

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2220] NEW SERIES Vol. LVI. No. 22. THURSDAY, MARCH 28, 1935. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

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NOTES OF THE WEEK.

The Central Hall Demonstration.

[By Arthur Brenton.]

The Secretary, Executive and Members of the London Social Credit Club deserve all the congratulations that have been offered them on the success of the Demonstration held at the Central Hall, Westminster, last Thursday evening. As for that tried and trusted servant of the Movement, Mr. A. L. Gibson, it is sufficient to say: He came; he spoke; he conquered. And the character of the means by which he conquered, namely the humane and intimate tone of his appeal, the relevancy of his factual material, and the cogency of his arguments, constitutes indirectly a high tribute to the worthiness of the audience who allowed themselves to be conquered by those means.

* * *

An old hand at the political game, and one with many recollections of proceedings in the Central Hall, said to me afterwards: "Did you ever see an audience like this before?" And what he meant was borne out separately by three visitors in my hearing, each of whom said in so many words that what had struck him was the intelligent appearance of the persons constituting the assemblage. When, as happened, the conduct of the assemblage during the address confirmed this preliminary diagnosis, it is not surprising that one gentleman—an acute business man—was heard to remark: "I can't say that I fully understand this new theory, but from what I've heard to-night I am prepared to take it on trust."

* * *

When comparing notes on the evening following the meeting with a group of active Social Credit supporters, one of them said something which ought to be recorded. He had prevailed on some of his friends to come to the meeting to hear the subject explained. Mr. Gibson, as was inevitable, was obliged to omit several points which he could have elucidated; and in reference to these omissions my friend said: "I was a bit nervous that the

people whom I had brought would spot them and would say 'Ah, this speaker is skating quickly round the thin ice of his subject,' but," he continued, "to my surprise afterwards they were completely satisfied with the address, and did not appear to have missed at all the very points which I had feared they would want to hear explained before anything else."

* * *

Quite so. And there were probably many more Social-Credit enthusiasts in the same situation: they had brought visitors and were nervous lest the speaker would leave loopholes through which these visitors would want to shoot at them afterwards. I fancy that this nervousness is the consequence of a mistaken assumption on the part of Social-Credit advocates that those particular questions which they have found it most difficult to answer in their private tussles with meticulous and persistent critics must necessarily be uppermost in the minds of a large, mixed assembly. A moment's reflection will show how ill-founded that assumption is; and particularly so as concerns the kind of audience which was present at the Demonstration. We had in that hall on that night a company of listeners who reflected with balanced emphasis the common sense, the common experience, and the common humanity which constitute the social conscience of the British people. We had a community of spirit which was fatal to intellectual specialism on the one hand and to undisciplined emotionalism on the other. And in Mr. Gibson we had a man who, it is no exaggeration to say, is, in his own person, the embodiment of these qualities and the expression of this spirit. It was merely necessary for him to speak what he felt for the audience to feel what he spoke.

* * *

"What I liked about your speaker," remarked a visitor to one of our members, "was his choice of words and phrases." There will be no need for me to annotate the tribute with examples illustrating what this gentleman meant, except to mention Mr. Gibson's choice of the

antithetical words *enrichment* and *impoverishment* when discussing the real-credit factors omitted or misdescribed by the financial interests who prescribe, and impose upon the Government, the model of setting forth accounts known as the National Budget. This is all in keeping with his opening statement when he invited his audience to put aside political and social preconceptions, and to weigh his arguments on their merits. "For I am here," he marked, "to spread light, not heat."

There was little applause during the speech, but that this was due to the concentration of alert intelligences was manifest in the instant spontaneity with which it punctuated, at the right places, the major steps in Mr. Gibson's argument. And nothing but arguments, or facts illustrative of arguments, drew any applause. The most impressive passage in the speech was when he recited the long list of scientific labour-saving inventions which mark the advent of the Power Age, and thereby drew a graphic picture of the fast-contracting scope for human services within the economic system. Then, as a commentary on the consequences, he read out an analysis made by some actuary and published in the Press to further the high-pressure selling of insurance, in which it was calculated that out of every hundred young people alive to-day so many would be dead by a certain time, so many would have retired on a private income of some kind, while the rest (a large proportion of the whole) would be dependent on the charity of their neighbours. It was here that Mr. Gibson permitted himself one of his rare appeals to emotion, commending every young man and woman in the hall to reflect on the sinister significance of this statistical reflection of the inevitable consequences of the onrush of human displacement by mechanical substitutes. Not less effective, in a lighter vein, was the story he told in order to bring home to them the futility of arresting this development. Two unemployed navvies were watching a mechanical excavator at work on a site in Sheffield. Says one to the other: "I reckon that job would have given work to 500 of us men with shovels." Says the other: "Why not 50,000 with saltspoons?"

