

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTICE.

### Facts of the "Split."

Elsewhere is an announcement of the publication of certain correspondence between the Secretariat and (a) the Editor of THE NEW AGE and (b) Social Credit groups on the subject of the relations between the Secretariat, THE NEW AGE, and the Editor. In the Editor's submission this correspondence creates a strong presumption that it was the original intention of the Secretariat last August to acquire unconditionally the ownership, control and conduct of THE NEW AGE, without communicating reasons for this drastic change to him or anyone else.

Those reasons may have been good ones; but if they were, it is difficult to reconcile them with the hasty and peremptory manner in which (as the correspondence reveals) the Editor was pressed to submit to the new, and unexplained, policy.

For ten years up to last August the Editor's policy was clear and consistent (as it has been since), so that if his policy was considered wrong there was nothing to prevent the persons constituting the Secretariat now working under Major Douglas (or any one of them) from explaining—in confidence if necessary—when it became wrong, or what change of circumstances had made it wrong. If that had been done it is probable that the Editor could have suggested methods of meeting the new circumstances which would have afforded a basis of continued collaboration. But co-operation without confidence is impossible; and the responsibility for the subsequent unfortunate misunderstandings must rest on Major Douglas's advisers for their lack of frankness.

We feel it our duty, in consideration of the feelings of our supporters, to ventilate our view as circumspcctly as possible, but at the same time to make it known what that view is, and on what evidence it can be tested by those who wish to consider it.

## NOTES OF THE WEEK.

### The Caucus and the Law.

The Recorder of Liverpool, Mr. E. G. Hemmerde, K.C., caused a commotion on the occasion of the recent visit of the King and Queen to open the Queensway Tunnel by refusing to attend the ceremony. In an interview published in the *Star* of August 2 he defends his decision on the grounds that although under the terms of the Municipal Corporations Act 1882 a Recorder "shall have precedence in all places within the borough next after the Mayor" this provision had been ignored by the Corporation ever since 1921. He suggests that the reasons for what he calls "this discreditable policy" were mainly three:—

"Firstly, his defence in 1921 of the Sinn Fein prisoners when he discredited some of the evidence of the police;

"Secondly, his action in the same year when unemployed leaders were convicted before him of riot and he refused to allow his judgment as to the appropriate sentence 'to be influenced by the prejudices of a political caucus even when they were reinforced by the then Lord Chancellor';

"Thirdly, he had felt it his duty to criticise the police methods adopted during the incidents which led to that case of rioting by stating that unnecessary violence was used."

(*Star* Correspondent's report.)

Mr. Hemmerde proceeded to tell his interviewer:

"From the day I spoke those words I have never been briefed on behalf of the City of Liverpool, and I have never been invited as Recorder to any civic function or ceremony other than the Lord Mayor's dinner to the Judge of Assize.

"For close on thirteen years I have had to put up with a professional boycott at the hands of the Corporation that has cost me thousands of pounds, merely because I have declined to defend my clients by methods that would ensure their conviction, or to keep

silent when I sit as Recorder when, in my opinion, my silence will cover up abuses which the Watch Committee does not wish to be disclosed." (Mr. Hemmerde's own words as quoted by the Star's Correspondent.)

The report in the Star concludes with the announcement that Mr. Hemmerde is proposing to seek the opinion of the Home Secretary on these repeated breaches of conditions under which the City was permitted to hold a separate court of quarter sessions.

\* \* \*

Mr. Hemmerde is to be congratulated upon his fight for the appropriate respect being paid to his official status. Also on the fact that there does exist an outside authority in the office of the Home Secretary to whom he can appeal over the heads of the Corporation and Watch Committee. He is in the fortunate position of being able to make his gesture and defend it without affording anyone the opportunity of saying that he intended any disrespect either to the Royal Family or any Minister of the Crown.

\* \* \*

He realises the difficulty of making good some of his allegations, for they involve episodes which can be colourably explained as coincidences; and on this he contents himself with the remark that, assuming them to be such, they are "ugly coincidences." It would seem as if the adoption of Hitlerian methods is extending rapidly—or perhaps it is that recent exhibitions of what those methods mean in Germany and Austria are inspiring victims of them elsewhere to rise and speak out while there is yet time.

The Death of Hindenburg.

The death of Hindenburg on August 2 was immediately followed by Hitler's absorption of the Presidential office. In a formal sense he is, in his person, Defender of German Faith and Culture, Commander of all military and civil forces, and Director of financial and economic policy. Germany to-day, in the same formal sense, represents a working model—or shall we say the design of one?—of the world State contemplated by the bankers and outlined in the pamphlet "The Key to World Politics" which took its place in Social Credit literature some years ago. But there is one thing missing. Hitler is not the effective Governor of the Reichsbank. Even if he were, he would not be, so to speak, the effective Controller of the Standing Consortium of Central Bankers. This last and fundamental condition of power over policy might not be necessary, but if not, the world-situation would have to be such that Germany could exist as a self-sufficing area of economic activity. A national Dictator, who, for example, finds himself obstructed or embarrassed by movements in the international exchange-markets is not a dictator, but simply an agent (wittingly or not) of an external dictatorship. Hitler cannot truly say: "The exchanges—they are *Myselj*" nor can he even say: "The exchanges—they do not affect *Me*." And because he cannot say these things, he may gain the whole world of German devotion or subservience, but lose the soul of his power to reward Germany in terms of economic and cultural renaissance. The blood of "mutineers" on the stones of the courtyard has attested his power to rule the people, but the queues of housewives seeking potatoes at the thresholds of the shops and the writing on the wall telling Belshazzar that he has been tried in the balances and found wanting. Empty vessels, we are told, make most sound; and when the empty vessel

happens to be a stomach, then there will be the loudest sound of all. If Hitler could realise it, the greatest treachery to the Fatherland is the existence of penniless fathers of hungry children. It is a form of treachery which no penal treatment will extinguish. Death? Well, blood may expiate crime, but it cannot defray costs. You can stifle protests, but you cannot thereby remove the occasion of them. The inertia of penury composes the clay feet of the golden image, and decrees its downfall.

Twenty Years After.

On August 4 The Times published a leading article entitled "1914-1934" in which of course reference is made to the outbreak of the Great War twenty years ago. The writer makes allusion to the resemblance between the state of tension in Europe now, and then. And, as readers will have noticed, the popular Press is stirring up old war reminiscences, and in some cases offering prizes for stories. Elsewhere, too, Mr. Baldwin has been talking about the British military frontier now lying along the Rhine. Altogether the air is full of rumours of war. Yet the writer in The Times thinks that the present turmoil will not have the same sequel now as happened in 1914. His only attempt to explain why he has this confidence appears to lie in the reflection: "... fundamentally the peoples of the world are suffering still from the exhaustion and dislocation caused by the last war." The reader is left to draw the inference that the people are conscious of this fundamental factor in their distresses, and are, at bottom, averse from another war. But is that true? The dead, who would have had the best reason to protest, are beyond influencing policy. Of the living, there are millions ripe for enlistment who know nothing of the last war through their own experiences. Then again, assuming universal recollection of experiences, would it follow that what was remembered would compare so unfavourably with what is now being borne to-day under conditions of peace? Moreover, the writer of the article begs the question by his implicit assumption that issues of war and peace are decided by what the people feel about the matter. The wills of the people, like the mills of God, work slowly. They prevail in the end, but many things prevail over them before the end is reached. We should say that the general attitude everywhere can be summarised up as indifference tinged with expectancy, and which emphasised expectancy among those millions who have nothing to do and nothing to live on.

The Will To War.

The "exhaustion" and "dislocation" attending the last war were of a particular kind inseparable from warfare, and, as such, ended when the war ended. There were the natural concomitants and distinguishing characteristics of war—pain, disease, and death to men, and the destruction of physical wealth. Yet, paradoxical enough, those who participated in the war, whether combatants or not, were buoyed up amid these experiences by a generous measure of financial affluence and economic security. And it is a question to-day whether peace will remember more vividly the physical sacrifices or the financial rewards of the war. Nor is money the only factor. We heard a man exclaim the other day, after voicing his grievance: "What we want is another good war to show these b—s up." In the context his meaning is plain to his hearers, it was that while at present he is despised or ignored because he had no money, war will bring a reversal in the scale of values, and his attributes and capacities would be assessed at their just value.

the detriment (so he was hoping) of those who now thought themselves superior to him and acted towards him accordingly.

