

THE NEW AGE

INCORPORATING "CREDIT POWER."
A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

We received a letter last week from a gentleman who, upon reading our article, "An Unlicensed Reflationist" (*THE NEW AGE*, July 7), which had reference to Sir Henry Dickens's sentence of six years on Alfred William Pyrke, went to the trouble of making enquiries, with the result that he is informed (we do not doubt correctly) that Pyrke had a record of previous convictions for the same crime (forgery) and others. He expressed great concern that we had given a false impression by relating the sentence to the commission of the last crime alone. We hope that this correction will assuage his concern. In the meantime we have written him to suggest that the responsibility rests with the *Evening Standard*, on whose report we based our comments, and that if he wants Sir Henry Dickens's character to be cleared in the estimation of the public it is much more important for him to get that journal to correct its report than for us to correct our reproduction of it. We have done our bit—and we will now see if our example is followed.

This gentleman seemed to think that we were guilty of carelessness in neglecting to do what he has done, namely, to ascertain all the facts. We disagree. The reputations of judges and other public persons who function in and for the existing financial system are in the care of the commercial Press who function likewise. If the Press lets them down that is a matter for them to settle with the Press. The idea that *THE NEW AGE* should scurry round to make sure that the bankster newspapers are protecting bankster administration from unjust reproach is to us ridiculous. Our correspondent should have seen, moreover, from the title of our article that the question of Sir Henry Dickens's humanity had no relevance at all to our argument. We were analysing the nature of the crime of forgery in a Social-Credit frame of reference, and criticising by implication the *kind* of sentence given for that *kind* of crime—not the unkindness of anybody pronouncing any particular sentence.

Our correspondent, who does not appear to have been a longstanding reader of *THE NEW AGE*, must know that our view of money-forgery is that while forged money remains in circulation undetected the injury to society consists in an imperceptible measure of inflation—a consequence which many responsible experts would acclaim as a benefit to society. The real injury takes place upon detection, and falls on innocent individuals caught by the forged money. This injury arises from the fact that the British banks decline to replace the false money with true money. In the case of the Marang issue of illicit notes in Portugal the Bank of Portugal adopted the opposite policy; it presented innocent holders with "good" notes for "bad," and afterwards submitted in the British courts that its doing so was a public duty—a submission which succeeded in the opinion of all judges who tried the case. No fewer than three Lords Justices in the Appeal Courts held that the cost to the Bank was merely the cost of printing the notes.* Our correspondent happened to appeal to our own sentiments when he said, as he did in his letter, that he was a great admirer of Charles Dickens, and did not like to think of his son, Sir Henry, being unjustly attacked for inhumanity. Nor do we. But humanity without knowledge can often commit the greatest inhumanities. We commend our correspondent to a passage from his admired author, Charles Dickens, in *Martin Chuzzlewit*, where he moralises over judges who, when sentencing criminals, neglect to interest themselves in the abuses which create them. This is another part of our own case. We assert that (a) forgery and (b) the injury arising therefrom, are both products of bankers' policy. We further assert that their policy is technically unsound, and is within their

* We are awake to the fact that the right of a 100-per-cent. compensation for being caught with bad money innocently received for value might open the door to con-nivance, e.g., a shopkeeper knowingly selling goods for forged notes, and then petitioning for compensation. But it is the job of the police to test his *bona fides*. Probably the chief objection would be that tradesmen would become careless in their scrutiny of money tendered for purchases. That might be met by a compromise; say, a 90-per-cent. refund instead of full compensation.

power to make sound. More immediately and specifically we say that they are well able to bear the risks of forgery instead of visiting them on the innocent. The commission of the crime is rightly punished, but the punishment should fit the commission, not the consequences, for these are unnecessarily visited by the banks on innocent people.

Let us now move on a step and recall Mr. Justice Charles's sentence of twenty months plus fifteen strokes of the "cat" on a man called Jack Levy. (THE NEW AGE of July 14; "Flogging for Money-Snatching.") This was Levy's first offence—and the offence was being the driver of the car carrying the thieves who robbed a clerk of a bag of money. The flogging was presumably for the "violence." This "violence" consisted in putting a treacle-plaster over the clerk's face. Mr. Justice Charles remarked, in passing sentence, that such violence "on occasion, has resulted in the death of the man attacked." So, we believe, has the delivery of an income-tax demand-note. Or we can make a more appropriate comment. It is this; that the bag which the clerk was carrying contained money belonging to the Commissioners of Crown Lands who were sending him to the bank with it. Now the point of the joke—for it is a joke—is that in *The Times* of July 19, 20, 21, 22, and 26 there were published a series of protests from responsible estate-agents, assessors and tradesmen against the exorbitant ground-rents imposed on Regent Street landlords and tenants by the Commissioners of Crown Lands—exactions which, as some said, amounted almost to the rack-rents of the buildings themselves—the result of which was business-paralysis and "acres" of untenanted offices. A demand for ground-rent is not in itself an act of violence (although it foreshadows violence if not obeyed) but it may yet transpire at an inquest that the presentation of such a demand in Regent Street has created an "occasion" of the death of some honest trader. We shall see. In the meantime there is something humorous in the reflection that Jack Levy's pals were looting the Crown Commissioners' loot—and something sinister in the fact that a first offender who did not do the deed has to be flogged for it—a new precedent, if we are to accept the statements of Mr. Bowen Davies, K.C., who vainly appealed against the flogging. We wonder what Charles Dickens would have said about it.

Now let us move on another step. Whatever influences are behind the new precedent of administering the "cat" for the offence of being merely accessory to an act of merely technical violence to the person, are likewise behind another new precedent now advocated; namely the invention or manufacture (as you like) of the crime of "violence to property," carrying the same penalty of flogging. Violence to property? What do you think it is? Come on! Three guesses. The burning of coffee in Brazil? Wrong. The sledge-hammering to pieces of a factory full of new spinning machinery in Northern Ireland? Wrong again. The imposed reversion of three million acres of arable land to pasture in Great Britain, with the prospect of having to depasturise it to get rid of foot-and-mouth disease? No: none of these things. We'll tell you. It is the smash-and-grab raid.

Two letters in *The Times* provide us with this information. The first appeared on August 4 and was from Sir Alfred Pease, of Pinchinthorpe, Guisborough, Yorkshire. This gentleman deploras the "appalling increase" in crime; is convinced that "crimes of violence" should carry "severe minimum penalties" which should be such as to be a "terror" to the "worst class" of actual criminals

"if the criminally-minded are to be deterred"; believes that a "severe flogging" is "more merciful to the culprit and 'less hardening' to the prison staff than long years of imprisonment." He claims to have had fifty-two years of judicial experience and to have been the Governor of a large convict gaol. "I have had to witness," he says, "many flogging sentences carried out" and asserts that it does not "brutalise" either the flogged or the flogger. On this point of psychology we express no opinion: we refer it to those societies who deal with that sort of thing. What struck us when we came across the letter was that Sir Alfred Pease nowhere defined the term "Crimes of Violence." We see on reference that we pencilled in the margin: "Wife-beating?" Other queries could be added: "Assaults on the person with intent to do grievous bodily harm?"—"Cruelties to children?"—and so on. Well; we let the letter pass, merely noting that in general it was a symptom of the nervousness prevailing in high-financial quarters.

On August 6, however, we saw the second letter. The writer is Lt.-Col. H. M. A. Hales, Wellington Club, Grosvenor Place, S.W.1. This hefty fellow spills dots and crosses over all Sir Alfred Pease's unfinished i's and t's—and then some! Listen to his conclusion:

"Make flogging—above everything flogging—and, if you like, a minimum sentence of penal servitude, fixed punishments for crimes of violence against person or property, and the smash-and-grab raider, the holder-up of banks and post-offices, the motoring bag-snatcher will all become as rare as the great auk, if not indeed as extinct as the dodo."

