

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The Taxation of Co-operative Societies.

I.

The new tax proposed on Co-operative Societies will arouse resentments in the Co-operative Movement which readers of this journal who have any influence in that Movement would do well to exploit. The "Notes of the Week" in our issues of July 2, 9, 23 and 30, October 29 and December 31, 1931, contain views and arguments whose cogency and validity are strongly emphasised by this new ramp on the poorer classes of the community. That it justifies that appellation is almost completely proved by the fact that for years upon years the view that Co-operative Societies were properly immune from imposts such as are now contemplated has been emphasised and reiterated by the permanent financial and legal experts in the Treasury. It was not a "Party" opinion at all, as our readers will appreciate; it was delivered over the heads of parties and Governments whose interests and intrigues have no concern for, and certainly no influence upon, the Treasury.

It is, of course, possible for anyone to suggest that the Treasury has just discovered a flaw in a fiscal axiom. But, if so, the onus is on the Treasury to explain through Mr. Neville Chamberlain what the flaw is, what the perfected axiom should be, and how either or both affect the proposed tax. The old view was that to tax Co-operative Societies in the way now proposed was to tax them twice over. The very strongest evidence should be forthcoming if it is now proposed to proceed as if this long-held view was untrue. Any such evidence would of necessity involve a new interpretation of legal and financial principles the implications of which reach far beyond the question of taxing Co-operative Societies. For this reason it amounts to a scandal that the first the public hears of this far-reaching change of front on the part of the financial authorities should be the hurrying of a tax-proposal through Parliament under

circumstances in which any thorough investigation of the principles underlying it will be impossible.

Parliamentary spokesmen for the Co-operative Societies may be trusted to make the most of the long-standing official view that Co-operative Societies have discharged their liabilities to the State as fully as have the private traders. But this kind of argument is unreal, because the new tax is not meant to remedy an injustice but to collect revenue. The *Daily Mail* and the *Daily Express* are busy fanning resentment against Co-operators, suggesting that these people are parasites on the community. The *Daily Express* goes so far as to make the ridiculous complaint against the Co-operative management that it is using the members' money to fight against the new tax. The suggestion that a threatened interest of any sort should be debarred from fighting off a danger by the use of its own resources raises a new principle on which it would amuse us to examine a good many big capitalists, including newspaper magnates.

It is striking to see how the mind of the anti-Co-operative newspapers is working. The public in general are invited to wake up and take notice of the extending power of the Co-operative Movement and the menace it involves for the interests of private traders. This is part of a hoary old trick in political controversy. These newspapers dare not commit themselves to the proposition that a particular commercial enterprise shall be penalised because it is successful in competition against others. Nor dare they submit in this case that the methods by which the Co-operative Societies have succeeded in competition have been against the law. To do either of these things would pose the issue in a way in which everybody could see what the game was. So, instead, these newspapers are popularising a plea based upon technical intricacies which it requires experts to understand, and are therefore able to disseminate the idea that the success of the Co-operative Societies has been due to fiscal favouritism. Naturally, every trader whose interests are threatened by the extension of Co-operative trading, or every shareholder in capitalist enterprises who sees in Co-operative trading an obstacle to his getting better dividends, wishes to believe that this favouritism has been taking place,

and is only too happy to believe it on the assertion of people like Lords Rothermere and Beaverbrook.

Readers may recall that last week we mentioned this rivalry between capitalists and Co-operative enterprises in the course of our allusion to Hitler's attack upon the Jews. What has been taking place here during the last week underlies the parallel we drew. The Co-operator, like the Jew, is to be penalised for his own success.

Behind newspaper influence is banking influence. The "danger to the private trader" is an excuse which covers a real fear that the strength of the Co-operative Movement will put too much power into the hands of the consumer as against the banker. What on earth does it matter to the ordinary citizen whether his means of life are supplied to him by a Co-operative Store or by a private trader? He would be right to resent being told by Act of Parliament that he must shop at the Store. And, we may add, he would rightly resent being told to shop with a private trader. Yet this latter practice is being imposed on him by the present taxation proposals. Whatever the avowed intentions may be, there is no question that the effect of tapping the Co-operative Movement by a million a year is going to do a lot to cancel out the incentive which has hitherto led consumers to transfer their custom from private to Co-operative enterprises. For all we know, the Treasury may have calculated out the rate and incidence of tax with the very end in view of making it impossible for associations of consumers to derive any benefit from mutual trading.

II.

We need not elaborate other aspects of the matter because the Co-operative Societies are well able to state their case convincingly within the scope allowed them under the rules of controversy outside the House and debate inside. But stating cases is not enough. Driven to it, the Government will, like the Prussian Junkers were charged with doing in 1914, appeal to Necessity. That is to say, they will end the discussion with the challenge: "Well, you fellows, supposing the tax is unjust, the fact still remains that the Budget needs a million pounds, and if you don't pay it can you suggest any other interest who is better able to—or do you suggest that the amount is levied on the individual taxpayers of this country?" Very probably, also, the "better nature" of the Co-operators would be appealed to. We can illustrate what we mean by reference to an editorial article in *The Times* of May 13, entitled "Gifts and Taxes." The writer, in this article, discusses a grievance of the clergy, viz.: that the Easter offerings in the churches, though made as free gifts to the clergy, are nevertheless taxed as if they were normal income. The same writer hazards the guess that somehow or other the custom of making offerings at Easter has become so regular that these free gifts have become indistinguishable from regular salaries. He then speculates on what would happen if the offerings now made at Easter were withheld until Christmas and then transferred to the clergy as "Christmas presents." Has there ever been such a thing, he asks, as money presents made at Christmas being assessed for income-tax? He concludes his article, however, on a serious note, saying that though the law as interpreted by the courts is inequitable, "ingenious efforts to evade it would be both unworthy of the clergy themselves and a thoroughly bad example for their people." Co-operators will see the bearing of this last sentiment. For there are ways in which evasion of the proposed tax may be possible, and these ways are being discussed in the Co-operative Movement. It is to be hoped that the leaders of the Movement will resist any appeal on the part of either the Government or the Press to "set a good example to their people," but will

simply decide the question of evasion by reference to whether it is feasible and ultimately profitable.

According to the Press, the tax will not be chargeable on the dividends distributed to the Co-operative Societies' customers, but on the portion of earnings withheld from distribution and added to reserves. The *Daily Express* of May 19 quotes figures showing that the total reserves of the Societies were about £32 millions in 1930. Thus the levying of £1,000,000 in a full year represents a 3 per cent. tax on existing reserves (although not levied on that basis). So you have the curious result that allocations to reserves are here penalised, and distributions of dividend are not, whereas the whole trend of banking policy in regard to capitalist enterprises is to secure the expansion of reserves at the expense of dividends. What is the reason why the Co-operative Directorate is, by this method, tacitly invited to escape the tax by distributing in future all its profits and retaining no surplus—and, by an extension of logic, invited even to liquidate and distribute surpluses accumulated in the past? Why is the Co-operative Union being encouraged to resort to a practice which the bankers rigidly discountenance within the Capitalist Union (so to designate "private enterprise")? The general answer was embodied and rationalised in our "Notes" nearly two years ago—and that is why we have published exact date-references above. We have no space to reproduce our arguments in full, but they ought to be consulted in full by all who are interested in the Co-operative Movement and especially by those who have any means of influencing its policy. The answer can be put in the following condensed form: (a) that the Co-operative Union, although it runs a bank of its own, is just as dependent as the Capitalist Union on the Banking Combine for financial accommodation; (b) that the borrowing powers of both these Unions roughly depend on their reserves—i.e., on the nature and value of their securities; (c) that the Banking Combine, though legally free to lend money on no security, or to refuse to lend on any security, have fabricated what looks like an external compulsion on themselves, that is, a "law of safety"—a "principle of sound finance"—under which they "must not" or "dare not" advance loans except on sound security. Within the framework of this compulsion, as they call it, they are able to maintain a pose of benevolent neutrality, asserting that so long as applications for loans are backed by sound securities the identity of the borrower and the purposes for which he proposes to borrow do not affect their decision—that although they may expand their total loan-issues at one time and contract them another, they do not discriminate between borrower and borrower, but only between security and security.

