

THE NEW AGE

INCORPORATING "CREDIT POWER."
A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART
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NOTES OF THE WEEK.

Cricket and Politics.

The Lancashire County C.C. have decided to cancel fixtures with Nottingham for next season. (*News-Chronicle*, July 6.) The *Evening News* (July 7), in a leading article celebrating Perry's victory in the men's final at Wimbledon and its tonic effect on British sport generally, says:

"Sport in England is in a healthy condition. Body-line bowling threatened for a while to invest cricket with an unsportsmanlike acerbity, but has happily shrunk to the proportions of a one-man show."

The question-begging words "body-line" and "unsportsmanlike" were those used by the Australian Cricket Board in their celebrated cable to the M.C.C., and were those to which the M.C.C. and the British Press took exception at the time. No authoritative public statement has since been made by the M.C.C., nor any undertaking given by them, in respect of leg-theory bowling-methods. Hence the sudden adoption of the Australian Cricket Board's attitude by the Rothermere Press, synchronising as it does with the Lancashire-Nottingham breach, tends to strengthen the theory that politics have been imported into the sport, and to raise the question whether the letters "C.C." following the word "Lancashire" may not be better interpreted as "Cotton Club" than "Cricket Club." Certainly, of all the counties in England, Lancashire's interests are more deeply involved in international politics than are those of any other. And a wag might plausibly question whether the Lancashire C.C. Committee had not been dining with Lord Derby and been infected through "private contacts" with international trade-negotiators just as were the executive of the Manchester Chamber of Commerce—another "C.C." by the way.

Markets and War.

Australia, it may be objected, is not immediately concerned with the rationing of the world's cotton trade; but she certainly is concerned with the possible military consequences of a breakdown in the negotiations being carried on with the object of abating the disorder into which Japanese competition is throwing the markets of

Britain and India among others. All over the world to-day the devices of "re-construction," "rationalisation," and a "retrenchment"—the three "R's" of the revised curriculum of economic education—have manifestly failed to unfasten the deadlock of domestic under-consumption and foreign market-hunting. A fourth "R," namely re-armament, is being overtly resorted to everywhere and acquiesced in, when not acclaimed, by all sections of the Press in every country. In Australia the newspapers have been facing up to the eventuality of Japan's being involved in war, and a war in which (though they do not say this plainly) the alignment of battle will be drawn by financial fictions, not physical facts.

There is of course the possibility—which the Social-Credit Press in Australia has been pointing out—that Japan is not so much under the sway of orthodox financial policy as are her competitors. The reasons for this have been discussed in these pages sufficiently fully and recently to spare us the task of recapitulating them here. Supposing this to be so, and supposing that the Japanese Militarocracy know how to, and intend to, make scientific use of the national credit in the prosecution of war, those nations who are obliged to continue with the unscientific misuse of their own credit would fight Japan under a grave handicap as regards efficiency and morale both in the field and in the factory.

Finance and War-Alignments.

Thus there would be created a dilemma for the old-style Money Monopolists. For, putting aside their fundamental objection to war, and assuming their being overtaken by it and obliged to co-operate in its conduct, they would like to assemble all the loyalist nations (in terms of financial orthodoxy) in one alliance against disloyalist nations—their central aim being to achieve victory while their private powers and privileges were unimpaired. And if they could array a vast preponderance of men and resources on their side, they might feel able to run the war successfully under the handicaps of which we have spoken. And no doubt they could if the forces on both sides could be assembled in one place at one time, have a good once-for-all "go," and finish the business. But in actual warfare this theoretical pooling of resources and centralising of initiative would be im-

possible, except in the case of a localised conflict (but this is ruled out by our present hypothesis). Responsibility and resourcefulness would have to be decentralised; so that, in the case where the British Empire were involved, military authorities in, for example, Australia and New Zealand would have to find their own local solutions for their own immediate problems. Imagining them to be faced with a critical situation, would they be content with anything less than the most efficient means of solution? Most certainly not, provided they knew what those means were and saw that they were practicable.

Social Credit in Wartime.

Very well. At the present time both Australia and New Zealand are being impregnated with Social-Credit facts and reasoning. You may discount the immediate effectiveness of this as much as you like; but you must remember that the high political and technical Philips now intoxicated by the unrealities of peace will be very different fellows when sobered by the realities of war. And, without needing any more prompting than is now going on, they will see the holes in Niemeyer and all that his name has stood for. When once they got it into their heads that their bugbear, Japan, was menacing them by measures equally open for them to take, but denied them by the edicts of bookkeepers, they would kick aside these impediments and get on with their job. Thus, while, in the military sense, Australia and New Zealand would go on fighting on the side of the above hypothetical loyalist alliance, in a politico-financial sense they would have gone over to the disloyalist enemy. To launch a "war to end heterodoxy" and to be forced into heterodoxy to win it, is virtually to fight for the recognition and establishment of heterodoxy. It is true that in the war of 1914-18 the Germans started using poison gas and the Allies followed their example; but for this to be regarded as a parallel you would have to assume that the war was launched against Germany to prevent her infecting the world with the poison-gas idea and practice, and on the general ground that such idea and use was harmful to every nation who adopted it, Germany included. For that is what the Money Monopolists would say of financial heterodoxy.

