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NOTES OF THE WEEK.

Political Uniforms.

The decision of the Government, foreshadowed in the *News Chronicle*, to prohibit the wearing of the Black Shirt, as we write (October 29) coincides almost to the day with the publication of the current number of *Attack* which contains a cogent and spirited defence of the wearing of the Green Shirt. Anyone who studies the terms of that defence will have to agree that it disposes once for all of the careless generalisation that uniforms are the cause of disorder; and he will see that, in the process of doing so, it provides ample justification for the Government's discriminatory attitude on this problem.

* * *

Insofar as a uniform is expressive of the spirit of militancy in political agitation you do not extinguish that spirit by forbidding the uniform. On the contrary, if the spirit of militancy animates the wearers of the uniform, and if they spontaneously elect to symbolise it by the wearing of the uniform, the effect of prohibiting the uniform corresponds to the screwing down of a safety-valve in exactly the same way as would be the prohibition of free speech. The uniform, in these circumstances, simply substitutes the coloured cloth for the spoken word. Its wearer makes a speech without talking. If he be a man with a propensity for violence under a sense of grievance, his donning of a uniform helps him to sweat off his impulse toward disorderliness. He loses that feeling of impotence which drives so many people to seek desperate and therefore futile remedies. He can say to himself: "I am doing something about it." He may be incapable of oratory, incompetent in argument, devoid of organising ability, lacking in personality—in sum, an isolated nobody when in mufti. But in uniform he is an integrated somebody. "When I started speaking in the open air, wearing my ordinary clothes, passers-by took no notice of me," wrote a correspondent to THE NEW AGE a year or two ago, "but as

soon as I changed into the uniform I began to draw audiences." There is nothing more exasperating to a man with a mission than public indifference. And since exasperation is the breeding-ground of disorderliness there is no disputing the potential value to society of this device for overcoming public indifference.

Alberta.

A correspondent has sent us a cutting from *The Albertan* of October 17 containing the text of the Act instituting the "Price Spreads Board." He sends it in order to help us to decide whether or not the Act embodies the principle of Social-Credit price-regulation. The following are the clauses material to the question.

- "(3) The Board shall, when so directed by the Minister and may, upon its own initiative, inquire into any matter relating to the production, manufacture, supply, distribution or sale by wholesale or retail of any goods, wares or merchandise to which this Act applies or may hereafter apply or into any matter relating to any trade or industry to which this Act applies or hereafter shall apply.
- "(4) After making any such inquiry, the Board may by order fix and prescribe:
- "(a) maximum or minimum prices, or both, at which such goods, wares or merchandise shall be purchased or sold, whether by wholesale or by retail; or
- "(b) maximum or minimum prices, or both, to be charged for services rendered or work done in any of the trades to which this Act applies or shall hereafter apply;
- "(c) areas of the Province to which any such order shall apply, and in so doing may fix different maximum and minimum prices for different areas.

A further clause prescribes penalties for evasions of the Act.

* * *

Now there is no difficulty in seeing that the Price Spreads Board is intended to be a Price Regulation Board. But nothing in the Act guarantees that the regulating will be carried out on the Social-Credit principle. The Act seems to have been based on the assumption that if you ensure that every producer along the chain of manufacturing and trading enter-

prises gets no more than a fair or just *profit*, you have ensured the emergence of a just or fair *price* at the finish where the shopper walks into the shop. Now, in the Social-Credit frame of reference the "just-ness" or "fairness" of prices (that is, prices to consumers) is a matter of mathematics, not of morals. The whole test of just-ness is this: Do shop prices equate with shoppers' incomes? Can the purse look the price in the face? If not, the price is not a "just" price, no matter how "just" may have been the successive profits allocated to the chain of producers.

Readers who are familiar with the A + B Axiom and who accept the deductions made from it in the Social-Credit Analysis, will see that profit-limitations are limitations of "A" expenditure. Other things equal, these limitations lower the ratio which incomes to individuals bear to total costs. They have the same effect when applied to profits as they would have if applied to wages and salaries. Disregarding the question of the re-investment of personal incomes, profits, wages and salaries are indistinguishable feeders of the consumers' purses. Money flows into these purses at the rate "A." But costs flow into retail prices at the rate "A + B." The contention of Social Creditors is that while the excess of price over purse, namely "B," can be (and is) lessened at any given time by contemporary issues of bank-credit for new production, this excess is not wholly extinguished thereby: some proportion of "B" stands included in prices.* But the monetary equivalent thereof is not contained in purses. If this is granted, then no manipulation of "A" expenditure (i.e., limitations of profits) can enable purses to overtake prices.

Against this background it is possible to formulate the fundamental distinction between the Albertan Government's principle of regulation and that of the Social-Credit technicians. The formula is this:

Social-Credit price-regulation is *compensated* regulation.

The whole question turns on *Compensation*. A sound Social Credit system requires specific renunciations in return for the bestowal of general compensatory rewards. It gives back what it takes, and more abundantly. This is illustrated in Douglas's exemplary "Scheme for Scotland" where employers are required to renounce certain things to qualify for compensatory "price-assistance," while employees are required to accept a cut in wages to qualify for compensatory "dividends." In both cases the compensation more than offsets the renunciation when measured in terms of purchasing-power.

