

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

### Action and Counter-Action.

#### Implications of Mr. Evans's Plan.

When outlining and discussing last week the Currency Reform scheme put forward by Mr. Warren Evans we confined ourselves to a review of its technical nature and consequences. There is, however, another aspect of it which needs to be examined. It raises the question of whether that scheme, or some variant of it, could be used as a weapon against Social-Credit assailants of the Money Monopoly. To begin with, it should be noted that the Currency Committee of the Cardiff Chamber of Commerce had had Mr. Evans's plan before it and had issued a report on it which was generally sympathetic with his main proposals. In fact Mr. Evans's article in the *Certified Accountants' Journal* was based on this report. Further, the idea of taxing time-deposits has been allowed discussion even in *The Times* on occasions, while criticisms of the banks for not showing separate returns of deposits on current-account and time-account have frequently appeared in City articles in the Press generally. Such phrases as "Idle deposits," and "Money on strike" have been coined in this context, so that it would appear as if the ground had been prepared already for currency reformers to come along with positive suggestions on Mr. Evans's lines.

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Naturally, any scheme for taxing money lodged in the bank must provide for taxing money drawn out of the bank; else people would hoard currency to avoid the tax. Hence the monthly stamping of unused currency notes which Mr. Evans proposes shall proceed alongside the monthly deductions from unused deposits. Both are necessary for "breaking the money-strike."

#### The Bankers' Three Scapegoats.

Students will see that this scheme implements the old, old strategy of the Money Monopoly, which has been to create scapegoats to bear the odium and penalties of its own misdeeds. First it was the Landlords who were extracting rents by holding land off the market; then it was the Capitalists who were extracting profits by

holding goods off the market; and now it looks as if it is to be the Deposit-Hoarders who are extracting interest by holding money off the market. Always has it been the *owners* of wealth (in some form or other) who were inflicting poverty on the masses, never the *custodians of money!* How should it have been when the bankers could claim that they had no right or power to interfere with the way in which wealth-owners dealt with their property? Of course we have all learned a good deal since Mr. Lloyd George launched the final attack on Landlordism at Limehouse; and to-day the bankers are obliged to modify their old story. In the face of the disclosures of the Technocrats they can no longer back the proposition that poverty is caused by misappropriations of real, consumable wealth, that the rich have got what the poor lack, and in forms corresponding to those in which the poor need to have it. They now have to admit that the wealth is here, but is rendered inconvertible or inaccessible by a fault in the system of distribution. Yet, with the obduracy of Pharaoh, they will not accept the one diagnosis of that fault which alone can correct it, namely that it is a technically unsound principle of accounting costs into prices which, instead of implementing the proper objective of clearing goods out of industry, implements the precisely contrary objective of keeping them inside. No, the diagnosis that they put forward is that the fault lies in the behaviour of wealth-owners, but with this change of emphasis, that the motivation is now safety-seeking rather than profit-making. They are wise to do this, for where are profits, or prospects of profits, to be discerned in the situation of to-day? In fact, Mr. Evans's arguments embody an implicit reproof of wealth-owners for *not going after profits*, and for holding deposits out of use in case they lose them. The old scapegoats of aggressive cupidity have given place to the new scapegoat of defensive caution. Prosperity must still be sought in the sphere of morals!

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Thus the new plan, though it contains some startling innovations on its administrative side, involves no

breach of the broad political and technical principles of orthodox finance. Unfortunately these innovations are likely to be interpreted by unsophisticated observers as signalling the retreat of the enemy from his main positions.

#### Two Prophecies About Social Credit.

There stand recorded in the pages of THE NEW AGE two prophecies—perhaps ten years old or more. One was this: That as soon as Social-Credit exposition had captured the outposts of publicity from the bankers they would offer a scheme indistinguishable from Social Credit. The other was this: That as soon as Social-Credit achieved the success just described, the Movement would blow up. The event which may be taken as marking the achievement of this success was the Birmingham Debate held on March 22, 1933. The Treasury, by releasing Mr. Hawtrey to "star" opposite Major Douglas, thereby signalled to the world of banksterdom that Social Credit was now officially licensed as first-class public debating-matter. A year before this, namely on February 20, 1932, the *Daily Telegraph* published a prominent article by Dr. Robert Eisler on its leader page, in which that "Austrian economist" outlined a scheme of monetary-reform. At about the same time other London dailies were giving him generous space to develop his views. His scheme could not be said to be indistinguishable from Social Credit, but it made an approach towards an attractive alternative. It provided that money in the hands of people should have its purchasing-power regulated according to movements of prices. For example, he said: "The Bank of England pound note" would be declared "legal tender only to the extent of its purchasing power on the day of payment." He illustrated his meaning by instancing the case of a workman with a shilling in the bank received by him when the cost-of-living index figure was 100. If the index rose to 133 before he drew the shilling out, he could go to the bank and claim 1s. 4d. for his shilling. If the index dropped he would draw out less than 1s.

#### The Significance of Eisler.

The particular provisions of the Eisler plan do not matter for the purpose of the present argument. The significance of its publication lies in the fact that it preceded the official recognition of Social Credit, and that it at least challenged comparison therewith in the sense that it impliedly conceded the Social-Credit case that economic prosperity depended in part on some modification of monetary policy. Previously the attitude of banker spokesmen and press-men was definitely that economic troubles were not connected at all with existing monetary policy and principle, but arose from the misuse of the monetary system. As Sir George Paish frequently insisted: Even a perfect system would break down over the stumbling block of the unregenerate human factor. So it was something gained to get this belated admission that changes in the existing system could contribute something to ease the burdens of the community.