Moloch the Missing Customer.

We can now abandon this hypothesis of a banker's arrangement of alliances, and consider the question in a more practical aspect, namely to assume the alignment of combatants to reflect the conflicting material interests of capitalists rather than the concerted moral objectives of High Finance. Now, as has been pointed out in these "Notes" before, the causes which drive capitalism into war are largely eliminated by the outbreak of war. The destruction of war creates the demand for the lack of which capitalism goes to war. In Moloch, behold the missing customer! Moloch has a huge appetite; and carries a purse to match it. Moloch abhors the Means Test. "Here I am," says he to the world's Public Assistance Boards and suchlike parsimonious institutions; "bring my meal to table." And his gargantuan mastication pacifies the capitalists in the same measure as it terrifies the bankers. Masters and men feed on the crumbs which fall from his table. "When Moloch eats we all eat," they can say. And this bears on Norman Angell's celebrated argument that war did not settle anything: quite so, but the reason is that the cessation of war unsettles everything. What he ought to have said was that war was only a temporary solvent of difficulties because it was intermittent, not perpetual.

Finance and Military Strategy.

We admit overstressing the argument, for we have left out the soldier, sailor and others who become the scapegoats of ignorant statesmanship—men by whose stripes industrialism is temporarily healed. The struggle is now translated from the plane of commercial markets to that

of military positions. Martial direction supersedes civil direction. From this arises another consideration affecting our theme of war in relation to financial policy. To begin with, the heads of the military and naval departments of all governments have to lay plans in peacetime for what they will do in war-time. Now, in the past, they have laid all these plans within the orthodox financial frame of reference. They never conceived of any other. Probably not one of them, in 1914, would have thought it possible for this country to spend nearly £7,000 millions. Lord Kitchener may have had an inkling of the potentialities of the credit system, for he persisted in prophesying a long duration for the war when most other commentators were prophesying a short one, and were saying that hostilities would collapse for want of funds.

The military technicians know now that, given the necessity, they can get as much money as they require to buy things necessary for war, even under the existing system of finance. In a general way they can get the job done without an alteration of the system, and even if they knew about a better one they might be content to disregard the theoretical possibility of its higher efficiency until such time might come when the margin should be a decisive factor in the issue. If they felt they could win with something to spare they might go on under the old system without disquietude. They might recall that at the peak of the shell-crisis in the last war Mr. Lloyd George was able to spare a day or so up North haggling with Mr. Dave Kirkwood about conditions and wages. The delay did not matter; nor might it again.

Financial Systems and Military Intelligence.

That is all right so far as the mechanics of warfare are concerned. But there is strategy to be considered. And it is here where the question of the financial system becomes of importance. For if each of the respective General Staffs of two opposing nations knows that the other is operating within the orthodox financial system, and both are ignorant of any alternative, each can calculate within narrow limits the ultimate political objectives which the other needs to reach and make secure in mind. Each staff, with such a picture in mind, can make calculations of the other's immediate war-strategy accordingly. For example, in the case (purely hypothetical, of course) of Australia and Japan, if the Australian Government (by which is meant the General Staff in consultation with Ministers) were convinced that Japan was over-populated, and took into account the fact that Australia was manifestly under-populated, they could reasonably calculate on the possibility that Japan had her eye on Australia as a war-prize to be colonised after the war. Whether an invasion of Australia is feasible or not is irrelevant: the argument is only used as an illustration. What is certain is that in the absence of any other place to which the surplus population of Japan could emigrate, then the Government would have to take precautionary measures accordingly.

But this picture would be falsified if the Japanese Government were not working in the orthodox financial frame of reference, and utterly so if she were contemplating a Social-Credit post-war policy. The so-called necessity for emigration would be seen to be a myth; Japan; and if Australia remained under the illusion that it was a reality, then in the hypothetical circumstances set out, she would waste time and energy preparing to counter a stroke that was not going to be delivered. Japan would to that extent enjoy the advantage of initiative in whatever else she wanted to do.

Social Credit to End War?

But if Australia knew what Japan knew (and we have shown that this is likely to happen in another way) these two belligerents would be calculating their manoeuvring on level terms. If we assume this, however,

ever, we have to consider the wider consequences. Logically any intelligible reason why these two countries should fight each other would have disappeared; while, on the other hand a most intelligible reason would appear, assuming other belligerents to be in the war and to be intent on continuing it, why Australia and Japan should fight on the same side.

The Australian Election.