Then there was another humorous passage which elicited the biggest laugh of the evening. It was the reading of a satirical spoof letter recently sent to an American journal apropos of the hog-raising restrictions in vogue there. It ran along these lines:

"Sir,

A friend of mine has just received a cheque for not raising hogs. He got \$1,000 for not raising 200 hogs. When he was raising hogs he never got more than \$400. I figure that if I start not to raise 500 hogs I can make a comfortable living. Can you inform me the best kind of land on which not to raise hogs? Thanking you for your assistance, Yours truly —"

Each of these stories, in its setting, became a parable—a homely interlude with a profound meaning; and those readers who were unable to attend the meeting will realise in part why the audience responded so sympathetically to a course of instruction which throughout called for unbroken mental concentration.

In the regrettable absence of the Marquis of Tavistock, due to illness, the organisers were fortunate to find a chairman in Mr. Philip McDevitt, of Glasgow, who happened to be in town last week on a short visit. Both in tone and substance his opening remarks made

an admirable prelude to the address. He is an old friend of Mr. Gibson's, and as Mr. Gibson told the audience, enjoys the distinction of being the first man to give an address about Social Credit over the air in Scotland. Added to which he is a forthright man who calls a spade a spade—and without the wireless accent. As will have been gathered, his undoubted reserve powers of handling meetings were not called upon on this occasion except to marshal friendly questioners in a queue after the speech. The meeting ruled itself: and when one considers its size, and also the traditionally provocative nature of proposals relating to economic policy, that fact by itself must have made a great impression on all present who have had experience in the conduct of meetings. The behaviour of the audience was a foretaste of the behaviour of the whole community when Social-Credit precepts shall have been finally fulfilled in Social-Credit policy and practice. It portended the withering of all dictatorship in the sunshine of true self-government.

Political Action.

The outstanding feature of the Central Hall Demonstration was that an audience of 2,500 could be assembled in London by a private group of enthusiasts to hear a speaker whose name was entirely unfamiliar to the public. It shows what can be done by unfettered personal initiative. It also proves that the interest shown here and everywhere else, is in the *what* and the *why* of Social Credit, regardless of who sponsors it. It was the pressure of uncentralised unregulated and diversified educational effort which elicited from the Treasury the licensing of Social Credit for public exhibition symbolised by their acquiescence in Mr. Hawtrey's entering into the debate with Major Douglas in Birmingham. It was the granting of what the cinema trade would call "Certificate A." The subsequent invitation for Major Douglas to debate with Professor Robertson on the wireless may be regarded as equivalent to the issue of "Certificate U." And of those two events it was the inevitable consequence that there would be a quick and progressively increasing demand to know what Social Credit was all about. And that will continue to increase. Intermixed with it is a natural curiosity to see and hear the discoverer himself, but that will diminish with its indulgence, and the consolidation of the Movement's forward progress will eventually depend upon the competence of its expositors and the character of its supporters.

Methods of Pressure.

As will be seen elsewhere in this issue, the official attitude seems to have undergone some change during the last month or so. At first pressure was to be brought to bear on Members of Parliament by mobilising electors to vote against refractory candidates. The mobilisation was to be effected through house-to-house canvassing by existing members of the Movement, and the latest instruction is that members cease canvassing, and first concentrate on recruiting others to do this work. These "others" are designated "lay brothers," and it is calculated that 10,000 of them will not be too many to aim at. For pledged electoral majorities have to be secured in over 300 constituencies in order to ensure a "Social-Credit" majority in the House of Commons. So far there is no change of principle, but a modification in procedure. The original army of canvassers are raised to the rank of recruiting-sergeants, and invited to raise another and larger army. The doctrine remains that the power to affect economic policy is inherent in the vote.

The Electoral Campaign.

I.

Points from Major Douglas's Belfast Address, March 14. "It is the purchaser who ultimately decides the economic policy."

"If half a man's income is taken off him and put into the hands of a bureaucracy, that half of the policy which is dictated is taken out of his hands."

"In England we tried reasoning, but we did not find it successful, so we are going to become a militant division. We are mobilising the electoral power of British holders. We asked: 'Do you or do you not want a division of the goods which can be produced?' In short: 'Do you want a National Dividend?'"

"We are going to the Member of Parliament and we are going to say: 'Will you use your utmost endeavours to put this thing through: because if you are not we already hold sufficient funds to turn you out the next election.'"

"I think I can honestly say I don't care whether or not my proposals are used as a method for achieving results. I am inclined to think that the proposals for the discount and the possible later introduction, particularly in Northern Ireland, of a universal National Dividend are, in fact, complementary to one another. I am inclined to think that in some form or other, with possible modifications, these two will be found to be the simplest, least troublesome and most radically effective methods of producing results. We do not care. What we want is results, and we want them quickly."

II.

Points from E.C.D. Circular No. 1.

"42. The third pair in the team call together (at one door) 'to interview' recalcitrant electors because two at an interview often get their way against one being interviewed."

"51. Those responsible for the electoral campaign in each district should themselves make provision for collecting the necessary funds."

"As soon as responsibility has been allocated upon your replies to pars. 1-3 authority for you to appeal for funds will be sought from Major Douglas and forwarded when obtained."

24. [Recommendations to drop "canvassing" and get on with "recruiting,"]

25. ["Lay brothers" (raw recruits) deliver leaflets on the very first day without having to know anything about Social Credit.]

Major Douglas's Appointment.