We note in passing one piece of wisdom spoken by accident, which is contained in his reference to "criminals of a mechanised age." Again by accident he makes the logically appropriate remark that "imprisonment is no longer a deterrent." Quite so. And why? Because imprisonment, as such, has never been the sole, or so much as the major, deterrent. People ran straight because they had two things besides their liberty to lose if they didn't: a more or less good name, and a more or less certain job. To-day what has happened to Mr. Hatry, Lord Kysant and others has tended to make imprisonment seem more respectable. As to jobs—well, you can't lose what you haven't got, nor can you fear to miss getting what there is no prospect of getting. The product of the "mechanised age" is unemployment, in heaps of cases he would be more comfortable in body—aye, and in spirit—when in prison. Sensitive men would often prefer the isolation of the cell to the publicity of the dole-queue where they stand exposed to the view of a public trained by the Press to regard them as twisters until proved innocent.

It will be interesting to see what further correspondence is elicited by these two letters. They constitute a direct challenge to the principles advocated by prison reformers and others; and unless these, too, have become infected with the vicious doctrine of the primacy of financial over all other considerations in social policy, now is the time for them to mount their platform. For the inspirers of this brutal policy are the banking community. Just as the forger is the enemy of the banking trust, so is the thief the enemy of the insurance trust. And these two trusts are comprehended in what we call the Credit Monopoly. What Sir Alfred Pease calls "Crimes of violence," and Lt.-Col. Hales interprets "crimes of violence against property," "crimes of violence against the person," and "damage to insured property." The element of "violence" against the person is brought in as an excuse for

protecting the reserves of the insurance combine. There are financial considerations even behind the nature of the punishment advocated; for however much one may hesitate to accept Sir Alfred Pease's assurance that flogging is more merciful than long years of imprisonment, there is no questioning the fact that it costs less money to the State, or, to be precise, to the bankers who control the State and finance its machinery, with the community's credit. (How a more merciful punishment, by the way, can be a more effective deterrent we must leave to Sir Alfred to work out for himself.)

When the rioting occurred in Auckland, N.Z., the insurance companies had to disgorge a couple of hundred thousand pounds for damage to plate-glass windows. We have heard that there was a plan—a sort of gentlemen's agreement—"Don't attack uninsured property," and that it was based on the calculation that by avoiding the infliction of personal losses on the tradesmen the demonstrators would obviate or at least limit the risk of incurring their hostility. One newspaper correspondent remarked, we remember, that although the rioting was by hungry people yet the food-shops were not looted—a circumstance that occasioned him some surprise. One can easily calculate from the collective loss caused by this short-lived concerted smashing-without-grabbing what must be the drain on the insurance trust in this country resulting from the continuous and progressively increasing practice of smashing-and-grabbing. This is the "appalling" element in the increase in the crime—the cost of it, not its nature. Violence or no violence the result would remain "appalling." Readers will recognise that Mr. Justice Avery applied this very adjective to Mr. Hatry's crime, and obviously in the same sense, namely, not that the forgery of securities was itself appalling but the forgery of such a lot of them! Figures! figures—the whole Bench fall for them just like the loosest-thinking classes of society.

What makes the problem so difficult here is that, unlike the case of the New Zealanders, the raids are uncoordinated, and result from private initiative. If only the thieves would form and march *en masse*, well, then they could be bludgeoned or shot before they did much damage. Nothing rattles the nerves of armies more than guerilla attacks—and older readers will recall how the deliberate burning by their womenfolk and children in concentration camps proceeded out of the irritation caused by Boer Threadneedle Street. And so with the High Command in derangement of financial figures must receive punishment measured, not by his contributor, but by the total of all contributions. Let him smash a £10 window and steal £5 worth of articles, or a £100 or not—a flogging. Whether he be in need, there is to be no remission of sins against the Anti-Christ.

The insurance combine uses persuasion, deception and coercion to expand premiums, and the same three weapons to limit claims. Let us interpose two episodes.

1. On August Bank Holiday there was a motor smash on Barnes Bridge, a bus and small car being damaged. Two people were removed to hospital. Three policemen remained on the scene of the accident, and their care was all about taking exact records of damage and of the names of insurance companies involved. Most people will say: "Of course." And the fact that they will constitute the point. A 4-inch rent in a section of panelling must not be given as 5-inches—or the careless copper cops out! And things like that. You'd think God created buses in His own image.

2. Last Saturday a workman who had been injured and involved in compensation proceedings told us that a doctor had said to him: "Now, don't you be a fool. Whenever you have a claim against the insurance companies hit 'em for all you can: they've got more money than they know how to get rid of."

Here are some examples of how the insurance combine looks after itself or gets looked after by other people.

- a. "Safety-First" advertising. (Don't become a claim on "accident" or "life" funds.)
- b. "Learn to swim." (*News-Chronicle* provides instructor free of charge.)
- c. "Don't board a moving train. If you do you're liable to a fine." (Railway poster. Reason as above.)
- d. "What rights have I as a private citizen as to methods of stopping escaping smash-and-grab raiders?" (Thus a gentleman writes to *The Times*. Observe; not a word about what his fee as an auxiliary insurance-policeman is to be, or what compensation he receives if he gets hurt.)
- e. "Duty of citizens to prevent-crimes." (Text of several recent newspaper discussions.)
- f. Maternity mortality. Leading article in *The Times* (August 5) about high death-rate. Remedy—midwives and other lay assistants at accouchements ought to wear masks like surgeons! And draw the cost from the insurance-combine? No, sir.
- g. Press discussion of question of penalties for careless pedestrians who cause street accidents.
- h. Recent gift of a lifeboat to some seaside village by an insurance company.

We have pointed out before that on the present level of wholesale costs the Press owe the public a handsome rebate from the current price of newspapers. The public don't get it, and won't. What they get is "free" insurance, or "free" instruction in swimming, not to speak of free advice how to stop leaks in insurance-reserves.

We do not allege that all these things are consciously contrived by the banking and insurance authorities. Given general acceptance of the fundamental axioms laid down for the conduct of the financial system, the popular conception of civic duties must inevitably coincide with that of the bankers, and the performance of those duties must automatically further the bankers' policy. Consequently we do not expect people who accept these axioms to see any sense in our criticisms. If the axioms are technically sound we agree at once that we have written mischievous nonsense. If unsound—and in the way we are prepared to demonstrate—the same charge lies against the Credit Monopoly.

Who's Who.

- LAMONT, THOMAS WILLIAM.—"Right-hand" man of J. Pierpont Morgan. "The Morgan diplomat." Represented U.S. finance at Versailles, 1919, and Paris, 1929. His friends include John Masefield, with whom he travels; H. G. Wells who visits him; Ramsay MacDonald, who dined with him last month." (Authority for this information was published in *The New Age* of December 19, 1929.)
 - MORGAN, J. PIERPONT.—Partner to Lamont (q.v.). Host and mentor of the Archbishop of Canterbury. Took him for voyage to Palestine on his yacht *Corsair*.
 - MASEFIELD, JOHN.—Author. Playwright. Poet. Has travelled with Lamont (q.v.). Bitten with quasi-theological and moralistic notions. (Cf. poem *The Everlasting Mercy*.)
 - WELLS, H. G.—Author. Has visited Lamont (q.v.). Dabbler in sublime concepts. Chosen to address a world-conference in Paris a few years ago.
 - PEASE, SIR ALFRED.—(See "Notes" elsewhere.) Born 1857. Married:
 - 1st. Helen Fowler, 1880 (one son, one daughter).
 - 2nd. Laure de Montgagny, 1912 (—).
 - 3rd. E. Elisabeth Smith, 1922 (two sons, one daughter).
- Resident magistrate Transvaal, 1903-5. Recreations, shooting and hunting. Traveller and big game hunter (several expeditions). Author of books on horses, lions, badgers, etc. [NOTE.—His record generally suggests his having gained his experience chiefly among uncivilised and subject races. This would account for his belief in the efficacy of flogging.]

Current Plans and Planners.

The following "Note" was held over last week.