It should be noted, by the way, that the "Scheme for Scotland" was designed to meet the problems *peculiar to the period of transition* from the obsolete to the perfected system—a period into which the queer psychological resistances nurtured by the out-of-date procedure of the bankers will flow by reason of their century-old momentum—resistances on a par with those of a thirsty kitten mewing for milk at the edge of a

*In theory, the banks might issue new credits in such volume as to enable consumers to bridge the gap and even have a surplus of income left; but their use of the new money in this way is not retrospectively valid, and the fact that this is so is registered in the recording of this credit as a debt to be recovered from them in prices later on.

saucer because it has never had milk out of a saucer before. And just as you have to grab the little creature by the scruff of the neck and dab its nose in the liquor, so does the Scheme for Scotland apply compulsions on people who have to be weaned from the dry breasts of the worn-out Money Monopoly. It is no time for singing to them: "O Taste And See How Gracious The Lord Is"; it is the time to wash their kittenish fears away by compulsory immersion. The operation, performed once, is performed once for all.

What is permissible in respect of the Scheme for Scotland is permissible in respect of a Scheme for Alberta; for any scheme introduced in that province obviously falls into a transitional period and has to take account of the transitional problems just indicated. For this reason we do not agree with those Social-Credit critics who demand of Mr. Aberhart that his initial legislation shall correspond at all points with their picture of Social Credit in full operation some years after the close of the transition period. Critics who say: "Ah, look at him, restricting initiatives, increasing taxes, etc., etc.," and dismiss him as a fool or knave on that account, lay themselves open to the retort that the Scheme for Scotland exhibits parallel inconsistencies, as, for example, where it provides that a workman who refuses to work at the job he is assigned to do may be deprived of his dividend, and that a Trade Union which breaks a wage-agreement shall be similarly penalised.

The true criticism of Mr. Aberhart's legislation lies rather in the direction of testing it for efficiency. His "Price Spreads" Act applies controls at too many points. This is quite another criticism than the one already made, namely, that these controls are defective as means of equating incomes with prices. Even if they were not defective they would be unnecessarily cumbersome in an administrative sense. It is not a breach of any Social-Credit technical principle to try to regulate prices at interim stages along the chain of processes as an alternative to regulating them at the end, provided that the regulation is correctly designed to equate incomes with prices. But to do it that way multiplies administrative problems indefinitely both in variety and complexity. It is like substituting the Nasmyth hammer for the nutcrackers. It has to be remembered that the creeping error in the chain of costing and pricing does no injury until it becomes incorporated in the price of the finished article in the shop window, and the shopper is told: "If you can't pay the price you can't have the article." So it is sufficient to rectify the error by one stroke at the shop-counter. For when once the retailer can collect the full price of his stock, every producer behind him can pay his trade-debts and bank-debts.

Interim profiteering would not be eliminated by this, so there remains a case for limiting interim profits. But it is important to be clear what that case is. If high profits are drawn by proprietors or shareholders, and are wholly spent on articles of consumption, that is one thing. But if high profits are drawn and reinvested, that is another thing. The injury inflicted by high profits spent on consumption would take the form of an excessive distribution of consumable goods to the beneficiaries of profits, leaving an inadequate balance for distribution to wage- and salary-earners. But it would not affect the general price-income equation.

For example, if a series of, say, ten producers make 1,000 articles finally valued at £1,000, and their respective profits add up to, say, £500, then their expenditure of their profits in the consumption market would fetch them 500 articles, or 50 each, while the rest of the community, it might be 100 persons, would have to put up with only five articles each supposing them to possess £500. A consumption-rate of five articles per person might represent a condition of destitution among the 100 "residual legatees," and if so, any Government would be obliged to limit profits for that reason. But *not*—mark this—to equate incomes with prices: for (by assumption) they are equated already at the £1,000. As long as the 1,000 articles are sold to consumers the technical requirements of Social-Credit are satisfied. The question of who gets them, or in what proportions the consumers get hold of them, is not the concern of the Social Credit technician; it is the concern of the politician and sociologist, and ultimately of the community, who will deal with it according to the dictates of conscience and the calculations of prudence. They would, of course, say: "It is not right for a few profiteers to scoop the pool"; and they would also say: "It is provocative of lawless disorder for them to do so."

On the other hand, when we come to the reinvestment, instead of the spending, of high profits, the injury of disproportionate distribution of goods does not arise. Profits invested are not spent in the consumption-market. Hence, on the figures used in the above illustration, where it is postulated that collective prices and collective incomes equate at £1,000, the whole 1,000 articles would be available for the 100 consumers to buy—if they had the money. True, they will have only £500 and will not be able to get more articles than in the earlier case. But the difficulty here is different. In the earlier case no device for increasing their incomes could improve their condition, for the 10 profiteers would have walked off with 500 articles, leaving a balance of articles that could not be increased. In this case the profiteers don't take any articles at all, and therefore the 100 consumers could be empowered by a monetary subvention of some sort (e.g., dividends or compensated discounts) to double their consumption. To provide such a subvention is the concern of the Social-Credit technician because if it is not provided industry is left saddled with goods which he requires industry to dispose of.

To sum up, the objection of the Social-Credit technician to high profits rests on the practical consideration that the drawers thereof do not, and indeed cannot, spend them at the rate at which they draw them. And his objection to the present financial system rests on the fact that it makes no provision for enabling industry to dispose of the articles which the profiteer-investors abstain from consuming. From this arises, indirectly, his insistence on the principle of *Compensated Price-Regulation*.

