

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2223] NEW SERIES Vol. LVI. No. 25. THURSDAY, APRIL 18, 1935. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

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NOTICE.

Our next issue goes to press on Thursday of this week.

NOTES OF THE WEEK.

F.B.I. and the Belga.

The Federation of British Industries sent a letter dated April 11 to the President of the Board of Trade and circulated copies of it to the Press. Its title is "Devaluation of the Belga and Foreign Currency Inflation." It brings four points to the attention of the Government.

1. The Government should "arm itself" with "duties, quotas and otherwise" to frustrate "attempts by foreign countries to employ the weapon of currency devaluation to increase their exports into the British market in competitive lines."
2. That the Government should make known to the whole world that it was taking such action.
3. That the Government need not use those powers provided that foreign devaluation is "kept within reasonable bounds" and that "steps are taken to prevent it from leading to an increase of competitive imports into the British market."
4. That the Government should approach the Belgian Government at the earliest moment "with the object of securing such an undertaking" while at the same time arranging for "weekly returns to be provided by H.M. Customs of all Belgian imports into this country in order that there may be immediate information of any increase in Belgian imports.

The letter is signed by Francis Joseph, President. (Reference number is G/7736—300/J/11.)

Readers will see that this amusing document could easily have been prepared from the facts and arguments contained in our "Notes" last week on M. van Zeeland's policy regarding the Belga and its probable effect on international trading. Of course, the F.B.I. are not in need of outside advice on these matters, and the synchronisation of our weather report and their storm

signal on April 11 was a natural coincidence based on independent observations of the same set of facts.

We pointed out that the Belgian Banker-Premier had the intention of using an Exchange Equalisation fund to prevent the de-valued Belga from falling in the international exchange markets, and that if he succeeded Belgian exporters would be deprived of the advantages of the devaluation. Now, it is precisely such deprivation which the F.B.I. seeks to impose, through the British Government, on Belgian exporters, preferably with the friendly co-operation of M. van Zeeland, but otherwise by means of unfriendly obstruction through the Board of Trade. The F.B.I.'s attitude is this: They don't mind the Belga being cheap so long as British importers of Belgian competitive products are prevented from buying it cheap. Ignoring third parties, the broad result of the changed monetary policy has been to plunge British and Belgian capitalisms into a sort of re-armament competition which, as it develops, will provide the master-bankers behind the scenes in both countries with an excellent moral argument for the general return to the gold-standard which, as we mentioned last week, is M. van Zeeland's long-distance objective. The reasoning which can be brought to bear on the situation is sound enough if the bankers' version of monetary science is accepted, because these experts can show that a general return to gold is virtually a general adoption of disarmament in the region of international credit-finance and trade-competition. They can show that gold acts as an automatic regulator of trading-opportunities, that it is, so to speak, the impartial and incorruptible arbiter of what is fair and just in the apportionment of the spoils of the world market. Adopt gold, and no longer would it be necessary for Governments to "arm themselves" with such "weapons" as duties, quotas, etc., against attacks with other such weapons as currency devaluation and inflation, because under the gold-standard the latter kind of weapons would not be available; they would be renounced in the same spirit and with the same parallel

effect as the advocated renunciation of poison gases in military warfare. * * *

It will be seen, therefore, that the Federation of British Industries, albeit in all good faith and with pragmatic common-sense, are asking the Government to take such initial steps as the international bankers would wish it to take for their own purposes. For directly the British Government decides to open negotiations with the Belgian Government on this matter, inevitably the negotiators will be the central bankers of these respective countries. And while they may bring about a more or less satisfactory balancing of trading interests such as the Federation wishes to safeguard, their real object will be to safeguard their own interests which are bound up with the objective of excluding political Governments from interference with credit-policy in any shape or form. They know that whatever they accomplish to reconcile the conflicting interests of British and Belgian industrialists can only be temporary, and with that knowledge in mind they will take steps to ensure that when the next crisis arrives they will be able to adduce it as proof of the futility of *ad hoc* monetary manipulation for narrow nationalistic ends. All roads lead to Basle—and the laws of economic rectitude proceed from its priesthood of gold-crystal-gazers.

Sir Ernest Benn on "Liberty."