"Edmonton, March 5.—The terms on which Major Douglas, British social credit expert, was invited by the Government to come to Alberta in an advisory capacity in the matter of financial reform, were stated by Premier Reid in the House, Tuesday, as a payment of a 5,000 dollar contract, and 2,000 dollars each of two visits if he comes to the Province."—(*The United Farmer*, March 8.)

Mr. Aberhart's Opportunity.

The Legislature at Edmonton have invited Mr. William Aberhart to "come to Edmonton for the purpose of preparing and submitting a comprehensive social credit plan for the consideration of this Legislature." Compensation for loss of time and out-of-pocket expenses is offered to him. Attorney-General Lyburn, in the discussion, pointed out to the House that Mr. Aberhart had repeatedly stated that if he were asked to submit a plan he would ask Major Douglas to prepare one. So there appeared no object in inviting Mr. Aberhart after the Government's decision to invite Major Douglas. (Report in *The United Farmer*, March 8.)

But at Belfast Major Douglas laid it down that the power to affect economic policy is inherent in the purchasing-power of money; and also said (and it is a logical corollary) that refractory Members of Parliament were to be warned that "we" (meaning the Social-Credit leaders and negotiators) have the "funds" to turn them out with. Lastly, he said that it was immaterial whether his proposals were pressed on a Government so long as the Government produced the desired results, and produced them quickly.

Now, in a recent official circular the slowness and laboriousness of the house-to-house canvassing-procedure is recognised, but is pronounced imperative because funds are lacking to do the job otherwise. The only basis on which it is possible to reconcile these discrepancies seems to lie in the assumption that the latest official policy is to organise canvassing ostensibly and immediately for votes but actually and ultimately for money. If that is so, it would appear to be incumbent on the Social Credit Secretariat to say so in plain and unmistakable language. It would clear up a misunderstanding which has bothered many loyal members of the Movement, namely, the apparent repudiation of the well-established doctrine that the vote, as such, is impotent to effect changes of policy against the will of the bankers.

Centralised Ineptitude.

A letter just received from the editor of *The New Economics* (Melbourne) conveys the startling and unpleasant news that he has been obliged to relinquish his work on that journal. From information in our possession this is indirectly due to the indecision of the Social Credit Secretariat in London who left him unsupported in his criticism of the Australian "Douglas Credit Party's" electoral programme until it was too late for their own criticism to be of any use. Precisely the same defective leadership has been made manifest in Alberta, where Mr. Aberhart's supporters were allowed colourably to invoke Major Douglas's name in support of their programme against Mr. Kerslake's criticism—Major Douglas's endorsement of Mr. Kerslake's attitude coming after all the damage to Albertan unity had been done. We shall extend these remarks next week.

Money and Melody.

The following notice appears outside S. Mary Woolnoth Church, at the junction of Lombard Street and King William Street, E.C.—almost opposite the Bank of England.

Wednesday in Lent at 1.10 p.m. A course of five lectures addressed by the Rev. O. F. Clarke, chaplain of London House, "The Christian Adventure," beginning March 6, at 5.30 p.m. Short Evensong and Address.

Mar. 6. The Bishop of Chelmsford.
Choir from National Provincial Bank.

Mar. 13. The Bishop of London.
Choir from Lloyds Bank.

Mar. 20. The Rector.
Choir from Phoenix Assurance Co.

Mar. 27. The Archdeacon of London.
Choir from the Guardian Assurance Co.

Apr. 10. The Archdeacon of Warwick (The Ven. H. St. B. Holland). Choir from Martins Bank.

Whether congregational participation in the singing will be allowed is not stated. We should say not, taking a line from the established doctrine that there must be no lay interference in professional financial policy. In any case the dictum: "Leave it all to the bankers" may as well apply to the religious as to the secular affairs of mankind.

The Social Credit Library.

"THE A + B THEOREM" (H. M. M.).

By John Grimm.

Students will be glad to hear that H. M. M., the author of that deservedly popular booklet, *An Outline of Social Credit*, has written another under the title which heads this article. It will be published shortly by Stanley Nott (69, Grafton Street, Fitzroy-square, W.C.1). By the courtesy of publisher and author I have had an opportunity to read the manuscript, which is a document running to about twelve thousand words.

In the first chapter the author describes the nature of financial credit and its circular itinerary from and to the banks, referring the reader to orthodox writers such as Macleod, Hawtrey, and McKenna.

He then classifies credit under two heads, *new credits*, and *replacement credits*. The new credits are those handled by the community as wages, salaries, or dividends: the replacement credits are "all other credits."

Since all credit in circulation represents a debt to the banks, and since all goods are produced on credit, it follows that a debt due to and manufactured by the banks attaches to all goods so long as they are in the hands of business firms. This debt is transferred by means of *replacement credits* during the progress of goods from one trader to another. It is not extinguished until or unless the goods are "bought by a final consumer and paid for out of his income": that is to say, the debt is only extinguished by the spending of *new credits*. "Even then," the author proceeds: "there is really only a transference of debt from one cycle of production to another" because the incomes now spent are being accounted into the cost of goods not yet on the market.

He concludes the chapter by pointing out that the "community's assets" are progressively being transferred or "in pawn" to the banks or their satellite institutions.

