INCORPORATING "CREDIT POWER." OF THE NEW AGE SOCIAL CREDIT SOCIETY ORGAN 30s.

Vol. LXI. No. 16. THURSDAY, AUGUST 19, 1937. ANNUAL SUBSCRIPTION TO THE SOCIETY No. 2345]

### CONTENTS.

	11102
Regulating the "Freedom" of the Press—Government's safeguards against distortion and misrepresentation in news and views—policy justified since this is not a party or class Government but a citizens' Government—reasons why citizens' should unite to give the Government the powers sought in its legislation—blocking channels of external interference.	battles of neutrals—orderly extermination of super- fluous wage-earners—non-stop trials of improved war-machines.  LIFE AND WORK. By H. E. B
New-style warfare—belligerents fighting the	CORRESPONDENCE  J. A. Franklin.

## The Alberta Government's Powers.

TH

Major Douglas has cabled approval of the Alberta Government's legislation (as described in this journal last week) together with the recommendation that they next proceed to regulate the Press. (Social Credit, August 13.) The main idea behind such regulation is that of preventing newspapers from publishing distorted news about the Government's policy, or expressing views in a manner calculated to create a false impression as to the nature and intention of that policy.

The drafting of a measure to do this will be a delicate business, because it constitutes interference with the Freedom of the Press." Nevertheless, it should be feasible if the Government desires to protect itself from mischievous misrepresentation as distinct from fair pre-Sentation and criticism. It is a problem, however, to decide where accident ends and design begins in many cases of misrepresentation. Further, even when that problem is decided, there remains that of proving dame is decided, there remains that of proving in damage damage of a nature and degree justifying, in the mind of the public, the imposition of penalties on newspace damage of a nature and degree justifies on newspace. newspapers. The complexity of both problems was explained by plained by The Times of January 11, 1937, in a leading article entitled "News In Proportion." The "Notes in Translated of News In Proportion." in THE NEW AGE of January 21, 1937, were devoted to an examination of this article, and readers are recommended to consult that number. We pointed out, among other other matters, that the impartial presentation of news is no is no guarantee of the correct understanding of it, and that the finance has that the main reason for this was that High Finance has the Power to bring about events which make news. Long previously, at the time of the Lang crisis in New South Try, at the time of the Lang crisis in New South Wales, we had put this idea in a more concrete form form, saying that the bankers had the power to create disturbing that the bankers had the power to create disturbing market phenomena, and to do so by methods which the public were unaware of. Naturally the news-Papers could not be indicted for reporting such phenomena, however disturbing they were; in fact, news-editors could claim that the more disturbing they were the more urgent the duty of reporting them. The

bankers' trick is very subtle. It consists not merely in contriving to precipitate the events themselves, but in contriving to precipitate them coincidently with (as was the case in Australia) the promulgation of a given policy by a Government, thus leading the public to infer that the policy was the cause of the events.

Now, for various reasons, neither Mr. Lang nor Mr. Scullin, was at that time in a position to destroy the false impression created, much less to counteract its consequences. But Mr. Aberhart is, or can place himself, in such a position. For whereas Mr. Lang and Mr. Scullin were both nominally representative of a sectional economic interest—the interest of Labour—Mr. Aberhart is not nominally representative of any sectional interest at all. At the present moment he is, by the assent of friends and enemies alike, committed to the putting in of Social Credit. Opponents may argue if they like that Social Credit will produce undesirable consequences in Alberta, but they cannot say that it threatens any one economic interest more than another. No; for the first time in history we have a Government representative of a universal common interest—the interest of consumers. Social Credit will either succeed, or it will fail, to provide the Albertan people as a whole with more purchasing power. If it succeeds, it thereby subserves simultaneously every sectional economic interest-a result obviously beyond achievement by any Government founded on one section or a group of sections.