Sir Ernest Benn's talk on the wireless, "Liberty Submerged by Law," as published in the *Listener* (April 10) is worth the attention of Social-Credit pulpiteers (as distinct from technical expositors). It shows how easily and becomingly the mantle of Social-Credit philosophy and morality may be worn by implacable opponents of its adoption as a technical scheme. Extended passages from Benn could be insinuated into any Social Credit journal without a word changed, and yet not disturb, but even enrich, the harmony of its philosophical synthesis. The theme "Liberty," in this connection, derives, of course, from Dr. Nicholas Murray Butler and his opposite number, General Smuts, who both sounded it a year or more ago as the text for bankster dissertations all over the world. Sir Ernest is the gentleman who had the "privilege of shaking hands" with the ineffable Colonel House, as he boasted in the preface of one of his books. We suppose that THE NEW AGE has done more to advertise and popularise Lord Hewart's attack on bureaucratic interference with the liberty of the subject than any journal (in fact, we seem to have enjoyed the exclusive right to review his book, *The New Despotism*, until recently), but lo and behold Sir Ernest Benn here cites it with gusto, and condemns the "modern abomination called Provisional Orders" with the conviction and fervour of the sincerest advocate of Economic Democracy. The costume of Social-Credit terminology, idiom, and sentiment seems to fit the figures of all shapes and sizes of spellbinders. Or perhaps it is that these spellbinders possess the property of what might be called plasticene manequins, and can expand or contract any part of their anatomy according to the design of the dress to be exhibited. Anyhow—and this is a further point to emphasise—Sir Ernest Benn is to be followed by Mr. Bernard Shaw, the Bishop of Durham, Professor Schroedinger, Lord Eustace Percy, and Mr. G. K. Chesterton, and all on the subject of "Freedom." We must not anticipate, but we may wager a fair stake that these gentlemen will, between them, capture all the moral thunder that Social-Credit propagandists have

been accustomed to consider their perquisite for so many years. Here and there in Sir Ernest's talk the alert student will spot the cloven hoof of equivocation, but the danger is that the public will not recognise it by its shape, but will accept it on account of the textual nail-varnish with which it is embellished. * * *

We make one citation:

"It takes centuries to win a little freedom and a very few minutes to destroy it. We have struggled . . . right to govern ourselves . . . universal education and universal suffrage. Considered in any decent perspective these things are as new as the latest fashions in ladies' hats. It will take another thousand years before we really know how to use them properly and derive full benefit from them. . . . Universal education is thought to mean that everybody can know everything, and produces young economic students who pretend they can plan the natural actions and divine inspirations of the other millions of us. Universal suffrage is considered as the right to play the tyrant over everybody else, and so we all pretend to know what's wrong with the other fellow." (Our italics.)

There are numberless comments which could be made on this, but we can only make one now, and it is that evidently the B.B.C. are launching an electoral campaign of their own with the subtle purpose of suggesting that there can be no aristocracy of intelligence subserving a democracy of desire, or alternatively, that supposing there can be, nothing should be done to empower that aristocracy to function until democracy shall comprehend its reasons of policy—in a thousand years' time! This is an artful attempt (not consciously so on Sir Ernest's part) to exploit the truth that the electorate are incompetent to weigh the merits of an economic technique in order to reinforce the doctrine that they are not entitled to insist on the fulfilment of their economic desires.

"Votes" or "Funds"?

A correspondent pointed out a fortnight ago that in a private verbatim account of Major Douglas's address at Belfast the word which we printed as "funds" appears as: "votes." The distinction is vital, for in the context it meant the difference between turning out Parliamentary candidates by the power of money or by the power of votes. (See article "The Electoral Campaign" in THE NEW AGE of March 28.) The verbatim typescript from which we quoted was received directly from the official reporter appointed by the Belfast Group, and in that version the word "funds" was used. So either there were two independent reports, or, if one report, ours was uncorrected while others were corrected. The copy received by us appeared to be one of a number circulated to other Social Credit journals. We regret that there should be this discrepancy, and hope that in future care will be taken to send out correct reports, or, in case of important errors, to send prompt advice when they appear in print. In this instance we should have known nothing about it, not even at this moment of writing, but for our correspondent's courteous intimation, of which we have been expecting to receive authoritative corroboration in the interval.

Forthcoming Meetings.

Green Shirt Movement for Social Credit.
Wednesday, May 1.—Lecture by Frank Griffiths, General Secretary of the Green Shirt Movement, at National Headquarters, 44, Little Britain, E.C.1, at 8 p.m. "Three Blind Mice—Hiskett, Lewis, and Cole." (An Examination of recent criticisms of Social Credit by Socialists.)

The Point of the Pen.

By R. Laugier.

XXVII.—CONVERSATION PIECES.

I have been looking over an old "Manual of Conversation," published in Paris. The book bears no date, but it is ancient enough to deal with stage coaches and strange coinage; there are other and more modern signs, and probably here is a reprint, and a rehash of the new and the antique. In any case, the little volume has some rather uncommon features, whenever it may have been written. Its compiler has a certain sense of humour, and, though his humour might easily be a trifle dangerous to the traveller in a strange land, it may be refreshing to the student accustomed to dry pedantry.

Here is an example: a conversation in a stage coach.

M. (at the coach-door): "A little room for me, gentlemen, if you please."

A.: "What, a little room! Why, sir, when people are as stout as you are they should take at least two places."

M.: "That is what I have done; unfortunately, they have kept for me one place inside and the other outside."

Probably an old joke of the period, but still fruity. Note the dramatic form and the impassioned style of our unknown author. Observe the stage directions: they occur continually.

B. (in a rage): "That cursed Mr. A. is the cause of all this annoyance."

And again. A. (aside): "Pay! Pay! One hears no word but that when travelling."

Such soliloquies were permissible in those days, and our author instructs us in the art of talking to ourselves as well as to others.

There is evidence that the Money-Changers were the same dear, lovable fellows: also there was a crisis.