In chapter 2 the author deals with the A and the B categories of payment (the A + B Theorem having been cited in Chapter 1) and particularly with the familiar objection that B payments can be resolved into A payments. He points out that while this objection is true, "these B payments only represent, they do not constitute, wages, salaries and dividends." "They consist wholly of *replacement credits*." In developing his argument he makes an important observation, namely that "purchasing power" can and does "pass out of existence even if cash does not." In the context this is intended for the man-in-the-street who habitually thinks of money as consisting of the notes and coins that he handles, and who, seeing these constantly circulating between employer and employee, and between both and the banks, is "frankly incredulous when he hears about their passing out of existence."

The author goes on to examine and analyse Professor Copland's diagram in *Facts and Fallacies of Douglas Social Credit*, of which he finally remarks:

"It will be noticed that there is no banker in his [Professor Copland's] circuit; no creation of credit; no repayment of it; and, by eliminating time, he is able to perform miracles of buying with purchasing power which, in the real world, would long since have ceased to exist. It is, in short, an ideal circuit that never was on land or sea."

In Chapter 3 the author inquires into the question: What

causes the discrepancy between incomes and prices? In his answer he describes the effect of the investment of savings showing how, among other consequences, the public are saddled with the obligation to pay capital-depreciation charges twice when they have only received an equivalent income once.

He next cites and analyses Professor Bowley's statement (of 1921) when he wrote: "National income is equal to the total value of goods and services produced or rendered in the United Kingdom, together with interest, etc., from abroad (less payments), the expense of maintaining capital being deducted." The author comments: "But as the total price of the goods and services . . . includes the expense of maintaining capital, how can the world's income, being less than that price by the expense of maintaining capital, ever pay the price?" [He substitutes the "world" so as to be able to apply Professor Bowley's definition within a closed credit-area, thus eliminating the unnecessary reference to what happens "abroad."] In Chapter 4 the question is posed and dealt with: If the Theorem is true, why did not the economic system break down long ago? The author commences his answer by citing Sir Arthur Samuel (*Times Trade Supplement*, November 1, 1930) who wrote: "Therefore, at a cautious estimate I say we have lost not less than £2,000 million in overseas investments during the last sixty years. . . . It is not unlikely that our loss has been much heavier, perhaps even £4,000 million."

Then follows an account of how Britain set to work industrialising the world, exporting to other countries the means of their manufacturing for themselves and the means of their competing with us.* The author emphasises the fact that the exports were not payments for imports but were surplus exports sent abroad in the "vain endeavour to capture money." His elaboration of this statement must be left for the reader to examine in due course.

In the next and following chapters the author examines Mr. Gaitskell's article in Cole's *What Everybody Wants to Know About Money*. He does not approach the subject via the diagrams used by Mr. Gaitskell and Mr. Adamson, and in fact hints (what is probably the view of most students) that the diagram-method of elucidation tends to mortgage the Social-Credit case to the orthodox critic. He remarks that if anybody wants a diagram the frontispiece to *Economic Democracy* comes nearest to embodying the dynamics of the credit system. For the rest he deals with the fundamental implications of the system, avoiding all complicated calculations. One arresting observation is as follows:

" . . . the national prosperity is measured solely by what is bought with A credits. What is bought with B credits may represent potential wealth; but it becomes actual waste unless the B credits are replaced by A credits when the goods reach the retailer's counter."

In conclusion, there is every reason for expecting that the appearance of this new work will be highly appreciated by Social-Credit advocates.

*To finance this the bankers advanced new credits which, while being used, provided the British people with supplementary incomes and helped to bridge the gap between consumption-prices and consumer-incomes. The richer classes of consumers got the bulk of the credits, and this enabled the banks to extract and retire most of their credits through the sale of securities based on the debts incurred by the importing countries, the rest being retired via the consumption market.

The Point of the Pen.

By R. Laugier.

No. XXIV.—THE DECAY OF DESPOTS.

Will Finance be the last despotism? Perhaps such a belief may be entertained, not only because financial rule contains elements of self-destruction, but because this domination differs, significantly, from tyrannies of the past. It is conceivable that Finance, with the aid of traitors, will destroy civilisations, and produce a chaos in which new despotisms will be attempted: but, even if this should be the case, the would-be despots of the future might fail. The danger to liberty lies in ideals, and happily most of our ideals are shattered. For all his stupidity, modern man has arrived at a stage ardently desired by Voltaire: we no longer believe in a "jam to-morrow" philosophy. L'amour d'impossible is dead; long live l'amour du possible. The Utopians, by crying "Heaven!" too often, certainly brought all amelioration into disrepute with the unintelligent; but the honest, though foolish "prophets" have at least made things extremely difficult for the professional optimists and vendors of eternal bliss.