The latest news is that the Australian elections are to be speeded up so as to be over before the Duke of Gloucester arrives. He is to be invited to open the new Parliament. It will be interesting to see how the money question is dealt with during the campaign. Whatever happens, it is morally certain that the volume and quality of Social-Credit advocacy will make its impression on the candidates, favourable or otherwise. It does not matter so much what their immediate visible reactions are so long as they are made aware that Social Credit is here to stay, and that the more stubbornly it is resisted the more quickly will it gain ascendancy over high policy.

M. Barthou's Visit.

In discussing the visit to this country of M. Barthou, the French Prime Minister, *The Times* (July 7) passes the hint that the City "is not in any mood for alliances." The writer does not specify the City; his words are: "neither the British Government nor British public opinion is in any mood for alliances." It saves a lot of misunderstanding throughout the Chancelleries of the world that the editorials in *The Times* can be depended upon to reflect the views of Threadneedle Street. They here appear to be promulgated partly to reassure Count Bethlen, the former Hungarian Prime Minister, who is exercised about the prospect of Germany being "held in check by a strong belt of the closest allies of France," and who says that "a continued French Little Entente dictatorship on the Continent" must be looked for.

The writer in *The Times* entertains no doubt that an alliance would find ready acceptance in France, where, as he says, military experts hold the view that it would make possible a pooling of resources and therefore a reduction of national armaments. The attribution of views of this kind to military experts is rather sick. No military expert that we have ever encountered or heard of would entertain the idea of reducing armaments unless he were faced with the problem of accommodating efficiency to a limit of cost. A frank paraphrase of the statement in *The Times* would take the form of saying that the experts in France, being starved of money sufficient to achieve technical security on their own account, would like to be able to rely upon the support of British armaments and organisation.

Railway Revenues and Wages.

At this time of day it sounds almost incredible; but behold the railwaymen and the railway companies have entered upon negotiations as before about how to allot between shareholders and workers an increase of revenue during last year. Needless to say, *The Times* (July 7) provides a little fuel to warm up the controversy. The following figures of the companies' revenue, which are quoted in the article, will be useful for reference. They are as follows:—

Year.	Revenue.
1930	£37,716,000
1931	£33,370,000
1932	£26,425,000
1933	£28,804,000
1934 (estimated)	£38,000,000

The men's case for a rise in wages is based on the estimated increase for 1934 over 1933 of about £10,000,000 in revenue. On the other hand, the answer to that case is that wages have not been reduced since the spring of 1931, in which year railway revenues were about £33½ millions, as shown in the above table. That is to say,

they were still paid during the following year, when revenues fell to about £26½ millions. *The Times* points out that even if the cheerful estimate of £10 millions increase, on which the unions rely, should be realised, the additional sum would be only about £1¼ millions more than was available in 1930 when the National Wages Board decided that wages should be reduced.

The writer of the article attempts to forestall an argument which he anticipates the railwaymen may make, viz.: that the National Wages Board at the end of 1932 refused to advise a further reduction in wages which was asked for by the companies. He submits that the Board's disagreement on that occasion must not be taken as reflecting their view that the wage rates then in force were in a fair relation to the revenues of 1932, but suggests that what governed their decision was the feeling that, however low the companies' revenues fell, wages must not go any lower.

This submission is probably well founded for reasons which may be found elaborated in an article elsewhere entitled "Question Time"—reasons which may be categorically embodied here in the phrase: "considerations of public policy."

Leaving this aside, and having regard to the statistical data, the case for a rise in wages would seem to depend upon whether the unions can revive and review the conditions of 1931 and say that the rates fixed in that year were too low in proportion to the revenues of that year. Otherwise, it would seem that the conclusion of the writer in *The Times* will be unchallengeable, viz., that

"the arguments which were used to reject the companies' claims for wage reductions in 1932 serve now to fortify the title of the shareholders—whose claims were then set aside—to the first benefits of increasing revenues."

In other words, the shareholders are entitled to be recompensed for the sacrifices they have made as a consequence of the stabilisation of wages since 1931.

"The New Age."

AN INTREPID POLICY.

By John Grimm.

"Your decision to pursue an intrepid policy is one which your readers should do their utmost to encourage." (Letter received last April, with permission to publish, and published last week.)

The adjective "intrepid" is more appropriate to the policy of THE NEW AGE than the adjective "militant." For while intrepidity connotes militancy in this context, militancy need not connote intrepidity. The primary meaning of the word "intrepid" is: without fear; and the full significance of the word is: without fear when there is occasion for fear. On the other hand militancy does not necessarily imply the presence of risk, and in fact may imply the absence of risk. A raid of airmen dropping bombs on the villages of native tax-defaulters may be described as militancy, but surely not intrepidity. Again, by reason of its nature, intrepidity, if pushed beyond a certain point, becomes foolhardiness; so its virtue is conditioned by that circumstance. The British generals whose names "terrified" Lord North, according to the story, were probably the most intrepid of soldiers, but that was no guarantee of victory.