There is a mistaken impression among some who speak in the name of Social Credit that its technical advocates demand an indefinite expansion of industry's productive capacity. They do no such thing. They merely point out that whatever the capacity of consumable output may be (really a matter for the community

to decide on the basis of how much it wants to consume) the output should approximate to that capacity. It being granted that the object of production is consumption, the rate of production should correspond to the rate of consumption, and the capacity of production should be sufficient, and no more, to give effect to both these interdependent rates. Social Credit is a technical means of ensuring this. If anyone has views to express on what he considers to be the wise limits to the rate of consumption he is entitled to do so, but not in the name of Social Credit. A Social-Creditor is one who unconditionally advocates the adoption of a *system* of a certain *design*. Anyone who adds to his advocacy of the design views as to the *magnitude* of the system to be adopted, is travelling outside the orbit of scientific education into that of social morals. The question of magnitude is one to be settled by the will of the community, and, moreover, one which the will of the community will, for the first time, be empowered to decide by the adoption of the design. The first instalment of new purchasing-power put into their hands will enable them to demand more purchasing-power, and more and more up to the limit of satiety on their side or of productive capacity on the side of industry. This is unquestionable. Hence anyone who hints at the setting of limits to the magnitude of the system is revealing distrust of the limits which the community will set for itself, and is thereby tacitly advocating the imposition of limits from above. Not only that, but such a person is logically committed to disapproval of the adoption of the design, for the reason given, that, once the design is adopted, no limitations can be imposed from above. Advocacy of Social Credit must be unconditional in the sense that it takes for granted the common-sense and self-discipline of the community. If not the advocate had much better reject the design or plead for the postponement of its adoption—an attitude in which, needless to say, he would be cordially supported by the Money Monopoly's "Ministry of Morals."

However, the problem of magnitude need not worry the Social Credit legislators in Alberta. It settles itself. Alberta enterprises, as so far developed, could not raise the general standard of living by more than a small fraction even when working at full capacity. This state of under-development, and the corresponding simple structure of the economic system there, renders Mr. Aberhart's multiple price-controls administratively feasible, whereas in a country like England they would prove unworkable. As a matter of fact a good deal of administrative work is being done voluntarily by Mr. Aberhart's followers, who thus function as auxiliary civil servants.

We hope, however, that as the scheme of control develops, the Government will recognise the superior merits of price regulation at the retail end, and the necessity for such regulation to be accompanied by compensation. In the meantime it is something gained to have a Government who, in principle, challenge the "law of supply and demand." That law says that the price of consumable things is all that they will fetch—out of the consumers! The principle of control is the logical antecedent to the principle on which control will be effective. Mr. Aberhart will find that effective control lies, not in chasing various elements in various costs round and round the various cycles of industrial-cum-agricultural

exchanges, where they can dodge detection and measurement after the manner of the Irishman's thirteenth pig, but in waiting at the shopping-end of the system where the resultant of all these multiform complications stands plainly expressed in the final bills presented to the shopkeeper. Has the shopper got in his purse as much as the shopkeeper has to pay? That is the test both as to the necessity for regulation, and, if there be necessity, as to the manner and measure of regulation.

* * *

A correspondent has sent us a series of cuttings from the *Citizen* (Ottawa). We have not had time to digest them, but they contain reports by an observer commissioned by that newspaper to watch developments in the Alberta Government's policy and, particularly, the reactions to that policy of the different classes of citizens affected by it. The reports made by this observer show evidence of careful watching and a judicial spirit in the watcher. The rapid survey which we have made of them up to now seems to disclose the fact that the defects in the Government's schemes are compensated by uncertainties among critics on what to do about them. Mr. Aberhart may not be a pure-bred Social-Credit hedgehog, but at least he is a hedgehog, and appears to be giving the terriers of financial orthodoxy something to think about. Perhaps a better way of putting it is to say that Mr. Aberhart is a youngish hedgehog whose spines haven't finished growing. For then we are able to hope that he will become invulnerable before the terriers have decided when and how to turn him over on his back.

Points About Social Credit.

VI.—Compulsory Capital-Expansion.

Under Point No. 2 industry was shown entering up costs faster than it paid out incomes to consumers. (The A + B Axiom.) Under Point No. 5 industry was shown accumulating physical capital, the cost of which was the amount by which the cost of total production exceeded the cost of products sold to consumers in a given accounting period. This capital was shown to consist of two parts respectively defined as Fixed (or permanent) Capital and Commodity (or temporary) Capital—the Fixed Capital intended to be retained and maintained by industry, and the Commodity Capital intended to be converted and sold by industry.

If we combine Points Nos. 2 and 5 we see that industry accumulates Capital (of both kinds) automatically and involuntarily. For the Capital accumulates not at the rate at which industry requires and plans to accumulate it, but at the rate at which consumption lags behind production. Experience confirms this, for we see industry in possession of more Fixed Capital than it can use to full capacity, and more Commodity Capital than it can dispose of (e.g., factories working short time and consumable products being destroyed) while on the other hand we see consumers going short of commodities which they would consume if they could get them.