A. "Can you give me thalers for a hundred franc note?"

B. "We should be glad to give them for gold; but bank-notes do not pass here at the present moment."

A. "And Austrian ducats?"

B. "Oh! they are received as louis d'or; but there is just now a crisis as regards florins."

A. "I am sorry for that; for I have a good number of them to change. By the way . . . I want some small change to go to the exhibition."

B. "I will change you a five-franc piece."

A. "What! do you take 20 centimes for changing it?"

B. "It is not too much, sir; at the office of the exhibition they charge 25 centimes."

A. "It is an absolute imposition."

B. "What would you have? We are very short of small change just now."

The Money-Changer has the last word, so has the Banker. We are chez Monsieur le Banquier, and we wish to get cash for a bill of exchange.

A. "As I am obliged to leave immediately, I am come to request you to discount it for me."

B. "It will cost you. . . ."

A. "It is rather dear, but I am obliged to submit."

B. "In what money do you wish to be paid?"

A. "In bank-notes."

B. "They are very dear just now; you will pay three per cent. for them."

A. "That would be a considerable loss."

B. "Louis d'or (or napoleons) are now at par."

A. "In that case, I beg you will give me gold."

B. "Very good."

A. "This piece appears to have been clipped."

B. "I beg your pardon; you are wrong; the edge is quite perfect."

A. "This one is very light, one would think it counterfeit."

B. "We will try it in the scales. . . . You see it is weight."

Altogether an amusing little book—and instructive!

The Bankers' Fighting Fund.

At the meeting of the London Social Credit Club last Friday week a speaker read out a communication in which the author had stated that the activities of the Economic League were being (or were going to be) financed to the tune of £20,000, and that Mr. Gibson Jarvie, of the United Dominions Trust, was connected in some way with the affair. (The speaker was not clearly audible, but this is the substance of what he said.)

To older members of the Social Credit Movement present this disclosure was not particularly impressive; and for two reasons. Firstly, the device of subsidising propaganda counteracting Social Credit ideas is so obvious in logic and easy in practice that one takes it for granted without evidence. Secondly, the sum of money mentioned—or any sum of that order of magnitude—is comparatively so trivial as to come as an anti-climax to the disclosure. For, as older members will recall, an amount of no less than £5,000,000 was stated by Major Douglas himself to have been allocated by the banks for the same general purpose a few years ago. The statement appears in the following reference.

"In this country the Institute of Bankers allocated five million pounds to combat the subversive ideas of ourselves and other misguided people who wished to tinker with the financial system. The large Press Associations were expressly instructed that my own name should not be mentioned in the public Press, and no metropolitan newspaper in this country or the United States was allowed to give publicity either to correspondence or to contributions bearing upon the subject."

"Though you will see very little about THE NEW AGE or the Douglas Theory in the popular Press, you will see pages of criticism of the Bank of England, the Federal Reserve Board, and the International Debt policy, and if you are sufficiently interested you will recognise phrases, and even whole sentences, extracted without acknowledgment from the 'Notes of the Week' . . ."

[Major Douglas. Speech at THE NEW AGE Dinner on March 23, 1929, reprinted in *Warning Democracy*, pp. 138-9.]

It will be seen from the context of these quotations that the earlier £5,000,000 was to finance a secret boycott of the subject whereas the ostensible purpose of the present £20,000 is to finance a public discussion of it. Well, the boycott failed, and the ending of the attempt to maintain it was marked by two events, the Birmingham Debate (Douglas-Hawtrey) and the Wireless Debate (Douglas-Robertson). Those events constituted as it were, a time-signal to every Statesman, Civil Servant, Financier and Big-Business Magnate in the world capable of reading it announcing (a) to those who already knew of the Social Credit proposals and their advocacy that they were going to be allowed public ventilation, or (b) to those who did not know, that there were in existence these new ideas challenging an answer and raising issues

which they would have to deal with, and should therefore lose no time in examining.

The five-million pound boycott was a failure. Fundamentally the reason was because the Social Credit Theorem is true, and its practical implications profound and universal. It embodies the Hope of Economic Redemption, which when it be lifted up will draw all men unto it. This power of drawing is doubly potent because the Hope is founded, not on faith alone, nor on sight alone, but on faith and sight together. These combine to create that unique order of faith which is evidence of things seen. The heart bears witness to the mind, and the mind bears witness to the heart, that the promise of the new revelation is true, and that it has been true since the foundation of the world. It resolves not only the conflicts between man and man, but the conflicts within man himself. It effects a dynamic psychological transfiguration to which no falsity can offer long resistance.

The bankers were defeated by the multiformity of initiatives pursued by the transfigured personalities who constituted the Social Credit Movement. They were faced with the same kind of problem which, in the mythological story, Heracles had to face in the Hydra—the monster with nine heads. When he cut one of them off two grew in its place. And all the time the centre head was immortal. In the end he got the assistance of Iolaus and burned off the heads, burying the immortal head under a rock; then he finished by bathing his sword in the creature's bile and plunging it into its body, inflicting on it an incurable disease.