On the other hand, that admission afforded tacit encouragement to sponsors of all sorts of credit-reform to bring their theories into the arena of public discussion. It is true that the authorities, after giving Dr. Eisler a year's start, singled out Social Credit for the distinction of popular publicity (in the Birmingham Debate, followed by the Robertson wireless debate, then by the late A. R. Orage's wireless address, and those of Major

Douglas shortly afterwards in this country and more recently in Sweden). But in every case this has been accompanied by the insinuation that Social Credit, though a proper subject of debate, is not to be accepted as a basis of action. "Talk about it, but don't do anything about it," said one speaker on the wireless not long ago. There has been a warning note throughout to the effect that investigation is not yet complete—that more research in all sorts of quarters is still to be done before it will be expedient to press for the adoption of any plan. Of course, among those who take part in the research will be the bankers, together with economists, accountants, and other graduates of the "Bankers' University." The "Right Plan" will emerge sooner or later if nobody tries to hurry it!

In the meantime there is no reason why public opinion should not be brought to bear on the objective results expected of the Right Plan—i.e., the Unknown Plan. The nature of these results has been broadly indicated by no less a person than the Prince of Wales, who has spoken words which can only mean that the existing system of Distribution is inefficient and ought to be made efficient. To this extent Social Credit receives the tacit patronage of High Society as well as the tacit recognition of High Finance. All accept the technical feasibility and the moral desirability of *Plenty Amidst Plenty*. And provided that the Right Plan remains unknown no supporter of the Right Objective need fear for his job, or for his career in society, politics, or commerce. There will be no victimisation proceeding from the Lord Chamberlain or the Front-Bench Caucus or the Lords of the Treasury. All may safely prophesy in the name of *Efficient Distribution* provided no-one assumes to lay down the law on how it is to be achieved, or when. The word "how" in this context does not refer to methods (e.g., the "Scheme for Scotland"), but to principles governing methods.

#### "The New Age" and the Boycott.

Someone may now reasonably ask why it happened that the bankers singled out Social Credit for distinction when it is borne in mind that for fourteen years this name connoted certain technical principles and declared them essential to the agreed objective. Why, if they desired to keep the principles out of sight, should they have given a free world-wide advertisement to the subject and its author by name, and set every student of public affairs, professional and amateur alike, buying and reading the authoritative literature? Why virtually prompt the world to implement, morally and financially, the advocacy of the new and revolutionary doctrines? The answer is that they were obliged to do so because of the progressive and cumulative effect of the exposure of their *policy of boycott* which was built up in THE NEW AGE during that period. Facts were quoted in this journal, and allegations founded on them. The facts were never publicly explained nor the allegations refuted. This silence of the bankers inevitably aroused curiosity among experienced journalists, politicians and public officials, and led to discussions in clubs, board-rooms and drawing-rooms, which undoubtedly centred on the question of what grounds of public policy could conceivably exist for suppressing a calm, reasoned scientific analysis of established financial theory. It is not to be doubted that these people privately buttonholed banker after banker saying: "Come on: we're not the public: let us in on this: what's the idea?" And they had a right

to ask, seeing that all of them, in their various professions, were accustomed to conditioning truth for public consumption—also to being made acquainted with the reasons (if they did not appreciate them already) for reticence or deception. What sort of answers they got will not be known until the bankers are put out of the way, and the economic muddle is cleared up; but it is obvious to students of Social Credit that the bankers were in a quandary. If they claimed to be able to prove Social Credit was unsound they would be challenged: "Why not publish the proof?" If they admitted that it was sound, they would be challenged: "What's the danger in adopting it?" It is probable therefore that they lay low and said nowt for as long as they could, but foresaw that their continued suppression of external publicity would create currents of internal publicity much more damaging to their prestige, and, in the last analysis, to their authority. So what they did was to set about consolidating their power with the object of making themselves immune from the consequences of external publicity by the time that they sanctioned it. In 1919 there was no Basle to pass the buck to. In 1933 that international buck-passing institution was well under way. In this connection it should be noted that the financial relationships of countries with the Basle bank now form part of the Constitutions of those countries. And if a close scrutiny of the relationship of this country with Basle could be made it would disclose the fact that the Constitution now lends itself better than ever to the checking of popular demands and to the delaying of their fulfilment. And so in other countries. The British Constitution may be said to be part of the European Constitution, and the Central Bank Governor in each country the arbiter of constitutional procedure within that country.

#### Campaigns and the Constitution.

From the point of view of the Social Credit Order this difficulty is aggravated in two ways. Firstly, it is impossible to tell whether actions which it may yet be legal to take to-day won't be made illegal to-morrow. Secondly, it is quite probable that the bankers might put their weight behind a plan like that of Mr. Evans with the object (apart from its use to them in actual operation) of preserving in the minds of the electorate the notion that it is their function to pass judgment on technical principles and methods. In such an event the Social Credit advocate would be in a dilemma. If he said to the electors: "It is your function simply to demand results" they could reply: "Well, this plan promises results." Which it does: and what is more, Mr. Evans's plan makes a powerful appeal to a universal prejudice against "getting something for nothing"—and also to a widely-spread revenge-complex which wants to see somebody penalised. Mr. Evans could appeal to both in the single slogan: "Down with the Idle Depositor and Up with Jobs and Wages." The Social-Credit advocate could not overcome these prejudices by *ex cathedra* reproofs. The only way in which he could do so would be by explaining why they should be abandoned; and directly he began to do that he would find himself teaching the mechanics of production and the technique of finance. The same thing would happen if the Social-Credit advocate took another line and said: "This plan won't give you the results you want," because to prove it he would have to show the technical reasons why a deadlock in distribution would supervene. Ignorance is the mother of prejudice, and you must dispel the first to eradicate the second.