It seems as though Finance itself thoroughly appreciates its difficulties. All despotisms have been secretive; but Finance is furtive, to the point of concealing its rule, an Oriental trick which may not succeed for long in the Occident. A French historian states that Napoleon's power began to diminish when he was obliged to conscript the bourgeoisie. Perhaps Finance is in a similar trying position? No longer does Finance tyrannise over the poor alone; it is forced to attack even the rich and powerful. The Financier resembles an ill-dressed fellow who, having bribed an attendant, has sneaked from the pit of a theatre into the stalls; some-how he doesn't "look right"; and at any moment he may be asked to produce his ticket. The divinity that doth hedge a banker is wearing thin. Bankers are not amusing, as a class; they give too little and take too much; and they go to prison rather too often for their dignity. Briefly, they provide little bread and poor circuses.

History shows that the soul of man will not live under despotism. Ever since Egypt entombed herself by the work of slaves it has been demonstrated that the state which produces "poverty in the midst of plenty" perishes. The task of the tyrant becomes increasingly difficult, as public opinion is opposed to helotry, and the despot must conceal his despotism. When Nero ceases to be a god he becomes something less than a man.

The despotisms of the past received intelligent backing because they were constructive, and were informed by a spirit of greatness. Ancient despotisms have developed great literatures, "schools" of painting and music, architectural beauties, aristocratic elegancies and refinements: at the worst they have produced military or naval might, and the "glories" of conquest. It remains for Finance, and the "glories" of conquest. It is to be not only sterile, but anti-cultural and destructive. Finance cannot escape this. To comprehend the Financier's mind is to understand that, even if it wished to produce a culture, it must surely fail. And, as a consequence, though financial despotism may be feared, it can have no friends, for it is devoid of the idealism that supported old tyrannies.

The day is very near when all the jargon of business-men, city editors, and publicity experts will appear as

incredible, and be as detested as examination by torture. This is not the language of exaggeration. Men and women were wracked and burned by fanatics, who at least thought their victims had souls to save. Business begins by destroying the soul; after which there is only "success" to look forward to and only money to revere.

In his *Life of Voltaire*—a short life, but a good one—Mr. Richard Aldington suggests that Voltaire, by his attacks on the Church, paved the way for life as "Business," and the reign of commercial gentlemen. Writing in 1925, Mr. Aldington does not differentiate between commerce and Finance; and, for purposes of this discussion, such differentiation is unimportant. The Puritan-Iconoclast-Tradesman, sacrificing everything to commercial exigencies, caused culture to be despised and mediocrity to be exalted. It is difficult to exaggerate the importance of this automatic "survival" of mediocrity (the natural enemy of creative talent), under a business régime. With apathy and stupidity reigning, any folly is possible, and wisdom cannot be heard. Eighteenth century despotism "persecuted" Voltaire, but it was many leagues away from crushing him. His banned books were sold by the hundred thousand, and were in every fashionable salon. The intelligent Jesuits remained Voltaire's friends for life; and absolute rulers and aristocrats protected the rebel. Art is not killed by hate, a passion which can change to love; art is killed by insensitiveness and indifference. Though willing, Business is too stupid to make money out of artists, so it crushes them and leaves them to rot.

Voltaire, the aristocratic revolutionary, believed in an enlightened and benevolent despotism, as the only political means of obtaining liberty for the individual. The wheel turns. To-day Voltaire might be found defending his late enemies, and attacking the Socialists, Fascists, and Communists as he attacked Rousseau.

The latest servant of the dreariest and most intolerable despotism ever known is a Science which has divorced itself from Art and the humanities. Popular Science may not represent the authentic scientist—probably it does not—but, for practical, social purposes, it is only popular Science which counts, which comes home to the people. This popular Science is definitely on the side of oppression; and it is all powerful, for a superstitious age "takes for gospel" every word uttered by any idiot calling himself "scientist." The artist, if he is heard at all, is merely an "amateur"; consequently neither his wisdom nor his errors affect the situation—unless perhaps, the artist can put B.Sc. after the H.G.W.

The wheel turns. Once it was the Churchman who seemed to our youth a kill-joy, forbidding us the things we desired, in the name of a "Thou shalt not." Science was "free-thinking," "rational," challenging everything, and liberating us with a "Thou shalt!" Now Science offers us scorpions, and bids us refuse all substitutes. The Church seems a sanctuary from mad modernity, and flirts with National Dividends.

It would be humorous if modern priests derived inspiration from Voltaire! One might imagine a preacher, attacking the hiring of "experts," and quoting:

Notre crédulité fait toute leur science.

If I were a statesman-prelate I might consider the abolition of poverty a menace to the temporal power of the Church, and, thinking thus, I might oppose Social Credit. But, perhaps not. I might consider that, physically speaking, poverty has gone, and that nothing can prevent the spirit of the age bringing its real

ideology from the unconscious to the conscious mind. In which case, despotism is ended.

The prelate might visualise a Christianity of joy, which has scarcely been thought of for centuries, and very rarely seen. Armed with gifts of joy, the Church might collaborate again with Art for the liberation of all men, inside and outside sects and faiths. If a religion of enjoyment rather than acquisition, of happiness rather than expiation, is not shortly evoked, then Churchmen, who can offer nothing but sackcloth and ashes, will lose support, and be "scrapped" with the artists by a despotism that hates "unproductive labour" with a bitterness only attained by the true parasite. But if the Church preached National Dividends—what a magnificent "revenge" upon Science!

Retiring Free Credits.