But Social-Credit was (as it still remains) a much queerer sort of monster; for in addition to the multiplying of its heads there was nothing to indicate to the bankers which one was the immortal one, if any. Moreover, in every head was a brain and a tongue, and from this monster proceeded a multilingual force of persuasion eating into every stratum of intellect in society, so that to the bankers the problem of how it was to be destroyed was additionally complicated by uncertainty about whether it were wise to destroy it. For, unlike the Hydra, Social Credit is not a menace but a deliverance; and however implacably the super-banking hierarchy may be opposed to such deliverance, and however generously they may reward those who will help them to resist it, they cannot immunise the intelligence of their agents from the infection of the new revelation. It has been said that the bankers can command the best brains that money can buy; but they cannot command any brains—least of all the best brains—to stop thinking off duty. "Truth confirms itself," once said Hilaire Belloc, and the truth of Social Credit finds confirmation on every plane of human experience. Thus the sword of Heracles turns to lead from point to hilt; and even his will to use it wavers.

The advance of the Social Credit Movement is more graphically represented, however, in the rising of the tide along the sea-shore. The waters on its surface are in commotion, and those at its edge in confusion. But down below is the still, silent, constant onflow of waters responding to celestial attraction. Waves will break into spray against rocks, will surge over sand-dunes, will split and swirl around both, to collide in foaming eddies behind, and recede along their channels into other clashes with breakers outside. If in fancy you imagine yourself to be a cork navigating the edges of the tide, what would be your cork's-eye view of the situation? You would probably say: This tide will never rise: it

will be defeated by all this blind unplanned rushing hither, thither, and all ways at once in the face of these immovable obstacles. But since you are not a cork, but a sentient reflecting being, you see that all this confusion is but the by-product of the irresistible process of encirclement and submersion generated in the deeps of the ocean. No cross-currents, no tide. A man-aged tide is a contradiction in terms. And so with the Social Credit Movement; it has been creeping up peacefully over the smooth sands of the shore, and its alignment of advance has been even, just as if Herr Hitler had charge of it. It has now reached the rampart of rocks behind which the bankers are snugly sheltering. Inevitably the waters are dividing and colliding in search of their new level; but precisely because of the confused swirl of their apparent internal conflict they threaten to sweep round and take the bankers in the rear. Those readers who have gone through the experience of finding themselves cut off by the tide will not need to hear any further elaboration of this theme.

The fewer the directions in which the bankers have to keep watch the less money and effort they need to expend to safeguard their position. They fear least the pyramid form of organisation with its one head to be cut off—its one register of names, its one strategy, its one war-chest, and its exclusive monopoly of the power of initiating and implementing collaborated action. What appears to have happened is that their sudden certification of Social Credit as a respectable topic of discussion has deceived supporters of Social Credit into assenting to centralised control and delimitation of the discussion. It also appears likely to be taken as a hint by publicists and organisers in older and obsolescent reformist movements to frame schemes bearing sufficient resemblance to authentic Social Credit to qualify for the benefits of the bankers' patronage of *this type of* discussion; that is to say, discussion round the Poverty-Plenty problem, but mixed up with as many methods of solving it as various proponents can manage to improvise as an excuse for passing the hat round or gratifying what *The Times* said of the unpaid magistracy, the "mercenary hunger for distinction." The late Lord Balfour's one-time remark: "We are all Socialists now" can be brought up to date by substituting the words "Social Creditors." There is a long-standing authoritative prophesy that as soon as Social Credit had advanced to a certain stage the bankers would offer something else which was indistinguishable from it. What is happening may well be the fulfilment of the prophesy, for there is no need that the bankers should make the offer directly, and every reason why they should prompt others to start up a complex of competing agitations which would provide them with the excuse for offering a plan ostensibly formed to conciliate the moderate sections of all the parties, but really pre-determined and devised to cheat them all.

Assuming that the statement is true that the activities of the Economic League are being financed, this fits into the picture. The amount named is quite sufficient for the purpose; and for two reasons. Firstly, because the general hat-passing competition will result in a division of credit-reform funds; and secondly because the Economic League are concentrating on technical criticism of credit-reformist remedies, and are cultivating the comparatively small section of the public who want this information for various reasons. Wittingly or unwittingly the League are implementing the strategy of the bankers which will consist in encouraging the electorate to regard themselves as competent judges and

rightful arbiters of methods just at the time when they are being told on the credit-reform side that they are not. Further, the Economic League, by raising doubts on points of technique, are preparing the way for banker politicians to insinuate that the motivation of those who prompt the electorate to leave methods alone proceeds from distrust of the Social-Credit technique and fear of "honest criticism."

As things are, this strategy will not succeed, because there are a sufficient number of Social-Credit advocates to make a fair show in technical debating. But unless their numbers are increased in some sort of relation to the high-speed collection of signatures, much of this vitally necessary work will have to be let slide, and the case given to the bankers by default. This possibility is being provided against in the Prosperity Campaign, wherein it appears that a certain number of new recruits are given instruction (presumably technical in part) at each new place where the campaigners operate. Signatories to the Petition are invited to subscribe a minimum sum of one penny, and the proceeds of the collections are ploughed into the campaign in the districts where they are raised. The money is in the control of those immediately concerned with the localised activity. This accords with the sound principle of financial decentralisation. Since the Petition forms have to be provided from one centre, and have to return to a centre (for presentation at Westminster in due course), there are elements of centralisation in the organisation, but they are not undesirable. In the nature of the case, the complete list of names must come in to the centre.