What form, then, has the intrepidity of THE NEW AGE taken? Broadly, to use an analogy from naval warfare, it has been cruising for eleven years amidst the mine-fields of the Libel Laws, frequently missing mines by inches (so onlookers have observed) and even grazing some, but never exploding one. (Touch wood!)

To what has this immunity been due? And has it been worth while?

Answering these questions in order, the avoidance of trouble has depended on two things: an accurate chart of the mine-field, and a ship which answered her helm.

The chart in this case was, and is, Douglas's first book, *Economic Democracy*. From that book the captain has been able to lay his course, for from it any competent reader may obtain a survey of the whole of the enemy's offensive and defensive dispositions. Now in journalism the laying of a course is a question of deciding *what to write about*. But the steering of that course is a question of deciding *how to write it*. The ship's responsiveness to the helm is a question of whether the power of making both decisions is vested in one and the same person. To sum up, intrepidity is essentially a matter of personal responsibility, and its exercise a matter of functional competence.

With regard to the question of whether the intrepidity has been worth while, the reader will answer it for himself according to what he thinks has been the effect of the immunity of THE NEW AGE on neutral opinion. The way to approach this is to bear in mind that for every person directly engaged in the Social Credit campaign on either side there are many more who are looking on. The last-named belong to all classes of society, not excluding even the master bankers at the pinnacle. Taking them generally, their attitude towards this question will be the same as that of the judge whom we have quoted before in these pages: that when judgment was outside his competence on direct evidence he relied on collateral evidence. In elaborating that dictum this judge went on to instance the controversy about vaccination, explaining that, not having the time to verify and compare the history and statistics which the two sets of protagonists were firing at each other, he fell back upon the broader criterion of judgment; which was to observe the demeanour and tactics exhibited by the respective parties. Doubtless among the chief factors which would influence his judgment would be the appearance on either side of evasiveness, truculence or loss of temper.

In so far as the attitude of the aforesaid onlookers is assumed to be conditionable by collateral evidence of this sort, undoubtedly the immunity of THE NEW AGE in the circumstances outlined must be assumed to have had a great effect. Those of them versed in practical affairs, and particularly those in legal circles, must often have been intrigued (as certainly several neutral, professional journalists in Fleet Street have been) by the wide scope of comment which the authorities have seen fit to allow to THE NEW AGE.

This is not wholly explained by the fact that the subject written about has to do with Social Credit or other subjects affecting money, because there have been occasions on which exponents have been (at least in the judgment of many observers) visited with reprisals. The latest is the bringing of an action for seduction against Mr. J. Brownlee, Premier of Alberta, within a week or two after his recent public sponsorship of Major Douglas, both inside and outside the Legislature. There is, of course, no evidence upon which one can affirm with certainty that the two events were causally related, but on the other hand when considered against the background of the long series of attempts to boycott Social Credit as a subject it is impossible to dismiss the suspicion that their conjunction was not purely accidental.

The moral in such matters is that if sponsors of credit reform theories disliked by the bankers do give hostages those hostages should be such that those who exercise reprisals should be forced to fight on an issue closely relevant to the subject of monetary policy.

THE NEW AGE has had to publish apologies four times, as follows:

Occasion.	Delinquent.	Cost.
1. Offence to novelist.	Contributor	£15 15
2. Offence to bookseller	Editor	£2 10
3. Offence to newspaper	Correspondent	£16 16
4. Offence to musician	Contributor	£5 5

Total £40 6

Item 1 took place very early, before the Editor took over the wheel. Item 3 happened as the result of his trusting to someone else's judgment, but in circumstances amounting to moral compulsion. This leaves £7 10s. as

the total loss over eleven years for which the Editor's judgment justly stands convicted, and only £2 10s. for which his own pen was at fault. The total loss, about £40, fell on the funds of THE NEW AGE. Considering what might have been, and considering that to insure against it would have cost anything between £170 and £200 during the period, this record must be regarded as a satisfactory one to donors and subscribers alike.

So much for offences to outsiders. As to offences to supporters, THE NEW AGE lost a substantial annual donation two or three years ago consequent upon allowing the publication of certain matter, once again under moral compulsion and against the Editor's judgment. This loss, too, fell wholly on the funds of THE NEW AGE. However, the old boat is not submerged just yet, so nothing further need be said except to point the lesson to the delinquents in some of these episodes that they are not infallible navigators in the rough seas of controversial journalism.

Summing all these matters up in a financial frame of reference, the lesson for those who have been supporting THE NEW AGE and desire to see it continue its work economically and efficiently is that the control of policy and expression should remain under personal control.

The Christchurch Oration.

The consensus of opinion among Social Credit advocates is that the outstanding feature of Major Douglas's address at Christchurch was the orderliness of its plan. The great problem of speakers and writers called upon to present a statement on "Social Credit" in general as distinct from any particular aspect of it, is to decide how to begin, and in what sequence to present facts and arguments so as to create, as it were, a momentum of cogency carrying the dissertation along towards its culminating point of conviction in the minds of his audience. A secondary problem is that of deciding at what points during the progress of the dissertation imparting the right emphasis to essential factors in the line of reasoning without interrupting its broad coherence. Both problems Major Douglas appears to have solved with as great success as is humanly possible. His presentations of the Social-Credit analysis and proposals can best be modelled.