Now this consideration places the doctrine of the Freedom of the Press in an entirely new light. Hitherto the claim by a Government to control news and views could be effectively challenged as an attempt on the part of a particular set of interests in temporary political power to take away from others their means of self-protection. Obviously the idea of, say, a Conservative Administration with, say, a Protection policy, censoring the news and views of Liberal newspapers with a Free Trade policy, would only have to be expressed to be laughed out of consideration. No; in circumstances where the policy of any Government necessarily involved the selective sectional redistribution of wealth based on selective sectional confiscation of wealth, there was nothing for it but to let every interest fight for itself as it thought fit. Their mutual recriminations and misrepresentations could be left to cancel each other out and otherwise be kept within bounds by the law of libel.

The Albertan Government stand, in their economic aspect, as providers of extra wealth without confiscating existing wealth. They are not asking the rich, any more than the poor, to sacrifice anything as a means of helping to put in Social Credit; and they certainly will not require sacrifices afterwards. So there is no reason why the Government should allow newspapers to behave with the same freedom as to methods of influencing opinion as they have behaved in the past. The Government, being neutral as between the interests whose mouthpieces the newspapers are, have the right to demand that those newspapers should display the same neutrality in their attitude towards Social Credit legislation. In fact, those newspapers, insofar as they speak in Alberta, to the citizens of Alberta, on behalf of sectional interests in Alberta, should voluntarily rally to the support of the Albertan Government. If, however, they are controlled by interests outside Alberta, this cannot be expected of them. On the other hand the Government cannot be expected to tolerate the importation and dissemination of false and misleading information from "foreign" sources. And the Government can be trusted, as no Government could have been until now, not to abuse the right of regulating Press comment

It is, of course, open for critics to say: Yes, but how are we to know that the Government are not working for sectional interests under the pretence of working for consumers' interests? That objection would have great force if the Government were concealing their strategy from the people. Happily, so far, their legislation explains itself, and is seen to be consistent with an intention to achieve their declared objective. They are laying foundations on which a Social Credit technique can be based, and they are otherwise taking steps which will eventually force the disclosure of the ultimate source of the opposition to their policy. Take, for example, their proposed appointment of directors on the boards of the chartered banks. First of all, if this legislation is resisted, reasons for resisting it must be forthcoming. Those reasons will be made public, and will have to run the gauntlet of examination not only by Albertan Ministerialists, but by the Social Credit movements throughout the world. Next; if the Government's nominees join the boards they will gain access to the secrets of the banks. Some of those secrets the Government might regard as suitable for public consumption. Confidence between banker and client is necessary in this age of competition, but the word client covers a multitude of relationships, and some of those relationships involve transactions which come within the sphere of high politics, and might have to be made the subject of Parliamentary debate. Then, apart from the clients of a bank there are the assets of a bankits physical property and external investments, and the value of those assets, involving of course the basis of valuation. Probably a good deal of information of this sort will not be ascertainable at the "occupied" banks, but the Government's policy of putting in observerdirectors is the thin edge of the wedge of disclosure. It sets a precedent for the "occupation" of the head banks by the Dominion Government.

In the meantime the "occupation" of the chartered banks in Alberta will have the further advantage that it will deprive the big banking interests of a mechanism of political intrigue. The local bank-directors will not be able to come to any agreement with them behind the Government's back. To that extent Alberta has, as it were, contracted out of the grid system of bankster interference with domestic politics. The transmission cables are cut at the frontier, and the sections within Albertan territory re-connected to carry the current of influence generated by the Albertan Government.

AUGUST 19, 1937

The whole body of legislation so far announced and canvassed conforms to this pattern. It blocks channels of interference by (a) the Courts (b) the local banks and (c) the local Press; and it establishes, so to speak, a triple circuit of legal, financial and political autonomy within the Province irrespective of so-called Constitutional laws and commercial conventions.

Critics of the Government's policy have, as yet, no ridence that the Government's policy have, as yet, no evidence that the Government contemplate using Social powers for any other purpose than putting in Social Credit. Credit. And they should remember that if the Government do this ernment do things which leave room for suspicion that they may be dead to the control of the con they may be dodging the issue, the Social Credit Press throughout the Press throughout the world will quickly be on their track. In the received way of track. In the meantime there can be no better way of keeping the Corrections keeping the Government faithful to their mandate than by giving them by giving them a united backing in respect of the announced levisletic announced legislation. The proper business of the Albertan people of the proper business of the proper business and the proper business of the proper business o Albertan people of all classes is to judge this legislation by its immediate by its immediate natural effect on themselves from their respective points. respective points of view as producers and their common point of view as producers and their busimon point of view as producers and their business to wander off ness to wander off in speculations about problematical secondary effects. secondary effects on themselves, much less about similar effects on the possible are effects on the people of other Provinces. These are for those people for those people and Governments to concern them selves with if and a selver method of the provinces. selves with if and when they arise.