In the case of the electoral campaign, the need for centralism is very much less than this. The signatories of the pledge-forms are not petitioning the King; they are signing instructions to M.P.s and contingently threatening penalties. The Members (or candidates) for whose admonition or guidance the signatures are intended are connected with the constituencies where the signatures are gathered, and can be interviewed there on occasions, and invariably at election time. Hence, the local supervisor of the campaign could retain custody of the pledge-forms, and the executive of the local Group could deal with the candidates when the time came. Since the signed pledge-forms are confidential documents, this is an additional reason why they should not leave the custody of the local supervisor. Scattered among the constituencies, it would take 600 raids for the enemy to capture the lot, whereas one only would serve at a centre. (It may be mentioned that on two occasions the offices of the old National Credit Association were illegally entered for this purpose.) Next week the case for financial decentralisation and retrenchment will be developed.

J. G.

(To be continued.)

"The New Age" Trustees

Warmest thanks are due to all for splendid response to above appeal, not excluding those who were unable to contribute money along with their views of the situation in which the Trust is placed. Both were genuinely acceptable. Each and all will be carefully considered, and a report submitted with a minimum of delay. All foreign replies are not yet to hand. Colonial replies will of necessity be late. Others who have not yet found time to contribute either money or opinion are still expected to respond. Candid and considered judgments will be gratefully received and faithfully applied.

JAMES GOLDER.

63, Kidbrook Park Road, Blackheath, S.E.3.
April 14, 1935.

The Social Credit Movement.

REPORTS.

Australian S.C. Press on 'Political Action.'

The New Economics (Melbourne) of March 1st, just to hand, reprints in full Hargrave's article, *The Psycho-fantasy of the "Bandar Log,"* which appeared in *THE NEW AGE* of January 17, and which, it will be remembered, dealt with Social-Credit political policies in Australia and their consequences. It devotes a page to the reproduction of the text of the Prosperity Campaigners' Petition to the King. It devotes another page to the reproduction of a "Charter of Freedom," which has been adopted in New Zealand, and to which citizens are invited to attach their signatures. This "Charter" or "Manifesto" embodies a list of declarations and demands on the same general lines as the London Secretariat's electoral-pledge experiment, telling members and candidates for Parliament what is wanted, reminding them that their function is to carry out the electors' orders, and informing them that they must "move to implement" the Social-Credit policy if they want to get the support of the signatories. A two-page editorial article discusses "The Problem of Action," and appears to give its blessing to both the above schemes, mentioning the name of Lord Tavistock in connection with the first, and Mr. Dodds (N.Z.) in connection with the second. Readers of *The New Economics* are invited to indicate whether they are prepared to co-operate in working either, or both, so that the necessary forms for signatures may be procured from either or both the above-named promoters. The editors (for the retiring editor was replaced by an editorial committee) base their attitude of benevolent neutrality on the main ground that: "in enlisting the support of people to either of these petitions we are to a certain extent educating them" . . . "giving them a starting point for thought upon the National Dividend."

The New Era (Sydney) of February 21 contains an article running to half a page from Robert J. Scrutton, describing the activities of the Prosperity Campaigners in South Wales and elsewhere, and further developments in contemplation. He prefaces his information with the theory that the prevailing apathy of the masses can be remedied by the "spirit of adventure." He remarks that: "the present generation is instinctively seeking to express its spirit of adventure by unnatural and sometimes undesirable outlets." The Prosperity Campaign is "sounding the call to adventure." Recruits are being enrolled in all the towns and villages in the Rhondda. Mobile units of one hundred men will receive training and practical experience in their own districts before being despatched to outlying towns. Later on it is hoped to provide them with armbands bearing a golden star on a green background, with the words "Freedom Security, Leisure." As regards the problem of finance, "the spirit of the campaign will bring in the necessary funds." Elsewhere in this issue of *The New Era* is the announcement of the formation in Sydney of a branch of The League to Abolish Poverty. On another page there is a small paragraph referring to the action of a destitute man who smashed a plate-glass window worth £45 at the head office of the Commonwealth Bank in Pitt Street, Sydney. "I did it because I was hungry," said the culprit to Constable Kellner upon arrest. He was taken to Central Police Station "and after he had been charged was given a meal." (Presumably a commission in kind for providing employment to glaziers!)

Consumption First.

The clever gentlemen who are trying so hard to find work for their fellow men, under the mistaken idea that all men are primarily producers—"workers," will be shocked to learn that there is only one primary producer—Nature. All our so-called production is the result of the consumption of Nature's products. Production is the effect, consumption is the cause.

James Watt in his early days, watched water being consumed under the influence of heat, producing steam, the source of great power. His discovery led to the production of the steam engine, which, in producing power, first consumes coal and water. The consumption of Nature's primaevial forests produced the coal. Consumption of water-vapour by the sun produced the water. So everything made by man has come into being via consumption.