The "Exhaustion" of War.

The writer in The Times is wrong to suggest that conditions to-day result from the "exhaustion" and "dislocation" of the war. There is an exhaustion of money, and a dislocation of buying and selling—in brief, there is a monetary shortage, and of dimensions threatening widespread starvation. Now there is a direct relation in theory between the wholesale destruction of physical wealth such as takes place in war, and the contraction of the available physical means of life. If you beat ploughshares into swords you ought, in a logical sense, to have less bread. You can't eat what you are otherwise destroying. But—and this is highly important to note—on that very reasoning the deprivation ought to be experienced simultaneously with the destruction. In a sound economic system such as would operate on Social Credit principles, that would undoubtedly take place in the event of an outbreak of war. Either there would be an absolute reduction in the standard of living (assuming productive capacity already fully engaged) or the cessation or slackening of a rise in that standard (assuming a disengaged reserve capacity). Conversely, as soon as the war was over the standard of life would immediately rise and would continue to rise during the whole period of the peace.

\* \* \*

We may halt at this juncture to address ourselves to pacifists, the lesson for them being that the way to stop war is to support the Social-Credit policy of establishing financial conditions under which the waste of war would be directly felt by every individual in his home as well as on the field. No occasion ought to exist, or need exist, for any person to be able to associate, as he is able to to-day, the idea of war with the prospect of relief from poverty and economic insecurity. The present financial system creates the occasion for that association, and tends to perpetuate and intensify it.

War and Productive Capacity.

But to resume. The idea of deprivation synchronising with destruction is intelligible, and the reasons for it self-evident, to everyone who thinks in terms of men and things. But the idea put forward by the writer in The Times, of deprivation surviving the cessation of destruction, and by a time-lag of sixteen years, is the reverse of intelligible, and should evoke healthy curiosity to know what the reasons are, and whether they are necessary reasons. Why are people "suffering still" from the "exhaustion and dislocation" of 1914-18? The only realistic situation in which such a thing would necessarily result would be if the exhaustion and dislocation had irrevocably impaired the people's capacity to restore what had been exhausted and to repair what had been dislocated. But the fact was quite the opposite. We have already stated of this country (and it holds for all the others) that it possessed greater productive capacity in 1918 than it did in 1914. In those years applied science gave us plant and equipment of such efficiency that our power to replace destroyed wealth increased faster than the rate at which we were destroying it. And remember that all this was done while we were suffering the exhaustion and dislocation of the war: We took these impediments in our stride and reached the post on Armistice Day with something in

hand. Yet we are told that the people of the world to-day are still suffering from those impediments.

\* \* \*

It would be nearer the truth to say that the people are suffering from the removal of them and stand in need of a revival of them. The reason is simple: it is that the world's credit-institutions manufactured and issued money to finance the destruction entailed by the war, and stopped doing so when the war ended—that is, just at the moment when the output of goods for destruction could have been changed in character and devoted in undiminished quantity to the purposes of consumption.

The Last War Paid For.

Leaving technicalities and legalities aside, and considering the situation in its natural economic reality, the people of the world paid for the war as it progressed. The fact, to which we have alluded, that the people became better off when the war broke out must not be taken as implying that they were "drawing on the future" or some like notion since spread about to get them accustomed to the idea that they "owe the cost of the war" to somebody or other. Fundamentally the war did not cost money to anybody; as the money that the bankers put out cost them nothing, so nobody owes anybody anything on account of the war. The whole cost can be written off at any time without injuring anybody. Holders of war-debt are merely bankers with masks on; or, if you like, men with tin mugs collecting interest from passing taxpayers which the bankers come round and collect when nobody's looking. No; the reason for the people's better living on the outbreak of war was due to the fact that they possessed a reserve capacity for production which, until then, the bankers had not permitted them to utilise and draw on. Using token figures indicating things, not money, you may put it something like this:

Table with 2 columns: 1914 (Pre-War), 1914 (War), 1918 (War). Rows include Total capacity to produce, Actual production, Reserve capacity, and Reserve capacity prohibited from use by bankers.

Here all the real costs are represented: they are the mental and muscular energy of the people—applied directly or through machines. On the figures, their actual production rises in the progression 70, 100, 150. Assuming total consumption to be 70 in the pre-war table, there would be 30 more to divide as between consumption and destruction in the second table, and 80 more in the third. However divided, the extra consumption comes out of the current extra production, which means that the people are not "drawing on the future" at "posterity's" expense, but living and fighting on the products of their current energy. On the cessation of war they can, and are entitled to, devote their full capacity of 150 to consumption purposes, which means, to double their rate of consumption. The only precautionary consideration would be whether their native resources were sufficient to allow of conversion

into usable goods at that rate. (The spectacle to-day of unconsumed surpluses of goods all over the world is sufficient to allay doubts on that score.)

### The Old War and the New.

The last war stopped because the soldiers got fed up and the bankers got frightened. In four years Britain (and other countries in proportion) had spent according to the bankers' trick of calculating costs, seven times as much money as she possessed in 1914. It looked impossible; for the other countries had done the same, and therefore the phenomenon could not be ascribed to borrowing by one from another. These bankers had one thing to comfort them, which was the deathlike universal ignorance and indifference of the world's statesmen and peoples on the subject of money. Nevertheless the grotesque statistical position cried aloud for investigation, and they doubtless thought it time to intervene before it cried louder, so they hastened to Zurich—"friends" and "enemies" alike to talk things over; eventually they got the war wound up.

### The Banks at Basle and Geneva.

During the sixteen years since then they have got a Bank at Basle and a Parliament at Geneva through which they will try to prevent another war, or on which they hope to place responsibility for the finance and debt manipulations of another war if it should come. The writer in *The Times* remarks that if a war is imminently threatened, resort would be had to the League, whose "power of collective action" . . . "is potentially immense." The truth behind this remark (whether the writer means it or not) is that the League enjoys world-wide moral authority to certify any direct action taken by the Money Monopoly to nip war in the bud. He points out that all the nations in the world have formally renounced war as an instrument of national policy. That means that no nation will fight offensively or defensively in its own interests, and that if it fights (for the declaration embodies that contingency) it will be for interests not its own. The only interests which are universally extra-national and separate from the well-being of the world's national populations are those of the International Money Combine. In short the issues of war and peace are to be decided in Basle and ratified in Geneva. That is the logic of the declaration of renunciation. Whether the national signatories keep their vows in the event is another question.

### New Wars For Old.

The *Morning Post* once said, and truly, that the function of a Foreign Office (with military backing) was to secure trading opportunities for its nationals. Why? Because without trading opportunities abroad a nation cannot make both ends meet at home. That is, it cannot do so while the Money Combine controls money-supplies. The central banks of the nations could make ends meet in their respective countries if they took concerted action to do so—if they all "kept in step," as Mr. J. M. Keynes might say. This is proved to be technically possible—and since everybody would acclaim it to be desirable, it cannot be politically impossible in the sense that people would obstruct it. But it is politically impossible in the sense that Basle and Geneva consider it undesirable, have the power to prevent it, and apparently the will to prevent it, despite the fact that the only alternative must ultimately be war.

### Austria and the League.

Take Austria. This country is the storm centre of Europe. Now it may be a coincidence or not, but of all the countries in Europe, as divided out and established

by the Peace Treaty, Austria has been the most rigidly controlled and regimented of them all financially and politically by the League of Nations. To begin with, post-war Austria was left stripped of a large part of the natural resources (i.e., productive capacity) which belonged to pre-war Austria. So even if her financial system had been sound and efficient, she would have felt the deprivation. But it was not: the new Austria had to make both ends meet under the same laws of "sound finance" as govern the other nations. She had to seek trading opportunities as best she could with her more powerful neighbours. The search was fruitless, and the consequence was that Austria began to try out the policy of creating trading opportunities within her borders which were denied her outside. To this end she began to "take liberties"—as the bankers describe it—with monetary policy. She had not travelled a long distance before the League of Nations, prompted by the bankers, intervened to stop her. But in the meantime Austria had manifested signs of returning prosperity, as was pointed out by Colonel Repington in his *Diary*. It was, of course, this initial success which precipitated the intervention.