Accepting this as wholly true (which it is not) follows that if the Co-operative Union seeks to evade taxation by ceasing to increase its reserves, especially at the present time when the Capitalist Union is doing the opposite (mostly under the *force majeure* of high-financial mortgagors), it will automatically fall back in the queue of borrowers at the doors of the Banking Combine. This would be so even if the reserves were in the form of securities as sound as those of the capitalists; for though it could be sure of borrowing, it could not borrow so much as the Capitalist Union. Much farther, then, would it fall back if it began to liquidate and spend its ready accumulated reserves, either to pay dividends to its members or the new tax to the Government. Both. It will be seen, then, that the Banking Combine, through the Treasury and the Chancellor of the Exchequer, can quite safely issue this implicit challenge to the Co-operative Union, knowing that they do that the practical business directors of the Union must realise the risks of taking it up.

as it is practically certain that that body of well-intentioned administrators have no idea of a wider policy of resistance than evasion under the existing rules of law, they will privately favour the policy of acquiescence in the new impost, though publicly identifying themselves with the contemplated demonstration-in-force of the Co-operative Party. Our opinion of the Co-operative Party was expressed in the "Notes" already referred to; and unless some revolutionary changes have taken place in their counsels during the intervening two years, we should say that the Co-operative Union would do better to cut its loss and give in without a demonstration. All they would get for their money would be noises at public meetings and, with luck, "scenes" in the House. And to what purpose? It would all peter out into the defeatist exhortation to Co-operators to prepare quietly and constitutionally to vote for the right persons at the next election, whereupon these right persons would see what could be done to put the matter right, provided, of course, that the time at the disposal of the House permitted of a debate on such sectional grievances.

We have been discussing the Co-operative Societies' reserves in principle only, because we not not know how they are represented. We assume that to a large extent the Societies' undistributed surpluses in the past have been applied to the extension of their own capital rather than to investment outside. From a commercial point of view the security value of the Co-operative Union's property, and therefore its borrowing powers, should stand high. For on a total share-capital of £123 millions the wholesale and retail Societies together secured a surplus of £26 millions in 1930. As pointed out in "Whitaker's Almanack" (1931), if the Co-operative Union had been formed on the capitalist model, this sum would have provided something like a 20 per cent. dividend to shareholders after generous deductions for interest on debenture stock. And since the Union has behind it the almost pledged support of 6,300,000 customers, there seems no reason why the same position should not be maintained. Readers of this journal will realise with what a pang the Banking Combine must regard this yearly "dissipation" of, say, £20 million. Just as Judas Iscariot cried over the spilled ointment: "This could have been sold and given to the poor," so might they be mourning: "This could have been turned into gold and given to the State." The bankers are being driven by their own logic, and by their own necessities, to convert this could-have-been into shall-be. And it will be wise to interpret their inroad on the Union's funds as the first instalment of that policy. There is no other way of explaining the sudden official change of front on a fundamental fiscal principle. It was made possible, of course, by the eviction of the Labour Government and the abolition of party-responsibility in 1931. No one party, nor a combination of two parties, would have dared to do such a thing under the old system of party-competition at the polls; but now that there is only one party, and, for that party's purpose, only one Press, the most flagrant hardships and injustices can be inflicted on the people with impunity. Co-operators can make up their minds to vote this way, that way, any way; but when the time to vote comes the issues they wish to emphasise will be drowned by issues inspired by the bankers and noised through all their subservient agencies of miseducation and delusion. The result will be the emergence of another National Administration, and for a moral certainty the emergence of the same Premier at its head—Ramsay MacVicar of Bray, Sir!

It is useless to expect that the Co-operative Party will refrain from basking in the limelight over this affair, but we hope that they will confine their efforts to presenting an informed and logical statement of the reasoning on which Co-operative enterprise has hitherto borne its fair share of taxation. That is their

proper business, and if they do it thoroughly it will be valuable work. Let them show how and why this tax is a ramp, and the more publicity they receive the better. They won't stop the ramp that way, but neither will they in any other ways. In fact, one other way might assist it; and that is if they call attention to ways in which (a) the intention of the tax can be defeated, or (b) the imposition of the tax can precipitate legal and administrative problems embarrassing to its authors. We said years ago, and we emphasise it particularly now, that the scant scope for free criticism of the Government's measures in Parliament would be even less than it is were it not that critics, in order to show off their knowledge, blurt out information which affords the Government tips how to avoid snags in administering their measures. "I will have the clause re-drafted to meet the Hon. Gentleman's objection," blandly replies the Minister in charge of the measure, as if he were making a concession to the Opposition, whereas it is the blabber of the objection who does the Ministry a service. We are aware that the best brains that can be bought are permanently enlisted on the side of the Government. But bought brains are not the best brains. So that there is always a sporting chance that if those who see flaws in the calculations of the Government or in the drafting of its measures will hold their tongues about them, the experts may overlook them. We realise that in many cases this would be a hard doctrine, because a Member of Parliament and the interests he represents might be injuriously affected by the omission to point out an injustice in a debate. But the rule holds; and it is free from that objection in the present case, where no small interest is separately at stake, but one large interest. Impugn the justice of the principle to be imposed, but do not help the Government to perfect its practice.

In the spirit of this advice we will postpone further comments until the situation develops. In the meantime it will perhaps be appropriate to turn and consider, alongside the war on Co-operators, the war on slum-dwellers.

The Slum-Clearance Ramp.

On April 18 *The Times's* first leading article was entitled "The Slums." On May 16 its first leading article was entitled "The Church and the Slums." The April article commenced as follows:—

"During the truce produced by the Easter Parliamentary recess in the battle between inflationists and deflationists it is timely to consider the one objective against which both armies have agreed to launch a common offensive. This objective is the slums which, etc., etc." (Our italics.)

The May Article commenced as follows:—

"*The Archbishops of Canterbury and York issue this morning an appeal to all members of the Church of England to join in an active campaign for the eradication of the slums.*" (Our italics.)

On May 17, the Prince of Wales—at the Guildhall, appropriately enough—followed up the appeal in a speech to the Association of Municipal Corporations. The *Star* on May 18 loyally backed the appeal. In a burst of adulation it made a somewhat unfortunate reference to what it called the "businesslike ring" about the Prince's speech. For there is a big-business ring behind the speech all right.

Part of the late Jabez Balfour's technique of share-planting on the public was his practice of opening meetings of his companies with prayer. It paid him well, for thousands of people were inspired by the piety of Balfour the bishop to entrust their savings to Balfour the financier. Slum-clearance is not put forward as a private profit-making enterprise, or as benefiting in other ways any sectional interest, hence the authors of the proposition need not do their own praying (although some of them are adepts at it) but can command the professional services of the Church.