Industry is powerless to plan the production of Fixed and Commodity Capital in proper proportions the one to the other, or of both kinds of Capital together in proper proportion to a given planned volume of consumption. Industry cannot, as it were, take a quantitative census of the consumers' collective needs for commodities, and then, on the basis of that census, arrange to make and

instal just so much Capital as will provide the required output. The reason is that industry does not control the conditions on which it is provided with money for production, or on which it may disburse that money and account the disbursements into prices to consumers. The control rests with the bankers, and the conditions are prescribed by them.

The main principle (relevant to this analysis) on which the bankers lend money is this: Other things equal, they lend most readily to that enterprise which pays out the least amount of money to private individuals (wages, salaries, etc.) in proportion to its total expenditure. For example, if one enterprise can produce £100 worth of wealth (Capital and otherwise) at an expenditure of £10 paid to individuals (consumers) while another enterprise requires to spend £20 in that way to produce the £100 worth of wealth, the first enterprise will get its loan. That is to say, the bankers will prefer to finance an enterprise whose production will be 90 per cent. unsaleable to consumers rather than one whose production will be 80 per cent. unsaleable. In the technical language of the physicist, the bankers favour enterprises which show the *highest co-efficient of capital-expansion* or the *lowest co-efficient of commodity-distribution*.

It does not matter whether the enterprises seeking loans are making the same things or different things: the bankers' principle of discrimination remains the same, and produces the same inevitable result, namely that industry is forced to adopt a capital-expansionist policy, and thus a commodity-contractionist policy.

Experience confirms this. In Australia and Canada (to take two examples out of many) there is a chronic feud between the primary producers in the west and the manufacturers in the east. That feud arises ultimately from the bankers' policy of lending more freely and on more favourable terms to the east than to the west. And their reason is that the eastern manufacturers show a lower co-efficient of commodity-distribution than do the western farmers. The farmers suffer in two ways (a) they produce things which are consumable, and have no use except in consumption, whereas the manufacturers produce things which to a large extent are not consumable nor are intended to be consumed; and (b) they distribute a higher proportion of their total expenditure among consumers than do the manufacturers.

Further, the eastern manufacturers, by reason of the political influence they exert as favoured borrowers, secure protective tariffs behind which they fleece the western farmers for farm machines and equipment. To the extent to which they do this they are compelling the western farmers to lower their co-efficients of commodity-distribution. Wage disbursements give place to machine-disbursements in the farmers' accounts. And agricultural wages saved in the west go to feed industrial and financial reserves in the east.

Notice.

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

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

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

The Spenlow Formula.

"I, personally," replied Mr. Spenlow, "do not object to the claims you make for Social Credit; but, you see, we have to carry Jorkins with us. Jorkins is not at all sure that spiritual values will not be injured by the material benefits and the increased leisure which you and I wish to bestow on the people. We may think that he is unnecessarily nervous, and we might—or some of us might—impatiently say that his criterion of spiritual values is the concern of himself and not of anyone else. But there you are! Jorkins is Jorkins, and if we are to get his moral approval, not to speak of his material assistance, we must respect his scruples. To put it plainly, I have been unable to satisfy him that under Social Credit the people will spend their money on the right things and occupy their leisure in the right way.

"Jorkins is a fervid humanitarian, as we all are. But he is a far-seeing man, and he holds that our claim for Social Credit that it is the gate to the Age of Plenty, though perfectly true as a statement of fact, is not necessarily true as a matter of proportion. The trouble is that, as he sees the problem, the philosophy of abundance springs from the same materialist root as the philosophy of scarcity. Jorkins looks out at a world suffering from the devastations of mass production, mass publicity, mass creation, and mass recreation; and he asks himself if the addition of mass consumption will not be likely to make our spiritual confusion worse confounded. He reflects on the character of the expenditure of our 'leisured classes' to-day, and asks himself if it were wise to universalise such 'plenty'—whether perhaps poverty were not better redressed by a judicious communalisation of essential commodities, so that society should be spared the further vulgarisation of its values by the complete unleashing of the Selfridge appetite and the Woolworth mind.

"Jorkins warns us, or some of us, that our idea that an extension of leisure and comfort will automatically raise the spiritual status of mankind and assuage the hungers of the soul is a fallacy which will alienate those who are alive, as he is, to the fundamental cravings of man's nature. We, or some of us, have mistaken the problems of poverty for the human disposition to sin.

"These may be hard sayings for us, or some of us, to swallow, but as I have already said, we must carry Jorkins with us. Believe me, Jorkins has faith in Social Credit despite his criticisms of our claims on its behalf. So can we devise a formula that will secure his approval? It is imperative that we do. I, Spenlow, am powerless to co-operate with you in the face of the disapproval of my partner Jorkins. Personally, as you know, I would go all out to finance the needs of humanity; but, as it is, we must reckon with Jorkins' insistence that we must not so finance the needs as to finance the frailties of humanity. For the heart of man is deceitful above all things, and desperately wicked.

"Now I have here a formula—let me call it the Spenlow-Jorkins formula of reconciliation. It reads as follows:

"The validity of Social Credit ultimately depends on the necessity to repudiate all doctrines which forbid a correspondence between man's achievements and his needs."