### The Bread Subsidy.

Readers of these "Notes" will recall the famous bread-experiment, under which the Austrian Government made grants of money for the purpose of enabling bakers to sell bread at under cost. The bakers did this, and everybody in the country, rich and poor alike, could buy bread at the discounted price. Austria was beginning at the right end to lay the foundations of prosperity. For prosperity begins at home. If every householder can make both ends meet, then so can the nation. But the prosperity which Austria was beginning to restore at home was denounced as charity by the bankers, presumably because it began at home. They asked: "Where are these bread-subsidies to come from?"—and they declared that sooner or later the Austrian Government would be obliged to levy taxes to replace them, in which case, of course, it could be said that the poor had been living on the charity of the rich. But this declaration was not delivered as a scientific proposition for investigation and argument; it was delivered as an inviolate principle to be adopted by the League of Nations and made the moral justification for external interference with Austria's domestic policy. The experiment was pronounced an infectious disease—spoon-to-mouth disease, so to speak—which must be stamped out at the point of origin, and by brute force if moral suasion failed. The only condition of health according to the principles of the Money Combine, was that the maximum limit to what a person should consume must be the quantity of food which his "economic earnings" would buy at "economic prices." He should have nothing put in his purse but what he earned, nor should anything be taken off prices unless his earnings were reduced commensurately. This, of course, was to enunciate as axiomatic a principle which the Social Credit Analysis has exploded, and the Social Credit advocate has been deriding during the last decade.

Well, the intervention took place and was successful. "Economic" prices and "economic" incomes were restored. The result was widespread ruin, and circumstances which led the League of Nations virtually to put Austria under arrest. The Money Combine got the Government to place itself under a ticket-of-leave system, reporting regularly to the police station

## Facts of the "Split."

Letters reaching THE NEW AGE office show that a majority of our readers are bewildered by the peculiar complications of the internal conflict that has developed within the Social Credit Movement in this country, in which we are, willy-nilly, involved, and to which we referred in our article, "The Social Credit Constitution: THE NEW AGE Outlawed," published in these pages, July 26.

Our several attempts to build up a frame of reference in which NEW AGE readers might be able to jump to correct conclusions as to what was taking place, and yet, at the same time, to avoid precipitating a schism, have not only been unsuccessful, but have been nullified by the action of the Social Credit Secretariat; in particular, by the sending out of the duplicated letter, dated July 17, the text of which appears below.

The difficulties that have crept upon us over the past twelve months cannot be properly understood unless we set out in sequence (a) the public announcements of the Secretariat that have appeared from time to time in THE NEW AGE, and (b) certain correspondence that, in the interests not only of the Social Credit movement, but of Social Credit as the dynamic of a new phase of civilisation can no longer be withheld from publication.

An analysis of the public announcements and the correspondence will show that a tortuous attempt has been made:—

i. By this means or that, to induce the present Editor of THE NEW AGE to give up his editorship unconditionally.

ii. Failing this, to canalise and divert the main stream of financial support upon which THE NEW AGE and its Editor have to depend, and then to use this support to launch a new Social Credit paper, leaving THE NEW AGE stranded.

Here are the facts:—

1. The following letter appeared in THE NEW AGE for August 31, 1933 (our italics):—

"Sir,—Largely as a result of the unique nature of the unpaid service rendered through the pages of your review, the spread of the Social Credit theories and proposals has made imperative and urgent the formation of a Secretariat both to deal with the world-wide correspondence which has been evoked, and to provide such services as may be necessary to assist local propagandist organisations—I need hardly say, not to compete with them.

"May I ask the courtesy of your columns to endorse the appeal of the Acting Secretary, Mr. W. L. Bardsley, for the necessary funds to establish and carry on this undertaking?"

C. H. Douglas.  
8, Fig Tree Court, Temple, London, E.C.4.  
August 25, 1933."

2. In the same issue appeared a special inset entitled "The Social Credit Secretariat," the lower half of which was an appeal for funds; an initial sum of "not less than £1,000" being required. The Advisory Council of the Secretariat was set forth as follows:—

Major C. H. Douglas (Chairman).	W. T. Symons (Vice-Chairman).
J. E. Tuke (Hon. Treasurer).	"C. G. M."
"M. J. W."	A. L. Gibson.
	W. L. Bardsley (Secretary).

This first announcement explained that the Secretariat was being formed to:—

a "Assist propagandists."

b "Deal with the very heavy and world-wide correspondence on technical and political aspects of Social Credit."

c Deal with "correspondence addressed to Major Douglas and others," which had "reached such proportions . . . that organisation of the scheme" had become "imperative."

3. In THE NEW AGE for October 12, 1933, a notice appeared in which the Secretariat promised that "A short statement of the general policy of Social Credit" would be "issued at an early date by the Secretariat."

Under this notice there appeared a "First (Preliminary) List" of Affiliated Groups, the first three "groups" being listed as "Attack," THE NEW AGE and "The New English Weekly."

4. In THE NEW AGE of October 19, 1933, appeared exactly the same notice, promising "A short statement of the general policy . . . at an early date, etc." and giving the "Second (Preliminary) List" of Affiliated Groups.

5. THE NEW AGE for October 26, 1933, contained exactly the same notice, promising "A short statement, etc. . . . at an early date," and stating that "A committee to deal with literature" had been formed. A "Third (Preliminary) List" of Affiliated Groups appeared.

6. THE NEW AGE for November 23, 1933, published two additions to the Lists of Affiliated Groups.

7. In THE NEW AGE for November 30, 1933, the Secretariat published an appeal for office furniture.

8. In THE NEW AGE for December 7, 1933, the promised "Short Statement of Policy" appeared.

9. Major Douglas left this country for Australia and New Zealand on December 15. (See THE NEW AGE, December 14, 1933.)

10. In THE NEW AGE for January 11, 1934, the Secretariat published a letter regarding supplies of note-headings, posters, Douglas tartan ties, etc.

11. THE NEW AGE for January 18, 1934, published the first illustrated article by Mr. Boothroyd.

12. THE NEW AGE for February 1, 1934, contained a signed notice from the Secretary of the Secretariat in which "All Douglas Social Credit Groups, Study Circles, and Associations not yet affiliated" were "invited to apply for affiliation in order that they may participate in the important constructive activities now taking place."

13. In THE NEW AGE for March 15, 1934, appeared the Manifesto of the "Social Credit Secretariat: Incorporating The National Credit Association." This Manifesto stated that the Secretariat was:—

a Established "as a result of a steadily increasing demand . . . for some central body . . ."

b To "act as a clearing-house . . . as a connecting link . . . as a central office for the collection of intelligence . . . and as a source of reference for technical questions . . ."

c "Not a directive organisation except upon request . . ."

d To assist "Major Douglas with his correspondence."

e "The only organisation with which Major Douglas is actively associated."

f Not going to "initiate (at present) any action based upon a belief that the Money Power" could be "combated" by "any unconsidered attempt to fight money with money."

g Limiting "its initial appeal for money to a sum required to maintain the Secretariat and assist the official organ of the Social Credit Movement, THE NEW AGE."

h Charging Capitation Fees, payable by "Associations and Groups already affiliated," with the object of maintaining "the service of the Secretariat."

i Adopting "the rule of a maximum quorum of five, and a minimum of three, thus avoiding the necessity for calling the whole Council together except at infrequent intervals."

j "The creation of a new body, officially operating under Major Douglas's chairmanship," and that this "obliged every other Social Credit organisation to reconsider its position."

k Setting up, or had already set up, a number of Committees, such as: "A Controversy Committee; a Correspondence Committee; a Literature Committee; a Publications Committee."

l Through its Publications Committee "responsible for co-operation with all Social Credit publications, and in particular for assisting the Editor of THE NEW AGE in any way he suggests."

Finally, it was stated that it was "the wish of Major Douglas that the Secretariat should be firmly established,

and THE NEW AGE put on a secure financial basis by the time he returns from the Antipodes."