Nevertheless the enterprise is a private ramp, incidentally in the commercial sense, but chiefly in the political sense. The prime authors are the statesmen-bankers whose object in finance is not profit but power. They manipulate credit primarily to conserve and tighten their control of credit. In the modern State credit is the sole power of initiative and therefore control of credit is control of initiative. Parliament may talk about jobs but the banker sets them. This comes out in our first quotation, where *The Times* calmly announces that the next job is "the slums," and that the reason is because this has been agreed on by "inflationists" and "deflationists." As to who these people are, where they came to their decision, and in what Division List it is recorded, there is no information. But we do not need to be told. The whole project is a step towards the ultimate objective of making every citizen individually liable, in his own person and property, for the loans of the Money Monopoly. The principle of the ramp can be clearly pictured if you consider the banker's act of issuing a loan of, say, £1,000,000, as his taking out of an insurance policy covering the risk of the non-repayment of the loan. If you imagine that on the back of this policy your name is written, together with the names, up to 20,000,000, of other citizens, under a clause which states that each of you is severally and directly responsible in the sum of one shilling for the return of the loan in case of default by the actual borrowers; then you will realise what a good thing for the bankers it would be if this came true. For every adult citizen would be an underwriter of the bankers' risks, and liable to make good the book-losses of the bankers out of his authentic earnings. We do not expect this to shock believers in the "A" Theorem, for these gentry hold that all loans become personal incomes with full purchasing-power over the products made by the loans; and that therefore the underwriter-citizens would receive the £1,000,000 as a premium before they could be called upon to pay any bankers' claims that might arise. But believers in the "A + B" Theorem will see that these citizens would be saddled with a liability to yield up what they had not received—or, to put it another way—to yield up twice over what they had received only once.

Readers will remember Mr. Gibson Jarvie's crusade all over England a year or two ago for the promotion of instalment-selling; and also the subsequent formation of the United Dominions Trust by that gentleman, backed by the illimitable resources of the Bank of England. This finally certified the principle of instalment-selling; and since then signs of its practice have been multiplying in all directions. The value of the system, Mr. Jarvie used to point out, lay in the fact that the risks of the institutions financing it were so beautifully spread. And so they were. For under the old system a banker would advance block sums to manufacturers and traders, thus undertaking certain risks of loss by reason of the fact that many of them were limited liability companies whose shareholders could not be called upon as private individuals to pay out the company's creditors in case of failure. Under the new system the banker (or the intermediate lender) does not hand money over to the producer except on *proof of sale to the consumer*. (This will recall to students the Douglas price-discount reimbursement-principle.) The proof of sale is a particular person's contract to buy. This the banker buys from the producer. The producer is wiped out of the transaction, and the two parties are now the banker as creditor at the top end and a human being as debtor at the bottom—a debtor, moreover, with unlimited liability. Everything the little fellow possesses can be legally attached for the discharge of this debt (provided no other debts hang over him). It stands to reason that a few mil-

lion pounds spread out over debtors like this and on conditions like these is as near to a perfect piece of sound finance as any banker could hope for in this world. What then of the glorious prospect of clearing similar little fellows out of the slums and forcing them, each for and on behalf of himself, to contract to buy a house (or rent one, which is really buying it some more). When installed there he is a direct debtor to Somerset House, the Municipality, the Water Board, the Gas Combine, and the Electricity Combine. In addition, he invariably finds himself dumped somewhere miles further off from his job, and has to pay tribute to the Rail, Bus, or Tram Combine. This is the explanation of the attachment of the slum-dweller to the slums (deplored by the Prince of Wales as a sign of demoralisation!)—it is because he knows it's going to cost him more to live anywhere else. (We wonder, by the way, what the ratio of suicides to population is in the slums as compared with suburbia.)

Then, with reference to the construction of the new houses, this must be done cheaply so that they can be let at an "economic rent." It should be easy, even if the prices of building-materials go up, for foundation-digging-machines, cement-mixing-machines, and other machines have reduced the labour costs per house to a relatively negligible amount. When you consider that ten houses can be finished within ten days of cutting the virgin soil, and ask yourself how much the highest-paid building-operative can earn in that space of time at current wage-rates, you will get a general measure of the economies effected in the building trade. Makers of the machines above referred to sell them to builders on hire-purchase terms. In one case we know, a builder who got a foundation-cutting machine on those terms told a friend that he was immediately able to save wages to the full amount of the instalments. "Really, I get the machine for nothing," he said.

We could add a great deal more information of this sort, but we have said enough to enable our readers to form a clear picture of what is in prospect when the "war on the slums" spreads over the whole country. It will be a war on the workers; and we may not be far out if we say that for every slum-dweller re-housed an employed man will be dismissed from industry. On balance, the disease and demoralisation which are to be attacked will persist in a worse form. *The Times* in its article suggests that Churchmen should co-operate with the Municipalities not only in organising the plan but in financing it. They should (in the cases of those who can afford it) lend their money at low rates of interest or no interest at all. Before they do that we suggest that they make inquiries into the financing of the building-material and building-plant rings. For it is an open secret that bank-credit has been flowing into those concerns in the form of purchases of debentures which have been created for the purpose. If any reader happens to be an ordinary shareholder in this line of investment, he will probably do all right while the ramp is on, but he had better watch out for the ultimate safety of his money. He might think about changing his holding into debentures, but we fancy he will be too late. For the house-building boom was projected probably a year or more ago, and it is a moral certainty that in the interval the bankers' best friends have been passing the tip what to buy, and have acted accordingly. The jeer: "Beer and the Bible" was familiar a generation ago. Its up-to-date equivalent may be: "Bricks and the Bible"—"Cement and the Church"—"Morals and Mortar."

The "Daily Herald" and Social Credit

For the first time in the history of the Movement so far as our survey has extended, there is a definite reference to the costing aspect of the economic pro-

lem in a popular London journal. Mr. Francis Williams, in his notes as City Editor in the *Daily Herald* of May 4, makes the following statement:—

"In present conditions, failing an incidental improvement in world trade, only one way is left open, and that way may involve a *departure from orthodoxy in respect of national accounting.*"

The World Economic Conference.

The world's bankers can expand currency (and, therefore, credit) to any degree, provided that they all keep in step. This dictum, it will be remembered, is one of Mr. J. M. Keynes's. Its converse is true also: that currency and credit can be contracted to any degree provided that the world's bankers keep in step. We may consider the national central banks of the world to have the power of mutual agreement whether to expand or contract the world's credit. That is a question of financial policy, with which every political Government has renounced the right to interfere. Recent evidences go to suggest that the immediate policy of the Combine of Central Banks is to bring about expansion. This necessitates their getting into touch with each other to design ways of "keeping in step." Hence the World Economic Conference. It has been assembled by the Combine because it will function as a smoke-screen behind which their own World Financial Conference will be taking place.

The personnel of the World Economic Conference is drawn from the high-political class. Politicians generally are, so to speak, the navies of the Financial reconstruction Contractors. The highest among them may be likened to road-engineers. Now, if you will picture the world as an area of dry land split up into national islands by intersecting rivers, and if you will imagine a world conference of road-engineers deciding how to throw bridges across those rivers or to strengthen bridges already constructed, you will get a general idea of the task set the World Economic Conference. Next, if you suppose that the object of building the bridges was that of enabling military forces to cross from country to country, and that the object of building them strong, or of strengthening them, was to enable those forces to cross without falling out of step, you will get a clearer idea. For the community of bankers are virtually an international army intent on perfecting their own mobility irrespective of whether the civil populations want them to move at all, or of whether those populations approve or disapprove the purpose of their marching. The rivers which impede their mobility are tariffs and other "trade-barriers." Their plan is to use the bridges to counteract the protection afforded by the flowing water. Their High Command, i.e., the Central Banks Combine, could order all Governments to abolish trade-barriers, and enforce the order by refusing ways-and-means advances to them. But for obvious reasons they must avoid letting the world see how "democracy" really works.

THE RISK OF TRADE REVIVAL!

In ordinary years, profits or losses realised in the course of our investment operations are employed automatically in adjustment of our book values. When, as happened in 1923, and is happening again this year, the profit to be dealt with is out of the ordinary, we have the choice of creating special reserves, as we did in 1923, by lowering the basis of valuation, or of adhering, as we are doing now, to "middle prices" as a satisfactory criterion of value, and carrying the surplus profit to our published investment contingency reserve, where it will be available to make good any depreciation in trustee securities which a revival of trade may bring with it." (Extract from Lord Revelstoke's speech at the Annual Meeting of the United Kingdom Provident Institution, April 12, 1933.)