"Social Credit is the Truth about Economics. It is an exacting truth, even perhaps a dangerous truth; a truth the implementing of which will throw a great

strain on the spiritual resources of an age ill-prepared to bear it. If not our last, yet perhaps our next state may be worse than our first. It is as Truth that we must bring our doctrines before Jorkins, whose aid in the great cultural and spiritual ordeal we do pre-eminently need. Here and here only is true ground for the appeal which may yet save the soul of Social Credit, now in peril of submergence and decay.

"Man has two needs. The one is the need for leisure and material comfort. But he has a deeper need, the need to assuage the hungers of his soul, to satisfy the fundamental cravings of his nature. We must satisfy Jorkins, who knows these hungers and cravings, that the satisfaction of the first and lesser need does not interfere with the satisfaction of the second and greater need. So man's achievements must correspond primarily with Jorkins' vision of how man ought to behave. Granted that, then Jorkins is willing that man's achievements shall correspond to what man thinks he needs."

* * *

The above expression of view, placed in the mouth of Mr. Spenlow, has been built up of passages from an address given by Mr. M. B. Reckitt to the London Social Credit Club a few months ago, and published in Mr. W. T. Symons's quarterly magazine, *Purpose* (April-June number) under its original title "What's Wrong With Social Credit." Let us say at once that it is the last thought in our mind to insinuate that Mr. Reckitt is practising the original Spenlow diplomacy in the form of pretending to be governed by a non-existent Jorkins; but at the same time we must make it clear that in our judgment Mr. Reckitt is hampered by hesitations which are discordant with the spirit of the true Social Credit Order. There is in him a "Jorkins" element of distrust about the possible consequences of the Social Credit remedy which discounts the value of his acceptance of the efficacy of the remedy. It peeps out, not only in the article just mentioned, but also in the closing passages of his address as Chairman of the York Conference.

We recognise the valuable work done by him, and the Chandos Group under his chairmanship, which he alludes to in a letter published elsewhere. This work has been mainly directed, on its educational side, to showing that the objectives of the Social Credit Movement are reconcilable with those of cultural and religious bodies whose support will widen the publicity which we all seek. At the same time, we see a danger that efforts to win their support may betray the Chandos Group into compromises which, well-intentioned and sincere as they would undoubtedly be, would have to be repudiated by every individual or body who had the responsibility of voicing the preponderating viewpoint of the Social Credit Movement.

London Social Credit Club.

Blewcoat Room, Caxton St., S.W.

NEXT PUBLIC MEETING.

November 6, 8 p.m.—The York Conference.

SUBSCRIPTION RATES.

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

Communications.

"SEVEN HETERODOX THEORIES OF MONEY."

Dear Sir,—You have done another great service to the Social Credit Movement, whose purity from compromise has been your constant care, by jumping heavily with both feet upon the above publication to be edited by Mr. Butchart. I congratulate you and your world-wide circle of readers that your torch still burns with purifying flame.

It cannot be too strongly borne in upon us all, especially now that we are militant and getting frequent Press notices, that the Social Credit Movement is an isolated Order based upon a philosophy of life, *not a monetary theory!*

The monetary aspect of the Social Credit Order has nothing theoretical about it at all. That is but the part which puts the stamp of authority on the philosophy by revealing the error inherent in the traditional aspect of community control. The financial analysis is a pure statement of fact which can only be disposed of by producing a factory in which *A does equal A + B*. No critic has questioned the designations and descriptions of the *A* and *B* costs or asserted that the latter are zero. No one denies that all costs must appear in prices; or that money to meet and pay prices is contained only in the descriptions under *A*. If, therefore, the *A + B* Theorem be a fallacy and not a fact, let H.M. Government produce the factory in which *A equals A + B*. Or, since the owners of *The Times* newspaper have taken the responsibility of informing their readers that "all economists of standing agree that this is a tissue of fallacies," let them show us the factory and it sufficeth us!

The Lord Chief Justice of England informs us that the writ of habeas corpus is a very ancient common law writ, which issues from the High Court of Justice commanding the production of the body of the person detained. Those Economists, Bankers, and Statesmen upon whose prestige the present system rests and continues, should be served with a writ to produce the factory where the error detected by Douglas does not exist. No error, no pack drill. If error, then cause must be shown for its further detention, because, on the authority of the analysis, the Social Credit Order declares and claims it to be a case of unlawful detention. Should this test fail we will for ever hold our peace, and leave the world to the monetary theorists.

For any section of the Social Credit Order to be associated in any way with the publication of a book of the nature and aims described by you is a dangerous, degenerate step. As you rightly emphasise, Sir, "it had best be left to be promoted, financed, organised and canvassed by persons outside the Movement." To represent Douglas as one of the several types of monetary reformers, or leaders, it to completely misrepresent him. He represents the objective type of mind that can without effort distinguish the difference between a circle and a globe; between a solid and a sound.

His original Thesis and infallible Theorem, confirmed as they are by mathematical principles and natural law, constitute a challenge to a world-wide system of Government based upon an error concealed in the cost accounting of Industry and the book-keeping of the Banks. That challenge will not mix with anything else! Fusion is sure to mean confusion in the end; an intellectual emulsion, instead of a saturated solution. A rabble of theorists will be easily rallied, but it will

just as easily be routed: whereas a Royal Order cannot be so easily confounded.