Turning from the electors to Members of Parliament or candidates, the proposition that it is also their function to insist on results without accepting responsibility for technical principles and methods can be pressed with better effect. It is easier to make them see it for themselves than it is to get electors to see it for them and bring them to heel. They are fewer in number, and they are better equipped, by virtue of their calling and experience, to assess the cogency of the arguments that can be brought to bear on them. The bankers, of course, will be busy, and the line they will take will probably be to revive in an intensified form Mr. Ramsay MacDonald's dictum against the making of promises by candidates to their constituents. We are likely to hear a lot about the superiority of the principle of *representation* over that of *delegation*, and it may happen that every candidate drawing support from the Party Caucuses backing the National Government will be pledged not to give pledges, precisely on this ground of principle. In doing so they would probably rely on their highly subsidised machinery of election campaigning to make them immune from risks arising from the diversion of votes to independent candidates (if any). On the other hand they may all pledge themselves to support the demand for results as formulated, but point out that they can only do so on occasions provided in the House by the Government, and cannot insist on this demand by the Government, and cannot insist on this demand being given priority over all other business if the Government think otherwise. They might be able to make their insistence felt if they were prepared to hold up such other business by devices not sanctioned by the rules of procedure. "Are we," they might ask, "expected to do this?" The challenge would evoke different replies from different types of Social-Credit campaigners.

It will be clear now why the Social Credit Movement should "blow up" according to one of the aforesaid prophecies, and that this phenomenon should more or less synchronise with official recognition of the Social Credit Analysis. It was one Movement just because it had one job to do, namely, to break the boycott. Having done this it now discovers itself to be a Social Credit Order composed of several Movements with a choice of jobs to do.

Almost exactly a year ago, namely on July 26, 1934, we devoted our "Notes" to the subject of "The Social Credit Constitution." We drew a parallel between the groupings within the Movement and the parties within the British Constitution. We assigned to Major Douglas a position and relationship corresponding with that of the King. If those who remember what we said, or will re-read it, reflect on the events of the year that has elapsed they will see that our arguments have gained in cogency and force. Though undoubtedly the Social Credit Order has extended its influence, its progress would have been greater if the "royal prerogative" had been exercised above the various Movements of the Order instead of being delegated to one of them. Fortunately there are signs that the lesson is being learned that the leadership of the Order is something which cannot be merged with the Leadership of any Movement, and that none of the Movements can claim a monopoly of wisdom, disinterestedness, energy, or loyalty. Major Douglas, speaking at the Dinner, admitted that every Movement was contributing something to the achieve-

ment of the common objective. The truth is more specific than that: it is that every Movement is directly contributing to the success of the Electoral Campaign: it is paving the way for canvassers. For instance the demonstration at the Central Hall, Westminster, exerted an influence which, if it were possible to track its radiations into the homes of the audience, might be measured in terms of the rate-of-collection of pledges. You simply can't help opening your mouth for Social Credit without setting a stream of support—in money and service—flowing in to the organisers of the Electoral Campaign.

#### Raiding Social Credit Funds.

There is now a final word to be spoken about Mr. Evans's plan. It relates to the provision whereby deposits are to be taxed at 5 per cent. per annum so as to turn "idle" depositors into useful investors.

If Mr. Evans's plan is brought into operation it will tend to undermine the financial power of supporters of policies like Social Credit. The richer they are the more vulnerable they will be. Take a case. At present Mr. X. has £100,000 in gilt-edged securities and gets an income of say £3,000 a year. He devotes, say, £500 a year to Social-Credit activities. He feels himself safe from victimisation because any "bear" attack on his capital at present would injure all other capital of the same type. Suddenly the new plan operates. The Government hands him his £100,000 back. If he holds it on deposit he is taxed to the sum of £412 at the end of a month, and every succeeding month—i.e., at the rate of £5,000 a year. To avoid this he must re-invest in industrial securities carrying risks and affording him less income. Consequence—the Government will have intercepted and confiscated his annual donation to Social Credit. Similarly with funds held by organisations—these will pay the 5 per cent. levy to the very power against which they are fighting.

One counter-measure might occur to fund-holders, which would be to convert their holdings into bearer-bonds. There have been cases where such bonds have been used for the purpose of making donations, especially where the donors wished to conceal from the authorities the destination of the donation or the fact that they had the donation to give. For there are times when the ignorance of the banker and the tax-inspector is bliss for the client of either! But Mr. Evans seems to have anticipated this means of escape by his reference (quoted by us last week) to the prohibition of the use of "substitute" money.

However, there may be other means. Let us hope there are. But reflection on all the aspects of the plan surveyed in these "Notes" will show that if the bankers think fit to offer something indistinguishable from Social Credit they can kill two birds with one stone. They can manoeuvre Social-Credit campaigners into fighting a dialectical battle on the wrong ground (methods instead of results) and if, by introducing this distraction, they succeed in obtaining an ambiguous mandate from the electorate, they can get their plan enacted and used as an instrument of financial disarmament against their critics. Thereupon, once more, the Constitution would have been cooked to the discomfiture of the Movement.