The question often arises: Will not the issue of free consumer-credits necessitate special provisions for retiring them from circulation?

The first observation to be made is that this question amounts to the same thing as asking: Is there really a shortage of purchasing power under the existing system?—so to answer it involves a restatement of the whole of the Social-Credit analysis, unless the questioner narrows the field of elucidation by stating what parts of the analysis, if any, he accepts as proven.

In the absence of this guidance perhaps the best way to approach the matter is to remind ourselves of the nature of the situation in which the issue of consumer-credits is held to be necessary. In principle it is this:

A community living in a closed credit area has an industrial plant capable of an output of (in token-figures) 100 units of consumable goods. On existing principles and methods of borrowing and costing industry finds itself obliged to charge a price of, say, £100 to the community, who, however, hold, say, only £80. They can buy only 80 units of goods, which (by assumption) represents a condition of poverty, whereas (also by assumption) they could live comfortably on the 100 units. That will be accepted by most readers as a fair presentation of the problem. The principle of the remedy is to distribute free credits to the amount of £20, and to do so in such wise as will ensure that the free credits purchase the otherwise surplus goods.

Now, the method of distributing these credits by the Price Discount is completely effective, because (a) the community (by assumption) want to buy the extra 20 units, and (b) industry needs to sell them. Additionally, supposing that for some reason the community bought less than the 20 extra units, industry would receive less than the £20; for the free credit is issued to industry only on proof of sale.

Putting the matter comprehensively, industry sells 100 units of goods at an interim loss of £20, which loss is made good to it almost as soon as incurred, but, note, not before the sale occasioning the loss has taken place and the consumers have got their 100 units of goods for their £80.

Thus the free credit makes good an industrial loss. None of it reaches the consumer. So no provision is necessary to retire it from him. The question is, therefore, whether provision is necessary to retire it from industry.

Let us see. The price can be set forth as follows:

True costs	£80
Mystery margin	£20
Conventional cost (and price)	£100

What is this "mystery margin"? It is a figure purporting to record either bank-loan money or privately-owned money disbursed on account of the goods on offer. But to whom have these disbursements accrued? Ex hypothesi, not to consumers, for they haven't got the £20. Obviously not to some industrialists at the expense of others, because in that case industry as a whole would not be short of the £20. So there is no alternative but to regard them as having accrued to the banks as repayments of loans, and been retired. We know how this can happen via the investment market, to mention nothing else. If this be accepted then certain persons associated with industry have virtually bought goods to sell again—in this case 20 units, which they seek to sell for £20 in order to replace their personal capital. Under the Social-Credit system the National Credit Authority would, in principle, buy these goods with free credit. For the moment, then, these people would hold the money; it would be their property.

The original question now narrows itself down to this: Ought the Government to take the money away and confiscate it? J. G.

Machine-Consumption.

I saw in a Licensing Trade journal recently some information about the renowned firm of Barclay Perkins and Co. It was about the bottling of beer. It is hard to believe, but not until the year 1915 did the employment of hand labour for bottling begin to give way to machine labour. The figures of output per man are not given, but you can calculate how long it would take, let us say, a string of four men respectively to fill, cork, label and pack, say, 100 bottles up to the time of the change. The installation of machines progressed slowly, piece by piece, and it was not until 1921 that the first complete unit began to operate. This unit was able to perform all the above processes at the rate of 100 bottles per minute. Subsequently further units were added, and the account of this development ends with the statement that to-day there are eight units giving an output of 800 bottles a minute.

Now if you work this out on the basis of, say, a six-day week averaging five hours' work a day, you get a figure of nearly 1½ million bottles per week. It may help people who find it hard to accept the general proposition that the purpose of production is consumption if I put it this way—that the purpose of filling bottles is to have them emptied. Taking assent for granted enormous to observe that while science has multiplied enormously the old hand-labour filling-capacity it has neglected to multiply, or even to extend, the old mouth-labour emptying-capacity. Undoubtedly there ought to have been installations of bottle-emptying machinery. The twin units could have formed what one might call a reciprocal internal-consumption unit: and the two sections of this unit could have been correlated in such wise that there would have been a marginal rate of flow of beer exactly equivalent to the mouth-labour capacity of absorbing beer.

The more that you think about this idea the more you will be impressed with its merits. Suppose, for example, that you have 400 pints a minute flowing into the bottles, and 399 pints flowing out of the bottles (untouched by human hand for the one part or human mouth for the other) then you have one pint a minute external outflow with which to reward the employees and directors of the organisation; and we may suppose that this is all they can absorb by the unaided mouth. Thus you would see the power of human absorption supplemented by solar energy in the ratio of 399 : 1, with the result that there would be no danger of a glut, and the machine could work full time at full capacity indefinitely. So you will now realise that the true cause of gluts in all kinds of markets is merely the one-sided (or unilateral, as statesmen would call it) application of scientific discovery—giving us the unsound system of machine-production without machine-consumption. A. B.

Reviews.

Brief Words. 100 Epigrams. By Wm. Souter. (The Moray Press, 39, Parker Street, W.C.2. Price 2s. 6d.)