The Monetary Reform Association (30, St. Anne Street, Manchester) is probably the most representative of the orthodox credit-reform bodies. We use the word "orthodox" to distinguish those reformers who accept the present principles of costing and pricing from supporters of Social Credit who reject them. Among the members of the Research Committee of this Association the following names will be more or less familiar to our readers:

J. R. Bellerby, Geoffrey Biddulph, Ernest E. Canney, Edward W. Edsall, Arthur Kitson, Charles Edward Pell, Samuel Rigby, and Prof. J. W. Scott.

The Association advocates the following "specific emergency measures: (1) The National Central Banks to support issues of credit by (2) a Credit Distribution Board representative of trade, industry, and banks together with advisory economists, for the purpose of (3) bringing about "Reflation," i.e., "the permanent stabilisation of the Wholesale Index of Prices," by the process of (4) granting long-term credits at a low rate of interest to existing and new enterprises, until wholesale prices rise to a figure where it is decided to stabilise them, whereupon (5) the Board's main function will be finished except for "watching" the interests of industry "in respect of the operations of the National Central Bank and of the joint stock banks."

This is published in a pamphlet entitled *Monetary Reconstruction By Reflation and Currency Management* (Price 2d.). The authors point out that "purchasing power" will be "stimulated" ahead of the expected increase in the supply of consumable goods (the time-lag being estimated by them as anything from one to three years) and that "the consequent increased demand, both anticipated and realised, will also give the necessary fillip to wholesale prices." . . . They proceed later: "Dominions and foreign countries linked with sterling will also enjoy the rise in wholesale prices required to increase purchasing power." (Our italics.)

We take for granted the good intentions of the promoters of this plan, but must point out that it lends itself, as at present formulated, to exploitation against the consumer. It is pretty widely accepted that a large section of industry has been running for years past under a virtual moratorium in respect of bank overdrafts. One may designate this section the Bankers' Nursling Corporation, and assume its collective indebtedness to the bankers to run into probably some hundreds of millions sterling.

We will elaborate this. The Bankers' Nursling Corporation, as above conceived, combines banking with business, and may be considered as owing its overdrafts to itself. The B.N.C., so to call it, is a seller (a) of "wholesale" (not retail) products, and its object is that (b) of making a profit (c) to be applied to the reduction and ultimate extinction of its outstanding loans. Insofar as it succeeds it unloads its debts on to the general body of consumers. It destroys, as a banking institution, the profits it makes as an industrial corporation. The sums representing those profits figure as costs in the accounts of the buyers of its products, and ultimately become prices payable by consumers. Consumers get no credits to meet those prices.

It is probable that the properties being nursed by the B.N.C. are such as (a) do not need at present to be expanded or developed; and (b) give it the power to intercept as earnings credits borrowed and disbursed by other industries. Under "b," one recalls the term: "the bankers' fleet," which draws a picture of the B.N.C. bestriding lines of shipping-communication and taking toll of freights; and similarly one can picture its toll-gates swung across lines of railway communication. Granted that it is also nursing concerns such as cotton, wool, and other productive undertakings; but the general nature of its holdings is probably correctly indicated in the remark made by Sir Josiah Stamp in the private interview which we discussed in our issue of July 28 (p. 146). He said, in reply to a question about the "benefit" of "conversion" to industries like coal and shipbuilding, that such benefit

"must spread to all industries ultimately. Shipbuilding cannot come in immediately; there has got to be a gradual process through the more stable things like

the big Dock Trusts" . . . "municipalities" . . . and so on. . . . "You have to proceed outwards gradually from the things likeliest to a Government and likeliest to Government interest." (Our italics.)

Things "likeliest to a Government" are such things as control of shipping and railway freights, Dock dues, municipal rates, electricity-charges, and so on. Briefly—all undertakings which are virtually taxing authorities, and whose power to compel the payment of their prices is not exhausted until the private property of every individual taxpayer has been impounded and auctioned for what it may fetch.

We see no provision in the Monetary Reform Association's plan which would prevent the "Bankers' Nursling Corporation" from controlling the proposed Credit Distribution Board. When the Association speaks of this country and the Dominions "enjoying the rise in wholesale prices required to increase purchasing power" the "enjoyers" cannot be the consuming public; and even if the implied proposition is that the public will get a rise in income parallel to the rise in wholesale prices, the purchasing power of their incomes cannot rise unless something happens to prevent the rise in wholesale prices, i.e., the rise in retail costs being charged in retail prices. This is an important matter, because the original object of the policy known as Reflation have made no secret of their object, which is to raise prices up to a level which will enable industry to pay the rates of wages now in force—not to raise them. Since the Monetary Reform Association has adopted as standard "Reflation," it will obviously be regarded as standing for the originators' interpretation unless it explicitly and emphatically propounds its alternative interpretation.

The Association says that the anticipated demand for consumable goods—calculated by them to arise after an interval of from one to three years—will give a "fillip to wholesale prices." Our own version of this statement can be put as follows: The Bankers' Nursling Corporation, masquerading as the Credit Distribution Board, will feed out new loan-credits into the wholesale markets, whence it will take them back again through increased prices, using them to cancel old loan-credits. The credits so recovered and used are thereby destroyed. But these destroyed credits are those which are supposed to constitute the increased demand in one, two, or three years' time. Hence the "anticipation" of the future demand is an act of abortion. The new purchasing-power of consumers is killed in the moment of conception. What was to be living effective demand is now doomed to be still-born unsatisfied need. The core of the quickening principle of Social-Credit accounts, tancy this is the inevitable result. "The core of the problem," Major Douglas insists, "is cost."

The Monetary Reform Association appears to attach importance to its provision that the new credits shall be issued (a) at low rates (b) for long periods. Ignoring "a" as relatively unimportant, the beneficial effect of long-term loans is that the borrowers need not repay the banks during the periods of the loans: they are not compelled, as debtors to the banks, to collect the credits again in prices so quickly as in the case of short-term loans. Nevertheless, it does not follow that because there is no direct compulsion on the borrowers, as such, to charge their products at "all they will fetch," they will in fact refrain from doing so all the same. In fact it is more than probable that the Credit Distribution Board would make it a condition of lending on long terms that the borrowing firms must allocate a certain minimum fixed sum, or a certain proportion of their profits, to reserves, whichever figure were the higher. If so, it would mean that the same rate would be levied on in prices at much the same rate under this long term, as under the short-term, system.

The benefit would stop short at giving a "fillip" to wholesale prices—and, of course, a corresponding "fillip" to Stock-Exchange securities based on them.

So much for the borrowers and the public. But granting that these borrowers got their long-term loans unconditionally, it would still be necessary, if the public were to receive any benefit, to provide that these new loans were not converted to repayments of old loans by firms other than the borrowers among whom the latter would disburse their borrowings. If that were neglected, one can see a picture of the B.N.C. selling out its nurslings to independent borrowing enterprises at rack-prices, ultimately forcing every consumer and taxpayer into the position of having under-written the B.N.C.'s liquidation of its frozen assets.

We recommend the Monetary Reform Association to reconsider their plan with these possibilities in mind.

"Uncovered" Credit.

A writer calling himself F. B., in the course of a review of Lt.-Commander Kenworthy's book, *Our Daily Pay*, in the *Fabian News* for August, remarks:

"The Commander says that the value of money depends upon whether it is acceptable, and, believe me, its acceptability depends upon the sure and certain knowledge that behind every penny-piece, every shilling and every note stands property which can be reclaimed on presentation of the money which was issued against it. Behind Government borrowings of money stands the taxpayer. . . . The mere flirtation of a Government with any proposal whatever for the issue of uncovered paper, backed neither by property nor taxes, and the entire fabric of acceptability vanishes overnight."

Let us analyse this statement.

"Acceptability."—Presumably the relative willingness of people to deliver property for money.

"Knowledge."—Sellers do not base policy on an estimate of the property behind money. They have no means of estimating it. They are willing sellers in a falling market and unwilling in a rising market. Under inflation the seller obliges the buyer; under deflation the buyer obliges the seller. In trade the seller concerns himself with the cost of replacing what he sells; and, in other transactions, with the cost of whatever he wishes to buy with the proceeds of the sale. Acceptability rests on knowledge of the course of prices.