#### The Key Question for Leaders.

The fundamental question governing Social-Credit actionist policy is this: Are the bankers going to fight

fair or fight foul? If fair, then we would put our money on electoral campaigning as the best means of averting the threatened catastrophe. But if foul, we would have to divide our stakes, distribute them over the same range of activities as were successful in breaking the boycott, and hope for an outsider to turn up. No responsible spokesman in any Social Credit Movement professes to see the chance of the masses of the community answering the liberties which the bankers can take with the Constitution by taking counter-liberties with it. For them, what is unconstitutional is impracticable. Nevertheless, if the bankers' resolution to court the catastrophe remains unshaken the only means of averting it must involve extra-constitutional action by someone somewhere in the pyramidal structure of Financial Government. If not, the catastrophe is certain, and we must content ourselves with whatever consolation resides in the reflection that the catastrophe, itself, will constitute the required extra-constitutional action.

In this complex of "ifs" there is bound to be a conflict of counsels. Instead of deploring them we should welcome them as a sign that all Movements within the Order are on the alert, and that what appears to be our "blowing up" is really a "bucking up" in terms of resolution and adaptability.

#### The Green Shirt Movement.

##### ANNUAL REPORT, 1934-5.

The Annual Report of the Green Shirt Movement for Social Credit, as presented to the General Meeting of National Assembly held on June 9, has now been published. Copies are 2d. each, and can be obtained from headquarters, 44, Little Britain, E.C.3. It gives a full record of the year's activities, which, by their variety and number, justify the confident spirit shown by the compilers.

There is no attempt to exaggerate successes or to minimise reverses in the various fields of action: facts are faithfully recorded—names, places, dates, etc.—and are left to speak for themselves. Everyone who studies them will be impressed by the initiative and devotion of the rank and file and the leaders of this Movement which are revealed. And the impressiveness of the report is heightened by the fact, on which the General Treasurer lays stress, that no participant in these activities has received a penny for his or her services.

An Appeal for funds is inset in the report, and the General Treasurer, Lance G. Taylor, indicates that money raised in the past, and required in the future, has been and will be spent on three main objects: Pageantry Equipment; Printed Propaganda; and Transport Work. Added to these is, of course, the necessity to maintain Headquarters. A fly-leaf to the Appeal contains forms for the use of (1) donors and (2) testators. On item "b" the Treasurer truly remarks that "you can't miss what you give away after you are dead," and to this might be added the consideration that nothing should give the true Social Creditor more consolation when dying than the knowledge that he was bequeathing further kicks at the bankers.

#### The Urgent Need.

"To one man Social Credit means more than to any other Social Creditor in the world, and just as a compass needle must seek the north, so there must be a compulsion, irresistible because compounded of the nature of existence, which will carry that man to the place where his ideas have the most active and purposeful support.

"Is it not then the urgent need of every supporter of Douglas in this country to do what Lord Tankerville so plainly and so cogently describes as making it worth Major Douglas's while to stay here?"—*Social Credit*, July 26, 1935. Leading article on the Secretariat Dinner.

## The Point of the Pen.

By R. Laugier.

### No. XLII.—EDUCATING FOR LEISURE.

To me at least it becomes more and more plain that we must educate the educated; the poor are not in any particular need of instruction, and in England they can look after themselves. The poor require only that their leisure shall not be penalised; but the educated middle-classes need to be told why the poor suffer—in fact why there are poor at all. The spectacle of "social-workers" pondering, analysing, compiling statistics, and so on, all for the benefit of poor people capable of looking after themselves, even in circumstances bordering upon the impossible—is a sight for angels to weep over. They mean so well, these "social-workers," and they know so little. In their attitude towards the poor these "workers" set me thinking fancifully of a pale, young curate endeavouring to convert to Christianity an old and wise Chinese philosopher. The fact is the English poor are the salt of the earth. They adapt themselves to conditions that would madden and brutalise weaklings. They are now engaged in a terrific struggle to remain alive, sane, and possessed of homes, whilst the world is crashing about them, and their "betters" are either doing nothing to help, or are engaged in active betrayal of those homes.

These remarks may seem to some unconvincing, and possibly even violently exaggerated, but I propose to prove my statements, and I shall do so from an article in the *Times Literary Supplement* (dated July 4), reviewing the ninth and last volume of "The New Survey of London Life and Labour." (P. S. King. 17s. 6d.)

The gentle and anonymous reviewer begins his long article on a happy, congratulatory note. "Wages have increased and so . . . have the hours of leisure. Games and sports, although they have not increased in popularity, show an immensely greater number of devotees, since there are now so many facilities for such sports. The cinema and the wireless have taken hold of the popular imagination, and the seating capacity of the cinema in London is now great enough for a quarter of the whole population on any one day. And every day new cinemas can be seen in process of building."

These great changes, so pleasing to our reviewer, have come since William Booth wrote "In Darkest England, And The Way Out." A mere fifty years have produced all this amelioration; a period of time barely sufficient to produce electric light, automobiles, and wireless telegraphy and telephony, etc., etc. It is really wonderful what can be done in half a century, but: *More money means more freedom; more freedom and education mean a demand for amenities of all sorts.* That is the secret of the thing—demand.