Albertans is: Ourselves Birds The motto for the taint. Albertans is: Ourselves First. It is free from the taint of selfishness of selfishness, because the "First" does not imply "instead of" (connecting the selfishness) of others from the selfishness of others. "instead of" (connoting displacement of others from the enjoyment of living displacement of others) the enjoyment of limited benefits) but "in front of (connoting the identity) the flow of t (connoting the idea of being the first to tap the flow of benefits which evicts benefits which exists potentially in a volume that ensures satisfy for everyone

No Albertan citizen can plead hardship to himself the s the necessary construction to himself the as the necessary consequence of (a) being denied to right to take the Consequence of (a) being denied to take the Consequence of (b) being denied to take the Consequence of (a) being denied to take the Consequence of (b) being denied to take the Consequence of (b) being denied to take the Consequence of (c) being denied to take right to take the Government to Court (b) having his ernment nominees ernment nominees put in his bank or (c) having newspaper put under certain restraints. If there newspaper put under certain restraints. If there and any hardship it will be suffered by an institution; and on that institution. on that institution will rest the onus of proving that in resisting such hardship it. resisting such hardship it is protecting any person.

No; the powers sought No; the powers sought by the Government are reason able and logical in this able and logical in this new frame of circumstance, and any risk that they may also protecting are reasonable and logical in this new frame of circumstance, and any risk that they may also protecting are reasonable. any risk that they may abuse those powers is a reasonable and logical risk to the second response response to the second response response to the second response r able and logical risk to take. For ourselves, we should say that a Government say that a Government who meant to double cross the electorate would be more linear to double powers. electorate would be more likely to demand these powers in the hope that they meant to double-cross powers in the hope that they may be them. in the hope that they would not get them, that demand them with the interest of the misusing that the misusing the misusing the misusing that the misusing the misusing that the misusing the misusing that the misusing that the misusing that the misusing the misusing the misusing the misusing the misusing thad the misusing that the misusing the misusing that the misusing demand them with the intention of misusing that the distrustful is that the that they should unite with the Government's supporters to force these powers on the Government.

got to have them whether you want them or not." War by Proxy.

The waging of war seems to have become one of the peaceful avocations. Instead of an all-in smash-up between the Great Powers as in 1914, there appears to be setting in a series of managed wars fought by minor belligerents for the benefit of major neutrals. By the time that Latins cease slaughtering Latins in Spain we look like seeing Orientals slaughtering Orientals in China. And while that is going on there will be a tossing of coins to decide who shall be the next pair of belligerents to carry on the good work.

This non-stop serial warfare has its economic advantages under the present system. It exterminates would be wage-earners at a pre-determined rate. It assists them to emigrate across the Styx into the other world where immigrants are absorbed without friction. Of course it exterminates wage-spenders when it exterminates wageearners; that is to say, it destroys customers. But under the present system the necessity to save wages is too urgent to permit of inquiry into the secondary consequences of the saving. It is unfortunate that people cannot spend money on goods unless they draw money for making them; but it is so—or, at least, that is what we are told. Hence the wage-earning population must be reduced to fit the wage fund—reduced slowly and steadily. steadily so as to avoid undue dislocation of economic activities. And the non-stop series of small, peaceful wars is the most effective way of doing it. And perhaps perhaps the most effective way of doing the most humane; for death, unlike hunger, does not go on happening to you. The unknown known warrior under the grass has the laugh on his survivors who are kept off it.

Then look at the advantage to makers of war machines for there to be a war going on where those machines can be tried be tried out. They can sit down comfortably in London, Paris, Berlin or Rome, and assess the efficiency of their machines in terms of casualties in Madrid. Yes, they have have a non-stop trial-ground at their disposal, where they can reap knowledge without risk by sowing death without remorse.