For this reason the following provisional skeleton outline of the Christchurch address is submitted for the guidance of speakers and writers. They can, of course, amend it by reference to the reported version of the address (from *The New Era*) published in this journal on May 3, or the authorised version which, it is understood, will be published elsewhere shortly. In what respect the two versions differ there are no means of knowing at the moment, but it would seem improbable that the differences will be so material as to affect the above outline. There may, however, be additional matter in the authorised version which readers may think it desirable to digest and incorporate with what is here set down.

It is divided into sections designated by letters and items designated by numbers for the convenience of those who want to make short references to particular points, whether for the purposes of meditation, discussion, or correspondence. Newcomers into the movement who contemplate speaking or writing will no doubt come across points on which they themselves feel the need for further enlightenment, in which case they should quote the letters and numbers in any inquiries they care to send to THE NEW AGE or to readers thereof who will have the key to these references.

Section "A"—being the background of the address is of prime importance. It will therefore repay special study in all its aspects. Happily it lends itself to many styles of presentation and methods of illustration with

the capacity of exponents, without requiring them to be familiar with the mathematical complexities of the cost-analysis. And it has this outstanding advantage, that when clearly expressed it is sufficient in itself to raise a strong presumption in the mind of any thoughtful listener against the assumed infallibility of High Finance. It is to be noted, indeed, that Major Douglas's address closed, as it opened, on this fundamental consideration of the relation of law to purpose. It marked the point of the issue and the recall of the credit of his applied logic; and the completed cycle enclosed, and closed, the pragmatic philosophy of human life.

DIGEST FOR SPEAKERS AND WRITERS.

A. Laws and Purposes.

1. Man-made laws not to be confounded with natural laws.
2. The first are merely conventions, variable according to objects. The second are invariable, whether you find them convenient or not.
3. Is your object, say, employment?
4. Then you should scrap all machinery.
5. Employment either a privilege or a misfortune.
6. The employment-objective entails less output per unit in work.
7. The proper object of economic system to deliver goods—more output per unit in work.

B. Money not Wealth.

1. Money not goods.
2. No shortage of goods.
3. Goods being destroyed.
4. Therefore surplus labour.
5. Which means surplus productive capacity.
6. Which in turn results in poverty—deficient consumption capacity.
7. Definition of poverty—lack of sufficient purchasing power accompanied by economic need.
8. Production becomes unremunerative—profits disappear.
9. Competition for foreign markets.
10. All these things are symptoms.
11. Cause—lack of purchasing power.

C. Nature and Function of Money.

1. Definition of money—anything acceptable in exchange for goods and services.
2. Rules out gold
3. Money acts as effective demand.
4. Railway ticket—demands a journey. Money demands anything.
5. Historical—money and wealth were originally one. Separation began when goldsmiths' receipts became negotiable.
6. Result—1914 broke the banks.
7. Banks create credit. "Banks pay by creating the means of payment" (Encyclopaedia Britannica).

D. Principle of Remedy.

1. What to do.
2. Equate effective demand to price.
3. Choice—to increase money supply to consumers (danger . . . profiteering).
—to decrease price (danger . . . bankruptcy).
—to increase rise in tickets and rise in prices. Inflation is a tax.
4. A rise in purchasing power accompanied by a fall in prices is not inflation—applying credit to reduction of prices cannot produce inflation.
6. Instance selling at a loss by private individuals—subvention to consumers. If that can be done, so can subvention be given out of public credit.

E. The Necessity of the Remedy.

1. Money "medium of exchange." More and more people cannot exchange their labour.
2. Production to-day is co-operative—products pooled—pooled on from centre to circumference.
3. Perfect industrial system would require no labour at all.
4. People must be empowered to draw goods without working.
5. Extension of the present dividend system.

F. Conclusion.

1. Make sure what you want economic system to do. Is it to be a mechanism for regulating, or for subserving, the life of the individual?

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.

Vocation.

By Old and Crusted.

. . . O ye gifted ones, follow your calling, for however various your talents may be, ye can have but one calling; . . . follow resolutely the one straight path before you, it is that of your good angel; let neither obstacles nor temptations induce you to leave it; bound along if you can; if not, on hands and knees follow it, perish in it, if needful; but ye need not fear that; no one ever yet died in the true path of his calling before he had attained the pinnacle. Turn into other paths, and for a momentary advantage or gratification ye have sold your inheritance, your immortality. (Lavengro, ch. xxi.)

It is an admitted fact that many worthy folk regard the approach of the "Age of Leisure" with apprehension, if not with downright dread. They have uneasy visions of a degenerating people dawdling through life on unearned money, buying cars with their National Dividend, and making this already maltreated island a reverberating horror of vulgarity and noise.