It is good to demand amenities, but, even in the midst of this last joyous sentence, something appears to happen to our reviewer, for he goes right on, after the word *sorts*, with but a semi-colon in between: *changes in modes of work have meant a decay of craftsmanship, and "big business" has taken the personal interest out of work.*

To what extent the "personal interest" has been taken out of the modern drudgery misnamed "work" is revealed plainly enough in the diary of a "social-worker," writing in 1932:—

*A London clothing factory. Commented to one of the women how they all stopped work and began putting on make-up five minutes before the whistle*

*went: "What can you expect?" she said, "You don't think we want to be here, do you? We just hang on for six o'clock and wages day."*

It is all very surprising, if not baffling, to "social-workers" and journalists; but as the *Times's* reviewer says: *The causes that have led to this state of things do not come within the scope of this review.*

So that's all right.

The reviewer comes to the conclusion that people have changed less than conditions. Practically all the leisure of middle-aged poor is spent in the home and garden. They take "little advantage" of organised entertainment. One woman said recently: "When you've brought up eight children and had your man in and out of work for years, you've seen so much romance of your own that you don't want the sort film stars give you."

In fact for some queer reason the moving pictures leave the English poor, over forty, strangely unmoved.

*A social-worker, acting as usher in a cinema in a poor suburb to study the audiences, found on talking to the women who frequented the place in the afternoons that they went as much as anything, "to get a good sleep." The older children are interested in the film; the toddlers are scared by being told that the uniformed commissionaire is a "bobby" who will "have them" if they don't keep quiet; the baby in arms usually sleeps with a bottle. So the mother drowns in a chair much more comfortable than any she has at home, and has her family "minded" while she does so.*

Well, the truth will out! Here is your great force, competing successfully with the Theatre; this is the entertainment that has "taken hold of the popular imagination." When all the hysterical superlatives of cheap-jacks, and the screams of prostituted journalism are damped by sheer hoarseness, the small voice of Truth is heard—the honest poor go to the cinema to sleep!

That same London poor who, after the curtain had fallen, remained in the pit of the Lyceum for hours, calling, stamping, and whistling for Irving to re-appear, these same poor visit the cinemas to be warm, comfortable, out of the rain, with their children minded, and a quiet nap before them, whilst Garbo and Marlene make faces in the calm, pervading darkness. The secret is exposed. Whilst parents sleep, the "toddlers" are kept in their seats by threats and uniformed "bobbies." So much for celluloid!

The *Times's* reviewer is astonished. The "social-workers" are astonished. They thought anything was good enough for the poor; it seems impossible that the poor can be superior, spiritually, to middle-class film fans who "dress" for a *Bulldog Drummond* first night. These people don't understand the poor. In all their easy lives they never worked till they were ready to drop with fatigue. To them life is either tepidly amusing or tepidly boring; they have never known fierce joys or agonies; they have never known, for months and years, that intolerable anxiety which is the real essence of modern "poverty," an anxiety that has raised our statistics of suicides to an increase of from 60 per cent. to 100 per cent. since the deflation of 1919, that anxiety which the poor supports, and which is never mentioned in such articles as the one I am examining.

These theorists possess neither the experience nor the intuitive imagination to comprehend the poor, and so the "social-workers" are continually surprised, and the *Times's* reviewer blunders on—*They seem curiously*

thankful for a good home and are willing to do anything to improve it.

The Fleet Street hack and editor always imagine themselves superior to the masses. The films seem all right to Fleet Street, and so do the newspapers; they are nicely calculated by "experts" to hit the public. But the poor don't want these things. They have better taste. They don't spend their lives peddling inanities and falsehoods; on the contrary, life forces them to face real values, and they have finer taste, and sounder common-sense than Fleet Street. They take the papers, stimulated thereto by heavy bribery in the shape of free insurance, encyclopaedias, etc., and they take them because they are all the monopolies provide; but they do not read the papers, they only look for racing results and announcements of sales. As for the "silver screen," the poor would go to the cinema "palaces" if no films were shown at all: anywhere to sit down, out of the cold or wet, with one's children safe, or one's girl, holding hands.

All joy has been taken out of the work done by the poor; very soon all joy will be eliminated from their leisure, for already the elders "take little advantage of organised entertainment." Who would? Does anyone want "organised entertainment" flung at them, like a stale bun tossed to a captive animal? The poor retire within themselves, and in silent pride tend their homes and cultivate their gardens, if the home is only one room, and the "garden" but a flower-box on a window sill in a crowded slum. "They seem curiously thankful . . ."

It would be a bad day for the little world represented by the *Times* if the poor ever lost their gift for patient suffering, their proud silence, and their desperate clinging to respectability and ideals of self-improvement.

*The methods, outside the home, in which leisure is employed can be roughly divided into the following heads: education in night classes; sports; the cinema; visits to clubs and public houses; and getting into mischief through sexual indulgence and minor crime.*

The poor, like the rest of us, are creatures of environment, though, in reading this article, I have a distinct impression of people possessing enormous pride and grit, people who will make opportunities, and break through the most formidable barriers.

*The demand for cultural (as opposed to vocational) education by men and women to-day shows a great increase since Charles Booth's time.*

The English poor do not want dope. Vocational culture is at a discount because their jobs are mere drudgery, and they know it; but, if the poor have been robbed of pride in work, and incentives to work, they still retail pride in their homes and the lust for self-improvement. They don't want the common rubbish of the film-palaces; they desire an art that will have significance and sublimate their sorrows, instead of drugging the senses with dream-fantasies and "escape" motifs.

*About 70,000 adults are now enrolled annually in some class or other. . . . This has stimulated interest in folk-dancing, music, art, and reading generally.*

Yet there are, of course, enormous forces working against the pride and pluck of the poor, forces that lower the standard of living, physically and mentally, forces that provide excitement instead of serene beauty, and disciplined physical activity in place of meditation.