Social Credit and Foreign Trade.

By John Hargrave.

Two questions are continually asked of the Social Credit advocate:—

1. What would happen if one country introduced Social Credit—how would it affect the foreign trade of that country, imports, exports, international exchange rates, etc.?
2. What would happen if every country adopted Social Credit—how could the various countries trade with each other, seeing that the financial necessity to export would be removed?

These two questions may be called National Social Credit and World Social Credit. The first is by far the more important because the only possible step towards World Social Credit is National Social Credit. It must be adopted by one country to begin with. That is why Social Credit propaganda takes the form of Economic Nationalism in each country.

In this short article it is not intended to reply to the above questions, but merely to prepare the way for such replies.

We clear the ground and begin to peg it out by making the following general statement:

The application of Social Credit in one country or in all countries need not (logically) necessitate any sudden uprooting or breaking-up of the existing mechanisms of internal or external trading:

(That is the first part of the statement, to be followed immediately by the second part which is by no means paradoxical):—

but the application of Social Credit would begin to render all existing mechanisms of trading obsolete; they would tend to fall into disuse, to atrophy, and to disappear.

The word "all," above, is important. Every existing mechanism of trading is geared to the central (and faulty) mechanism of the financial system. There is no (logical) need for any of them under Social Credit, however long some of them may linger after its introduction.

In order to grasp the meaning of this general statement, let us cast ourselves back in time and ask a question that has already been answered in fact:—

"Supposing some day it may be possible for men to make carriages that will go without horses (by the harnessing of some Natural Force), how would it affect the traffic on our highways, such as stage-coaches, post-chaises, hay-wagons, market carts, and also Sedan chairs; together with our present system of toll-gates on the turnpike roads; the business of horse-breeding, of the wheelwright's craft, and the building of the bodywork of coaches, wagons, carts and the like?"

What is the answer? We all know it. A few horse-drawn vehicles still linger amidst the congested stream of motor-traffic. Here and there an old-style farm wagon or cart jogs along—but Farmer Hayseed is forced to think (and eventually to act) along the line of petrol-driven mechanism. Soon, if he has any sense (and money) he will lift his "taters into the air and deliver his milk by auto-giro."

Introduce Social Credit and you begin at once to render the existing methods of trading obsolete. They will disappear as certainly as the toll-gate and the Sedan chair.

To give examples, here are a few trading mechanisms embodying methods that, to many people, seem absolutely essential (as, indeed, they are, within the present economic system), but which, with the introduction of Social Credit, could no more be kept going than candle-snuffers after the introduction of gas and electricity:—

Bills of Exchange (discounting of), Discount Houses; the Money Market; Investment Trusts and

Insurance Agencies; the Stock Exchange (in its present form) together with Cotton, Wheat, and other Exchanges; the Bank Rate; Gold (as a standard of value); Reserve Funds; Advertising Agencies.

All these and many others may linger (if they can adjust themselves in one way or another to changed conditions in which money has no intrinsic value), but in their present form, as we know them, they cannot last.

Just as the Banking System itself will be immediately transformed from a credit-mongers' monopoly to a Public Accountancy Organisation, so all other mechanisms connected with trade must reform and re-form themselves, or simply fade out of existence for exactly the reasons that account for the extinction of the giant lizards and the bat-winged birds of a prehistoric age. They will disappear because they have been superseded, outmoded, left behind. In a sane economic system there is no (logical) place for them. Quickly or slowly they must change their functions and adapt themselves to a Social Credit system geared to Real Wealth—or go.

For the sake of a smooth gear-changing from the present system to Social Credit, it may be possible to allow these anachronistic trading mechanisms to linger and dissolve into the new age of plenty by slow degrees. That, however, could only be if they did not tend (knowingly or unknowingly) to sabotage Social Credit in its initial stages of installation.

The moment they showed any such tendency they would have to be done away with or forcibly adapted and absorbed into the two main departments of the Social Credit State:—

1. The Department of Production (Making).
2. The Department of Consumption (Using).

If they could not (or would not) be fitted into one or other of these two functional departments, they would have to disappear altogether; and, perhaps—"good riddance to bad rubbish!"

If we now look again at the two questions at the beginning of this paper, we shall find that it is very much easier to begin to formulate replies unentangled, and so not distorted, by the idea that it is necessary for Social Credit to accommodate itself to the economic mechanism as we know it.

We can only arrive at correctly reasoned replies if we have it firmly fixed in our minds that the introduction of Social Credit in one country, or in every country, automatically and inevitably forces the trading mechanisms of the existing economic system to accommodate themselves to the principles of Social Credit—or vanish into thin air.

If, for example, in a country that had (seemingly) introduced Social Credit, it was still found to be economically necessary to insure lives and property, it would be clear that some system other than Social Credit had been established; or rather, maintained under the guise of the name "Social Credit."

Those who seek a general answer to the two questions so frequently formulated, may be regarded as intelligent minds worthy of serious attention. There is, however, another type of mind that in asking the questions seeks a detailed, day-to-day, diary-of-the-week account of exactly the circumstances, events, personalities, and especially the date when Social Credit will be introduced; giving full particulars as to who will then be Prime Minister, whether the National Dividend will be printed on pink paper or green paper, and what Lord Snooks or Sir William Blockhead will say or do about it. Such questioners should be referred to crystal-gazers and "gipsy" fortune-tellers at the seaside, and should not be permitted to pester the authentic seer who uses his logical mind to foretell the future.

The Grading of Propagandists.

I.—AS TO TYPES.

"Oh, Mr. So-and-so is an ardent Douglas man." Quite so, but why? There are several possible motives. And Mr. So-and-so may be actuated by any one of them or by some combination of them. Let us tabulate them under "Classes," "Objectives" and "Reasons" (bearing in mind that the objective is not always consciously realised by the person pursuing it).

CLASS	OBJECTIVE	REASON
A	To get Social-Credit adopted.	To attain economic security for one's self and others.
B	To teach	For teaching's sake. This class contains congenital propagandists, who must be imparting knowledge, no matter what.
C	To show off	This class teaches in order to be in the limelight.
D	To make money	This class hopes that Social-Credit propaganda may become a lucrative vocation.
E	To put over an ideal of their own, by conjoining it with Social-Credit.	This class includes those who feel that economic security is not enough—that material security needs moral safeguards.
F	To grasp Social-Credit without intending to impart their knowledge.	This class covers people who want to know—for the sake of their intellectual self-satisfaction.

This tabulation can probably be extended or modified with advantage, but it will serve our present purpose as it stands. No Social-Credit supporter will belong exclusively to one class, and will probably belong to two or three. But usually he will have one dominant motivation, which, if he do not recognise it in himself, his friends recognise in him.

Relative degrees, or pressures, of motivation can be indicated by a series of numbers—let us say 1 to 6, since there are six classifications. Thus, A6 would signify a person all out after the Dividend—in a six-fold degree—that is, to the exclusion of every other consideration. Conversely A1 would denote virtual absence of desire for the dividend. Probably neither of these extremes exists.

But under "B" we have in mind one person in the Movement to whom his friends would unhesitatingly assign the mark B6. Somebody intervened one day when this person was talking of his activities, with the question: "I say, Mr. X—, whatever would you do if Social Credit were suddenly brought in?" Mr. X— was completely taken aback; and at length ejaculated: "Good gracious! I'd never thought of that." Here, indeed, was a shattering contrast to the hypothetical "A6" hunter after the Dividend. Yet either type would fulfil a useful function—both such stars in the Social-Credit firmament have their place and purpose there: one star differeth from the other in glory, but the mariners on the economic ocean need both from which to take their bearings.