"Uncovered paper."—The reviewer, by implication, defines this as an expansion of credit unaccompanied by an increase of "property which can be reclaimed on the presentation of the money which was issued against it." He relates his criticism to a suggestion of Lt.-Commander Kenworthy that the Government could supplement wages with an extra 10s. per week all round paid in new money. The 10s., he says in effect, being uncovered, will not be "acceptable." The assumption here is that it cannot be "covered," i.e., that there is no way in which to provide extra goods for extra money to buy. If the impossibility is physical, that means that production cannot be increased. Idle plant and men and the existence of commodity-gluts give the lie to that theory. So the impossibility is psychological, i.e., due to what Sir George Paish would call "the human factor." There are three such factors: the producer's, the consumer's, and the banker's psychology. The producer wants to produce more if he can sell more; the consumer wants to help him produce more if he can buy more. These two wants are mutually compatible. The practical obstacle is the IF. The satisfaction of the "if" is under the control of the banker. Does he want it satisfied or not? That is the whole question.

The proper attitude for Lt.-Commander Kenworthy—as well as all other credit reformers—to take up is to challenge the bankers to answer this question:

Has the Government the right to cover new credits when issuing them? This is a fundamental question of constitutional principle. Only when this is answered in the affirmative do other questions arise. The second question

Is the covering of such new credits desirable—(a) economically, (b) socially?

This is a question of pure non-party politics upon which the community is competent to make a decision without the help of experts. Assuming the answer is "Yes," the third and final question is:

Is there a technically sound, and administratively practicable, method of covering the new credits?

This is, by its very terms, a question to be answered by specialists, not by the community. Whoever proposes to refer it to the public either does not realise the nature of the problem, or else does not want it to be solved.

Comprehensively and popularly the question may be stated thus: Has the Government the right, and does the community approve its exercise of the power, to place extra money in the hands of the people and extra goods in the shops purchasable by that money? For this is what the covering of credit ought to mean, and would mean, under the system laid down by Major Douglas. The "covering" or "uncovering" of credit in any other sense than this merely describes bankers' fancy processes of relating one kind of money to another kind of money—all of which are irrelevant to the obvious requirement that money comprehensively must be related to things and services comprehensively, and equated with their cost in the communal marketplace.

Notes on the Barney Trial.

V.

The *Sunday Express* of July 31 printed a report of a motor accident at Cannes in which Mrs. Barney was involved. It stated that the police ordered her to remain in the town pending enquiries. The *Evening News* of August 1 reported (a) that she had left the hotel where she had been staying, and that her new address was not ascertainable; and (b) that her companion in the car on this occasion was a "Mr. Arthur Steele, of London." Her companion at the time of her last accident (June, 1931) was Mr. Napper Dean Paul (THE NEW AGE, July 14), whose name recalls the case of Miss Brenda Dean Paul (THE NEW AGE, July 28), whose doctor, Dr. Fleming, had contemplated sending her to the South of France to be in charge of his wife, who is a doctor and lives there. The *Evening News* correspondent omitted to mention the name of the "hotel" where Mrs. Barney had been staying before the date of the accident.

NOTICE OF MEETING.

A lecture by John Hargrave will be given at the Kibbo Kift Headquarters, 35, Old Jewry, E.C.2, at 8 p.m., on Thursday, August 18 ("Foundation Day"), entitled "The Development of the Green Shirt Movement." Tickets 2s. (members and associate members of the Kibbo Kift 1s.). The proceeds of the sale of tickets will be devoted to the Kibbo Kift Headquarters Fund.

SOCIAL CREDIT IN INDIA.

"New India" of June 16 contains an article called "The Money Power," by Mr. R. E. Hansen. This article is based on Social Credit principles and specifically recommends Major Douglas's books, as well as the Australian monthly journal, "The New Economics." This is all the more interesting because Mrs. Annie Besant is one of the two editors of "New India." This journal proclaims itself as "India's International Weekly," and publishes under its title the motto "For God, Crown and Country." (It is published at the Vasanta Press, Adyar, Madras; and the price is 2 annas). We have room for one quotation, which indicates the tone and style of the whole article:

"Bank credits granted to industry are necessary, but since, owing to their very nature, they must eventually be recalled and cancelled, whereas their full amount is added to costs to be recovered by consumers, it is surely obvious that bank credits alone should not, as at present, be the key to currency supply."

Any ambiguities which keen readers may detect in this passage are cleared up in the context from which we have taken it. We hope that this is the beginning of a movement to rope India in with the Australasian campaign for Social Credit.

"Who Will You Send to Fetch Her Away?"

By W. T. Symons.

That is the problem, as it was when as children we came "gathering nuts in May." And there is no burking it. If we continue to sing that we are out on a "gathering" expedition, and make no attempt to face the difficulty of overcoming the resistance of those who have the "goods" we desire, we are denying all human probability. "They" will send their champion to meet ours, and as in the real world theirs will be better fed and better supported than ours, the likelihood is that the tug-of-war will end in the loss of our protagonist.

That is what is happening. By ruse, by a pontifical attitude, by logic which begs the premisses, by threat (overt or covert), by flattery, by "sweet reasonableness," the champions of the "have nots" are drawn over to the ranks of the "haves." If it were to support them in having, provided their happy estate were extended to all, it would be well—did they but go with a *method* in their hands. But the "haves" retain, as we know, by their power of preventing that extension, not by their having. And who "goes over" without that knowledge is lost.

The latest champions to go over in a bunch are the anti-secessionist members of the Independent Labour Party in this country. By abandoning the right of their M.P.s to refuse acceptance of Labour Party dictation in voting in the House of Commons, they become completely absorbed in that body of reaction. The Labour Party accepts all the essentials of the financial system. And its toys, Nationalisation and Socialism, mean very little in a body accepting that *system* as "sound," accepting the need to make export trade the test of national prosperity, and accepting the need to "economise." They may wriggle at the consequences, and they do, but there is no stopping on that road; it runs right back to support of things-as-they-are.

Mr. Wise reproves the secessionists for leaving the Labour Party "just when it is getting more Socialist"! Whether Mr. Wise is deceiving or deceived is not the point. That a protagonist of the better life for all—which we must grant is the Socialist desire—to see any real resistance in the Labour Party programme to the steady reduction of the standard of life is astounding. Nothing in their programme seriously hinders the progression downwards to that minimum permitted by Finance, operating as the "Economic Front" through Rationalisation.

Will the revolting remnant (or are the non-revolters the remnant? Time will show how much the Bradford voting meant) now re-form and make "a frontal attack on poverty," or will they continue to attack everything first?

We may hope that at last, out of that most humane and sincere body of persons comprising the Independent Labour Party, a new vision and a new reality may come, since both their shibboleths and their former methods are taken by the "enemy" and they will need new words and new deeds to distinguish them.

Amongst the body which has had the strength to revolt are many who have examined the financial system, who know that "capitalism" is no longer the creature of their official picture, who know that Social Credit is the real "Socialism" for those whose care is not words but the lives of men and women.

If a political movement comes into being with a Social Credit programme, the Social Credit Movement will then itself be challenged in its most vulnerable part—"How to Get It"—and the propaganda of enlightenment may be backed by a political expression, with the (new) Independent Labour Party as the champion to "fetch her away."

"Liberal Fascism."

THE LATEST SYMPTOM OF THE INTELLECTUAL BEWILDERMENT OF THE RADICAL MEDIOCRITY.

By John Hargrave.

What *The Observer* calls "a strong attack on the Labour Party" was made by Mr. H. G. Wells on July 30, when he gave his views on "Liberalism and the Revolutionary Spirit" to the Liberal Summer School at Oxford.

"As a party," said Mr. Wells, "it is plainly feeble-minded, feeble in thought, feeble in will. It is amazing what it failed to do." There is nothing amazing about it. The amazing thing is that Mr. Wells could not recognise from the very beginning that the Labour Party was a Liberal Party—a mid-folk party—and that liberal minds are always feeble in thought and feeble in will.