*The municipal libraries provide the more serious*

*reading, often seeming to be rather deficient in fiction, while the "twopenny libraries" springing up . . . cater for the great fiction-loving public.*

The Puritan's ignorant contempt for novels is now producing its crop of tares. Unable to get good fiction at the libraries, the poor youth buys the "twopenny" from a barrow. In France he could buy the best authors, in paper covers, and possess a library of his own: in England, the library system, dating back two centuries, has resulted in books expensively produced—more or less to blackmail these libraries for the publishers' benefit—and so the English poor seldom have books of their own, they hire them. Creatures of environment. . . . The poor buy cheap, insincere fiction because they cannot easily borrow distinguished fiction; and they "visit public houses," because England is the only civilised country that has not produced the decent café of leisured and pleasant drinking. Notoriously quick drinking, whilst standing up, makes more money for the brewers.

So enjoyment of leisure is made as difficult as possible for the poor. Solitude, for them is practically impossible; and without a certain amount of solitude there can be little meditation, or occasion for the imagination to feed upon reverie and reflection.

There are moments when our *Times's* reviewer is deliciously ironical, and almost achieves epigram unconsciously.

*Possibly the cinema (which cannot be afforded every night) has given its devotees an appetite for the excitement which the twopenny library book can supply; probably the wireless, introducing an atmosphere of harmony into the home, has made reading more enjoyable.*

The idea of studious youth, with a "demand for cultural education," finding his reading more enjoyable when the wireless is turned on, would occur only to one of the hacks on the *Times*. But the picture is there: cheap novelettes available when good fiction is desired; the "pictures" offered at reasonable price, and on Sundays, when the Theatre is prohibited by cost or Sabbatarianism, the B.B.C. programme on tap, whilst first-class musicians starve in the gutter for want of audiences with the money to buy concert tickets.

The reviewer says: *The "escape element" in almost all working-class entertainment is marked; they love their homes, work and struggle for them—but in the cinema and in their reading they demand something that will take them completely away from the atmosphere of the home.*

This is nonsense. The whole article proves the exact opposite to these statements. The reviewer has shown the older, more experienced poor despising the cinema, and slumbering through films. Let us drop this cant of *they demand*. The poor are not in a position to demand, but must take what they can get. They have no money to demand the Theatre, subscriptions to the Times Book Club (guaranteed), promenade concerts, chamber music, horse riding, fishing, boating, shooting, etc., etc. In most cases museums and picture galleries are closed at such times as the poor could visit these places, although with the invention of "artificial daylight" the old excuse for picture-galleries closing collapses. The *Times's* reviewer ought to realise that he is using the word *demand* in a false and lying sense; he himself shows that poor Londoners cannot afford tennis, any more than they can afford golf. But the attitude is tacitly adopted that the poor should be glad of any kind of "entertainment," from "tank town talkies" to a "twopenny" off a barrow. Middle-class amusements are not even mentioned; the *Times* and the "social workers" never dream of our poor motoring out to their golf. But perhaps the poor do. . . ?

(To be continued.)

## Headline News-Notes.

### Labour Victory at West Toxteth. (N. C. July 17).

West Toxteth (Liverpool) by-election won by Mr. J. Gibbins, Labour, by 14,908 votes to 9,565 over Mr. J. W. J. Cremllyn, the National Conservative. Total votes cast, 24,473. Total number on the register, 46,750. This means that out of every hundred electors only 52 went to the poll.

### Black Areas Abandoned to their Fate. (N. C. July 18).

This refers to the report of Mr. P. Malcolm Stewart on his first six months' investigation of the problem of distressed areas. By common newspaper consent the report amounts to the passing of the responsibility for a solution back to the Government. As things are these areas can only improve their position by devices for grabbing trade from other areas, or by emigrating surplus labour into them. The latter, being less distressed are able to resist unless the Government intervene. "And that inverted bowl we call the sky —!"

### "Unlucky Hatry."

This appeared on the poster of a popular weekly the other day. It is recorded as further evidence of the revulsion of sentiment against the harsh penalties inflicted on breakers of Treasury law. (See Note "These Two Strange Men."—July 25, p. 107.)

### "Sir Seymour Hicks and His Missus." (The Star, July 25.)

Sir Seymour and his wife are shown in a picture celebrating the honour recently bestowed upon him. Mr. J. H. Thomas is standing with them. Sir Seymour was author of sympathetic article on Clarence Hatry and James White discussed in Note "These Two Strange Men," in the issue of THE NEW AGE of July 25, p. 107.

### "Mr. Justice Avory Leaves £137,000." (Evening News, July 24.)

This is said to be one of the largest fortunes left by a judge. Mr. Justice Grantham left £227,000 in 1911, and Lord Justice Scrutton £104,000 in 1934. Others left only five-figure sums. The point about the present will which brings it under notice here is the codicil dated December 8, 1932. It revoked bequests of £500 each to King George's Fund for Sailors and the British Red Cross Society, because of "salary cut, heavy taxes, and slump in securities." This was obviously done to record a protest, not to save a mere £1,000. Whatever Avory's process of reasoning may have been, it was a happy combination of logical and poetic justice that he should make *institutions* pay for the Government's sins, and not *persons*. All these "nationalised" charities under Royal or other distinguished patronage are more or less deflationary agencies of the Treasury; and it is pleasant to know that Mr. Justice Avory, who served the Treasury so ably all his life, should have made this departing gesture of revolt against the consequences of its policy. If only he had not been caught so young—!