The fact that Mr. Winston Churchill's literary skill and great influence was recently exploited in the *Sunday Chronicle* to misrepresent Major Douglas as only one of the Huey Longs, the Dr. Townsends, and the Father Coughlins of America who would "mint the moonlight into silver and coin the sunshine into gold," should operate as a warning to these British fusionists. Mr. Churchill's methods are a good guide to the policy of Mr. Churchill's masters, and seeing that their formulæ of Government has been exposed and discredited by Major Douglas, and not answered by any gentleman holding "office of profit under the Crown," the easiest, if not the bravest, method is to avoid specific performance of reasoned reply, fuse the lot into "a single school of monetary reform with doctrines capable of acquiring wide support in the political arena," and thus submerging the Douglas detections as one of the "soap-box money for nothing" schools so easily frazzled by oratory of the Churchillian brand.

I certainly hope the York Conference is not being exploited for this sort of fusionism. If it is, all the groups will be better advised to get back to the Electoral Campaign, adding such education and propaganda as seems suited to the district in which they reside. Like you, Sir, I prefer the Douglas "Nunc Dimittis" to the Butchart Sevenfold Amen.

J. GOLDER, M.I.Mech.E.

Sir,—I wish to endorse and emphasise your criticism of "Seven Heterodox Theories of Money," edited by Montgomery Butchart. Whatever differences divide the six heterodox writers mentioned, namely, J. Stuart Barr (Silvio Gessel), Arthur Kitson, Frederick Soddy, McNair Wilson, G. D. H. Cole, and Jeffrey Mark, they are as firmly united in opposing the seventh, namely, C. H. Douglas, on the issue of the tax-free National Dividend distributed unconditionally to consumers as is orthodox finance itself. The Social Credit analysis reveals the fact that this "free gift" is essential to our economic salvation. It is also essential to our moral salvation, since it endows man with freedom; and freedom, or the power of choice, is an essential condition of moral being.

This opposition to the "free gift" exists ipso facto apart from disagreement as to its technical necessity. The attitude is not so much a question of "what a splendid thing the Dividend would be," but "I'm afraid Major Douglas' analysis is faulty and therefore, unfortunately, it is not warranted." It is far more a question that disagreement with the analysis, or at tempts to burke the real issue—namely, the flaw in the price or costing system—derive from a deep-seated distrust of the Dividend itself, as such. In any case, I believe opposition to the "gift" has a profound and far-reaching significance, and the roots of it lie deeper in many cases than the opponents themselves are aware. It may well be that one of the roots is nourished by the opposing elements in man of sadism and masochism expressing themselves in this case in the guise of the desire to rule or to be ruled.

Such an idea is supported by the evident fact that the issue before humanity to-day is between dictatorship and freedom; that it is this first and last is becoming clearer every day. It also becomes increasingly clear that the enemies of mankind oppose this freedom in every conceivable way. And one of the effective methods chosen is to confuse and obscure every attempt to make and keep the issue clear.

You have made it plain that this latest effort to get together and find out where we money reformers all agree will merely assist this confusion and obscurantism, and so increase the power exercised to cloud man's judgment and make him blind to the direction in which his true salvation lies.

B. C. BEST.

The York Conference.

Press Comments.

"STAR MAN'S DIARY."—"STAR," OCTOBER 26.

Strange developments are taking place within the Douglas Social Credit movement.

It seems that Major Douglas, the engineer and arch-priest of Social Credit, is about to be thrown overboard by the movement at large.

He is accused of being a dictator. Many Social Credit groups throughout the land, while they acknowledge his peculiar genius in detecting the alleged flaw in our economic system, consider he is a bad guide on tactics and progress.

Steps are being taken to set up a national federation of groups free from the control of Major Douglas and his secretariat, though the latter may join up with the rest if they so desire.

ALBERTA'S APPEAL FOR HELP

Not long ago, when Mr. Aberhart brought off his remarkable triumph in the Alberta elections, he sent a cable to Major Douglas: "Victory: when can you come?"

Major Douglas, for his own reasons, did not go. The rebellious among our social creditors think he should have gone instead of bothering about the conditions. The question of Douglas leadership became urgent at once.

MR. RECKITT AS CRITIC

The problem of what to do with the major came to a head at a recent conference, when a message from Mr. Maurice B. Reckitt, a business man, was read. It severely criticised the founder.

It said they could not travel to the New Jerusalem as if to Widdicombe Fair—with

Arthur Kitson, Taylor Peddie, McNair Wilson, Frederick Soddy,

And old Major Douglas and all.

Mr. Reckitt complained of a perversion of hero-worship which regarded the major as always right and poured scorn on his secretariat with directors irremovable except at his will.

The message also declared that they had had "too many prophecies of the inevitable downfall of finance, too many declarations of our superiority to all other movements, too much megalomania, too much complacency, and too much hero-worship."

The ultimatum to Major Douglas and his secretariat followed. Among social creditors it is the chief subject of conversation.

ALBERTA EXPECTS

Meanwhile, Mr. William Aberhart, Prime Minister of Alberta, had sent a letter on his prospects, which is published in the "New English Weekly," the subscription journal of the movement.*

In this Mr. Aberhart said: "During our first year of office we have gradually passed legislation for the introduction of Social Credit, so that the financiers cannot attack us in court. We expect in the course of the next two months to pay dividends."