14. THE NEW AGE for March 22, 1934, contained some few Area Reports from the Secretariat, and in the "Notes of the Week" appeared certain observations regarding "The New Age—Policy and Prospects," in which we pointed out that THE NEW AGE "has been the official hoarding" of the Movement. So its maintenance "ought to be the first charge on the Movement's resources." These "Notes of the Week" brought forth the letter from Mr. W. T. Symons (Vice-Chairman of the Secretariat) which we published in full in our issue for July 5, 1934. In that letter (dated March 23) we read:—

"... It is sad to find the gallant Editor of THE NEW AGE expressing something near despair in the current 'Notes of the Week,' just at the moment when the Social Credit Proposals are catching the ear of the world, and the reward of his own intensive labour is beginning to be reaped.

"Can it indeed be true that the resources of 'the Movement' have any definable limit...?"

15. THE NEW AGE for March 29, 1934, published the second set of Area Reports from the Secretariat. There also appeared a Note in "Answers to Correspondents" (referring to the previous week's "Notes of the Week") in which we say: "Having made known our disquietude we consider it the best course to wait a little in the hope that the occasion of it disappears."

16. In THE NEW AGE for April 19, 1934, appeared the third set of Area Reports from the Secretariat

17. THE NEW AGE for April 26, 1934, contained a notice regarding the New Age Club, the members of which "are assumed to be in agreement with the following propositions:—

"i. That the primary necessity for the Social Credit Movement is a Social Credit Press Service.

"ii. That the policy and conduct of any Social Credit Press organ should be a matter of Personal Responsibility vested in the editor, and not one of limited Liability vested in a committee.

"iii. That the function fulfilled by THE NEW AGE is sufficiently important in itself, and is sufficiently distinct from that fulfilled by any other Social-Credit organ, to justify its separate existence."

18. An article entitled "A Social Credit Toast," which had been approved for publication by "all the persons named in it," was published in THE NEW AGE for May 17. We took certain steps to avoid publishing this article, but did so under what we considered at the time to be, and which in fact was, a form of indirect moral pressure. We received more than one protest from readers who described this article as "nauseating in the extreme."

19. THE NEW AGE for May 24, 1934, published on its own initiative the first notice of the "National Week-End Conference" at Buxton. (No communication had been made to us by the Secretariat.)

20. In THE NEW AGE for May 31, 1934, appeared the account of what took place as regards the *News-Chronicle* articles, as set forth in a statement issued by the Secretariat, giving the full text of the letters, sent and received, telephone conversations, etc.

21. In "Letters to the Editor," THE NEW AGE, June 7, 1934, we published a letter from a regular subscriber expressing "extreme disappointment" regarding the way in which the *News-Chronicle* situation was handled.

22. THE NEW AGE for June 14, 1934, contained another letter this time from a regular subscriber in Jersey, complaining that "our cause lost a wondrous opportunity" in connection with the *News-Chronicle* offer of space for a reply to the articles by Mr. Crowther. A Note appended to this letter showed that we had received "an unofficial intimation on behalf of the Secretariat suggesting that letters criticising their policy should be authenticated by the names of the writers, the reason

given being that anonymity lends itself to the machinations of 'agents provocateurs.'"

23. In the "Notes of the Week," THE NEW AGE, June 21, 1934, we commented on the reply that appeared in the *News-Chronicle* (June 14) by Mr. Ezra Pound, printed under the heading "Poet Ezra Spills A Bitfull." We said that we were afraid that this reply would "give ordinary readers the impression of more or less empty abuse."

24. In THE NEW AGE for June 28, we had to inform our readers that we should be unable to reprint Major Douglas's Christchurch Oration in the form of a pamphlet. (Permission had been refused.)

25. THE NEW AGE for July 12, 1934, published an article on "The New Age: An Intrepid Policy" by John Grimm, in which the writer concluded:—

"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 present control."

26. We come next to the duplicated letter sent out to selected recipients under date July 17, 1934. (No copy was sent to us, and we first saw one a fortnight later.) We propose to take this letter, point by point, as follows:

"Social Credit Secretariat.

Incorporating the National Credit Association of Great Britain.

Chairman of the Council: 8/9, Essex Street, London, W.C.2. Tel.: Temple Bar 4154.

Major C. H. Douglas.

Hon. Treasurer: J. E. Tuke.

Secretary: W. L. Bardsley.

"Dear Sir or Madam,—In forwarding to you our official report of the Buxton Conference, we wish to explain the reason for delay. There will doubtless have been surprise that the report and Major Douglas's speech have not appeared in 'The New Age,' that 'The New Age' has barely referred to the Conference, and that the speech has eventually been printed only in *Prosperity*. Briefly the reason is that Mr. Brenton has, by his critical attitude in THE NEW AGE towards Major Douglas and the Secretariat, shown that he claims a voice in the criticism and formation of policy of the Social Credit Movement."

*Comment:* Major Douglas's speech at Buxton was brought to us at the moment when we were on the point of going to press. It would have delayed our going to press. The MS. was unrevised by Major Douglas, and we suggested that it would be better to have it revised by him, and to publish it in our next issue. We could not refer at any length to the Buxton Conference, for no report, or reports, of it were sent to us for publication.

Prior to July 26, we refrained from expressing "critical attitude towards Major Douglas and the Secretariat." We have published the official announcements, notices, and Manifesto of the Secretariat in *Prosperity*. Our main criticism appeared in THE NEW AGE for July 26, 1934, under the heading "Outlawed Social-Credit Constitution: 'The New Age' Logical." which criticism was conducted in a perfectly logical, and as far as possible, impersonal manner, and was entirely justified, and necessary.

After eleven years of work in writing the "Notes" and other editorials in THE NEW AGE without help prompting from anybody at all, we submit that our views on the policy of the Movement deserve consideration.

"Mr. Brenton has for 12 years been, in fact and effect, a paid official of the Social Credit Movement, his ing his journal, and his claim is as inadmissible as that of a Civil Servant in regard to National Politics."

*Comment:* It would not be difficult for us to prove the exposition of Social Credit, week by week in the pages of THE NEW AGE, during the past eleven years, has been one of the chief factors, if not the chief factor, in generating, stimulating, and guiding what is

called "The Social Credit Movement." It is certainly astonishing to be told that we edited the journal of a "Movement" that did not exist, and that would not now exist, but for the regular appearance of that journal! The editor has certainly never looked upon himself, nor has he been treated in the past as, "a paid official" of any Movement.

The duplicated letter continues:—

"Although the titular owner of 'The New Age,' for convenience, Mr. Brenton is not able to dispose of it, nor could it have been maintained for three months without assistance, which has been given solely because of its position in the Social Credit Movement."

*Comment:* The "titular owner" for whose convenience? Certainly not for our own. We are, as a matter of fact, not able to "dispose of it" for less than a certain sum. Most of our regular readers and supporters will remember a time, not so very long ago, when there was no such thing as a "Social Credit Movement." In those days there were individuals who read THE NEW AGE, and supported it. "solely," so far as we know, because they enjoyed the paper and wanted to spread the ideas of Social Credit.

"Mr. Brenton has been paid £10 a week for his services and has been relieved of all business risks in connection with the undertaking, while being allowed to make additional profits of various descriptions."

*Comment:* The relevancy of this disclosure is rather vague—unless it is intended as a hint to Somerset House! We shall wait and see. In the meantime it should be noted that the greater the editor's emoluments may have been the more he has jeopardised (and, as it appears, sacrificed) by making his stand for free speech. The "business risks" of THE NEW AGE are not limited by law: they ultimately rest on the editor's person and estate, not on the Movement or the Secretariat.

The letter continues:—

"In the circumstances, which have arisen as a result of this inadmissible claim on the part of Mr. Brenton"—(the claim to a voice in the criticism and formation of policy in the Social Credit Movement)—"the Secretariat, of whose Council Major Douglas is chairman, has not been able to make use of 'The New Age' as the official organ of its publicity."

*Comment:* Note that THE NEW AGE has, from, and including, Major Douglas's initial letter of August 25, 1933, inaugurating the Secretariat, published every letter, notice, announcement, report, and manifesto sent in by the Secretariat, with the exception of a few "Area Reports," which were not, strictly speaking, reports of the Secretariat's activities.