Having trounced the Labour Party, Mr. Wells turned his attention to the future of Liberalism and the Liberal Party. That is to say, he turned from one branch of Liberalism, calling itself the "Labour" Party, to the other branch of Liberalism, calling itself the Liberal Party. Both branches are a reflection of the middle social-economic strata, and together form the Party of Compromise—the shock-absorber between the Banking Combine and the bread-and-butter needs of the unemployed ("The British Lazzaroni") and those threatened with unemployment.

Mr. Wells asked: "What is going to happen in this Liberal flutter of the renaissance? What are you after? Is it the same old story over again—seeking for jobs, brilliant careers, and so forth, or has it really got hold of you that the world which seemed far off to your predecessors of the Fabian movement is now an urgent necessity of mankind?"

Mr. Wells knows perfectly well, of course, what is going to happen to "this Liberal flutter of the renaissance." The very phrase is a half-sneer filled with certain knowledge of how the "flutter" will end. It will end as it began—as a Liberal Summer School at Oxford, "fluttered" for a moment by Mr. Wells's "strong attack" on the Liberals that constitute the Labour Party.

"Now is the opportunity for the Liberal giant," he added. "If Liberalism had a voice and a backbone, and went out now and proclaimed liberty and liberation from old entanglements, Liberalism could sweep out and conquer the hearts of seven-eighths of mankind."

The Liberal giant! If Liberalism had a voice and a backbone! It has neither. Liberalism has, at times, had "a voice." More often it has had "voices." But Liberalism with a voice and a backbone would cease to be Liberalism. All it has now is "noises in the head."

However, Mr. Wells, having turned away in disgust from the Labour Party Liberals, hopes against hope that this "flutter" in a Liberal Summer School may turn into an instrument for realising that Fabian world (of 1883) that "is now an urgent necessity of mankind." At long last we have caught up with the world as seen by the Fabians fifty years ago! Liberalism is to take over this world as projected by the Shaws, Wellses, and Webbs of the old Fabian Society, and, with revolutionary spirit, make it a living reality to-day. A Liberal Party that is nothing but a warmed-up corpse is to come to life again by eating the Fabian Food of the Gods. That suggestion is, surely, more amazing than anything the Liberals of the Labour Party have failed to do?

Mr. Wells explained to the Summer School that "in short" he was "asking for Liberal Fascism." He wanted them to be the Western response to Russia!

The world, he told them, was sick of Parliamentary control. They must be prepared to build up

from now a competent receiver to deal with our bankrupt world. If Western Liberalism could not rise to organisation on a world scale it was to Communism that outsiders would have to turn.

Mr. Wells added that if they could not do something along those lines then "Let us eat and drink and see Oxford, for to-morrow, politically speaking, we die." To-morrow? Politically speaking, the Liberal Party and with it Liberalism, fell down dead on August 4, 1914. It died from shock—shell-shock.

Just as an "open" conspiracy is no conspiracy at all, but merely a fine liberal-sounding phrase, so Liberal Fascism is a self-contradictory impossibility.

Fascism, as Mr. Wells and all the other liberal-minded publicists have been at some pains to explain, is the antithesis of Liberalism. Fascism exists to trample upon and stamp out Liberalism and the liberal-minded. Against Liberalism (and far more against Liberalism than against Communism) Fascism uses the Big Stick. But what would a Liberal Summer School Mussolini use against—for example—all those who are not at all "sick of Parliamentary control," but who, on the contrary, make a very good thing out of it? How would a Liberal Fascist Dictator, or Dictatorship, put an end to Parliamentary control? And as for building up "a competent receiver to deal with our bankrupt world"—when, as a matter of fact, we are now in the hands of an only too competent receiver fully organised "on a world scale" . . . the whole idea, of course, is fantastic nonsense; the latest symptom of the intellectual bewilderment, panic, and political bankruptcy of congenital compromisers.

The state of mind that can produce the phrase "Liberal Fascism" could produce anything—except a logical solution to the problems now confronting us.

Theatre Notes.

A LETTER FROM MALVERN.

MALVERN, Sunday.

Dear Reader,—I am still in holiday mood and can't yet bring back my pen to the gravity of formal criticism. So although I've been to see the new play by Mr. Shaw, "Too True To Be Good," which was produced here yesterday afternoon, I would prefer to write about it later, when it is presented in London. In any case, I have the vaguest notion of what the play is all about. Not that the author has lost his style and begun to write obscurely. I feel sure that, as usual, his dialogue—however long the speeches—and the last speech I'm told is not much less than a thousand words—is as lucid as witty. The fault—if fault it were—was my own lack of attention. I was feeling too bad to be good. You see, I flew to Malvern. Not "up in a balloon, boys," but in one of the big passenger planes of the Imperial Airways. By the time I had recovered from the voyage and become once more that cool, keen, elegant yet learned judge of plays whose weekly summings-up you read with so much pleasure and instruction, Mr. Shaw's new piece was over. I admit that I had the chance of hearing the play again at the evening performance, if I had chosen to stand somewhere; and it was my duty to you to do so. But I am not of those to whom duty is a clarion call. The choice for me between standing in a hot theatre stuffed with celebrities and sitting on top of Malvern Beacon to enjoy a westerly breeze and a fine sunset over the Welsh mountains was easy. I sat on the hill.

The joy-ride from Croydon to Malvern was my first journey in an aeroplane, and I am really very grateful to Sir Barry Jackson for the experience,

even if my uneasy stomach unfortunately prevented me from enjoying the play he was taking me, so expensively, to see. We started from Croydon about eleven-thirty. As a prospective passenger I had to be weighed before I was allowed on board, and raised a laugh from the clerk at the weighing machine by guessing myself a couple of stone lighter than the figure pointed at by the dial. Still, I've seen those experts at the fair, who want your penny only if they don't guess your weight within a few pounds either way, sometimes make as big a bloomer. Walking on to the ground, I viewed the machine which was to take me off it with grave misgiving. To my inexperienced eyes it looked a monstrous thing in which to rise above the clouds, though Mr. Desmond McCarthy, who was also viewing an air liner at close quarters for the first time, told me he was disappointed to find it not half so large as he had expected. Well, I walked round it, and mentally "nosed it," like a dog sighting a strange and possibly dangerous creature. But there was no help for it. Desire for adventure no less than the fear of showing fear compelled me to clamber aboard. I sank into a luxurious armchair in the forward cabin. The four engines began to roar. The captain and his lieutenant took the bridge—or whatever the phrase is in the vocabulary of airmen. We moved. We rose. We were flying.

I looked out of the window. Yes. There was the ground moving away as if it had taken leave of its senses. I looked at a couple of dials which recorded speed and altitude. Ninety miles an hour, said one. Five thousand feet, said the other. "Shucks," I said, like Tom Sawyer after the first whiffs of his first pipe. "Why, it's as easy as pie. If I'd known it was as easy as this I'd have tried it long ago." Later on, you who have read and re-read that glorious book will remember, Tom Sawyer began to go a little pale about the gills, and left his friends to see if he could find a penknife he hadn't lost. It was useless for me to lose my penknife, as the pilot would not have stayed around while I got out to explore a cloud; so I contented myself by refusing the lunch which was offered me, and gnawed a packet of chewing gum which my friend, Mr. A. E. Wilson, of the *Star*, thoughtfully gave me. Whilst he drank his soup like a man, and passed on to chicken, fruit, coffee, and a whisky and soda, I told him what a good sailor I was, and how I had crossed the Irish Channel on the stormiest nights without blenching. He pretended to believe it. So did I. I admired the view. We were now above the clouds. Above, before, behind, was that clear heavenly blue which, from English soil, we see scarce a dozen times a year. Beneath was a billowy sea of opaque cloud lit by the sun. I caught a glimpse of the earth through a hole in this sea, and it looked dark and very far away.

The hour when we were due to land had already passed. Were we lost, I asked? Not exactly lost, was the reply, but we are telephoning to Croydon for our exact position. A forty-mile-an-hour head-wind has disorganised the time-table. . . . I felt discouraged.