"DAILY EXPRESS" LABOUR REPORTER, OCT. 27.

There is a breakaway from the Social Credit movement by groups who accuse Major Douglas, founder and chairman of the movement, of being a dictator.

Groups in London and Yorkshire have held conferences criticising the methods employed by Major Douglas's secretariat to "put over" his theories.

An official of Major Douglas's London headquarters described one of the discontented London groups as "a set of literary folk" anxious to launch a national propaganda campaign.

Major Douglas's spokesman said: "We are quite satisfied with our progress. I don't think you can really say the movement is split. These groups have a perfect right to criticise us. Officially, we take no notice of them."

*Note:—The Chandos Group, of which Mr. M. B. Reckitt is chairman, controls the policy of *The New English Weekly*. The editor of, and the chief staff contributor to, that journal are members of this Group.—Ed.]

Prospects of the Movement.

By J. Ewart Purves.

[Address given at the York Conference.]

When the course is set and the sails are drawing well, the lookout keeps his eyes fixed on the future, but in times of doubt and discouragement, it is useful to look back and learn from history.

This week we are celebrating the 400th anniversary of the martyrdom of Tyndale—Tyndale was a man with a mission.

A devout son of the Church, he conceived it his duty to make public the basis of his religion—the Bible.

His mission can best be described in his own words written in 1515 and quoted in the *Scotsman* of October 6, 1936.

"I totally dissent from those who are unwilling that the sacred Scriptures, translated into the vulgar tongue, should be read by private individuals, as if Christ had taught such subtle doctrines that they can with difficulty be understood by a very few theologians, or, as if the strength of the Christian religion lay in men's ignorance of it. The mysteries of kings it were perhaps better to conceal, but Christ wishes his mysteries published as widely as possible.

"I wish the gospels and the epistles of St. Paul were translated into all languages of all peoplen that they might be read and known, not merely by the Scots and Irish, but even by the Turks and the Saracens. I wish that the husbandman may sing parts of them at his plough, that the weaver may intone them at his shuttle, that the traveller may with their narratives beguile the weariness of the way."

He thus cut across the official policy of the Church of that day, which was to detach mass propaganda from technical knowledge.

As was clearly expressed some time later by that great Defender of the Faith, Henry VIII., when he reproached Parliament that "that most precious jewel, the word of God," was "jangled in every ale house."

The result of Tyndale's suppression was the division and ultimate frustration of the Church he so passionately sought to establish in the hearts of the people.

Danger of Divorced Propaganda.

To-day, the same tendency is manifested in the spreading of the new testament of economics, by those who say that we cannot expect the ordinary man to understand the technique of Social Credit. If we desire to see the triumph of our cause, we must be prepared to teach the basis of facts on which we build. If the public cannot understand, it is our fault; we must teach in the vulgar tongue. The basis of Social Credit is common sense; our future lies in teaching—teaching all the time, and teaching everyone.

But in teaching the facts of the new economics and in appealing to reason, we meet the most unexpected resistances in the most unlikely quarters. I will illustrate from another great event in the sixteenth century.

Flat-World Economics.

Copernicus, by twiddling figures on paper, came to the conclusion that the world was round, and was not the centre of the universe. He found, to his consternation, that he had challenged the axiom that the world was flat. An axiom, as *The Times* of the day might have said, so simple that it required no proof, and so universally accepted that the whole social fabric was based on that assumption.

Perhaps Copernicus realised the enormity of his discovery. It was only published after his death, in 1543, by his less discreet pupil Galileo, fifty years after Columbus had sailed west to reach China, when it was obvious to any ordinary man that the world must be round.

The attack on the flat-world axiom was received in much the same way as Major Douglas's attack on Adam Smith's axiom that "Industrial costs and industrial incomes are identical things."

At first the scientists refused to accept it, the experts on geography and mathematics refuted it

Even such an unbiassed man as Francis Bacon never accepted the new conclusions in which he found some minor miscalculations.

But Galileo found that when science failed to disprove his contentions he came up against the implications of the round world idea.

Science accepted the idea, sailors used it, but the religious authorities realised that it cut at the very roots of their authority.

A round world confines Hell to measurable dimensions. And how can mankind be expected to live a pious life and seek the intercession of the Church unless there is unlimited room in Hell for all evildoers?

The idea was assailed by Protestants and Catholics alike. Galileo tried to show that his views were of scientific interest only, not affecting the authority of the Church, but the churchmen knew better, and in 1610, long after the world had been circumnavigated, he suffered the rack in Rome, that supreme instrument for gaining assent to any proposition, flat-world or otherwise.

Religion Then—Finance Now.

The Church came to terms with the round-world idea, and reconstituted its dogma to meet the difficulty, but there was one class of men who never appreciated what had happened. The financiers thought that the new world was still flat, but larger than they had imagined.

For the system of finance which was established then, and has held to this day, required of each country an overspill, an excess of exports over imports as a condition for internal prosperity.

Galileo was up against the authority of the Church. We are opposed by the authority and the will to power of the financiers.

You will find to-day that the resistances which you meet to the New Economics are not direct resistances to the doctrine, but arise from fear of the social implications of Social Credit teaching, and I think that we will have to give more attention to them. We have got to be prepared to follow the implications out to their logical conclusions and not squash such questions with a heavy answer.

(To be concluded.)