"In view of the pressing need of an official journal for the Social Credit Movement, especially urgent at the present time, when the National Canvassing Campaign, initiated by Major Douglas at Buxton, is being launched, it is necessary to produce a new weekly paper at the earliest possible moment. Before taking this decision we explored every path of negotiation with Mr. Brenton to enable 'The New Age' to be used for the purpose. Mr. Brenton at first appeared to be willing, but he presented monetary terms with which it was impossible to comply."

*Comment:* We were to give up the editorship of THE NEW AGE unconditionally. (See the letters regarding this printed later.) The duplicate letter continues:

"You may have received a letter, dated June 15, from Mr. Brenton, in which he asks for a 'Committee of Privileges' to enquire into certain circumstances attending the inauguration of the Secretariat and its subsequent actions. We refer to this matter here only to state that the Secretariat will welcome an inquiry into the personal relations between Mr. Brenton, 'The New Age,' and the Secretariat, but cannot admit any claim on the part of Mr. Brenton in his position as editor of 'The New Age' to criticise the policy or constitution of the Secretariat."

*Comment:* Of course we claim the right of free speech.

"It should be added that Mr. Brenton is in error in certain of his statements such as that the Secretariat has

the power of compulsion through control of funds, since 'The New Age' Guarantee Fund remained in the hands of its Trustees."

*Comment:* The Treasurer of The New Age Guarantee Fund was the Vice-Chairman of the Secretariat, and the balance of this Fund was returned to the subscribers. In his covering letter, the Treasurer said: "Mr. Brenton has refused to co-operate, and has cut himself off from Major Douglas and the Movement as a whole." The basis of co-operation has been that we should give up the editorship of THE NEW AGE unconditionally. We have not been able to accept that basis.

"It seems to us unfortunate that 'The New Age' is not to be available as the official organ of the Social Credit Movement."

*Comment:* It was available, and is now available, given certain guarantees as to its conduct. We are not concerned as to whether it is called the "official" organ. We claim that it was, and still is, the organ of the Social Credit Movement.

"It is obvious that, in the present circumstances, the movement must have an official organ, and there appears, therefore, to be no alternative to the proposal for a National Newspaper set out in the enclosed letter, dated July 13, 1934.—Yours faithfully,

W. L. Bardsley, Secretary."

Another duplicated letter regarding "A National Newspaper for the Social Credit Movement" contains the following:—

"It was desired that the original Social Credit organ, 'The New Age,' should be recognised as the official organ of the movement, and for this reason all communications issued by the Social Credit Secretariat have been sent to it."

*Comment:* This is not true.

"The maintenance of 'The New Age' has therefore been one of our first objects, and prolonged consultations have been carried on with Mr. Brenton regarding the best means of making the paper more attractive and more valuable to Social Credit propagandists."

*Comment:* The "consultations" have been ultimatums (as will be seen later).

"Unfortunately these efforts have now broken down, as Mr. Brenton prefers to conduct 'The New Age' on its present lines, without association with the co-ordinating organisation of the Movement, or Major Douglas personally."

*Comment:* We are, and have always been, very willing to "associate" with anyone who will co-operate with us on a fair basis concerning ourselves and readers to whom we are responsible.

#### APPENDIX.

The following correspondence describes the "negotiations" referred to in the first-named duplicated letter.

1, Lincoln's Inn Fields, London, W.C.2.

June 15, 1934 (received 5.30 p.m., June 16, Saturday).

My dear Brenton,

I regret very much your refusal to grant me another half-hour to further discuss the proposals which I put up to you the other day.\*† I am certain that they were in the best interests of yourself and the movement.

I tentatively proposed that you should give up the editorship of THE NEW AGE and remain a freelance contributor to it, and that the Secretariat of the movement should in return be responsible for a life pension of, say, £4 per week, which, although a reduced sum from what you have lately received, would give you a full measure of economic security for life.

I now have authority to renew this offer, but I have at the same time to say that an acceptance by you must be made by Wednesday of next week, otherwise the offer will be withdrawn and the Secretariat will be compelled to dissociate itself from THE NEW AGE as its official organ and to make it clear that it no longer necessarily represents the views and policy of Major Douglas.

May I say in conclusion personally that I do hope in your own interests as well as for the sake of the move-

\* Namely Tuesday, June 12, at Slaters, 5.15 p.m.

† Previous interview was on Wednesday, June 6, 5.30 p.m.

ment, that you will accept our offer. I cannot help feeling that any other outcome will be a calamity.

Jas. Ed. Tuke.

20, Rectory Road, Barnes, S.W.13.

June 16, 1934.

Dear Mr. Tuke,

Thanks for your letter of the 15th inst., which I received this afternoon. You must have posted it just about the time when I was sending out the letters which I told you of, the first batch of which went out last night.

I now enclose you a copy\* so that you may acquaint yourself with the terms of the letter.

As I told you on the telephone yesterday, and repeated to Mr. Bardsley at my office subsequently on the same day, I have no unfriendly feeling to any individual member of the Secretariat.

Arthur Brenton.

\* The enclosed copy read as follows:

Private except to Secretaries and Executives of Social Credit Groups.

June 15, 1934.

Dear Sir,

#### THE SOCIAL CREDIT SECRETARIAT.

A proposal is being canvassed by a group containing members of the Advisory Council of the Secretariat to ask me to resign the editorship of THE NEW AGE in favour of an editorial committee to be appointed by the Secretariat.

I am not satisfied with the reasons (criticisms of my policy and of the make-up of the journal) why I should resign. But as the Secretariat control the funds, their desire has the force of compulsion.

I want support for a proposal that a small "Committee of Privileges" be formed to inquire into the circumstances attending the inauguration of the Secretariat, and into the actions of some of its Council since its inauguration. I am prepared to submit evidence to show that my support of the launching of the Secretariat was rendered under a material misapprehension of the intended policy of this body with regard to their financial support of "The New Age." I do not impute wrong motives to anyone; but I do allege irregularities which have let me down. I want to have the allegation examined, and, if sustained, the damage repaired.

I am as adverse from publicity on such a matter as you are; so I suggest the Committee (say a tribunal of three) as the best method of localising the trouble.

I should value the opinion of your Executive as soon as convenient.

Arthur Brenton (Editor, "The New Age.")

1, Lincoln's Inn Fields, London, W.C.2.

June 18, 1934.

Dear Brenton,

I am very sorry to have your letter, and still more sorry to have the Circular letter which you have sent to the Groups, and which I consider very unwise. In view of this action I am writing at the request of Major Douglas to at once withdraw the offer I made to you on behalf of the Secretariat.

JAS. EDW. TUKE.

[In the interval before the next letter the editor was advised to make a formal offer to concede the editorship as such, but without raising questions of proprietorship or censorship.]

Wednesday, June 20, 1934.

My dear Tuke,

In reply to your letter of June 15 I hereby agree to resign from the editorship of THE NEW AGE in return for

a paid-up annuity of £4 a week on . . . [words follow indicating a joint-life basis which Mr. Tuke is entitled to quote verbatim if he cares to.]

ARTHUR BRENTON.

June 21, 1934.

My dear Brenton,

I have your letter of the 20th about the editorship of THE NEW AGE.

The terms you set out are quite impossible.

JAS. EDW. TUKE.

June 24, 1934.

My dear Tuke,

Thank you for your letter of June 21. I am inclined to think that I must have misunderstood the offer contained in your letter of June 15, in which you say "that the Secretariat or the Movement should . . . be responsible for a life pension of say £4 per week which . . . would give a (word indecipherable) measure of economic security for life."

I understood from the conversation we had on Tuesday, June 12, in which you asked my age and whether I had any idea of the cost of an annuity, that the "life pension" mentioned above, or an annuity amounted to one and the same thing.

Would you be so good as to state clearly in writing what the offer actually was and, I take it, still is? Without this information it is obviously impossible for me to make a decision.

ARTHUR BRENTON.

June 25, 1934.

[Received on Tuesday, June 26, at 2 p.m.]

My dear Brenton,

I have your letter of June 24.

The offer I made to you was based only on your own life. Bearing in mind that THE NEW AGE in view of its contingent liability to ———, is an unsaleable asset, I think the following proposals should meet your point of view.

The Secretariat, as representing the Executive of the Social Credit movement, will pay to you the sum of £17 6s. 8d. per calendar month.