There was worse to come. Before we landed at Gloucester aerodrome (Gloster, the airmen spell it, Yankee fashion), we had to circle over Malvern to amuse the town. Well, we got there. We circled. There were the Malvern Hills below. I could see them distinctly. And there was that damned invisible, inaudible wind, hitting the hills, rushing up to heaven in its surprise, and making the aeroplane sway, and drop into airpockets as empty as my stomach, and generally behave like a drunken sea gull. Fancy causing such nausea to a harmless journalist just to make a Malvern holiday! However, the pilot had mercy, turned his tail to the wind, and we began to drop towards Gloucester (pardon, Gloster) at one hundred and thirty miles an hour.

There was a slight bump. I looked out of the window once again. We were on earth. I hurried out.

Some hours later I was told that I had been rushed to Malvern in a car, pushed into the auditorium, and had seen the play. And had even applauded it—contrary to that stupid etiquette which requires a critic to sit like a stone image, however much he has enjoyed the piece. Well, I wasn't going to contradict anybody. All I wanted was to be left alone and not to be made to fly back to London. So to everybody (after the first half dozen had told me that I wasn't to tell such lies, for they'd seen me sitting in the stalls and laughing like anything) I answered that I wanted notice of the question; but of course the play was a masterpiece and supremely well acted. Then I left them to it, and went and sat on the top of the hill, as I told you before.

Yours sincerely,

JOHN SHAND.

The Films.

The Film in National Life.

Everyone who takes a serious interest in the cinema should spend a shilling on "The Film in National Life," the comprehensive report by the Commission on Educational and Cultural Films. It is worth buying for the sake alone of the chapter on "The Film as a Craft and an Industry," and although I disagree with many of the conclusions and opinions regarding the British Censorship, this section can be recommended to those who want to know something of how the institution works. I hope at a later date to deal at greater length with this publication, which is issued by George Allen and Unwin, Ltd., Museum Street, W.C.

After Office Hours: Regal.

Thomas Bentley, the director, and his players have between them contrived to make an uncommonly sound job out of this version of van Druuten's "London Wall." This is one of those extremely rare English films in which all the actresses are excellent; my particular preference is for Viola Lyel as Miss Janus, the typist who is jilted after a seven years' engagement. Mr. Bentley has managed to inject a cinematic essence into a somewhat static stage play by taking the camera out of doors as often as possible, and in the result we have something also rare—the real London shown on the screen. It is infinitely refreshing to see "General" buses, London suburban stations and termini, tube trains and escalators, City streets, teashops, and the windows of well-known West End stores, after a surfeit of the skyscrapers of New York and the less reputable quarters of Chicago. Incidentally, I salute the ingenuity of the British International art directors for their most successful studio reproduction of a Lyons' tea shop. Among the admirable cast I would also mention Frank Royde and Bill Speechley, the latter as an office boy. That his *joie de vivre* would not have been tolerated for a week in the office of any City solicitor, does not make his impersonation any the less amusing.

Black Diamonds: Regal.

This film defies all critical standards, and in the main disarms the critic. It was made by Charles Hanmer, a miner, whose father was killed in a colliery disaster, and for twenty years the son has been obsessed by the desire to produce a film that should show the public something of the real life of the miner. My objection to "Black Diamonds" is that it does not go far enough on the road to reality. We are shown too much of the miner at play—at football matches, in his garden, racing his whippets, listening to choral singing and brass bands—and too little of the life of the pit and of its dangers. The miner at play is much the same as anyone else

at play, and while Mr. Hanmer has depicted this aspect in order to convince the public that the miner is just a human being like any other, it was surely unnecessary to demonstrate so obvious a fact. It was certainly unnecessary to demonstrate it at such length.

The film makes no attempt to show mining as other than a dirty and dangerous trade, but no one who sees it without some little knowledge of the industry will come away with the realisation that every working day six hundred men receive injuries sufficiently serious to necessitate their applying for compensation. And there is not the slightest hint of the extent to which colliery disasters are preventable and should be prevented. Here they are made to appear more as Acts of God than as due to such causes as lack of adequate Government inspection, and to the neglect of precautions in order that dividends may be maintained at the highest possible level or that the profits of firms in the Electrical Ring shall not be impaired by the introduction of a better type of safety lamp that is actually boycotted by the industry. In short, not a hint that the natural dangers of the miner's life are increased by greed. If it were not for the obvious facts that a film dealing truthfully with conditions in the mines would neither have been sponsored by the Mining Association of Great Britain nor have been booked by commercial managements, and would certainly not have been passed by the Censorship, the omissions in this picture would have made me sick.

Technically, "Black Diamonds" is almost incredibly amateurish, although much of the acting is good, as is invariably the case when completely untrained players are fired with enthusiasm for their work. Amateurishness has here a certain naive attraction, but the expert supervisors who shaped the film for public showing have in at least one respect done their work very badly; the picture was post-synchronised, and the woodenness of the dialogue must be heard to be believed. Surely our studios could have made a better job of it. The editing seems to have been done as well as it could be in the circumstances; although there is a thread of a series of disconnected pictures that defy all attempts at reasonably satisfying continuity.

I have dealt with this picture at some length, not only on account of its subject and nature, but also because it is the first purely amateur production to be taken up by the British film trade, and because I welcome every endeavour to put our great industry and the life of the masses on the screen. Through the whole of the film there runs obvious sincerity, and despite all its defects and all its omissions, it possesses a curiously moving quality. But do not expect a second "Kameradschaft."

Alone: Academy.

Most Russian propaganda films—using the word in the widest sense—are made primarily for domestic consumption. "Alone," which shows the civilising influence of educational methods, applied by a woman teacher, in a Mongolian rural district, comes within this category. As here presented, the theme is not of great dramatic interest, and the picture is too long; the first two or three reels would be improved by drastic cutting. There is a magnificent acceleration of tempo at the end which quickens in a fashion reminiscent of "Storm Over Asia." The musical accompaniment by D. D. Shostakovich, is excellent; in fact, "Alone" is one of the very few films that are worth hearing. L. S. Trauberg directed.

The Malvern Pageant.

British International Pictures have again taken advantage of the Malvern Drama Festival to present a Film Pageant. In addition to a number of short productions, including "Black Diamonds,"

pictures are being "featured." These are "Lucky Girl," "The Indiscretions of Eve," "The Last Coupon," "Fires of Fate," "After Office Hours," and "Arms and the Man," the last of which is being done at Malvern prior to its London presentation. Shaw's plays include better cinematic material, but even so "Arms and the Man" contains the genus of a better film than Elstree has made of it. I found the picture tedious; nearly all the sparkle of the original has evaporated; the dialogue sounds unworthy of Shaw; and the film is too long, while much of the acting belongs more to the stage than to the screen, a natural result in view of the selection of the cast. Roy Limbert, who directed, is more at home in the theatre, and Mr. Shaw, who, I understand, supervised the production, has still a great deal to learn of the difference between stage and film technique. Incidentally, while he points out in an article in the Festival handbook how the mobility of the camera affords producers an incomparably greater scope than exists "in the room with three walls which, however scene painters may disguise it, is always the same old stage," neither he nor Mr. Limbert has made adequate use of the potentialities of the cinema.

DAVID OCKHAM.

News Notes.

At the Liberal Summer School on July 30 Mr. H. G. Wells made some outspoken remarks about the King's having lent himself to the economy campaign. In the list of the customary Fabian Lectures for the coming autumn Mr. G. B. Shaw's customary final lecture is to be "In Praise of Guy Fawkes." Wells called for what he designated Liberal Fascism. Shaw apparently intends to deride that institution, i.e., Parliament, which Fascism would supersede. Just as Bertrand Russell thinks that the use of armed force by an International Authority is not in conflict with the principles of Pacifism, so do Wells and Shaw consider a dictatorship compatible with the principles of Democracy. The resolution of these paradoxes is no doubt to be found in the fundamental principles of Pacifascism, whose advocates will be popularly dubbed Pafascists for short.