But, mark you, it all comes right in the end. We may not know how. But we can tell why. It is because we cannot the how. But we can tell why. cannot stop these things happening. Can we? Then Providence orders them. And what is ordered by will now sing the things happening. will now sing the Doxology.)

Life and Work.

fit for work." So said Mr. Clynes in an article in an evening paper. In quoting Napoleon he made a statement which is which is true in substance and in fact; but does Mr. Clynes realise that it is in direct opposition to the views of all orthod all orthodox economists as regards the relation of man to

Let us, for Mr. Clynes's benefit, examine his "army." is obvi It is obviously composed of men. These men need to be fed in and order to be state of the composed of the comp fed in order to do their work. What is their work? Slaying their to do their work. What is their work, and their wasting their fellow-men, destroying land, buildings, and wasting the destroy; they wasting tons of excellent steel. They feed to destroy; they live to kill. Yet the bare statement, they live to work, still is still is true. Why should the right to live be granted only when when war. Why should the right to live be granted? It will when war—i.e., military war—is being waged? It will be helpful. be helpful to study what happens to the majority of what is left of is left of an army when "peace" is declared. This peace, remember army when "peace" is declared. remember, is only a less spectacular phase of the military war. The The soldiers on leaving the army become workers. As orkers they no longer enjoy their former status. They no onger time by what longer live to work; they now work to live. By what strange love to work; they now work to live. strange logic do soldiers, who are freely granted the right to live. By to live, become "workers," who work to live? Perhaps Mr. Clynes can supply the answer? Another curious point that have been supply the answer? is that part of their "peace" work may be the production anore guns and ammunition, which may be the part of our highly esteemed exports. They may yet be killed by their Own Productions! Working to live in all countries leads

to the accumulation of products which, according to our orthodox economists, must be exported if we are to live. The fierce competition so caused is the warfare which is heralded as peace. We may state the stupid business thus. Working to live involves an ever fiercer fight for export markets, which in turn leads to military warfare, when men are freely granted the right to live destructively.

Now let us suppose that Mr. Clynes, after thinking this out, comes to the conclusion that, besides the soldiers, workers, too, "march on their stomachs." He will then be in agreement, whether he likes it or not, with the Social Credit point of view. We say that all human beings live to work, and need sustenance to be fit for work, just as the soldiers do under war conditions. What brings about the war conditions? Basically, the refusal to grant the right to live to individuals before they work. They are forced to compete against each other for jobs. They compete for their money prizes (wages). The money makers (financiers) compete to keep the quantity of money short and its price high. Nations compete against each other for markets; so it is fight, fight, all the time-and they call it peace! Men are only granted the right to live in order that they may destroy. What an ideal!

Is it not possible to grant the right to live, and implement it by giving individuals money to procure sustenance, so that they will be fit to do their work? Yes, but only by means of Social Credit technique as evolved by Major Douglas. A Social Credit statement of fact, which Mr. Clynes will do well to study, is the converse of the one given above about working to live. Living to work involves an ever closer co-operation for import markets (i.e., exchange of surplus goods from other lands), which in turn leads to harmonious peace, wherein men are freely granted the right to work creatively. The Labour Party (work first) might like to study it, too, before they fade out, if they can be persuaded to agree with Mr. Clynes's statement applied generally, and not just to the army.

Real Politics!

According to The Week of August 11, the reason for the According to *The Week* of August II, the reason for the recent deportation of three German journalists was their participation in plans for extending Fascism in this country. They were not the ringleaders, but they were the persons against whom the Home Office could produce the most legitimate reasons for expulsion. The point of chief most legitimate reasons for expulsion. The point of chief interest is that the pressure brought on the Cabinet to expel interest is that the pressure brought on the Cabinet to expel interest is that the pressure brought on the Cabinet to expel group of big business men and (two) bankers who were subgroup of big business men and (two) bankers who were subgroup of the product of the prod well. (A sum of 04,000 francs perween January and March this year is said to have been smuggled across.) They took action because these foreign subsidies "threatened to underaction because these foreign subsidies—threatened to undermine their hold "over the organisations in question! The Week hints that the Home Office could have brought down higher game, but refrained because certain Nazi interests threatened to let loose a "first-class scandal" involving prominent citizens in this country.