We open up this matter because the Social-Credit Movement is entering on a phase of its activities when right estimates of the personal qualities and competences of its members should be formed—particularly of those to whom are to fall the higher responsibilities of direction. It is essential that no-one should over-rate or under-rate the fitness of himself for a function, nor the fitness of others, if this can possibly be avoided.

The rough and ready analysis here submitted affords a sort of shorthand system of noting down

classified inventory of the human material now, or to be, enlisted in the Social-Credit forces.

Let it be noted that the assignment of a person to any one (or combination) of these classes implies nothing against his good faith as a Social-Credit supporter. The nearest to an exception would be class D, but even then only in case of the "D6" section—that is, persons entirely unaffected by any other motive than that of making money. But when extreme cases like this are imagined, there would be nothing to choose between the "D6" type and the "C6" or "B6" types—for all three would be 100-per cent. self-regarding types. However, the presence of such extremes within the Movement is so improbable (or examples would be so few) that they can be ruled out of consideration. We may safely assume that all six classes are moved and stimulated by something belonging to the nature and objective of Social Credit—that there is none which is not actuated to some extent by impersonal motivation.

In practice the types to be classified will be more or less complex. No single letter of classification fits them wholly. Thus, there are a numerous body of Social-Credit supporters who recognisably fall under such a classification as A4 B2. These, though they teach because they can't help it, nevertheless desire their teaching to get Social Credit into operation. Or take such a classification as A4 E2. These desire to get Social Credit into operation but desire at the same time to influence the direction and purpose of its operation. There are others who would fit the classification A2 E4 or A1 E5—these being people who, though they want Social Credit to come, are more interested in making the world safe for it first. The extreme type would sooner not see Social Credit adopted at all than adopted without the moral or other safeguards which they think necessary. Another probable classification might be A2 B1 C3. This would embrace people who must teach something, and make Social Credit that something because they find that it attracts an attention of which they, as exponents, want to be the centre.

These few examples will be sufficient to illustrate the method of classifying the human material in the Movement.

One direction in which it should be practically useful can be shown in respect of the class last mentioned—the type where the "C" motivation is dominant. There are many persons who want to be in the limelight apropos of direct Social-Credit propaganda, but to whom the opportunity is denied, or is limited, by reason of technical inability to stand up to criticism, or perhaps because others round them are more efficient at the job than themselves. But it does not follow that because their "C" motivation cannot be satisfied in direct relation to "A" it cannot be satisfied in indirect relation to it. For instance, as we write, there is a rumpus going on between certain seaside municipalities and the Government about the allocation of revenues from foreshore rights. As usual, the Treasury wants to grab all the cream off the milk. Now supposing we were resident in one of those places, and were an embodiment of the type above described, we should seek our limelight—we should try to attract attention—by joining in this controversy on the side of the protesting municipalities. Since, by postulate (i.e. A2 B1 C3) we should have a general knowledge of Social Credit and a propensity for teaching (B1) we should stand a good chance of constructing and expounding a stronger case against the Treasury ramp than would the Councilors, Aldermen or other spokesmen of the municipality. Their case would be nothing more than: "It's not fair." But the Treasury would answer: "But it is necessary, and the unfairness is irrelevant." So it would be this appeal to necessity which

we should anticipate and discredit to the best of our ability. And insofar as we succeeded in this we should satisfy our own desire for notoriety coincidentally with performing an auxiliary service in the Social-Credit campaign. And it would be the better performed because it was personally congenial.

The moral to be drawn is that, in all classifications there are ways in which what may be regarded as personal weaknesses can be so utilised as to strengthen the force of Social-Credit advocacy.

II.—AS TO COMPETENCE.

Another tabulation may be set out in the following form:—

CLASS	SPECIAL KNOWLEDGE	EXPLANATORY
W	The A+B Theorem.	This class includes those who can (ideally) reason briefly and clearly on the technical aspect of the Theorem.
X	The Shortage of Purchasing Power.	This class includes those who can relate contemporary economic and social anomalies and abuses to one common cause; showing that what is happening squares with what would be expected to happen if the A+B Theorem is correct.
Y	The Social Credit Objective.	This class includes those who can analyse and meet psychological resistance (e.g. fear of affluence or leisure). They would variously identify or reconcile Social Credit with other beliefs (religious, philosophical, political, etc.).
Z	Social-Credit Action.	This class includes those who understand the politics of High Finance and the structure of the present governmental system, and therefore know the limits within which Social Credit strategy and activity are feasible and fruitful.

This table could be extended and elaborated, but would become too complicated for our purpose. As a means of classification it would be applied like the first table.

III. PRACTICAL APPLICATIONS.

Further, both tables can be conjoined. If adopted as they are here set out and employed as a permanent, agreed, standard of assessment, the classification letters could be set out side by side thus:

A B C D E F W X Y Z
with numerals below, for example:—
A B C D E F W X Y Z
6 4 1 2 1 2 4 3 1 1

And in this way a register could be made by any member (for fun) or leader (for guidance) of a group. Names (or numerals signifying names) would be entered down the left-hand side of the page; and, opposite each, a row of ten figures as in the example—each row constituting an individual character-code.

Again, if one added up the ten vertical columns of figures, the totals, read horizontally, would give him the collective character-code of a group.

And supposing that it were thought fit to centralise this intelligence, the National Director of the service could compile an invaluable register on the basis of these collective character-codes. It would tell him at a glance where the weaknesses or strengths of the Movement lay, and where he could look for

help in respect of co-operation in any given specific line of action, educational or political.

For example, suppose a group of twenty members showed a total of 120 units for the "W" class (indicating that every member was a 100 per cent. "A + B" expositor!), well, if "A + B" was to be the object of a "drive," that group would be marked out as the first to take part in it, if not to take charge of it.

With regard to the individual character-code, it would serve as a letter of introduction. Supposing we received one as follows:

"This is to introduce Mr. X—, a member [or not—it doesn't matter] of our group. His code is 6412124311."

We should know at once what he wanted to talk about and what to say to him. Likewise he on his side—for the introducer would have put him wise, if he needed it, about our characteristics! We should know what other members he ought to meet to compare notes with (his likes) or to get instruction from or impart it to (his unlikes).

We will stop here. Codification has sinister connotations. But used with good feeling and discretion it has merits which should not be overlooked.

Joy versus Tribulation.

By Marten Cumberland.

II.

The author of these rather rambling notes is neither Irish, Catholic, nor particularly "religious": he appreciates to the full the qualities of men like Carlyle, and Thoreau, as he appreciates the qualities of, let us say, Epictetus. Nevertheless, it would appear very plain to-day that Puritanical and Stoical attitudes of mind are excessively dangerous; and the more they are sincere, vigorous, and articulate the more dangerous they become.

The early Christians, like the early Socialists, believed in a Heaven upon earth, concrete, tangible, and immediate. And this creed is more or less the creed of the Artist. The disillusioned, primitive Christians—like the Circumcelliones—committed suicide literally by the thousand when they found that Heaven was definitely set somewhere above the skies. The Puritan, with his doctrine of suffering on this earth, is not only the enemy of mankind, and the agent—conscious or unconscious—of financial despotism, but he is also a stupid ignoramus working blindly against the actual facts of human life and progress. Machine production has scrapped the ideology of Puritanism and of Money—but not before these factors have almost destroyed even the memory of cultural values among the people. (Only crass ignorance would ever describe artists as "lazy.")

As an artist Douglas says that to pump fresh purchasing power into the consuming mechanism is no more a moral question than that of pumping fresh air into the flat tyres of an automobile. The machinery won't run smoothly without air or money. The greatest enemy to this common-sense, artistic view-point is not Money, or even its tremendous propaganda; in England and America it is puritanical psychology which offers the strongest opposition. It would have been impossible for an Elizabethan journal to refer to a group of money-lenders as the "authorities" of the State. In France the morality of a banker, qua banker, is no higher than that of a bookmaker or of a musical-comedy singer. It is the Puritan who has surrounded with arcana of moral sanctity people who have no country, creed, or decency.