The Times, in its first leading article on August 2, virtually backs Mr. Wells and Mr. Shaw. It describes with approval the way in which the German Government has contrived an electoral stalemate, and follows this with some remarks to the effect that Germany, in her "flight from pre-war Prussianism," probably overdid the "democratic safeguards" in her post-war constitution. It recalls Dr. Brüning's remark in a recent electoral speech that Germany had "an exaggerated Parliamentarism before 1930 but he warned the Government that the aim should be to return to a 'reasonable and authoritative democracy.'" In other words, that Shaw's Guy Fawkes is needed to blow up the obstacles to Wells's Liberal Fascism.

The Times's reflections on the German election are worth recording. Read bankers for Government, and the passage fits our own General Election like a glove.

"Victory is being claimed by all, but goes to none who took part in the election. The only victor is the Government, which took no part in it. The result of the voting is a stalemate which favours the Government by leaving its position undisturbed. . . . But it introduced a novel stratagem into constitutional government by refraining from staking its fortune upon the result of a Parliamentary election which it had itself ordered to be held."

This novel stratagem is the Bank of England's patent, and was employed here in the interests of the National Government last autumn. It is interesting, by the way, to note in the same article a reference to the fact that in Italy and Roumania "a system has been devised whereby the party obtaining the greatest number of votes has that number automatically increased to a sufficient extent to give it a substantial majority." Older readers will recall our advocating this principle apropos of our indictment of the Labour Party for taking office without a majority, thereby leaving themselves an excuse for not carrying out their electoral pledges. We suggested that every M.P. belonging to the most numerous party should be able to cast two or more votes, so that the Cabinet couldn't plead numerical impotence as an excuse for avoiding legislation disapproved by the City.

Social-Credit Campaign-Notes.

The Post Office are booming a new public facility called the "Night Letter Telegraph Service," a prospectus of which is available free of charge. At any time up to midnight you can telephone your exchange and dictate a letter. This will be delivered early on the following morning. The rate is 1s. for 36 words or less (1s. 6d. for the Irish Free State) and 1d. for every three words beyond 36. Every important town in Great Britain (certain islands excluded) is within the scope of the service. You can telephone from home, or from any telephone call office fitted with a multi-coin box. "All Night Telegraph Letters must bear a postal address," says the prospectus. Presumably, the address of the sender. This service will be most useful to Social-Credit campaigners in cases where they wish their messages to be read by third parties. For that purpose they could send messages to each other when the spirit moved them. It may be supposed that at least two, and probably three or four, officials will become acquainted with the message in the course of their duty. And if the message be magnetic enough it may attract clusters of voluntary observers in addition. Let us try an example:—

"Dear Jack,—Re the Conversion Loan. Don't forget Mr. Punch's advice to those about to convert.—Tom." This message, plus nineteen more words (inclusive of addresses), costs one shilling—and well worth it! This example is out of date; so let us substitute another:—

"Dear Jack,—Re your Assented Stock. I should apply to Lloyds for a rate covering risk of slump in value when dealings begin in January. You've got to hold the baby till then, remember. Alternatively, see what's the most your banker will lend you on it.—Tom." The price of this little packet would be 1s. 8d. all complete with thirteen words allowed for addresses. Not bad at all, is it? And now, having got our eye in, as it were, let us bat with a little more enterprise.

(Let us make it clear that there is no foundation of fact for the statements used in the next example—at least, not yet.)

"Dear Jack,—Have you heard about the new service contemplated by the Union of Post Office Workers and others? You can buy at their headquarters what they call Good-Will Service-Stamps. You affix them to your letters and parcels, which, when so stamped, receive priority of attention by all officials concerned. They do not withdraw good-will from others (which is a punishable offence), but put extra good-will into your service. By arrangement with the National Union of Mailbag-Lifters, the G.W.S. stamp also guarantees your correspondence immunity from pilfering. Lastly, it covers the user against loss arising from inequitable rejections by the Postmaster-General of claims against the Post Office. The U.P.W. Tribunal will review such claims for the purpose.—Tom."

The price of this message, allowing twelve more words for addresses, comes to the moderate total of four shillings. The Night Letter Telegraph Service is an excellent institution, and we hope our readers will extend to it their liberal patronage, not forgetting to include us occasionally among the recipients of their messages.

Front Line, August 1, reports and discusses an incident which happened on June 2, when two "green-shirts" were physically attacked by about a dozen Communists on their way from a meeting where they had been debating Social Credit. This paper alleges that the attack was planned, and says that it knows who planned it. If this is so we should be inclined to regard it as symptomatic of the irresolution which has overtaken Communist leadership in this country. The Kibbo Kift, at its Whitsuntide Annual Assembly, passed, among others, a resolution calling upon the leaders of the Communist Party in Great Britain to declare publicly and unequivocally whether they accepted or rejected Social Credit as regards its compatibility with authoritative Communist doctrine. According to our latest information, the challenge has been accepted, and the leaders were (and maybe still are) considering their reply.

The reply will not be easy to make. On the one hand, the Communists outdistance all other political parties and bodies in the realism of their conception of the structure of political and economic government, and of the concealed coercion and economic government, and the stewards of which holds it together. Intellectually, the Communist doctrine are, and always have been, "almost persuaded," like Pilate, to the acceptance of the Social-Credit analysis. Technically, Social Credit comes to fulfil, not to destroy, the law of Communism as it concerns the economic safety and social welfare of the masses. The snag lies in the fundamental re-direction of political method

dictated by the Social Credit analysis. Accept that analysis, and you find yourself gifted with second sight which reveals the Capitalist positions as resting on a warren of financial tunnels charged from end to end with bankers' mines. Occupy the positions and you occupy an earthquake and eruption. Occupation becomes engulfment.

It is, of course, a hard thing for the leaders of Communism to renounce the recruitment-value of their traditional anti-Capitalist strategy, but for them to hesitate is not only for them to be untrue to themselves, but to do a crooked deal with the "Red"-in-the-street—crying in his ears: "Loot, Loot," when there is no loot. The shock-terriers of Communism in Turin some years ago still carry on their noses the marks of the financial spines of the Capitalist hedgehog in that city. They drew the Capitalist badger out of the Fiat factory all right, but when they drew a cheque for the following week's wages the banker couldn't be persuaded to recognise the badger's signature! That tore it, as the saying is. And, if the truth were known, the money withheld from these shock-troops of Communism was diverted to recruit and equip the Blackshirts of Fascism.

Front Line, in its comments on the assault mentioned, makes the remark: "We are now waiting to be attacked by the Fascists." The point of the remark lies in the fact that the Communists who committed the assault on the Greenshirts did so to the cry of: "B— Fascists." The Communist leaders will, we hope, not delay the promulgation of their judgment on Social Credit so that the Red-in-the-street shall know authoritatively what to do when he "sees green."

LETTERS TO THE EDITOR.

WAR ARCHITECTURE.

Sir,—With regard to the buildings in Regent Street and the suggestion that they would make excellent military or police barracks in the event of internal disorder. It is interesting to know that one floor of Liberty's building is used for the purpose of lectures to Specials, and is sometimes used for police social functions. I believe Liberty's is the headquarters of one of the Business House Divisions of the Metropolitan Special Constabulary. Coutts' Bank also has its own company of "reserves."

Have your readers noticed something rather curious about London's bridges? Apart from the Tower Bridge with the Tower of London, there is London Bridge with Adelaide House, Blackfriars Bridge with Lever House, Waterloo Bridge with Somerset House and the new skyscraper buildings, Westminster Bridge with the London County Hall, and Lambeth Bridge with Imperial Chemicals House, etc. All these buildings are most substantially built, more so than the barrack-like buildings of Regent Street. They remind me of super-blockhouses, especially Lever House and the County Hall, and in the event of a starving horde trying to cross the river their Norman garrisons would be unassailable—except from within their own ranks.

P.S.—One can add to the above examples. Southwark Bridge, commanded by Vintry House.

"ORGIES" AT GENEVA.

Sir,—In to-day's issue of THE NEW AGE there is an editorial paragraph which may mislead those who read it. You state:—

"There is a vague popular notion in this country that the laws regulating morals in Switzerland are parallel to our own. That is true generally, but not true of Geneva, which city enjoys all the luxury-privileges of Paris, and, so people say, makes more use of them. It was said that on one occasion Sir Eric Drummond wanted a certain conference of delegates to be held elsewhere than in Geneva, and was surprised at the widespread disinclination of the delegates to fall in with the idea. Gossip says that he made inquiries and found out the reason; but this cannot be confirmed."