Vegetable life follows the same natural order. Seeds start with an initial volume of food in which the embryo plant is enclosed. Air, water and food from the soil are consumed to produce the new plants. Consumption of food goes on until the final production of seeds, which, after distribution, start a new cycle of their own.

Animal life also starts with consumption. The female consumes the seed. By consumption a new creature is formed and distributed into a world of new surroundings. Consumption of a new food which Nature has already produced, leads to growth in structure and strength. In due time, by consumption, the new creature reaches its own productive stage. The male pairs with a female and the new cycle, consumption, production, distribution, begins anew.

In the face of these lessons from Nature, it is sheer insolence on the part of our rulers to insist that man, of all Nature's creations, is a consumer only after he has functioned as a producer, i.e., "worker." This position is maintained by the wage system—no work, no wage. All political parties give this unnatural state of things an unqualified blessing.

From a natural standpoint, the National Dividend is the monetary expression of each man's birthright—the right that Nature gives to the flowers and animals—the right to consume before he produces. As a seed, after consumption, naturally produces roots, stems, leaves, flowers and seeds, so man, after consumption, in accordance with the same law, will produce his own thoughts and acts. These thoughts and acts will be for the use of others as well as himself, under the third phase of the law, distribution. A normal man can no more fail to share the results of his productive activities than a plant can fail to distribute its seeds at the appropriate time. The abnormal few are misers, happy in their own misery.

Those who consider that contented, well-fed people would be lazy, i.e., they would refuse to produce, are simply stating that man can break a law of Nature with impunity. He tries very hard by putting his beloved "work" first, but no boom has ever failed to produce its slump. The "dirty" work, that no one would do unless forced, is dirty only because man has been forced to do it with little reward. All work connected with sanitation, for instance, has been made "dirty" and distasteful mainly because no attempt has been made to put this most essential service on anything like a decent footing. There is no money to be made out of such necessary work, so it remains "dirty," i.e., badly paid.

When man wakes from his producer delusion and de-

mands his Dividend as a consumer, there will be no lack of producers or productions. At present the consumer is the missing link. When he claims his birth-right peace will reign.
H. E. B.

The A + B Theorem.

A SIMPLE DEMONSTRATION.

It is sometimes claimed by people who are inclined to admit that there is a gap between total prices and total purchasing power that there is no need for the public to hold enough money to meet capital costs as well as the cost of goods for consumption. The argument is rather insidious because on the face of it, as the public do not want to buy the capital goods, there appears at first sight to be no good reason why they should be able to do so. A little close examination will, however, show that the public are charged with the cost of the capital goods whether they wish to buy them or not. Therefore it is a practical necessity that they should be in possession of the money to enable them to meet the capital costs as and when these costs appear in the price of the final products.

A simple example will make the matter clear. Imagine that two identical cars are sold, one to a private owner, and one to a merchant for the use of his traveller, and let both private owner and merchant pay ready money for his car. No one will claim that the money paid by the private owner for his car is a distribution of purchasing power. The act of buying the car involves a withdrawal of purchasing power from a member of the community in discharge of the costs attached to the car. If the production of the car was financed by bank loans, the money paid for the car goes back through a chain of costs to the bank in repayment of the loan, and if the production was financed by private capital (savings) the money paid for the car restores the amount in the capital account. The object of the motor-car industry has been achieved, a motor car has been delivered, and the money which represented the costs of making the car has been withdrawn from circulation. The transaction is complete.

With the car bought by the merchant the transaction is not completed. The cost remains attached to the car to be collected from the public in the price of whatever ultimate commodities the merchant may sell. We have postulated that he pays for the car, he therefore makes a payment to another organisation—a B payment. Again, quite clearly it is not a distribution of purchasing power; it goes back through a chain of costs in the same way as the money paid for the car which was bought by the private owner. If the car is paid for out of private capital (savings) the money is withdrawn from circulation without a corresponding cost being defrayed. If the car is paid for out of a bank loan, a further charge of interest is added to the cost of the car.

The price of the car which is now part of the merchant's capital will be charged into the costs of the goods which he sells, in the form of depreciation, which the public will have to pay for in the price of final products. This the public can only do if they hold enough money to meet capital charges as and when they are called upon to meet them.
E. W. H.

NOTICE.

All communications requiring the Editor's attention should be addressed directly to him as follows:
Mr. Arthur Brenton, 20, Rectory Road, Barnes, S.W.13.

"The Two Criminals."

By Marten Cumberland.

(Reprinted by courtesy of *Weekly Illustrated*.)

Ricardo Menendez came through the narrow Rua Sao Bento and stood blinking in the white sunlight of the square. He walked to a park bench and sat down. An old newspaper was on the seat, Ricardo picked it up, glanced at it abstractedly, and thrust it into a tattered pocket. He was not in the mood for reading. He wanted to think. It was unaccustomed exercise, but nowadays many people may be discovered doing quite unexpected things.