It is obvious that this can only be paid if the Movement has the money to pay it, and to meet this situation, it is suggested that the payment to you is regarded as the consideration for a continuing lease of THE NEW AGE, which paper would revert to you on the cessation of the payments, if such cessation should be inevitable.

I should like to make it clear that this is a final offer and must be accepted or rejected not later than the receipt of your reply by me on Wednesday morning.

If you feel you must reject this offer, which I trust will not be the case, the Secretariat, of which Major Douglas is Chairman, will be obliged to disassociate itself from THE NEW AGE and to make arrangements for an official organ in other quarters.

JAS. EDW. TUKE.

No answer was returned to this letter.

On Saturday, June 30, Mr. Tuke telephoned asking the editor to "lend" THE NEW AGE to the Secretariat for the following week. An interview with Mr. Bardsley and Mr. Boothroyd took place later on that day, at which the editor held out for a week's delay because the time was too short to permit of his seeing what was to go in. Nothing subsequently transpired.

Geneva with accounts of its fiscal behaviour. At one juncture preparations were afoot to "occupy" Austria if she had proved obdurate—not necessarily by sending forces into Austria, but probably by creating them inside. Hitler's armed civilians are not a new idea.

Against this general background readers may consider that the responsibility for the recent assassination of Herr Dollfuss and the dangerous tension caused by it lies a great deal further back than the Nazis' capture of Germany, let alone Nazi propaganda and trespass across the Austrian border. If that propaganda is dangerous, as it is held to be, it is so because the people of Austria are indifferent to the form of government under which they shall exist. They are apathetic because they are apathetic, and they are apathetic because they are destitute. So while the responsibility for revolutionary incitement belongs to Hitler, the permeability of the Austrians by such incitement is the work of the bankers at Basle and their executive at Geneva. Dollfuss met his end because he could not make both ends meet. And that dilemma is the core of the world-complex of suspicion and disorder which now seems to threaten the collapse of civilisation.

### Engelbert Dollfuss.

[FROM A FOREIGN CORRESPONDENT.]

The daily papers contain so much about the attack on the Austrian Chancellery and about the chief victim that it would be superfluous to mention them in this note.

Engelbert Dollfuss was a fresh village boy delighting in the glamour of Vienna. He had the horse-sense of a thrifty peasant and the courage of endurance of an excellent lieutenant. At the time he took over the power in Austria, the country was split up into three about equally strong camps, friendship between no two of which was to be hoped for. Following the example of his late mentor, Dr. Seipel, Dollfuss based his plans upon the Roman Catholic Church, Geneva, and Basle. In the course of his short term of office he succeeded in greatly reducing the immense deficit on foreign trade, in removing the restrictions upon traffic in foreign currencies, and in consolidating the central authority, which had previously displayed disunity corresponding to the sympathy entertained variously by officials for the three conflicting camps. He probably met his end as he had lived, fighting bravely against big odds, to maintain his divided house.

This sketch of the man, which is the usual one, must be unintelligible to a dispassionate and critical observer. How could a man who does so much good have so very many implacable enemies to counterbalance his many warm friends and admirers? The explanation can perhaps be found upon closer examination of the man's personal qualities and his ideals.

Dollfuss was a devout son of the Roman Catholic Church and also a firm believer in orthodox financing. He attributed his success very modestly to these two supports. The probawas due not to these two supports but to his own personal qualities: disarming charm of manner, conscious personal integrity, pertinence, perseverance, and simple utility. By means of these attributes he won and kept friendly political, financial, and ethical relations both at home and abroad, all of which gave his Government efficient backing in its conflicts with the two opposing camps, the morale of which was already undermined. The Social Democrats were knocked out in February, because they had ceased to believe firmly in their own claims, and the Nazis are in a similar desperate position to-day.

As to his two outstanding principles, it is not necessary here to dwell upon the statement that Christian ideals and respectable financing are not compatible, if the former is understood to mean a fuller life and the latter to amount to effectual deflation.

The bitter antagonism which the Chancellor's policy provoked is due to the economic decline which is actually taking place in Austria, in spite of the favourable figures which can be advanced from the standpoint of banking interests.

How much of Engelbert Dollfuss's success can be attributed to his major principles and how much to his own personality will soon become apparent, when the influence of the two major principles emerges unmitigated by the humanity of the late lamented little leader.

### Liberals and Financial Policy.

Mr. Ramsay Muir, in a periodical called *A Westminster Newsletter* intended to instruct the rank and file of the Liberal Party, devotes attention in the issue for June to an attack on credit-reform theories in general and, by clear implication in places, on Social Credit. (Copies are procurable from 42, Parliament-street, S.W.1, presumably gratis.) We quote what Mr. Muir has to say on the subject because doubtless his views will be re-echoed in the constituencies as time goes on once the controversy on money becomes intensified. His remarks are as follows:

I have had several letters from readers of *The Liberal Way* who have complained that it is unsatisfactory because it does not contain any bold and revolutionary proposals about Money, which, in their view, is the root of the whole matter. There are a great many people who think that prosperity could be restored, almost in the twinkling of an eye, by reorganising the monetary system in one way or another. They say that peace, and free trade, and industrial reform, and the social services, and housing, and unemployment policy are all very well, but that they don't go to the root of the matter; and that if only their pet plan for reforming the monetary system were carried into effect, all these other problems would solve themselves.

This seems to me to be like saying that you can improve the weather by tampering with the barometer. It is true that a bad monetary system can do infinite harm. If too much money is issued, in proportion to the amount of goods that have to be bought and sold, we get inflation, prices go up, and all our incomes are worthless. If too little money is issued, we get deflation, all prices fall, all producers are injured, and all debtors are hard hit to the advantage of their creditors. If the value of our money varies wildly in relation to the money of other countries, our overseas trade is disorganised. Obviously, therefore, it is extremely important that the issue of money should be well managed, so as to avoid these evils.

But it does not follow that a well-managed monetary system is by itself enough to bring prosperity. After all, money consists only of tokens, or tickets-for-goods, by means of which we measure the value of our goods and services and by means of which we exchange the goods or services we have to sell for the goods and services we want to buy. Our real wealth consists of goods and services; and we are prosperous when we have plenty of goods and services to sell and are able to sell them, and when we can get in exchange the goods and services of other people which we want. We can't increase the amount of goods and services by merely increasing the number of tickets for goods which we use as the means of exchanging them.

The favourite argument of the enthusiasts for monetary reform is that the cause of bad trade is that people have not enough money with which to buy the goods that are produced. This is perfectly true, so far as it goes. But why have not people enough money? Because they cannot sell the goods they can produce. We can produce, in this country, vastly more goods of some kinds than we can possibly use ourselves; we cannot produce more than a fraction of the goods of other kinds that we need. Therefore, if we are to be prosperous, we must sell to other countries the goods of which we can produce a surplus, and buy from them in exchange the goods which we cannot ourselves produce, or can only produce at a high cost. But we are prevented from doing this by tariffs and quotas. No tinkering with the issue of money can possibly alter this state of things. The only remedy is to remove the obstacles to trade.

But our monetary enthusiasts will not see this. They say: "Let us issue enough money to our own people, and they will be able to buy everything they want. Let us print enough pound-notes to enable us to give an income of £300 a year to every family in Britain, and see how trade will go up! Everybody will start buying, and all the industries will at once be busy." They don't stop to think that our own people can't buy and use all that we produce of some things, such as cotton goods, of which we only use about one-fifth of what we produce. They don't stop to think that if people are paid a good income for doing nothing, they may stop working, and therefore we may not have the goods to exchange for the foreign goods we need; or the cost of producing them will be so high that we won't be able to sell them.

Above all, they don't ask themselves what would be the effect upon the value of money of issuing so much of it without any corresponding increase in the amount of goods

produced. If there is twice as much money to be exchanged for an unchanged quantity of goods, the price of these goods will be twice as great; and we shall have all the evils of inflation. All our wages and incomes will only be worth half as much as before, and we shall all begin demanding a rise. The Government and the local authorities will have to pay twice as much for all their requirements, and therefore the taxes and rates will have to be increased. Foreigners will demand twice as much of our money for everything they sell to us, and our over-sea-trade will become much more difficult. In the end we shall be worse off than we were at the beginning.

There is no getting away from the fact that the only way to achieve prosperity is to make it possible for our people to produce and to sell more wealth. They can produce abundance of wealth, but they can't sell it because of tariffs and quotas.