### "No Export Licences . . . to Italy or Abyssinia." (The Star, July 25.)

The Government decide not to license the export of arms to either of the above countries. This *looks* fair, but the impact of the prohibition falls more heavily on Abyssinia as the less industrially-developed country. Countries unequally developed are unequally armed, notwithstanding that they may be in possession of the same quantities and kinds of weapons of warfare. Fundamentally every field, factory, and machine is a weapon of warfare, inasmuch as it is adaptable to war purposes.

### "The Man Who Let the Tap Run." (Evening News, July 25.)

William Palmer, of Scales-road, Tottenham, fined 10s. for wasting water. Water Board officials appear to have entered on adjoining premises, where, by "standing on a chair," they were able to see water running from a waste pipe on Palmer's premises. They watched it do so for ten minutes. Everyone will agree that water should not be wasted any more than coffee should be burnt, or cotton

ploughed in, or port and milk thrown down drains, etc., etc. But not everyone will agree that Mr. Palmer should incur a penalty for *his* waste while the others escape penalties, and sometimes reap a reward, for *their* waste. (Cf. the story quoted by Mr. A. L. Gibson at the Central Hall meeting about the man who made money by *not* raising hogs!) There seems to be a new principle of law coming into vogue which, if pushed far enough, would lead to the examination of our dustbin by municipal officials to see if we are wasting the bread, meat, fruit, and vegetables that we buy. This would subserve Treasury policy, for, you see, the measure of our wastage could be made the measure of our ability to live on lower incomes or to sustain a heavier load of taxation. Be that as it may, there is at present one law for the producer and another for the consumer: the producer may destroy wealth and thereby raise prices against the consumer; but the consumer must not destroy wealth and thereby raise costs against the producer.

### "The 'Old Lady' Shows Her Meanness." (John Bull, July 27.)

This heads a full-page article describing how two ex-police-officers tracked down forgers of Bank of England notes who had been carrying on operations for five years in spite of the efforts of Scotland Yard to trace them. When they had been convicted and sent to prison the Bank of England expressed a desire to reward the two officers, Mr. Laven and Mr. Tongue, for the ability with which they had pursued their labour of love (for such it was—their one-time duty was now their hobby, whereby hangs a moral). In the due course the two public benefactors were received at the Bank, and each was presented with—£10! One presumes that the money was paid in good notes. According to the writer of the article the Bank defends this meanness by pointing out (a) that it is "the duty of all private citizens to make known crime without any expectation of reward"; (b) that the Bank "does not suffer loss from the dissemination of forged notes—the loss falling upon the members of the public who accepted the notes." The answer to the second proposition was given in this series of Notes on July 18 ("Studied to be a Forger"), namely that the Bank would not suffer loss if it were to replace the forged notes with new ones. As to the citizen's duty to make known crime, that is a matter of the citizen's estimate of the heinousness of the crime, or at least is in promate of becoming so. And much more so when the "making known" of the crime—not to speak of the tracking down or the apprehension of the criminal—is attended by risk or bodily hurt.

In the case of Dillinger, the first "Public Enemy No. 1," the American police admitted that he escaped arrest for so long not only because the public were afraid to interfere, but because they had a prejudice against banks, and were inclined to underrate the heinousness of the crime of robbing banks, which was Dillinger's speciality. He killed people, true; but the killing was in self-defence and was incidental to the operation of robbing robbers! To them it was arguable whether it was the duty even of bank officers—much less of themselves—to run the risk of obstructing the robber. Their attitude was more sound than they knew, for the "wealth" over which lives was lost was of the kind which is costlessly replaceable, and measures nothing against the value of human life.

### "Millpool Was Seaworthy." (Evening Standard, July 23.)

This was the finding of Lord Merrivale, sitting as Wreck Commissioner, to inquire into the loss of the Millpool, who sank in the Atlantic on the night of October 2-3 last with a crew of twenty-six, all drowned. When delivering the finding his Lordship had something to say about insurance. In the case of this vessel the owners were entitled to receive about twice her actual value as estimated by their valuers, and four times the value at which she stood in their books as an asset. These facts "led to much embittered comment." He proceeded to add the following observations:—

"What the law should be with regard to the insurance of merchant ships, whether insurance paid on present

values be sanctioned—or indeed brought about—by conditions which require owners to pay premiums on £14,000 when there is only half that insurable value, are matters which seem to involve grave consequences, and it may be that attention should be given not only to the permissible standards of insurance but also to the question whether, under modern conditions, not only ships and cargoes, but the lives of seamen should be taken into account in deciding what are the risks to be provided against by those who are responsible for the use and condition of sea-going vessels.”