Now the trouble with this generation is that it lacks faith, even to a greater extent than its immediate predecessors, and without faith there is no understanding. People who count their change twice and mistrust their neighbour on principle have no power of probing the unplumbed depths of the soul to the solid rock where faith finds good anchorage. And that is why the Social Credit movement does not sweep on to the crowning victory as quickly as it should—but let that rest for a while.

It might help to reassure the doubters and silence the cavillers if those brave souls who are preaching the Social Credit faith up and down the land would refer to the years ahead not as the Age of Leisure but as the "Age of Vocation"; putting aside for a moment such legitimate objectives as equality of opportunity and self-expression and holding up "Vocation" as the high prize of economic security. That takes all the hog-wash out of our philosophy—if ever there was any in it.

And what is Vocation? Well, literally a calling and, as we all know, generally associated with the religious life. But there is another sense, of far wider application, which, in this age of mechanisation and regimentation, is most culpably neglected. Deep down in the heart of man, buried in that inexplicable intricacy we call personality, "felt in the blood and felt along the heart," is a certain divine intuition which whispers, "this thou canst do; this thou oughtest to do." That is Vocation, and the most searching analysis of the activities of the majority of mankind can only serve to convince us that the occupations whereby men and women earn the right to a precarious and inadequate share of the good things of this life, let alone preparing them for the glory to come, cannot by the utmost stretch of imagination be described as the exercise of a "Vocation." The girl typist, clerk, or secretary who is constrained to waste the sweet hours of a summer's day "taking down" endless reams of rubbish beginning "Yours of even date" and ending with a vile abuse of the word "faithfully," is certainly not obeying her natural impulses or following the high calling for which God created her.

Can it be that this wretched perversion of the flower of humanity arises from our forgetting that it was to a virgin named Mary that the angel Gabriel said,

"The Holy Ghost shall come upon thee, and the power of the Most High shall overshadow thee."

It is worth pondering over, seeing that for the "overshadowing of the Most High," we have substituted the adumbration of high finance—with such results as may be seen any evening during a stroll from the Bank to Piccadilly Circus. And yet there are they who fear that Mary the typist would upset the social order if she were in receipt of £3 a week which she had not earned at the Bank—or in Piccadilly. Perhaps at the back of

their dull minds they regard the oldest of the professions as a—vocation!

The inevitability then of the National Dividend as the only way to a state of economic freedom wherein all God's children will be at liberty to follow the call of the inner voice needs no stressing. It has been well said that the finest form of rest is change of occupation. Doing what we like best, following our natural bent, yea even unto scorning delights and living laborious days in the pursuit of a noble purpose is recreation in its highest form, and the connection between recreation and vocation is closer than one would think at a first glance. The two terms come perilously near to being synonyms. After all between vocation and vacation there is only the difference of a single vowel.

But let us come down out of the cloudland of speculation to the everyday world and consult a body of men and women who are day by day grappling with the problem of vocation—the school-teachers. To begin with, no man or woman can ever be a successful teacher who is not conscious of a vocation. That is of the essence of teaching and without it the most elaborate curriculum backed by the most modern equipment is valueless—and here is the tragedy of it all. How often is the teacher compelled to forswear his high calling and abandon the quest for the pupil's vocation, just as success is in sight, in obedience, forsooth, to the stupid fetish that it is the object of education to fit children to earn their living in that station of life to which it shall please high finance to call them. And how nonsensical does all this chatter of raising the age of attendance by one year appear to those who know that the only time-limit is, or should be, the passing of the pupil beyond the stage where he can benefit by attendance at school and is ready to pass on through the next stage, whether it be university, technical college or apprenticeship, to the joyous practice of his natural vocation.

Yes, it is a wonderful experience this finding of one's vocation. It is nothing less than entering the gate-way that leads to life eternal, and if there be many that never find it in this money-ridden existence there is always the wonderful hope that entered the world when He who was born of the Overshadowing of the Most High descended into Hades and brought comfort to the spirits in prison.

And what has all this to do with Social Credit? Well, may it not be truthfully said that all who have heard the Social Credit "call," have found their vocation? But have we realised all that it implied? Briefly, it is a call to a higher standard of living—and thinking. Until our friends and neighbours begin to say, "What has come over John and Mary?" They are not the same people, they are so much happier, brighter, so much more helpful—then the Social Credit Faith is not in us.

Now it happened that on the day when the first notes for this homily were jotted down that the Gospel for the day told the story of the miraculous draught of fishes. It is not on record that the disciples threw part of a record catch back into the lake of Gennesareth to keep up the price, but we do know that they became fishers of men.

And what said the Epistle for the same day? Just this—

"Be ye all of one mind, having compassion one of another, love as brethren, be pitiful, be courteous; not rendering evil for evil, or railing for railing; but contrariwise blessing; knowing that ye are thereunto called, that ye should inherit a blessing. For he that will love life, and see good days, let him refrain his tongue from evil, and his lips that they speak no guile; let him eschew evil, and do good; let him seek peace, and ensue it."