If this is intended to suggest that Geneva has the system of licensed houses of prostitution, including registered women under medical examination, such suggestion is contrary to the facts. Geneva abolished the maisons tolérées in 1925, and thereby came into line with the rest of Switzerland, which has long been abolitionist.

As my work brings me a good deal of information on this subject may I add that it seemed to me rather regrettable to give publicity to the ill-authenticated suggestions which appeared in Searchlight on "Geneva's Orgies." It is true that a house, which was in fact a brothel, was opened in Geneva, contrary to law, in the beginning of February, but by February 9 the house was taken over by the police, the door sealed, and the "madame" and four young women

deported. Searchlight must be well aware that every international conference which brings together large groups of foreign men is always regarded as a possible business prospect by those shrewd tradesmen whose goods for sale are attractive young women. The Geneva house was a scandal, and a nasty one, but it seems to be unnecessary to make so sinister a song about it. Certain of the men who assembled at Geneva for the Disarmament Conference are nationals of countries which regard the maison tolérée as being as necessary to social amenities as is the café. Enormous business interests are concerned in Disarmament, not necessarily in favour of it, and this particular Conference attracted an agglomeration of cosmopolitan masculinity on its fringes which was by no means in all sections an idealistic crowd. Possibly some influence from certain nationalists may have been applied to try to ensure a blind eye being turned on this particular house, having regard to the months the Conference would continue, and the national customs of some of the men who, in some capacity or other, had to remain on the spot. But such influence, if it were applied, completely failed, and the publicity given to the matter by Le Travail, The Daily Herald, the Abolitionist movement, and the women's societies soon had the house closed.

ALISON NEILANS.

Secretary, The Association For Moral and Social Hygiene, Livingstone House, Broadway, Westminster, S.W.1.

[The passage which Miss Neilans quotes from our Notes may have given the impression that maisons tolérées are not legal in Geneva. We accept her statement that this is not so. Our remarks were based on private information and not official sources. To show the difference it is sufficient to remember that whereas even during the war the distribution of contraceptives and prophylactics against venereal disease were not officially recognised, yet they took place systematically and overtly within the army organisations. In estimating the nature and degree of illicit recreations in Geneva it is unsafe to rely upon the fact of restrictive legislation as a disproof of allegations that these recreations are catered for. Perhaps the most concise presentation of the situation to which we alluded, and presumably from a Searchlight relied, is in the following extract from a book entitled "Les Bazaars de la Volupté," by Willy and Pol Prille (Editions Moutaigne, Fernand Aubier, éditeur, 13, Quai de Conti, Paris (VI.); 1930):—

"Controversies (between 'abolitionists' and 'reglamentarians') which commence by newspaper articles developing into conferences and often finish up—in the brothel. This rendezvous serves for the purpose more frequently than is imagined, even in austere Geneva, the Mecca of delegates, for the great Protestant city boasts an organisation of pleasure which is almost seductive. Brothels are hidden away in nooks and corners, but they none the less elegantly fulfil their principal mission, which is to sustain the enthusiasm of delegates from all parts of the world."

Then follows a passage which a correspondent, who sends us this quotation, has paraphrased as follows:—

"But if Geneva boasts such a well organised 'industry,' the reverse is the case with Lausanne; one seeks in vain in that 'wet' but chaste place for anything of that nature. This explains why during the Conference which took place there Sir Eric Drummond had the greatest difficulty in obtaining from his large retinue of secretaries any young fellows who would volunteer to keep him informed on the progress of negotiations; nobody wished to leave the delights of the Swiss Capua for a single attractive woman, the attachée of a Balkan embassy, whose functions rendered her inaccessible. European delegates if charmed at Lausanne would have been in a pitiable state if they had not directed them to certain 'professional ladies' boarding-schools,' where they soon forgot the priced pleasures of Geneva. Certain 'professionals' coming from Lyons for the Conference viewed this state of affairs with great indignation. 'Unfair competition! Why shouldn't these boarding-schools pay for their licence like us?'"

The question to be investigated with reference to the allegations made by Searchlight is not one of what the Swiss law is, but what the Swiss law winks at. It must be remembered that whereas territorially Geneva is Swiss, politically it has become a cosmopolitan patch of extra-territoriality, which by tacit consent "narrow nationalistic laws" (1) are appropriately suspended. Neither Miss Neilans nor the Association can ascertain what is going on by reference to official publications and legislative history. In Geneva, after all, do not record blue deeds; they only reflect official attitudes towards their commission. In Geneva you have a large assemblage of people of the idealistic type

Events of the Week.

(Compiled by M. A. Phillips.)

- July 23. Gilt-edged rise recommences. Geneva—Germany claims equality rights (armaments, etc.).
- July 25. Irish farmers demand new bank and currency break with sterling. Tube clerks get wage cut. Borah broadcasts on cancellation of war debts dependent upon European disarmament. Germany joins Anglo-French Pact (now includes: Great Britain, France, Italy, Germany, Poland and Jugoslavia).
- July 26. Irish duties (20 per cent.) on many imports from England. Conversion: 1,600,000 applicants convert £1,000,000,000 with 2 per cent. redemption only. Bank of England resumes gold purchases. Sudden conversion appeal spurt in all English newspapers.
- July 27. Oil restriction plan of Paris awaiting Russian consent. Military law abolished in Prussia, but General von Schleicher in rigid control.
- July 28. Crisis in Austria—Parliament unwilling to accept League loan on conditions named (no Customs Union with Germany). Conservative unofficial economy committee presents its plan. Cotton weavers' strike begins. Mellon in Washington to arrange basis of debts talk—U.S.A. hints to France that the Key is disarmament. Holland uneasy over Ex-Kaiser's activities. U.S. bonus army in Washington to be removed by force. Police report that crime still increases.
- July 29. After clashes with police, military called out to deal with unemployed ex-soldiers in Washington—many deaths. Ottawa—Dominions form bloc demanding food taxes on British imports from foreign countries.
- July 30. Van Schleicher's broadcast on German intention to re-arm confirmed by Government. Waring and Gillow wound up. Rise in U.S. bank shares. Cosach "reconstructed." £ still falling (= 3.49½) Chamberlain re-asserts intention to return to gold.
- August 1. Wells attacks Labour Party. German elections. Nazis double their seats in new Reich—political stalemate—von Papen to remain. Empire Economic Council (permanent) to be formed. War debts to be barred from World Economic Conference.
- August 2. Ottawa invaded by unemployed. War commences between Bolivia and Paraguay. Italy protests against League's politics.
- August 3. Unemployed riots in Ottawa. Farmer's refuse to pay annuity money to Free State Government. Fresh Austrian political crisis. Reichsbank reserve down to 22 per cent. British revenue down by £3,000,000 as compared with last year. Conversion Loan. Approximately £200,000,000 to be raised for redemption by Treasury Bill issue. Failure of Deutsche Disconto Bank.
- August 5. Growing unrest amongst police against wage cuts and employment of special constables. Ottawa. Canada wants Great Britain to impose wheat and meat taxes. Baldwin silent. Wall Street boomlet. £ still falling. Borah insists that World Economic Conference must settle debts, reparations, tariffs, and armaments problems. Bolivia and Paraguay war starts in earnest. Agriculture in England. Big increase during 1931-32 of land reverting to grass and large increase in agricultural unemployment.

Who's Game?

"Douglas Social Credit Scheme.—After three years' study advertiser is convinced of soundness; would be glad to hear of any relevant flaw in reasoning from anyone who has also studied.—Write Box A.1560, The Times, E.C.4." (Extract from the "Personal" column of The Times of August 4—front page, third column, seventh notice.)

"A Jew."

Collectivism As She Works.

"The Fabian Common Room. . . . As the housekeeper will be away on holiday, no refreshments will be served during the month of August."—Fabian News, August, 1932.

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The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

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