LETTERS TO THE EDITOR.

MISCHIEF, INACCURACY, AND NONSENSE.

Sir,—As a Socialist Social Credit advocate (and, therefore, a successful one—I am not in the chorus of wholesale Douglasite failure recorded at York and in London), I occasionally encounter misrepresentation and sabotage from opponents of the cause I serve.

Your mischievous, inaccurate, and nonsensical footnote to that part of my letter torn off and printed in THE NEW AGE (October 29) comes under a more serious category however.

None of my statements upon the subject of taxation "challenges a self-evident mathematical proposition" to any mind liberated from capitalist economics. They are analogous to your own statements on Budget balancing. I prove and demonstrate my case by means of the tenets of Douglasism, and I essayed the task for an important and specific reason.

What you have achieved by your sabotage and misrepresentation is to convince a number of your readers that Marx, Bellamy, Douglas and myself are wrong, and you and the London School of Economics are right in your agreement that taxation is quite an efficacious and tenable alternative to Social Credit as a means of rectifying the existing discrepancy of incomes, and, therefore, on your own showing, S. C. is a redundant and cranky whim not worth consideration.

I hope, Sir, your cause will render you the thanks you have earned.

GLADYS BING.

THE CHANDOS GROUP.

Sir,—As there have been several references recently in the Social Credit Press to the Chandos Group, I hope you will permit me to make a brief statement about the group, which has not sought, and does not now seek, publicity, but desires that references to its composition and activities should be accurate.

The Chandos Group came into being in the late spring of 1926, as the result of the desire of a number of Social Credit supporters to relate Douglas economics to sociological issues. Coming into existence at the time of a great coal crisis, its first work was to produce a short book entitled "Coal: A

Challenge to the National Conscience." Subsequently, at the time of the 1929 election, another volume was issued, chiefly through the work of the Group: "Politics: A Discussion of Realities." Between these studies and subsequently a good deal of exploratory work was done, which had its upshot in Press articles and other forms of propaganda, and contacts were occasionally made with individuals whose sympathetic understanding of Social Credit appeared to be worth encouraging.

In the winter of 1934-1935 a questionnaire was circulated to a number of groups and individuals in the Movement inviting replies on certain methods and social consequences of applying Social Credit, which questionnaire met with a remarkable response and led to the production of a widely circulated report. As a consequence, a connection with certain provincial groups was established, as one upshot of which proposals emerged which led to the convoking of the recent conference at York.

The Chandos Group has remained throughout an informal association of friends, and has never regarded or organised itself as a club. Its membership has varied somewhat with the passage of time, but for the past five years has consisted of those who are its present members, namely: B. J. Boothroyd, Hilderic Cousens, Geoffrey Davies, V. A. Demant, Phillip Mairet, Albert Newsome, R. S. J. Rands, W. T. Symons.

MAURICE B. RECKITT

(Chairman, the Chandos Group).

[The Chandos Group as an educational body is one thing, but as a political body another. It was necessary that the policy of the Social Credit Secretariat should be responsibly criticised by a representative body like the York Conference. It may be necessary to institute an Opposition to the "Ministerialists." But we are not prepared to assent to the idea that the Chandos Group should control the key positions in the Opposition. Some of our reasons appear elsewhere in this issue.—ED.]

"SEVEN MONETARY HERETICS."

Sir,—While reading your criticism of the purpose of this book I was reminded of the passage in Matthew, chapter 12, verses 43-45, about the house "empty, swept and garnished." The Buxton Broom swept the Social-Credit Formula out of the House of the Movement as an impediment to political campaigning for Results. To-day, when York is edging the door open for its re-admittance, behold it is accompanied by six "other" Formulae "more wicked than" itself, preparing to shove the door wide open and crash into the premises. The moral is plain. If Social Creditors persist in renouncing the advocacy of Wrong heretical science, they are tacitly inviting advocates of Wrong heretical pseudo-sciences to jump their claims. And the consequence will be that "the last state of that house is worse than the first." For the present THE NEW AGE does quite right to keep the chain on the door.

"PRESBYTER."

TAXATION'S LONG ARM.

Sir,—It is curious how things all round the globe are intertwined. A friend of mine had given out that he hoped shortly to hand over a certain sum to one of the several Social Credit organisations, but when the New Zealand mail came in he found that Mr. Savage's new land and income taxes had taken the lot.

K.

TAXES AND INCOME DISTRIBUTION

Sir,—When money is taken from recipients of large incomes and handed to recipients of small incomes in the form of social services which they could not buy at cost, the effect of the operation is certainly to mitigate the ill effects of maldistribution.

That fact, I submit, should be acknowledged, however strongly we may object to the method of mitigation.

I did not accuse Mrs. Bing of giving a handle to critics by denying the above, but by saying that bondholders restricted production and reduced real credit—a very different thing.

When Mrs. Bing says that "taxation only functions as deflation," I take it she is concentrating on that fact that all revenue raised by taxation goes to repay the bankers who have previously provided Ways and Means advances to finance State expenditure (including even payments to poor devils of bondholders).

As the money repaid to the bankers is cancelled, deflation results; but the statement is misleading unless considered in conjunction with the previous inflation caused by those same Ways and Means advances. I am not suggesting that one balances the other—merely that the effects of both must be taken into account.

A. W. COLEMAN.

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