Wonderful words, my masters, wonderful words—and not without application to-day.

Question Time.

ORTHODOX FINANCE IN A CLOSED AREA.

E.V. 87 puts a series of questions framed to elicit explanations of how the mathematical deficiency of purchasing power has been prevented from producing consequences commensurate with its progressive expansion under modern methods of production. "Theoretically," says he in effect, "we all ought to be dead of starvation by now." He recognises the fact that generally the present standard of living is not far above the mere subsistence-level, but asks how it is kept from going below. "Is it not probably the case," he concludes in effect, "that the authorities have been already dealing with the problem of the 'closed area' [this has reference to the "Notes" last week] and have applied palliatives secretly to keep things going?"

The fundamental reason why the standard of living remains constant at a tolerable level is because unless it does the economic system will collapse. Either the people will resist the intolerable, or submit to it. If they resist they will do so violently (civil war). If they submit they will sacrifice their health and ultimately their life. "I must live," says a character in one of Jack London's stories. "Why?" challenges a cynical on-looker. "Because I'm damned well going to," is the other's retort.

The financial system has to work within this frame of reference. That system has always permitted the payment of subventions to consumers, particularly during the last seventy-two years since the first Companies Act was passed.

According to Jordan's *How to Form a Company* (10th edition) investors in Limited Companies lost, between 1862 and 1915, £5,000 millions. This amount has been a contribution towards "price-assistance" or "national consumer-dividends," whichever you like to call it. (We have not seen any figures for the period since 1915, nor know whether they have been published in later editions of the above book.)

To this figure must be added losses of capital not registered under the Companies Acts.

Then the addition of £6,000 millions to the National Debt must be taken into account. It is true that this has not been lost like the other sums, but it has not yet been recovered and therefore represents an indirect and partial subvention to consumers.

Latterly the immense growth of instalment purchases advances must be noted, whereby industry recovers all the costs of the goods sold, but only a fraction, so far out of the current incomes of consumers.

Then again, the progressive increase in the amount of the Floating Debt must be included in the account. Now standing, we believe at something like £800 millions.

All these factors can operate within a closed credit area. There remains a further one that cannot, namely, export credits. Insofar as exports are contracted, other devices must be operated on an expanded scale to prevent conditions becoming intolerable to the population of consumers.

The regulation of the consumer's standard of life is accomplished by the bankers in two ways, firstly, by allowing him to feed at the expense of the investor as private proprietor, and secondly by limiting his access to food (if it should tend to be too easy) by bleeding him through taxation. This dual regulation is made possible because the bankers control the finance and accounting systems both of industry and of the Government. They have the option of compelling the Government to pay in a legal sense, its debt or of compelling the Government to pay off its floating debt, each to any extent they like, and either alternately or simultaneously. By making industry repay, the consumer gets a look through the fall in prices due to forced selling. By making them make the Government repay, the consumer will get this advantage through the rise in taxation.

ally the system of basing wages on the cost of living, i.e., on actual prices, is another factor stabilising the workers' quantitative consumption at a bare subsistence level.

The problem for the bankers is to be seen in the very nature of the "closed-area" devices enumerated above. Without legal compulsion investors (who in the financial sense are the producers) will not go on investing without a reasonable prospect of a return; and the question is whether their realisation (ex hypothesi) that this return must come from the home market will not destroy the glamour of the unknown which used to surround the concept of "the world market" and its multitudinous chances and mischances, and which tempted them to have a flutter. The chances of fortune in the home market are more or less definitely calculable, and can be verified in practice at short intervals. Business acumen, allied with the Social-Credit disclosures of the mechanics of loan-finance, must combine to induce wariness (i.e., "lack of confidence") as soon as the field of calculation and opportunity is narrowed down to the area where producers and consumers, investors and spenders, realise they are collectively one and the same people faced with the dilemma of making a living by taking in each other's money.

So much for investment. As for instalment-purchase finance, this cannot expand indefinitely; nor can the National Debt nor the Floating Debt within the framework of the laws and procedure hitherto regarded as immutably tied to the axioms of sound finance.

And now must be mentioned another kind of device which helps to delay the collapse of the price-system. It is that of debasing the quality of what the consumer buys. In the case of necessities of life the effect is an imperceptible levy on the health and strength of the community to compensate for low prices. The consumer buys what appears to be the same article at a lower price than before, but he is buying less nourishment or less durability when he pays for that article. This, of course, does not remedy the mechanical error in the cost-price system, but it postpones the time when the consumer wakes up to the discovery that his condition under that system has become intolerable. It was all very well for British manufacturers to be advised under Royal authority not to make things to last so long when these things were to be exported to foreigners, but in circumstances where the things are to be sold in a closed area the proposition has an entirely different and sinister significance. To a certain degree one must suppose that the human body can be got to tolerate slowly decreasing quantities of nourishment just as it can tolerate slowly increasing doses of poison. And insofar as this is possible, and no-one revolts, the monetary proceeds of the trick will help to ease the problem of cost-recovery.