Mr. Ramsay Muir attacks the idea that a reform of the money system will solve "all other problems." It seems to him, he says, "like saying that you can improve the weather by tampering with the barometer."

Later he says, "a bad monetary system can do infinite harm." This is like saying that a bad barometer can produce bad weather. Later still he says: "But it does not follow that a well-managed monetary system is by itself enough to bring prosperity." This is like saying that a wise manipulation of the barometer will do something, though not everything, to produce good weather.

He agrees that *people* have not enough money to buy the goods produced. But the reason is, he says, because they cannot sell the goods they can produce. "Our real wealth consists of goods and services," but *we* are only prosperous "when *we* can sell them" and when *we* can "get in exchange the goods and services of other *people*."

*People—our—we—other people.* What people is Mr. Muir talking about—and what goods? He must make up his mind. If he is seeking to upset the Social Credit Analysis itself as reflecting a universal truth, that is one thing; but if to prove that the adoption of Social Credit in one area is futile while other areas remain under the existing system, that is quite another. To mix the two is to confuse science with politics, and that is what Mr. Muir does. His "people"—"we"—"our" are used in one place to connote the idea of *all* people, and in another to connote the idea of *some* people. And similarly with "goods"—these may connote variously *all* the goods of *all* people, or *all* the goods of *some* people; or *some* of the goods of *all* people; or *some* of the goods of *some* of the people. This confusion involves a breach of elementary rules of the science of logic, as a glance at any text-book will show. And you don't need lessons in logic to see that all argument is futile if you change the original meaning of your terms in the course of making deductions and arriving at conclusions. Take an illustration. Assume circumstances in which every family income is regulated according to a cost-of-living index figure. Now a birth-control advocate might propound something like this:

The smaller our families the better off we shall be.

This can be true, or false. It is true if "our" and "we" refer to the families of *some* people among other people; but false if those terms refer to *all* people and their families. For whereas the families of *some* people can be below the average for all people (in which case the some save money at the expense of the rest and are thus "better off") the families of *all* people cannot be below the average of the families of all people—in other words, no family can save out of the regulated income.

Bearing this in mind, and assuming Mr. Muir's inten-

tion to attack the Social Credit Theorem as a universal scientific proposition, then whenever he speaks of "people," "goods," "money," and so on, he must be understood to refer to *all* people, *all* goods, and *all* money. If he needs, at any juncture, to depart from this rule to make some incidental point, by all means let him do so provided that he makes it clear that he is doing so and is talking of *some*, not *all*.

Let us clarify one of his statements according to this principle. As amended the one we select will be:

All the real wealth of all of us consists of all our goods and services, and all of us are prosperous when all of us have plenty of goods and services to sell and are able to sell them, and when all of us can get in exchange the goods and services of—

But now the sense is pulled up with a jerk; for the concluding words are:

—other people.  
What his original terms oblige him to say is "each other." *All of us* can do buying and selling with *all of us*, or *some of us* with *some of us*; but in no case with *others than* all of us, for they do not exist.

Let no one dismiss this as pedantry, for the fundamental claim of Social Credit advocacy rests on the position that given the most ideal circumstances that orthodox economists could imagine, the existing monetary system would fail to work. That is to say, if all of us, with all resources, and all money were in one all-in area, all the incomes of all of us would not suffice to purchase all the goods and services of all of us. That is the fundamental and universal proposition, and whether it is true or not, no splitting up of these "alls" into "somes" will establish the truth either way; it will only obscure it.

Now we will take another statement of Mr. Ramsay Muir's. As clarified by us it will read as follows:  
But *why* have not all of us enough money?—*why* is not all the money of all of us sufficient? Because all of us cannot sell all the goods that all of us can produce.

Then he goes on (and these are his own words):

"We can produce, in this country, vastly more goods of *some kinds* (his italics) than we can possibly use ourselves; we cannot produce more than a fraction of the goods of *other kinds* (his italics) that we need." Notice that the conception has changed from "all" to "some." The statement now is: Some of us (the rest being outside "this country") can make some of all the goods (the rest being made outside this country).

Let us examine the argument about "kinds" of things. The Social Credit case is that all of us get insufficient money to meet the cost of all the things that all of us make. There is no distinction of things by "kind." The "all" is quantitative.

Mr. Muir's argument may be illustrated like this. Some of us can grow 200 oranges and 200 lemons. The rest of us can grow 50 oranges and 150 lemons. Some of us can grow 150 oranges and 50 lemons. Some of us can grow 50 oranges and 50 lemons. Some of us have insufficient money to buy the assorted fruit which some of us grow; the rest of us have insufficient like-wise. If some of us exchange our 50 lemons for the oranges belonging to the rest of us, the redistribution of the fruit, he asserts, will make up all the monetary deficiency of all of us. This assertion is a proposition to be proved, not a conclusion to be swallowed. Dividing "all of us" into two groups A and B, and postulating that group A cannot buy their 50 lemons nor group B their 50 oranges, how do these groups get hold of the money to buy the fruit when it has changed hands

*Ex hypothesi*, the act of growing did not engender equivalent money in either group, nor does any authority to-day assert that when you produce goods you thereby increase money. Then does the act of exchanging goods increase money? Mr. Muir is bound to assume so to make good his proposition. But how? Whether the fruits are exchanged by barter, or on a price basis, how can both groups fill up their deficient purses at one and the same time?

The answer is that the only way in which that could be done would be if the bankers of group A gave an "export-credit" to group B, and the bankers of group B reciprocated. Then everything would be all right—at least for the time being. For, as Mr. McKenna has pointed out, the amount of money in existence at any given time depends upon the actions of the bankers in advancing and retiring credit—i.e., in creating and destroying money.

To come to another aspect of the argument. If there is no relation between the quantities of oranges and lemons which all of us grow, and the quantity of money which all of us have, where is the sense in discussing whether some of us *want* oranges or not, or others lemons or not? If all of us had enough money to buy all the fruit we grew, our wanting or not wanting oranges, or lemons, would not alter the quantity of money at our disposal. If you have a penny and look in a shop window at a penny orange, but turn away saying: "No, I won't buy it," your penny does not disappear.

Mr. Muir's, like all other attacks on Social Credit, depends for its plausibility on what may be called the "Elsewhere or Hereafter" theory as opposed to the "Nowhere Now" theory. The Social-Credit proposition is that the money representing the difference between all prices (at cost) and all incomes, does not exist as purchasing power, and therefore requires to be created. All counter-propositions hold (and must do so) that the money exists *somewhere* in the everywhere, and only requires to be spread out over the everywhere to become purchasing power. Thus it is variously held to exist by different critics in "idle balances," "investments," "other firms" (as in criticisms of the A+B Theorem), "other countries" and so on. And when, occasionally, a critic is stumped by the question: Where? he sublimates his "elsewhere" into terms of time, saying that the money missing to-day will be present to-morrow, or at any rate early enough to meet costs when goods are ready for sale. Thus you get the answer sometimes, that "B" expenditure (as defined in the A+B Theorem) is, at any given time, in process of becoming "A" expenditure.

To sum up, the deadlock experienced *here and now* is held out as being merely a temporary disadvantage always about to be resolved *elsewhere or hereafter*: that the meal which is not on Jones's plate to-day either is on Smith's plate to-day or will be on Jones's plate to-morrow. If Jones can wait until Smith has fed, he himself can then feed. Some alchemy will change the one meal in sight now into two meals inside hereafter, or be "exchanged." The underlying notion is parallel to the idea contained in the banker statement that "money fructifies"—that what is—money or meals—will grow to be more if you wait. Waiting, in this context, of course means abstinence; hence abstinence is in itself regarded as the generative principle of prosperity.

Accordingly any proposal to expand purchasing power

by direct monetary means is regarded as "tampering" with the system. A writer in *Nature* (July 28, p. 141) prefers the term "juggling." Answering Sir Richard Paget he says:—

"We fail to understand how the production of goods below cost is the equivalent of real wealth; surely it has the contrary effect. No juggling with the monetary system will obviate this state of affairs; indeed, where the experiment has so far been tried it has not been exactly attended by success."