Here is one of the epigrams:—

"In every heart are vain hopes, known to none,
Like seeds which lie too deep to reach the sun."

The Creed of Kinship. By Henry S. Salt. (Constable Publishers, London. 5s.)

"... a synthesis of his whole creed as a rebel and reformer, which might be expressed as the gospel of Kinship. It is at once a challenge to existing conventional standards and a defence of heterodox belief. . . ."

Mr. Salt is an octogenarian, and perhaps it is too much to expect him to accept one more new idea before he passes on: distribute the glut (actual and potential) by means of the National Dividend to all, so that we can begin to put into practice the great ideal of love and Kinship for which he has laboured so hard all his life. P.

The Belfast Address.

We had the pleasure of welcoming Major Douglas back to Belfast on Thursday last, when he gave an address in the Ulster Hall, entitled "The Decisive Battle." As early as the Monday previous we had to suspend the booking of reserved seats, six hundred having been booked up till that date. By the Thursday morning all seats had been sold, a total of 1,700. In addition, 250 people paid for admission to stand or sit on the steps and aisles. Hundreds of disappointed would-be hearers had to be turned away.

I think even those of us who thought we knew how rapidly the Douglas Social Credit Proposals are spreading in Belfast were surprised at the demand for tickets of admission. Mr. W. H. Webb, D.L., the chairman, opened the meeting by welcoming Major Douglas and giving a short survey of his observations as a business man on the effects of inflation, deflation, and reflation in war and post-war periods. Mr. Webb said that the failure of reflation in U.S.A. had finally convinced him of impossibility of attaining recovery by monetary manipulation, and he publicly nailed his colours to the Douglas mast.

Major Douglas treated us to a masterly address in his quiet, logical, and penetratingly analytical manner. There is nothing more impressive than the way in which an audience listens to Douglas. In an audience of nearly 2,000 people I was not aware of a discordant movement or sound during the hour and twenty minutes in which he was speaking. I felt that the audience were particularly impressed when he showed how, though separate, financial power operates through laws of restriction and curtailment of the freedom of the individual, and asked us what counter-balance there would be when finance and law become one through some such process as nationalisation of banks as proposed by the Socialist Party. The final enslavement of civilisation to the will of the money power. Douglas's indication of the growth of debt at the rate of 4th power of time was an eye-opener to any of his audience who may have still believed that the price system is self-liquidating, and an unanswerable refutation of any such proposition. A member of our group said to me on the way out, "The only figures comparable to the growth of debt are those of the expansion of the Social Credit Movement." The description of the aims and objects and achievements to date of the Electoral Campaign aroused great interest, and one questioner, Major McCormack, D.S.O., Member of Parliament in the Northern Ireland House of Commons, asked later what would be the procedure of the Electoral Campaign in Northern Ireland, to which Major Douglas replied that it would follow exactly the same lines as in England.

Once again we in the movement in Belfast and North of Ireland felt the stimulus to further effort of an address from our leader, and Major Douglas, on his part, we are sure, felt after his address to such an appreciative audience that his trip was worth while.

The proceedings closed with a great ovation to Major Douglas. M. W.

LETTERS TO THE EDITOR.

THE A + B CONTROVERSY.

Sir,—As you rightly imply, at first blush there appears a good deal to be said for both Adamson and Gaitskell. Actually, we will find that the stage was set for a sham fight, where both parties were unable to come to grips, and so wasted their energies in beating the air.

I say this because the real crux of the matter is entirely disregarded. For what says Douglas? "The true cost of production is consumption," and yet consumption is left entirely out of the picture! Apply the just price formula to the proposition. Consumption equals nothing; therefore the just price is, as it should be, also nothing. In other words, the goods are already justly the property of the community, and, as is only right and proper, the community should retain its cash to have a beano when production warrants it.

It is difficult to illustrate diagrammatically the completely typical procedure of modern production and consumption. To begin with, we should have to introduce into the picture, as a background, that grim and inexorable goddess Finance. Then would become clear the real import of Mr. Gaitskell's admission that, production being in full swing, each individual participant in the work has, on one side of his balance sheet, his "assets," stock, balanced by his debt on the other side. This appears, of course, quite understandable, and just as it should be, to the average man, and if the debts were owing to other citizens, representing savings and abstinence on their part, there would be nothing to cavil at.

Actually, the state of affairs is entirely different, and the true significance of the diagram and the conclusions to be drawn from it lie in this point. For virtually, at this stage, the whole of the stocks belong to finance, and those who really produced the goods are only able to claim possession of them on condition that further production takes place.

It is all very well for Mr. Gaitskell to argue that the consumer does not wish to buy the intermediate products. If one wanted to quibble, it would be easy to point out that in that case the illustration chosen is unfortunate. For it happens in fact that a retail demand exists for wool in every stage of its manufacture from fleece to woollen clothes. But let that pass.

The true meaning behind the stipulation that the consumer must be in a position to buy all the products is that only then is the community at large able to claim its own created wealth.

That, of course, as Mr. Gaitskell has shown, is not the case, and cannot be the case, at present. In our generous though fat-headed way we prefer that the whole country—nay, the whole world—should be regarded, lock, stock, and barrel, as the perquisite of those gentlemen who kindly supervise the entries in our pass-books.—Yours truly,

N. A. LAMB.

FASCISM AND SOCIAL CREDIT.

