower middle-class men, who regard more than the sound in the sou men, who regard membership as a good insurance for wife and child. There it stands among us, a Pyramid of intangible, but very real, power, through which can be quietly disseminated—by club gossip—any ideas which those at the apex desire to spread among the more intelligent sections of the English masses

There is a kind of spiritual harmony, an uncanny consonance, between these three things: an ancient race which has a strong, dominant, atavistic strain: an Occult Order, based on are Christiae Secret 15 and Occult Throne, still based on pre-Christian Symbolism: an ancient Throne, still surrounded by an arrow of the surrounded by a surrounded by an aura of century-old rituals, long since

Let English people who feel that England is essentially a modern country, remember that England has ancient traditions of surpassing splendour and beauty—traditions which may well have an invalid to the surpassing whom may well have an irresistible attraction for men in whom the blood of very carries at the blood of very may well have an irresistible attraction for men in whome the blood of very ancient races is dominant, not recessive. The control of credit must be, in itself, a fascinating if cise of power: but it would become trebly fascinating if those who controlled it were feeding, through that very one ancient racial hatreds—and secret racial ambitions. point is admitted by all students of Social Credit: the Bank of England has, since its inception, worked steadily towards one supreme purpose—the ruin of English agriculture, and one supreme purpose—the ruin of English agriculture, and of the English native aristocracy, whose power was based on the land.

The accession to the Throne of England of the Grand Master of Scottish Masonry is probably a Symbol of the utmost importance for the English people. "Keystone."

## Notice. "THE NEW AGE."

The editor's first Memorandum to Major Douglas, ferred to in the Memorandum to Major Douglas, referred to in our last two issues, has been acknowledged by the ledged by him.

Major Douglas agrees that at the commencement of the Secretariat's research. the Secretariat's negotiations there were misunderstandings for which at ings for which the editor was not entirely responsible; and he now indicate and he now indicates a basis on which there may profitable exchanges of view between the editor and himself or other dihimself or other directors of the Secretariat.

Further correspondence will be necessary, so there is point in our comments with the necessary, so the above no point in our communicating the terms of the above documents to our readers at present.

The immediate problem is to get "The New Age on a secure financial basis.

# Forthcoming Meetings. LONDON SOCIAL CREDIT CLUB.

Blewcoat Room, Caxton Street, S.W.1. April 23rd, 8 p.m.—"Individuals and Institutions cial Credit Point of St. Social Credit Point of View," by Mr. Peter J. Hand.

April 20th, 8 p.m. (100), by Mr. Peter J. Hand.

April 20th, 8 p.m. (100), by Mr. Peter J. Hand. April 30th, 8 p.m.—" Social Credit will ensure Peace Hall, Prosperity," by Mr. E. O. Boardman, of Ingleton Ingleton, Largestit. Ingleton, Lancashire.

# "The New Age" Social Credit Society.

#### Objects.

To promote: \_\_

APRIL 22, 1937

1. The study and exposition of the science of Social Credit as first propounded in "The New Age" by Major C. H. Douglas under the title of "Economic

2. The enlightenment of the public on the relation of this science to the present economic and political

3. The stimulation of the public to demand of the Government the application of this science on the practical principle originally formulated by Major C. H. Douglas-namely, that of the Compensated Producers' Price Discount, having the effect of an unconditional Consumers' Dividend.

#### Methods.

1. The issue of its official organ, "The New Age," to members.

2. The sending gratuitously of copies of any issue of "The New Age" to selected recipients who exercise influence in journalism and politics—the selection being according to the subject matter therein contained.

3. The occasional issue of private circulars to

4. The preparation and selective distribution of original matter suitable for publication in the Presswhether official letters over the name of the Society, or paragraphs or articles offered for publication with or without acknowledgment, at the user's option.

### Membership.

Membership is open to everyone who declares his approval of the above Objects.

#### Finance.

The revenues of the Society will be derived from: (a) Members, who are asked to pay the annual fee

- (b) Private donors, whether members or not, who are willing to contribute larger, or smaller, amounts.
- (c) Organisations willing to make grants-whether on an affiliation basis or independently.

## Comments Invited.

In the space below we invite our readers to write suggestions and comments. They will observe that our object is to continue our service on a basis which excludes all possibilities of controversy among Social Credit supporters, and that our methods are devised

To the Editor of The New Age, 12-14, Red Lion Court, Fleet Street, E.C.4.

(Cut off and post this portion of the page.)

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