Presuming him to mean *selling* (not "producing") below cost (you produce *at cost*) it is obvious that more real wealth is transferred to consumers. On the other hand the seller loses financial wealth, i.e., money. What does the whole transaction mean realistically? It means that extra concrete wealth has come into the consumer's possession, and that the producer loses a certain number of pieces of printed stationery (to quote Mr. Gavin Simonds on currency-notes in the Bank of Portugal's action—and the description is even more appropriate to the inflationary duplication of currency in the cheque-system). Now Sir Richard Paget had suggested (in a letter in the same issue of *Nature*) giving increased purchasing power to the community. In the present context that would mean giving the producer some pieces of printed stationery of equal denominational value to the cost of the extra concrete wealth he had distributed to the community. If the immediate "success"—which is obvious—of doing this is held to involve ultimate "failure," let the reasons be given, but do not dodge exploring them by the use of the terms "tampering" or "juggling"—let the tentative term, *adjustment*, be employed.

And now, to finish with Mr. Muir, we will list some further statements by him:—

1. We can't increase the amount of goods and services by merely increasing the number of tickets for goods which we use as a means of exchanging them.

*Answer.* 1. It is not proposed *merely* to increase the number of tickets, but to ensure *also* that the new tickets shall constitute new effective demand.

2. The only remedy is to remove obstacles to trade.  
*Answer.* 2. Obstacles to trade are all local devices to make the money in the locality "go round," and not go out of the locality to sellers in other localities. (E.g., tariffs, quotas, etc.) They are all devised to solve an existing problem of money-shortage: they are not the cause of that problem.

3. If people are paid a good income for doing nothing they may stop working . . . no goods to exchange for foreign goods . . . or cost will be so high that we won't be able to sell them.

*Answer.* 3. From 1914 to 1918 Britain's armies received pay for doing nothing as producers of wealth and for doing a great deal as destroyers of wealth. During those years the volume of production rose enormously, and at the end Britain's capacity for further production had grown by something like 25 to 50 per cent. True that costs of goods became high, but the producers were able to sell them at remunerative prices.

4. If money is doubled; but not goods, prices will be doubled: foreigners will demand twice as much of our money for what they sell to us . . .

*Answer.* 4. But conversely, on the same reasoning, we shall need to demand from foreigners only half as much of their money for what we sell to them. Driven to the extreme, our imports would contract to nil while our exports would expand indefinitely. We should have that "favourable balance of trade" which Liberals have always held to be the secret of Britain's supremacy in the pre-war world. It is true that Mr. Muir recognises the necessity for our "exchanging" goods (importing as well as exporting) but the paramount necessity, in his view, is not exports, as his use of italics indicates. Moreover, logic compels him to stress exports, because his general case is that we are short of money because we cannot sell to the foreigners. Obviously if we buy from them our money becomes shorter still.

## The Films.

### "Stand Up and Cheer."

I commend this film to the particular notice of New Age readers as an example of Hollywood's politico-economic propaganda. The idea is good, and could have been made more amusing. The President of the United States creates a new Government Department—the Ministry of Amusement—which is allotted an initial budget of a hundred million dollars, in the belief that if the populace is given enough circuses, the bread will follow. Big Business, which has staked its fortunes on the continuance of the depression, tries to wreck the Ministry by ridicule and an appeal to Puritanism, but the circuses prevail, the depression is killed, and unemployment ceases to exist. The theme is overlaid by production numbers of excessive length and not excessive originality, and is in general unsuited to English audiences. But it is interesting as an example of propaganda that deals with starvation in the age of plenty without the slightest attempt at diagnosis. Will Rogers is partly responsible for the story, but that does not explain the failure to come to grips with the problem.

### Meet Mr. Mayer.

A few days ago I lunched with Louis B. Mayer, vice-president of the Metro-Goldwyn-Mayer Pictures Corporation. Mr. Mayer's post-caviare speech may be summarised as follows:—

"Whatever England wants, America wants. American successes are successes in England. Why not the other way about?"

"It's one thing to make a star, and another to keep stars up to the mark.

"Ben Hur" was the biggest picture ever made.

"Every bad picture hurts the good ones.

"We hope to get good pictures from England to relieve the poor ones in America.

"There are too many films on the market, and too few attractions." (The last appears to be Mr. Mayer's favourite word.)

Save for his eulogies of Alexander Korda, the maker of "The Private Life of Henry VIII," and his reference to "Ben Hur," I am largely in agreement with Mr. Mayer. Unfortunately no film studio, English or American, squares its practice with his theory.

### "Lilies of the Field."

This is definitely not the sort of picture America wants. At least, I hardly think it would come up to Mr. Mayer's standard of desirable imports. A banal plot, characters devoid of reality, shouting players, the accents of West Kensington, and actors and actresses who for the greater part have no knowledge or understanding of screen technique, and a fade-out of kisses in the 1914 formula, are its main ingredients. But, apparently, this is the sort of thing that English audiences like. If Mr. Mayer were to run a dozen of Elstree's box-office successes in the United States, he might revise his opinion that "Whatever England wants, America wants."

DAVID OCKHAM.

## LETTERS TO THE EDITOR.

### THIS AGE OF PLENTY.

Sir,—In your issue for July 26, you quote *The Times* as saying that the main obstacle to the success of the beef subsidy is "the difficulty of bringing the price of home-bred beef near enough to the prices of imported beef." On the same day on which you gave this extract, I made some inquiries, with the following results:—

(A) The highest market price for British carcasses was 48s. a cwt.—4 1-7d. a pound.

(B) Retail quotations ranged from 1s. 6d. to 2s. 4d. a pound, according to cut; West-End prices were probably higher.

Students of Social Credit do not require to have the implications outlined, but two things should be said—the retailer and the middleman make large profits while producers are on the verge of bankruptcy, and it is a notorious fact that most West-End hotels and restaurants serve us English beef, since the imported product is so much more profitable to sell. Subsidies cannot bridge a price gap for which the issue-producers are responsible.

VERNON SOMMERFIELD.

## Income Tax Law.

"I have respect for the Inland Revenue authorities. They always know their own minds. They always know where they wish to go, and if they cannot get there within the provisions of the law as it exists they don't waste much time in altering the law. I understand that a rather intricate point in income tax law has reached an acute stage. By the provision of the Finance Act, 1922, it is possible to evade the payment of income tax by giving away money by deed to children or dependant relatives. It has taken 12 years to discover the possibilities inherent in this provision. The revenue authorities asked for a judgment of the court. It was given, but on appeal it was upset. Now there is a probability of the case going to the House of Lords, and if the decision of the final tribunal is against the revenue authorities it will be found that an amendment will be inserted in a Bill now before Parliament which will make watertight that legislation intended to diminish our real incomes by the amount which the authorities can take from us in the name of income tax law."—Note-writer in *Dundee Courier*, 25-7-34.

## Japanese Dumping.

"No country is free from Japanese 'dumping' and its effects. Senor Iranzo, Spanish Minister of Commerce, told Cabinet that the Japanese dumping of cotton goods and textiles in Spanish Morocco and the Canary Islands had reduced Spain's output of cotton by 30 per cent. and textiles by a still greater percentage."—*New Economics* (Melbourne), 8-6-34.

## Repayment by Borrowing.

"Professor Copland, in a recent Australian supplement to the *Financial Times*, England, made the definite statement that Australia had never yet paid a penny in interest, but had always added that to debt."—*New Economics* (Melbourne), 8-6-34.

## Central Bank's Profits.

"Mr. Walter Leaf, late chairman of the Westminster Bank, in his book on *Banking*, says of the Bank of England: 'What the real profits of the Bank are is a secret which is never revealed.'"—*New Economics* (Melbourne), 8-6-34.

## ACADEMY CINEMA, Oxford Street.

GER. 2981.

Schnitzler's Viennese Romance  
"LIEBELEI" (A)

and

The Scott Epic "90° SOUTH" (U)

## FACTS of the "SPLIT"

Correspondence between the Social-Credit Secretariat and:

- (a) The Editor of THE NEW AGE
- (b) Social-Credit Groups and individual supporters

on the relationship between the Secretariat and THE NEW AGE, together with comments by the Editor.

Copies have been sent gratis to respondents to the "Appeal" published on July 26, and certain other supporters.

Copies will be sent otherwise on application at the price of

2d. post free.

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