"Der Hauptmann von Koepenick." Make a note to see this film. It is being revived at the Forum Cinema for seven days from Sunday, August 22. The cinema is in Villiers Street, Strand, close to Charing

The cinema is in Chine Cross Station.

The film tells the immortal story of how a down-and-out organism beat an omnipotent mechanism—of how a flexible organism to the discipline to achieve its own objective. It will not only discipline to achieve its own objective. It will not only discipline to achieve its own objective. It will not only amuse and instruct, but will hearten every Social Creditor amuse and instruct, but will hearten every Social Creditor who is dispirited by the apparent impregnability of the Money Menongly.

Notice.

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

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

### The Coffin-Club Complex.

An "Old People's Charter, which will offer to millions the prospect of greater security and a higher standard of comfort in the evening of life," is the blurb heralding Transport House's new scheme for old age pensions of £1 a week (but only 35 shillings for married couples, so that even in old age marriages shall be made in the same old Banker's

Mr. Hugh Dalton, M.P., crowns this magnificent promise thus: "The finance of the scheme has been very carefully considered. It will be based, in fact, on the contributory principle. Otherwise it would not be practical politics."

The meaning of the phrase "practical politics" is ambiguous to the point of obscurity. But the certainty is that the scheme will not be practical finance if it is to be based on any sort of contributory principle.

As Mr. Dalton is supposed to be a financial expert it should not be necessary to point out that financial contributory schemes of any sort do not distribute "benefits" to anybody but those who earn a living handling the contributions-and that fact applies to State insurance as surely as to insurance companies.

Contributions to coffin-clubs or any other insurance racket must always exceed the sums disbursed in benefits, unless the racket goes bankrupt, in which case the contributions go, too. Any subsidies issued by Government to augment the funds of the clubs or rackets are bank loans, bearing interest, which the pensioners are steadily paying to the bankers all the time they are contributing to their own pensions. Thus prices rise by plus the cost of the scheme half a lifetime before pensionable age is reached.

It is high time the bluff was called on the entirely imaginary "benefits" derived from the "contributory principle" of the so-called social services.

By the time men and women are sixty years old there is as much physical wealth for their use and pleasure as when they were six or sixteen. There is not even a shortage of coffins.

It is not a social service to take the bacon-money from the young woman's housekeeping purse every week in order that she can buy porridge when she is sixty-five-if she survives semi-starvation for so long.

There is no social service in taxing the whole community to inaugurate nationalised capitalism wherein the taxes (" contributions ") will be, as in all taxation, inflicted on the poorest consumer first and hardest.

In pure economics it is quite impossible to subtract " contributions" from any housekeeping purse without leaving unsold the goods that contribution money was issued to pay the price of. By the total of these unpaid prices do our bankruptcy records rise. By the same sum does the interest on the new loans, needed to replace the old ones, raise the next cycle of prices.

So, in pure economics as well as in pure English, one can say of Mr. Dalton's scheme what Marx and Douglas truly said of taxation in all its forms: it is robbery, and robbery of the poorest first for the benefit of the loan-

GLADYS F. BING (Member of the Labour Party).

Sir Walter Monckton, K.C., Attorney-General to the Duchy of Cornwall, and adviser to the Duke of Windsor, has given notice to the Home Secretary that he wishes to resign the office of Recorder of Hythe, which he has held since 1930.

George Andrew McMahon, who was imprisoned in 1936 for "producing a revolver with intent to alarm the King" (Edward VIII.), has, upon his release, addressed a letter to the Duke of Windsor expressing admiration for "your humane and kindly kingship" and sympathy for the late King in respect of the events leading up to his abdication. (See the Daily Express of August 14.)

# Letter to the Editor.

CAPITAL AND PRICES.

AUGUST 19, 1937

Sir,—Your recent restatement of the Theorem is so lucid as to make its incorrectness crystal clear.