One of the well-established lies of commercial civilisation is that which pretends that progress has come through men's desire for money-profits. It is quite untrue, and every practising artist knows it for a lie. Good work may be done for money, but, at the moment of creating good work, only the

work itself can be considered. Great artists live for intellectual curiosity: all the pawnbrokers in the world cannot offer them anything finer, or as lasting. How can the world reward its greatest men? One is reminded of Heine's Fool, who went into exile with his King. The monarch is on the point of regaining his throne, and asks: "And how can I reward thee, my poor Fool?" "Sire," says the Fool, "when you reascend your throne do not have me beheaded!" So might a great man say to the world, "Do not crucify me."

The Artist does not serve mankind from a sense of duty, or from a desire for profits; the Artist serves because it amuses him. That is all, but it is the best guarantee of service the world can have. By a miracle England was ruled over by monarchs who were scholars, shrewd, wise, and benevolent. This saved neither the monarchs nor the people with whom they allied themselves for protection against oligarchies. (Cf. "Monarchy or Money Power," by R. McNair Wilson.) Kings are made, but artists are born. The former may be good rulers because they wish to rule conscientiously; the latter would make better rulers because they have no desire to rule at all. When, because of personal charm, a King rules "in the hearts of his people," he reigns like the Artist, whose works are studied because they amuse—both him and his public.

Money-profit has little or nothing to do with art. Money is incidental, the least important factor.

A little while ago a Frenchman imagined that he had invented an unbreakable, non-inflammable aeroplane. He had himself and his machine carried to a high precipice and both were thrown over, on to the rocks below. The machine bounded from rock to rock, came to rest, and the inventor jumped out, to wave his hand to those above. It would puzzle the sophist to demonstrate that this was done for money: it would worry even the ingenious author of "The Fable of the Bees" to demonstrate that our inventor was actuated by selfishness and egoism.

Louis Ménard, the Hellenist, amused himself by dissolving gun cotton in a mixture of ether and alcohol. He produced collodion. When he had written an article, exposing his discovery, Ménard forgot it, and returned to his classical studies.

That was in 1846. Two years later an American doctor made the same discovery. (By "independent research" say the encyclopædias, who are obviously omniscient.) The American doctor took out a patent. He also, for a long time, had all the credit, for his name was Maynard! Confusing to editors of encyclopædias, however knowledgeable.

Now it will interest Douglasites to note that the classical scholar "gave away" his discovery to the public. Collodion "changed the destiny of photography"; it is also used in surgery, etc. So presumably the public had to pay an enhanced price for the article patented in America; yet the original discoverer desired no money reward.

To combat Money men must return to cultural standards and rekindle the courageous conception of life as a joyous art. Static conceptions of morality, like other static conceptions, are not enough.

The greatness of Douglas, as Artist, and as propagandist is shown in his insistence upon amoral language. After four centuries of "Business Government" the language of morality is lifeless, however sincerely used. It will be bad tactics to use such language, generally speaking, in Douglas propaganda.

The language of morality has been misinterpreted too much, and for too long a time. "Duty," for example, may cover any villainy. Nelson did his duty in the Bay of Trafalgar—also in the Bay of Naples!

Service? What is the use of "service," when every publicity prostitute writes: "Our motto is service"? Both duty and service link up, inevitably,

ably, with "sacrifice," and we know what that means!

The propagandists of a new religion must discover a new language, or, at least, they must not circulate the debased coinage of their antagonists. To the Douglasite, for example, there cannot be "poor," or "unemployed"; the phrases, with their implications, are now meaningless: these people are quite simply "the dispossessed."

Let the Douglas propagandist note the hatred and abuse which has been heaped upon all true artists under the reign of Business. Compare the poverty and neglect of modern artists with the esteem in which their confreres were held in ancient Ireland, China, medieval Florence, Elizabethan England. Commercial hatred of artists is bred of fear: life is either an art or a business. (Cf. the Puritan revenge on Wilde.)

Morality is not enough. The merely moral men argued about the factory system, artists would have destroyed that system. The merely moral emphasised the "little children" thrust into the factories: artists would have condemned the whole thing as shameful to the dignity and soul of man. Moral sentimentality sells the pass. Business is always ready to make concessions, to make a fortune and give a sum. The artist's insistence on freedom, dignity, joy, and no-compromise is a root and branch attack on Money. So the artist is "a hedonistic, lazy, pleasure-loving, immoral scoundrel," in all countries, and at all times that Money rules.

The propagandist who finds new appeals, new modes of expression, behaves, of course, as an Artist. Money has postulated as virtues, work, thrift, self-denial, sacrifice, going-without—in fact life as "suffering and tribulation," and all else is sin. Very well then, let us teach that the wages of sin is life. Let us invert the dreary creed of the last four centuries: let us teach joy, recklessness, spending, and throwing away; idleness in comfort, hedonism and selfishness. It requires a little wit to handle these things, but propaganda, to-day, must not ape the dull righteousness of Money. Christ was witty; Douglas is witty; all great artists are witty, for wit is the mental process of displaying unexpected contrasts, or unexpected similarities. Note that the only sincere artists who unconsciously serve Money are those who mix with their pure art the alloy of morality. A Carlyle will teach duty; a Shaw will urge young men to go to Russia; a Wells will preach internationalism: the pure artists, fully emancipated from Puritanism, teach only joy and beauty—but that is enough if men have leisure to heed.

The proposal here is not, of course, that Artists should rule: the suggestion is that the sole alternative to a race of termites and "workers" is a nation of artists. There can be no decent, human life without art at any time; but the "leisured state" makes Art more than ever a necessity. Leisure without culture is dynamite.

In "Monarchy or Money Power," M. McNair Wilson describes how Napoleon fought money and was beaten. After his defeat Napoleon said: "If I had not been overthrown I would have made a complete change in the appearance of commerce as well as of industry. The efforts of the French people were extraordinary. Prosperity and progress were growing immeasurably. Enlightenment was making giant strides. New ideas were everywhere heard and published, for I took pains to introduce science among the people. . . . If I had been given time there would soon have been no more artisans in France; they would all have become artists."

Napoleon knew that only a nation of artists can be free, for only such a people desire freedom, only such people put Money in its place.

(Concluded.)

The Green Shirts.

NOTES FROM THE GENERAL SECRETARY.

On Saturday, May 13, *The Daily Mirror* came out with the headline, "Wax Hitler Daubed with Red Paint—Green Shirts in Tussaud's Raid." The news item stated that on May 12 "the wax model of Hitler at Madame Tussaud's was daubed with red paint. . . . The raid at Mme. Tussaud's was made by three young men, wearing green shirts." One or two other papers reported the same thing.

It is hardly necessary to state that no member of the Green Shirt Movement had anything to do with this ridiculous incident.

On Monday, May 15, the Press Association asked Mr. Hargrave to make an official statement for general publication as to the aim and method of the Green Shirt Movement. Mr. Hargrave authorised the following statement:—

"The Green Shirt Movement stands for Douglas Social Credit. The green shirt is worn in order to draw public attention to the tragic absurdity of Poverty in the midst of Plenty. The Green Shirts are not to be confused with Fascists or Communists."

On Wednesday, May 17, *The Daily Express* published a photograph of a Green Shirt Street-Patrol, and under it the following caption:—

"GREEN SHIRTS NOW.—Black Shirts, Brown Shirts, and Red Shirts have become familiar to all readers of newspapers. Last night the police broke up a party of 'Green Shirts' who were parading through the streets near Trafalgar-square."