It was, for example, odd that Ricardo should sit in the blazing sun. Argentine by birth he had for the last ten years lived in Brazil, and he had little to learn concerning the perils of tropical sunshine. As a *peon* he had worked in Patagonia and Paraguay before coming north: then the midday hours would find him sprawled flat as a starfish in the shade of a grain-elevator, or curled beneath a tree with his wine-skin clasped in his fat arms.

But now everything was changed. He had no work and no wine-skin. He was lucky if he got cool water. Ricardo sighed. There was a pained look on his broad, white face, and the little, dark eyes were perplexed. Wistfully he glanced about the baking square. He had the "park" to himself, except for a motionless yellow cat who lay, sleeping or dead, beneath a thin, shadeless magnolia.

Ricardo stretched himself uneasily. There was, he felt, something very wrong with the world. A year or two ago it would have been impossible for an honest *peon* to search vainly for work: on the contrary, one could pick or choose one's boss or one's territory: if there was no work in one place, there would be urgent demand for it in another. Ricardo recalled a time when the *estancero* of Patagonia would think nothing of giving to a needy traveller a horse or a sheep. Then it became rare to give away a sheep-skin. Now nothing was given, not even the right to work for one's living!

But it was not merely thoughts of his unemployment that puckered Ricardo's face into a rather childlike expression of bewilderment and misery: there was also his wife's illness. Cleta was sick—mysteriously sick—and she had been in much the same pitiful state for the past seven weeks. Apparently something to do with her throat; the fussy, little doctor spoke of glands, became technical, and Ricardo did not understand. Yet the main points in the situation he comprehended perfectly. Cleta, once a strong, broad-breasted woman, was now wasted with fever. Her lips were dry, pale, and coated; the usually mahogany-coloured skin appeared white when it was not unhealthily flushed. She had lost her habitual serene patience, too, so that things were becoming difficult—almost intolerable.

Ricardo understood. His brain was slow, of course; but he knew how sick fancies will breed a certain peevishness, an impatience with constraint, and sometimes queer, seemingly capricious demands. There had been a day when Cleta wanted a pineapple; no other fruit would do, it must be a pineapple. On another occasion she had asked for *mâté*, which had not been very easy to obtain. Sometimes she wanted a particular fish, or a stew; her drink must be scalding hot, or icy cold. All the morning of this particular day she had been crying out for coffee. . . .

So Ricardo was perplexed. Every penny of his small savings had gone: he had no work, and could find none: and not a shop would give him credit, for it was known that he had not been employed for months.

Perhaps Cleta should have gone to the hospital; and, had she been more seriously ill, no doubt the doctor would have sent her there immediately. As it was, two small stuffy rooms were hardly fit place for an invalid. But Ricardo had not cared to suggest the hospital. He knew Cleta's immense pride. He had heard her, on occasions, speak of her ancestors who were Oriental. Breeding showed in her high cheek-bones, in the steady gaze of her dark, yellow-flecked

eyes, and in her carriage and gestures, worthy of a queen. One could not expect such a woman to enter a hospital and accept charity from the State. No—so long as they could pay rent, Cleta would remain in her own home; and, no doubt, in a day or two her throat would be better and the fever would subside.

He rose slowly to his feet. The sun seemed no longer an antidote to worry and the atmosphere of sickrooms, rather were the beams an additional misery. The sun brought the sweat tumbling down Ricardo's brow and neck; it sought and discovered an old, familiar pain in his back; it reminded him, most unnecessarily, that he was thirsty.

He stumbled across the road, and into the shade. Big, and square, though not tall; he was becoming flabby for want of exercise. He must walk a little; but it could not be for long, for he must return to Cleta. He had left her sleeping, but she never slept long, and at any moment she might awaken, and call out for something.

Ricardo shook his head grimly. Cleta would want things, but there was no longer any question of his giving them to her: it would be a matter of pacifying her, with water when she called perhaps for chocolate or wine. After nearly forty years of hard work that was his position. He could not buy a delicacy—even a necessity—for his sick wife. A few months of unemployment, a few weeks of illness, and he and Cleta were penniless. Yet he had been a good worker. True, he had gambled a little—as Cleta was fond of reminding him—but what of that? All the *peons* gambled. But he never played for high stakes, and never got into debt. And he had only gambled when he earned good money. These last, lean years he had not touched a card, or even played the lotteries. *A la pucha!* He could see little to reproach himself with!

He was back in the narrow streets with their impossible pavements, their cobble-stones, and their hostile odours. Some women walked unhurriedly from shop to shop; numerous children indulged in games which seemed to necessitate much shouting and hopping on one leg. A carter bitterly kicked his llama which spat at the man dexterously.

Back in the Rua Sao Bento, Ricardo saw Bruno, the grocer, standing outside his shop. A compatriot of Ricardo's, the grocer was a little rat of a man, with a yellow face and prominent eyes and teeth. He now saw Ricardo approaching and entered his shop.

Ricardo smiled. Bruno had refused credit, and feared a second request; but he need not be afraid; Ricardo never asked a favour twice of any man. Once the grocer had been glad of Ricardo's custom, and was always declaring that he was in no hurry for money. Ricardo felt tired. His smile became wearily contemptuous, and then, suddenly, it left his face altogether.