J. G.

Social Credit in the Lords.

By John Hargrave.

Realising the political importance of Lord Strabolgi's Motion on the Order Paper of the House of Lords calling attention to the growing opinion that defects in the present monetary system are primarily responsible for the tragic absurdity of poverty amidst plenty, the Green Shirt Movement sent a letter (dated June 11) to Lord Strabolgi containing the basic principles of a Sane Economic System, as propounded by Major C. H. Douglas, and asking that a deputation be received.

On June 12 Lord Strabolgi sent a letter to our General Secretary, saying that he would be very glad to receive a deputation as he intended to bring this subject up in other forms on future occasions, "notably when the Finance Bill comes before the House of Lords."

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The debate on the Motion entitled "Monetary Policy" took place in the House of Lords on June 13, and extracts from the speeches made were published in THE NEW AGE for June 21. The full text of the debate will be found in Parliamentary Debates, House of Lords, June 13, 1934, H.M. Stationery Office (price 6d. net).

On June 21 a deputation of twelve Green Shirts was received by Lord Strabolgi at the House of Lords at 4 p.m., as reported in THE NEW AGE for June 28. The full text of

the address read by the spokesman of the deputation is set forth hereunder:—

"My Lord,—

"In introducing this deputation we desire to express our appreciation of the efforts you have already made towards the establishment of a Sane Economic System in this country, notably, in placing the Motion on the Order Paper of the House of Lords on June 13, dealing with 'Monetary Policy,' and in your comprehensive and powerful speech on that occasion; and we desire to thank you on behalf of the British people now suffering needless poverty in the midst of plenty.

"We realise that your Lordship is not only fully acquainted with the fundamental principles of Social Credit as propounded by Major C. H. Douglas, which principles we set forth in our letter dated June 11, but that you stand for the application of these principles within the social-economic system of Great Britain.

"Apart, therefore, from the principles to which we have referred, we desire to draw your Lordship's attention to the growing body of public opinion that seeks to see those principles carried into effect without delay, and that is making itself known in the form of Three Demands.

"These three demands are usually formulated as follows.

That the Government shall:—

1. Open the National Credit Office.

2. Issue the National Dividend to All.

3. Apply the Scientific Price.

"In putting forward these Three Demands we do not overlook the political importance of that part of your Lordship's Motion which moved to resolve 'That His Majesty's Government do institute an immediate investigation of the monetary system apart from its administrative machinery, with terms of reference sufficiently wide to permit full inquiry into its principles and proposals for its modification'; but we do, on behalf of the British people as a whole, and especially the wage-earning masses on the border-line of poverty, and the unemployed who are in dire distress, beg of your Lordship to do all in your power to expedite the institution of the National Dividend based on the productive capacity of the community as a whole, which appears to be the only sound means of relieving a situation which is rapidly becoming acute, and of making it possible for the largest number of people to enjoy the plenty that surrounds them.

"On behalf of the Green Shirt Movement for Social Credit we wish to express our thanks to you for so courteous a reception, and for giving us so much of your valuable time."

In replying to the deputation, Lord Strabolgi said:—

"I promise you that I will give this Address my most careful and earnest consideration, and you may rest assured that I will raise the matter of the National Dividend at the earliest date."

Our General Secretary received the following letter from Lord Strabolgi, dated June 29:—

"Dear Sir,—I am writing to place on record my appreciation of the manifesto handed to me by the Green Shirt deputation when I received them at the House of Lords last week, and to inform you that, in accordance with the conversation we had, I am raising the question of the issue of a National Dividend through a National Credit Office when the Finance Bill comes before the House of Lords next week.—Yours faithfully,

(Signed) STRABOLGI."

The Finance Bill came up for the Second Reading in the House of Lords on July 3. The full text of the debate will be found in Parliamentary Debates, House of Lords, Tuesday, July 3, 1934, Vol. 93.—No. 74, H.M. Stationery Office (price 6d. net), from which the following extracts have been made:—

Lord Strabolgi: Furthermore, I notice that great credit is taken by various Ministers in the Government—not by the noble Earl (Earl Stanhope) on this occasion—for the provision of cheap money—cheap money for production. But, my Lords, together with the provision of cheap money for production, consumption has been cut down by the general economy policy, by the cuts, only now partially restored, and by the general attempt to reduce wages and salaries all round—in other words, by the general deflationary policy. . . . If you provide cheap money for production, you stimulate production; on the other hand, you must not cut down consuming power at the same time. . . . Also, your policy, spoken of by both the noble Earl here and by the Chancellor of the Exchequer in another place, of stimulating the home market, must mean a reversal of this policy of continually cutting down wages and expenditure.

I am going so far as to say it may be right and necessary, perhaps, to carry public opinion further with us

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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, of course, cannot be done by the orthodox method of 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.

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