This particular Street-Patrol was returning, after carrying out its duties, to its own local H.Q. It consisted of twelve men under a Section Leader, and was marching to attention in good order. At Trafalgar-square the police requested that the marching formation should discontinue owing to the fact that Parliament was sitting, there being a regulation prohibiting any procession or formation within a specified area of the Houses of Parliament when that assembly is in session. The Section Leader immediately halted his men and gave the order to "fall out." At that moment a Press photographer took a flashlight photograph. The Green Shirts walked through the prohibited area, formed up again, and marched to their point of destination, when they dismissed in an orderly manner.

There was no question of being "broken up" by anyone. An official letter was sent to the Editor of *The Daily Express*, setting forth the facts and requesting a correction of the wrong impression given by the caption quoted above.

The following appeared in a local Wandsworth paper (May 5), under the heading, "Mayor's Zeal for the Unemployed—Battersea Green Shirts Intervene":—

"A mass meeting, called by the Mayor of Wandsworth (Councillor E. Brookes, J.P.), was held at Wandsworth Town Hall on Tuesday evening on the subject of unemployment. . . . In one part of the hall was a strong body of Green Shirts. . . . They were perfectly quiet and orderly, and it was not until the close of the meeting that they made their presence felt. . . . From the back of the hall. . . one of the leaders of the Green Shirts asked the Mayor if he could say a few words from the platform."

"The Mayor: If you are going to speak about my scheme ('Spend for Employment'), I have no objection to your coming up."

"A Member of the Audience: Before he does so, can we have your assurance that he is not going to bring his politics into it?"

"The Mayor: I can assure you on that. If he did he would not be allowed to speak from this platform."

Then follows the sub-heading:—

"Green Shirts Want Cash for All."

We read that the Green Shirt leader "went on the platform and was loudly applauded."

"He said, 'To-night many people have spoken from this platform, and every one of them, without exception, has told you that work must be found for the unemployed. There should be no shortage of food or clothing for any man or woman. Going through Wandsworth I see shops which are full of goods that every unemployed man or woman wants badly. We are told that the only sensible thing to do is to spend for employment. The answer of the Green Shirts to that is that we haven't got the money to spend. The obvious remedy is that we should be given the money to spend. We assert that any money given to the unemployed should be given as a birthright, not as a dole.'

"The Mayor (ringing his bell): Mr. Speaker, if you cannot speak on the scheme for unemployment, please leave the platform.

"Green Shirt Leader: I am speaking on the scheme, and I am saying that it will not work, simply because we have not got the money to spend. (Loud applause from the back of the hall.)

"The Mayor again sounded his bell for order," and the Green Shirt "stepped from the platform and rejoined his companions, who then left the hall in a body.

"The Mayor said that if these interruptions were going to continue, he would not hold any more meetings.

"A Voice: Well, we don't mind.

"The Mayor: I am trying to do my best.

"The Mayor then thanked the speakers and declared the meeting closed."

We think all Social Credit students will enjoy the following extracts taken from a local paper reporting another meeting held by the Mayor of Wandsworth on May 3, at Streatham, to explain his "Spend-for-Employment Scheme." This time the headline reads: "The Mayor Heckled at a Streatham Meeting—Green Shirts' Dramatic Entry and Departure":—

"Then came another interruption. The doors at the back of the hall were thrown open, and in marched a battalion of 'Green Shirts,' or, to give them their official title, Kibbo Kift. They marched smartly to some seats, their standard bearer, complete with flag, following up the rear.

"... someone asked a question. He had noticed that 12,000 notices of the meeting were distributed by the Boy Scouts in Streatham. Surely that was a job which could have been done by an unemployed man?

"The Mayor started to explain that the Executive Committee had endeavoured to save money in order to keep down expenses

"This reply was greeted with laughter from the youngster at the back of the hall.

"The Mayor: I am serious. Why do people laugh at me? Maybe I am a laughing-stock to that little boy, but we take no notice of youngsters at this meeting.

"This remark was greeted with cheers, and Mr. J. P. Lonsley, the chairman, who organised the meeting, bore out the Mayor's statement about keeping down expenses.

"The next question came from a 'Green Shirt,' who marched down to the front of the hall. In a well-educated voice he asked something about shops and national dividends.

"The Mayor: That is my unemployment scheme. . . . Your question is out of order.

"The 'Green Shirt' turned smartly on his heel and marched back. The rest of the battalion rose as if at a given signal, and marched out of the hall.

"And that ended question time."

The other evening a postman in uniform came to Headquarters. He wanted all the Green Shirt literature he could get, and explained that he had been sent by a group of postal workers who are keenly interested in the G.S. movement.

The Battersea Green Shirts have issued a weekly paper of their own, entitled *Attack!* This is sold at rd. in the streets; 300 of the first number were sold; 800 have been sold of No. 2, and a second edition had to be run off to meet the demand.

The North London Section (Finchley and district) is now 19 strong. The members have made their own portable platform, and street meetings are held frequently, sometimes on three evenings a week.

On May 1 the Rochdale Section attended two Conservative meetings. Subject: The Budget. The following question-and-answer is reported:—

Green Shirt: "What does the speaker consider to be the cause of the present industrial and financial troubles?"

Answer: "Over-production, the hire-purchase system, and the fact that people are leaving the land for the towns and workshops."

Our report says:—

"We took this answer in its various parts, asking question after question for half an hour. The speaker confused

and contradicted himself. He then said he could not answer any more questions, as he had another meeting to attend. We followed to the other meeting in a car. (Chairman overheard to say—"Oh, hell! They've followed us.") Speech as at first meeting. Meeting opened for questions, but before anyone could stand up the Chairman said, "As there are no questions—everyone satisfied—much pleasure in offering hearty vote of thanks"—seconded—end of meeting. This sudden closure was due to the half-hour of Green Shirt questioning at the first meeting, which was so unexpected it could not be met with stock answers. Also, our questions were put so quietly and calmly it was impossible to refuse to answer them."

Speakers' Class: A short practical course for Speakers will be held at National Headquarters on Tuesday evenings at 8 p.m., beginning June 20. Non-members are welcome to attend and take part—the members' Speaking Class is limited. Immediate application should be made to the organiser: Frank Griffiths, 49, Denman Drive North London, N.W.11.

Debate: "Socialism v. Social Credit," at Headquarters, 35, Old Jewry, London, E.C.2. Tuesday, June 13, at 8 p.m. For Socialism: Michael Campbell. For Social Credit: Frank Griffiths (Green Shirt Movement). Visitors welcome. H. T. W.

The Films

Fra Diavolo: Empire.

Last week was undistinguished in regard to both the quality and quantity of new "offerings," as the film industry loves to describe its wares. From the available programme, I select this medley of farce and light opera, which was primarily designed to afford the Messrs. Laurel and Hardy an opportunity for appearing in a full length picture, and in the second place to exploit that fine singer, Dennis King. The Messrs. Laurel and Hardy have their inspired moments, notably in the scenes which Mr. Laurel first becomes progressively more and more intoxicated and then goes off into laughter so infectious that the whole audience joins in with him. In these scenes—which, incidentally give us the laughing Stan Laurel instead of the solemn and grave-faced character that he usually impersonates—Mr. Laurel dominates the screen, and confirms my impression that he is far the greater artist of these two so excellently matched comedians. That is not to disparage Mr. Hardy, but he is not primus inter pares. Dennis King's singing is admirable, which is more than one can say of the vocal snatches by Thelma Todd, who looks charming in an artificial role, and especially charming in *deshabille*. Some of the minor players cast for Italian parts will arouse a certain amount of derision among English audiences by their very pronounced American accents, and there are also too many Americanisms in the dialogue, which is remarkably undistinguished.