Outside Bruno's shop various goods were displayed; there were oranges and aubergines; great bunches of bananas and boxes of sweet biscuits; American tinned goods, and packets of Sao Paulo coffee. It was the coffee that caught Ricardo's gaze, and held it. The muscles of his face tightened. There was a glitter in his little button-like eyes.

Ricardo looked about him swiftly. In the shop, Bruno was talking earnestly to a stately woman in deep mourning. On the pavement another woman turned over the oranges, shrugged, and passed on her way. Ricardo dropped on one knee and played with a bootlace. He rose again, and, as he did so, he slipped a small packet of coffee into a side-pocket.

The thing was clumsily done. Ricardo's face flushed scarlet as he felt that someone must have seen him. He slouched away, but not far. There came a shout, and the clatter of Bruno's feet on the cobbles. Ricardo felt his arm seized.

"Ah! So you steal my coffee! *Sin verguenza!* Shameless thief! Ill-educated scoundrel!"

Bruno's voice was shrill. Instantly a crowd collected. The grocer hung on Ricardo's arm and could not be shaken off. He tried to pull his packet of coffee from Ricardo's pocket: it stuck hopelessly in the tattered lining.

"For the pity of God!" said Ricardo, low and urgent. "I will pay you, *amigo!* I will pay!"

"With what?" retorted Bruno. "With what, beggar and thief? Thief?"

The last word was shouted. Looking down, Ricardo saw, first with astonishment, and then with despair, that the grocer's face was set in hard, ugly lines of intense hatred. Bruno had hated him for years!

Two *vigilantes* came impressively. Neither knew Ricardo. They asked questions; they found no money upon their prisoner; they saw only a packet of coffee, even yet entwined in those net-like rags. So they took Ricardo to the station.

In a cell, Ricardo's troubled brain revolved about the problem of Cleta: what would happen to her? At length, with some sense of relief, he discovered the old newspaper in his pocket. He took it out, and forced himself to read. For half an hour he read high politics, and of murder—then, suddenly, he began to laugh.

It was not a frequent practice with him. This time his merriment was sonorous. He shook—his cell seemed to shake—with great volleys of deep, belly-guffaws.

A jailer came, at the din, and asked what was wrong. Must a man go to prison in order to find amusement?

Ricardo could not articulate. Speechlessly he held out his newspaper, indicating with one fat, grimy finger, a short paragraph, which began:

Brazilian Government Orders Two Million Sacks of Coffee to be Destroyed.

The jailer shrugged, and saw no cause for amusement, but Ricardo continued to laugh.

He was still laughing when he came before the magistrate. A first offender, Ricardo might have got off lightly had he been able to control himself. As it was his laughter brought him an extra month—for contempt.

LETTERS TO THE EDITOR.

RETIRING FREE CREDIT.

Sir,—To those who fear the accumulation of consumer-credits, the following point of view might perhaps appeal.

The issue of producer-credits calls into being physical production, which calls for the issue of consumer-credits in order that the producer-credits may be cancelled in full.

But the issue of consumer-credits, acting as effective demand, calls for further production which requires further producer-credits, which again, in turn, will call for the issue of further consumer-credits to cancel them in full; and so on indefinitely.

So we get a picture of a ding-dong race between producer and consumer credit-issues in which neither competitor ever wins. Such a picture has at least the merit of being a dynamic representation.—Yours faithfully,

A. W. COLEMAN.

Oakdene, Mundesley, via Norwich.

FASCISM AND SOCIAL CREDIT.

Sir,—In the absence of Mr. Chesterton, perhaps you will allow me to reply very briefly to your correspondent, Mr. P. Mamlock, who asks (1) whether the statements concerning financiers were made with the authority of Sir Oswald Mosley, and (2) why we attack international finance as Jewish although, as he says, the control of the Bank of England and the Big Five is almost entirely in non-Jewish hands.

The answer to the first question is yes. With regard to the second, what he says is true: none of the Big Five has more than one Jewish director, and Mr. Montagu Norman is, of course, English. It may be noted, however, that Mr. Norman's co-delegates to a recent conference of the Bank for International Settlements at Basle were Mr. H. A. Siepman and Sir Otto Niemeyer. It is not the Big Five who are responsible for the international usury that we condemn, but the international lending houses, such as N. M. Rothschild and Sons, M. Samuel and Co., Seligman Bros., Kleinworts, and Samuel Montagu and Co. Your correspondent must be aware that international manipulation of exchanges is largely conditioned by alterations in the price of gold; he may, however, be surprised to learn that

this price is not fixed by the Bank of England, but by a small group of financiers, almost entirely Jewish, meeting each day at the headquarters of Messrs. Rothschild. Sir Oswald Mosley's recent speeches have condemned that international finance which "is sweating the East to ruin the West." Your correspondent might profitably investigate the ownership of the Bombay cotton mills and of the banking houses in Calcutta, Karachi, Hong Kong, Shanghai, and Hankow.—Yours, etc.,

J. A. MACNAB.
(for the British Union of Fascists).

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