Sir,—Mr. A. K. Chesterton, in your issue of March 21, asks us a question. Here is the answer:—

If the Green Shirt Movement were "given" the Sahara Desert, our first impulse would be to decline the offer—because it is a desert, and we are not concerned with the job of making the desert "blossom like the rose."

We are concerned with these islands of Britain, which are not a desert. We are concerned with the problem of Poverty amidst Plenty—not with the problem of Poverty amidst Scarcity.

If, however, we were foolish enough to accept the gift of the Sahara Desert, and if we were forced by circumstances to attempt to solve the problem of scarcity in those vast wastes of sand, we should find ourselves engaged in "planning poverty"; and if anyone described our work as Planned Poverty we should only make ourselves look silly if we protested that "to say that 'Sahara Social Credit is planned poverty' is sheer intellectual dishonesty and a juggling with words, etc."

Mussolini was not, and is not, faced with Sahara Desert economic conditions, nor anything approaching them. But

if the Sahara analogy is meant to have any sort of bearing upon Fascist planned economy in Italy, it follows logically and inevitably, in Mr. Chesterton's own words (January 24), "that planning in a country naturally poor may be described as 'planned poverty.'"

Our contention is:—

1. That in a country naturally poor—as, for instance (according to Mr. Chesterton), Italy—Fascist economics is correctly described as "planned poverty."

2. That in a country naturally rich, or one that has been fully industrialised—as for instance, Germany—Fascist economics, because it lacks any *mechanism* for the equation of Consumption to Production, and because it is based upon the Ethics of Work for the good of morale, and not upon the economic facts, is bound to result, and under Nazi-ism has resulted, in "planned poverty" in the midst of plenty, which is a tragic absurdity.

Mr. Chesterton's reply to our question: "As we in these islands are not faced with a country naturally poor, why is there any problem of poverty in Great Britain?" is exactly what we expected. It is due, he says, "to an unbridled capitalism" in which "our Money Lords are allowed to influence Government." Actually, it is due to a wrong system of cost-accountancy—and nothing else.

Mr. Chesterton then reveals the Fascist solution to the problem of poverty in Great Britain—"higher wages and salaries" for WORK!

We submit that this is no solution, because (1) the problem is NOT A WORK PROBLEM, (2) there is no scientific price-adjustment formula, (3) no income for those displaced by the machine. We submit that any real attempt to permanently re-absorb the majority of the unemployed in any fully industrialised country would be to dislocate the productive system as to result in Planned Poverty.

This correspondence has strengthened our original view that Fascist economics is, in effect, a national tightening-up and screwing down of Banker economics—i.e., of Planned Poverty; and that a Fascist dictatorship is a politico-ethical instrument of great use to the International Credit Monopoly in maintaining its financial power of enforcing poverty amidst plenty in a World Work-State.

FRANK GRIFFITHS,
General Secretary,

The Green Shirt Movement for Social Credit.

ANSWERS TO CORRESPONDENTS.

CURRENT BLASPHEMY.

Anon.—We have received your cutting from the *Evening Standard* where ex-Dean Inge quotes a clumsy version of Mark Twain's sly allusion to the British people's having been "mentioned in the Bible"—namely, in the Beatitude: *Blessed are the meek, for they shall inherit the earth.* We note that you have inscribed the words "Current Blasphemy" on this cutting, from which we infer that what Inge says deserves, in your opinion, a place along with the two exhibits which we published last week under this caption. We fail to see any resemblance between Mark Twain's witty leg-pulling and the two solemn imputations of divine attributes to human beings illustrated by our own citations.

Notice.

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

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

SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

BRADFORD DOUGLAS SOCIAL CREDIT GROUP.

A Series of Lectures will be given by
REGINALD KENNEY, Esq.

expounding the Social Credit Principles on
April 4th & 5th at 7.30 p.m. and April 7th at 8 p.m.
in the MECHANICS' INSTITUTE, BRADFORD.

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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. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

In Course of Preparation.

THE SOCIAL CREDIT WHO'S WHO, DIRECTORY AND YEAR BOOK.

Editor pro tem, ARTHUR BRENTON.
Editorial Committee in process of formation.

Collaboration invited.

Readers are invited to submit:

1. Biographical items concerning leading figures (whether themselves or others) which ought to be recorded.
2. Names and addresses for the Directory section.
3. Suggestions as to what material (speeches, statistics, historical data, etc.) is best worth placing on permanent record in the Year Book section.
4. Information as to societies and organisations advocating Social Credit or other principles of financial reform. Date of formation: objects: officers: structure: fees, etc., etc.

Communications to Arthur Brenton, 20, Rectory Road,
Barnes, S.W.13.

Published by the Proprietor (ARTHUR BRENTON), 70 High Holborn, London, W.C.1, England (Telephone: Chancery 8470), and printed for him by THE ARCADE PRESS, LIMITED, Temple-avenue and Tudor-street, London, E.C.4, England (Telephone: Central 3701).