This film proves again that while the *métier* of Laurel and Hardy may or may not be the short knock-about farce deriving from the Chaplin and Mack Sennett tradition, attempts so far made to star them in full length pictures have not been too successful, one reason being the inadequacy of the dialogue. "Fra Diavolo" not to be confused with the German-Italian film of the same name shown in London last year—is too long, and its ninety minutes are decked out by some obvious padding that could well be dispensed with. It has its excellent moments, in which Stan Laurel is at least equal to the best he has yet done on the talking screen, but only unsophisticated audiences could regard it as "100 per cent. entertainment."

DAVID OCKHAM.

Notice.

All communications requiring the Editor's attention should be addressed directly to him as follows:

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

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

Reviews.

The Old Lady Unveiled: A Criticism and an Explanation of the Bank of England. By J. R. Jarvie. (Wishart and Co. 3s. 6d. net.)

This is, within certain limits, an excellent book—to be recommended to anyone who is hypnotized by the whited sepulchre opposite the Mansion House and to others who may be in search of ammunition to throw at it. Mr. Jarvie stresses the fact that the policy and practice of the Bank has always been wrapt in mystery, "a private and long-sustained effort in lucrative mumbo-jumbo." He argues that, in so far as any deductions can be made as to who runs the concern, they point to its being under the control of private international bankers who pursue the ancient game of "heads I win, tails you lose," to the economic and political detriment of this country. He includes some very good passages on the Bank's history, but for some unexplained reason says nothing about its operations during the War. He has some good things to say about the Bank's power to make its own credit on the basis of increasing Government indebtedness, but would have done better if he had discussed Ways and Means Advances, and given an analysis of the Bank's typical, published balance-sheet. The vagueness of Mr. Norman is neatly exposed, and in the chapter entitled "Bread upon the Ice Floes" there is a useful summary of the post-War foreign subsidy policy. The private bankers of "The City" are, in fact, pursuing the policy of their opposite members in France before the War. That is to say, they make a loan on credit at a commission to more or less dubious people abroad; they push out the bonds among the rest of the populace in return for cash; the creditors default or threaten to, the bankers issue more credit on commission, underwritten by their Governments, to save the default, and continue the process. Sir A. M. Samuel and a few others in the Commons protest, but in vain. Mr. Jarvie ends his most interesting work with an explanation of the Bank's attachment to gold. "By entrenching itself in the international confederacy of gold the Bank of England is the better enabled to maintain its traditional role of withstanding the crises which overtake the financial community from time to time, and of emerging from them more powerful and wealthier than ever." H. C.

Forthcoming Meetings.

Society of Friends.

Yearly Meeting Sitting, Friends' House, Euston Road, N.W.1, Wednesday, May 24, 1933. Swarthmore Lecture: "Unemployment and Plenty," by Shipley N. Brayshaw, in the Large Meeting House, at 7 p.m.

Brighton and Hove Group.

Owing to the great success of the two past series of lectures, two further lectures are being arranged, the first on May 26, 1933, at 8 p.m., at the Y.M.C.A., Steine House, Old Steine, Brighton, entitled "This Next War," by M. J. Watt, Esq. Admission free. Secretary, D. G. Phipps, 24, St. Aubyns, Hove.

THE DOUGLAS CREDIT LEAGUE OF CANADA.

Will readers in Canada, who have back numbers of the *New Age* to spare, send them to Mr. C. V. Kerslake, Dominion Secretary, The Douglas Credit League of Canada, Box 782, Postal Station "F," Toronto? The intention is to retain these at headquarters for reference purposes. Any issue prior to No. 2,035 would be acceptable. The League would defray postage.

MEETING REPORT.

At a conference of delegates from all parts of Essex, representing Trades Guilds, Communists, I.L.P., and other organisations, and called together to discuss the "Unemployment Problem" by Romford Trades Council, Green Shirts of the Romford Group of the Crusader Legion tabled and secured the passage, with only four dissentients, of the following resolution:—

"This Conference requires every Member of Parliament for Essex to demand from the Floor of the House the abolition of the Means Test, Task Work, and all Taxation by the immediate issue of the National Dividend, the application of the Douglas Price Factor, and the institution of the National Credit Office." Four Communists opposed.

"The Star" on Hitler.

"Herr Hitler has performed that famous military evolution known as right-about-face. His speech is a flat contradiction of that of Vice-Chancellor Von Papen and those of the German representative at Geneva. If it is not a piece of mere window-dressing, a case of the Devil was sick the Devil a monk would be, it is excellent. Germany has every reason at this moment to go cautiously. Money talks there as elsewhere and the need for money is screaming aloud. She is saying as plainly as possible to her foreign creditors that she cannot pay them. She needs money which she cannot find for internal purposes. *You cannot tweak the noses of the world's Jews and then expect easy money from the world's bankers.* Herr Hitler's movement is exhausting the period of talk. Now some action for the good of Germany is expected. We feared that in despair of his ability to produce any real results, he might be drifting into an international row. His speech means, at any rate, a breathing space for Germany and for the rest of the world. The rest of the world at the moment is disposed to use it well and pursue fairness and a settlement. If Germany will keep in step, we may see a real turn for the better before long."—May 18, 1933. Our italics.

"The Ulsterman."*

Here is a new monthly and a lusty recruit free from the outworn shibboleths of the nineteenth century. *The Ulsterman* is already hot on the heels of the International Financial Combine, and rightly so, for industrialised Ulster has suffered acutely during the recent economic depression. The second number (May) brings the name of Douglas well to the fore in a well-written article entitled "Technocracy and Douglas," signed by "R. L. N." This should make every hard-headed and financially-embarrassed business man in Ulster realise why trade is bad and what must be done if world collapse and another world war are to be averted.

Ulster can again play a great part in the trying days now before us. It is curious to note that though the Ulstermen were late settlers in America, nevertheless they played a very prominent part in the American Declaration of Independence, and in the consequent War of Independence. The historian Froude reluctantly admits this. The Irish exiles were Britain's deadliest foes. Ulster stock has furnished ten Presidents of the American Republic, one of whom was Woodrow Wilson.

This time Ulster has to help in the biggest fight the world has ever seen, and, judging from its past records, there is every reason to believe that she will acquit herself right manfully. The new battle-cry is "Up Douglas!"

R. H.

LETTERS TO THE EDITOR.

Sir,—May I take this opportunity of thanking readers of *The New Age* who acted on the suggestions contained in the leaflet "Forcing the Issue."

Reports from Social Credit groups received include over 2,000 letters addressed to national and local newspapers and various journals, to Members of Parliament, and the B.B.C. Many letters calling the attention of local M.P.s to the Douglas Proposals as a remedy for present economic ills, received publication in the small daily newspapers, but the boycott of the big national newspapers remained complete. Many Social Credit groups made useful contact with representatives of Parliament. One M.P. made a request for fifty copies of Douglas's Scheme for Scotland for distribution in the House. No doubt the decision of the B.B.C. to invite Major Douglas to broadcast from the National station resulted largely from the many letters forwarded to the B.B.C. requesting that Major Douglas should be invited to speak on the wireless, as was suggested in "Forcing the Issue."

The leaflet was distributed in order to discover if the Social Credit Movement was ready to take up a national co-ordinated action. The response of Social Credit groups, the Green Shirts, and various religious bodies and individuals exceeded our expectations, and has encouraged the publication of a further scheme directed towards "Forcing the Issue," which will be ready at the end of the month.

May I further trespass on your space to thank readers for many valuable suggestions for further national action.—

Yours sincerely,
Hon. Gen. Organising Secretary,
ROBERT J. SCRUTTON,
Social Credit Association,
St. Peter's Vicarage, Coventry.

* *The Ulsterman*. (12, Hope Street, Belfast. 7s. 6d. per annum, post free.)

THE "NEW AGE" CIGARETTE

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SET B.

Comprising:—

Set "A" above.
The Veil of Finance (6d.).
Post free, 1s. the set.

CREDIT RESEARCH LIBRARY, 70, High Holborn,
W.C.1.

The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

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.

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