It is not true that "all costs have eventually to be paid by consumers if they are to be defrayed and leave industry out of debt." The cost of fixed capital assets is wholly defrayed by investors, i.e., by non-consumers. If I receive Lioo paid out in the making of boots and pay it to people to build making of boots to build me a machine, then the recipients can buy the boots and I have bought the machine. That machine is not a debt against anybody; it is an asset.

At no time do I sell the machine to consumers. All I do is to get them to maintain it. To do so I charge them depreciation or an all them to the solution that depreciation or replacement costs, and I pay them that money in return factors money in return for the maintenance and replacement work.

I do not charge the maintenance and replacement work. I do not charge them both the original cost and the depreciation, otherwise I should find myself in the happy, but fantastic position of leavest fantastic, position of having both the undepreciated machine

Those prime capital charges—B costs—which Douglas upposes to be because the beautiful charges—B costs—which Douglas upposes to be because the beautiful charges—B costs—which Douglas upposes to be be beautiful charges—B costs—which Douglas upposes to be beautiful charges—B costs—which Douglas upposes to be beautiful charges—B costs—which Douglas upposes to be plus the money I gave for it. supposes to be brought forward into prices of consumables, are, in fact, not have are, in fact, not brought forward at all. Investment causes

As regards the other type of B costs—those associated with emi-manufactures. no deficiency of consumers' purchasing power. semi-manufactures in progress through series production here again it is graft here again it is quite untrue that consumers have to meet the total producers. the total producer's costs. Payments between producers, in fact, total in the fact, total in this country at least ten times the amount of the resulting prices appearing in ultimate goods. The price to constant the country at least ten times the amount of the country at least te tact, total in this country at least ten times the and the price the resulting prices appearing in ultimate goods. The price to consumers is merely the B payments of the last stage of production only, and that payment is the combined the final payments up to that point. Add the A payments of a equal stage and you have the correct Theorem—A plus A equal A plus A—and there is no deficiency anywhere disclosed. I, A. Franklin.

IThe background of the problem is the bank-loan cycle. At the end of each cycle the community have to surrender the whole amount of the loan. If nobody invested in money at all the whole amount would have to the balance prices for available consumable goods. Assume the talked prices for available consumable goods. Assume the balance of products to be Fixed Capital, the community could decist whether to repeat the Capital, the community in the alguer. whether to repeat the processes of production in the loan-cycle, or whether to the processes of productions whether to repeat the processes of production in maltiloan-cycle, or whether to alter the proportions—for a more consumable goods and less Fixed Capital.

would come a time when they had enough Fixed only to maintain that capital—not increase it.

But under the present system, where private its encouraged, there seems to be no way of calling face of the accumulation of Fixed Capital.

That is possible to the discount of the accumulation are no different.

to the accumulation of Fixed Capital. Yet, on the it, the essential conditions are no different. That is to the Fixed Capital is apparently as freely at the community as if they owned it. Neither investors for the community as if they owned it. Neither investors for the community, want more all the capital than can be used to turn out a satisfactory of consumable goods. Yet something happens to the indefinite expansion of Fixed Capital and the stabilisation of consumption at a scarcity-level.

Why is it that investors and the rest of their of and advantaged in the stabilisation of consumption at a scarcity-level.

Why is it that investors and the rest of the commit advantage? We say that the reason is the shorting able consumer-income to cover consumption-price income to cover consumption for the same are mistaken, what other reason accounts for the same income. are mistaken, what other reason accounts for the annu-If investors give their Fixed Capital to the commu-surely they have every reason to limit the size of season and the community, for their part, have every reason wanting that gift to be limited in the form of In that and made in the form of consumable articles. wanting that gift to be limited in the form of in the and made in the form of consumable articles. their the gift is in the form in which investors take their of it. In the other form—redundant Fixed Capital useless to both parties.—Ep.]

We are considering a suggestion that we publish argunt monthly intervals a number wholly given up to argunt for and against the Douglas Theorem. Readers'

Published by the Proprietor (ARTHUE BRENTON), 12-14, Red Agons, Fleet Breet, E.O.4, England, and printed for him by THE ALLINITED, Temple-avenue and Tudor-street, London, E.C.4, England. (Test.)