J. G.

### The Guano Ramp Again.

Old readers will remember two or three occasions when we have alluded to the Gilbert Islands scandal and to Mr. T. C. T. Potts's dogged perseverance in exposing it. The scandal consisted in the connivance of the Colonial Office in 1901 in the leasing by a private company from the natives of the right to dig up and export guano deposits worth millions of pounds for a lump sum of £300 to be paid them in £50 annual instalments for six years. After that there was to be a royalty of 6d. a ton, but this was to be paid to the British Exchequer. The company's first year of working produced a profit of £85,000. In 1908 the profit was £307,000. During the whole period the natives have gone through some hard times, and Mr. Potts's contention has been, and is, that they should get back at least a portion of what was swindled out of them. The occasion of our present reference to the subject is the receipt from him of a copy of a letter which he has sent to the new Prime Minister, Mr. Baldwin. It is dated July 4, from 98, The Drive Mansions, Fulham, S.W.6, and recapitulates the history of the concession. No doubt he has spare copies if anyone cares to write him. While his narrative does not bear directly on Social-Credit objectives it contains many authentic data suitable for annotating Social-Credit theses. It draws a picture of the transference of the natives' "real credit" to the control of manipulators of "financial credit," and then tells how these manipulators afterwards sold out to the Government, thereby re-transferring the "real credit" to the control of the creators of financial credit behind the Government. Mr. Potts should address himself to the Bank of England rather than to Mr. Baldwin.

### Economics at the I.L.O.

In the nineteenth report of the International Labour Office recently issued, a good deal of attention is devoted to the efforts which are being made by various Governments to combat the industrial depression by means of modifications in their monetary policy. It is noted, for instance, that the countries which have made the most progress towards recovery are those which have adopted an expansionist policy. The high level of employment which has been maintained in Japan despite the world-wide depression is shown to be due, not to a great increase in Japanese exports, as is commonly believed, but to a vast expenditure on public works and national defence. Large budget deficits have been incurred in each year since the onset of the depression, the largest being for the year 1933/34, and amounting to 932,400,000 yen (£93,000,000). The report states that the Japanese expansionist policy has been singularly successful in stimulating employment and business activity, and that the burden of public debt does not seem likely to prove unbearable, Japanese debt per head of the population being only about one twenty-third of the debt per head in Great Britain. A Japanese minister is quoted as claiming that the unbalanced budget involves no danger to financial stability, though recognising that a change of policy may later become advisable. This seems to supply the answer to those people who have seen a sort of back-door application of Social Credit in Japan's recent recovery policy.

America is cited as the country where the greatest results have been secured by expansionist policy. There, in fifteen months, an amount was expended on public works greater than had been expended in Great Britain in fifteen years. Apropos of which it is interesting to recall that at the World Economic Conference Mr. Runciman said that nothing was to be gained by an extensive public works programme, which had been tried in this country and abandoned as unduly expensive. The view of the I.L.O. is that the American experiment differed in kind as well as in size from the schemes in Great Britain. The I.L.O.

has come to the conclusion that to be successful either in stimulating economic activity, or in reducing the volume of unemployment, public works must be undertaken on a vast scale, and be financed by loan rather than by taxation; and further, that public works are economically effective in combating depression only when accompanied by an expansionist monetary policy. This is tantamount to admitting that a distribution of purchasing powers on a large scale otherwise than through the normal channels of industry is necessary, and that public works merely provide a convenient means for making the distribution.

The importance of money in economic affairs finds recognition in other expressions contained in the report. For instance, a chapter surveying future tasks includes this significant sentence: *The relation between wages and the cost of production in different industries has not been subject to more than fragmentary study in most countries.* And again: *The purchasing power of wages in relation to the prices of necessities and consequentially to the requisites of an adequate living standard is capable of much more elucidation.* This may not be getting as near as we would wish to a realisation of what is the real nature of the causes behind the industrial depression, but detached and scientific investigation along these lines may lead to startling results. In any event it can hardly fail to disclose what readers of this paper know to be a fact, that inherent in the industrial system is a defect which leads to the sum of costs always exceeding the sum of individual incomes.

A chapter headed Financial Policy also contains statements which indicate that the I.L.O. may unearth the real facts before long. We read, for instance, that the effective working of the economic system requires the maintenance of balance between production and consumption. Restriction of production is condemned as repugnant to common sense, and the only alternative is seen to be the finding of some means of increasing consumption and raising purchasing power.

Two questions are asked which indicate that the persons responsible for the report are alive to the nature of the problem. The first of these questions is: *Has the theory that savings are automatically turned back into a fresh cycle of production, employment and consumption really worked out in practice?* and the second is: *Is not the flaw in the economic system to be found in the failure to distribute income in the manner best calculated to maintain industrial activity most effectively?* Answers to these questions are not provided in the report, but the questions themselves are valuable as indications of the lines upon which the I.L.O. intends to continue its researches.

E. W. H.

### The Social Credit Press.

#### "DOUGLAS SOCIAL CREDIT."

An advance copy of a proposed monthly journal reaches us from Mr. C. V. Kerslake, Editor, *Douglas Social Credit*, 263, West Adelaide Street, Toronto, Ont. He invites promises of subscriptions to the number of 1,000 at one dollar covering a year. Upon the result of his appeal will depend whether he proceeds to publish the journal. The copy now submitted contains 24 pages, in an attractive cover (two-colour). The contents are varied in appeal, but are generally convergent on the immediate and ultimate objective of the Social Credit proposals. The policy is to cater for the "man-in-the-street" as well as for the "student," also to publish Social-Credit opinions from the different parts of Canada, allowing contributors a free hand in what they write. This proposed venture deserves support, and if this is forthcoming it should prove a valuable extension of Social Credit journalism.

### Forthcoming Meetings.

#### NOTICE.

The London Social Credit Club are suspending meetings during August. Arrangements for September will be announced in due course.

**ACADEMY CINEMA, Oxford Street.**  
GER. 2981.

LAST WEEK RUSSIAN DRAMA  
**"ST. PETERSBURG"** (A)

Commencing Thursday, August 8,  
**"DER SCHIMMELREITER"** (U)

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